

Kyndryl Supplier International Shipping Procedural Instructions (SPI)



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1.0 INTRODUCTION

As a supplier to Kyndryl, you must comply with all government regulations and Kyndryl operational requirements pertaining to the exportation and importation of goods.

The following globally applicable shipping procedures for international shipments to Kyndryl contain requirements that all suppliers must follow when Kyndryl is to be Importer of Record, regardless of whether goods are supplied “charge” (billed for payment) or “no charge” (provided free of charge to Kyndryl, including returned goods).

Important Notes

- Shipping to Kyndryl in some countries may require additional compliance and document requirements based on local laws.
- These instructions do not supersede other documented contractual agreements with Kyndryl, including alternative shipping instructions provided by a Kyndryl Business Unit. Please make your Kyndryl Contact aware of any perceived conflicting information.
- When shipping to a Kyndryl Importer of Record, you must notify Kyndryl’s supplier GEODIS before the equipment is shipped per the contact information below:

Shipping Region	Contact ID
Americas	kyndryl-international.sco.amer@geodis.com
Europe, Middle East & Africa	pickup.sco.emea@geodis.com
Asia Pacific	pickup-int.sco.apac@geodis.com

- To schedule pickup and transportation with Kyndryl contracted carriers, please send all shipping documentation via email to the appropriate ID above, copying your Kyndryl Procurement contact and order requestor.

2.0 DOCUMENT REQUIREMENTS

Suppliers are responsible for providing the documents and required information listed in section 2.0. The Supplier agrees to cooperate by providing other information not specifically mentioned that may be necessary by the buyer to ensure import compliance.

2.1 General Document Requirements

- All documents must be in English.
- Commercial invoice currency must match the purchase order and billing currencies. US Dollars or local currency of the destination country is required.

2.2 Commercial Invoice – Overview & Required Information

A commercial invoice must accompany all international shipments delivered to a Kyndryl Importer of Record.

Information on the commercial invoice must match exactly the physical goods being shipped and must be consistent with all related documentation (e.g., bill of lading, packing list, labelling, etc...).

Unless there are additional “no charge” items listed on the commercial invoice which are not billable, the commercial invoice sent with the shipment must be the same as the billing invoice sent to Kyndryl for payment. If any items are provided free of charge (“no charge”) they must have accurate values assigned to them for Customs declaration purposes. The statement “Value for Customs Purposes Only” must be included in the invoice.

Commercial Invoice must contain the following:

- Exporter VAT Number
- Importer VAT Number
- Commodity (HS) Code
- Serial Numbers of assets (where applicable)

Software & Services

- All values for services and/or software related to configuration of the assets being shipped must be included in the value of the assets on the Commercial Invoice.
- All values for services and/or software NOT related to configuration of the assets being shipped must NOT be included as an independent item on the commercial invoice.

Specific additional valuation rules and requirements apply to articles that have been reworked, repaired and/or tested and are being returned to Kyndryl by an overseas (non-domestic) supplier. The amount to be paid to the overseas supplier for rework, repair and/or testing services (charges) must appear on the commercial invoice and must match the amount shown on the billing invoice. Customs requires that the full value (fair market value) of the imported article be reported on the commercial invoice and import declaration.

Commercial Invoice – Required Info Checklist

	Required Info. on Commercial Invoice	Notes
	Commercial Invoice Number	
	Invoice Date	
	Invoice To Entity & Address (IOR)	Must reference correct Kyndryl Legal Entity
	Invoice From Entity & Address (EOR)	
	Ship to Address	
	Ship from Address	Supplier complete address, including a contact name and phone number
	Incoterms	Must match contractual terms with Kyndryl
	Import & Export Licenses	
	Charge or No Charge	Always Charge
	Quantity of Handling Units	Box, Pallet, Case
	Gross and Net Weight of Each Handling Unit	Kilograms with at least 1 decimal
	Dimensions of each Handling Unit	Centimeters – Length, Width & Height
	Part Number of Each Product Being Shipped	
	Description of Each Product Being Shipped	Clear and precise for customs classification
	Country of Origin for Each Product Being Shipped	<ul style="list-style-type: none"> • 2 Character ISO Codes • Must be consistent with labels on container and packing list
	Quantity of Each Product Being Shipped	
	Unit Value of Each Product Being Shipped	<ul style="list-style-type: none"> • Must match value on Kyndryl PO • If no PO, use Fair Market Value
	Total Value of Each Product Being Shipped	Qty x Unit Value
	Total Weight of All Products Being Shipped	Gross and Net
	Total Value of all Products Being Shipped	Must match price paid by Kyndryl on Purchase Order, if applicable
	Any Additional Charges for Shipment	
	Total Invoice Value	Freight + Other Charges, if applicable
	Kyndryl Purchase Order Number	Will be provided by your Procurement contact
	Units of Measure	Weight, Dimensions & Value
	Contact Details for Kyndryl Requestor	Name, Phone, Email
	All tax and legal statements applicable for importing and exporting countries	

2.3 Packing List – Overview & Required Information

Suppliers are required to provide one (1) copy of the packing list which must be placed in an envelope attached to each separate case. If the goods are palletized, only one (1) copy is needed for each pallet. Alternately, the packing list may be sealed inside the case, with the words "Packing List Enclosed" placed on the outside of the package.

