

## **Kyndryl Modern Slavery Statement**

### **September 2022**

## **Introduction**

### **Kyndryl's approach to combatting Modern Slavery**

As a newly independent company as of November 4, 2021, Kyndryl will continue to focus on the integration of human rights protections across our global operations and supply chains. We've combined our efforts across key geographies to highlight our global approach to ensuring safe and sustainable operations and compliance with evolving modern slavery regulatory requirements.

Below you will find three sections that cover requirements across Australia and the United Kingdom, with introductory statements from Kyndryl country leaders on the importance of modern slavery protections.

### **About Kyndryl**

Kyndryl was spun off as an independent company from International Business Machines Corporation ("IBM") on 4 November 2021. At IBM, Kyndryl comprised the managed infrastructure services business of IBM's Global Technology Services division. Kyndryl is headquartered in New York, U.S.A. and is part of a globally integrated entity, operating in 63 countries worldwide.

Today, Kyndryl is the world's largest infrastructure services provider. We design, build, manage and modernize the complex, mission-critical information systems that the world depends on every day. Kyndryl's over 90,000 employees serve over 4,000 customers around the world, including 75 percent of the Fortune 100 companies.

Kyndryl's Modern Slavery Statement is submitted by Kyndryl Australia Pty Ltd ABN 98 646 647 592 in accordance with the Modern Slavery Act 2018 (Cth), by Kyndryl UK in accordance with section 54 of the UK Modern Slavery Act 2015. It covers the actions that Kyndryl has taken in its first months as an independent company and outlines Kyndryl's intent to take further action throughout Kyndryl's next financial year 2023 ending December 2023. It was prepared jointly by Kyndryl's US, UK, Australia, and corporate procurement teams, corporate social responsibility, legal, and human resources teams.

Kyndryl UK Limited ("Kyndryl UK") has approximately 1,500 employees and is headquartered in London.

Kyndryl Australia Pty Ltd ABN 98 646 647 592 ("Kyndryl Australia") has 790 employees in 7 cities including Melbourne, Sydney and Canberra.

Globally, Kyndryl has over 90,000 employees across 60 countries.

## **Country President Remarks**

As a services company, people are at the heart of everything we do, and as a newly independent company, Kyndryl has an opportunity to embed ethical corporate behavior and protections for human rights into every aspect of our business. Our human rights and modern slavery statements are essential foundations for us to achieve our goal of being a catalyst for positive change at the intersection of people and technology. As the world's largest IT infrastructure services company, we design, build, manage and modernize the mission-critical technology systems that the world depends on every day, and we have an opportunity to ensure our operations, and our customers' operations, reflect our values focused on creating a just and sustainable future for all.

We are setting high standards for the way we conduct our business, from our approach to corporate social responsibility, to establishing sound business ethics, including compliance with all applicable laws and regulations.

We are publishing this global modern slavery statement, not only to address required regional regulations, but also to set a high standard for human rights in all countries where we operate. As a newly independent company, we are proud to publish a combined Modern Slavery statement that reflects the global nature of our business and our global focus on human rights and modern slavery issues.

## **Modern Slavery Statement**

### **Kyndryl's mission**

Kyndryl pursues the highest standards of corporate responsibility in all we do – supporting and empowering employees, working responsibly with customers and suppliers, and ethically governing our company. At Kyndryl, we are dedicated to our customers' success and driving innovation that benefits our company and the communities where we operate. Trust and personal responsibility in all relationships form the foundation of how we conduct business in a globally integrated fashion.

### **Our supply chains**

Within Kyndryl, Global Procurement has responsibility for purchases needed to run our business and enable the delivery of Kyndryl's products, software, and services to our customers worldwide. To achieve consistency, Kyndryl has a global structure to select suppliers and commit Kyndryl funds via contracts and purchase orders.

