kyndryl

Kyndryl Fiscal 2026 TCFD Report

Task Force on Climate-related Financial Disclosures (TCFD) Report

Introduction

At Kyndryl, we embed climate risk management into our core business strategy. 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, Kyndryl designs, builds, manages and modernizes 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.

We are pleased to present our annual Task Force on Climate-related Financial Disclosures (TCFD) Report for fiscal 2026. Guided by TCFD recommendations, we aim to establish responsible and transparent disclosure practices that inform stakeholders about progress related to our climate strategy. Our Fiscal 2026 TCFD Report reflects our progress and our reporting transparency as we work toward net-zero greenhouse gas (GHG) emissions by 2040.

Since our inaugural TCFD Report in fiscal 2023, we have continued to integrate climate-related adaptation and mitigation strategies across our global operations. These efforts are designed to enhance our ability to maintain IT infrastructure services for customers, partners and internally during climate-related disruptions. Additionally, we have advanced our climate strategy through improved risk management governance practices provided by our globally certified Environmental and Energy Management System (E&EnMS).

TCFD recommendation	Disclosure	Reference details
1. Governance		
a. Board of Directors oversight of material[1] climate-related risks and opportunities	Kyndryl's Board of Directors is responsible for overseeing the strategic direction of the company and the development and implementation of our climate-related risk strategy and net-zero commitment as part of our broader corporate citizenship strategy. The Board includes members with sustainability and environmental governance experience, including a former Chair of the Michigan Sustainability Leadership Council and the Michigan Climate Executive Advisory Group, as well as the current Global Board Secretary of The Nature Conservancy. Executive leadership, including the Chief Executive Officer (CEO), the Global Head of Corporate Affairs, and the Senior Vice President (SVP) of Global Citizenship and Sustainability (GCS), supports Board oversight through periodic reporting to the Board of Directors. Board engagement with management helps integrate climate-related considerations into corporate business strategy and risk management. The Corporate Citizenship Executive Committee is responsible for implementing Kyndryl's corporate citizenship strategy and they or members of their team provide at least quarterly updates to Board committees on environmental, social and governance (ESG) matters, including climate-related topics such as impacts, potential opportunities for GHG emissions reductions, mitigation strategies, market trends and regulation updates that may impact business operations.	CDP: 4.1.2

[1] Materiality" and related terms, as used in this report, are distinct from, and should not be confused with, such terms as defined and used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and reporting. "Double materiality assessments" refer to the process by which companies identify and prioritize the urgency of various sustainability topics to external stakeholders and business success. 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.

TCFD recommendation	Disclosure	Reference details
1. Governance		
a. Board of Directors oversight of material[1] climate-related risks and opportunities (continued)	Our Board established the oversight structure shown in Figure 1 to support management's execution of our corporate citizenship strategy. The Board's oversight of corporate risk management is multi-tiered and shared among the Audit Committee, Compensation and Human Capital Committee and Nominating and Governance Committee. Each committee assists the Board in overseeing matters most aligned with the responsibilities set forth in its charter, and the Committees provide regular reports to the Board. The Nominating and Governance Committee oversees and assesses risks associated with our corporate responsibility initiatives, including our environmental and sustainability goals and initiatives. The Nominating and Governance Committee and the Board receive periodic updates with respect to environmental and corporate sustainability matters — including information on climate-related risk identification, incentives tied to ESG goals and enterprise risk management — from the Global Head of Corporate Affairs and SVP of Global Citizenship and Sustainability (GCS).	

Figure 1: Board oversight of corporate citizenship strategy and climate-related risks and opportunities

TCFD recommendation	Disclosure	Reference details
1. Governance		
b. Management's role in assessing and managing material climate-related risks and opportunities	Our CEO — who serves as the Chairman of the Board and leader of the management team — is responsible for overseeing the direction of Kyndryl's business and corporate citizenship strategy through his role on 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 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 provide periodic updates to the Board and Nominating and Governance Committee on environmental and corporate sustainability matters.	CDP: 4.3

