kyndryl

Fiscal 2024
Corporate Citizenship Report

# Powering Progress for the Future

The Heart of Progress™

## Dear Fellow Stakeholders,

A year ago, Kyndryl proudly published our inaugural Corporate Citizenship Report, sharing publicly our commitments as a purpose-driven company. We set ambitious goals for building our sustainability practice, supporting our people and communities, and upholding ethical governance. We've worked diligently, and I'm pleased to share an update on the meaningful progress we made as an independent company.

### Environment

Our commitment to reducing our carbon footprint, enhancing energy efficiency, and promoting ethical sourcing ties directly into our long-term strategy to achieve net-zero emissions by 2040. We can now report achieving several milestones toward integrating sustainability into our operations by achieving ISO certifications. We have made significant strides toward addressing many of our goals — including our scope 1 and 2 emissions. We have also launched sustainability offerings and partnerships to meet our customers' needs. This is a testament to the collective effort and dedication of our entire team.

> "We're embracing environmental stewardship, fostering social inclusivity and promoting good governance practices."

### People

As a services business, Kyndryl puts people at the center of everything we do. It's a principle that underpins our culture and our long-term growth — guiding how we show up for our customers and for each other every day. Our people and social strategy remain focused on building a diverse and highly engaged workforce that's restless to power the future. And Kyndryl has the very best engineers, architects, innovators, learners and people in the industry. To fuel these expert people, in the last year, we unveiled more programs, processes, and initiatives to support Kyndryls seeking learning and career development opportunities that allow them to put their specialized skills to work. We also introduced holistic well-being and mindfulness resources to support our people and their families.

The Kyndryl Foundation, the philanthropic arm of our company, is another important way that we're supporting people in the communities where Kyndryl does business. The Kyndryl Foundation announced 11 inaugural grants in seven countries to train cybersecurity professionals, grow an inclusive cybersecurity workforce, and make nonprofits more resilient from cyberattacks.

### Trust

The technology landscape will always evolve, shaped by emerging tools and solutions that promise to unlock new opportunities and challenges. Through it all, integrity will remain paramount. As leaders in the security and resiliency space, and as beneficiaries, enablers, and innovators of AI, we understand how critical it is to maintain integrity. To that end, we've developed governance programs in these areas and others, which are grounded in ethical considerations, transparency, and a commitment to use technology to build a more inclusive and secure global economy.

These advancements, among others, are a great source of pride for Kyndryls globally. They are also helping us to meet growing requirements from regulators and customers as they increasingly seek documentation of our environmental, social and governance commitments when considering partnering with us.

I am excited about Kyndryl's future and confident that together with our customers, partners and stakeholders we'll continue to drive positive change.

Sincerely,

**Martin Schroeter**
*Chairman and Chief Executive Officer*

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# 1 Powering Progress for Our Business

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# Kyndryl at a glance

Kyndryl is the world's largest IT infrastructure services provider, serving thousands of enterprise customers in more than 60 countries.

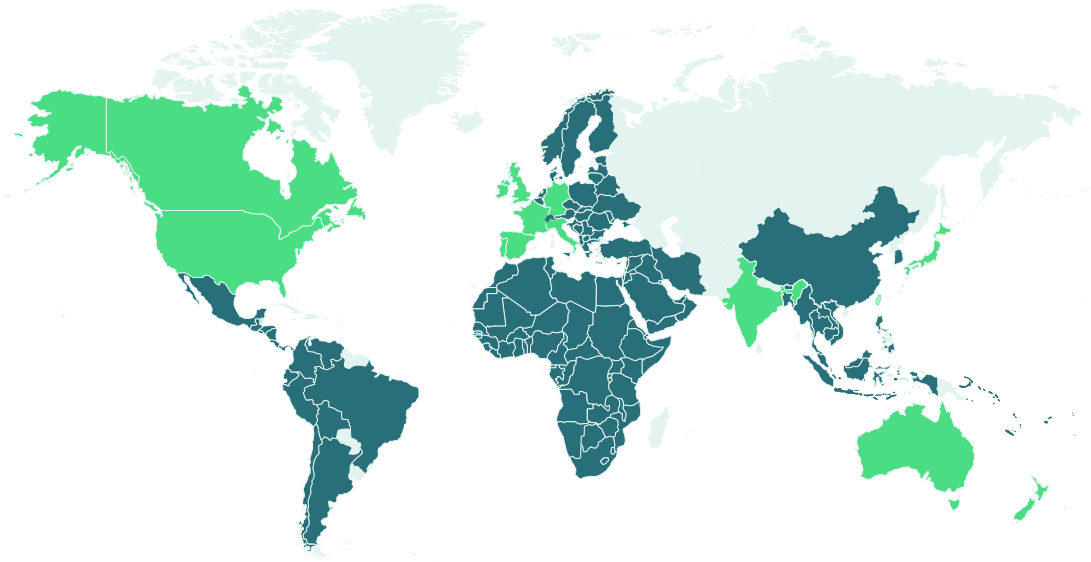
The company designs, builds, manages and modernizes the complex, mission-critical information systems that the world depends on every day.

**86%**

of Kyndryls feel they can be themselves at work

~80,000 employees, who we call Kyndryls

## Thousands of customers across 60+ countries



## Our fiscal 2024 business highlights

**Solidifying IT services leadership position**

**$16.1B**

Fiscal 2024 revenue

**Strong investment-grade balance sheet**

**$1.6B**

Cash

**$4.7B**

Available liquidity[1]

## Fiscal 2024 revenue by segment ($ in millions)

| | |
|---|---|
| Strategic Markets | United States |
| $3,590 | $4,295 |
| Principal Markets | Japan |
| $5,823 | $2,344 |

Our four reportable segments consist of the following:

**United States**
This reportable segment is comprised of Kyndryl's operations in the United States.

**Strategic Markets**
This reportable segment is comprised of our operations in all other countries in which we operate.

**Japan**
This reportable segment is comprised of Kyndryl's operations in Japan.

**Principal Markets**
This reportable segment represents the aggregation of our operations in Australia/New Zealand, Canada, France, Germany, India, Italy, Spain/Portugal and the United Kingdom/Ireland.

Source: 2024 annual report on Form 10-K for fiscal year ended March 31, 2024. Effective June 1, 2024, Kyndryl's operations in Australia/New Zealand transitioned from Principal Markets to Strategic Markets.

[1] Consists of $1.6 billion of cash and $3.2 billion of undrawn senior unsecured credit facility; numbers may not add due to rounding.

## Our technology services

We provide advisory, implementation and managed services across technology domains to help our customers manage and modernize their mission-critical enterprise IT environments. Our services are differentiated by our expertise, quality of service, innovation, intellectual property and data around IT patterns in our global business practice areas.

### Cloud

Delivering seamless, integrated, multi-cloud management in a hybrid model

### Cyber Resiliency

Delivering a full line of cybersecurity, business continuity and disaster recovery services to help customers continuously adapt to new threats and regulatory standards

### Network and Edge

Providing unified network services for cloud and datacenter connectivity

### Applications, Data and AI

Providing full application platform hosting and expert assistance for application modernization

### Digital Workplace

Enhancing user experience and work location flexibility by providing a consumer experience to employees

### Core Enterprise and zCloud

Transforming and modernizing our customers' mainframe applications, data and infrastructure as part of their journey to the hybrid cloud

## Our strategy

Our strategy is focused on building and nurturing trusted relationships with our customers and technology partners. We prioritize maintaining world-class teams, providing mission-critical expertise across industries, developing intellectual property and automation, and using our broad ecosystem of strategic partnerships. Through these partnerships, we develop services to expand the role we play with existing customers and increase access to new customers and markets.

To fuel our progress in fiscal 2024, we successfully executed our three-A initiatives — Alliances, Advanced Delivery and Accounts. We believe these strategic priorities will drive continuous improvements in our business performance and enable us to better support customers' current and future technology needs.

## Our three-A initiatives

### Alliances

Driving signings, certifications and revenues with our new ecosystem partners and capabilities

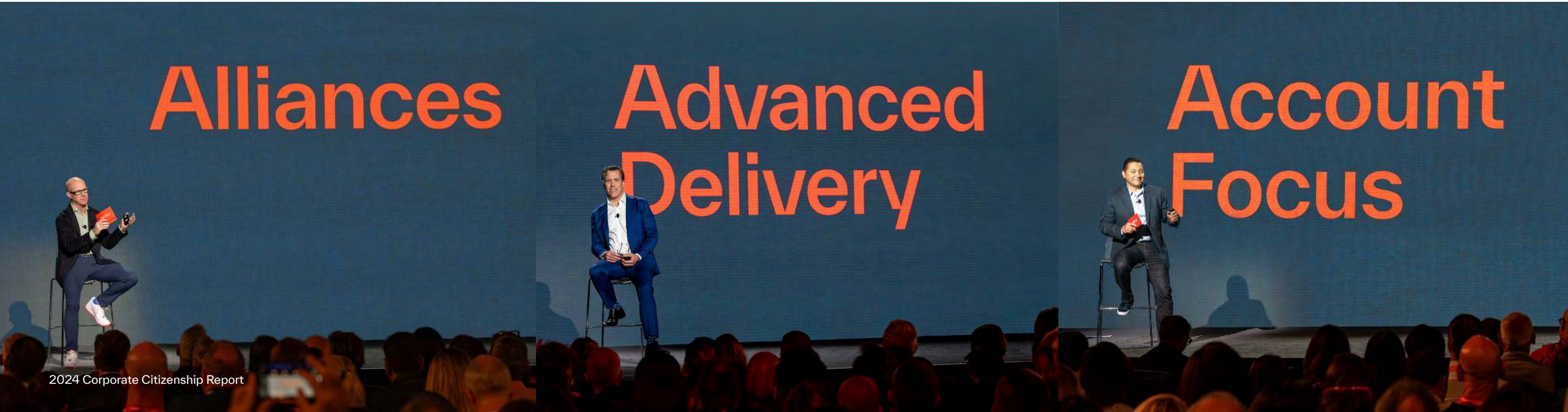
### Advanced Delivery

Transforming service delivery through upskilling and automation

### Accounts

Addressing elements of the business with substandard margins

3A's



# Innovation at Kyndryl

## A culture of innovation

Kyndryl is dedicated to creating a culture that thrives on innovation. We work side by side with our stakeholders to identify new solutions and solve complex challenges, allowing us to meet our customers wherever they are on their transformation journeys. We are committed to investing in our people and technology to advance innovation and deliver business outcomes for our customers.

## Technology innovators

Kyndryl recognizes exceptional technical professionals and their groundbreaking contributions in service to our customers in fields of engineering, programming, infrastructure services, cyber resilience and technical design. Representing Kyndryl's values and expertise in transforming the businesses and communities we serve, our team of more than 100 Fellows, Distinguished Engineers and Designers are solving industry-wide challenges and driving customer success.

## Engaging customers with innovations and technical expertise

### kyndryl consult

**Business outcomes-led consulting**

Providing our customers access to proven expertise to address their most vexing technology challenges

### kyndryl bridge

**An open integration digital business platform**

Giving our customers real-time insights into their complex IT estates and unprecedented control over customizing their mission-critical operations

### kyndryl vital

**Design-led co-creation experience**

Redefining how we engage and co-create innovative solutions with customers and partners through a design-led approach

## Intellectual property

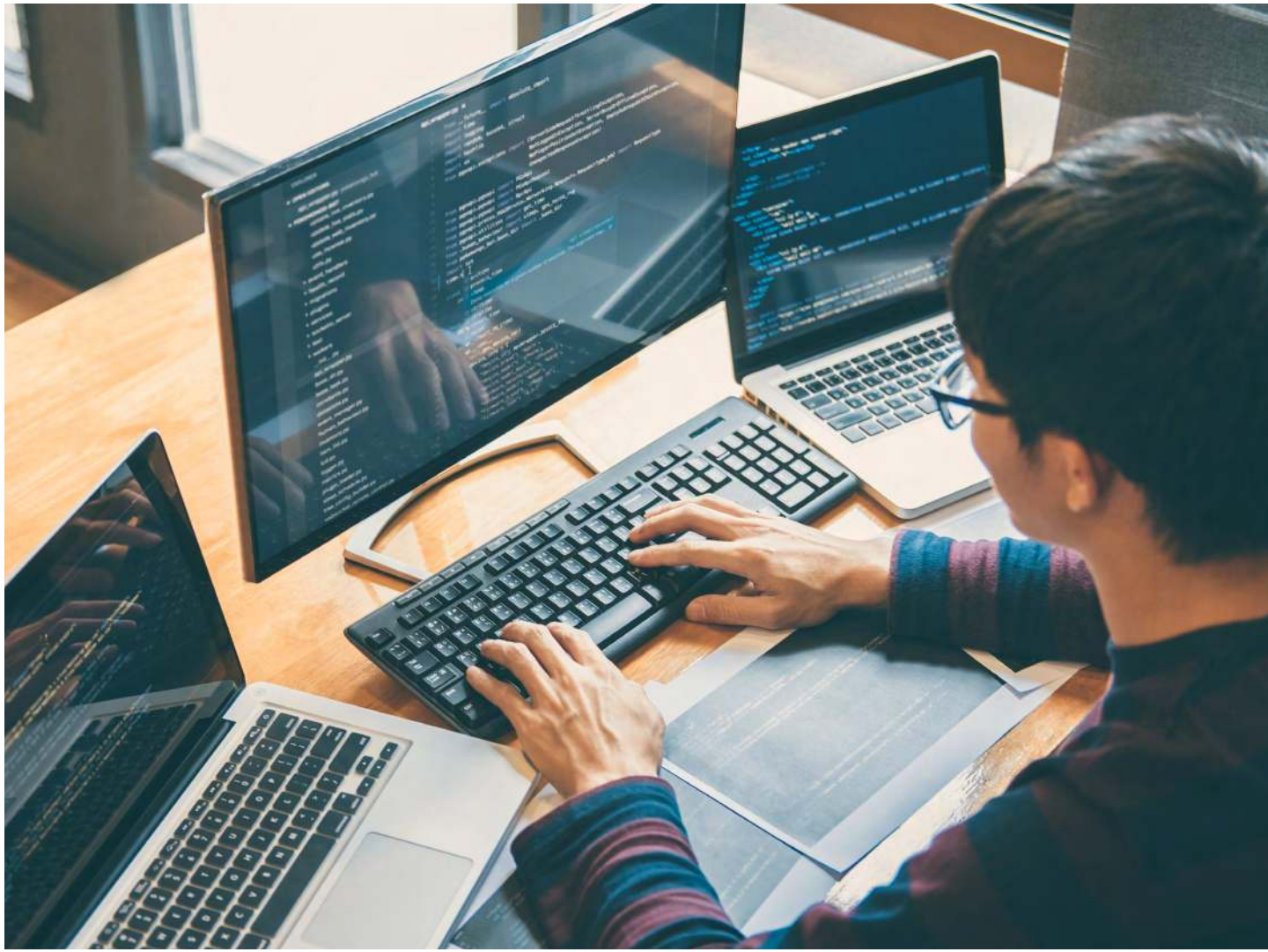
Kyndryl is focused on developing leading-edge ideas and technologies because we see innovation as a competitive advantage. Our portfolio includes more than 3,300 patents that enable us to better manage and support our customers' complex technology environments, covering areas such as multicloud management, integrated monitoring and quality of service.

Decades of experience working with customers across industries has generated operational insights and created intellectual property that we scale for the benefit of our customers. We continue to invest in intellectual property to extend our services to a broader ecosystem of technology providers and customer challenges. Our technology experts are also participating in internal hackathons that have resulted in numerous innovative ideas, some of which are under evaluation for patenting.

Additionally, we own or have rights to various trademarks, logos, service marks and trade names that are used in the operation of our business. We also own or have the rights to copyrights that protect the content of our products and other proprietary materials.

Our portfolio includes more than

**3,300 patents**



# Environment, people and trust at Kyndryl

We work every day to foster a winning culture that embraces environmental stewardship, social inclusivity and good governance practices.

## Our corporate citizenship strategic approach

At Kyndryl, our corporate citizenship strategy is aligned with our strategic business priorities and rooted in our commitment to powering economic, social and environmental progress. In our second fiscal year, we continued to strive for a more sustainable future, delivering value to our stakeholders and evolving our strategy to expand our global impact and accelerate business success. We work every day to foster a winning culture rooted in environmental stewardship, social inclusivity and ethical governance practices. We are focused on profitability, managing our risks and reputation, and developing our employee, customer and partner capabilities. In this report we define the term environmental, social and governance (ESG) to be **environment**, **people** and **trust** to describe the broader impacts and opportunities Kyndryl recognizes related to society, corporate governance and the environment. We call this our corporate citizenship strategy.

## Our mission to build value and drive positive business impact aligns to three core elements:

**Environment** focuses on limiting environmental impacts, managing our supply chain and providing employee education and training. We are committed to meeting regulatory, customer and investor requirements while also helping our stakeholders achieve their own environmental goals.

**People** focuses on attracting and retaining talent, building a differentiated culture, offering skills development and driving inclusive employee engagement. We prioritize well-being, health and safety, social impact, human rights and inclusion across the company.

**Trust** focuses on our governance programs at the Board level and across the enterprise, and includes enterprise risk management, cybersecurity, data and AI governance. We have built integrity and value into our interactions with Kyndryls, investors, governments, customers, partners, suppliers and nonprofit organizations.

We recognize that global economic and geopolitical changes will pose challenges and opportunities for our business, customers and communities. We will continue to promote policies and programs that seek to align with best practices, climate science, applicable regulations and positive outcomes for our people, customers, society and the environment. Our strategy is a roadmap to help us achieve our goals and commitments.

We are committed to excellence and innovation as we deepen our trusted relationships with our customers, partners and associates.
We continue to advance our holistic strategy and expand our global impact through our environment, people and trust programs. By demonstrating our commitment through our actions and aligning our strategy with our business priorities, we are laying the groundwork for a more sustainable and inclusive future."

**Faith Taylor**
*Senior Vice President of Global Citizenship and Sustainability, Leader of Environmental, People and Trust global programs*

## Fiscal 2024 corporate citizenship achievements

| | Highlights[2] | |
|---|---|---|
| **Environment** | • Published our greenhouse gas baseline emissions, with limited third-party assurance, and had our 2040 net-zero target and 2030 near-term emissions reduction targets validated by the Science Based Targets initiative<br>• Obtained global ISO 14001 and 50001 certifications for our integrated Environmental and Energy Management System | • Offered a Kyndryl-specific sustainability training course to our global employees, enabling them to help us meet our goals<br>• Launched sustainability services and go-to-market strategies for our customers<br>• Continued to build our supplier program by leveraging industry programs such as the Responsible Business Alliance and EcoVadis, as well as engaging key suppliers about our net-zero goals |
| **People** | • Transformed our core human capital technology and processes to put the skills and careers of our people at the center of our business. This provided transparency to Kyndryls for understanding the skills, capabilities and experiences essential to their growth and career progression. It also provided access to resources designed to advance market-valued skills and competencies.<br>• Established Kyndryl Be Well, our new global, comprehensive well-being strategy brought to life through programs and benefits that support Kyndryls' physical, mental, social and financial well-being | • Continued to foster an inclusive culture through our 70+ global Kyndryl Inclusion Networks (KINs)<br>• Launched the Kyndryl Foundation, the philanthropic arm of our company, to deliver philanthropic grants for development programs in Kyndryl communities<br>• Increased employee engagement, participation and volunteerism<br>• Published our Modern Slavery Statement to comply with applicable regulations and set a high standard for human rights in all countries where we operate |
| **Trust** | • Achieved 100% completion rate for Kyndryl Code of Conduct and cybersecurity training for eligible employees<br>• 50% of Board Members are racially, ethnically and/or gender diverse | • Incorporated corporate citizenship goals as part of the Annual Incentive Plan for executive compensation<br>• Continued to monitor and include our corporate citizenship strategies in our Enterprise Risk Management program |

For more, refer to our Corporate Citizenship Report Executive Summary for an overview of our strategic priorities, progress and accomplishments.

[2] Some highlights may span beyond fiscal 2024.

## Identifying our priorities

In 2022, Kyndryl conducted a detailed materiality assessment.[3] The three-step process identified topics, engaged internal and external stakeholders, and prioritized the results in terms of their relative importance to Kyndryl and our stakeholders.

Our assessment highlighted numerous priorities for Kyndryl: cybersecurity and data privacy; talent management including inclusion, diversity and equity (ID&E); management of greenhouse gas emissions and climate risks; human rights; product management of accessibility; affordability and universal needs; business model innovation; business ethics; community engagement; transparency in reporting; occupational health and safety; supply chain environmental and resilience management; responsible legal and regulatory engagement; supplier diversity; water management; and waste management. We will continue to monitor, reassess and prioritize our requirements to meet regulatory and ongoing stakeholder requirements.

[3] Materiality as used in this report is distinct from, and should not be confused with, such terms as defined for SEC and other financial reporting purposes. Materiality assessments refer to the process by which companies identify and prioritize the urgency of various sustainability topics to their company. The inclusion of information or the absence of information in this report should not be construed to represent the company's belief regarding the materiality of the information for SEC or other financial reporting purposes.

## Stakeholder engagement

We engage regularly with key stakeholders as part of our commitment to be a purpose-driven organization and achieve our shared goals. Our engagement includes direct dialogue, surveys, professional and industry forums, training and co-creating solutions. In addition, we engage with stakeholders on an ongoing basis as part of the development of our global disclosures and during review of our material environment, people and trust topics.

| Key stakeholder groups | Engagement focus | Engagement actions |
|---|---|---|
| **Communities** | Kyndryl is committed to having a positive impact on the communities where we operate. Through the Kyndryl Foundation, we support communities across three social impact focus areas: Future-Forward Education, Climate Action and Inclusive Economies. For more information, see the social impact section of this report. | Volunteering, partnerships and sponsorships, philanthropy |
| **Customers** | We apply our expertise as the world's largest IT infrastructure services company to help customers achieve their own environmental and business goals. Our services enable customers to increase energy efficiency, strengthen their resiliency and manage regulatory compliance. | Requests for information (RFIs), education and training, partnership solutions |
| **Employees** | We invest heavily in the people and systems necessary to foster and build an inclusive global culture that supports our people, allowing them to maximize their contributions. For more information, see the People chapter of this report. | Annual and pulse surveys, training and development, all-staff meetings, Kyndryl Inclusion Networks (KINs) |
| **Investors** | We engage with our shareholders to ensure their understanding of our business strategy and its alignment to our policies and practices around governance, environmental sustainability and people and communities. We seek their input and feedback to remain well-informed regarding their perspectives. | Investor presentations and conferences, regulatory filings, annual shareholder meeting |
| **Partners** | We collaborate, innovate and co-create sustainable solutions with our ecosystem of strategic partners to support our customers' digital transformations and solve complex business challenges. | Solution co-creation, meetings, trade shows and events |
| **Suppliers** | We manage our approach to supplier diversity, business ethics, environmental sustainability and human rights in alignment with our commitment to the Responsible Business Alliance's (RBA) standards for supplier action and reporting. For more information on the RBA, see the responsible supply chain section of this report. | Education and training, surveys, Code of Conduct/RBA |
| **Governments** | We work with elected officials and regulatory agencies on issues such as climate risk, responsible legal and regulatory engagement, cybersecurity, privacy, data protection and AI. We collaborate with key stakeholders including regional, national and local policymakers to navigate issues that require global dialogue. | Thought leadership, government presentations and meetings |

## Oversight and governance

Kyndryl's Board of Directors plays an essential role in the execution and implementation of our corporate citizenship strategy.

