

# **Kyndryl Solutions Private Limited**

## **Corporate Social Responsibility Policy**

*(As per Companies Corporate Social Responsibility Rules, 2014 as notified on 27<sup>th</sup> February 2014 read with the Circular dated 18<sup>th</sup> June 2014 issued by the Ministry of Corporate Affairs)*

### **1. Preamble**

The Corporate Social Responsibility Policy (Policy) of Kyndryl Solutions Private Limited (Kyndryl/Company) has been developed in accordance with Section 135 of the Companies Act, 2013 (Act) on Corporate Social Responsibility (CSR) read with the Companies Corporate Social Responsibility Rules, 2014 (Rules) as notified by the Ministry of Corporate Affairs, Government of India followed by circulars. It shall apply to all CSR Projects / Programs undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

At Kyndryl, we design, build, manage and modernize the mission-critical technology systems that the world depends on every day. As a focused, independent company, we're building on our foundation of excellence by creating systems in new ways. .

### **2. Objectives**

- (i) Kyndryl aspires to be a responsible Corporate Citizen by contributing to nation building through CSR Projects/Programs, in true letter and spirit, as enshrined in the Act.
- (ii) The Policy, which has been formulated in alignment with the Vision of the Company, lays down guidelines and mechanisms to be adopted by the Company to carry out CSR Projects/Programs.
- (iii) All CSR interventions will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact.

- (iv) CSR initiatives of the Company will be carried out in partnership with credible implementing agencies.
- (v) The Company will prescribe the procedure/s by which the mandatory Reporting Format as per Rule 8 is prepared within the Company and the process by which it is finally presented to the CEO/Board/Chairman and the CSR Committee of the Board for the affixation of signatures.

### **3. Focus Areas**

Our CSR strategy is at the heart of our mission to be a purpose-driven, technology services company. Kyndryl is committed to powering human progress through a CSR strategy that delivers value to our employees, customers, investors, and communities. We commit to supporting the long-term growth of our communities through strategic investments, while remaining competitive with industry charitable giving standards.

We invest our time and expertise to drive positive change in Future Forward Education, Climate Action and Inclusive economy. As a people centered organization we act with empathy, welcome diverse perspectives, seek to understand others and restlessly innovate with our partners to deliver solutions that address challenges or opportunities in our communities.

Corporate Social Responsibility activities to be undertaken by the Company are aligned to the community activities undertaken globally under the CSR and Environmental Social Governance (ESG) domains.

To effectuate Company's commitment to strengthen communities across the country in which our employees live and work, Company takes great pride in promoting community success in partnership with non-profit organizations that produce high quality results through impactful programs.

The CSR projects to be undertaken by the Company under this Policy are as prescribed in Schedule VII of the Companies Act, 2013. The CSR projects will be undertaken in India and will not include activities undertaken in pursuance of normal course of

business of the company, projects that benefit only the employees of the company and their families or contributions of any amount directly or indirectly to any political party. All CSR activities will be undertaken in project mode and will lead to a quantifiable impact in an identified community.

#### **4. CSR Budget**

- (i) The Board of the Company will ensure that in each Financial Year (FY), at least two per cent of the average net profit (calculated as per Section 198 of the Act) accrued during the three immediately preceding FYs, is spent on CSR projects / programs.
- (ii) In the event that the amount indicated above is not spent in its entirety in that FY, the reasons thereof will be outlined as per Section 134 (3)(o).
- (iii) Projects/Programs will be identified, and budgets allocated for such programs through a process, incorporating identification of suitable implementation agencies, need assessment (where required) and outlining of desired outcomes.
- (iv) . The total budget allocation for all the identified projects / programs must not be less than the amount indicated at para 3 (i) above.
- (v) In the event the Company makes any surplus or profit from pursuing its CSR projects / programs, these will not form part of the business profit (but will, instead, be carried forward to the following year/s as part of either the CSR corpus or as a supplement to the CSR budget).
- (vi) For all contributions received from other companies/sources towards the CSR Corpus/Budget, the Company will claim CSR expenditure only for funds that are provided from its own resources.

#### **5. Planning and Implementation**

The Company shall give preference to well defined operating principles during the planning stage for the identification and implementation of its CSR Projects/Programs to ensure optimal utilisation of the CSR budget.

