

A group of four diverse professionals (three men and one woman) are gathered around a table in a modern office setting, looking at a laptop. The lighting is dim, creating a focused and collaborative atmosphere. The woman on the right is leaning over the table, pointing at the laptop screen. The man in the center is looking directly at the camera with a serious expression. The woman in the foreground is wearing glasses and a yellow sweater. The man on the left is wearing a white shirt.

Advancing the ESG Agenda Through Digital Workplace

Kyndryl's data-driven approach helps companies meet their ESG goals through elevated customer and employee experiences.

Companies are increasingly prioritizing environmental, social, and governance (ESG) practices and goals. Yet the real opportunity comes with moving beyond compliance and risk reporting to **leveraging enhanced digital workplace experiences to advance ESG initiatives.**

A holistic strategy built around enhanced talent management, differentiated customer experiences, and sustainability can support organizations in meeting their ESG objectives while also driving business growth.

ESG and the sustainability agenda have become a boardroom issue, at least partially due to the growing number of global regulations. At the same time, mounting interest from core corporate constituencies has underscored the business benefits of

sustainability. This includes improving financial performance, heightening customer and employee loyalty, and attracting investors.

European Union (EU) countries continue to lead on [sustainability performance](#),¹ but other global locations are increasingly stepping up as well, guided by the initial objectives of the United Nations Global Sustainable Development Goals (SDGs) established in 2015. The 17 SDGs are a collection of interlinked objectives designed to serve as a “shared blueprint for peace and prosperity for people and the planet.” They are intended to help the world meet the [2030 Agenda for Sustainable Development](#), itself a multilateral consensus and plan of action. Central to the SDG charter is the idea that goals related to improving health and education and reducing inequality are inextricably tied to fueling economic growth through a sustainable approach to business.

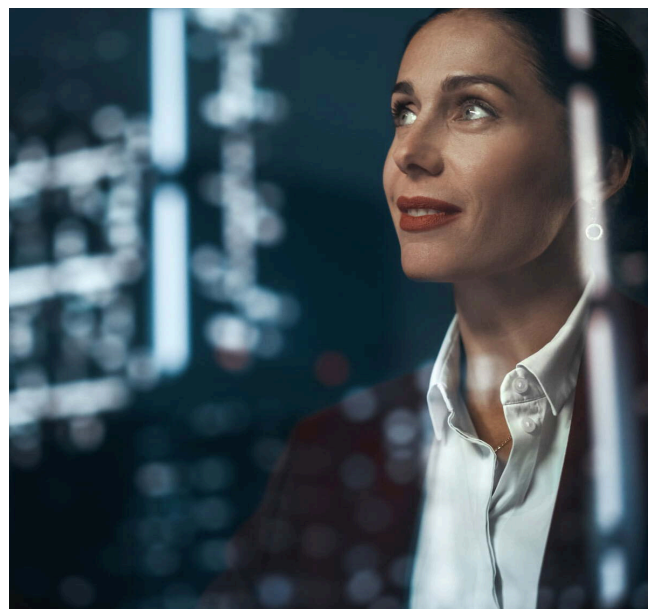
In fact, research confirms a correlation between sustainability and business

performance. A [Bain & Company/EcoVadis study](#) reveals links between ESG and business performance on several fronts, including supply chain; employee satisfaction; greater use of renewable energy; and diversity, equity, and inclusion.²

Adopting a sustainable procurement program helps achieve significant business benefits across the board. According to the [EcoVadis Sustainable Procurement Barometer](#),³ almost half (48%) of the surveyed sustainable procurement leaders said their organization's procurement metrics have improved thanks to more responsible purchasing practices. Specifically, respondents indicated that sustainability programs:

- Help reduce costs (39%)
- Increase sales revenue (36%)
- Foster greater innovation (59%)
- Help boost brand differentiation (37%)

ESG efforts trained on the workplace and, more specifically, on enhancing the employee experience, are another avenue for syncing



sustainability objectives with tangible business goals. Specifically, the Bain & Company/EcoVadis study says investment in ESG activities such as career training, continuous education, and childcare, for example, have helped lift employee satisfaction. This, in turn, helps bolster enterprise productivity. Doing better by employees through ESG-related programs also assists organizations in their efforts to attract the best and brightest talent.

