2026 Kyndryl UK Ltd Carbon Reduction Plan

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Introduction

At Kyndryl, we power human progress by embedding climate risk management into our core business strategy, that emphasizes environmental stewardship, social inclusivity and governance. We focus on identifying and mitigating environmental impacts and risks, embracing sustainable innovation and enhancing resilience. As climate challenges evolve globally, we remain focused on advancing sustainability, supporting our teams and communities, and building trust through our governance practices.

As the world's largest IT infrastructure services provider, we design, build, manage and modernize the complex information systems that the world depends on every day. We recognize our role in maintaining energy-efficient operations and transitioning our business model to one that can operate effectively in a low-carbon economy.

We implement our global climate strategy across Kyndryl operations in more than 60 countries to help mitigate climate-related risks and decarbonize operations. Our strategy, which addresses both physical and transition risks, helps us meet stakeholder expectations for climate resilience while continuing to support thousands of customers worldwide.

Purpose

We integrate climate-related adaptation and mitigation strategies and track and monitor progress across our global operations to build long-term value that includes enhancing our ability to maintain IT infrastructure services for customers, partners, and internally during climate-related disruptions and a global transition to a low-carbon economy.

Commitments and targets

In December 2022, Kyndryl Inc. announced a long-term goal to achieve net-zero GHG emissions by 2040 — aligned with the Paris Agreement and the scientific recommendations of the IPCC to limit global warming to 1.5°C by achieving global net-zero GHG emissions by 2050.

Supporting our long-term goal, Kyndryl has also set near-term 2030 reduction targets, including:

- 50 percent reduction of absolute Scope 1, 2 and 3 emissions, from a fiscal 2023 base year
- 75 percent reduction of absolute Scope 1 and 2 emissions from a fiscal 2023 base year
- Reduce absolute scope 3 emissions from purchased goods and services, capital goods, and fuel-and energy-related activities

Kyndryl's net-zero science-based goal by 2040 and near-term targets were validated by the Science Based Targets initiative (SBTi), and is committed to making absolute emissions reductions in line with SBTi guidance and requirements in the near- and long-term. Kyndryl's near-term and long-term commitments to reaching net-zero includes UK operations.

Based on our operation strategy and decarbonization plan strategy outlined below, we project that our scope 1 and scope 2 market-based emissions for UK will reduce from 3,058.12MT CO2e to 764.53 MT CO2e (i.e., 75% reduction) by 2030. We also project that all our purchased electricity for UK operations will be from renewable energy sources (i.e., 100% renewable electricity).

Scope

The emissions inventory in this report covers Kyndryl UK Ltd direct and indirect operational activities (Scope 1 & 2), and key emissions categories in our wider value chain (scope 3) for the period of April 1, 2024, to March 31, 2025.

Kyndryl Holdings, Inc. Transition Plan information describes our global strategy that is implemented by Kyndryl UK at their 6 sites that includes data center and non-data center locations.

Transition Plan Strategy

Kyndryl's climate strategy, which supports our goal to achieve net-zero GHG emissions by 2040, is focused on identifying and assessing Kyndryl's climate-related risks and opportunities, implementing strategic planning and management initiatives to mitigate risks, and leveraging opportunities and innovation to deliver sustainability-related products and services.

To develop mitigation and adaptation strategies and initiatives for climate management, Kyndryl applies predictive climate models, scenario analysis and structured methodologies that identify and assess both physical and transition risks. Please see our TCFD Report for more information on our climate assessments.

Our emissions reduction approach focuses on internal emissions, which primarily result from data center operations, our value chain, and includes an integrated financial and emissions model that details the steps and actions needed to reach our targets and goals. In line with SBTi's guidance, and consistent with our reduction actions, our targets are based on our market-based emissions.

We continue to update and review our strategy and GHG management program to best support our efforts.