The packing list should contain all information shown on the commercial invoice - **with the exception of pricing related information, which must be removed**

2.4 – Cross Border Shipments – Ariba Network Requirements

Suppliers, shipping goods cross border are required to send Kyndryl a shipment notice (ASN) via the Ariba network. Shipment notice must include the product serial number.

3.0 PACKAGING / LABELLING

3.1 Packaging

All shipments to Kyndryl must be packed in a way so that the content arrives safely and intact at the destination. All packaged products should be able to pass applicable ASTM / ISTA distribution test standards or Kyndryl approved equivalent. All packaging methods and materials must comply with all local laws and regulations.

All shipments, regardless of origin or destination, with packaging components made of non-manufactured wood packaging (NMWP), (e.g., skids, pallets, crates, dunnage) must meet the minimum requirements listed below. These requirements are derived from regulations typically being adopted in many countries and globally harmonized standard (ref. ISPM 15, updated in 2019):

ISPM: International Standard for Phytosanitary Measures

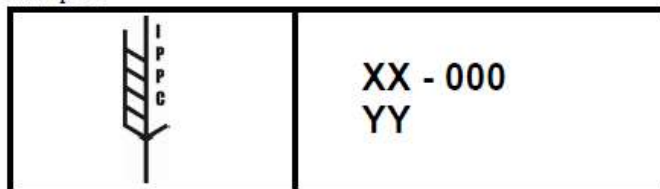
IPPC: International Plant Protection Convention

In summary, all non-manufactured wooden packing materials (NMWP) regardless of origin, destination, or species (e.g., dimensional lumber) shall be debarked, treated, and marked per ISPM-15.

All NMWP (regardless of wood species) must undergo heat treatment to achieve a minimum wood core temperature of 56 degrees centigrade (133 degrees F) for a minimum of 30 minutes. Additionally, NMWP must then be marked a minimum of two times with the IPPC logo and treatment initials per sample below.

Point of Emphasis Regarding IPPC Treatment Markings: The IPPC logo and all information shown in example 1 below must be **legible and indelible**. Blurred, smeared, incomplete or faint markings are non-compliant and the subject SWPM can be subject to rejection by border inspectors and potentially result in return shipping costs and administrative fines. This guidance is based on actual recent experience. SWPM observed to be non-compliant prior to export should be reworked or replaced.

Example 1



XX = 2-character ISO 3166 Country Code where the treatment occurred

000 = 3 (or more) digit treatment facility code provided by the National Plant Protection Organization (NPPO)

YY = 2-character abbreviation of the Treatment Type (HT = Heat Treated)

Although manufactured wood (e.g., plywood, OSB, presswood, Masonite, etc...) is not subject to these restrictions, Kyndryl still requires these be marked to distinguish them from the restricted non-manufactured type of wood. There is no officially sanctioned marking for composite / manufactured wood.

Packaging of Dangerous Goods

All Dangerous Goods (e.g., Batteries, Equipment containing batteries, and Magnetized materials) must be packaged to meet all requirements of the IATA Dangerous Goods Regulations to be eligible for air shipment, even if they are shipped to Kyndryl via ground transportation. This is required as Kyndryl may need to ship the item via air. In addition, all local Dangerous Goods Transportation Regulations must be met depending on the state/countries of shipment.

3.2 Labelling

Case Contents Label: suppliers are requested to apply one (1) per case

The case contents label itemizes the goods contained in the over pack case or pallet. Case contents labels, if provided, must contain the following information:

- Part number or other Product ID
- Engineering Change (EC) level (if applicable)
- Serial number (if applicable)
- Quantity of each part number
- Country of Origin for each part number (see Section 4.0 for additional information)

Shipping Label: suppliers are required to apply one (1) per non-palletized shipping container and two (2) on adjacent sides of a palletized unit

The shipping label is placed on the shipping case and provides the information necessary to ship the goods. Shipping labels must contain the following information:

- Ship from Address (address where the shipment begins)
- Ship to Address (address of the final destination)
- Ship to Attention (name of person to notify upon arrival, if available)
- Case number
- Purchase Order number
- Case ___ of ___
- Weights: gross and net weight of the case or pallet in metric units (in kilograms, with one decimal at least). Note: English system weights (e.g., lbs., tons) may also be shown as additional information.
- Dimensions (Length, Width, and Height): Case dimensions (length, width, and height in metric units). Note: English system dimensions (e.g., inches, feet) may also be shown as additional information.