The Bain/EcoVadis research went even further, highlighting a correlation between companies with the most satisfied employees and those that grow faster and are more profitable. According to their findings, ESG leaders' three-year revenue growth performance is up to 5% higher than that of companies with less satisfied employees. ESG leaders also maintain margins as much as 6% higher than those of companies that lag in implementation of ESG activities, the study found.

ESG efforts can have a positive impact on talent attraction and retention. Millennials and Gen Z employees, in particular, are highly invested in environmental factors and care deeply about diversity and equality in the workplace. As such, they actively seek out and remain loyal to employers with shared values and a commitment to ESG goals.

A [study by the Society for Human Resource Management \(SHRM\)](#) found that although ESG is important to 41% of workers overall, 46% of Gen Z workers regard it as a priority,

along with 55% of millennials. Among those canvassed, 86% said that they were proud to work for an organization with ESG-related goals, the efforts made their job more meaningful, and they were more likely to stay with an organization that was committed to ESG objectives.

Environmental factors have been historically recognized as the most important in the ESG mix, cited by 52% in the SHRM study. However, the social dimension is gaining traction, particularly as it relates to employee health and safety, improving working conditions, and community engagement. Executives participating in the research also noted that the social component of ESG was equally – if not more – important, cited by 63% of those surveyed as the one ESG factor they would prioritize over all others.

Instead of tackling ESG goals as a compliance and risk reporting mandate, companies have a greater chance of rallying the enterprise to meet ESG targets if they embrace a social, economic, and environmental (SEE) view that

shifts the emphasis to business growth and economic opportunities, notes Chris Kirkpatrick, global portfolio leader for device management and lifecycle for Kyndryl's Digital Workplace Services.

“In a competitive, results-oriented world, there is a reality for business to focus on positive outcomes and the need for success alongside the clear inherent humanity of the global problem,” Kirkpatrick says. “By taking a SEE approach, you are measuring the impact of your social and environmental initiatives, adjusting the approach as required, instead of purely ensuring you remain compliant from a reporting perspective. If focused only on compliance, you are driven by outside factors alone without driving business growth.”

“We see the ESG area as a social problem first, rather than environmental,” Kirkpatrick explains. “So many of the business outcomes related to employee experience, customer experience, talent retention and attraction, and driving brand loyalty completely overlap with the social elements of ESG. Working for

and buying from companies that put acting ethically at the core of business are growing in importance. Generation Z in particular, who are your employees and customers of the future, suggest they would be more willing to vote with their feet if you are not seen to be acting responsibly and willing to prove it. For business to realize the true value of sustainability, it's important to align the economic angle and measure the long-term benefits of doing so.”

¹ 2022 Environmental Performance Index
<https://epi.yale.edu/epi-results/2022/component/epi>

² Bain/EcoVadis survey on whether ESG efforts create value <https://www.bain.com/insights/do-esg-efforts-create-value/>

³ "Return on Sustainability: The Value and ROI of Responsible Procurement," EcoVadis
<https://resources.ecovadis.com/whitepapers/roi-sustainable-procurement>



**Kyndryl Digital Workplace:
A pathway to advancing
customer ESG goals**

Kyndryl's corporate social responsibility (CSR) and ESG strategy is **at the heart of its mission to become a purpose-driven company.**

Kyndryl will power human progress through strong ESG practices that deliver value reliably and consistently to our employees, customers, stakeholders, and communities.

In Digital Workplace Services, Kyndryl believes that technology and innovation are the underpinnings of a circular approach to sustainable business practices and helping customers drive their ESG progress, particularly capabilities focused on socially responsible procurement and enhancing customer and employee experience. Kyndryl understands the growing importance of ESG for customers, including that it has become a key tenet of buying decisions. In ["State of the CIO Study 2023"](#) research, 63% of the

participating IT leaders confirmed that adherence to ESG standards is an important buying consideration when evaluating technology as well as technology consulting and implementation partners. Moreover, 59% of these respondents said that aligning business goals with ESG standards has an influence on their technology buying plans.