The Board established the oversight structure, as depicted in the chart to the right, to support management's execution of our corporate citizenship strategy.

Our executives play a critical role in unifying teams to effectively deliver on our commitments. Further, this is incentivized by our linking corporate citizenship goals as part of the Annual Incentive Plan for executive compensation. In fiscal 2024, this helped drive progress on our corporate citizenship strategy. We continue to build on our foundation as we focus on achieving the following strategic objectives: support environmentally sound practices; attract, retain and motivate our workforce, ensuring critical skills to enable growth and a thriving culture; and enhance governance, ethics and transparency.

**Board of Directors**

Overall oversight of corporate citizenship strategy

**Committees**

**Audit**

- Enterprise risk management
- Cyber
- Data privacy
- Ethics, compliance and supply chain

**Compensation and Human Capital**

- Human capital management
- Succession planning
- Diversity and inclusion programs
- Role of corporate citizenship metrics in compensation strategy

**Nominating and Governance**

- Governance best practices
- Board composition and diversity
- Environmental programs and climate change
- Corporate responsibility matters

**Investor Engagement**

## Corporate Citizenship Executive Committee

Kyndryl's program is overseen by our CEO and Global Head of Corporate Affairs. The Corporate Citizenship Executive Committee meets at least quarterly to ensure our strategy is progressing. The committee members provide our Board of Directors with critical information on our corporate citizenship progress, and oversee working groups as noted here:

| Executive Committee | |
|---|---|
| **Title** | **Role** |
| Chairman and Chief Executive Officer | Executive Sponsor |
| Chief Operating Officer | Executive Sponsor of the Environmental Working Group |
| Chief Human Resources Officer | Executive Sponsor of the People and Social Working Group |
| Chief Financial Officer | Committee Member |
| Global Head of Corporate Affairs | Chairperson |
| Senior Vice President of Global Citizenship and Sustainability | Leader of the Environmental Working Group, focused on climate change, environmental resources, supply chain, human rights, social impact, the Kyndryl Foundation and overall corporate citizenship management |
| Vice President, Legal | Leader of the People and Social Working Group, focused on talent, diversity, safety, health and wellness, and compensation |
| Vice President, Legal | Leader of the Trust and Governance Working Group, focused on cybersecurity, data privacy, ethics, AI, governmental affairs and risk management |
| Vice President, Chief Inclusion, Diversity and Equity Officer | Committee Member |
| General Counsel and Corporate Secretary | Executive Sponsor of the Trust and Governance Working Group |

## Managing environment, people and trust related challenges

In addition to the oversight and governance provided by Kyndryl's Corporate Citizenship Executive Committee and Board of Directors, our Enterprise Risk Management (ERM) program also provides risk mitigation and oversight related to our corporate citizenship strategy. Kyndryl's ERM identifies, assesses and manages risk exposure related to our corporate citizenship strategy across global operations in a three-step process:

- Enterprise service, global practice and country management teams complete risk assessment surveys, ranking identified inherent and residual risks based on their impact on Kyndryl's operations, reputation and finances.
- Risk controls are developed to address the survey findings. Management of the controls is assigned to the appropriate working council and reviewed with the Executive Sponsors of the Executive Committee. The final review by the Executive Sponsors ensures that appropriate mitigation efforts are adequately coordinated across Kyndryl.
- Individual ownership of risk management is assigned to executives to enable the development of strategies to manage risk throughout our business.

## Regulatory readiness

To meet the challenges associated with a rapidly evolving global regulatory landscape, we began our disclosure readiness by working with key internal leaders and stakeholders to develop our strategies and priorities.

Since 2022, we have continued to evolve our understanding and approach to readiness. In our first two years as an independent company, we defined our corporate citizenship non-financial reporting requirements within our global operations. We are developing and certifying International Organization for Standardization (ISO) management systems, as well as the processes and controls necessary to continue to identify, monitor, assess and disclose required information in accordance with mandatory reporting frameworks.

Additionally, as a pivotal step in the readiness process, a double materiality assessment is in progress to determine the basis for our non-financial environment, people and trust disclosures required by the European Union's Corporate Sustainability Reporting Directive (CSRD). As we move forward, we will continue to assess the regulatory landscape.

# Kyndryl's commitment to global standards

## The United Nations Sustainable Development Goals

At Kyndryl, we recognize technology's critical role in supporting the United Nations Sustainable Development Goals (SDGs). Our commitment to these goals and the mission of achieving a better and more sustainable future is reflected in our strategic initiatives and operations, which aim to foster innovation, reduce inequality and promote environmental sustainability. By aligning our business practices with the SDGs, we are actively working to have a positive impact on society while building a more sustainable and inclusive future.

Our approach to the SDGs is deeply integrated into our corporate citizenship strategy and this report emphasizes our work on the following six goals. We will continue to evolve our efforts and report our progress in support of these goals.

"We are proud of our progress as we endeavor to solve critical global challenges, aligned to the U.N. Sustainable Development Goals. We further our mission each day through our corporate citizenship work as we partner with our stakeholders to drive impact."

**Una Pulizzi**
*Global Head of Corporate Affairs and Corporate Citizenship Executive Committee Chairperson at Kyndryl*

## United Nations Sustainable Development Goals progress

| SDG goal | | SDG target | Kyndryl initiatives and program details |
|---|---|---|---|
| 4 QUALITY EDUCATION | **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** | 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship<br>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable in situations | See our People chapter for comprehensive initiatives and program details.<br>• Building a diverse and skilled workforce promotes equal opportunity<br>• We provide ongoing opportunities for employee development, training and career growth<br>• Employee sustainability training such as our Mission Net-Zero course, Carbon Literacy training and the Eco Stream employee program foster inclusive learning<br>• Community-level volunteerism and programs support educational access and skilling<br>• The Kyndryl Foundation offers philanthropic grants and provides skill-based volunteering |
| 8 DECENT WORK AND ECONOMIC GROWTH | **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all** | 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | See our People chapter for comprehensive initiatives and program details.<br>• Our social impact programs cultivate opportunity in diverse communities through partnerships and employee volunteerism<br>• The Kyndryl Foundation's cybersecurity education and grants awarded to 11 nonprofits from seven countries in its inaugural year support diverse communities<br>• Our programs drive community engagement, volunteerism, education and upskilling for the future workforce<br>• 70+ Kyndryl Inclusion Networks (KINs) resource groups demonstrate our commitment to inclusive societies and groups |
| 10 REDUCED INEQUALITIES | **Reduce inequality within and among countries** | 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | See our People chapter for comprehensive initiatives and program details.<br>• Hiring practices and community engagement reinforce our diverse and inclusive culture<br>• 70+ KINs promote global inclusion and diversity in our workforce<br>• Our Human Rights Policy and practices support an inclusive environment<br>• We engage with communities through social impact programs to create local economic opportunities<br>• The Kyndryl Foundation's cybersecurity education promotes inclusion and equality for all |

## United Nations Sustainable Development Goals progress *(continued)*

| SDG goal | | SDG target | Kyndryl initiatives and program details |
|---|---|---|---|
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | **Ensure sustainable consumption and production patterns** | 12.2 By 2030, achieve the sustainable management and efficient use of natural resources<br>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse<br>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle | See our Environment chapter for comprehensive initiatives and program details.<br>• Our waste management program tracks, measures and reduces waste to achieve our goal of 100% IT e-waste diversion from landfills by 2030<br>• Using the Responsible Business Alliance (RBA) Code of Conduct and EcoVadis reporting programs supports sustainable value chain management<br>• We promote and manage environmental and diverse practices in our supply chain |
| 13 CLIMATE ACTION | **Take action to combat climate change and its impacts** | 13.2 Integrate climate change measures into national policies, strategies and planning<br>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning | See our Environment chapter for comprehensive initiatives and program details.<br>• We set science-based targets and goals that include achieving net-zero GHG emissions by 2040 for scope 1, 2 and 3 and sourcing 100% of our purchased electricity from renewable sources by 2030<br>• We focus on educating suppliers on our net-zero goals and gathering information from them on their environmental activities<br>• We launched Mission Net-Zero, Carbon Literacy and ESG training for Kyndryls to promote climate education |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels** | 16.5 Substantially reduce corruption and bribery in all forms<br>16.6 Develop effective, accountable and transparent institutions at all levels | See our Trust chapter for comprehensive initiatives and program details.<br>• Board oversight of our corporate citizenship program supports transparency<br>• Our focus on data privacy, cybersecurity and AI governance and training promotes accountability<br>• Implementing Code of Conduct ethics training for 100% of eligible employees supports our commitment to anti-corruption and anti-bribery laws |

# 2 Powering Progress for the Environment

**In this chapter**

Accelerating toward a sustainable future

Managing climate risk

Managing system performance

Being a preferred service provider

Driving market differentiation

Responsible supply chain management

# Accelerating toward a sustainable future

As the world's leading provider of IT infrastructure services, we acknowledge our environmental impact and our responsibility to promote sustainable practices. We are committed to reducing our greenhouse gas (GHG) emissions and achieving our environmental goals. We're also continuously innovating, designing and delivering sustainability services to assist our customers in achieving their environmental goals. We believe our abilities are a competitive advantage, particularly as our customers and partners develop their own sustainability strategies.

Kyndryl's Environmental Sustainability Policy outlines our goal to become a sustainability leader across our business activities and services as we drive positive environmental impact at scale.

Our environmental sustainability program is centered on four strategic priorities that support the United Nations Sustainable Development Goals (SDGs), as well as our business objectives and stakeholders' expectations.

## Our sustainability priorities

1. Manage climate risk and environmental operational efficiency
2. Manage system performance and regulatory compliance
3. Be a preferred service provider
4. Drive market differentiation

# Managing climate risk and environmental operational efficiency

Kyndryl has developed programs, metrics and goals to manage our environmental and climate-related risks, specifically focusing on our material environmental topics: climate resiliency and GHG emissions, water and waste. Our commitment to managing our material topics aligns with our Environmental Sustainability Policy and our sustainability priorities.

Our Senior Vice President of Global Citizenship and Sustainability leads our Global Sustainability Group (GSG) and is responsible for advancing the overall direction and execution of sustainability-related initiatives. Our climate resiliency and GHG emissions, water and waste management programs, including the setting, tracking and measuring of our goals, are executed by our GSG collaboratively with functions across the company, including our Real Estate and Data Center Services team, Procurement, Logistics, Finance, Human Resources and Legal as part of our Environmental and Energy Management System (E&EnMS).

Our environmental and climate change programs have been included in Kyndryl's Enterprise Risk Management (ERM) program. Both our ERM program and E&EnMS ensure that we assess and address our environmental and climate-related risks, appropriately allocate resources and provide regular internal reporting. For more information, see the sections on our E&EnMS and ERM.

"Sustainability, operational efficiency and climate resiliency are integral to how we think about our business and social responsibility. Sustainability has been embedded in our approach since the company's inception, and we continue to prioritize managing our operational efficiency in a manner that also supports climate resiliency. We are making progress on our efforts to optimize our energy use and reduce our emissions, waste and water consumption thanks to strong governance, alignment with our business strategy and collaboration across our company."

**Harsh Chugh**
*Chief Operating Officer and Executive Sponsor of the Environmental Working Group*

## Climate resilience and greenhouse gas emissions

We are committed to managing our climate risks and opportunities, including reducing our GHG emissions, improving our energy efficiency and applying innovative solutions to our own, our customers' and stakeholders' environmental challenges. Kyndryl's Task Force on Climate-related Financial Disclosures (TCFD) Report contains details on our strategy, management and governance of our climate risks and opportunities.

The proper management of our climate challenges and opportunities enables us to meet stakeholder disclosure expectations and comply with regulatory requirements such as the EU's Corporate Sustainability Reporting Directive (CSRD), the EU's Energy Efficiency Directive (EED), and California's new climate emissions disclosure and climate-related financial risk reporting legislation and policies, as well as jurisdictions adopting or using the International Sustainability Standards Board's (ISSB) sustainability disclosure standards and other initiatives such as the EU Code of Conduct for Energy Efficiency in Data Centres and CDP's (formerly Carbon Disclosure Project) Climate Change assessment.

For our 2023 CDP Climate Change assessment, Kyndryl received a 'B' score, which is above industry and global averages, reflecting our accomplishments in our short history. See our Corporate Citizenship Non-Financial Reporting Hub for more information on our reporting and external recognition of our environmental efforts.

## Our net-zero commitment

Only a year after becoming an independent company, Kyndryl publicly shared our goal to reach net-zero GHG emissions by 2040, aligning with the Paris Agreement climate goals and the scientific recommendations of the Intergovernmental Panel on Climate Change (IPCC) to reach net-zero global GHG emissions by 2050. This includes our near-term target to reduce absolute scope 1, 2 and 3 GHG emissions 50% by fiscal 2030 from a fiscal 2023 base year. Within this near-term target, we also committed to reducing absolute scope 1 and 2 GHG emissions 75% by fiscal 2030 from a fiscal 2023 base year and reducing absolute scope 3 GHG emissions from purchased goods and services, capital goods, and fuel and energy-related activities within the same timeframe. The Science Based Targets initiative (SBTi) has validated Kyndryl's net-zero science-based target by 2040 and near-term science-based emissions reduction targets.

We are working to conserve energy, procure energy-efficient products and services, and improve energy efficiency across our organization, and we have committed to obtaining 100% of our purchased electricity through renewable sources by 2030.

## 2030 goals

**75%**
reduction in scope 1 and scope 2 GHG emissions

**50%**
reduction in overall GHG emissions, including scope 3

**100%**
of purchased electricity to be obtained from renewable sources

## GHG inventory, metrics and progress

In fiscal 2023, our first full fiscal year as an independent company, we worked to establish our GHG emissions baseline. Since then, we've made important progress toward our emissions reduction goals.

Our GHG and environmental data is collected through software tools that enable us to track, measure and calculate emissions and environmental performance to help us identify trends and opportunities for improvement. We continue to follow best practices aligned with the GHG Protocol and our inventory includes scope 1, 2 and applicable scope 3 emissions associated with carbon dioxide, methane, nitrous oxide and hydrofluorocarbons.[4] To ensure the accuracy and integrity of our reporting, we engaged a third-party to perform a limited assurance engagement on our scope 1, 2 and 3 GHG emissions metrics. We stated in the previous version of our Fiscal 2024 Corporate Citizenship Report that we would share our third-party assured fiscal 2024 scope 3 GHG emissions, as well as any accuracy restatements, by the end of fiscal 2025 (March 31, 2025). This updated report and accompanying data book, published in March 2025, contain our third-party assured fiscal 2024 scope 3 GHG emissions, as well as all applicable restated emissions for fiscal 2023 and methodology details, including our switch from a pure spend-based method to a hybrid-approach.

Refer to our Fiscal 2024 Environment and People Data Book for our scope 1, 2 and 3 assurance report and more details on our methodology and calculations.

* Text on this page has been updated based on release of fiscal 2024 third-party assured scope 3 emissions (March 2025).

[4] Emissions related to other GHGs were not emitted in Kyndryl business operations.

[5] mtco2e = metric tons of carbon dioxide equivalent

[6] Kyndryl's fiscal 2023 revenue can be found on page 30 of our 2023 Annual Report on Form 10-K and Kyndryl's fiscal 2024 revenue can be found on page 31 of our 2024 Annual Report on Form 10-K.

We reduced our overall scope 1 emissions by 9%, though emissions related to our fleet and refrigerants increased in fiscal 2024. This is primarily due to improved data collection of our fleet inventory and a past refrigerant leak at one site. We reduced our scope 2 (market-based) emissions by 8% and our scope 3 emissions by 12% year-over-year. Our reduction in emissions is primarily due to executing our datacenter consolidation and optimization strategy, which included moving a portion of our workloads to more energy efficient and climate resilient datacenters, as well as the alignment of business spend to revenue.

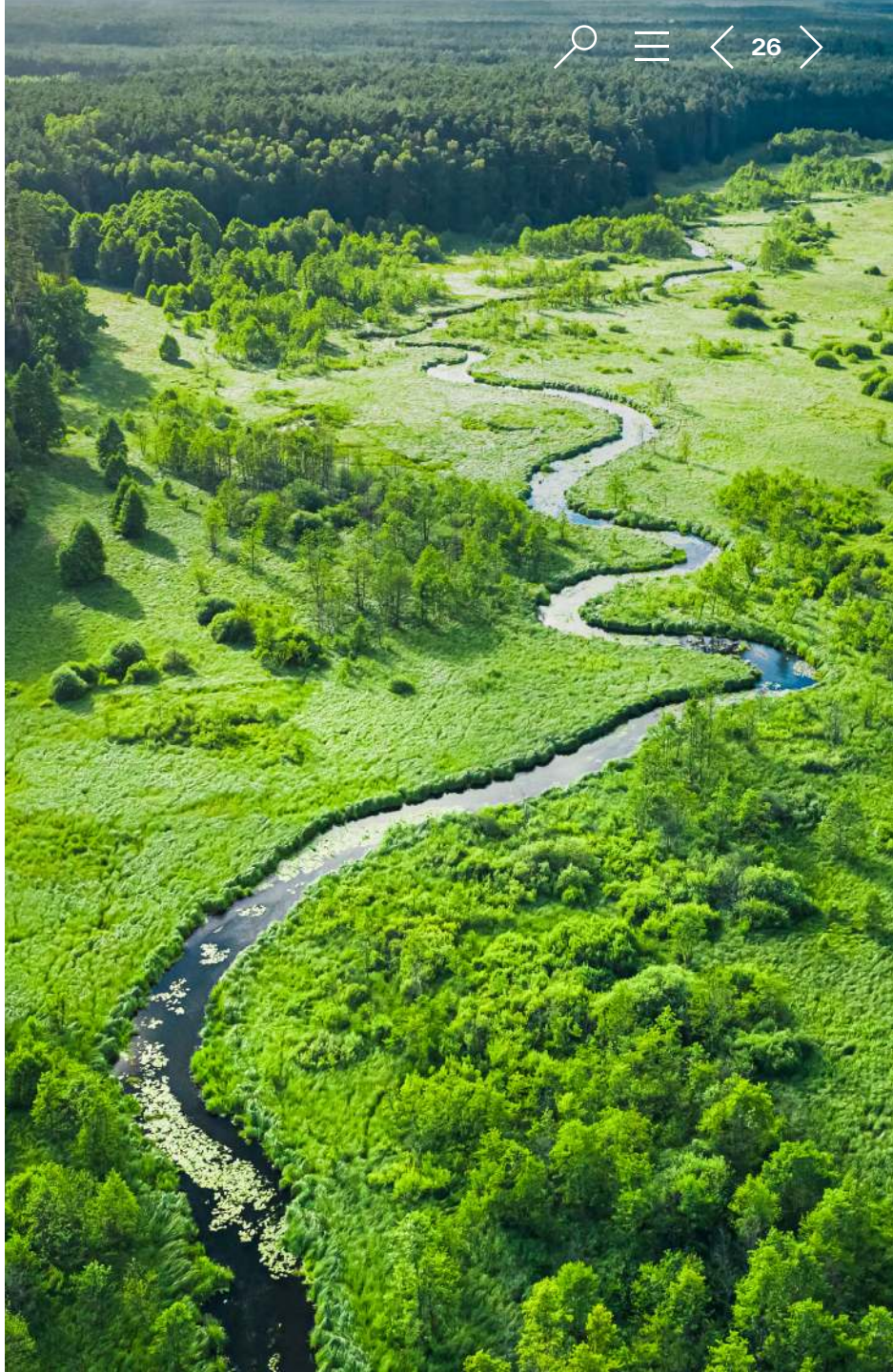
**Kyndryl's emissions, energy consumption and intensity[7]**

| Category | Fiscal 2023 | Fiscal 2024 |
|---|---|---|
| Total emissions (market-based, mtCO2e)[8] | 1,156,989 | 1,032,213 |
| Total emissions (location-based, mtCO2e)[8] | 1,274,727 | 1,161,181 |
| Scope 1 and 2 (market-based) emissions intensity (mtCO2e/million USD fiscal year revenue)[6] | 18.7 | 18.2 |
| Purchased electricity (MWh) | 1,440,086 | 1,400,119 |
| Total renewable electricity (%) | 51 | 51 |
| Total energy (MWh) | 1,667,938 | 1,583,148 |

**8%**
reduction in overall scope 1 and 2 (market-based) emissions

**12%**
reduction in overall scope 3 emissions

**11%**
reduction in overall scope 1, 2 (market-based) and 3 emissions



[7] In late March 2025, total market-based and location-based emissions for fiscal 2023 and 2024, purchased electricity for fiscal 2023 and total energy for fiscal 2023 values were updated to reflect methodology and data capture improvements. Total emissions includes scope 1, 2 and 3 GHG emissions. Energy data includes all operated sites and serviced datacenters (only the portion of electricity required to support the Kyndryl IT load); see the Environment and People Data Book for more details on emissions definitions, calculations and methodology.

[8] From the GHG Protocol Scope 2 Guidance: Location-based method reflects the average emissions intensity of grids on which energy consumption occurs while the market-based method reflects emissions from electricity that companies have purposefully chosen.

## Our path to net-zero

As we developed our net-zero goal, Kyndryl designed an emissions reduction plan and an integrated financial and emissions model that, together, detail the steps and actions needed to reach our goals. Our emissions reduction plan focuses on our internal emissions, primarily from our datacenter operations, as well as our value chain emissions. We continue to update and review this model and our GHG management program to best support our efforts.

To accelerate progress toward our 2030 emissions reduction goals and achieve our 2040 net-zero goal, we are:

### Executing our datacenter transformation strategy

As Kyndryl consolidates our legacy datacenters, we are moving IT workloads to more modern and efficient locations that include cloud providers. This benefits both our customers and our business, as these datacenters are more energy efficient and use higher percentages of renewable energy. When considering datacenters to potentially migrate to, we include energy efficiency and renewable energy use as part of our site criteria considerations.

### Improving energy efficiency

We are increasing energy efficiency at the locations we operate through IT equipment modernization and refreshing, as well as consolidation and virtualization of IT workloads. We are also implementing cooling and airflow efficiency projects through AI and automation. In fiscal 2024, Kyndryl achieved nearly 19,000 MWh of energy efficiency savings, resulting in savings of approximately $2.6 million.

Additionally, as part of our commitment to both utilizing current technology and reducing our carbon footprint, we have worked to retire, consolidate and replace older, energy intensive mainframes with newer, more energy efficient technology in our datacenters. This helps us meet our environmental goals while improving infrastructure environments for our customers. The approximate carbon savings achieved from our upgrades is 3,500 mtCO2e, equivalent to the GHG emissions produced from over 800 gasoline-powered passenger vehicles driven for one year.

