

A message from Kyndryl UK Limited's President

Kyndryl UK Limited is deeply committed to the highest ethical standards in all we do – empowering employees, working with clients and partners, and governing our company.

In the pages that follow, we outline this enduring commitment and the intentional actions we have taken from November 4 2021 to March 31 2022, in our pursuit to prevent and address modern slavery practices. In our first modern slavery statement, we review and reflect on the journey Kyndryl UK Limited is taking to mitigate potential risks within our operations and supply chains. We are committed to continuing our journey and grounding our business and strategy in the core values of trust, equity and inclusion.



Tosca Colangeli

Introduction

This is the first Modern Slavery Statement by Kyndryl UK Limited, submitted in accordance with section 54 of the Modern Slavery Act 2015. It covers the actions that Kyndryl Corporation and Kyndryl subsidiaries (“Kyndryl”) have taken in its first months as an independent company, ending on 31 March 2022.

Kyndryl structure, business operations and supply chains

About Kyndryl

Kyndryl was spun off, as an independent company, from International Business Machines (“IBM”) on 4 November 2021. At IBM, Kyndryl comprised the Infrastructure Services unit 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.

Kyndryl is the world’s largest infrastructure services provider. We design, build, manage and modernise the complex, mission-critical information systems that the world depends on every day. Kyndryl’s nearly 90,000 employees serve over 4,000 customers in more than 60 countries around the world, including 75 percent of the Fortune 100 companies.

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

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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 to fulfil the delivery of Kyndryl's products, software and services to our clients world-wide. 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 globally responsible for procurement in accordance with Kyndryl's global structure, to meet the needs of Kyndryl's operations and its clients in country. From 4 November 2021 through to 31 March 2022, purchases by Kyndryl totalled approximated \$4.6B USD with approximately 3,600 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 prioritised taking an active role in supply chain social responsibility (SCSR) and has a specialised department within its Global Procurement operation to focus exclusively on the development and deployment of policies, practices, and initiatives to recognise and take measurable action on areas of concern in the supply chain. The SCSR group is geographically distributed which assures supply chain social responsibility is integrated into the regional supplier base.

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.

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. This Code has been introduced to Kyndryl's

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supply chain and audits are in development to assess compliance on 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 that will be taken into consideration when awarding future work to suppliers.

Modern slavery prevention and due diligence

As Kyndryl realises attaining sustainable improvements in the supply chain are a long-term endeavour and considers these improvements 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 of new suppliers to Kyndryl. After the RBA Code is provided to suppliers, 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 sign a contract document under which they are obligated to comply with the requirements of the RBA Code. This agreement links RBA Code compliance to the commercial terms and conditions of conducting business with Kyndryl.

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. This Standard covers Kyndryl's positions on freely chosen employment, young workers, wages, benefits and working hours. Additionally, all Kyndryl employees are required to take an annual

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certification of 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.

Modern slavery prevention effectiveness

In connection with its spin off into a new company, Kyndryl retained certain ongoing 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 prevent and address modern slavery risks and establish grievance mechanisms to mitigate risks. The RBA Code audits will be done 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.

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.

General results will be made public in Kyndryl's corporate social responsibility and procurement reporting in 2023.

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 on 19 May 2022.



Tosca Colangeli
President
Kyndryl UK Limited
19 May 2022

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