Table 1: Our reduction strategy includes the following initiatives

Scope	Actions	Means	Challenges / Benefits
Scope 2	Transform & modernize	▪Consolidate legacy data centers ▪Shift IT workloads to modern, energy-efficient sites and cloud platforms	**Challenge:** Consider energy efficiency and renewable energy use when selecting new data center locations **Benefit:** Reduced energy use and reduced costs
Scope 2	Improve energy efficiency	▪Modernize and refresh IT equipment ▪Consolidate and virtualizing IT workloads ▪Implementing cooling and airflow efficiency projects through AI and automation	**Challenge:** ▪ Maintain a global ISO 14001/50001 certified Environmental & Energy Management System (E&EnMS) ▪ Maintain EU Code of Conduct for Energy Efficiency in Data Centres (EU CoC) portfolio **Benefit:** ▪ Reduced energy costs ▪ Decreased cost of compliance
Scope 2	Use and procure renewable energy	▪Source 100% renewable electricity by 2030 ▪Improve renewable procurement strategy by assessing future energy availability across all operations	**Challenge:** Prioritize renewable electricity sources **Benefit:** Reduced cost of energy use and procurement
Scope 3	Engage supply chain	▪Assess supplier's climate resiliency related business continuity plans ▪Engage suppliers assessed as significant contributors to scope 3 emissions - category 1 purchased goods and services - category 2 capital goods ▪Prioritize local purchasing within the same country or region of operations	**Challenge:** ▪ Scope 3 is the largest % of Kyndryl emissions ▪ Availability of local purchasing options **Benefit:** Improved efficiency, lower climate risks, lower transportation emissions and cost

Governance

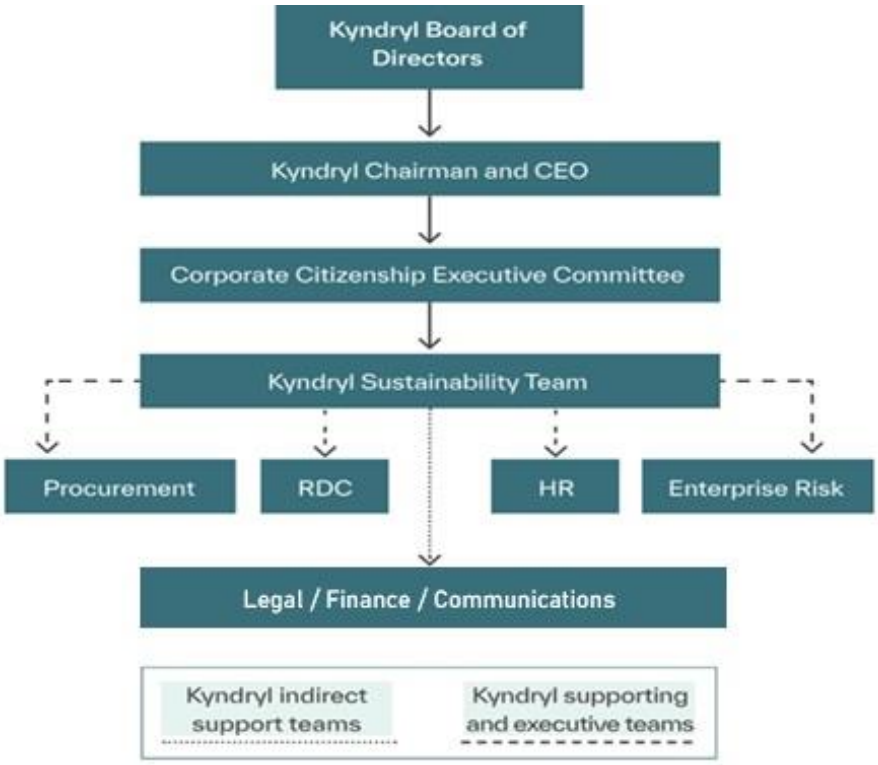
Our Chairman of the Board, CEO and the leader of the management team is responsible for overseeing the direction of Kyndryl's business and corporate citizenship strategy through his role in the Corporate Citizenship Executive Committee (Executive Committee).

The CEO and the Global Head of Corporate Affairs oversee the Executive Committee, a cross-functional team of senior leaders led by the SVP of Global Citizenship and Sustainability (GCS).

The Executive Committee meets at least quarterly and is responsible for developing, managing and overseeing Kyndryl's overall corporate citizenship strategy which includes climate- and environment-related policies and programs, initiatives and risks.

The Executive Committee assigns climate-related responsibilities to its senior leaders to help ensure incorporation in key business functions. The Global Head of Corporate Affairs and the SVP of GCS, COO, CHRO, CLC provide periodic updates to the Board and Nominating and Governance Committee on environmental and corporate sustainability matters.

Figure 1: Kyndryl's governance system for climate-related risks and opportunities



Our governance system for climate-related risks and opportunities allows for cross-functional alignment in support of environmental and climate change programs, and other key principles of Kyndryl's corporate citizenship strategy.

The SVP of GCS is responsible for the execution and advancement of climate and sustainability-related initiatives and management of climate-related risks.

