

Kyndryl Supplier International Shipping Procedural Instructions (SPI)



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1.0 INTRODUCTION

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

The SPI is a globally applicable shipping procedure for international shipments to Kyndryl that are organized and paid for to final destination by the supplier (e.g., Inco Term CIP, CPT). Import tax & duties and customs broker fees are paid by Kyndryl unless differently agreed. It contains requirements that all suppliers must follow when Kyndryl is to be Importer of Record or within the EU, the EU importer. The SPI needs to be complied with regardless of whether goods are supplied "charge" (billed for payment) or "no charge" (provided free of charge to Kyndryl, including returned goods).

Important Notes

- In some countries additional compliance and document requirements might be required 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.
- It is the supplier's responsibility to ensure that the shipments to Kyndryl meet the Trade Compliance requirements both on the export and import side (licenses, other documentation) prior to initiating the shipment. In case import license is required, pls contact Kyndryl Trade compliance team (TradeOps@kyndryl.com)
- It is the supplier's responsibility to ensure the product meets the destination country Environmental and RTPE (Radio, Telecommunication, Product Safety, and Electromagnetic Compatibility (EMC) laws. Refer to section 4.2 for more information.
- Kyndryl will not take responsibility for validating correctness and timeliness of the SPI related data submitted by suppliers. Kyndryl will however monitor, and spot check the data for compliance verification.
- Suppliers that fail to comply with the Kyndryl SPI may risk being disqualified as Kyndryl supplier. The compliance with Governmental, Trade Compliance and Tax rules is of the highest importance to Kyndryl, and we expect the same standards from our suppliers.
- All documents and information that are provided as per this SPI must be in English Language

2.0 REQUIREMENTS for vendor shipments with Kyndryl as the IOR

For EACH international shipment with Kyndryl as the Importer of Record^{*)}, you must notify Kyndryl's logistics supplier GEODIS and copy Kyndryl Trade Operations before the equipment is shipped per the contact information below.

*) For Intra EU shipments please follow the instructions in paragraph 3.0 instead.

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
All countries	TradeOps@kyndryl.com

- Subject line in the mail to Geodis should mention: *Vendor shipment from 'your company name and country' to Kyndryl 'country name' with Commercial invoice nr 'xxxxxxx'*

The information that needs to be provided is described in the following 2 paragraphs.

2.1 Commercial Invoice – Overview & Required Information

A commercial invoice must accompany all international shipments where Kyndryl is the importer of record. The Commercial invoice currency must match the purchase order and billing currencies. (Typically, US Dollars or local currency of the destination country).

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 and VAT purposes. The statement "Value for Customs Purposes Only" must be included in the invoice.

Software & Services

- All values for services and/or software related to configuration of the assets or adding value to 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 or adding value to the asset may not be included as an independent item on the commercial invoice and need to be invoiced separately.

2.2 Commercial Invoice – Required Info Checklist

	Required Info. on Commercial Invoice	Notes
1	Commercial Invoice Number	
2	Invoice Date	
3	Invoice From Entity & Address (EOR)	Incl Tax reg number
4	Invoice To Entity & Address (IOR)	Must reference correct Kyndryl Legal Entity incl Tax reg number
5	Ship from Address	Supplier complete address, including a contact name and phone number
6	Ship to Address	Complete delivery address as advised by Kyndryl, including a Kyndryl contact name and phone number
7	Incoterms	Must match contractual terms with Kyndryl
8	Import and/or Export Licenses required (Yes/No)	If yes, please provide details separately
9	Charge or No Charge	
10	Part Number of Each identical product being shipped	
11	HS Code of each identical product being shipped	Customs classification number
12	Description of each identical product being Shipped	Clear and precise for customs classification
13	ECCN or USML classification codes for each item shipped.	Alphanumeric codes required for customs purposes.
14	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
15	Net Weight of Each Identical Product	Kilograms with at least 1 decimal
16	Quantity of Each Identical Product Being Shipped	
17	Unit Value of Each Product Being Shipped	
18	Total Value per identical Product Being Shipped	Qty x Unit Value
19	Additional Charges for Shipment	e.g. packaging, freight cost, insurance
20	Total Invoice Value	<ul style="list-style-type: none"> • Value of goods + Other Charges, if applicable • Must match value on Kyndryl PO • If no PO, use Fair Market Value
21	Type and Quantity of Handling Units	Box, Pallet, Case
22	Dimensions of each Handling Unit	Centimeters – Length, Width & Height
23	Weight of each Handling Unit	Kilograms with at least 1 decimal
24	Total Weight of All Products Being Shipped	Gross and Net
25	Kyndryl Purchase Order Number	Will be provided by your Procurement contact
26	Units of Measure	Weight (kg), Dimensions (cm) & Value (currency as agreed with Kyndryl procurement)
27	All tax and legal statements applicable for importing and exporting countries	

2.3 Export Declaration

If items are being shipped under a US License or containing US controlled technology the following wording should be incorporated on the Commercial Invoice:

“These items are controlled by the U.S. government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.”


