

EDS Corporate Responsibility Report
Forward by Ron Rittenmeyer

Globalization and sustainability trends are increasingly shaping the environment in which the world's most successful companies operate and compete. And behind many of those companies, there's EDS, the world's business ally.

As a leading IT services company in the industry we founded 45 years ago, EDS delivered on its commitments in 2007 and set new baselines for competitiveness and operational excellence. We differentiated our market presence with the best people, innovative offerings and, most importantly, quality services.

Our pursuit of quality and customer satisfaction resulted in a solid year of performance. In 2007, EDS grew our core business and continued to win in the marketplace. We realized profitable growth with \$22.1 billion in revenue. We signed \$19.5 billion in contracts globally across several industries, improved our operating margin and generated nearly \$900 million in free cash flow, marking a five-year upward trend. We also expanded our higher-margin services, honed our capabilities in IT modernization and leveraged the strength of our infrastructure and applications capabilities to deliver client solutions with long-term value.

Behind our successes are the commitment and passion our employees bring to the job every day. This performance is in turn supported by a collective commitment to responsible governance and conducting business ethically and with integrity.

We engaged in a number of programs in 2007 to foster employee development and expand our company's social awareness and contributions. We enhanced employee competencies around leadership, technology and sales, as well as delivered programs to promote ethical business practices. We implemented a semi-annual performance evaluation process, expanded employee network groups, and added several new work/life benefit programs, among other initiatives.

We also pursued opportunities to create shared value in the greater community. For example, our Nobel Prize Series sponsorship enables us to apply our technology expertise as we collaborate on various programs with the world's pre-eminent sponsor of academic achievement and innovative thinking.

Our commitment to environmental sustainability is another example. Information technology's most significant environmental impact revolves around the use of energy. Generating the electricity needed to run and cool data centers, servers, personal computers and office equipment creates carbon dioxide, one of the leading greenhouse gases that affect climate change. We recognize carbon reduction as a business imperative. Our environmental sustainability program addresses climate change by providing ecologically friendly IT service

offerings and engaging employees in recycling and conserving resources. Also important, these initiatives improve operational efficiency.

Among our other priorities this year, we strengthened the diversity of our supply chain and our supplier assessment process. We further protected our clients' privacy and security – and their customers – with advanced encryption and data loss-prevention technologies. We also enhanced our connections to communities and improved the quality and transparency of our reporting.

Moving forward, we will continue to invest in the growth of our company, operating as a responsible steward in the 66 countries where we live and work. We believe that corporate social responsibility gives the fullest meaning to corporate success, and we will continue to make that integral to our culture and global operations.

Clients choose EDS because we are committed to their success. We state it clearly in our brand promise: “We deliver on our commitments so you can deliver on yours.” We believe in, have passion for and will execute this promise for our clients and other stakeholders. This promise is part of our powerful and proud history and defines our character as a global enterprise. It is my hope that you will find in this report a window into EDS' commitment to responsible action and our progress on initiatives supporting our clients, communities, employees and other stakeholders. I feel positive about the progress EDS has made and our commitment to sustainable business practices.

Even as we acknowledge our achievements, we know there is more work to do. For EDS, a sustainable future is not only about being a responsible leader in our industry. It's also about promoting corporate social responsibility by example in our increasingly interconnected, global business ecosystem.

Sincerely,

Ronald A. Rittenmeyer
Chairman, President and Chief Executive Officer