

Carbon Reduction Plan

Supplier name:Kyndryl UK and Ireland Ltd

Publication date:18th April 2023

Commitment to achieving Net Zero

Kyndryl UK and Ireland Ltd is committed to achieving Net Zero emissions by 2040 aligned with the Company's Net Zero commitment outlined below:

<https://www.kyndryl.com/us/en/about-us/news/2022/12/kyndryl-commits-to-net-zero-carbon-emissions-by-2040>

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are a pro-forma estimate and are the reference point against which emissions reduction can be measured.

Baseline Year: 2023 (1 April 2022 – 31 March 2023)

Additional Details relating to the Baseline Emissions calculations.

Kyndryl is committed to driving positive impact at scale and leading our industry in sustainable business practices. As an independent company as of November 4th, 2021, Kyndryl has been working to establish its own operational pro-forma baseline, including those on climate and sustainability issues. That baseline has been used to build our net zero goal in line with the scientific recommendations of the Intergovernmental Panel on Climate Change (IPCC) to reach net zero global carbon emissions by 2050 in order to limit global warming to 1.5 degrees Celsius. Kyndryl's net zero commitment follows the science-based frameworks and includes absolute reductions across scopes 1, 2 and 3 emissions. Our decarbonization plan aligns with the Company's business strategies and includes consolidating legacy real estate and data centre footprint to more sustainable infrastructures, increasing renewable energy use, and engaging with suppliers and alliance partners to use sustainable practices. Our inventory data for scopes 1, 2, and 3 are currently being verified and validated by an external third party to be published in our inaugural ESG report later in 2023.

Our scope 1 and scope 2 data is available at regional and country level, while our scope 3 data has not yet been disaggregated to this detail. For this reason, we have supplied a regional (United Kingdom and Ireland) totals for scope 1 and scope 2, and a global total for scope 3 / category 1 emissions. Our scope 3 / category 1 emission total is most material and relevant. Scope 3 / category 1 and other relevant categories is undergoing changes / pre-assurance. The data sources for emission factors include UK Government GHG Conversion Factors for

Company Reporting 2022, European Environment Agency CO₂-emission intensity from electricity generation 2022 and Association of Issuing Bodies European Residual Mix.

Baseline year 2023 (1 April 2022 – 31 March 2023) pro-forma estimated emissions:

EMISSIONS	TOTAL (tCO₂e)
Scope 1	973 (UKI total)
Scope 2 (location based)	18,234 (UKI total)
Scope 3 (category 1)	448,474 (global total)
Total Emissions	467,681

Current Emissions Reporting

Pro-forma estimated Reporting Year: 2023 (1 April 2022 – 31 March 2023)

EMISSIONS	TOTAL (tCO₂e)
Scope 1	973 (UKI total)
Scope 2 (location based)	18,234 (UKI total)
Scope 3 (category 1)	448,474 (global total)
Total Emissions	467,681