Given that enhanced employee and customer experiences are central to boosting loyalty, productivity, and business performance, the ability to collect and analyze essential data from both sets of interactions can play a role in aligning business and customer outcomes with SDG and ESG goals.

With Kyndryl's Digital Workplace solutions front and center, organizations are well positioned to make better decisions to reduce scope 3 emissions while transforming customer and employee experiences to promote engagement. The Kyndryl Digital Workplace offerings establish a central foundation for monitoring ESG objectives, and extended capabilities help customers map, monitor, measure, and manage their regulatory requirements while furthering business value by meeting key ESG goals.



Kyndryl's Digital Workplace offerings help customers address their ESG goals and empower customer and employee experiences through several key capabilities:

- **Device Lifecycle Management** promotes health-driven refresh cycles and optimized forecasting of equipment to reduce costs and initiate new equipment purchases only when needed. Kyndryl Device Lifecycle Management offerings enable responsible reuse, recycling, and e-wasting in support of an ongoing optimized approach; centralize inventory to streamline inventory holding and procurement; deliver smart lockers to reduce just-in-time transportation; and allow for purchase of carbon offset devices and transportation available through an ecosystem of strategic partnerships.
- **Device management** reduces on-premises workloads through cloud management practices. Through user-led device

enrollment and ongoing self-service, organizations gain efficiencies, including the ability to cut back on device preparation and support services.

- **Workflow orchestration** automates ESG data collection and integration along with business processes. Not only does workflow orchestration reduce consumption of key resources, but it also minimizes failures and improves reliability while enabling employees to focus on value-added activities rather than mundane busywork.
- **Workplace collaboration** supports hybrid working environments through cloud services to reduce employee commuting and travel time. These capabilities are also the epicenter of driving increased employee engagement through our Kyndryl's employee dashboard, bringing corporate social programs designed to promote and simplify access to employee well-being, wellness, and safety across hybrid workplaces.

- **Workplace virtualization** delivers efficiencies by centralizing workloads to the cloud and reducing the per-desktop equivalent consumption. By optimizing for specific workloads, organizations can create environments that are more energy efficient than many on-premises solutions. Moreover, customers can target data centers and technology partners that prioritize carbon-neutral, water-positive, and zero-waste initiatives, giving them greater control over the sustainability makeup of their infrastructure investments.
- **IT support services** offer highly automated capabilities for resolving problems, minimizing the need for travel or inefficient onsite visits. Kyndryl's cloud-based, contact-center-as-a-service offering removes the need for on-premises infrastructure and creates a highly automated omnichannel platform that empowers contact center employees while delivering superior customer experiences.

“There are things you can do across every single element of Digital Workplace that drive more responsible and optimized usage and consumption and enhanced employee engagement and experience,” Kirkpatrick says. “If you are optimizing usage and consumption, you are optimizing energy efficiency, and if you’re automating, you’re removing errors and reducing the human footprint of support to resolve issues. Driving employee experience and engagement makes people more productive and improves their day-to-day working lives, which drives wellness.”

The Kyndryl Digital Workplace differentiator: A data-driven approach



Unlike that of other Digital Workplace service providers focused on governance and regulatory compliance, **Kyndryl's approach to ESG is broader, grounded in data and the delivery of innovative experiences to employees as well as customers.**

At the epicenter is Digital Experience Management (DEM), a capability that fuels the data-driven approach. DEM monitors and analyzes device and application performance along with telemetry data, using the insights along with other workplace data to feed custom experience-level agreements (XLAs) with specific ESG metrics that customers want to measure against their ESG initiatives.

“When it comes to greenhouse gas emissions data, so much of it is based on financial estimates, but how are you going to

move the needle if you don't start capturing real data? You can't improve what you can't see,” says Kirkpatrick. “If you're going to drive down environmental impacts or increase social engagement among employees, you need to measure that alongside strategic business outcomes from actual usage and sentiment data.”