Marking and Labelling of Dangerous Goods

All Dangerous Goods (e.g., Field Use Chemicals, Batteries) must be marked and labelled for transport to Kyndryl as specified by the applicable Dangerous Goods regulations.

4.0 Marking/Country of Origin

All articles procured or repaired by or for Kyndryl, including "no charge" items provided or returned to Kyndryl, must be marked with the appropriate country of origin. This includes finished products, Field Replaceable Units (FRUs), sub-assemblies, parts, media recorded with software programs, manuals, accessories, and supply items. Each article must have the full English name of its country of origin marked on the article itself and on the packaging in which it is received.

For all articles, the country of origin marking requirements is as follows:

- On the immediate container (the outermost packaging in which the articles ordinarily reach the ultimate purchaser)
- On the article itself (where physically possible; see specific requirements below)
- Conspicuous (can be easily seen with normal handling of the article or container)
- Legible (can be easily read by a person with normal eyesight)
- Indelible (resists fading)
- Permanent (survives normal distribution and handling)
- Indicating to the ultimate purchaser the full English name of the article's country of origin.

The country of origin must be included on the commercial invoice and packing list and must be consistent with the country of origin marked on the product package (immediate container) and the article.

4.1 Wording

The following wording should be used for country of origin marking. Any modification to this wording must be approved by Kyndryl Legal.

Articles Manufactured in the US:

Articles which are produced from contents, components, and raw materials of mixed national origin and where the US is determined to be the country of origin must be marked:

- Produced in the US of US and non-US components (allowable for hardware only)
- Assembled in the US of US and non-US components (allowable for assemblies only)
- Printed in USA (allowable for printed material and publications only)
- Recorded in USA (allowable for recorded media such as disks, tapes, and CDs only)

Articles Manufactured outside the US:

Articles which are made or final assembled outside of the US and are determined to have undergone a substantial transformation must be marked:

- Made in xxx (where xxx is the full English name of the country of origin)
- Printed in xxx (where xxx is the full English name of the country where the material was printed. Allowable for printed material and publications only).
- Recorded in xxx (where xxx is the full English name of the country where the software was recorded. Allowable for recorded media such as disks, tapes, and CDs only)
- For articles that are substantially transformed in Canada, use 'Assembled in Canada'.

No abbreviations, with the exception of UK for United Kingdom and US or USA for the United States of America, are acceptable.

The 2-character ISO-3166 codes are not acceptable for marking articles or product packages (immediate containers).

4.2 Container Marking

A product package (immediate container) is defined as the outermost level of packaging in which the articles will arrive at the ultimate purchaser. The immediate container must be marked with the full English name of the country of origin of the articles contained within it, using the same wording as the marking on the articles (see above for acceptable wording).

Immediate Container with Products of Multiple Origins Marking:

Some immediate containers contain merchandise of different origins. In such an instance, each article within the immediate container must be marked with its country of origin, and the container should be marked: 'Contains merchandise from': (followed by a list of the full names of all the countries of origin in the immediate container, in English). When the contents of an immediate container are a kit, the country of origin of the 'essential character' item (the article that provides the most important function or is the reason why a customer would buy a specific product) in the immediate container must be listed first.

If the contents of the immediate container are invoiced as a single line item (e.g., as in a Field Replaceable Unit (FRU) kit), the country of origin of the 'essential character' item must be the country of origin shown on the commercial invoice and the packing list.

Some immediate containers contain merchandise of different origins. In such an instance, each article within the immediate container must be marked with its country of origin and the immediate container must include a marking statement which summarizes the countries of origin of the articles in the immediate container. The country of origin summary statement begins: "Contains merchandise from..." and is followed by a list of the full English names of the countries of origin of the articles in the immediate container. The country of origin of the "essential character" (the article that provides the most important function or is the reason why a customer would buy a specific product) in the immediate container should be listed first. If the contents of the immediate container are invoiced as a single line item, the country of origin of the "essential character" must be the country of origin shown on the commercial invoice and the packing list.

Containers designed for or capable of reuse must be individually marked to indicate the country of origin of the container. Use the following marking on containers suitable for reuse:

"Container made in xxx", where "xxx" is the full English name of the country of origin of the

reusable container. If the reusable container is not empty, and the reusable container is the immediate container, the reusable container must also be marked "Contents made in xxx" (where xxx is the full English name of the country of origin of the contents). Exception: if the contents are of US origin, use the wording in Section 4.1 above for Articles Manufactured in the US.

In all instances, the country of origin marking must be near any labelling which designates an address that is not the country of origin. All references to any country on a product or package cannot mislead or deceive the buyer as to the actual country of origin of the article.

No abbreviations, with the exception of UK for United Kingdom and US or USA for the United States of America, are acceptable.

The 2-character ISO-3166 codes are not acceptable for marking articles or immediate containers.