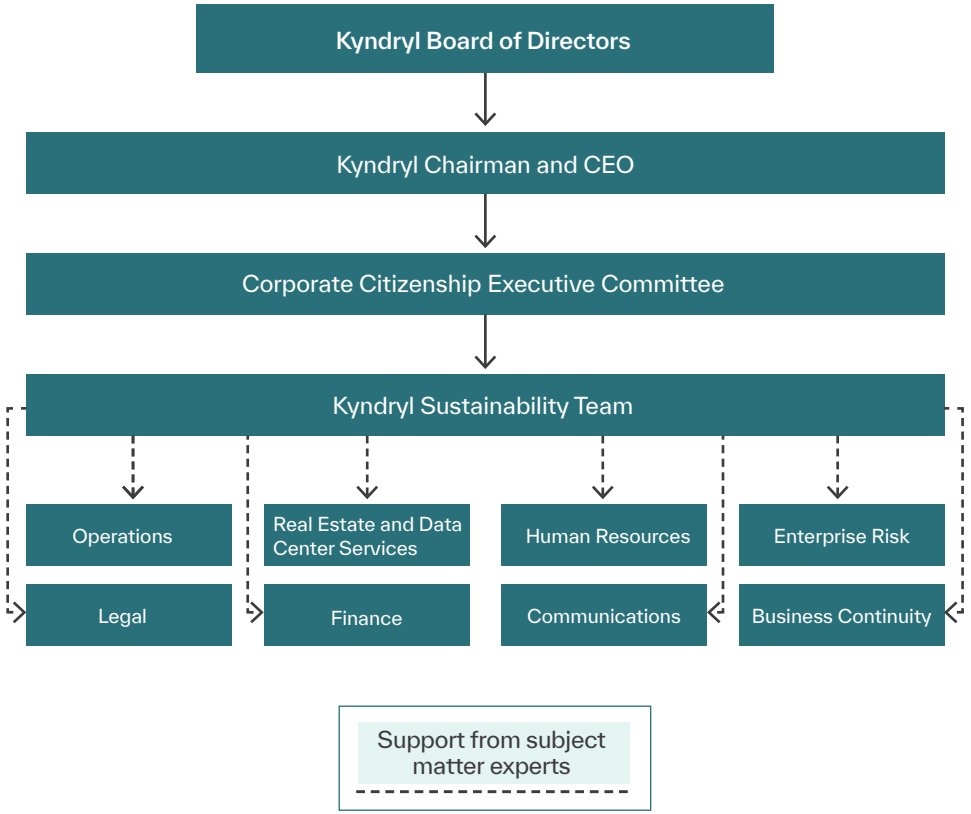


Figure 2: Kyndryl's governance system for climate-related risks and opportunities

Table 1: Corporate Citizenship Executive Committee

Title	Role
Chairman and Chief Executive Officer	Executive Sponsor
Global Head of Corporate Affairs	Chairperson
Chief Administrative Officer	Executive Sponsor of the Environmental Working Group
Chief Human Resources Officer	Executive Sponsor of the People and Social Working Group
General Counsel and Corporate Secretary	Executive Sponsor of the Trust and Governance Working Group
Chief Financial Officer	Committee Member
Senior Vice President of Global Citizenship and Sustainability	Leader of the Corporate Citizenship Executive Committee and Environmental Working Group, focused on climate change, environmental resources, supply chain, human rights, social impact, Kyndryl Foundation and overall corporate citizenship management
Vice President, Legal	Leader of the People and Social Working Group, focused on talent, wellbeing and belonging, health and safety, and compensation
Vice President, Legal	Leader of the Trust and Governance Working Group, focused on cybersecurity, data privacy, ethics, AI, business continuity and risk management
Vice President, Kinship @ Kyndryl	Committee Member

TCFD recommendation	Disclosure	Reference details
1. Governance		
b. Management's role in assessing and managing material climate-related risks and opportunities (continued)	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 advancing climate- and sustainability-related initiatives and overseeing the management of climate-related risks. In coordination with relevant cross-functional teams, the SVP reports to senior executive leadership and the Board on climate-related risks and opportunities at least quarterly, or more frequently as needed. The GCS team has evaluated and prioritized environmental and climate-related risks for inclusion into the GCS-maintained E&EnMS and the corporate Enterprise Risk Management (ERM) program. Additionally, as part of the E&EnMS, the GCS team works cross-functionally with Real Estate and Data Center Services (RDC), Procurement, Asset Management, Finance, Human Resources (HR) 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.	