All CSR activities will be in the form of Projects/Programs, which will, entail the following components\*:

- i. Need Based Assessment/Baseline Survey/Study were considered necessary/feasible.
- ii. Identification of specific & measurable objectives /goals in identified sectors and geographies.
- iii. Formulation of the project and preparation of Detailed Project Report (DPR).
- iv. Identification of timelines – clear specification of start date and end date.
- v. Specification of annual financial allocation.
- vi. Clear identification of beneficiaries (by name where possible).
- vii. Clear identification of milestones for the complete duration of the Project/Program.
- viii. Preparation and signing of agreement with Implementing Agencies.
- ix. Preparation and implementation of a comprehensive and concurrent documentation procedure.
- x. Robust, periodic review & monitoring.
- xi. Evaluation & Assessment, preferably both concurrent and final (wherever possible, by a competent third party).
- xii. Mandatory Reporting.

(\*) The components listed above are not in any particular order.

- a. Opportunities for complementing / supplementing Government initiatives / programs will be explored. However, funds will not be deposited in Government accounts except where the Act/Rules specify such allocation.
- b. The Company would assign priority to projects/programs of **medium (1 -3 years) or longer duration (more than 3 years)** to ensure emphasis on long-term outcomes / impacts.
- c. The Company will lay emphasis on the **sustainability** of its projects/programs to ensure they remain relevant and viable even upon disengagement at the end of the project period.
- d. The Company will explore possibilities for collaborating / co-operating with other Corporate / National / Multi-lateral / Bi-lateral / International Agencies to

synergies its efforts and increase both financial resources as well as outcomes and impact.

- e. The Company may also consider participating in larger Projects / Programs where more than one Corporate / National / Multi-lateral / Bi-lateral / International Agency is involved.
- f. The Company will always endeavor to build and develop the skills of its CSR team and enhance levels of CSR awareness within the organization.
- g. The Company will also endeavor to build and develop the skills of the Implementing Agencies that it engages with.

## **6. Monitoring and Evaluation**

A comprehensive Monitoring mechanism will be devised by the Company to ensure that the CSR process functions as mandated by the Act and the Rules, ensuring that all Projects/Programs are duly implemented as budgeted. This will be done based on the following:

- i. Allocation of a separate budget for setting up and running the monitoring system.
- ii. Release of funds only against verified utilizations.

The CSR Committee will be responsible for monitoring of approved projects/ programs. CSR Committee constituted by the Board of Directors of the Company is detailed below:

- Lingraju Sawkar, Country President
- Subash Venkitaraman, Director

The monitoring system devised by the company will include:

- i. Regular field visits to Project/Program sites by designated teams.
- ii. Comprehensive documentation /compilation of Field Reports.
- iii. Regular interaction with beneficiary communities to obtain feedback.
- iv. Monitoring of timely fund utilization to ensure that Projects/Programs as budgeted are being carried out and/or

- v. Any other activity that the CSR Committee may deem necessary in the larger interest of its CSR initiatives.

## **7. Impact Assessment/Evaluation of CSR:**

To assess the impact of its CSR Projects and Programs, maximize outcomes and build-in sustainability, scalability and replicability, the Company shall undertake the evaluation of project, if required.

## **8. Documentation:**

- i. Meticulous documentation of projects / programs to ensure that progress is continuously tracked, course corrections are provided, lessons learnt, and objective feedback received.
- ii. Good quality documentation enables the Company to effectively address queries and support to prepare instructive and quality case studies. Keeping this end-view in sight, the Company will always endeavor to put in place, for all projects / programs, an effective documentation process.
- iii. Comprehensive documentation would include – printed material, audio recordings, video recordings and other mediums as needed.

## **9. Accounting & Auditing:**

The Company will follow the Accounting and Auditing Guidance Note / Standards duly approved by the Ministry of Corporate Affairs, Government of India.

## **10. Disclosure**

The Company shall comply with Section 135 (2), 135 (4) (1) and 134 (3)(o) of the Act thereby ensuring that it makes a full disclosure of its CSR Policy, Strategy, Projects / Programs, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board.

## **11. Reporting**

The Company will, at the beginning of the Financial Year following the year being reported upon, make a full report of its CSR projects /programs in the format prescribed for 'The

Annual Report on CSR Activities ' (Annexure B). This will be in consonance with Section 134 (3) (o).

The broad features and outlines of the CSR Policy have been indicated above. These may, however, appear in any order or sequence that the Board of the Company deems fit.