2.4 Environmental reporting details

Please refer to the instructions under 4.0 Environmental reporting.

3.0 REQUIREMENTS for Intra EU shipments with Kyndryl as the Intra EU Importer (Kyndryl putting the goods on the market in an EU country)

For all intra EU shipments where Kyndryl is the intra EU importer, Kyndryl requires that all suppliers complete and submit an Intrastat^{*)} Data Element report to Kyndryl using the following email: **Logistics.EMEA@kyndryl.com**

The report needs to be provided within the first 5 working days of the month, covering all shipments that arrived in the import country in the previous month

Intrastat Data Element Report	 Intrastat Data Elements
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*) Intrastat is a system for collecting information and producing statistics on the trade of goods between EU member states. It applies to businesses that are registered for VAT and whose value of intra-EU trade exceeds the threshold set by their national authorities. The thresholds vary by member state, and businesses must register with their national statistical authorities if they exceed the threshold.

Additionally, please refer to section 4.0 for instructions on environmental reporting that apply for intra EU shipments.

4.0 Environmental Requirements

4.1 Environmental Report for Cross Border Shipments of Electronic Products


For international and Intra-EU shipments, the Importer of Record (IOR) may have obligations as a Producer when shipping Electrical and Electronic products. These obligations, known as Extended Producer Responsibility (EPR), have reporting requirements based on the destination country regulations. EPR imports reports cover data about the electronic equipment, its batteries, and packaging materials.

The supplier needs to provide Kyndryl the data elements in the attached Environmental Report file when Kyndryl is the IOR or Intra-EU importer of their products into any of the countries below. This information is only required once per product part number.

The following countries require a report of imported electronic products into their market: Peru, Ecuador, Colombia, Singapore, Korea, Australia and all EMEA countries.

For all applicable countries, Kyndryl requires that all suppliers complete and submit an environmental Report to Kyndryl via Geodis using the following emails as per below.

The report needs to be provided within the first 5 working days of the month, covering all shipments that arrived in the import country in the previous month.

Environmental Report	 Environmental Report
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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

4.2 Product Environmental Compliance of all cross-border Shipments

Suppliers shipping to Kyndryl are responsible for products meeting all applicable Environmental Laws and RTPE Laws (Radio, Telecommunication, Product Safety, and Electromagnetic Compatibility (EMC) Laws) for all product imports.

“Environmental Laws” means those laws, rules, and regulations at local, state, provincial, national or international levels that relate to environmental matters, including without limitation material or chemical restrictions, material or chemical bans, labeling, and availability of product environmental information, energy efficiency, end-of-life take back, battery requirements, and other similar requirements.

“Radio, Telecommunication, Product Safety, and Electromagnetic Compatibility (EMC) Laws” or “RTPE Laws” means those laws, rules, and regulations at local, state, provincial, national or international levels that relate to hardware compliance matters, including without limitation certificates, product labeling, information to users, frequency restrictions, availability of product compliance information, telecom homologation, and other similar requirements.

Therefore, companies involved in the shipment of hardware should ensure that their products comply with the relevant environmental regulations in the destination and take the necessary steps to meet their reporting and other obligations under these regulations. This may include registering with national or province authorities, ensuring proper labeling and documentation.

4.3 Additional Requirements for imports to Singapore: 3R Requirement

Singapore National Environmental Agency requires importers to increase awareness about the 3R’s Reduce, Reuse, Recycle.

The supplier must include the following Kyndryl approved icon, or similar, with the shipping documentation.



5.0 PACKAGING / LABELLING (applies to ALL shipments to Kyndryl, both Domestic and International)

5.1 Packing List

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 - **except for pricing related information, which must be removed.**

5.2 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 for the E2E transport (E.g. IATA Dangerous Goods Regulations in case of Air Freight).

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.

5.3 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(s) (if applicable)
- Quantity of each part number
- Country of Origin for each part number (see Section 6.0 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.

6.0 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.

6.1 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).

6.2 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, except for 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.