TCFD recommendation	Disclosure	Reference details
2. Strategy		
a. Material climate-related risks and opportunities identified in the short, medium and long term	As a leading provider of mission-critical enterprise technology services, Kyndryl has a long track record of helping customers navigate major technological shifts and managing their most critical systems. To effectively support our customers, we have been focused on addressing climate-related risks and opportunities — and improving operational environmental efficiency, a priority of our corporate citizenship strategy. Our climate strategy, which supports our goal to achieve net-zero GHG emissions by 2040, is focused on identifying and assessing our 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 advance our strategy, we are increasing our use of renewable energy, improving energy and operational efficiency through IT modernization, consolidating and virtualizing workloads, and adopting innovative solutions such as AI-enabled cooling and airflow optimization. We also implement climate adaptation initiatives to mitigate potential risks across our physical and serviced-asset locations. **Understanding climate-related risks and opportunities** To develop mitigation and adaptation strategies for material climate-related risks and opportunities, Kyndryl applies predictive climate models, scenario analysis and structured methodologies that identify and assess both physical and transition risks. Physical risks — classified as acute and chronic — are evaluated alongside transition risks, which include policy and regulatory changes, market dynamics and reputational pressures (see Table 4).	CDP: 2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8 and 2.2.9

TCFD recommendation	Disclosure	Reference details
2. Strategy		
a. Material climate-related risks and opportunities identified in the short, medium and long term (continued)	We also leverage a third-party proprietary platform that translates climate model outputs into qualitative risk insights. This platform integrates: • Modeled exposure of different acute and chronic climate hazards by geographic location • Detailed site-specific characteristics • Customizable vulnerability weightings for each hazard The platform generates asset-specific risk exposure rating scores and insights that help identify and highlight top and emerging physical climate hazards and exposure at a specific location, accounting for both climate data and site type (e.g., data centers vs. office). The assessment also includes climate-related opportunities such as enhanced resiliency, renewable energy programs and energy management. Risks and opportunities are then categorized into short-term (0 – 1 year), medium-term (1 – 5 years) and long-term (5+ years) horizons to guide climate action prioritization and planning. The climate risk assessment process is informed by industry research and a cross-functional team of internal subject matter experts — in areas including operations, enterprise risk management, corporate security and business continuity — supported by a third-party consultant. Insights gathered are used to refine future analyses and resilience planning. Kyndryl leverages business continuity information to assess the potential impact of climate-related disruptions on critical business operations and services, identify recovery requirements, and evaluate the organization's ability to respond, recover, and adapt effectively.	

TCFD recommendation	Disclosure	Reference details
2. Strategy		
a. Material climate-related risks and opportunities identified in the short, medium and long term (continued)	**Assessing climate-related risks and opportunities** In July 2024, we updated our physical climate risk modeling and analysis to reflect evolving climate-related risks and maintain alignment with our strategy and business developments. The updated assessment expanded from 70 to 91 Kyndryl data centers and offices, using the same methodology. The expanded geographic and operational boundary are designed to enhance our ability to prioritize risks, meet regulatory requirements and strengthen climate resilience. Because we experienced no significant change to our site portfolio in fiscal 2026, no updates were made to our 2024 analysis. The 2024 assessment used three TCFD-aligned scenarios and time horizons to evaluate the potential impacts of physical climate change (see Table 2).	

Table 2: IPCC Physical scenarios and associated time horizons selected for Kyndryl's Scenario Analysis

	Shared Socioeconomic Pathway (SSP) 1-2.6	Shared Socioeconomic Pathway (SSP) 3-7.0	Shared Socioeconomic Pathway (SSP) 5-8.5
Source	Intergovernmental Panel on Climate Change (IPCC)		
Description	A lower-emissions scenario that projects warming to remain below 2 degrees Celsius by 2100 and is aligned to commitments under the Paris Agreement	A future scenario projecting regional rivalry and fragmented development resulting in significant warming of 7.0 W / m2 by 2100	A high-emissions scenario that follows a business-as-usual trajectory assuming no additional climate policy, resulting in tripling carbon dioxide emissions by 2100
Time horizon	2000 baseline, 2030 and 2050		

TCFD recommendation	Disclosure	Reference details
2. Strategy		
a. Material climate-related risks and opportunities identified in the short, medium and long term (continued)	Additional high-resolution climate models and site-specific data were used to evaluate the exposure of each Kyndryl location, considering factors such as local topography and infrastructure vulnerabilities and resilience. The exposure and vulnerability assessment allowed us to assign a risk rating to each site. The rating categorized potential impacts and likelihood of occurrence, enabling us to use this information for targeted action planning (see Table 4). To assess transition risks associated with a transition to a low-carbon economy, we applied two TCFD-aligned future scenarios and time horizons to evaluate risks relevant to our data center operations and cloud-based business model (see Table 3).	