Kyndryl has established one of the largest datacenter portfolios accepted into the EU Code of Conduct for Energy Efficiency in Data Centres (EU CoC). This voluntary initiative was launched in 2008 with the goal of improving datacenter energy efficiency as the sector's energy consumption grows. The guidelines outlined in the EU CoC form the basis of the regulatory requirements of the EU's Energy Efficiency Directive, exemplifying Kyndryl's early commitment to this space. For our datacenters accepted into the initiative — which span across and beyond the EU — we calculated a weighted average power usage effectiveness (PUE) of 1.7 in fiscal 2024. Overall, our datacenters had a weighted average PUE of 1.8 in fiscal 2024.

We have worked to transform our energy intensive mainframes with newer, more efficient technology in our datacenters, resulting in carbon savings of approximately 3,500 mtCO2e.

In fiscal 2024,

**51%**

of our purchased electricity came from renewable sources.

## Procuring our purchased electricity from renewable sources

We strive to ensure the responsible use of energy throughout our business by giving preference to renewable energy sources when possible. In fiscal 2024, 51% of our purchased electricity came from renewable sources. We are managing our renewable energy procurement to meet our goal of obtaining 100% of our purchased electricity from renewable sources by 2030. The determination of our renewable energy sources and percentage is aligned with guidance from RE100, which is considered an industry best practice.

While not directly contributing to our renewable energy goal, we also enabled the generation of 16,100 MWh of solar energy in fiscal 2024 through three solar arrays installed at Kyndryl datacenters in partnership with local energy suppliers.

Additionally, Kyndryl has been involved in a partnership since 2022 that enabled the development of the first battery storage park connected to the Belgian high-voltage grid. Installed on the site of a Kyndryl datacenter in Bastogne, the 480-module lithium-ion battery storage park, EStor-Lux, has an installed power of 10 MW and a storage capacity of 20 MWh.

## Engaging our supply chain

Like many of our peers, scope 3 comprises the largest percentage of our GHG emissions. As outlined in more detail in the section on managing the environmental and social impacts of our supply chain, Kyndryl has identified the suppliers that contribute significantly to our scope 3 category 1 and 2 emissions. In fiscal 2024, we engaged with 90% of these high-impact suppliers to share our emissions reduction strategy.

## Addressing employee commute emissions

Kyndryl conducted an employee engagement survey in the beginning of 2024 to improve the source of our data related to employee commutes. We are working to understand how and where future actions can be implemented to reduce commute-based emissions.

As we progress into fiscal 2025, we continue to improve efforts to track, measure and calculate our GHG emissions and further identify reduction opportunities in collaboration with our stakeholders. We are committed to working toward our 2030 emissions reduction targets and 2040 net-zero goal.

## Managing our waste

Kyndryl is committed to managing our waste and promoting a circular economy to reduce our environmental impact. We strive to reduce waste at our sites, and we work with suppliers and vendors to promote responsible waste management. This demonstrates our commitment to environmental stewardship as we optimize resources, reduce costs, lower GHG emissions and meet customer expectations and regulatory requirements. We acknowledge the risks of improper waste management, including adverse health and environmental effects, increased emissions from excess waste in landfills and combustion facilities, and potential regulatory consequences.

Our waste primarily comes from facility management at our datacenters and offices, and electronic waste (e-waste) from managing IT assets. We are focused on minimizing these waste sources and sharing our progress.

## Our waste management strategy

Kyndryl manages our waste challenges and opportunities by prioritizing strategic management practices, listed in order of preference as: prevention, reuse, recycling, recovery, other treatment options and land disposal. We manage our waste in accordance with internal corporate environmental standards and instructions that define our waste hierarchy and the expectations for waste reduction, reuse, recycling and disposal. We also outline the criteria and process for selecting and evaluating our suppliers and vendors that handle our waste.

We have strict waste compliance requirements and management processes at all operated sites. For each site, we develop plans that are reviewed and modified annually to prevent waste and ensure proper management. Kyndryls and vendors receive relevant training.

We also engage with our suppliers and vendors to responsibly handle our waste. We conduct due diligence, including questionnaires and desktop reviews of supporting documentation, such as permits, compliance history, insurance and environmental standards. In addition, Kyndryl works with a service provider to meet the EU's Extended Producer Responsibility compliance requirements.

We strive to continuously improve our processes and procedures for waste reduction and diversion, with a focus on responsible media destruction and nonhazardous waste.

We continue to improve efforts to track, measure and calculate our GHG emissions and further identify reduction opportunities in collaboration with our stakeholders.

## Tracking our progress

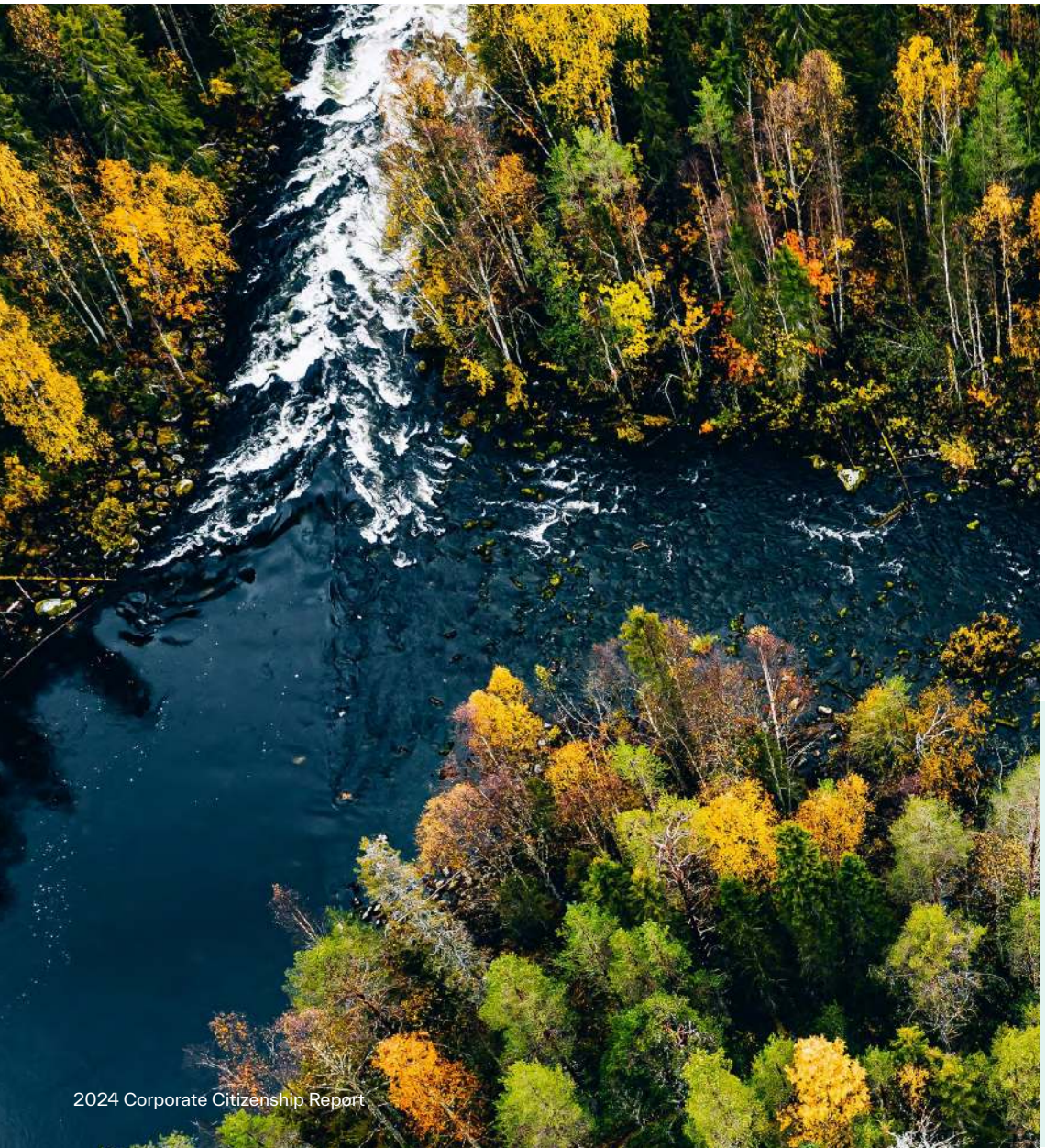
In 2023, we shared our goal to divert 100% of our IT e-waste from landfills by 2030. For fiscal 2024, our diversion rate of IT e-waste from landfills was 99.99% (11 kilograms), compared to 99.97% (569 kilograms) in fiscal 2023.[9]

Kyndryl has a cross-functional process to address IT e-waste from our datacenter operations and work devices used by employees. This includes an internal evaluation process to customize solutions for our customers and maximize existing capacity in datacenters. Because we aim to reuse, recycle or recover most IT e-waste and avoid disposal, we assess IT assets for internal reuse and resale. If an IT asset cannot be reused or resold, we work with our scrap suppliers to properly dispose of the waste.

To ensure the accuracy and integrity of our reporting, we engaged a third-party to perform a limited assurance engagement on select reported waste metrics. Full data on Kyndryl's waste management for fiscal 2024 can be found in our Environment and People Data Book, along with our methodology and letter of assurance.

Our goal is to divert 100% of our IT e-waste from landfills by 2030.

[9] IT e-waste diversion rate for fiscal 2023 has been updated to ensure all data was properly captured in diversion rate from landfills.



## Managing our water

Kyndryl understands the importance of responsible water management and recognizes that water is a limited resource that affects our operations, the communities where we operate and the environment.

We primarily use water in our datacenters for cooling, humidification and operational purposes. Water usage in our offices is comparatively much smaller, and is limited to restrooms and other facilities. We primarily discharge water to municipal treatment plants, with minimal discharge to surface water bodies. Our goal is to reduce our total water consumption in our datacenters and operated offices in high water-stressed areas, as defined by the World Resources Institute, by 30% by 2030, against our fiscal 2023 baseline.

## Our water management strategy

Kyndryl maintains a documented program for all water discharges that we are responsible for at our operated sites. Our corporate environmental standards provide guidance for our water management, including requirements for water discharge as required for compliance with local regulations and standards.

In the last year, we actively worked to improve our data collection through collaboration with our datacenter operators and increased quality assurance. We also worked to update our water data collection boundary to ensure we are taking responsibility for the water withdrawn, discharged and consumed at all Kyndryl operated offices and operated and serviced datacenters.

Our goal is to reduce our total water consumption in high water-stressed areas by 30% by 2030, against our fiscal 2023 baseline.

**30%**

**water consumption reduction goal in high water-stressed areas by 2030**

## Tracking our progress

In fiscal 2024, Kyndryl consumed 1,237 megaliters of water and 45% of our water consumption[10] took place in water-stressed areas.[11] We achieved a 7% reduction in water consumption overall and a 9% reduction in water consumption in water-stressed areas, compared to our water consumption in fiscal 2023. This improvement was primarily due to our datacenter transformation strategy, which is outlined in more detail in the section on climate resiliency and GHG emissions.

At Kyndryl, we prioritize the collection of accurate water data. In cases where data collection is not possible, we strive to follow best practices in developing estimation protocols as outlined in our methodology. To ensure the accuracy and integrity of our reporting, we engaged a third-party to perform a limited assurance engagement on select water metrics. We provide a letter of assurance along with our methodology and full water data for fiscal 2024, as well as updated data for fiscal 2023, in our Environment and People Data Book.

## Our commitment to biodiversity

We believe we have a minimal direct impact on biodiversity and we have not deemed it to be a material topic. However, we acknowledge the importance of biodiversity and the significant connection between climate and nature. We are taking important steps to determine how we can help protect and restore nature, including conducting a data-centric biodiversity assessment of Kyndryl owned, leased and serviced locations using the Integrated Biodiversity Assessment Tool (IBAT).

As part of our commitment to promote biodiversity, we are also collaborating with the Complutense University of Madrid to create a data-driven, AI-infused decision tool for reforestation and ecosystem restoration, called ReforestAI. This project has been recognized with the 100 Best Ideas award from El Mundo's Actualidad Económica.

[10] Following GRI 2021 standards, Kyndryl defines water consumption as the sum of all water that has been withdrawn and not released back to surface water, groundwater, seawater or a third-party over the course of the reporting period.

[11] Water-stressed sites include Kyndryl operated sites and serviced datacenters in extremely high (>80%) and high (40–80%) water-stressed areas, obtained through World Resources Institute Aqueduct 4.0 Water Risk Atlas Metadata.

# Managing system performance and regulatory compliance

Kyndryl's strategic priorities include building and reporting our progress using frameworks and disclosures, such as:

- Sustainability Accounting Standard Board (SASB) Software-IT-Services-Standard
- Taskforce on Climate-related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI) Standards 2021
- CDP (formerly Carbon Disclosure Project)

These disclosures are available on Kyndryl's Corporate Citizenship Non-Financial Reporting Hub.

## Operationalizing our sustainability commitments

To responsibly and proactively manage our environmental, energy and climate impacts, Kyndryl has implemented our global Environmental and Energy Management System (E&EnMS) to assess the full scope of our operations and activities.

We built our E&EnMS holistically and in collaboration with teams across the company to focus on our significant environmental aspects and energy uses. Our E&EnMS includes the evaluation of the impacts of our activities related to these aspects, the determination of potential risks and opportunities, and the development and execution of mitigation programs to address risks. As part of our E&EnMS, we integrate environmental considerations into our datacenter operations, including energy consumption, water access and water stress, fuel leak prevention and management, refrigerant loss prevention and management, and risk management to mitigate physical climate change risks. Our E&EnMS enables us to have the proper controls in place to manage our environmental and energy programs, meet our compliance obligations, develop and evaluate corrective action plans, and track our performance against our goals. We outline roles and responsibilities to ensure we meet these goals and have clear lines of accountability.

We provide information regarding our E&EnMS to interested parties through

resources such as training sessions, Kyndryl's internal communications hub and various other communications. In fiscal 2024, we achieved a significant milestone by completing internal and external audits of our E&EnMS. The external audits resulted in global certifications for our E&EnMS by an independent certifying body, assuring that our system conforms with the International Organization for Standardization (ISO) 14001 and 50001 standards. This achievement demonstrates our leadership in environmental and energy management.

## Compliance and regulations

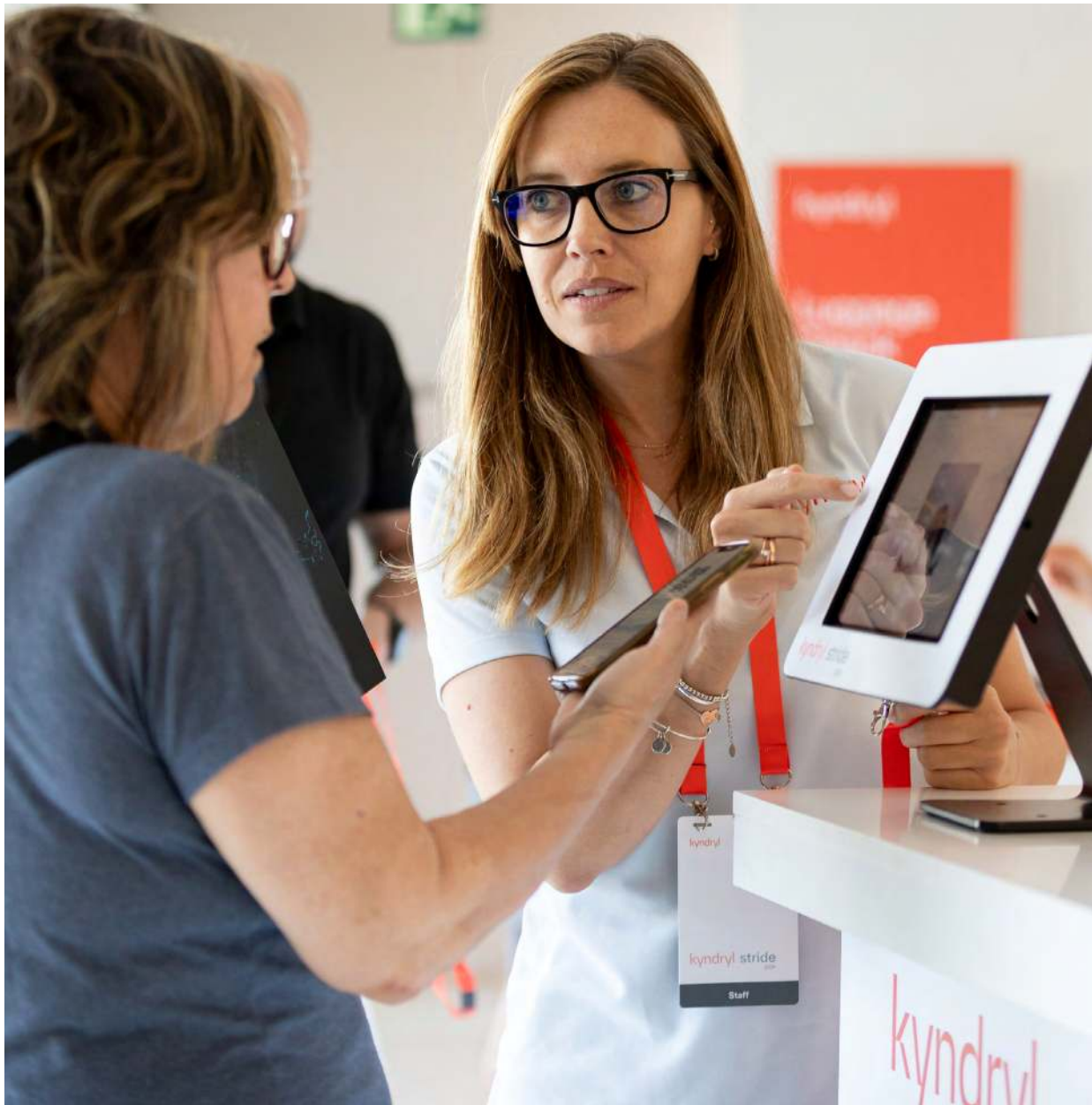
We are focused on providing resources and programs to enable compliance with applicable laws, regulations and other measures. We are monitoring regulatory developments, reporting where required and believe that we are in compliance with current environmental and other non-financial reporting requirements. Refer to the section on regulatory readiness for more details.

# Being a preferred service provider

As we continue to strengthen our shared commitment to sustainability with our customers, stakeholder engagement and strong partnerships make us a preferred service provider. Our third strategic priority encompasses our work to collaborate with customers, develop thought leadership, educate Kyndryls and engage with networks and universities to maximize environmental impact.

## Collaborating with customers

Kyndryl continues to engage with current and potential customers about our sustainability goals, efforts and progress. In the last year, we have seen a significant increase in customer requests for environmental, social and governance information. We value this shared dedication to sustainability with our customers and we are proud to work collaboratively. We've also seen increased market demand outlined by analysts in the growth of the sustainability market and offerings. To learn how we are creating innovative sustainability-related solutions for our customers, see the section on driving market differentiation.



## Our impact

### Partnering with Microsoft to advance sustainability journeys

Companies around the world are accelerating their sustainability efforts. Yet only a fraction of organizations believe they are unlocking technology's full potential to achieve their sustainability goals, according to Kyndryl's Global Sustainability Barometer study.

Launched December 2023 in collaboration with Microsoft, our Global Sustainability Barometer builds upon decades of customer trust, institutional knowledge and the proven delivery of sustainability solutions to help bridge the sustainability-technology divide.

Conducted by Ecosystm, the study features insights from more than 1,500 technology and sustainability leaders. According to the study, while 80% of organizations surveyed recognize the importance of technology in achieving their goals, only 37% believe they are making full use of it in their organizations.

The Global Sustainability Barometer recommends actions, including making sustainability a Boardroom priority, aligning technology upgrades with environmental efficiency, enhancing data visibility and integration, and unleashing AI for predictive analytics. Our partnership with Microsoft aims to help businesses capitalize on these opportunities.

**80%**

of organizations surveyed recognize the importance of technology in achieving their goals, yet only 37% believe they are making full use of it in their organizations.

"As we look at the universe of partners we work with, we were excited about the opportunity with Kyndryl. There's a great deal of trust between our companies. Kyndryl provides a strong backbone in data management and data organization that allows us to help customers around the world make the most of their investments. These capabilities are going to be essential as we work together to guide customers to the future with new technologies such as AI."

**Michelle Lancaster**
*Senior Director, Global Sustainability Go to Market Strategy at Microsoft*

## Engaging Kyndryls

### Sustainability training, education and programs

Kyndryl continues to develop education and training programs that enable our people to help the company and our customers meet environmental and net-zero goals. In fiscal 2024, we successfully launched our bespoke Mission Net-Zero course in 19 languages, which provides Kyndryls with an introduction to sustainability and gives them tools to communicate our net-zero goals and sustainability strategy with customers. As of April 2024, approximately 14,000 Kyndryls had completed the course. Kyndryl aims to have 21,000 Kyndryls complete the course by the end of fiscal 2025—a 50% increase in completion.

### Green Guild

Our employee network brings individuals with diverse expertise together to solve sustainability challenges. The Green Guild fosters awareness and education around sustainability services and business development, and provides a platform for Kyndryls to share their sustainability strategies. Since its inception, the Green Guild has grown to include more than 450 members, conducted more than 30 sessions and developed nine workstreams, including customer engagement, environmental capabilities, go-to-market strategy and sustainable workplace practices.

### Eco Stream Network

Motivated and empowered Kyndryls have co-created the Eco Stream Network, a grassroots employee initiative focused on encouraging and implementing environmental action. The Eco Stream Network included 1,200 members across 49 countries as of the end of fiscal 2024. Participants have also logged 1,300 volunteer hours in Kyndryl's volunteer platform Deed.

### GreenSpark 2024 Hackathon

In the spring of 2024, Kyndryl's CTO Office conducted an internal hackathon to embed sustainability into our services. GreenSpark 2024 encouraged teams to expand their networks, learn new technologies and think creatively. In all, 41 teams from 14 countries participated, and the hackathon resulted in 18 ideas under evaluation for patenting. The winning ideas explored areas such as optimizing carbon footprints of applications during development and estimating the carbon footprints of hybrid IT solutions at the design stage. The ideas are being further developed for deployment.

Mission Net-Zero course in 19 languages completed by Kyndryls

**14,000**

Fiscal 2024

**21,000**

Our fiscal 2025 goal

## Our impact

### Tackling plastic pollution with innovation

Plastic pollution is a growing problem worldwide, now accounting for 85% of all marine waste and posing a significant risk to the health of people and the planet.

Finding innovative solutions to tackle plastic pollution was the driving force behind Kyndryl's collaboration with REVA University in India for the Plastics-Free Rivers Hackathon, conducted during the summer of 2023. Participants were challenged with detecting, classifying and segmenting plastics from a given dataset based on the Saigon River, and then proposing an AI solution to reduce pollution. Kyndryl volunteers provided expertise, resources and mentorship to participants, while encouraging them to think creatively. Over 720 teams participated, including some from REVA University and Kyndryl.

