

# Schneider Electric

## Preferential Procurement Policy

Contributing to the growth of BBBEE

### **OBJECTIVE:**

Schneider Electric South Africa (Pty) Ltd will ensure effective and efficient support of the South African Government's Broad Based Black Economic Empowerment Act 53 of 2003, through awarding of meaningful procurement opportunities to companies that will contribute to the growth of the BBBEE sector in South Africa.

### **DEFINITION:**

According to the Act, companies are measured on subjects such as Equity Ownership, Control, Employment Equity, Preferential Procurement, Enterprise Development and Social Investment, with measures and targets based on the "Codes of Good Practice" on Broad Based Black Economic Empowerment.

### **PROGRAMME:**

Implementation of the BBBEE Preferential Procurement Policy is monitored by the Senior Leadership Team and driven by the Group Purchasing Manager, who heads a team of dedicated resources to ensure objectives are met.

### **PLAN:**

BBBEE scoring in the Preferential Procurement category is a set target in the Purchasing KPI's (Key Performance Indicators) that will accomplish the target through:

- Obtaining and monitoring valid Rating/Verification Certificates from current and potential suppliers.
- Expansion of BBBEE supplier development, by encouraging existing suppliers to pursue a BBBEE rating that will be considered a pre-requisite to becoming and remaining a supplier to Schneider Electric.
- Promote and support compliant vendors or vendors progressing in this field.
- Targeting specific opportunities, such as medium to long-term, BBBEE opportunities.
- Pursue EME & QSE support initiatives.
- Monthly reporting and "balanced scorecard" measure actual versus the Company's target.

### **DATE OF INCEPTION:**

This policy will take effect from 2nd June 2008



Patrick Gaonach  
South African Managing Director