The GCS team has evaluated and prioritized environmental and climate-related risks for inclusion into the GCS maintained Environmental and Energy Management System (E&EnMS) program, and the corporate Enterprise Risk Management (ERM) program. The E&EnMS applies to all Kyndryl subsidiaries and is ISO 14001 and 50001 certified.

Additionally, as part of the E&EnMS program the GCS team works cross-functionally with Real Estate and Data Center Services (RDC), Procurement, Asset Management, Finance, Human Resources and Legal to set, track, monitor and measure GHG emissions and climate-related risk responsibilities and goals. The E&EnMS utilizes controls that help enhance Board leadership discussions on climate-related risk management, mitigation and regulatory consideration strategies.

Monitoring and Evaluation

Kyndryl tracks our climate performance annually using metrics for GHG emissions, energy usage and electricity consumption, renewable electricity consumption, and power usage effectiveness (PUE). Data is published annually in our non-financial disclosures including our Corporate Citizenship Report, Environment and People

Data Book, and TCFD Report. Please visit our Non-financial ESG Disclosure Hub to access all disclosures and resource information.

To meet our near-term and long-term climate-related targets, we use the following performance metrics:

- Scope 1, 2 and 3 absolute percentage reductions in GHG emissions against our fiscal 2023 baseline
- Data center energy use and electricity consumption tracked in megawatt-hours (MWh) per annum
- Absolute percentage of renewable electricity consumption of purchased electricity generated from renewable energy sources against conventional fuel sources
- Power usage effectiveness (PUE) to assess IT equipment energy demands against total facility power to determine the energy efficiency of Kyndryl data centers and monitor power consumption and energy costs

To deliver long-term sustainable value creation for shareholders, Kyndryl incentivizes executive officers by tying compensation to performance goals that include externally reported climate and sustainability-related metrics.

Progress

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 1.8 in fiscal 2023. Overall, our datacenters had a weighted average PUE of 1.9 in fiscal 2025. Please note that in fiscal 2025, Kyndryl is consolidating legacy data centers and shifting IT workloads to more modern, energy-efficient sites and cloud platforms. In the near term, this has the inevitable consequence of reducing utilization levels, which in turn has an impact upon the PUE.

Table 2: Fiscal 2025 progress against efforts

Scope	Actions	Progress
Scope 2	Transform & modernize	We continued to consolidate legacy data centers and shifting IT workloads to more modern, energy-efficient sites and cloud platforms. Our overall energy consumption reduced by 10% when compared with last year and by 15% when compared with the baseline year.
Scope 2	Improve energy efficiency	Kyndryl reduced energy use through our energy efficiency projects by 24,400 MWh, resulting in savings of approximately $2.7 million.
Scope 2	Use and procure renewable energy	58% of our purchased electricity came from renewable sources. As we manage our renewable energy procurement to reach our goal of 100% renewable electricity by 2030, we aim to follow RE100 guidance — an industry best practice for determining renewable energy use and reporting.
Scope 3	Engage supply chain	We launched a global campaign focused on educating >7,500 suppliers on our decarbonization efforts. It outlined Kyndryl's environmental strategy, including our 2030 goal to cut emissions by 50% and our net-zero ambitions, and encouraged suppliers to join the EcoVadis rating system—where we hold a gold rating—and set Science Based Targets initiative-aligned goals. We use the EcoVadis platform to assess the environmental, labor, and ethical practices of our largest suppliers contributing to scope 3 category 1 (purchased goods and services) and category 2 (capital goods) emissions. In fiscal 2025, over 85% of these suppliers had completed, or were in the process of completing, the EcoVadis questionnaire. Kyndryl is a member of the Responsible Business Alliance (RBA), a nonprofit that promotes continuous improvement in social, environmental, and ethical practices across global supply chains. We require our suppliers to follow the RBA Code of Conduct, which includes environmental standards as well as provisions on labor, health and safety, ethics, and management systems.

Emissions Inventory

Methodology

Kyndryl considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas (GHG) Protocol to assess, calculate and report direct and indirect GHG emissions. Specifically, we follow: GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition; GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard; GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Carbon dioxide equivalent (CO_2 eq) emissions are inclusive of carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH4), and industrial gases such as hydrofluorocarbons (HFCs). Not emitted at Kyndryl's sites are perfluorocarbons (PFCs), nitrogen trifluoride (NF3), and sulfur hexafluoride (SF6). CO_2 eq emissions are calculated by multiplying actual or estimated energy/fuel usage or refrigerant gas loss by the relevant emission factor and/or Global Warming Potentials (GWP). All emission factors are reviewed annually.