Janarthan Sivasubramaniam led a team from our Australia and New Zealand Applications, Data and AI practice to a second-place finish. "The hackathon gave us the opportunity to try something new and have fun while solving a problem that could really make a difference for future generations," Sivasubramaniam said.

His team's mix included an AI-based plastic detection model, an Internet of Things (IoT) device installed riverside, a smartphone app to crowdsource detection photos, and a cloud-based backend solution to process and analyze data. The ideas from all winning teams have been consolidated into a common capability to detect plastic pollution by our Applications, Data and AI practice.

Over 720 teams participated in developing innovative solutions to tackle plastic pollution.

# Driving market differentiation

Kyndryl's fourth strategic priority involves working with our customers to help them become more sustainable.

As businesses embark on their sustainability journeys, they need appropriate strategies and solutions to achieve their immediate and long-term goals. With our technology capabilities, trusted advisory services and experienced engineers, we help them navigate each step of their transformations.

## Serving as a trusted partner

We are uniquely positioned to solve our customers' sustainability challenges because of our decades of experience modernizing and managing the mission-critical technology estates of the world's leading companies. With years of both IT and sustainability expertise, our Sustainability Center of Excellence works collaboratively with our advisory, solution development and regional teams to deliver valued solutions to our customers.

We are uniquely positioned to solve our customers' sustainability challenges because of our decades of experience modernizing and managing the mission-critical technology estates of the world's leading companies.

"Through the strategic partnership between Vodafone Business and Kyndryl, we collaborate to respond to U.K. government and public sector requirements to deliver social value. By combining our expertise, we can provide detailed carbon footprint reporting and progressive reduction opportunities, and improved employment opportunities to disadvantaged groups."

**Emma Kidd**
*Sustainable Business Manager at Vodafone*

## Co-creating end-to-end solutions

Kyndryl's end-to-end IT solutions empower enterprises to adopt more sustainable practices. Our Sustainability Center of Excellence leads our co-creation approach in partnership with our Kyndryl Consult team. We continue to collaborate with our broad ecosystem of partners to scale sustainability solutions, help businesses modernize and drive business outcomes. As we grow our sustainability advisory services, our team of consultants draws from our IP, deep expertise and existing capabilities—such as cloud services, security and resiliency services, digital workplace services, and applications, data and AI—to achieve customer goals and identify sustainability opportunities.

## Leading as Customer Zero

Because we recognized our responsibility to shape a more sustainable future from the start, we rapidly built a comprehensive sustainability program with the commitment of our CEO, senior leadership and cross-functional teams across the globe. As part of our transformation, we adopted best practices to solve complex sustainability challenges. Our significant progress in our short history as an independent company makes us a preferred partner for customers with similar sustainability ambitions, and we share our insights as Customer Zero to help them advance their own environmental and transformation strategies.

## Our journey as Customer Zero

Kyndryl's sustainability journey began in November 2021 when we were spun off as an independent company. We tackled numerous challenges, including the need to reset our emissions boundaries, develop our GHG baseline, modernize legacy IT systems and comply with changing regulations and stakeholder demands. By staying flat, fast and focused, we transformed our culture, set our goals and began to make progress.

**2021**

### November 2021
Kyndryl is listed on the New York Stock Exchange.

### December 2021
Our Board commits to building corporate citizenship into our company's foundation.

**2022**

### Throughout 2022
We determine our scope 1 and 2 emissions boundaries, analyze our supply chain and scope 3 emissions, and develop an integrated financial and emissions model to validate our performance aligned with our business strategy.

### December 2022
We announce our goal to achieve net-zero GHG emissions across scopes 1, 2 and 3 by 2040.

**2023**

### January 2023
We build sustainability offerings into our services.

### February 2023
We commit to validating our net-zero target through the Science Based Targets initiative (SBTi).

### April 2023
We receive a silver EcoVadis score, placing us in the top 25% of all participating organizations.

### September 2023
We publish our first Corporate Citizenship Report.

### November 2023
We launch the Global Sustainability Barometer in collaboration with Microsoft to help other companies use technology to achieve their sustainability goals.

**2024**

### July and August 2024
We receive global ISO 14001 and 50001 certifications for our Environmental and Energy Management System and have our 2040 net-zero target and 2030 near-term emissions reduction targets validated by the Science Based Targets initiative.

## Our sustainability services

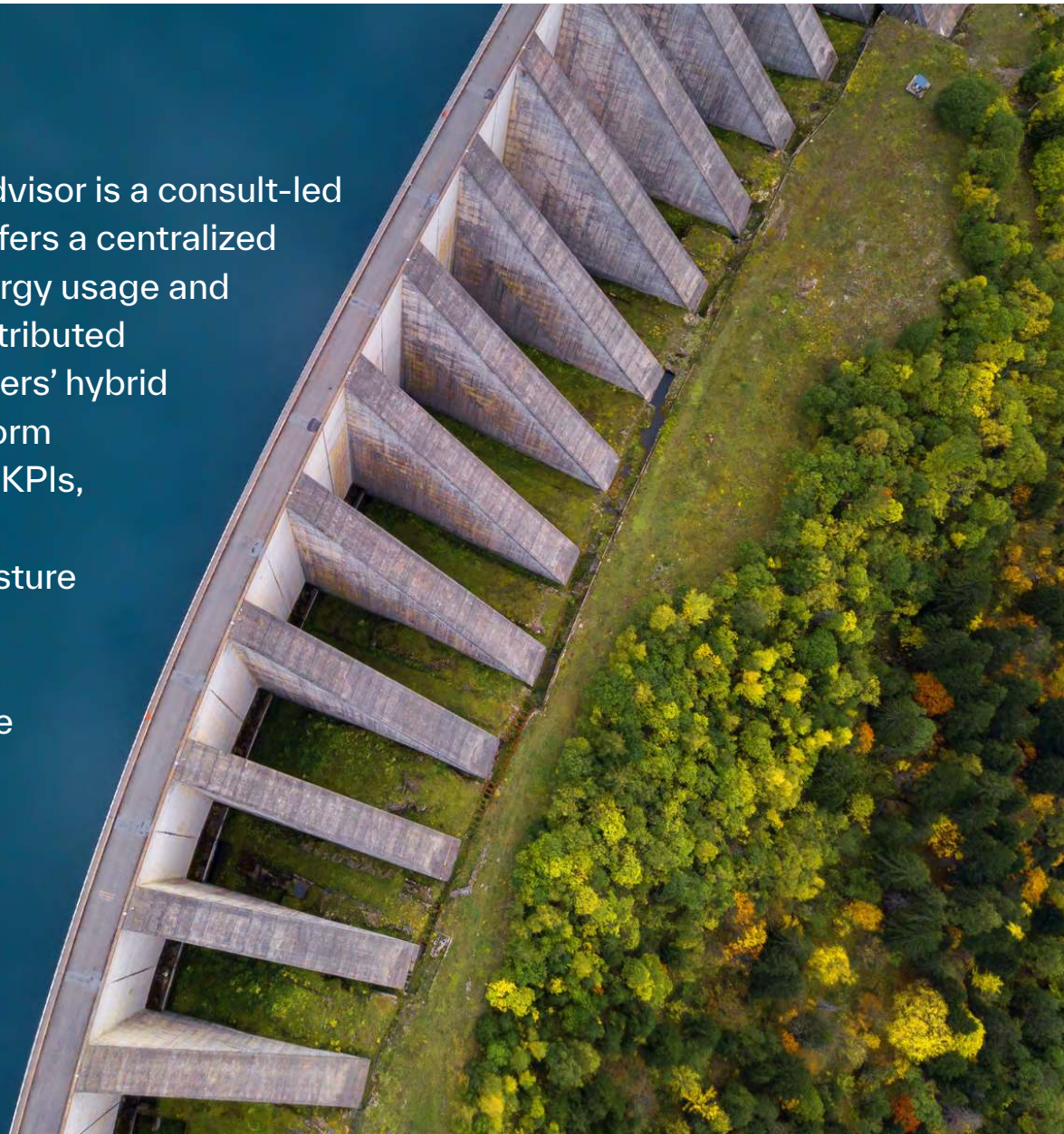
Kyndryl collaborates with customers to advance their sustainability journeys from any starting point. Our innovative capabilities are supported and delivered by Kyndryl Consult and increasingly deployed using Kyndryl Bridge.

To achieve their immediate and long-term sustainability goals, businesses need appropriate strategies. When customers want to define their sustainability strategies, goals and metrics, we work with them to provide visibility into their current state and develop roadmaps to achieve future targets and regulatory compliance.

Kyndryl collaborates with customers to advance their sustainability journeys from any starting point.

Designed to position businesses to drive environmental and business impact, our advisory services include assessments and workshops that support customers in evaluating sustainability maturity, establishing strategic goals and developing actionable roadmaps. Key capabilities and services include enterprise environmental, social and governance (ESG) reporting and disclosures; IT infrastructure and device assessments and optimization; Sustainability Operations (SustainabilityOps) review; Digital Experience Management implementation; IT Sustainability Transformation Strategy Roadmap development; and supply chain environmental management.

Kyndryl Sustainability Advisor is a strategic offering that exemplifies our IT infrastructure capabilities. Built on Kyndryl Bridge, our Sustainability Advisor provides customers with a single dashboard to visualize their GHG emissions, energy and water usage across a hybrid, multicloud IT landscape. This service includes a full spectrum of reporting and advanced analytics capabilities for datacenter and IT operations, enabling data-driven insights to improve operational sustainability. In addition, AI and machine learning models for prescriptive analytics help guide customers in taking optimal actions to achieve sustainability goals.



"Kyndryl Sustainability Advisor is a consult-led managed service that offers a centralized platform to measure energy usage and GHG emissions from distributed workloads in our customers' hybrid IT landscapes. The platform reports on sustainability KPIs, benchmarks customers' current sustainability posture with industry baselines and analyzes data to identify areas of resource optimization and GHG emissions reductions."

**Sourav Das**
*Associate Director, Offering Management Security and Resiliency at Kyndryl*

# Customer sustainability success

## Cloud migration to reduce emissions

Kyndryl worked with a leading insurance company in Canada to evaluate the emissions benefits of moving workloads to the cloud. Kyndryl has estimated the emissions from datacenter operations and compared it to an estimate of emissions associated with cloud services. The results showed a significant reduction in energy consumption by 87% and a complete elimination of market-based GHG emissions.

## AI-powered insights to improve energy efficiency

Kyndryl has worked with customers to implement AI-powered solutions to reduce their energy consumption. In one example, Kyndryl applied a machine learning-driven cooling setpoint control to demonstrate how a leading multinational corporation could improve datacenter cooling by 25%. This resulted in estimated annual energy savings of 1.3 million kWh and an estimated annual emissions reduction of 138 mtCO2e.

## Accelerating energy transition use with cloud

Kyndryl is working with UK Power Networks, England's biggest electricity distributor, to accelerate the connection of new sources of distributed energy resources (DERs) in the South East of England. Through a platform supported by a cloud-based environment that enables the management of electrical network capacity, Kyndryl is supporting this joint initiative between UK Power Networks and National Grid ESO to connect more generation and batteries in the network that otherwise would have been delayed awaiting transmission network reinforcements. Our solution helps to address challenges that include managing transmission network limits and simplifying network access for new generation and battery projects while opening up new revenue streams with entry to new energy. The platform also enables groundbreaking coordination between the transmission and distribution networks with enhanced data exchanges and better management of network outages.

"The Megawatt Dispatch platform enables the National Grid ESO and UK Power Networks DSO to accelerate the connection of new generation and energy storage assets, while keeping within existing transmission limits. Without this, over 1.5GW of capacity and over 50 customer projects would have been delayed by 10 to 15 years. Kyndryl was a key partner in making this vision a reality."

**Tim Manandhar**
*Head of MW Dispatch at UK Power Networks*

# Responsible supply chain management

A socially and environmentally responsible supply chain is critical to Kyndryl's efforts to drive positive impact at scale while leading our industry in sustainable business practices. In line with our Environmental Sustainability Policy and Supplier Responsibility efforts, we are committed to collaborating with our suppliers to manage the environmental and social impacts, resilience and diversity of our supply chain.

To help manage our supply chain, Kyndryl is an affiliate member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to responsible business conduct in global supply chains. We are committed to complying with the RBA Code of Conduct in our operations and progressively applying it to our suppliers. In line with the RBA Code of Conduct, we expect suppliers to establish and maintain social responsibility and environmental management systems and to comply with all applicable regulations.

## Managing our supply chain resilience

A resilient supply chain enables us to meet our customers' needs by supporting stable access to the materials and components of our purchased goods and services. We believe that our focus on local suppliers allows us to more effectively manage our supply chain resilience. This strategy helps us mitigate global supply chain disruptions that could affect our ability to deliver value to our customers and stakeholders.

## Our procurement strategy and due diligence

Through the execution of our procurement strategy, we address potential risks related to supply chain resilience. All Kyndryls working in procurement are required to attend annual training on our governance and sourcing strategy, among other topics.

We have implemented a sourcing strategy that prioritizes local procurement within the same country or region where we operate. This approach offers potential benefits, such as reducing dependency on external factors that could disrupt our supply chain and lowering the environmental impact of our supply chain by minimizing unnecessary transportation and emissions. To help ensure compliance with our sourcing strategy, we require additional approvals for cross-border transactions, and we categorize and track procurement spending through our sourcing system.

Before Kyndryl places a purchase order or work authorization with new suppliers, our procurement team first verifies that suppliers meet procurement criteria through a self-response questionnaire. These criteria include financial solvency, compliance with applicable laws and regulations, the ability to meet Kyndryl's demand, and a range of environmental, social and ethical requirements.

During onboarding, we require all suppliers to either sign Kyndryl's Supplier Code of Conduct—which is based on the RBA Code of Conduct and outlines environmental requirements, as well as provisions for labor, health and safety, ethics and management systems—or receive an exemption by providing evidence that their own code of conduct meets or exceeds the RBA Code.

## Tracking our progress

In fiscal 2024, 97% of new suppliers signed the RBA Letter Agreement and agreed to comply with the Supplier Code of Conduct.

Post-onboarding, we conduct due diligence on certain suppliers. This includes using the RBA risk tool to identify high-risk countries based on the RBA audit database. This tool helps us prioritize and map suppliers that need to undergo the RBA assessment and training, and to monitor their compliance and improvement. If a supplier is found to violate the RBA Code of Conduct, the supplier is asked to take corrective action to remediate the violation within a three-month timeframe.

## Managing the environmental and social impacts of our supply chain

Kyndryl believes we can improve the management of our supply chain by requiring our suppliers to take responsibility for the environmental and social impacts connected to the products and services they provide to us. By properly managing these relationships, we can fulfill our commitment to operate responsibly and serve as a trusted partner for our customers and suppliers.

By collaborating across the supply chain, we help address challenges involving climate change, resource depletion, waste management, water conservation, human rights, forced labor and modern slavery. We understand that these societal and environmental concerns affect our business and our stakeholders, and managing them is a collective endeavor.

## Our strategic approach

To address our own environmental impact, we strive to reduce, reuse, recycle and dispose of materials related to our services in an environmentally sound manner. We manage our environmental impacts in accordance with internal corporate instructions and the RBA Code of Conduct, which outline our environmental policies, procedures and actions. We provide annual training on integrating environmental requirements into the global procurement process to all procurement buyers to ensure adherence to our commitments. As previously discussed in the section on supply chain resilience, we also ask suppliers to sign our Supplier Code of Conduct which includes environmental, social and ethical requirements.

At Kyndryl, our Human Rights Policy guides our actions related to social impacts in our supply chain and sets expectations for our partners and suppliers. As outlined in our policy, we aim to help protect and respect the human rights of all people across our operations and throughout our value chain. To accomplish this, we utilize RBA tools to share best practices with suppliers and provide ongoing engagement. We require that suppliers in high-risk countries conduct self-assessments and commit to changes when their practices do not meet our standards. Additionally, our commitment to human rights involves aligning our actions to global standards and holding our supply chain partners to the same standards.

A-

CDP 2023 Supplier Engagement Rating

## Tracking our progress

Kyndryl uses the globally recognized EcoVadis assessment platform to evaluate the environmental, labor and human rights, ethics and procurement practices of our largest suppliers. Together, these high-impact suppliers contribute a significant percentage of our scope 3 category 1 and 2 emissions.

Using EcoVadis allows us to benchmark and track our suppliers' performance against global standards on an ongoing basis. In fiscal 2024, nearly 90% of suppliers that Kyndryl requested to complete the EcoVadis questionnaire either completed or are finalizing their inputs.

During fiscal 2024, in support of United Nations Sustainable Development Goal (SDG) 13 and our own net-zero progress, Kyndryl also engaged with 90% of these high-impact suppliers, covering topics including climate change risk, our net-zero and emissions reduction commitments, and our supply chain decarbonization efforts.

CDP™
DISCLOSURE INSIGHT ACTION

We take pride in our supply chain efforts and the management of our supply chain impacts. For our supplier engagement work, Kyndryl received an 'A-' leadership score for CDP's 2023 Supplier Engagement Rating (SER), above industry and global averages. Our first SER rating places us in the 'Leadership' tier, a standard met by only 13% of peer companies in the IT and Software Development sector.

## Managing our diverse supply chain

Kyndryl is dedicated to creating opportunities for diverse businesses to become supply chain partners everywhere we operate. Our efforts align with our commitment to conduct business in a fair and equitable manner and demonstrate our dedication to promoting inclusion.

## Our strategic approach

By strategically building a more diverse and representative supply chain, Kyndryl can promote innovation and the economic empowerment of communities that may face significant barriers in certain markets. Our supplier diversity also enables us to become an employer of choice and to effectively respond to customers and government organizations that specify contractual spending levels to promote diversity.

Our supplier diversity program falls under the domain of our procurement team and is overseen by our Chief Inclusion, Diversity and Equity Officer in partnership with the Global Sustainability Group. As a global company, we work with teams across the organization to build relationships with businesses indigenous to countries where we operate, and we comply with all local laws and regulations related to supplier diversity and supplier spend in these countries and communities.

## Tracking our progress

As part of our strategic supplier management efforts, we focus on businesses owned and operated by women, ethnic minority and other underrepresented groups, and include a focus on small to midsized businesses.

We are proud to support diverse suppliers and increase economic development in communities where we operate. Our efforts in this space were recognized with the WeConnect International 2023 Platinum Top Global Champion award for our commitment to global supplier diversity and inclusion, and demonstrating best practices in inclusive spending, policies and procedures.

# 3 Powering Progress for Our People and Communities

In this chapter

Empowering our people: Kyndryls
Talent acquisition
Talent retention
Promoting Kyndryls' well-being
Inclusion, diversity and equity
Providing a safe and healthy work environment
Responsibility to our global community
Human rights

# Empowering our people: Kyndryls

At Kyndryl, we are a people-centric services company focused on being the heart of progress for our customers and our communities.

Our people — who we call Kyndryls — bring unique perspectives and skillsets to our customers. Our mission is to be an employer and partner of choice, which focuses us on prioritizing our people in our business decisions.

Maintaining an inclusive, engaging and flexible work environment that supports our ability to deliver for customers is core to our success. Through our differentiated culture — called The Kyndryl Way — we attract, retain, develop, motivate and care for a highly skilled workforce. Our unique Talent Journey empowers Kyndryls to seize the opportunity to develop their skills and careers. We also enable Kyndryls to thrive by supporting their physical, mental, social and financial well-being, as we foster belonging through inclusion and diversity programs.

We empower Kyndryls around the world to engage with and volunteer in their communities. We also support communities where we do business and address critical societal issues through the Kyndryl Foundation, our company's philanthropic arm. We believe that by ensuring our business operations and culture deliver positive outcomes for society and the environment, we can create a more sustainable future for all.

As a global business with a presence in over 60 countries, we are focused on supporting Kyndryls and the communities where we live and work. Our business success depends upon our people. Their careers, skills, growth, safety and well-being are vital to meeting the needs of our customers and achieving our business objectives.

Through our differentiated culture – called The Kyndryl Way – we attract, retain, develop, motivate and care for a highly skilled workforce.

# Transforming the Kyndryl culture

In 2022, we introduced The Kyndryl Way — how we define our services-led culture. Since then, we have been transforming our culture through behaviors, systems and symbols to embody these principles and ways of working.

Six key principles are at the core of The Kyndryl Way: we want to be restless, empathetic and devoted in the way we engage with one another, our customers, partners and communities; and we want to organize ourselves to be flat, fast and focused to better serve our customers as a true services organization.

## The Kyndryl Way

### Purpose

Together, each of us advances the vital systems that power human progress.

### Mission

To be a technology services company that is a partner and an employer of choice.

Engaging with one another, with our customers and our communities, we are:

**Restless**
to continuously anticipate, learn and innovate

**Empathetic**
to serve with trust and transparency

**Devoted**
to shared success

How we organize ourselves, our work and our decisions to support our customers:

**Flat**
to empower accountable, inclusive teams

**Fast**
to cultivate simplicity everywhere

**Focused**
to deliver exceptional services

"As a services business, Kyndryl puts people at the center of everything we do. It's a principle that underpins our culture and our long-term growth, guiding how we show up for our customers and for each other every single day."

Martin Schroeter
*Chairman and Chief Executive Officer*

As we near our third anniversary as an independent company, The Kyndryl Way continues to define the expectations of how Kyndryls work together and deliver value. It is foundational to our business growth. We are proud of our organizational and cultural progress globally, and as our industry rapidly evolves, culture change will continue to be a deliberate focus that fuels our business.

**6,000**

managers and executives trained in workshops focused on embracing Leadership Behaviors

## Living The Kyndryl Way through Leadership Behaviors

Kyndryl is dedicated to making the right investments in our people, including our people managers, to equip them to model The Kyndryl Way.

In fiscal 2024, we held monthly sessions for hundreds of our executives, a virtual executive summit and our second annual in-person Leadership Summit focused on leading Kyndryls through the company's transformation and advancing The Kyndryl Way. We also trained nearly all 6,000 managers and executives in workshops focused on embracing our Leadership Behaviors. Additionally, as part of our annual goal-setting process, people managers are assigned a Responsibility to Others goal focused on exhibiting our Leadership Behaviors. Their progress on this goal is part of their performance review process.

In the second year of our culture transformation, our extensive efforts resulted in 88% of Kyndryls responding to a companywide survey agreeing that their manager's behavior is consistent with The Kyndryl Way.

# Talent acquisition

To fulfill business needs, we use a robust Talent Supply Chain. We find qualified Kyndryls for work opportunities that utilize their skills and are aligned to their career aspirations. This not only serves our customers but is central to our Kyndryl Talent Journey and larger retention strategy, both of which are covered in detail in the talent retention section. As a growing company with new customer opportunities, we hire people with the right experience to meet demand. We engage with prospective employees from across the globe to build diverse, collaborative teams that meet our requirements for evolving and critical skillsets, enhanced performance and other capabilities.