Kyndryl has a team of approximately 550 sourcing professionals and managers responsible for Kyndryl's global procurement operations dedicated to meeting the needs of Kyndryl's business and its clients in the countries in which we do business. From 4 November 2021 through to 31 March 2022, purchases by Kyndryl UK's purchases totaled approximately \$4.6B USD with approximately 3,600 suppliers, Kyndryl Australia totaled approximately \$2B AUD with 119 suppliers across the following broad categories:

- Business Services (for example, translation, human resources benefits)

- Marketing, (for example, advertising, events, and printing)
- Facilities (for example, maintenance, food service, and security)
- Software
- Technical products (for example, non-IBM branded hardware and field maintenance)
- Technical services (for example, business and technical human resources)
- Telecommunications (for example, mobile communications, office phones, and teleconferencing)
- Travel (for example, airline fares, hotels, and rental cars)

Though it is a new company, Kyndryl has prioritized taking an active role in supply chain social responsibility (SCSR) and has a specialized department within its Global Procurement operation focused exclusively on the development and deployment of policies, practices, and initiatives to identify and take measurable action on areas of concern in the supply chain. The SCSR group is geographically distributed which ensures supply chain social responsibility is integrated across the regional supplier base. Kyndryl has suppliers in the following countries:

Argentina	Ecuador	Latvia	Saudi Arabia	United States
Australia	Egypt	Lithuania	Serbia	Uruguay
Austria	Estonia	Luxembourg	Singapore	Venezuela
Barbados	Finland	Macao	Slovakia	Vietnam
Belgium	France	Malaysia	Slovenia	
Brazil	Germany	Mauritius	South Africa	
Bulgaria	Ghana	Mexico	South Korea	
Canada	Greece	Morocco	Spain	
Chile	Hong Kong	Netherlands	Sri Lanka	
China	Hungary	New Zealand	Sweden	
Colombia	India	Norway	Switzerland	
Congo	Indonesia	Pakistan	Taiwan	
Costa Rica	Ireland	Peru	Thailand	
Croatia	Israel	Philippines	Tunisia	
Curacao	Italy	Poland	Turkey	
Cyprus	Jamaica	Portugal	Ukraine	
Czech Republic	Japan	Romania	United Arab Emirates	
Denmark	Korea	Russia	United Kingdom	

Kyndryl also has a Supplier Diversity Program to ensure that diverse businesses can participate in all areas of Kyndryl's global marketing, procurement, and contracting activities, regardless of the business owner's race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, disability, age, or status as a special disabled veteran or other veteran.

### Modern slavery risks

For large global companies like Kyndryl, the risk of modern slavery resides primarily in the extended upstream supply chain, where the rigorous controls of a global company's policies and practices can be challenging to implement and sustain. As a newly independent company,

Kyndryl intends to assess our operations to identify modern slavery risks that Kyndryl may cause, contribute to or be directly linked to as described in the UN Guiding Principles on Business and Human Rights framework. Kyndryl commits to including a broad scope of human rights issues that are material to our company in our approach to addressing human rights, including emerging human rights issues at the intersection of people and technology, like data privacy, cybersecurity and the application and use of our products and services. By undertaking additional human rights assessments to better understand the issues material to our business, Kyndryl intends to determine our human rights priorities.

In the interim, as noted further below, Kyndryl has adopted the Responsible Business Alliance (RBA) Code of Conduct (the RBA Code) to address risks related to social responsibility including supply chain, Labor, Health and Safety, Environment and Ethics issues. The RBA Code has been introduced to Kyndryl's first tier suppliers and audits are in development to assess compliance with a cross-section of suppliers in developing market countries. Kyndryl's suppliers are required to adhere to the RBA Code. If a supplier is found to violate the RBA Code, corrective actions will be taken to remediate the violation. In the future, Kyndryl intends to establish a performance-based metric to assess suppliers on their compliance with the RBA Code which will be considered when awarding future work to suppliers.

### **Modern slavery prevention and due diligence**

Appreciating that attaining sustainable improvements in the supply chain is a long-term endeavor and recognizing these improvements are crucial to its long-term success, Kyndryl became a member of the RBA on 1 January 2022.