Our scope 1, scope 2, and applicable categories of scope 3 data are available at regional and country level and are disclosed in Table 3.

Kyndryl's organizational boundary applies to the company's scope 1 and 2 GHG emissions, energy, waste and water from our globally managed properties, and we define the boundary using the operational control approach. The boundary includes data centers and non-data centers (e.g., offices, warehouses, etc.) that are owned and operated, leased and operated, and serviced. Serviced sites are defined as locations that are operated by a third party. The sites included within our organizational boundary are determined through internal systems which are used to track leases and assets. Our approach accounts for emissions of new properties entering our portfolio within the fiscal year monthly and excludes the emissions of any closed properties only for the period that they cease to operate.

Please refer to our annual, 2025 Environment and People Data Book for full methodology descriptions, emissions factors and details.

Emissions Verification

To promote the accuracy and integrity of our environmental disclosures, we engaged ERM Certification and Verification Services Incorporated (ERM CVS) to perform a limited assurance engagement on scopes 1, 2 and 3 greenhouse gas (GHG) emissions. Please refer to our annual, 2025 Environment and People Data Book for verification information.

Baseline Emissions

Our Scope 1, 2 and 3 emissions baselines are calculated in line with the GHG Protocol and the SBTi.

Table 3: Baseline Emissions 2023 — 1 April 2022 to 31 March 2023

Emissions	Tonnes CO_2 eq	
	Baseline UK - Scope 1 Total	**2,728**
Scope 1	Stationary combustion	2,299
	Mobile combustion	0*
	Fugitive emissions	429
	Scope 2 - Location Based Total	**14,205**
Scope 2 (Location)	Purchased electricity (location based, operated sites)	11,905
	Purchased electricity (location based, serviced sites)	2,300
	Generation of steam, hot water and chilled water	0
	Scope 2 - Market Based Total	**330**
Scope 2 (Market)	Purchased electricity (market based, operated sites)	28
	Purchased electricity (market based, serviced sites)	302
	Generation of steam, hot water and chilled water	0
	Baseline UK - Scope 3 Total	**34,055**
Scope 3	Category 1. Purchased goods and services	27,622
	Category 2. Capital goods	
	Category 3. Fuel and energy related activities	3,438
	Category 4. Upstream transportation and distribution	16
	Category 5. Waste generated in operations	53
	Category 6. Business travel	1316
	Category 7. Employee commuting	1,611
Total Emissions	Baseline UK - Scope 1+2 (Market)	**3,058**
	Baseline UK - Scope 1, 2 & 3	**37,113**

*Baseline emissions do not include fleet emissions for countries other than USA

Reporting Year Emissions

Table 4: Reporting Period Emissions, Fiscal Year 1 April 2024 to 31 March 2025

Emissions	Tonnes CO_2 eq	
	UK Fiscal Year 2025 - Scope 1 Total	**728**
Scope 1	Stationary combustion	478
	Mobile combustion	9
	Fugitive emissions	241
	Scope 2 - Location Based Total	**10,273**
Scope 2 (Location)	Purchased electricity (location based, operated sites)	7,291
	Purchased electricity (location based, serviced sites)	2,982
	Generation of steam, hot water and chilled water (location based)	0
	Scope 2 - Market Based Total	**1,079**
Scope 2 (Market)	Purchased electricity (location based, operated sites)	0
	Purchased electricity (location based, serviced sites)	1,079
	Generation of steam, hot water and chilled water (location based)	0
	UK Fiscal Year 2025 - Scope 3 Total	**26,369**
Scope 3	Category 1. Purchased goods and services	21,398
	Category 2. Capital goods	
	Category 3. Fuel and energy related activities	453
	Category 4. Upstream transportation and distribution	12
	Category 5. Waste generated in operations	79
	Category 6. Business travel	2.971
	Category 7. Employee commuting	1,455
Total Emissions	UK Fiscal Year 2025 - Scope 1+2 (Market)	**1,807**
	Fiscal Year 2025 - Scope 1, 2, & 3	**28,176**

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 standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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) Standard[3].

Signature:

Signed by:
Jonathan Ingram
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Jonathan Ingram
President
Kyndryl UK Limited
Date: 23-Feb-2026 | 5:07 PM CET

[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