## Our approach to talent acquisition

We work to simplify the hiring process to increase the quality of new and prospective hires and enhance the overall candidate and hiring manager experience. Our talent acquisition team aligns talent strategies with overall business objectives.

Our talent acquisition framework includes planning for hiring needs, attracting and sourcing talent, skills assessment and the offer process. Our approach helps us forecast prospective talent and manage the potential scarcity of skilled labor.

Our formal talent pipeline development activities include:

- Capacity planning through ongoing partnerships with business leaders to help anticipate talent needs and ensure we have the Kyndryls with the necessary skills at the right time.
- Programs for early career talent, including internships, apprenticeships, graduate traineeships and efforts that expose talent to business networks and mentors. These programs also help increase diversity and provide Kyndryls with cutting-edge skills.

Additional recruitment initiatives and partnerships with educational institutions include:

- Ongoing engagements with several universities, including Wentworth Institute of Technology in the U.S. and GSSS Institute of Engineering and Technology for Women in India, to guide curricula on IT project management, mainframe enterprise computing and cloud computing courses. In Hungary, Kyndryls teach courses in network studies, database management, business English and soft skills at the Széchenyi Technical Highschool.
- Relationships with and attendance at career placement centers, school career fairs, virtual student information sessions and professional organizations to promote skills training, diverse student pipeline opportunities and regional connections. Our collaborators include ESSEC Business School and Sorbonne University in the EU; The University of Texas at Austin and HBCU Morgan State University in the U.S.; and GSSS Institute of Engineering and Technology for Women and REVA University in India.

As a growing company with new customer opportunities, we hire people with the right experience to meet demand.

We are committed to fair and equitable hiring as outlined in the Kyndryl Global Employment Standards and our Corporate Policy on Workforce Inclusion, Diversity and Equity. Together, these standards and policy detail our defined corporate approaches and practices related to freely chosen employment and non-discrimination in hiring, as outlined in our Equal Employment Opportunity (EEO) Policy. We also work directly with our Kyndryl Inclusion Networks (KINs) on initiatives that help diversify our candidate pipeline.

Our talent acquisition team and hiring managers take a License to Hire training, which provides interviewing best practices and guidance around mitigating unconscious bias, managing accommodation requests and sample questions for interviewing.

To help ensure we achieve our overall attraction goals, we monitor our recruitment efforts through key performance indicators (KPIs) tracked via standardized dashboards and weekly reporting. These metrics are crucial to measuring the speed and quality of our recruitment process, and guide our efforts to continue improving our effectiveness.

Talent attraction is governed by monthly review meetings with business leaders on progress on hiring KPIs; weekly resource dynamic reviews with cross-functional teams to assess available skills across Kyndryl and identify gaps; and monthly strategy reviews with talent acquisition leaders and Kyndryl's Chief Human Resources Officer to assess key metrics.

We are committed to fair and equitable hiring as outlined in the Kyndryl Global Employment Standards.

# Talent retention

Because Kyndryls are the heart of our business, retaining and developing our skilled practitioners helps ensure we can deliver for customers and power the mission-critical systems they rely on. Since becoming an independent company, we have focused on putting in place the people processes and systems we need to fit our business model, improve effectiveness and attract, retain, develop and motivate Kyndryls.

In fiscal 2024, we completed the transformative renovation, replacing 48 systems with one modern, integrated platform focused on Kyndryls' development. Already, this overhaul is improving how we serve our customers by assigning Kyndryls with the necessary skills to the right customer at the right time. By creating market-based, globally consistent, transparent programs, we help Kyndryls take advantage of opportunities to build skills, grow their careers and be successful.

Kyndryl assesses our people-related opportunities and challenges annually, and we develop our human capital priorities aligned with our strategy for the fiscal year. Our CEO, Group President and their direct reports offer input, and we then review our priorities with our Board of Directors. We actively monitor attrition and ask leaders to take actions that support retention and engagement. We continuously work to ensure we have the right people with the right skills to meet customer needs. In fiscal 2024, our global voluntary turnover rate was 10.4%.

By investing in talent retention, we are preventing disrupted service delivery, increasing productivity, mitigating potential errors and reducing costs.

"The renovation of our human capital systems has resulted in a unique employee experience focused on empowering Kyndryls to advance their skills and careers in an inclusive culture devoted to shared success. We're getting the right Kyndryls with the right skills to our customers to power the world's vital systems. And we're empowering Kyndryls to grow their technical, business and leadership skills through purposeful work and personal development."

**Maryjo Charbonnier**
*Chief Human Resources Officer*

## Annual Engagement Survey

Employee engagement is essential to transforming our business and empowering Kyndryls to provide excellent service to our customers. We define engagement as Kyndryls' commitment, passion and connection to our company. Our Annual Engagement Survey is one critical way we measure progress on our cultural transformation and our goal to become an employer of choice. Our annual survey — with the theme "Your feedback fuels our progress" — gives all Kyndryls the opportunity to provide feedback on how we can achieve this goal. We benchmark feedback against other employers[12], and provide anonymized insights to our people managers so they can improve their leadership skills and their team's experience.

Our fiscal 2024 Annual Engagement Survey results included:

**78%**
participation

**74.2%**
engagement score
which measures the level of employee commitment, passion and connection to Kyndryl. In a year of unprecedented change across our business, we're proud to have successfully supported our employee engagement to remain above industry average.

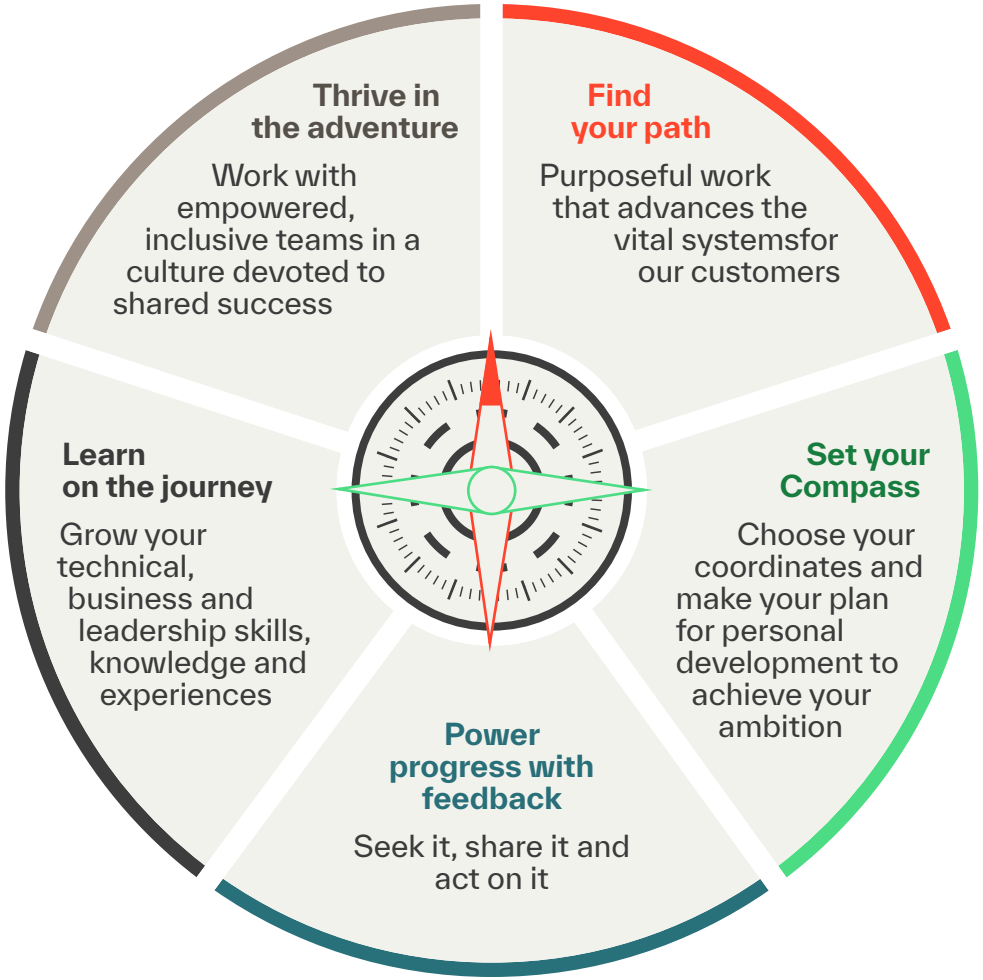
**85.1%**
Empathy and Inclusion Index
which is an aggregate of workplace trust, respect and belonging measurements. It is 4.1 points above industry average and near best in class.

Based on the results from our Annual Engagement Survey, an Enterprise Engagement Action Plan was created by our Culture Governance Committee — which includes Kyndryl's Chairman and Chief Executive Officer, Chief Human Resources Officer, Global Head of Corporate Affairs, Chief Marketing Officer and Chief Transformation Officer. Harnessing a deep analysis of the survey and feedback from roundtables, workshops and country leaders, the committee developed an action plan to improve engagement and further advance The Kyndryl Way globally. Additionally, our managers were asked to create team-level action plans for advancing engagement and The Kyndryl Way. Every manager who had five or more team members participate in the survey received an engagement report providing insights on areas of strength and opportunities for improvement.

[12] Industry comparisons are taken from the average engagement scores of 6,000+ companies across industries worldwide.

## The Kyndryl Talent Journey

Kyndryl's transformation of our people processes and systems resulted in a unique Talent Journey that enables Kyndryls to seize the opportunity to be at the heart of progress. Our Talent Journey reflects our commitment to restless learning and continuous skill building in support of our customers. Our Talent Journey includes:




## Finding a path to purposeful work

We aim to provide Kyndryls opportunities for growth by harnessing and developing their skills through meaningful customer experiences. Our approach to internal workforce solutions transformed in 2023 when we launched Kyndryl Career Profiles. Each Kyndryl enters their skills and experiences in their Career Profile, creating an improved skill inventory of our talent. Based on these inputs, Kyndryls are assigned to projects that support their growth.

With this skill inventory in place, Kyndryl set out to redesign our core staffing and assignment process. We grounded our efforts in our goal to more quickly bring Kyndryls to our customers, while assigning Kyndryls to purposeful work that supports skills growth. We deployed Projects — an integrated system providing a view of our total workforce — to enable labor optimization and manage more than 55,000 practitioners.

**Through Projects, Kyndryls are more discoverable for customer contracts and assignments, and their unique skills and expertise are more highly utilized.**

As part of the process:

- When a customer contract is signed, a project planner defines the staffing needs to deliver the contract.
- A resource manager evaluates Kyndryls' Career Profiles to find Kyndryls who are available with the needed skills for the project.
- Once Kyndryls are added to the project, they work to deliver an exceptional customer experience while harnessing the chance to grow their skills in preparation for the next opportunity.
- Once the project is complete, the experience is automatically logged in Kyndryls' Career Profiles. Kyndryls can then ask for feedback on their performance from their colleagues and find a course to keep developing their skills.

As part of our commitment to improving our staffing process, we also enhanced our people analytics capabilities through our People Insights dashboard, which delivers insights to leaders that enable more efficient data-driven decisions. We have also enabled leaders to pull more than 100 reports that are designed to support them with direct access to the data they need every day.

In addition to our staffing process, we offer several other programs to support career mobility. Our global Internal Job Posting Policy is designed to enable internal job movement and visibility into non-executive and executive job postings for Kyndryls. The policy is foundational to filling open job roles and empowering Kyndryls to advance their skills and careers. We also encourage Kyndryls to bring the next great addition to our company through our globalized Employee Referral program.

We have enabled leaders to pull more than 100 reports that are designed to support them with direct access to the data they need every day.

## Setting a compass for development

Our process supports Kyndryls as they chart a course for achievement and development, aligned with our business objectives. In 2023, Kyndryl introduced our Global Skills and Career Framework, our market-based approach to employee career journeys. We moved from several job frameworks to one across every part of our business. Our single framework empowers Kyndryls to own their careers by providing transparency into the skills and competencies expected for their roles and the variety of roles across Kyndryl as they grow their careers. Our framework also equips Kyndryls with the skills to meet our customers' evolving needs.

We also launched Kyndryl Compass, our company's new performance management system which supports Kyndryls in achieving their development goals and the company's business objectives. This marked a fundamental shift to focusing on development and putting our people's skills and careers at the center of our business.

Compass allows Kyndryls to:

- Define their outcomes-based Performance Goals connected to the company's business objectives. Goal setting includes one Responsibility to Others goal focused on exhibiting our Leadership Behaviors, which demonstrates our belief that how we work is as important as what we accomplish.
- Set a Development Goal, which is essential for professional growth and building in-demand skills. Compass also allows Kyndryls to conduct skill self-assessments to define their development path. Through one simplified system, we've expanded capabilities to distinguish Kyndryls' skills, competencies and career interests, and provide Kyndryls with recommended market-based skills that they can add to their profiles.
- Have regular check-ins with their manager to discuss progress and development. In addition to regular check-ins, we expect managers to conduct formal mid-year reviews and annual end-of-year reviews with each direct report. Last year, 98% of Kyndryls received a performance review. (This does not include Kyndryls who are fixed-term hires, such as interns and apprentices.) End-of-year ratings impact performance-based rewards, which are aligned to business results at the company, business unit, team and individual level.

We recognize that development also includes succession planning — a key component of our talent strategy. Our Board of Directors, and the Compensation and Human Capital Committee, actively provides oversight of management's succession planning process and periodically reviews senior leadership succession planning and development, including an annual review with our CEO. The Compensation and Human Capital Committee oversees the management continuity planning process, and is responsible for reviewing and evaluating the succession plans relating to all executive officer positions and for recommending individuals to the Board for these positions.

We also execute succession planning for other critical executive roles across Kyndryl, including our country and practice leaders, and managing partners. In addition, managers can nominate Kyndryls for available roles, further empowering Kyndryls to advance their careers. Our approach ensures we have a pipeline of available talent, which enables continuity for leadership roles and minimizes disruption to our business.

## Powering progress with feedback

In fiscal 2024, we enabled Kyndryls to regularly seek and share feedback to power personal development and achieve their ambitions. We launched a mentoring program in which Kyndryls can view the profiles of other experienced Kyndryls who are available to connect and collaborate as mentors. We also launched a tool that Kyndryls can use to ask for feedback from their manager, colleagues and project stakeholders. Managers can assess the skills and competencies listed by their direct reports in their Career Profiles, which further helps Kyndryls understand their level of expertise and growth opportunities.

For managers and leaders, we offer our Multi-Rater Feedback, a 360-degree feedback program based on the Kyndryl Leadership Behaviors. It includes a self-rating by the participant and feedback from their manager, peers and direct reports. Participants receive a feedback report to create development actions.

## Learn on the journey

We believe that continuous learning and development are critical to the growth of Kyndryls. We equip all Kyndryls to build technical, leadership and business skills through a variety of methods. Because we are a services business, our customers look to us to provide them with the skills they require. For Kyndryls, this presents a valuable opportunity to develop new skills and apply their expertise in support of enterprises around the world.

Demonstrating a key element of The Kyndryl Way, Kyndryls are restless to grow their skills. Our people invest time in training, as reflected by the 100% participation rate for eligible employees for business ethics training in fiscal 2024. Kyndryls logged 723,000 trainings and 78,000 digital credentials through the end of fiscal 2024. We offer Kyndryl-specific and industry standard certifications, discussed later in this section.

Through our new integrated learning platform, Kyndryls can learn anytime and anywhere — with access to more than 100,000 learning courses on a user-friendly, mobile interface to enhance their skills in pursuit of their development goals. Our training portfolios align with the Global Skills and Career Framework, enabling Kyndryls to choose job-specific development training programs and courses to increase their competencies. We also encourage Kyndryls and managers to set goals on learning and development as part of Kyndryl Compass. Managers can monitor their team's course progress and discuss it during regular check-ins. Managers can also design and assign personalized learning paths to meet individual needs.

Kyndryl does not set training targets. Instead, we are committed to providing necessary and customized training to instill a culture of continuous learning. During fiscal 2024, Kyndryls completed 2.3 million hours of training, averaging 27 hours per Kyndryl across all levels. Executives averaged 17 hours, while non-executives averaged 27 hours.

With our transition to a new learning platform, the scope of what we can measure narrowed significantly, which is why our fiscal 2024 numbers are lower than fiscal 2023. Although personal learning, mentoring, seminars, job shadowing and conferences are still part of our culture and employee experience, our new learning platform does not capture these hours at this time. As we continue to use the platform, we will iterate on our data collection methods to better match industry measures.

**100,000+**
learning courses

**2.3 million**
hours of training

We are committed to providing necessary and customized training to instill a culture of continuous learning.

## Technical skills to serve our customers

Due to the highly technical nature of Kyndryl's work, we have a strong focus on technology training. We offer Kyndryls continued training in our practice areas: Cloud; Security and Resiliency; Network and Edge; Digital Workplace Services; Applications, Data and AI; and Core Enterprise and zCloud. Our practice areas help define our curricula and create a community of learners who mentor one another and exchange ideas.

Our alliances with market-leading technology companies like Microsoft, Amazon Web Services and Google Cloud also enable us to equip Kyndryls with in-demand skills and publicly recognized certifications to develop their careers and better serve our customers. All Kyndryls have access to foundational hyperscaler cloud training, and our technical workers can pursue advanced training, leading to over 11,350 certifications in hyperscaler cloud skills in fiscal 2024.

All full-time and part-time Kyndryls can pursue certifications, and we offer technical certifications to contractors through our external alliances. Kyndryls can also add certifications to their Career Profiles to be better assigned to future work.

**11,350**

certifications in hyperscaler cloud skills in fiscal 2024

## Business skills

In addition to technical expertise, we ensure Kyndryls develop the proper business skills to serve customers and grow their careers. We offer business training for our customer support teams, corporate shared services organizations, sales teams and our early career talent.

For Kyndryls who support customer accounts, we provide focused training, including consulting, problem solving and project management skills to support the growth of our fast-growing Kyndryl Consult business. We offer courses on the key principles of change management, so Kyndryls can plan, assess and execute changes in our customer environments. And we ensure Kyndryls are equipped with the necessary skills to deliver exceptional service to our customers.

Kyndryls in our shared services organizations, such as legal, finance, HR, marketing, operations and corporate affairs, can access relevant learning courses based on their professions. This includes training on financial regulation, tax law, legal implications of regulations, employee law and human resources best practices. As Kyndryls in our shared services organizations support internal customers, it's important that they are equipped with relevant customer-facing skills, such as change management, relationship building, project management and effective communication.

Kyndryls in sales roles learn how to understand customer needs and develop impactful solutions, which is essential to these professionals. We also provide courses in advanced consultative selling skills.

No matter where Kyndryls are in their careers, we offer a variety of training that allows them to explore their interests and find their unique path. For example, in fiscal 2024, we supported the skill development of hundreds of interns and apprentices through early career programs.

## Leadership development training

At Kyndryl, we take a holistic approach to leadership development. Because we believe every Kyndryl is a leader, our Leadership Development@Kyndryl roadmap includes learning paths for each stage of career progression, from early career to executive. Our people managers and executives have access to instructor-led and online resources aligned with Kyndryl Leadership Behaviors. These resources help them refine their leadership skills, and include courses designed to support new managers with the skills they need to improve communication, share feedback and develop their teams. Our managers also can access coaching sessions to improve their skills.

## Mandatory training

We provide annual, mandatory training to all Kyndryls on cybersecurity, data privacy and relevant regulation. We also require Kyndryls and contractors to take annual training on our Code of Conduct, which teaches integrity, business ethics and compliance. These trainings are further described in the Trust chapter.

Kyndryls in sales roles learn how to understand customer needs and develop impactful solutions, which is essential to these professionals.

## Thriving in the adventure

In the section on empowering our people, we discussed how our culture is empathetic both towards our customers and employees. We exemplify this value by offering Kyndryls policies, programs, competitive rewards and benefits to help them flourish and thrive in the adventure of their careers.

For example, we believe many of our jobs can be done flexibly. Due to customer requirements, some jobs must be in an office or customer locations, but many can be remote. We believe that our global Flexible Workplace Policy helps Kyndryls achieve business results and work/life balance. The policy enables managers and Kyndryls to have open dialogue and agree upon what work location works best for each employee, the team and the customer.

Additionally, our inclusion programs, such as our Kyndryl Inclusion Networks (KINs), foster belonging and community. See the inclusion, diversity and equity section to learn about our strategy and programming.

We also encourage Kyndryls to give back to their communities by volunteering with impactful organizations through our Volunteer Time Off program, covered in the social impact section.

## Competitive rewards

Kyndryl's rewards program supports our ability to attract and retain outstanding talent. Our rewards are designed to be structured in a fair and equitable manner and align competitively to the market. We focus on pay for performance — with most rewards driven and differentiated by both company and individual performance.

- Our performance-based rewards — such as bonuses and promotional increases — are aligned to results at the company, business unit, team and individual levels.
- Our essential rewards — such as base pay, health plans, savings and retirement programs — are designed to promote health, well-being and financial security.

At the beginning of fiscal 2024, we introduced our new Shared Success non-executive employee bonus plan, which measures and rewards shared success against the financial metrics that matter to investors. Now, bonus plans for both executives and non-executives focus on common goals that align with our business strategy.

Funding the plan is based upon:

- Profitable growth, as measured by Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), reflecting our operating profitability and financial health.
- Revenue, which is critical to delivering sustained profitability to maintain, and optimally expand, what we do for our customers.

Kyndryl's rewards program supports our ability to attract and retain outstanding talent.

In fiscal 2024, Kyndryl granted stock-based compensation to senior leaders in more than 39 countries around the world.

Our benefits reflect Kyndryls' feedback on how we can best support them and their families. In each of Kyndryl's leading markets, we provide all employees on Kyndryl contracts — including new, existing, full-time and part-time employees — with access to a range of benefit programs, including health plans, life and disability insurances, pension plans and different leave entitlements, including vacation, parental and sickness leaves. Globally, we offer a minimum parental leave policy of 20 paid days. We provide same sex partner coverage in 44 countries, and gender affirmation benefits in 35 countries, where these programs exist in the market. In addition to global benefits, we offer benefits to meet local needs, including a variety of competitive medical benefits.

We review these benefit programs annually against industry benchmarking data provided by our appointed global benefits broker, allowing for adjustments to align our benefits with competitor offerings to support talent attraction and retention.

We also offer global well-being benefits through Kyndryl Be Well, covered in the next section.