Table 3: IEA Transition scenarios and associated time horizons selected for Kyndryl's Scenario Analysis

	Net-Zero Emissions Scenario (NZE)	Stated Policies Scenario (STEPS)
Source	International Energy Agency (IEA)	
Description	A scenario with a global path to achieve net-zero CO_2 emissions by 2050 by limiting global warming to 1.5 degrees Celsius through clean energy technologies, major energy efficiency, no reliance on land-use offsets, universal energy access by 2030, significant reductions in methane emissions, international cooperation scaling clean energy supply chains and reducing technology costs	A scenario that reflects a trajectory at or above 2 degrees Celsius, based on current policies; provides a realistic benchmark by evaluating how existing national commitments might shape future energy trends, without assuming full implementation of all announced pledges; and assumes no major strengthening or weakening of policy
Time horizon	2023 and 2050	

TCFD recommendation	Disclosure	Reference details
2. Strategy		
a. Material climate-related risks and opportunities identified in the short, medium and long term (continued)	In addition to the three potential transition risks noted in Table 4, we also evaluated existing and emerging regulatory requirements related to the scenarios, including: • Limits on greenhouse gas emissions • Carbon pricing mechanisms • Disclosure mandates • Transition policies to a low-carbon economy Assessing physical and transition climate-related risks allows Kyndryl to better understand how climate-related risk factors impact our business strategy and financial planning, while also providing insight into how evolving regulations may affect operations, supply chains and market dynamics over the short, medium and long term.	

Table 4: Material climate-related risks identified through scenario analysis

Risk category	Risk description		Horizons	Risk classification
Physical	Acute	• River flooding • Extreme rainfall flooding • Coastal flooding • Tropical cyclones • Wildfire weather • Rainfall-induced landslides	Medium-term (1 – 5 years)	Kyndryl categorizes physical risks into acute and chronic categories to better understand their impact on our operations. Eighty-five out of 91 sites assessed fall into a minimal / low-to-moderate risk category under current and future climate conditions. However, six and ten sites under current (2024) and future (2050) climate conditions, respectively, are classified as substantial risk, particularly due to vulnerabilities related to flooding and water stress. For the sites classified as substantial risk locations, significant climate-related events could result in major impacts on property, personnel safety and regulatory compliance, necessitating targeted mitigation efforts to address these vulnerabilities.
	Chronic	• Extreme heat • Extreme cold • Water stress	Long-term (5+ years)	
Transition	Policy and regulatory	• Energy efficiency requirements	Medium-term (1 – 5 years)	Enhanced energy efficiency standards for buildings across Kyndryl's value chain
		• Data center regulations	Medium-term (1 – 5 years)	Increased regulation for data center energy procurement strategies and business operations
	Market	• Availability of renewable energy	Medium-term (1 – 5 years)	Reduced market availability of renewable energy in Kyndryl's areas of operation
		• Cost of renewable energy	Medium-term (1 – 5 years); Long-term (5+ years)	Increased cost of procuring renewable energy in local markets
	Reputational concerns	• Stakeholder concerns	Medium-term (1 – 5 years); Long-term (5+ years)	Increased stakeholder pressures due to perceptions of Kyndryl's climate resilience and overall sustainability impacts

Table 5: Material climate-related opportunities identified through scenario analysis

Opportunity category	Opportunity classification	Opportunity description	Potential financial benefits
Energy sources	Renewable energy market strategic analysis and planning	Improve renewable procurement strategy to assess future availability and accessibility of renewable energy in areas of operations and expand procurement options	Reduced cost of renewable energy
		Enable generation of renewable energy annually to help Kyndryl source 100% of electricity requirements from renewable sources by 2030	Reduced cost of energy procurement
Energy efficiency	Energy management and efficiency improvements	Maintain a globally certified Environmental and Energy Management System (E&EnMS) in compliance with ISO 14001 and 50001	Reduced energy costs due to energy efficiency improvements and decreased cost of compliance
		Reduce our data center energy consumption by implementing energy efficiency programs across Kyndryl operations	Decreased cost of energy procurement
Products and services	Expansion of sustainability-linked services	Provide IT services that continue to help customers reduce their GHG footprint	Increased revenue, improved brand reputation and customer satisfaction
Climate resiliency	Climate procurement strategy	Improve climate resiliency requirements during supplier selection process	Improved efficiency and lower climate risks across supply chain
	Increased climate mitigation within data center operations	Implement and continually test robust redundancy measures for power and cooling systems within data centers to ensure uninterrupted IT service and safeguard against potential climate-related disruptions, such as power outages or equipment malfunctions	Decreased cost of compliance, lower operating costs, increased business continuity and greater customer satisfaction

