

## >> EDS South Africa - Black Economic Empowerment (BEE)

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### INTRODUCTION

EDS is committed to the transformation of the South African economy. EDS has aligned its Black Economic Empowerment (BEE) efforts to the development of the Codes of Good Practice and the ICT Charter. Through these endeavours and with the firm support of our parent Company in the US, we have established our BEE credentials which demonstrate our commitment to transformation and which enable our valued clients to meet their own BEE requirements. To achieve, in order to contribute meaningfully to its clients own BEE obligations and the transformation of the local economy. EDS Corporation has pledged its commitment to Black Economic Empowerment and afforded EDS South Africa the opportunity to achieve full BEE accreditation.

### EQUITY OWNERSHIP

EDS has concluded a Black Economic Empowerment transaction which will result in 30% of EDS SA being transferred to local black ownership.

The Koketso Gravitass Consortium has acquired a 20% stake in EDS SA and a further 10% of the shareholding is being placed in an Employee Trust for Black Staff.

The Koketso Gravitass Consortium was specifically established for this transaction. The key shareholders include Dr Bongani Khumalo, Dali Tambo and Mandla Langa together with Adelaide Tambo leading a broad based black women's group established from the Zwelonke Mother's Union - the women's group represents over forty five worship groups on the East Rand.

### Percentage Management and Control

There is currently 33.3% black representation on the EDS board and 16% black representation on EDS' Top Management. Blacks represent circa 8% of EDS' Other Top Management.



### PREFERENTIAL PROCUREMENT POLICY

EDS's procurement strategy is based on the following principles:

- Black Economic Empowerment
- Cross Representation
- Evaluation Criteria
- Business Code of Ethics
- Competitive Pricing

EDS's BEE strategy falls within this broad supplier evaluation process. EDS has a policy of wherever feasible, procuring goods and services from previously-disadvantaged suppliers, with the end goal of enabling them to participate meaningfully in the mainstream of the South African economy.

As is the case with all its empowerment initiatives, EDS constantly monitors its performance. The analysis for the 2006 financial year is as follows:

EDS Total Spend	EDS BEE Spend	BEE Percentage
R173,109,062.00	R61,309,163.00	35%

BEE suppliers are identified as falling into one of the following criteria:

- Black-owned.
- Black-empowered.
- Black-influenced.
- Engendered.

### SOCIAL DEVELOPMENT / INVESTMENT PLAN

Initiatives in this area include:

#### EDS Maths Programme

EDS South Africa recognises the significance of investing in our future, and offers Maths Revision Sessions to Grade 10, 11 and 12 scholars. The programme has been well attended by children of EDS employees, as well as by scholars from schools receiving EDS technology grants. In an attempt to bring Maths Education to all nine provinces, EDS has distributed 1500 sets of Grade 11 and 12 Maths revision booklets to Maths 3000 sites located across the country. This programme takes place on an annual basis.

#### EDS Technology Grants

EDS supports the use of information technology in the classroom. We realize that it is important for students to have exposure to the latest technology resources. Our goal is to enable students to effectively use information technology and develop marketable skills for the future. To support this goal, EDS sponsored 11 grants in 2003, 2004 and 2005 to schools in order to help school teachers of students (ages 6 through 18) purchase technology-related products and services. Each grant is worth \$1 500.

## SOCIAL DEVELOPMENT / INVESTMENT PLAN ... continued

### Global Efforts - Global Volunteer Day

Every year, around the world, thousands of EDS employees and their families, business associates and friends, take to the streets all over the world to assist and support their less advantaged communities. EDS supporters offer their services to schools, old age homes, nursery schools, homes for the physically and mentally challenged, zoos, and animal shelters, on Global Volunteer Day.

In 2005 EDS South Africa painted the Starlight House in the Kid's Haven Village. This is a home for little boys and it is was badly in need of repainting. In addition, EDS employees attended to the clean up of the Homestead Lake in Benoni. EDS South Africa's total Corporate Social Investment spend in 2005 was approximately R225 000.00.

## EMPLOYMENT EQUITY

### Employment Equity Plan

EDS' employment equity plan was drafted and submitted to the Department of Labour in 2000. In accordance with the Act it sets targets for the years 2001 through to 2003 only, although EDS has set further targets for 2004, 2005 and beyond. Elements of the Employment Equity Plan include:

#### Preferential Recruitment

A member of the Transformation Forum must be present at all recruitment interviews to ensure that there is significant focus on the recruitment of previously disadvantaged individuals (PDI's) into EDS. The recruitment of non PDI's needs to be justified and approved by senior management before execution.

#### Black Engineer Programme

This award provides a unique opportunity to acknowledge and publicly recognise black employees who have achieved success in their careers at EDS. It is an internal award that is open to all EDS' black employees world wide.

#### Diversity Planning

EDS has leveraged the support of the EDS Global Diversity team in the U.S. to assist in the development of a comprehensive diversity strategy. All EDS SA employees have attended classroom Diversity training to date. The Diversity Management Programmes are intended to sensitise all EDS'ers to diversity related issues. EDS believes that by creating such awareness, the organisation will be able to increase its understanding of the covert barriers that hinder its achievement of its employment equity targets. Action plans arising from the training are being used to identify future diversity initiatives.

## SKILLS DEVELOPMENT

Under the Leadership of EDS' Skills Development Facilitator, EDS participates in the National Skills Development Strategy. EDS pays 1% of our salary margin to SARS monthly, of which 20 percent goes into the National Skills Fund and 80 percent to our Sector Education and Training Authority (SETA). EDS has belonged to the Information Systems Electronics Telecommunications and Technologies (ISETT) SETA since 2000.

The Skills Development rebate received is used to fund skills development related programs e.g. the corporate HIV/AIDS awareness campaign, Diversity training for leaders and EDS Graduate Training.

EDS recognises the need to increase and develop its current skills level with a particular emphasis on previously disadvantaged individuals ("PDI's"). This is seen as an investment in EDS' primary asset, its people.

EDS' major focus has been the development of both leadership and technical expertise. EDS invested an amount of approximately R600 000 in the last year exclusively on the development of PDI's.