# Promoting Kyndryls' well-being

Be Well

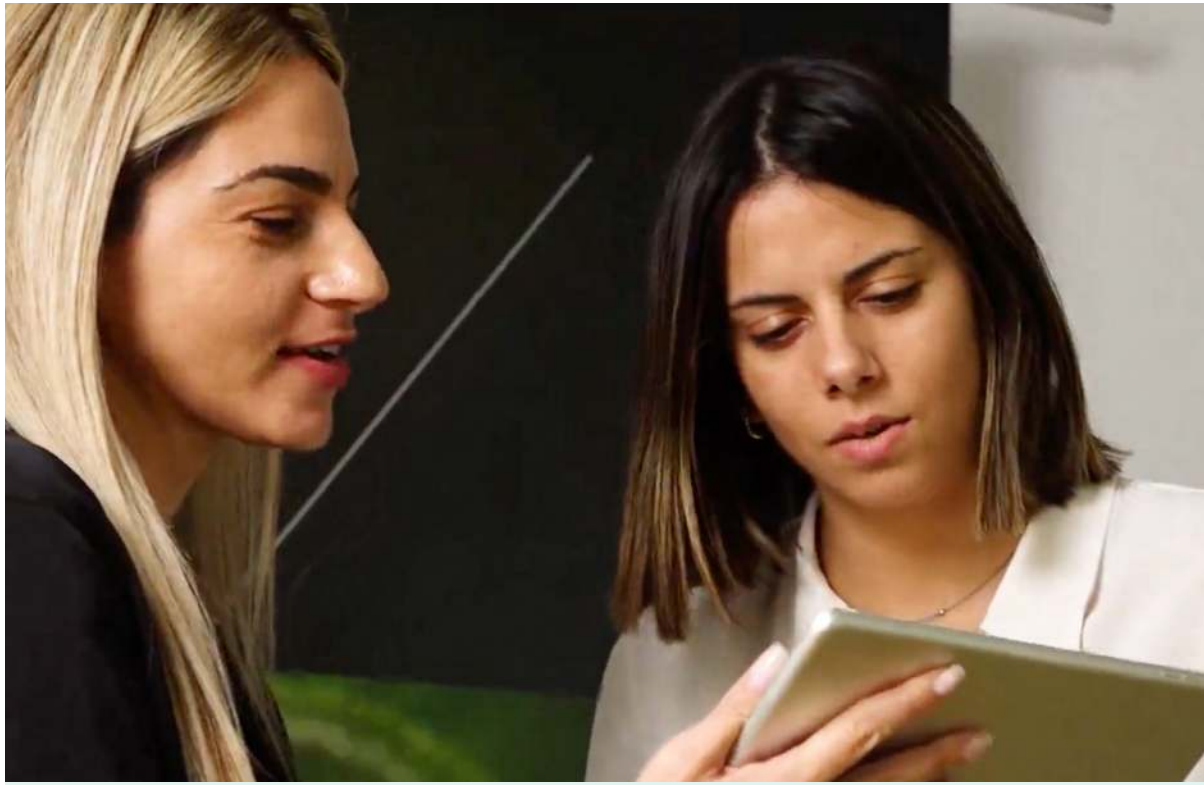
In fiscal 2024, we launched a new global, comprehensive well-being strategy, Kyndryl Be Well.

It further established the importance of being proactive about well-being and enabling all Kyndryls to continue to shape a culture of empathy. By supporting well-being, we're ensuring Kyndryls can stay healthy and receive the support they need to succeed. Not only is this good for Kyndryls — as improved well-being can lead to increased engagement and reduced absenteeism and turnover — it's also good for our customers, who depend on Kyndryls for their IT and business success.

## Kyndryl Be Well

Kyndryl Be Well is brought to life through a range of programs, benefits and policies that support Kyndryls' physical, mental, social and financial well-being. We announced that beginning April 1, 2024, we'd expand our well-being offering with new Kyndryl Be Well services at no cost to all Kyndryls and their families — including spouses, domestic partners and children under age 26.

As part of its mental health benefits, Be Well provides year-round, confidential counseling to support Kyndryls in navigating relationships, stress, parenting, grief and more. We also offer 24/7 certified mental health crisis counseling services to ensure Kyndryls and their families have access to mental health support when they need it most.



Kyndryl Be Well is brought to life through a range of programs, benefits and policies that support Kyndryls' physical, mental, social and financial well-being.

In addition, Kyndryls have access to a robust network of health professionals including doctors, nurses, psychologists, health specialists and mindfulness teachers to promote and support their physical and mental well-being. With a focus on building healthy habits to support well-being, Kyndryls also have access to a comprehensive library of resources on sleep, physical activity and nutrition, as well as health related expert-led webinars and self-paced courses.

With locally tailored, competitive retirement savings and pension plans, we aim to support Kyndryls and their families as they financially plan for their future. Our Financial Health Portal includes savings and investment education and budgeting resources. Be Well services provide legal and financial research and referrals to ensure Kyndryls have support in meeting their financial well-being needs.

Because social well-being is an important aspect of our empathetic culture at Kyndryl, Kyndryls can also participate in online and in-person communities dedicated to well-being. Through Kyndryl Mindful, an online community, 3,000 Kyndryls engage in meditation with dozens of teacher-led options and hundreds of recorded sessions annually. Our Kyndryl Inclusion Networks (KINs) foster belonging and community through virtual and in-person events, as detailed in the section on inclusion, diversity and equity. We also offer a coaching training program, mentoring program and recognition programs to help Kyndryls grow their careers and recognize their colleagues' contributions, bolstering a culture that celebrates shared success.

For a description of our Flexible Workplace Policy and a full listing of benefits, see the talent retention section.

## Tracking our progress

Understanding how Kyndryls utilize and value our total rewards programs allows us to continue to evolve our offerings to meet their needs. Kyndryl takes a proactive approach to tracking and monitoring the success of programs and the support of Kyndryls through utilization and satisfaction KPIs, Net Promoter Scores and pre- and post-programming questionnaires.

# Inclusion, diversity and equity

Creating a culture where every employee feels they belong is rooted in The Kyndryl Way. Our inclusion, diversity and equity (ID&E) strategy aims to build highly collaborative teams that bring a range of experiences and viewpoints to solving customer challenges and driving innovation.

Our strategy aligns with the United Nations Sustainable Development Goals (SDGs) and specifically supports Goal 10, which is focused on reducing inequality within and among countries. See the section on our commitment to the SDGs for more information on our efforts.

Our mission is to build a diverse and inclusive workforce and an equitable culture that contributes to business results by delivering exceptional service for our customers and advances the vital systems that power human progress.

Our vision is to be empathetic and devoted global citizens who strive to make the world better and more inclusive for Kyndryls, our customers and our communities.

Our strategic priorities:

- Connected and inclusive culture — Drive a culture where Kyndryls feel a sense of inclusion and belonging
- Diverse and representative teams — Attract, develop and retain diverse talent across levels and geographies
- ID&E in our business and operations— Embed our priorities in every part of our business
- Community engagement and advocacy — Cultivate opportunity and promote equity in underserved communities

90%

of Kyndryls who responded feel they are treated with respect

We are proud to say that our Empathy and Inclusion Index, which measures the extent to which leaders are building an environment of empathy and trust where Kyndryls feel they belong, is near best in class for the second consecutive year. According to our fiscal 2024 Annual Engagement Survey, 90% of Kyndryls who responded feel they are treated with respect, and 86% feel they can be themselves at work.

## Fostering a connected and inclusive culture

Kyndryl Inclusion Networks (KINs) are company-sponsored, employee-led resource groups open to all Kyndryls and dedicated to creating spaces where they can find and provide support and advice. Supported by senior-level executive sponsors, KINs support our ID&E strategic priorities. They also play a vital role in our inclusive environment where Kyndryls are valued and empowered to succeed. Our companywide, enterprise-level KINs include WIN (Women), LGBTQ+ & Allies, True Ability (People with Disabilities / Neurodiversity), BeKIN (Black), Hispanic / Latino, Asian Pacific Islander, and Native / Indigenous / First Nations. All Kyndryls can join KINs as members of these communities or allies.

Local KIN chapters exist in over 20 countries, and additional KINs have been formed based on unique local business and employee needs. For example, our U.S. and Canada teams have formed Veteran KINs, communities dedicated to sharing the experience of transitioning to corporate life while also building a sense of camaraderie and mentorship, outward engagement — including encouraging veterans to seek careers in tech — and professional growth. KINs also lead our efforts to sponsor Cultural Celebration months and days that are designed to raise awareness, highlight outstanding activities, and draw attention to current events and priorities within communities, such as Black History Month, Women's History Month, People with Disabilities/Neurodiversity Month, Pride Month and more.

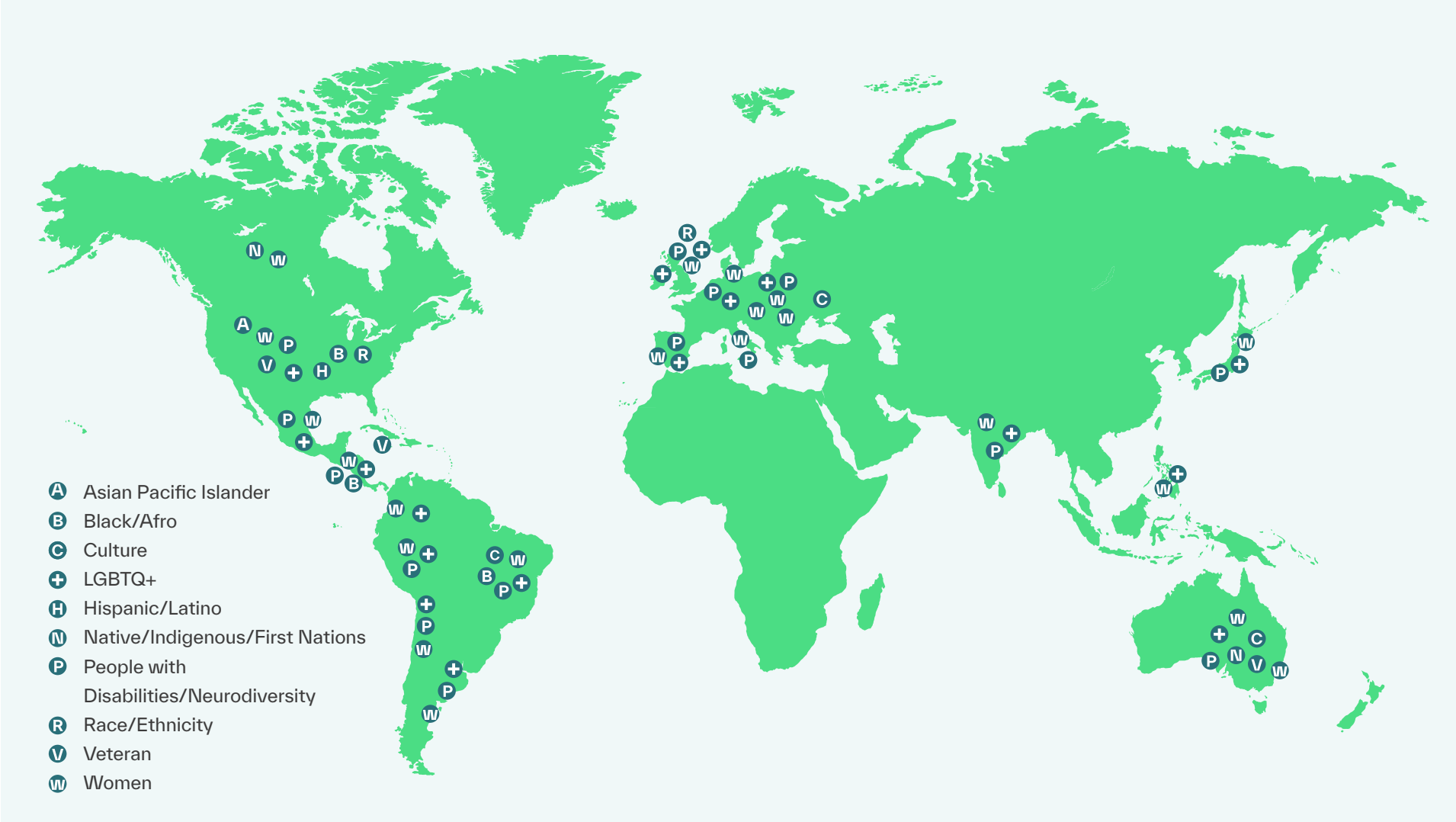
86%

feel they can be themselves at work

In fiscal 2024, our KINs prioritized organizational awareness for neurodivergent individuals and people with disabilities. Neurodiversity Celebration Month 2024 featured a Kyndryl Newsroom article on how companies benefit from nurturing and investing in neurodivergent people. As part of their efforts, the KINs launched Neurodiversity Allyship badges and People with Disabilities learning courses and confidence workshops. In addition, our Chief ID&E Officer collaborated with Microsoft's Director of Partner Development and Strategy to discuss neurodiversity on Kyndryl's podcast, The Progress Report.

## Local KIN chapters exist in over 20 countries.

## Kyndryl Inclusion Networks around the world




*Kyndryl Inclusion Networks map updated on October 14th, 2024.

Our impact

## Finding community through KINs

As part of Kyndryl's global well-being team, Frances Rodrigues understands the importance of welcoming spaces. Once afraid to be seen as different, Rodrigues found she was celebrated for her true self by global KINs and a subgroup created for gender diverse individuals as she navigated questions of gender identity. Through meaningful conversations and local events like the Pride march in the Philippines, Rodrigues' experience in KINs has made her feel confident to show up more authentically.

"These communities have helped — and continue to help — me thrive as I go through the adventure of life," Rodrigues said. "Being part of KINs makes me feel like I belong."

Through the Veterans KIN — or VetKIN — Barry Becker gives back to his community. Becker, Senior Vice President and Alliances & Partnerships Leader at Kyndryl U.S., is a U.S. Air Force Veteran. He knows the importance of supporting veterans and their families firsthand. With Becker's leadership, VetKIN recruits and mentors those who have a military background, encouraging Kyndryl veterans to build technical skills, develop their careers, share their unique experiences and contribute to their local communities. The KIN also engages families of veterans, as the community recognizes the loved ones behind every military member.

"We have people within our VetKIN who are allies of the military and who have sons, daughters and spouses deployed," Becker said. "We're proud to be able to provide camaraderie and support to these family members during a time of uncertainty."

"KINs are integral to our inclusion, diversity and equity (ID&E) strategy — they help us build a culture of belonging where Kyndryls feel seen, connected and inspired to learn, grow and make a positive impact."

**Karima Bryant**
*Chief Inclusion, Diversity and Equity Officer*

## Building inclusive teams

Kyndryl is committed to building an inclusive workforce, consistent with our Equal Employment Opportunity (EEO) Policy. We demonstrate our commitment to heterogeneous teams as we work to attract, develop and retain leading talent across demographics at each level and geography in our business.

- In fiscal 2024, we used new recruiting technology to improve talent sourcing, assessment and employment.
- We implemented human resource programs aimed at supporting growth and development for all Kyndryls.
- We elevated our focus on accessibility with an improved accommodation process and global accessibility guidelines.

We demonstrate our commitment to heterogeneous teams as we work to attract, develop and retain leading talent across demographics at each level and geography in our business.

We continue to build relationships with community and professional organizations that work with historically marginalized communities to support our recruitment efforts. For example, we participated in a workplace summit hosted last year by Out & Equal, a global LGBTQ+ organization. We also recruit from a variety of colleges and universities in the U.S., including Historically Black Colleges and Universities. Additionally, we have implemented global standards to make our job postings more inclusive and demonstrate our commitment to bringing diverse talent to Kyndryl.

To advance our efforts toward making Kyndryl an inclusive workplace that is welcoming to all, Kyndryl regularly reviews and monitors our progress. For data on representation, see our Environment and People Data Book.

## See Me @Kyndryl

To advance our culture of inclusion and empathy, Kyndryl launched a Self-Disclosure campaign called See Me @Kyndryl. The campaign asks Kyndryls to voluntarily disclose information regarding their identity (ethnicity/race, gender, gender expression/identity, Disability status, Veteran status). The results aid Kyndryl in understanding our workforce and evaluating our progress in identifying potential opportunities to make Kyndryl more welcoming to all. The campaign also enables us to better understand Kyndryls so we can strengthen our company's commitment to empathy and belonging and create programs, benefits and systems that meet all Kyndryls' needs. So far, we've launched the See Me @Kyndryl Self-Disclosure campaign in Australia, India, Ireland, the U.S., the U.K., Brazil and New Zealand, with plans to expand into more countries in late 2024. We are dedicated to creating and maintaining an environment in which Kyndryls feel comfortable voluntarily participating in self-disclosure opportunities, where permitted by country laws.

## Equal opportunity and rewards

In addition to maintaining an Equal Employment Opportunity Policy, Kyndryl also provides reasonable accommodations, where appropriate, to enable applicants with disabilities to successfully apply to Kyndryl and to effectively perform their jobs. In fiscal 2024, Kyndryl launched a global accessibility task force to provide increased governance, helping to ensure our process meets global accessibility guidelines and best practices. Kyndryl also has a dedicated Equal Opportunity Compliance Office that assists in maintaining regulatory reporting and other compliance requirements globally in accordance with country laws.

In line with our total rewards philosophy, Kyndryl is committed to paying employees fairly and equitably for similar work, considering factors like an employee's role and experience, the location of their job and their performance. For complete details on our total rewards, see the talent retention section.

## Corporate policies and training

We continue to educate Kyndryls on our fundamental commitments as we refine policies on Equal Opportunity Employment, Workforce Diversity and Inclusion, and Non-discrimination and Harassment to better align with industry best practices. Since 2021, all Kyndryls are required to complete ID&E learning offerings covering areas such as harassment prevention and retaliation.

# Providing a safe and healthy work environment

We care about the health and safety of all Kyndryls, and we're committed to supporting their well-being.

We promote a culture of health and safety rooted in holistic well-being and we take a proactive approach to keeping Kyndryls safe. By focusing on health and safety, we believe we can more effectively power progress for our business and our customers, delivering value globally.

As part of Kyndryl's comprehensive approach, we identify and manage safety-related challenges to reduce the potential for employee injuries and to increase worker productivity, trust and engagement across our business. We acknowledge that a strong culture of health and safety improves business outcomes, protects brand reputation and presents additional opportunities to drive positive impact.

Kyndryl's Health and Safety program supports our global commitment to the United Nations Sustainable Development Goals (SDGs). Specifically, the program aligns with SDG 8 and includes targets for protecting and promoting safe and secure working environments for all workers.

See the section on our commitment to the SDGs for more information.

## Our health and safety policies and commitments

Kyndryl aspires to be a leader in health, safety and employee well-being, as detailed in our Culture of Health and Safety corporate policy. At Kyndryl, people are at the heart of our business, and we are committed to prioritizing a healthy workforce and safe workplaces by:

- Complying with legal and other requirements
- Providing appropriate controls for health and safety risks
- Empowering the workforce through training, consultation and participation

We strive for continual improvement to ensure long-term sustainable growth for all Kyndryls, our company and our ecosystem.

We promote a culture of health and safety rooted in holistic well-being and we take a proactive approach to keeping Kyndryls safe.

The policy, formalized in 2021 and signed by our CEO, is shared with Kyndryls during onboarding and annually as part of our all-employee training on Kyndryl's Code of Conduct.

Kyndryls also receive relevant health and safety training according to the risks and legal requirements of their role.

This includes:

- Training for all Kyndryls on safe workplace practices, including in the office and datacenter environments.
- Training for Kyndryls designated as emergency response team members or those identified as trained in first aid.
- Resources and offerings for all Kyndryls on mental health. See the section on promoting Kyndryls' well-being for more information.
- Working with customers when Kyndryls are working at customer sites to understand any risks or requirements associated with their operations.

## Health and Safety Management System and certifications

Kyndryl's Health and Safety Management System (HSMS) is our framework to anticipate and evaluate current and potential health and safety risks. Through our HSMS, we also identify, collect and report relevant metrics to key stakeholder groups.

Our HSMS is mandated by the Kyndryl Health and Safety Responsibilities corporate instruction, which "is based on the foundation set by 'Kyndryl's Culture of Health and Safety' and defines roles and responsibilities through our HSMS and supporting requirements."

At least annually, we review and improve our HSMS through feedback. We strive to remain resilient and minimize any potential impacts on our operations and stakeholders resulting from internal or external events. As part of our review process, we consider:

- Hazards
- Components of well-being
- Regulatory and internal requirements
- Effectiveness of current operational controls
- Finances
- Views of Kyndryls, contractors and customers

We began the global certification process in fiscal 2024 and anticipate completion by fiscal year 2025 end. Once certified, our HSMS will be subject to annual review by an external certifier to the International Organization for Standardization (ISO) standard 45001:2018.

Kyndryl has obtained certification of our HSMS to the ISO standard 45001 at the country level for Kyndryl Italy. View our certificate here.

Kyndryl's HSMS applies to all activities, workers and workplaces controlled and managed by Kyndryl operating units, corporate staff, and majority and wholly owned subsidiaries where there has been a transfer of employment.

**We follow a systematic approach to managing health and safety that consists of hazard identification, as well as assessment, control, review and reporting. Our approach includes:**

## Identifying hazards

Our HSMS requires all workers and business functions to proactively identify hazards related to activities that may cause work-related injury or illness, or negatively impact well-being.

New hazards are identified, reported and evaluated to eliminate or reduce risk to an acceptable level following the Hazard Identification, Risk Assessment and Control (HIRAC) process.

## Reporting and investigation

When an incident, hazard or near-miss situation does occur, Kyndryls are expected to report them internally and notify their manager.

Managers are required to investigate all incidents within their area of responsibility and assign any appropriate corrective actions. Where applicable, managers are expected to work with customer representatives to report and agree on appropriate corrective actions.

Corporate Health and Safety (CH&S) is involved in the investigation of any significant incident and can assist in gathering information, defining issues, determining root cause and developing and implementing corrective actions.

CH&S actively partners with internal and external stakeholders to collaborate regularly on key issues. We consult and communicate with Kyndryls and other third parties on health and safety matters through a variety of methods, from Health and Safety Committees and Kyndryl communications to stakeholder collaboration and employee feedback.

We evaluate potential HSMS updates during an annual global review and through health and safety performance reviews. Local entities may also have relevant tools to understand the needs and expectations of their stakeholders.

## We consult and communicate with Kyndryls and other third parties on health and safety matters.

## Our measurements and progress

Using metrics, Kyndryl tracks, monitors and communicates program efficiency, quality and effectiveness. We report quarterly metrics to functional leadership to inform global decision-making and assess and mitigate corporate risks.

We manage a global incident tracking system and have consistently shown injury rates at 87% below our industry peer benchmarking. We analyze this data to determine ongoing trends or emerging risks to our workers and develop intervention strategies to keep Kyndryls safe — whether in the office, working at home, at a customer location or while on business travel.

In fiscal 2024, our Total Recordable Injury Rate (TRIR) is 0.038, which is much lower than the industry average of 0.30[13]. The rate is 200,000 worker hours per year — the equivalent of hours worked in one year by 100 employees.

To view all health and safety metrics and data, see our Environment and People Data Book.

**87%** Below the industry peer benchmarking for injury rates

**0.038** Fiscal 2024 total recordable injury rate (TRIR)

[13] U.S. Bureau of Labor Statistics.

# Responsibility to our global community

As a purpose-driven company, Kyndryl is dedicated to building an inclusive, sustainable future and powering progress for people and communities around the world. Through our approach to social impact and our commitment to human rights, we are focused on serving our global community and creating positive change.