Kyndryl has communicated its requirement for suppliers to work towards, and remain compliant, with the RBA Code. These communications begin during the on-boarding process for new Kyndryl suppliers. After the RBA Code is provided, suppliers have an opportunity to identify any areas of their operations which may not conform to the RBA Code. Following on-boarding, Kyndryl suppliers are required to agree to comply with the requirements of the RBA Code. This agreement links RBA Code compliance to the commercial terms and conditions applicable to conducting business with Kyndryl. If a supplier is found to be in violation of the RBA code, Kyndryl can take a variety of actions, including limiting or excluding suppliers from future business opportunities.

The RBA Code was updated to Version 7.0, effective 1 January 2021. The current version of the RBA Code sets out:

*Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet*

*local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per workers' contract. Employers, agents, and sub-agents may not hold or otherwise destroy, conceal or confiscate identity or immigration documents, such as government-issued identification, passports or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.*

The RBA Code principles and commitments are reinforced by Kyndryl's Global Employment Standard. Included within this Standard is Kyndryl's position on freely chosen employment, young workers, wages, benefits, and working hours. Additional statements of our policies are included in the Kyndryl Business Conduct Guidelines. All Kyndryl employees are required to complete training on Kyndryl's [Business Conduct Guidelines](#), affirming their commitment to the Guidelines. The Business Conduct Guidelines are Kyndryl's internal code of business conduct and ethics for Kyndryl's directors, executive officers, and employees.

Kyndryl will continue to refine these practices and policies as we mature as a company over the course of several years. As a young company, we will implement the fundamentals now for the future to ensure we follow best practice addressing the mandatory reporting criteria outlined in the Australian Modern Slavery Act 2018 (Cth), and Section 54 of the UK's Modern Slavery Act 2015. As part of our plan to continuously improve our efforts to mitigate modern slavery, Kyndryl intends to align human rights initiatives with the UN Sustainable Development Goals (UN SDGs) tracking progress over time by aligning with the UN SDG targets and indicators where possible. In addition to alignment to the UN SDGs, Kyndryl also intends to increase the human rights training available to our suppliers, supply chain professionals and broader employee base with the support of third-party experts. Today, Kyndryl supply chain professionals have access to learning and training tools via the RBA Academy and we intend to expand access to include our employees and other stakeholders in the future.

### **Modern slavery prevention effectiveness**

In connection with its spin off into a new company, Kyndryl retained certain ongoing RBA audits in Vietnam, India, Saudi Arabia, Chile, and Portugal that it is working to complete alongside IBM and in compliance with RBA audit guidelines.

In its fiscal year ending in March 2023, Kyndryl also intends to complete several audits working with the RBA in Brazil, Portugal, Mexico, Korea, Chile, and Hong Kong. During this fiscal year, we intend to further develop our processes to identify, prevent, and address modern slavery risks and establish grievance mechanisms to mitigate risks. The RBA Code audits will be performed by specialist third-parties to ensure compliance and certain countries will be assessed for high risk of noncompliance based on insights from RBA assessment tools. In addition to leveraging RBA risk assessment tools that cover Kyndryl's global operations, Kyndryl also intends to leverage risk assessment resources provided by both the Australia Border Force and UK Government Association to ensure our approach addresses the unique needs of the countries in which we operate.

Today, suppliers can raise any concerns to the Kyndryl Ombudsman and employees can raise concerns through our anonymous Employee Concerns process.

To assess compliance in the future, Kyndryl intends to develop its own audit process that incorporates RBA guidelines, requires root cause and corrective actions to be implemented for all code noncompliance, engages a cross-section of companies in countries where the risk of noncompliance is elevated, and establishes a grievance procedure. We are currently implementing systems and processes to support disclosure of incidents in future annual reporting.

In closing, we are pleased to publish our statement on our activities regarding the prevention of slavery and human trafficking in our business and supply chains for the year ending 31 March 2022. We look forward to continuing to hone our process and compliance measure as we mature as a company.

This statement was approved by the board of Kyndryl UK Limited



**Tosca Colangeli**  
President, Kyndryl UK/I  
Date

This statement was approved by the board of Kyndryl Australia Pty Ltd



**Kerry Purcell**  
President, Kyndryl A/NZ  
Date