TCFD recommendation	Disclosure	Reference details
2. Strategy		
b. Material impact on the organization's business, strategy and financial planning	The results of our scenario analysis indicate financial opportunities from a low-carbon scenario tied to procurement, energy management, and products and services (see Table 5). Listed below are Kyndryl's three material climate-related operational impact areas. Impact mitigation efforts in these areas are incorporated into our climate strategy and noted below: **Real estate and data center footprint** As a provider of mission-critical enterprise technology services, we are focused on delivering energy-efficient IT infrastructure and scaling sustainable solutions globally. Since 2021, we have reduced data center energy use and increased our use of renewable electricity. We continue to prioritize efficiency efforts across our data center and real estate footprint — and reduce our direct and indirect energy consumption — by modernizing and refreshing IT equipment, and consolidating and virtualizing workloads. **Supply chain** Kyndryl has identified the suppliers that contribute significantly to our scope 3 category 1 (purchased goods and services) and category 2 (capital goods) emissions. In early 2026, we launched a campaign encouraging top-tier suppliers to strengthen environmental practices by setting Science Based Target initiative (SBTi)-aligned targets and reporting emissions through CDP. We also joined the CDP Supply Chain Membership Program to better understand suppliers' carbon reduction programs. These efforts improve visibility into supplier performance, enhance data quality on value chain impacts, and inform procurement and enterprise risk management decisions to further advance supply chain decarbonization.	CDP: 3.1.1, 3.6.1, 5.1.2, 5.2, 5.3.1, 5.3.2, 5.14 and 5.14.1

TCFD recommendation	Disclosure	Reference details
2. Strategy		
b. Material impact on the organization's business, strategy and financial planning (continued)	Kyndryl assesses the resilience and continuity capabilities of critical suppliers as part of our supplier risk management, procurement due diligence, and business continuity processes. This includes consideration of risks associated with climate-related disruptions. Supplier resilience information obtained through risk assessments and supporting due diligence activities help inform continuity requirements and mitigation planning. Where resilience concerns or gaps are identified, Kyndryl works with suppliers and internal stakeholders to determine appropriate mitigation actions. These activities support ongoing resilience oversight and are subject to review through relevant governance and audit processes, including ISO 22301 and ISO 27001 certification audits. **Low-emission IT infrastructure and cloud services** To help reduce emissions and improve IT efficiency for our customers, we are migrating many to cloud infrastructures. Cloud migration can help reduce emissions through the use of newer, more efficient servers, hyperscaler innovations, and energy-efficient data centers. As part of customer migration from on-premises to cloud systems, we are increasing renewable energy use in facilities and enhancing data center energy performance. We also continue to develop customer solutions like our Kyndryl Sustainability Advisor — available on our AI-powered Kyndryl Bridge platform — which is designed to help improve the efficiency and the overall sustainability of their IT operations.	

TCFD recommendation	Disclosure	Reference details
2. Strategy		
c. Kyndryl's resilience considering climate-related scenarios	To complete Kyndryl's climate risk assessment, we utilized scenarios to assess our resiliency to both physical (see Table 2) and transition climate-related risks (see Table 3). The physical risk assessment used three scenarios (see Table 2) to model societal and economic development. The chosen scenarios are most suitable for Kyndryl because they represent a broad range of possible climate futures — from low-emissions SSP1-2.6 to middle-of-the-road SSP3-7.0 to high-emissions SSP5-8.5. This range allows Kyndryl to evaluate a wide spectrum of potential physical climate risks and impacts to help ensure our risk management strategies remain robust and adaptable to climate change. Using these three scenarios, we identified and prioritized global locations facing greater acute and chronic climate-related weather impact risks for targeted monitoring and mitigation. Kyndryl continuously monitors, identifies and assesses climate-related transition risks — such as evolving climate legislation, renewable energy procurement and efficiency standards — and integrates them into our corporate business strategy and financial planning. While climate scenarios offer plausible projections for climate-related impacts, we recognize the need for more granular modeling for future business planning. As we advance efforts and progress toward our net-zero goal, we will continue refining our business and climate strategies using updated climate scenarios.	CDP: 5.1, 5.1.1 and 5.1.2