## Our Social Impact strategy and priorities

The Kyndryl Way is foundational to how we engage with communities and empower our diverse workforce. We are driving these principles through our partnerships, volunteer initiatives and the Kyndryl Foundation, our company's philanthropic arm.

Our community engagement makes us both a partner and employer of choice as stakeholders recognize our shared values. Through our efforts, we can improve employee well-being, increase productivity and maximize our positive impact on people and communities.

As we help communities develop critical skills, participate in environmental stewardship and address societal challenges, we prioritize three community engagement areas where we believe we can have the greatest impact: Future Forward Education, Climate Action and Inclusive Economy.

### Future Forward Education

We focus on equitable access to student-centered and technology-enabled education, through which learners acquire the skills needed to meet digital transformation demands while providing meaningful careers for underserved communities.

### Climate Action

We support a transition to an environmentally sustainable future through innovative IT. We are committed to managing the impacts of climate change by strengthening resilience and adaptive capacity in the communities most affected by climate change.

### Inclusive Economy

We invest in bold ideas that build a representative economy in which all individuals and communities participate in and benefit from sustained economic and social prosperity. Kyndryl partners with entrepreneurs, startups, innovators and organizations committed to finding innovative IT solutions to help address the social and environmental challenges we face today.

We identified these focus areas by surveying Kyndryls and senior leaders. These three areas were most important to our stakeholders and provided the greatest opportunity to advance our strategy.

## Volunteer initiatives and impact

As we strive to communicate with empathy and learn from diverse perspectives, we provide virtual and in-person opportunities for community engagement. We also empower Kyndryls to create their own volunteer initiatives through our Social Impact Ambassador Networks and our Kyndryl Cares Volunteer Time Off program, which gives every full-time employee one day off per calendar year to serve their community.

We believe we must recognize and support volunteer efforts to retain a talented workforce. To empower and engage our people, we scaled participation in our platform that allows all Kyndryls to volunteer or donate to more than 2 million nonprofits across our three focus areas. Since we launched our volunteer recognition program on Deed in December 2023, over 4,500 Kyndryls have earned certificates.

**31%**
of Kyndryls have registered on Deed

**350+**
volunteer events

**480+**
nonprofit organizations

**31,000**
volunteer hours

**50+**
campaigns

"I love learning new languages and teaching them to my daughter at home, and I wanted to channel my skill and time to reach more children. Kyndryl has encouraged me to start my language classes on our volunteerism platform, Deed. I have gamified the process and made it fun for others to join and contribute to my cause."

**Danne Meira Castro Aguiar,** *Kyndryl Brazil*

## The Kyndryl Foundation

In September 2023, we launched the Kyndryl Foundation, our company's philanthropic arm that supports communities where we do business and addresses critical societal issues through grant funding and investments.

As a demonstration of our commitment to social impact, we established the Kyndryl Foundation within two years of becoming an independent company. Our efforts are aligned with our three focus areas and six SDGs.

The Foundation is governed by the Kyndryl Foundation Board, which is comprised of Kyndryl's senior leadership, including our CEO as Foundation Chairman and Global Head of Corporate Affairs as Foundation President. The Foundation is advised and administered by Kyndryl's Social Impact leadership team, which includes our Vice President of Social Impact and Director of Social Impact.

## The inaugural grantees

In March 2024, the Kyndryl Foundation announced its inaugural grants for 11 nonprofits from seven countries. Our partnership with the grantees aims to address the shortage of trained cybersecurity professionals by providing skills and placement programs for underrepresented learners and job seekers. The grants also support nonprofits' cyber resiliency through education and consulting. We chose grantees in line with our Future Forward Education and Inclusive Economy focus areas, and in support of SDGs 4, 8 and 10, which are focused on education, economic growth and reducing inequality.

The Kyndryl Foundation practices trust-based philanthropy, a collaborative approach that creates stronger accountability between grant providers and grant recipients. As part of our approach, we conduct requests for proposals (RFPs), require reasonable reporting information and offer regular check-ins with grantees so we can better understand their needs and respond accordingly. We recognize the value of trust-based philanthropy in reducing burdens on grantees by streamlining processes and awarding grants that favor long-term impact.

## Kyndryl Foundation inaugural grantees

### Category 1: Growing an inclusive cybersecurity workforce

- Alba Regia Műszaki Felsőoktatásért Alapítvány (Hungary)
  Alba Regia Műszaki Felsőoktatásért Alapítvány promotes culture, education and skills development in technology, intending to support students in achieving higher education in tech and cybersecurity.
- CodePath (U.S.)
  CodePath is reprogramming higher education to create a diverse generation of engineers, CTOs and founders. They deliver industry-vetted courses and career support centered on the needs of Black, Latino/a, Indigenous and low-income students.
- Czechitas (Czech Republic)
  Czechitas operates nationwide to bring diversity to the IT industry and foster digital proficiency in women and the new generation.
- Data Security Council of India (DSCI) (India)
  DSCI is an industry body on data protection, committed to making cyberspace safe, secure and trusted by establishing best practices, standards and initiatives in cybersecurity and privacy.
- Girl Security (USA)
  Girl Security works towards promoting cybersecurity career paths for girls, women and gender minorities aged 14 to 26 from underrepresented communities.
- NPower (USA)
  NPower aims to create a diverse workforce by launching digital career opportunities for underserved young adults and military veterans, helping them succeed in the digital economy and enabling economic prosperity.
- NPO Sodateage Net (Japan)
  NPO Sodateage Net aims to support the economic independence of young adults through a range of employment support programs, awareness activities, career guidance and parental support.

### Category 2: Preparing nonprofits to be cyberattack-smart

- Avsi Polska (Poland)
  AVSI Polska, associated with the AVSI Foundation (Association of Volunteers for the International Service), works to improve the economic and social conditions of people through human capital development.
- NPO Support Center (Japan)
  The NPO Support Center aims to address critical societal issues by creating a bridge between important stakeholders, including nonprofits, governments, corporations and foundations.
- Sdružení VIA (Czech Republic)
  Sdružení VIA works toward connecting technology to socially beneficial activities to create a more equitable world.
- University of Technology Sydney (UTS) (Australia)
  UTS is a leading public university of technology, recognized for its global impact. Through its strength in industry partnerships, UTS strives to be at the forefront of technology and innovation.

**Nearly doubled**

employee volunteer work during 2024

**230**

hours of volunteer work in Costa Rica

## Our social impact progress

In fiscal 2024, we nearly doubled employee volunteer hours through programs with key partners and by establishing a culture where volunteerism and community impact are celebrated.

We also launched a global competition among our Kyndryl Inclusion Networks (KINs) to reward employee volunteers and support their community impact priorities, including equality for all and STEM education. The winning KINs received grants that were donated to local nonprofits of their choice.

Winners included:

- **Women's KIN Costa Rica**
  In a month and a half, 50 members of the Women's KIN Costa Rica fulfilled 230 hours of volunteer work through six activities targeted to address housing insecurity.
- **Women's KIN España**
  This KIN focuses its volunteer work on creating opportunities for women in STEM. The KIN gained 30 members in one year and now includes 130 members.
- **Women's KIN Colombia**
  This KIN supports initiatives focused on women's equality and providing career growth opportunities. With a smaller group of 23 members, including 10 members from Ecuador who joined in the last year, this KIN volunteered at events from June 2023 through February 2024 to complete 200 volunteer hours.
- **Spain PwD Neurodiversity KIN**
  The Spain PwD Neurodiversity KIN aims to raise awareness and create more opportunities for people with disabilities and neurodiversity. The KIN invites external experts to speak at town halls and hosts internal activities that enable Kyndryls to learn about the experiences of people with disabilities.

## Partnering to drive impact at scale

Our partnerships include:

### Climate Action

**Customer Collaborations, United Kingdom and Ireland (U.K.I)**

In the U.K., we provided a Carbon Literacy workshop for Kyndryls and employees of a leading financial services group during a beach cleanup activity. We also helped facilitate Carbon Literacy webinars for employees of customers in the global data and insights industry. Additionally, Kyndryls and employees of our customers collaborated on volunteer days in support of a U.K. charity that tackles e-waste and digital poverty by refurbishing used devices for distribution to under-resourced communities.

### Inclusive Economy

**Cyber Rakshak, India**

Kyndryl, in partnership with Common Services Centres (CSC), under the Ministry of Electronics & IT, launched Cyber Rakshak in January 2023. The cybersecurity training initiative aims to equip women in rural and remote areas with cybersecurity skills and help them emerge as Cybersecurity Ambassadors. As of March 31, 2024, Kyndryl has trained more than 28,000 rural women across 11 states and 60 districts in India, investing over 96,000 hours in training.

Upon program completion, participants receive a joint certification from Kyndryl and the National Institute of Electronics and Information Technology (NIELIT), and can serve as guides to local internet users as they navigate an increasingly complex digital threat landscape. Over three years, the program plans to train more than 100,000 women in rural and remote areas, driving cybersecurity education efforts and growing skillsets across Indian communities.

### Future Forward Education

**United Way Partnership, Latin America**

Kyndryl partners with United Way in its effort to build stronger and more equitable communities. In response to a growing need for STEM education in Latin America, we collaborated with our regional network to implement the Aprendamos STEM — Let's Learn STEM — program. The program has directly impacted over 2,800 individuals, including teachers and students. As part of the program, Kyndryls dedicated upwards of 4,000 volunteer hours to sharing key STEM principles and future professional opportunities with students and educators across Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru.

**4,000**

**volunteer hours dedicated to sharing key STEM principles across Latin America in 2024**

"By investing in the education and development of Himalayan youth, Kyndryl is building a skilled and innovative workforce that can contribute to India's economic growth. This program will empower these young people to harness their potential and be drivers of sustainable development. Many of our graduates embark on their own successful ventures, becoming social entrepreneurs that provide employment for others in their communities."

**Sonam Wangchuk,** *Founding Director of HIAL*

### Fly High Scholarship, India

Kyndryl launched the Fly High Scholarship initiative to support a fellowship from the Himalayan Institute of Alternatives, Ladakh (HIAL), an Indian institute that offers educational programs, research initiatives and community development projects in support of sustainable development and empowering mountain communities. HIAL's fellowship in Integrated Mountain Development is designed to equip youth in the Ladakh area and other Himalayan Mountain regions with entrepreneurship skills that can solve region-specific problems and support sustainability goals.

The 11-month immersive program bridges the skills gap in the region by building expertise in topics such as environmental studies, sustainable entrepreneurship, responsible tourism and eco-responsive architecture. Kyndryl volunteers will also mentor the students, providing technical and leadership assistance as needed.

### Kyndryl skilling initiative, India

We launched a robust skilling initiative in partnership with India's National Institute of Electronics and Information Technology (NIELIT) in February 2024. This initiative aims to train 10,000 participants across the country in specialized areas such as DevSecOps, Cloud Operations and Resilient Systems. Training will be conducted at NIELIT centers and will be aligned with the National Skills Qualification Framework (NSQF).

We aim to train

**10,000**

**participants across the country in specialized areas such as DevSecOps, Cloud operations and Resilient Systems**

## Our impact

# Fostering greater economic inclusivity in Latin America

Ana Maria Bezerra Maimoni, a Kyndryl Distinguished Engineer, was volunteering in Brazil as part of our collaboration with the United Way when she was reminded of her younger self.

As a girl, Maimoni was interested in technology, but her family steered her toward different career paths. During a STEM-themed hackathon, Maimoni, now a mentor, met a student who faced a similar dilemma: she was uncertain about engineering and lacked female role models in the field. As Maimoni coached teams from Campinas' public schools, she shared her own career journey, becoming the very example the student sought.

"As a technical leader in Latin America, I have a responsibility to listen to young women and inspire a new generation to embrace careers in STEM — especially students who feel they have fewer opportunities because of inequality," said Maimoni. "Everyone needs to think that this field could be for them."

In Brazil, as in many countries around the world, women comprise a smaller share of STEM graduates than men, according to the World Bank's Gender Data Portal. And many students continue to lack access to the foundational training necessary for STEM careers. Our collaboration with the United Way aims to help close this gap.

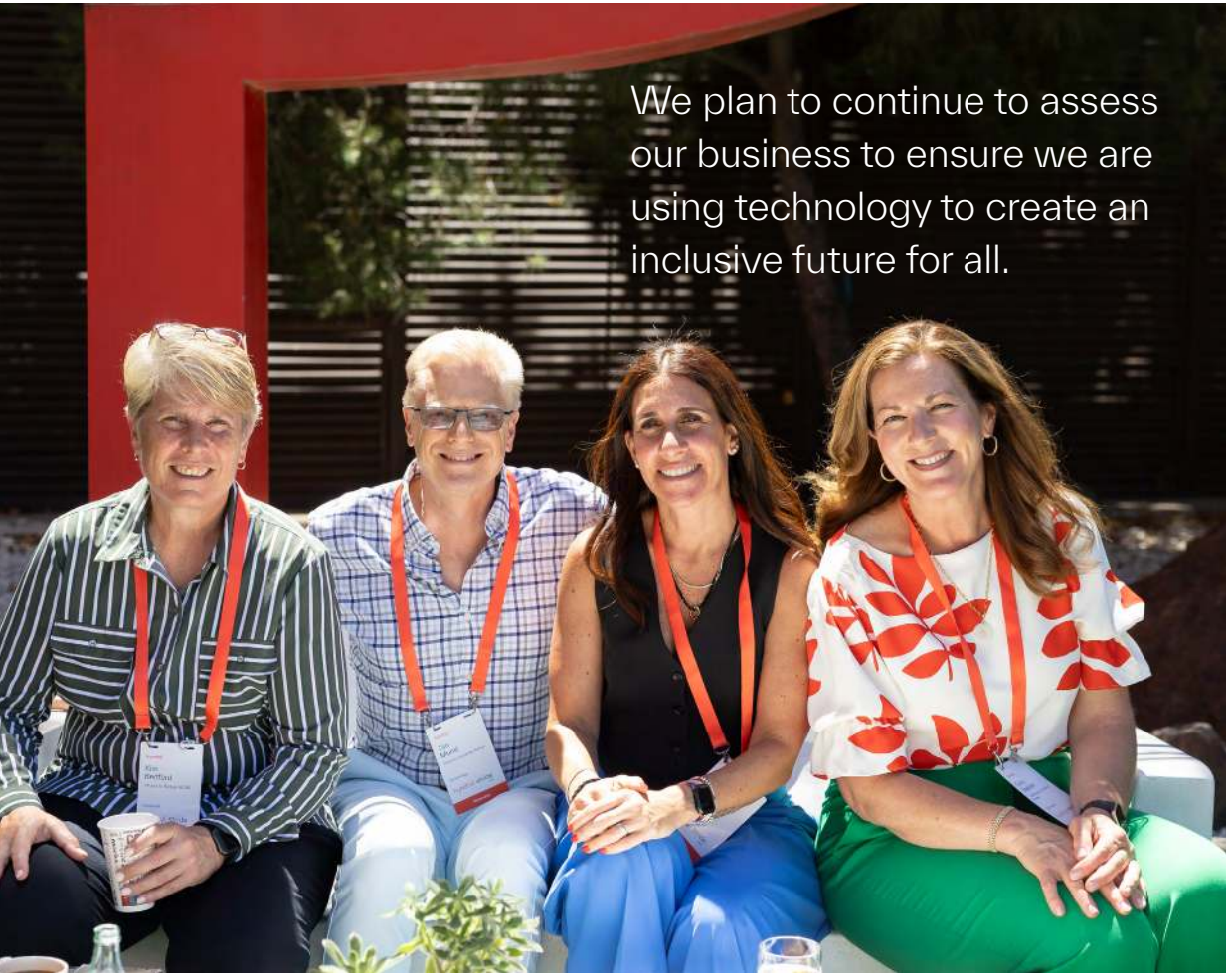
The partnership has connected students, educators and technology experts in seven countries in the Latin American region to build more equitable communities. In Costa Rica, despite a STEM skills shortage, more than 180 Kyndryls dedicated over 1,400 volunteer hours to advance this goal. They organized and led STEM workshops for 300 students from six schools and equipped teachers with strategies to implement STEM methodologies with limited resources.

The workshops engaged students in a series of STEM-focused activities, each presenting a challenge to solve. They also sparked aspirations among students and reminded Kyndryls how their skillsets can help others.

"We helped students see how their creativity can be applied to STEM careers," said Danny Quiros Carranza, our lead organizer in Costa Rica. "And we showed them a world of opportunities they may have never been exposed to."

> **"Kyndryl volunteers demonstrated unparalleled commitment to our collaboration, and they brought fresh perspectives and innovative ideas to adapt and improve the United Way's programs to effectively meet community needs."**
>
> Nancy Lara Fonseca,
> *CEO of United Way Mexico*

# Human rights




Kyndryl is committed to respecting all human rights across our operations and supply chain, as outlined in our Human Rights Policy. As we strive to care for our workforce and deliver positive outcomes for society, our commitment to human rights is essential to building a culture that supports our mission to be an employer and partner of choice. We plan to continue to assess our business to ensure we are using technology to create an inclusive future for all.

## Our human rights framework

Our Human Rights Policy aligns with the Kyndryl Code of Conduct, reflecting our commitment to ethical standards and expectations across our entire value chain. Our policy is informed by the United Nations Universal Declaration of Human Rights standards, and other United Nations human rights instruments, including the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the Convention on the Elimination of All Forms of Discrimination against Women; the Convention on the Rights of the Child; the Declaration on Human Rights Defenders; and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

To ensure inclusive operations, our Human Rights Policy addresses issues such as data privacy, cybersecurity and data stewardship, along with operational concerns including supply chain management.

We have also established policies and commitments to govern our corporate behavior around labor, health and safety, and community engagement issues. Additionally, our Modern Slavery Statement supports international trends in human rights, and we have developed modern slavery statements in line with regulations in the United Kingdom and Australia.

## Human rights governance

Kyndryl is responsible for overseeing human rights-related activities and conducting an annual review of initiatives under our Human Rights Policy in coordination with a cross-functional working group. This group identifies high-risk locations for human rights abuses, as well as how Kyndryl can reduce adverse effects of technology on people around the world.

Our Human Rights Policy is accessible to all Kyndryls, partners, customers and other stakeholders on Kyndryl.com.

# 4 Powering Progress for Trust

**In this chapter**

Building integrity into our business

Our accountability structures

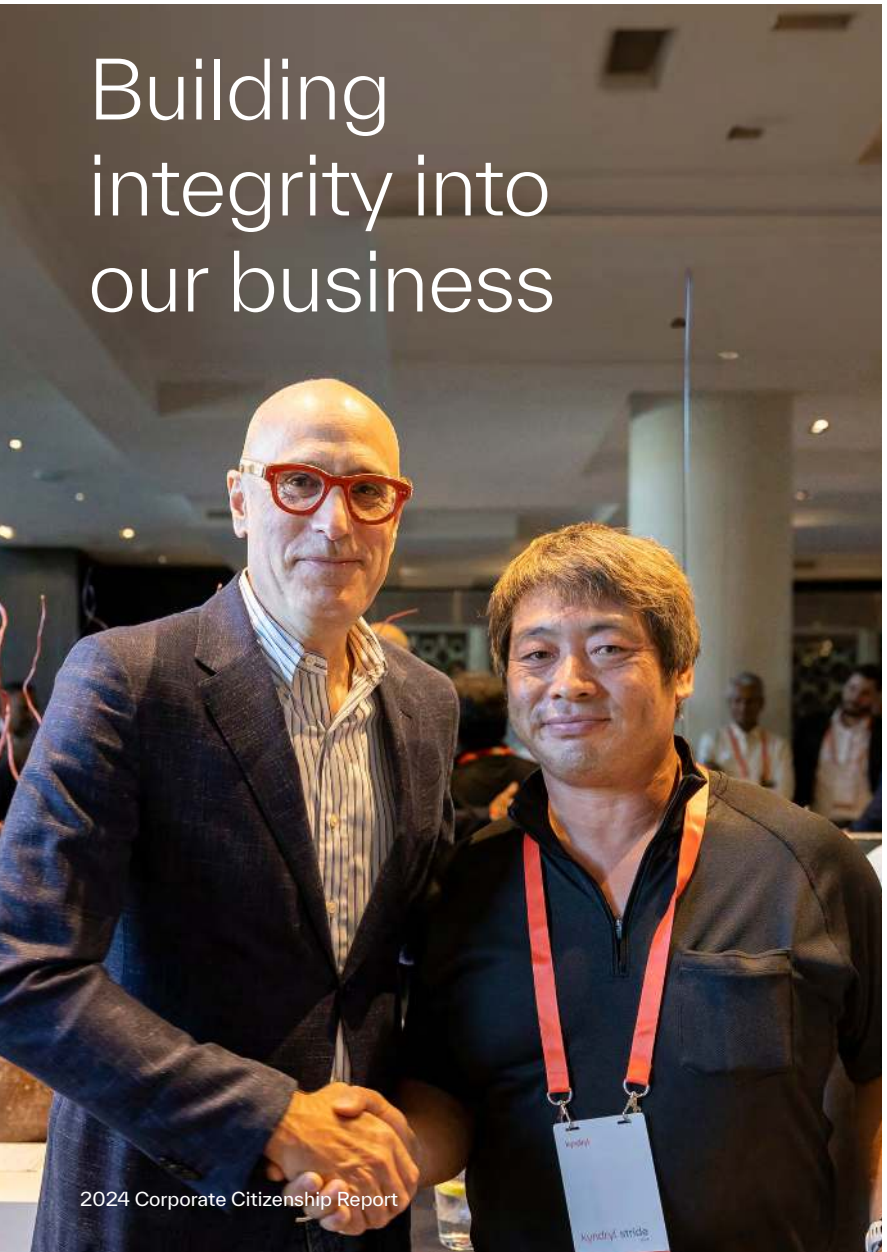
Cybersecurity and data privacy

Our approach to AI

Business ethics and operating with integrity

Our approach to advocacy and public policy

# Building integrity into our business



## At Kyndryl, we believe that everything begins with trust — including our success as a business.

Each day, with oversight from a diverse and experienced Board of Directors, we strive to maintain and enhance the trust that is so critical in our efforts to deliver value to our customers, shareholders, partners and communities. We constantly work to fuel a culture with integrity at its core, as we uphold the highest standards of corporate governance and maintain our commitment to equitable and responsible operations.

Our trust program is centered around three strategic areas of focus: building integrity, accountability and governance. Our focus areas are in line with the United Nations Sustainable Development Goals (SDGs), as well as our business objectives and stakeholders' requirements. As we continue to evolve our strategy, we are dedicated to prioritizing trust for our business, people and communities.

"Kyndryl's diverse Board of Directors, comprised of experienced, world-class leaders, helps ensure that we maintain our commitments to integrity, accountability, transparency and risk management. We've built trust into our company's foundation for our shareholders, customers, partners and employees."

**Ed Sebold**
*General Counsel and Corporate Secretary and Executive Sponsor of the Governance Working Group*

# Our accountability structures

Kyndryl aims to ensure that our decisions, actions and investments are guided by our core values.