Kyndryl's Digital Workplace solutions address that delta by measuring data that can be captured and verified. This data can be used to continuously optimize costs and usage



patterns, enabling ongoing improvements to employee experience, such as network adjustments that ensure optimal bandwidth for specific hybrid work patterns. DEM data can also empower responsible deployment and procurement decisions that advance customers' sustainability objectives – for instance, surfacing insights that allow for optimization of which specific hardware models to buy from a historical energy efficiency point of view, based on employee workloads.

DEM's ability to proactively manage by "persona" means that data is collected and analyzed at a granular level, ensuring that factors such as geography, preferred apps, or individual device settings are considered to deliver a more personalized and automated experience. The ability to automate resolution through remediation, configuration or self-healing helps reduce unnecessary travel time for IT support teams, which can lower energy use and greenhouse gas emissions.

DEM also informs a health score for a device, providing guidance to IT on optimal refresh cycles. This reduces the number of devices procured over time, which has a positive impact on the downstream ecosystem, including manufacturing, transportation, and even raw materials. "It's about driving and measuring all those different areas together to reduce cost and improve performance, and doing it in the most sustainable way," Kirkpatrick says.

Another data-centric piece of Kyndryl's offerings comes from an innovation partnership with World Wide Generation (WWG), the creator of the industry-leading G17Eco platform. G17Eco, developed in collaboration with more than 300 contributors with collective experience in sustainability and sustainable development, is an interoperable solution used by global market stakeholders and partners to map, monitor, measure, manage, and market their SDG and ESG goals in a coordinated way.

The global end-to-end G17Eco solution, underpinned by a digital taxonomy, aids in reporting and disclosure against global standards, frameworks, and regulations. The solution integrates cloud-based distributed ledger technology to provide trust and transparency of timely, verified, and assured data, helping organizations map, monitor, and measure against the United Nation's SDGs and other major global reporting frameworks such as Global Reporting Initiative to maintain compliance," Kirkpatrick explains. "But when you infuse social and environmental initiatives into the core of what you do and measure it alongside business goals, you unlock the real business opportunity and economic value around ESG. The way we deliver that is by making the data we capture operationally aligned to the outcomes of both ESG and customer value realization, and XLAs is the way our Digital Workplace solutions bring all that together."

A phased approach to meeting ESG objectives



In Digital Workplace, Kyndryl works with organizations at any stage of the ESG journey, starting with discovery, often doing a materiality assessment, and coordinating with cross-functional teams and executive leadership to understand core business needs. Kyndryl aligns customer ESG maturity with the following stages:

Stage 1

Focuses on a single project approach and early-stage strategy development, often without a specific team in place.

Stage 2

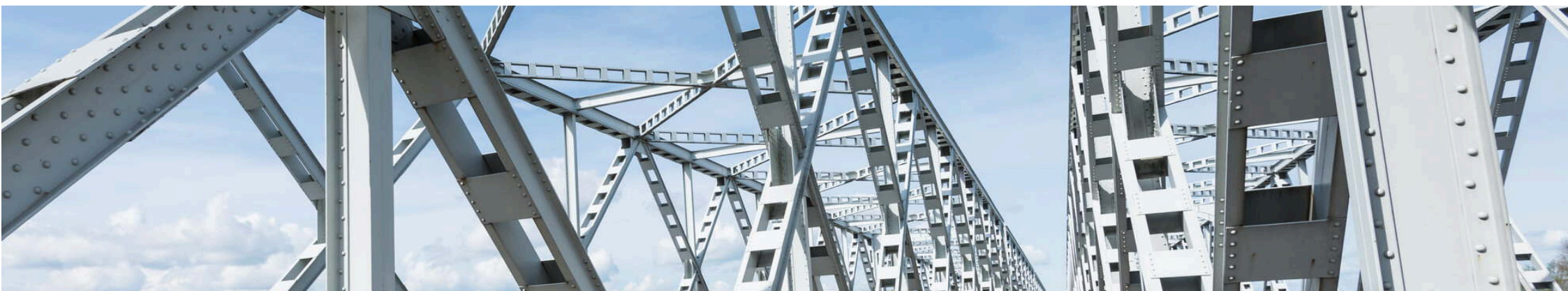
Aligns ESG efforts with compliance- or industry-driven criteria. As part of this level of engagement, solutions focus on identifying and operationalizing specific industry compliance policies while helping the customer specify functional requirements.