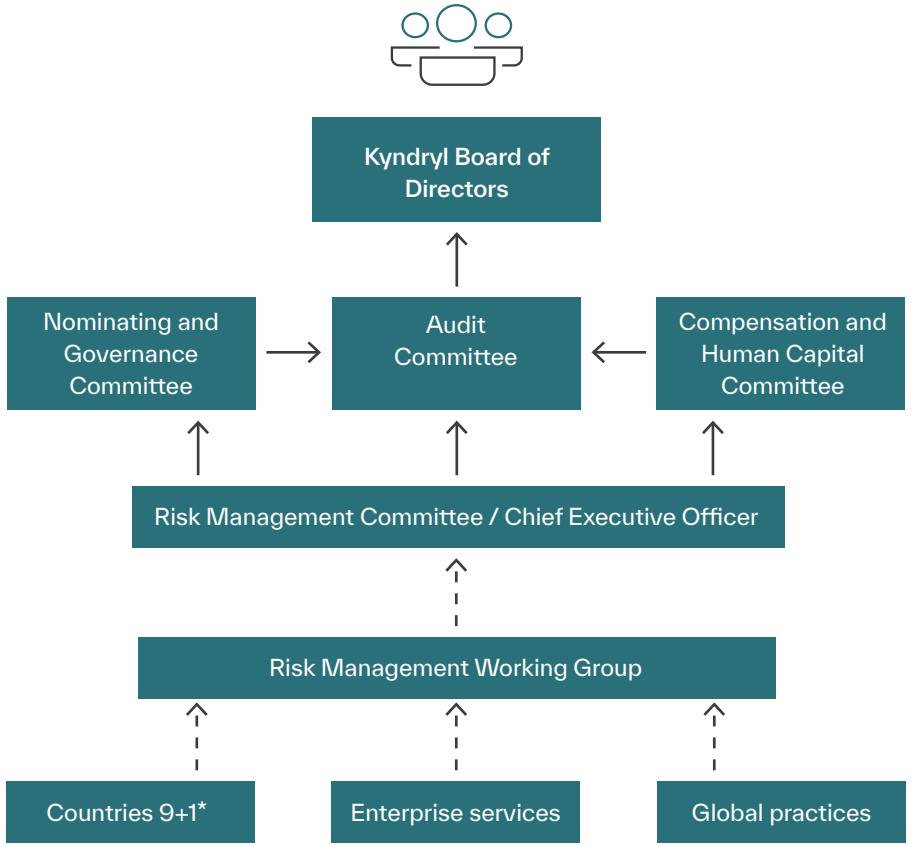
TCFD recommendation	Disclosure	Reference details
3. Material risk management		
a. Process for identifying and assessing climate-related risks	To drive business value through our corporate citizenship strategy, Kyndryl integrates corporate risk and enterprise risk management into our broader business objectives. Kyndryl's Board, assisted by the Audit Committee, is responsible for overseeing the identification, assessment and management of enterprise risks, including climate-related risks. Oversight is supported by periodic updates from the Global Head of Corporate Affairs and SVP of GCS, who lead quarterly meetings of the Corporate Citizenship Executive Committee. The Executive Committee reviews climate-related risks and opportunities and provides cross-functional governance oversight (see Figure 1 and Figure 2). Material[1] ESG issues, including climate change and its associated risks, are identified and assessed through a double materiality assessment (DMA). In 2025, we integrated the results of the DMA — including climate-related risks — into our E&EnMS, ERM program and internal Management Self-Assessment of Controls process (MSAC). This integration helps to appropriately prioritize and address climate-related risks across the organization. Our global E&EnMS, certified to ISO 14001 and ISO 50001 standards, is designed to enable Kyndryl to continuously identify and assess environmental impacts related to material climate-related risks, including those associated with energy use.	CDP: 2.1, 2.2.1, 2.2.2, 2.2.5, 2.2.6, 2.2.8 and 2.2.9

TCFD recommendation	Disclosure	Reference details
3. Material risk management		
a. Process for identifying and assessing climate-related risks (continued)	As part of the E&EnMS process, Kyndryl teams — including RDC, Procurement, Asset Management and GCS — collaborate cross-functionally to conduct detailed assessments of environmental and energy aspects of our operations. These assessments focus on activities that interact with climate-related factors such as GHG emissions, energy consumption and water use. We apply a standardized methodology to evaluate these aspects, incorporating inherent and residual risk scoring and assessments of control effectiveness. Aspects with high inherent risk scores are designated as Significant Environmental Aspects (SEAs) and prioritized for mitigation. See section 3.c. for additional details on our integrated, data-driven approach to identification, assessment and management of climate-related risks.	
b. Process for managing climate-related risks	Kyndryl manages climate-related risks through a cross-functional governance team — including RDC, Procurement, Asset Management and GCS — that operates as part of our E&EnMS. The E&EnMS defines clear roles, responsibilities and lines of accountability to senior management. The E&EnMS management team conducts quarterly and annual reviews with the SVP of GCS and leaders from RDC, Procurement and Asset Management. These reviews focus on evaluating the effectiveness of risk controls, tracking progress toward objectives and determining whether corrective actions or resource adjustments are needed.	CDP: 2.1, 2.2.1, 2.2.8 and 2.2.9