We approach corporate governance holistically, with a focus on non-financial metrics as well as risk management, financial reporting and corporate purpose. This approach is essential to our goal of creating value for our stakeholders, being held accountable for our results and having a positive impact on the world.

## Leadership and governance

We recognize that building an inclusive and sustainable company starts at the top. Kyndryl's Board of Directors is our highest governance body that oversees our management on behalf of our shareholders. The Board includes 10 senior leaders, nine of which are independent,[14] with diverse backgrounds in critical global industries and professions. Our directors possess deep operational knowledge, financial expertise, academic leadership, and extensive research and innovation experience. In addition, many of our directors have a background in facilitating technological and organizational change, and possess digital and cybersecurity experience.

**10** leaders with diverse backgrounds

Martin Schroeter

Dominic J. Caruso

John D. Harris II

Janina Kugel

Denis Machuel

Shirley Ann Jackson

Stephen A. M. Hester

Jana Schreuder

Rahul N. Merchant

Howard I. Ungerleider

[14] To help ensure impartial decision-making all non-employee directors satisfy the independence criteria under the New York Stock Exchange listing standards and Kyndryl's governance guidelines.

## Board attributes

**50%** overall diversity[15]

**30%** Women

**30%** Global citizenship
outside of the U.S.

**40%** Diverse
race/ethnicity

**90%** Independence

### Industry expertise

- Chemicals
- Healthcare
- Services and Facilities Management
- Manufacturing
- Information Technology
- Aerospace and Defense
- Research and Development
- Financial Services and Insurance

### Professional experience

- Chief Executive Officer
- Chief Information Officer
- Vice President Business Development
- Chief Financial Officer
- Chief Operating Officer
- Theoretical Physicist
- University President
- Governmental Advisory Board Member
- Chief Human Resources Officer

### Board oversight

Our Board oversees our business strategy and works with management to monitor progress on short and long-term objectives. While the Board maintains overall oversight responsibility, the Board's three committees — Audit, Compensation and Human Capital, and Nominating and Governance — provide specific oversight of certain key areas. Each committee has a written charter that establishes duties and responsibilities. Our Board Committee Charters can be found here.

In addition to establishing board oversight of our environment, people and trust program, Kyndryl formed a cross-functional Corporate Citizenship Executive Committee to ensure our strategy is progressing and we are compliant with company, local and global policies. For more on our Executive Committee, see the Our Business chapter.

[15] 50% of directors are racially, ethnically and/or gender diverse

## Risk management

Our Board executes oversight of risk management. Our senior leadership team is responsible for managing our Enterprise Risk Management (ERM) program, under the oversight of the Audit Committee. Responsibility for identifying and mitigating high priority risks, including those related to environment, people and trust topics is assigned to one or more key members of our CEO's senior leadership team. The team has ongoing meetings with our CEO to track, measure and report on our progress.

Management teams regularly report to the Board and its appropriate committees on our material operational, strategic and financial risks (over the short-, intermediate- and long-term), as well as our plans to monitor, manage and mitigate these risks.

Kyndryl's Risk Management Working Group (RMWG), comprised of key corporate and regional management leaders, meets multiple times annually to review and validate identified enterprise risks. Each time the RMWG receives a new risk register from the ERM Project Management Office, RMWG conducts a continuous risk assessment process, and based on the risk assessment results, RMWG provides recommendations to the Risk Management Committee (RMC). The RMC is comprised of senior executives and is responsible for presenting its recommendations to the CEO and Audit Committee. The RMC continues to monitor and include our corporate citizenship strategies in our ERM program.

**Our comprehensive approach to Enterprise Risk Management positions us to proactively identify risks and develop and implement risk-mitigation strategies, including actions related to our operations, growth initiatives, people, corporate citizenship goals and public company status. Through our ongoing risk-assessment process, our Risk Management Committee regularly updates our risk analyses, which are reviewed with our senior management and Board of Directors, helping to ensure strong corporate governance."**

**Kamal Dua**
*Chief Audit Executive at Kyndryl*

The RMC is comprised of senior executives and is responsible for presenting its recommendations to the CEO and Audit Committee.

## Business continuity

Business continuity plans are imperative to managing risk and strengthening resilience. Kyndryl has comprehensive plans and processes in place to help sustain our business by assessing potential scenarios. We have a well-established Business Continuity Management (BCM) system that provides enablement, guidance and a consistent framework to Kyndryl's Business Areas and provides input to Kyndryl's ERM. The BCM program includes governance and review of business continuity requirements based on impact and risk, and the creation, implementation and operation of business continuity plans. Further, we regularly monitor and report on business continuity preparedness through testing and maintenance.

## ISO certifications

The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies. The majority of ISO standards are specific to a particular product, material or process. We meet applicable ISO standards through general Kyndryl practices and processes.

A full list of our ISO certifications focused on global oversight can be found here. Our ISO certifications administered at the country level can be found in their local jurisdiction.

# Cybersecurity and data privacy

We believe trust must be earned, and faithful stewardship of customer and employee data and privacy is paramount. Our company's cybersecurity and data privacy programs help protect data throughout its lifecycle. The programs, run by our highly experienced cybersecurity and data privacy team, align to global regulations applicable to our business, and include technical controls and organizational measures.

## Oversight and governance of cybersecurity and data privacy programs

Our information security programs are led by Kyndryl's Chief Information Security Officer (CISO), who reports to the Chief Information Officer (CIO). Our CISO organization collaborates closely with key stakeholders across the business, including our Chief Privacy and Data Governance Officer (CPO), Security and Resiliency Global Practice Leader and other global practice organizations, in developing and implementing our cybersecurity strategy, policy, operations, threat detection and incident response and remediation. These efforts are supported by members from across the company with deep cybersecurity, privacy, and local and global regulatory experience across multiple sectors, including U.S. financial services, aerospace, defense and other heavily regulated industries. This cross-functional experience allows us to operate an effective and risk aligned information security and privacy program. Relevant team members meet regularly to evaluate emerging threats, refine risk management strategies and review program performance, including operational metrics.

The Audit Committee and the full Board of Directors receive periodic updates from our CISO about Kyndryl's cybersecurity policies and practices, cybersecurity developments, trends, risks, notable incidents, mitigation strategies, maturity initiatives and other developments throughout the year, as well as periodic updates from our CIO, Security and Resiliency Global Practice Leader and other senior leaders on cyber-security related matters.

We designed a multi-faceted risk-management approach based on the National Institute of Standards & Technology (NIST) Cybersecurity Framework and informed by other industry standards and industry-recognized practices to identify and address cybersecurity risks. The program focuses on cyber hygiene, a robust cyber defense posture, enhancing cybersecurity by design and cybersecurity education and awareness. These initiatives integrate Kyndryl's modern cybersecurity capabilities to identify, protect against, detect, respond to and, if necessary, recover from cybersecurity threats.

## Assessing our programs

The maturity of the overall program is assessed annually against the Cybersecurity Capability Maturity Model (C2M2) and periodically through an independent third-party assessment. The third-party cyber risk program is integrated into the procurement process to identify and evaluate risks associated with third-party suppliers. We regularly conduct application testing and system scanning to better understand and manage the threat landscape.

We are committed to protecting the privacy and confidentiality of personal information of employees and any personal information shared by customers and business partners. Uniform practices for collecting, using, disclosing, storing, accessing, transferring or otherwise processing such information enable us to handle personal information fairly and appropriately, disclosing it and/or transferring it only under appropriate circumstances. Our data privacy policy is aligned with the EU's General Data Protection Regulation (GDPR) and applied globally.

## Cybersecurity, data governance and privacy risks

Kyndryl maintains information in digital form, including confidential and proprietary information, regarding our business and the business of our customers, business partners, vendors, employees, contractors and other third parties. We also rely on third-party vendors to provide certain digital services in connection with our business. As a result, we must navigate numerous risks related to cybersecurity and data privacy in our own services, systems and networks, which may involve the storage, processing and transmission of sensitive data, as well as those of our customers, partners and others.

As a global enterprise that relies on data, we recognize the need to manage a constantly evolving threat landscape. We also acknowledge the impact of the increasingly complex regulatory environment regarding cybersecurity, data governance and privacy issues.

However, despite our efforts to identify and respond to cybersecurity threats, we cannot eliminate all risks from cybersecurity threats or provide assurances that we have not experienced an undetected cybersecurity incident. For more information, please see our 2024 Annual Report.

Additional information on our privacy efforts can be found in our Kyndryl Privacy Statement, as well as supplemental statements such as our Data Privacy Framework policy, California Supplemental Privacy Statement, Talent Request for Customer Data and Privacy, Governmental Requests for Customer Data and Privacy — Your Additional Rights documents.

## Cybersecurity and privacy training

As part of our commitment to The Kyndryl Way, we build empowered, inclusive and accountable teams, and we believe all employees are responsible for their actions, including protecting our operations and our company's and customers' data.

We also operate a robust phishing test program that incorporates external threats with internal cybersecurity intelligence to continually improve employee awareness. Additionally, we operate comprehensive learning modules to equip our people with skills to act ethically, avoid cyber risks and mitigate them if they occur.

We require Kyndryls to complete annual, mandatory cybersecurity and data privacy training to help ensure our operations are safe and secure.

## Our impact

# Turning routine cybersecurity training into an adventure

Cyberattacks aren't the sole business disruptors — human error remains a formidable foe, according to a Kyndryl 2023 report on the state of IT risk.

That's why Kyndryl has turned safeguarding sensitive data into a team effort, with a comprehensive and interactive training program that makes our company more cyber resilient.

With the belief that engaging forms of education can empower Kyndryls to become more effective protectors of critical business operations, we gamified our annual cybersecurity training to provide ongoing education that evolves as quickly as the rapidly changing threat landscape.

Learning opportunities include immersive labs that enable "choose your own adventure" training and customized education that simulates realistic business situations — like phishing tests that reference daily work or guidance on how to spot deepfakes of executives. Kyndryls can then learn about potential outcomes of their actions, making training instantly relatable.

Our monthly Cyber J's series, for example, uses pop culture references, playfulness and high production value to make cyber training unforgettable: Think characters clad in fly fishing outfits that share the dangers of phishing threats. Thousands of Kyndryls tune in for these monthly episodes with cybersecurity experts Jeff and John (the two cyber "J's") to plot their unique cyber learning programs.

With a mix of education opportunities throughout the year, Kyndryls can learn at their own pace and pursue customized training for unique roles and learning styles, including a training system that allows our people to opt-in to more advanced courses. This empowers Kyndryls to chart their own cybersecurity education journeys — and fuels our culture of continuous learning.

"By turning education into an adventure — and sharing clear practical recommendations along the way — Kyndryl has transformed our cyber learning programs. We're seeing the daily impact of personalized trainings that break down barriers and make learning more accessible."

**Cory Musselman**
*Chief Information Security Officer at Kyndryl*

# Our approach to AI

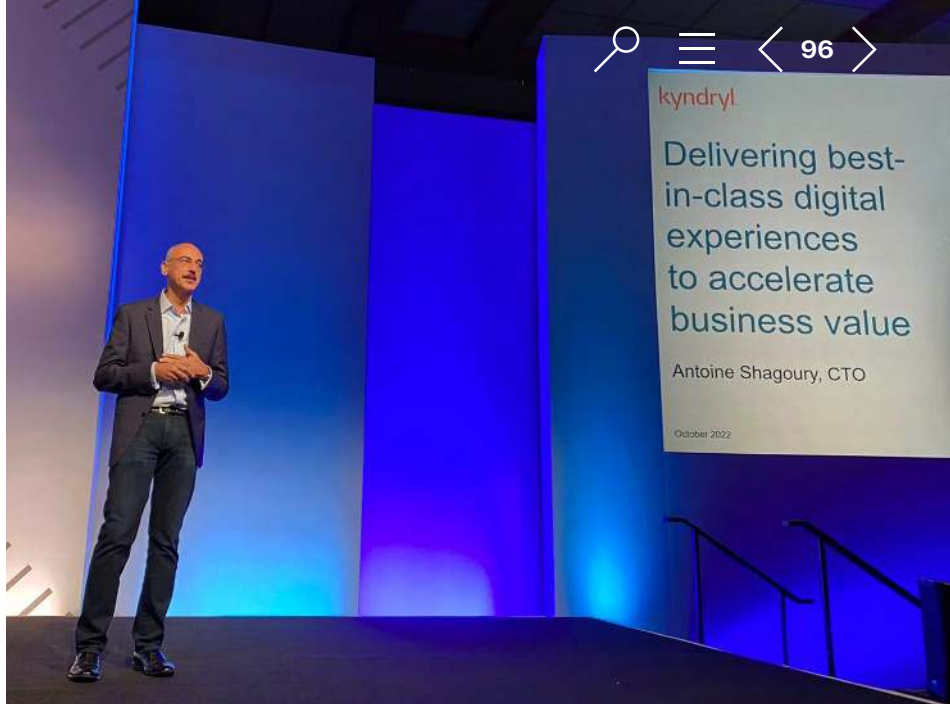
At Kyndryl, we recognize AI's potential to enhance business outcomes by boosting employee productivity, driving business insights and improving the efficiency of IT operations.

As we guide and support Kyndryls and our customers in applying AI to address their business needs, we are fostering an innovative and collaborative culture that empowers Kyndryls to develop AI capabilities that deliver business impact.

AI is an emerging technology that presents opportunities for Kyndryl and our customers but also carries certain risks. As we endeavor to ensure our company and our customers benefit from AI, we are working to address these risks, including confidentiality and IP rights, bias, copyright infringement and "hallucinated" or otherwise inaccurate output. Our commitment to enabling AI opportunities while striving to manage risks is further outlined in our Responsible AI at Kyndryl principles.

## AI Governance

To support Kyndryls in using AI technology from ideation to implementation, we have developed a robust governance framework that is overseen by the Kyndryl AI Board, led by our CTO, CIO, General Counsel, Global Head of Corporate Affairs and AI Business Leader. From the start, a cross-functional team works with Kyndryls to assess the need for the proposed use of AI, whether for our company or for a customer, and then reviews the proposal in light of clearly delineated risk categories based upon applicable regulation and our corporate determination of risk. Any potential risks are reviewed by the Kyndryl AI Governance Committee, which is comprised of leaders across the business and the relevant support functions, and more significant risks require a review by the Kyndryl AI Board.




This governance framework is captured in our AI Management System, a tool that we developed to support our focus on innovation and streamlined processes. All Kyndryls can access the tool and are guided step-by-step to appropriately route their proposed use cases. Our AI Management System also serves as an inventory of approved use cases, which helps as Kyndryls brainstorm capabilities that could be replicated for other purposes and provides a foundation for ongoing regulatory compliance.

# Business ethics and operating with integrity

Kyndryl aligns our corporate governance framework with global best practices and international standards to encourage responsible, transparent and ethical operations.

Kyndryl's Code of Conduct program has won three Silver Awards in 2024 from the Brandon Hall Group[16] in all three categories for which we were nominated:

- Best Compliance Training
- Best Custom Content Learning
- Best Use of Video for Learning

Through our Code of Conduct, anti-corruption and advocacy policies, we set high standards for ethical conduct across our business that support our long-term success.

## Kyndryl Code of Conduct

As we strive to hold each other accountable for upholding the highest ethical standards, the Kyndryl Code of Conduct is an essential tool that enables all Kyndryls to comply with applicable laws and regulations. Every employee — regular, supplemental and part-time — is required to complete and certify the Code of Conduct training annually, and we are proud to have achieved a 100% completion rate for all non-exempt employees for the third consecutive year.[17] Covering topics such as ethical decision-making, reporting concerns and avoiding bribery and corruption, our Code of Conduct serves as a compass for navigating ethical situations in daily work and advancing a culture of accountability across the company.

## Anti-corruption and anti-bribery policy

Kyndryl has also designed policies and processes to drive compliance with applicable anti-bribery and anti-corruption laws in every locality where Kyndryl operates, including the U.S. Foreign Corrupt Practices Act. Kyndryl's anti-bribery management system is designed to prevent and detect bribery.

## Whistleblowing

Kyndryl provides communications channels for employees, suppliers, alliance partners and others to report any concern related to the potential violations of the Kyndryl Code of Conduct, Kyndryl policies or any other suspected unethical or unlawful conduct through our enterprise Reporting Concerns Portal. Kyndryl has a strong no-retaliation policy related to any such reporting.

We have a dedicated Employee Concerns team in place to investigate and take actions to address bullying, harassment, discrimination, retaliation, favoritism, inappropriate romantic/familial relationships, and disciplinary actions or dismissals alleged to be discriminatory or retaliatory.

> We are proud to have achieved a 100% completion rate for all non-exempt employees for the third consecutive year.[17]

[16] Brandon Hall Group Awards is known as the "Academy Awards of Human Capital Management." The awards recognize the best organizations that have successfully developed and deployed programs, strategies, modalities, processes, systems and tools that have achieved measurable results.

[17] 100% of the non-exempted employees completed our Kyndryl Code of Conduct training as of February 2024. Employees on leave of absence, extended sickness or accident leave, pending termination of employment or similar circumstances may be exempted.

# Our approach to advocacy and public policy

As a multinational company, Kyndryl must navigate issues that require global dialogue with key stakeholders including global, regional, national and local policymakers. For example, our CEO has participated in the Business Roundtable, an association of more than 200 CEOs of America's leading companies who develop policies to promote economic prosperity, representing every sector of the U.S. economy.

On behalf of our industry, business, customers and employees, we work with elected officials and regulatory agencies on issues such as:

- Cybersecurity, privacy, data protection, AI and infrastructure and related environmental impacts, IP, spectrum, tax, workforce development and other relevant issues
- Climate risk and resiliency
- Responsible legal and regulatory engagement

Kyndryl belongs to organizations within the key countries in which we operate, helping to drive business relations and innovation. Kyndryl does not endorse, support, or make contributions or payments to any political parties or candidates, including through political action committees, campaign funds, trade or industry associations, or similar organizations.

## Kyndryl's global partnerships

- Business Roundtable (U.S.)
- U.S. Chamber of Commerce
- Cybersecurity Coalition (U.S.)
- Alliance for Trust in AI (U.S.)
- BSA | The Software Alliance
- AmCham EU
- German Datacenter Association
- Digital Companies Association (AMETIC) (Spain)
- Business Association for Innovation (COTEC) (Portugal)
- TechUK
- Global Enabling Sustainability Initiative (GeSI)
- 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

# About this Report

## Reporting overview

Each year, Kyndryl publishes a dedicated Corporate Citizenship Report (CCR) that covers our management, goals, progress and performance related to material environment, people and trust or governance issues. Our cross-functional approach allows leaders and experts to collaboratively manage, measure and track the effectiveness of our strategies, policies, governance efforts and goals.

The Environment, People and Trust reporting team includes subject matter experts and leaders who are responsible for disclosing information, data, metrics, policies, commitments and efforts in our CCR. Information is disclosed on a fiscal-year basis from April 1, 2023, to March 31, 2024, with exceptions where noted. Our reporting covers all Kyndryl subsidiaries and is published in September, following our annual financial reporting in May.

In fiscal 2025, we continue to comply with global sustainability reporting regulations that currently include the European Union's Non-Financial Reporting Directive and the International Sustainability Standards Board (ISSB) in countries where it has been adopted. We will continue to align our corporate citizenship non-financial and financial reporting as required.

This report discloses key non-financial information on material topics in the Environment, People and Trust chapters of this report. For significant changes to reporting disclosures from fiscal 2023 to fiscal 2024, we provide explanations in the body of the report. Restatements of data and metrics from the fiscal 2023 reporting period are explained in our Environment and People Data Book, as required. We determined the scope of the greenhouse gas (GHG) emissions data in this report using the operational control approach in line with the Greenhouse Gas Protocol. We have engaged a third-party to provide limited assurance over certain GHG emissions metrics. For more details on our emissions calculations and to read our assurance statement, please see our Environment and People Data Book in our Non-financial Reporting Hub. All financial calculations in this report are based on U.S. dollars.

## Corporate citizenship non-financial reporting frameworks, ratings and rankings, and recognition

Kyndryl's non-financial reporting aligns with the following global frameworks and standards:

- The Taskforce on Climate-related Financial Disclosures (TCFD)
- The CDP (formerly Carbon Disclosure Project)
- The SASB Software-IT-Services-Standard (SASB)
- The GRI Standards 2021 (GRI)

Please visit our Non-financial Reporting Hub to view our comprehensive non-financial disclosures and associated information, including our:

- Fiscal 2024 TCFD Report
- Fiscal 2024 CDP Response
- Fiscal 2024 SASB Content Index
- Fiscal 2024 GRI Content Index
- Fiscal 2024 Environment and People Data Book

*Fiscal 2024 CDP Response link added October 14th, 2024.

Throughout fiscal 2024, Kyndryl routinely engaged with and responded to our priority rating agencies, including ISS, Sustainalytics and MSCI. In fiscal 2024 and including the first quarter of 2025, our scores are as follows:

### ISS

Our score is at C Prime, meeting the industry average.

### MSCI

Our score is at BBB.

### Sustainalytics

Our score is at 16.6 Low Risk, above the industry average.

### S&P Global

We improved from 11 to 40, above the industry average.

### CDP

We received our first score at B, above industry average.

### EcoVadis

We improved from 44 to 68, earning a Silver Medal in the top 15% of rated companies.

**Kyndryl has also received workplace awards in fiscal 2024, including:**

- Top 100 Most Loved Workplaces from Newsweek for the U.K. and U.S.
- Best Technology Companies to Work for by U.S. News
- LinkedIn 25 Top Companies
- AmbitionBox Employee Choice Awards
- Best Organizations for Women by The Times Group
- 100 Best Companies Where Women Actively Take Part by Nikkei
- PRIDE Index GOLD for the second consecutive year

## Forward-looking statements

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 "aim," "anticipate," "believe," "contemplate," "could," "estimate," "expect," "forecast," "intend," "may," "opportunity," "plan," "position," "predict," "project," "should," "seek," "target," "will," "would" and other similar words or expressions or the negative thereof or other variations thereon. These statements and other statements regarding our environmental, people and Trust progress, plans, practices, commitments, goals and targets (including sustainability and inclusion, diversity & equity matters) involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied, including as the result of changes in circumstances, estimates that turn out to be incorrect, standards of measurements that change over time, assumptions not being realized or other risks and uncertainties. For a more detailed discussion of these factors, see the information under "Risk Factors" 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. Except as required by law, we assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Historical, current, and forward-looking environmental and social-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. Statements regarding our Environment, People and Trust targets, goals and commitments are aspirations and we caution you that these statements are not guarantees of future performance, nor promises that commitments, 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 adjust our commitments, goals or targets or establish new ones to reflect changes in our business, operations or plans. Furthermore, data, statistics and metrics included in this Report generally are nonaudited estimates, are not prepared in accordance with GAAP, continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation but may be subject to revision.

kyndryl

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**Contact Information**

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**kyndryl.com**

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The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

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