

Kyndryl and Microsoft Study: Only 21% of Organizations Globally Recognize Technology's Role in Advancing Their Broader Sustainability Goals

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Data and AI are becoming powerful catalysts for driving action and predicting future risks

NEW YORK, Nov. 12, 2024 /PRNewswire/ -- Kyndryl (NYSE: KD), the world's largest IT infrastructure services provider, released the second Global Sustainability Barometer study, commissioned by Microsoft. The study, conducted by Ecosystm, shows that while 84% of organizations place a high strategic importance on achieving sustainability goals, only 21% use technology to reduce their environmental footprint and shape their overall sustainability strategy.



Since last year, 38% of organizations have increased their sustainability goals and program execution – demonstrating progress as the world works toward a green future.

"As the world faces increasing climate-related challenges, businesses are under pressure to act decisively and place sustainability at the forefront – and this year's Global Sustainability Barometer study highlights that organizations must move from intent to collective action to drive change," said Faith Taylor, Chief Corporate Citizenship and Sustainability Officer at Kyndryl. "By integrating sustainability into a company's business strategy, processes and systems, organizations can maximize the value of their people and technology to achieve internal goals and deliver positive impact."

The study shows that leaders are increasingly recognizing the benefits of sustainability initiatives for their organizations, with specific areas where improvements can be made. By embedding technology into sustainability strategies, organizations can turn abstract goals into actionable, data-driven plans.

The study highlights the following areas of opportunity:

- Only 21% of organizations globally recognize technology's dual role in reducing their company's carbon footprints and advancing broader sustainability goals.
- While 54% of businesses say sustainability goals and initiatives are incorporated into existing reporting processes, only 19% fully use data for strategic planning and decision-making.
- 55% believe artificial intelligence (AI) will significantly impact their sustainability goals, but 62% of organizations limit initiatives to analyzing historical data for monitoring and reporting.

Matthew Sekol, a Sustainability Global Black Belt at Microsoft, added, "Companies can gain the insights needed to deliver on their commitments and drive resilience by integrating sustainability data with operational and financial data, and using traditional data analytics and robust AI tooling to reshape operational efficiencies and foster sustainable innovations."

Taking action to advance sustainability strategies

The study's detailed analysis and deep insights can enable organizations to enhance their sustainability efforts. To fully realize an organization's potential, consider the following guiding principles:

• Technology must be core to strategic planning. 38% leverage IT to reduce their own organization's environmental impact while 17% say data and technology is helping achieve sustainability goals. In the next year, companies should

consider integrating technology into sustainability strategies to turn abstract goals into actionable plans.

- Recast the role of Al. 62% of organizations use Al to monitor energy use and emissions, but only 37% use predictive Al
 to forecast energy needs based on current trends and patterns. Integrating <u>Al-powered scenario planning</u> and climate risk
 mitigation allows organizations to adopt a holistic approach to environmental responsibility, enhancing readiness for future
 challenges.
- Harness data for proactive business transformation. Disparate data across various enterprise planning systems is seen as a clear challenge as only 15% use <u>data to guide their business'</u> transformation journeys. By effectively integrating the disparate data, organizations gain a more comprehensive and accurate understanding of their environmental impact, which leads to informed sustainability decisions.
- Foster a culture of collective responsibility. CEOs continue to shape sustainability goals and 49% of organizations consider Chief Sustainability Officers and sustainability teams key stakeholders (vs. 27% in 2023). The next step is for organizations to fully engage cross-functional teams, particularly finance and technology, to move sustainability into a core business priority and ensure implementation.

While the benefit of AI for sustainability is gaining traction, AI's environmental impact is a growing concern. Only 35% of organizations are considering the energy implications of their AI solutions. Kyndryl and Microsoft provide actionable strategies for organizations to measure infrastructure baseline emissions and optimize AI architectures, including AI and machine learning models to minimize energy use and reduce waste. The two companies work closely with organizations to ensure that technological advancements contribute positively to sustainability goals without compromising innovation.

"As organizations increasingly recognize sustainability as a strategic imperative, we're witnessing a surge of innovation and collaboration. Al is at the forefront of this movement, empowering businesses to optimize resource consumption, reduce waste and drive positive environmental impact," said Ullrich Loeffler, CEO & Co-Founder of Ecosystm. "By uniting our efforts and leveraging technology, we can create a more sustainable and equitable future for generations to come."

About the Study

The second edition of the Global Sustainability Barometer study, conducted by Ecosystm and commissioned by Kyndryl and Microsoft, reflects the perspectives of 1,355 global sustainability leaders spanning 20 countries and 9 industry groups. Conducted between August and September 2024, this study aims to bridge the sustainability-technology divide by examining the roles of strategy, data and Al in achieving sustainability goals.

Learn more about the study, "From Insights to Action: The Technology Impact on Sustainability."

About Kyndryl

Kyndryl (NYSE: KD) 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. For more information, please visit www.kyndryl.com.

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