TCFD recommendation	Disclosure	Reference details
3. Material risk management		
b. Process for managing climate-related risks (continued)	Our E&EnMS enables us to manage identified and assessed climate-related risks (see section 3.a) through documented controls and processes for environmental and energy programs. This management system helps us meet compliance obligations, develop corrective action plans, measure our performance and progress, and establish continuous improvement processes. Our E&EnMS prioritizes SEAs, including high-impact climate factors like GHG emissions, for targeted mitigation strategies using engineering and administrative controls designed to reduce inherent risks to acceptable residual levels. In our data center operations, we integrate physical risk mitigation, operational resilience and environmental performance into our climate-related risk management. We assess water access and stress as part of our risk management planning to address physical climate-related risks that could impact critical infrastructure. In extreme climate-related weather events, our Managed Backup and Recovery Services help ensure business continuity through rapid data recovery, while Work Area Recovery centers allow customers to temporarily relocate if their site operations are disrupted. We further manage GHG emissions and climate-related risks at data centers through practices that enable efficient energy and water use, leak prevention and climate adaptation strategies. We also leverage the EU Code of Conduct for Energy Efficiency in Data Centres to conduct energy conservation assessments and manage the procurement of energy-efficient technologies. Data center risk management efforts are supported by cross-functional teams to ensure consistency and accountability.	

TCFD recommendation	Disclosure	Reference details
3. Material risk management		
b. Process for managing climate-related risks (continued)	To enhance climate-related resilience for customers with high data demands, Kyndryl mirrors data across geographically diverse delivery centers to help ensure reliable access to critical information during climate-related disruptions. Customer resilience efforts reinforce our focus on mitigating climate-related operational risks and ensuring business continuity. Our Enterprise Business Continuity Management (EBCM) program supports our climate resilience objectives by enabling business areas to identify critical processes and services, assess disruption impacts, establish continuity strategies, and periodically validate preparedness through continuity planning, exercises and testing. The program is subject to regular governance reviews, audits and testing activities to help ensure ongoing effectiveness and continuous improvement of organizational resilience capabilities. Together, our data center and continuity programs provide coordinated climate-related risk management through operational controls, governance structures and performance monitoring that helps identify, mitigate and integrate risks into Kyndryl's broader business and corporate citizenship strategies. Informed by our climate-related risk assessment (see Table 4), we continue to explore opportunities to strengthen our climate-related risk management and response planning.	

TCFD recommendation	Disclosure	Reference details
3. Material risk management		
c. Integration of material climate-related risks into overall risk management processes	Kyndryl's material climate-related risks identified as part of our DMA and scenario analysis — including those related to GHG emissions — are integrated into our enterprise-wide ERM program to help ensure their ongoing assessment and management. With oversight from the Board, our ERM program identifies, assesses, monitors and manages risks across the organization. Senior leaders are assigned management review responsibilities and regularly provide updates to the Audit Committee and the Board, through the General Auditor. To actively monitor climate-related risks, Kyndryl conducts enterprise service, global practice and country-level risk assessment surveys. These survey findings are used to rank inherent and residual risks based on the achievement of Kyndryl's overall objectives. The risk register reflects the DMA risks and standardized risk terminology across business units. To support ongoing management oversight of risks, the MSAC, which is part of our Framework of Internal Controls (FIC), embeds risk awareness, control validation and accountability into daily business operations through quarterly reporting from line management and Global Process Owners (GPOs). We consider climate-related risks and GHG management as enterprise-level risks. Identified risk owners across the organization conduct ongoing assessments, the results of which are reviewed by Kyndryl's Risk Management Working Group (RMWG). The RMWG — which includes the Global Head of Corporate Affairs, who provides ongoing guidance on climate-related risks — makes recommendations to the Risk Management Committee (RMC) for presentation to the CEO and Board.	CDP: 2.1 and 2.2.1



*Countries 9+1 refers to Kyndryl's nine organizational countries / markets and one strategic market group

Figure 3: Kyndryl's Enterprise Risk Management governance model

Risk Management Committee	
Key responsibilities	**Members**
1. Approve proposed ERM program 2. Review and approve inherent and residual risk heatmaps 3. Review risk heatmaps with CEO 4. Review risk heatmaps with the Audit Committee 5. Meet twice annually (per fiscal year)	1. Chief Financial Officer 2. Chief Administrative Officer 3. Chief Human Resources Officer 4. Chief Legal Officer 5. Chief Information Officer 6. Global Head of Corporate Affairs 7. Chief Technical Officer 8. Global Delivery Leader 9. Global Head of Strategy 10. U.S. Country President