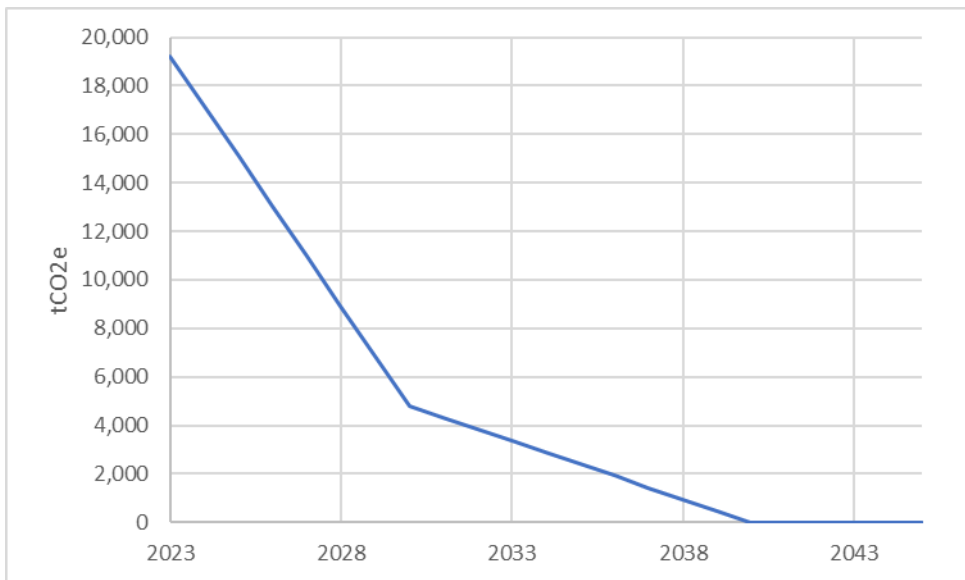
Emissions reduction targets

In order to continue our progress to achieving Net Zero by our stated target of 2040, Kyndryl has adopted the following carbon reduction targets by 2030 aligned with the Science Based Target initiative requirements:

- Reducing emissions for scopes 1 and 2, direct and indirect emissions, by 75%
- Achieving 50% reduction in carbon emissions across its global enterprise
- Obtaining 100% of purchased electricity through renewable sources

We therefore project that our scope 1 and scope 2 (19,207 tCO₂e) carbon emissions for Kyndryl UK & Ireland will decrease over the next seven years to 4,802 tCO₂e by 2030. This is a reduction of **75%**. In future, as we are able to disaggregate global scope 3 emissions to a regional level, we will include the emission reduction total for the United Kingdom and Ireland.

Kyndryl UK & Ireland Carbon Reduction Projection:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

In our very first year as an independent company, Kyndryl has embedded sustainability into the company's DNA, establishing our emissions baseline with external validation, creating our sustainability strategy in line with the UN's Sustainable Development Goals, setting net zero targets in line with the leading scientific frameworks and the Intergovernmental Panel on Climate Change, and building our own roadmap and financial model to ensure we achieve our goals.

Since 2021, Kyndryl (globally) has reduced its data centre energy consumption by more than 40,100 MWh (equivalent to >14,000 MTCO₂e) while saving \$5.47 million, and we annually enable the generation of 18,000 MWh of solar energy.

With 44 data centres in 20 countries submitted and 28 recognised at this stage, Kyndryl is one of the largest participants in the EU Code of Conduct for Energy Efficiency in Data Centres. Six of our data centres are also LEED certified.

We are in the process of getting our Environmental and Energy Management System accredited to ISO 14001 and ISO 50001 standards during 2023 and have completed our disclosure to EcoVadis.

Kyndryl is a member of the Responsible Business Alliance (RBA) and has adopted its code of conduct which reflects environmental, social, and ethical industry standards. In partnership with RBA, we ask that our suppliers adhere to RBA's Code of conduct.

In the future Kyndryl will implement further measures such as:

- Continuing to improve data centre efficiencies and reduce energy consumption for Kyndryl and our customers by
 - Continuing to use the EU Code of Conduct for Energy Efficiency in Data Centres as a framework to reduce waste and optimize efficiency. Energy efficiency projects considered include use of hydrogenated vegetable oil, IT equipment refresh, virtualization of IT workloads, cooling efficiency projects, optimizing data centre airflows and lighting projects.
 - Implementing processes to minimize business interruption and take account of environmental risks, and
 - Optimising our data centre portfolio to improve utilization and use of higher efficiency assets.
- Purchasing of renewable energy.
- Implementing Tier 1 supplier awareness and education programs, encouragement of suppliers to sign up for GHG emission reduction goals similar to Kyndryl, supplier participation in EcoVadis and Responsible Business Alliance.
- Enhancing business travel policies and low carbon forms of business travel and employee commuting.
- Executing programs to maximise reuse and waste recycling.
- Migrating customers to the cloud using renewable energy with key partners.
- Digitising the workplace to support a hybrid office strategy.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

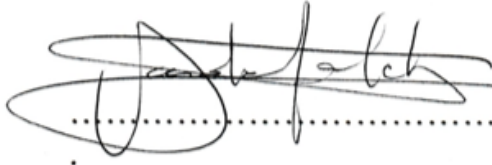
¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



KUNT. VAN DER HERTEN.....
DIRECTOR, ENVIRONMENTAL MANAGEMENT

Date: 18 April 2023