Stage 3

Comes when customers start to shift sustainability into a business-focused initiative, moving beyond compliance to drive intended business outcomes, whether to reduce costs, optimize recycling and energy consumption, or improve overall user experience. At this stage, Kyndryl works with customers to develop a company-wide strategy for sustainability while helping them establish a dedicated function to drive the strategy across the enterprise.

Stage 4

Is intended for leaders with mature ESG programs. Consultants work with clients to position ESG as core to the company mission, including realizing business value across key metrics. Kyndryl solutions also help companies establish integrated reporting and tracking capabilities that will run across all business functions.



Kyndryl's Digital Workplace Services' portfolio of solutions and services is designed to enable a corporate, top-down or a solution, bottom-up approach. For example, the Kyndryl DEM Foundation Pack is a predefined set of metrics aligned with the Digital Workplace Solution offerings and includes typical core ESG and SDG metrics. Embedded in the Kyndryl DEM offering, the solution is designed as a quick-start approach, enabling customers to aggregate active usage time and consumption data from devices, applications, and infrastructure. This enables IT and business leaders to make decisions quickly and confidently about device, application, and infrastructure deployment and management intended to accelerate ESG initiatives.

Kyndryl's holistic Digital Workplace solution includes the G17Eco disclosure and reporting platform, which aids in top-down reinforcement of ESG progress. The solution, a result of the collaboration between Kyndryl and WWG, enables organizations to holistically map, monitor, and measure ESG and SDG progress at a corporate level against global standards and frameworks. As part of a Kyndryl engagement, customers complete an initial materiality assessment, which maps business operating structures and identifies key standards and frameworks that are relevant for each organization, based on size, the industry, and the nature of the business.



Kyndryl helps deliver on ESG goals

Kyndryl's portfolio of robust Digital Workplace services, infrastructure, and global resources is designed to deliver cost savings and budget flexibility but can also play a critical role in helping companies reach ESG goals.

Kyndryl has provided Digital Workplace solutions for hundreds of customers for more than two decades and can support organizations at any stage and any maturity level as they navigate through their sustainability journey.

Kyndryl's data-driven focus and innovative approach to service measurements are designed to help organizations move beyond basic ESG governance and compliance reporting to aligning sustainability goals with real business outcomes. Kyndryl's outcome-focused solutions transform employee and

customer experiences in pursuit of overall sustainability efforts, and the approach of tying ESG metrics to tangible business outcomes enables companies to measure the economic value of initiatives, which increases the chance of sustainability success.

“As a service provider, we're here to drive outcomes holistically across ESG, cost savings, and employee experience,” Kirkpatrick says. “The only way to get that balance is to drive all that data into one common measurement, co-created and adjusted with customers as required.”

As an industry leader, Kyndryl takes ESG seriously within its own operations.¹ The company has pledged to achieve net-zero global carbon emissions by 2040, building out its goals in line with the recommendations of the Intergovernmental Panel on Climate Change. In the near term, by 2030, Kyndryl is committing to reducing emissions for scope 1 and 2 direct and indirect emissions by 75%, achieving a 50% reduction in greenhouse gas emissions across its global enterprise and purchasing 100% of its electricity through renewable sources.

Among the other advantages of Kyndryl as a solutions partner are its:

- Global footprint with millions of devices under direct management and millions of end users supported by Kyndryl's support services
- Reported customer savings of 20% to 30% across digital workplace solutions
- 99.9%+ average service-level agreement savings across Digital Workplace customers

The bottom line

ESG has captured the attention of the C-suite, but too much of the focus remains on the busywork of governance, with too little emphasis on outcomes and business value. Kyndryl's data-driven approach upends that model, helping companies drive toward their sustainability goals through elevated

customer and employee experiences that prove the economic value of a global ESG agenda.

¹ Kyndryl press release

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

Click [here](#) to learn more about Kyndryl's Device Lifecycle and Management Services.



Thank you for reading

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