Risk Management Working Group	
Key responsibilities	**Members**
1. Drive the risk assessment process 2. Enable a risk-aware culture 3. Review and approve preliminary risk heatmaps 4. Propose the risk heatmaps to the Risk Management Committee 5. Meet twice annually (per fiscal year)	Members include senior executives from Kyndryl Group (2), Finance (2), Operations (1), Human Resources (1), Legal (3), Chief Information Security Office (2), Kyndryl Countries (2), Delivery (1), Kyndryl Practices (2) and Kyndryl Alliances and Partnerships (1)

ERM Project Management Office	
Key responsibilities	**Members**
1. Develop and deploy the ERM program 2. Enable the Risk Management Working Group and Risk Management Committee to fulfill their responsibilities	1. General Auditor 2. Vice President, ERM Project Management Office 3. Lead, ERM

TCFD recommendation	Disclosure	Reference details
4. Material metrics and targets		
a. Metrics used to assess risks and opportunities	Kyndryl tracks our climate-related risk and opportunity performance annually using metrics for GHG emissions, energy usage and electricity consumption, renewable electricity consumption, and power usage effectiveness (PUE). To meet our near-term and long-term climate-related targets, we use the following performance metrics (see annual Environment and People Data Book for metric details): – **Scope 1, scope 2 and scope 3:** Absolute percentage reductions in GHG emissions against our fiscal 2023 baseline – **Data center energy use and electricity consumption:** Electrical energy consumption tracked in megawatt-hours (MWh) per annum – **Percentage of renewable electricity consumption:** Absolute percentage of purchased electricity generated from renewable energy sources against conventional fuel sources – **Power usage effectiveness (PUE):** Calculating 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.	CDP: 7.52, 7.54, 7.54.1 and 7.54.2

TCFD recommendation	Disclosure	Reference details
4. Material metrics and targets		
b. Disclosure of scope 1, 2 and 3 greenhouse gas emissions	Our scope 1, 2 and 3 emissions baselines are in line with the GHG Protocol and SBTi. Please refer to our annual Corporate Citizenship Report and Data Book for methodology descriptions, year-over-year performance and details on methodology changes where applicable.	CDP: 7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3 and 12.3
c. Targets used and performance	In December 2022, Kyndryl announced a plan 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 degrees Celsius by achieving global net-zero GHG emissions by 2050. Supporting our net-zero by 2040 commitment, our near-term targets include: reducing absolute scope 1, 2 and 3 emissions by 50% by 2030 with a fiscal 2023 base year; a 75% reduction in scope 1 and 2 emissions by 2030 with a fiscal 2023 base year; and targeted reductions in scope 3 emissions from purchased goods and services, capital goods and fuel- and energy-related activities within the same timeframe. SBTi validated Kyndryl's net-zero science-based target by 2040 and near-term science-based emissions reduction targets. In addition to absolute emissions reduction targets, Kyndryl has committed to obtaining 100% of our purchased electricity through renewable sources by 2030.	CDP: 7.6, 7.7, 7.8, 7.8.1, 12.1, 12.1.1, 12.1.3 and 12.3

Forward-looking statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including statements concerning the Company's plans, objectives, goals, beliefs, business strategies, future events, business condition, results of operations, financial position, business outlook, business trends, the outcome of legal and regulatory claims, suits, investigations and other matters, the remediation of material weaknesses, other non-historical statements and anticipated settlements in this report are forward-looking statements. Such forward-looking statements often contain words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "objectives," "opportunity," "plan," "position," "predict," "project," "seek," "target," "will," "would" and other similar words or phrases or the negative thereof or other variations thereon.

Forward-looking statements and other statements regarding our Corporate Citizenship progress, plans, practices, commitments, goals and targets 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 the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 that may be updated from time to time in the Company's subsequent filings with the Securities and Exchange Commission. Our forward-looking statements speak only 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. We are permitted to determine in our discretion that it is not feasible or practicable to implement or complete certain of our initiatives, policies and procedures based on cost, timing, operational effectiveness, data, statistics and metrics included in this report generally are non-audited 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. Certain information contained herein has been obtained from third parties. While these third-party sources are believed to be reliable, we make no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of such information contained herein and expressly disclaim any responsibility or liability therefore.

The inclusion of information in this report should not be construed as characterization or demonstration of any such information as "material" or "materiality" as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting.

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