

## **Kyndryl Modern Slavery Statement September 2023**

### **Introduction**

As the world's largest IT infrastructure services provider, Kyndryl has a responsibility to ensure our operations promote a sustainable and just future for all, and we're committed to making that vision a reality. Our mission is to power human progress through modernizing and managing the world's mission-critical systems and services. We aim to do so responsibly and equitably. We believe technology should be used to drive the innovations needed to address the pressing problems of today and tomorrow. Respect for all human rights across our operations, products, services and relationships is fundamental to the success of that goal.

### **Kyndryl's approach to this Modern Slavery Statement**

As part of broader international trends on human rights, we see a growing body of modern slavery related legislation globally. Accordingly, Kyndryl addresses in its Human Rights Policy and strategy the aspects related – but not limited – to forced labor, bonded labor and child labor.

Whereas our approach, strategy and goals on human rights and modern slavery are corporate wide, the below Statement is made to comply with particular regulations in the United Kingdom and Australia: Kyndryl's Modern Slavery Statement is submitted by Kyndryl Australia Pty Ltd ABN 98 646 647 592 ("Kyndryl Australia") in accordance with the Modern Slavery Act 2018 (Cth) and by Kyndryl UK Limited ("Kyndryl UK") in accordance with section 54 of the UK Modern Slavery Act 2015.

Kyndryl UK and Kyndryl Australia are subsidiaries of Kyndryl Holdings, Inc, incorporated in the United States. Kyndryl UK has approximately 1,500 employees and is headquartered in London. Kyndryl Australia has 790 employees in seven cities including Melbourne, Sydney and Canberra.

This Statement covers the actions that Kyndryl has taken since its inception as an independent company and outlines Kyndryl's intent to take further action throughout Kyndryl's current fiscal year 2024 ending 31 March 2024. It was prepared jointly by Kyndryl's US, UK, Australia, and corporate procurement, corporate social responsibility, Environmental Social and Governance, legal, and human resources teams.

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 (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, visit [www.kyndryl.com](http://www.kyndryl.com).

## **Country President Remarks**

People are at the heart of everything we do, and as a newly independent services 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 for driving positive change at scale. 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. 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.

### **Kyndryl's policies on human rights and modern slavery**

Kyndryl's [human rights policy](#) was developed with a human-centered approach to identify the most important ways technology affects people and how, as a technology services company, we can reduce any adverse effects.

As part of its human rights policy, Kyndryl has established policies to govern our corporate behavior around labor, health and safety, community engagement, and child labor. For example, Kyndryl will not use forced, bonded (including debt bondage), indentured labor or involuntary prison labor. Kyndryl will not use child labor. Kyndryl will comply with all applicable laws regarding minimum wages, safe working environments and other elements of employment. In line with Kyndryl's management of global employment standards and [Kyndryl Code of Conduct](#), Kyndryl looks to international and national standards for applicable guidance on our strategy and reporting.

### **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 approximately 886 sourcing professionals and managers responsible for Kyndryl's global procurement operations dedicated to meeting the needs of Kyndryl's business and its customers in the countries in which we do business. From 1 April 2022 through to 31 March 2023, Kyndryl UK's purchases totaled approximately 592M USD with approximately 223 suppliers, Kyndryl Australia's purchases totaled approximately 288,8M AUD with 151 suppliers across the following broad categories:

- HR Services (for example, health & safety, benefits, incentives, insurance),
- Marketing (for example, advertising, events, and printing),
- Facilities (for example, maintenance, food service, and security),
- Software,
- Technical products (for example, OEM 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).

Kyndryl has prioritized taking an active role in supply chain social responsibility (SCSR) and has allocated resources 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. Global Procurement operation works in close collaboration with the corporate ESG team and has dedicated resources towards monitoring and management of suppliers. Global Procurement operation 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	Qatar	Turkey
Australia	Egypt	Lithuania	Romania	Ukraine
				United Arab Emirates
Austria	Estonia	Luxembourg	Russia	
Belgium	Finland	Macao	Saudi Arabia	United Kingdom
Brazil	France	Malaysia	Singapore	United States
Bulgaria	Germany	Mauritius	Slovakia	Uruguay
Canada	Ghana	Mexico	Slovenia	Venezuela
Chile	Greece	Morocco	South Africa	Vietnam
China	Hong Kong	Netherlands	South Korea	
Colombia	Hungary	New Zealand	Spain	
Costa Rica	India	Norway	Sri Lanka	
Croatia	Indonesia	Pakistan	Sweden	
Curacao	Ireland	Peru	Switzerland	
Cyprus	Israel	Philippines	Taiwan	
Czech Republic	Italy	Poland	Thailand	
Denmark	Japan	Portugal	Tunisia	

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, color, religion, creed, sex (including gender, pregnancy, gender identity, gender expression, sexual orientation), national origin or ancestry, ethnicity, caste,

genetics, physical or mental disability, age, citizenship, past, current, or prospective service in the uniformed services, and any other protected characteristic recognized by applicable law.

### **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. We manage Kyndryl's ESG risk mitigation through the Enterprise Risk Management group. In 2023, we performed an enterprise risk assessment which included the Company's Environmental Social Governance risks including human rights and modern slavery and found our ESG risk to be a low impact for Kyndryl.

Kyndryl intends to assess our operations to identify modern slavery risks that it may cause, contribute to or be directly linked to as described in the UN Guiding Principles on Business and Human Rights framework. Kyndryl committed 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. In Australia, a program was implemented late 2022 to execute RBA agreements on Kyndryl templates. 97% of suppliers have since signed the RBA, with a small number of approved exceptions. If a supplier is found to violate the RBA Code, corrective actions are 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**

Attaining sustainable improvements in the supply chain is a long-term endeavor and recognizing these improvements are crucial to Kyndryl's 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. In its section on "Labor.", the RBA Code sets out the standard on "freely chosen employment":

*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 Code of Conduct. All Kyndryl employees receive annual training on Kyndryl's [Code of Conduct](#), affirming their commitment to the Guidelines. The Code of Conduct is 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 and completed certain RBA audits alongside with IBM for common suppliers in Vietnam, India and Chile in compliance with RBA audit guidelines.

In fiscal year ending on March 31, 2023, Kyndryl also completed additional audits working with the RBA in Portugal, Mexico, Korea, and Chile.

During the current 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 Kyndryl or third parties to ensure compliance. We will assess risk in certain countries for high risk of noncompliance based on insights from an RBA risk analysis tool. In addition to leveraging the RBA risk analysis tool that covers 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, third parties (including suppliers) are able to use the [Kyndryl Reporting Channels](#) web portal or hotlines to report any concerns relating to potential violations of the Kyndryl Code of Conduct or Kyndryl policies, or any other suspected unethical or unlawful conduct for assessment and/or investigation by Kyndryl.

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.

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 2023. 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.

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**John Chambers**

President, Kyndryl UK/I

Date 27-Sep-2023 | 8:56 PM CEST

In order to prepare this Modern Slavery Statement, Kyndryl Australia Pty Ltd ABN 98 646 647 592 as the reporting entity pursuant to the Modern Slavery Act 2018 (Cth,) engaged and consulted with the entity Kyndryl Australia Client Services Pty Ltd ABN 35 139 232 885 covered by this statement being an entity we own or control, with the ultimate holding company being our parent, Kyndryl Holdings, Inc. 655735292 incorporated in the United States. This statement was approved by the board of Kyndryl Australia Pty Ltd ABN 98 646 647 592.

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**Ashish Kumar**

President, Kyndryl A/NZ

Date 02-Oct-2023 | 10:17 AM CEST