

SAS Corporate  
Social Responsibility  
Report



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## From the CEO

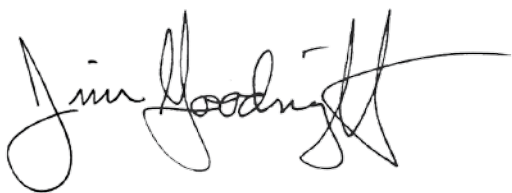
Critical software in more than 44,000 sites around the world bears the SAS logo. With that comes the corporate responsibility to provide quality software and services, deliver value for our customers' investment and retain the top talent we depend on for research and innovation.

In the pages of this report, you will read that we are committed to continually enhancing our levels of corporate social responsibility. We have documented the benefits to our environment, our community, our employees and their families. As you will see, we accomplished a lot in 2007. Yet there is more work to be done. The potential for sustainable partnerships combined with the constrained global energy supply prompt all of us to continuously improve our thinking for new solutions to tomorrow's challenges.

At SAS, we have always believed that employees are the cornerstone of our business. Our commitment to work/life balance, the benefits we offer to all our employees, the awards we have received and the low turnover we enjoy show our commitment to this principle. In the past year, we were recognized as one of the top places to work in the United States, Europe, Norway, China, Portugal and Mexico, as well as in the IT industry. But we don't do what we do for the awards; we do it because it makes good business sense and leads to better software — and satisfied customers.

We have also upheld our longstanding commitment to education. At SAS, we are dedicated to the idea that the economic and social future of the world is being written today in the classroom. Last year, for instance, we released SAS® Curriculum Pathways® 2008, an online resource for students and teachers in high schools, community colleges and virtual schools that engages today's learners in a way that traditional classroom teaching does not, improving performance and discipline and reducing dropout rates.

I believe that, by exemplifying stewardship through our employees and customers, we can collectively make a difference and transform future sustainable business strategies, both for SAS and for our customers.



Jim Goodnight  
CEO  
SAS  
April 2008



## About This Report

The SAS Corporate Social Responsibility Report was developed using the Global Reporting Initiative (GRI) sustainability reporting guidelines. The report is self-declared at application level C.

Report content was defined by a cross-divisional team of employees who have responsibility for key business areas, including corporate services, human resources, internal communications, external communications and marketing. The team was created specifically to support the first SAS Corporate Social Responsibility Report. We plan to publish a new report each year.

For the reporting period of 2007, the team gathered information that was collectively determined to significantly represent the company's social, environmental and economic priorities. The information is supported by data and has been thoroughly reviewed by executive leadership and other internal stakeholders.

In keeping with environmentally sustainable practices, we chose not to provide a printed report. The report is available to all external stakeholder groups, including alliances, analysts, customers and media, on [www.sas.com](http://www.sas.com).

The 2007 SAS Corporate Social Responsibility Report has limited boundaries to SAS Institute Inc., the U.S.-based parent company for SAS. This report does not include international or U.S. subsidiaries of SAS Institute Inc.

The 2007 report includes information from our U.S. offices. However, SAS recognizes that our corporate sustainability practices, both in the United States and internationally, influence choices that our employees make about procurement, energy utilization and other daily decisions as part of business on behalf of customers in countries around the world. Where global information is available, we have attempted to provide it in the report.

The strategy for expanding the boundaries of this report to SAS international subsidiaries will be determined in 2008 by the Executive Sustainability Council.

SAS welcomes your comments and questions regarding this report and our corporate responsibility efforts. For questions about this report or its contents, please e-mail [globalreporting@sas.com](mailto:globalreporting@sas.com).



## Company Overview

Since SAS was founded in 1976, we have evolved into the leading provider of business analytics software and the largest independent vendor in the business intelligence market. With consistent revenue growth and profitability, SAS has the depth of resources to sustain excellence in product development and customer support. While many competitors have merged, changed ownership or simply vanished, privately-held SAS has remained focused on our primary mission — delivering superior software and enhancing customer relationships.



## Financial Strength

In 2007, intense demand for analytics-powered business intelligence propelled SAS to its 31st straight year of revenue growth. 2007 revenue totaled US\$2.15 billion, up 15 percent over 2006 results. SAS' record of revenue growth in every year of our existence not only makes us a stable business partner, but has enabled us to reinvest more than 20 percent of revenues in research and development each year — twice the average of large software vendors — so we can continually improve our products. This commitment to innovation is one reason why 98 percent of our customers renew their software licenses with SAS every year.

## Award-Winning Customer Support

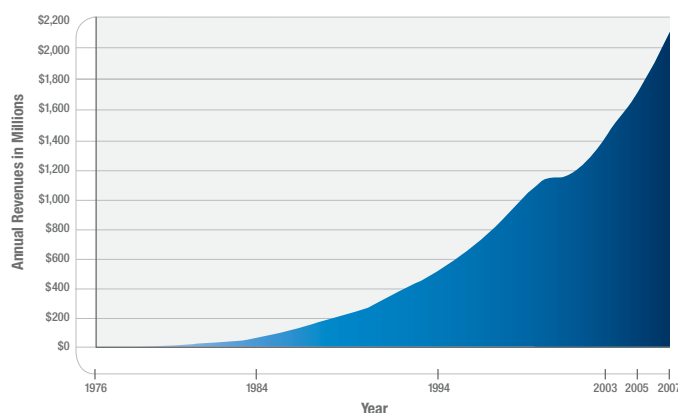
SAS customers receive a full suite of support services at no extra charge, including skilled telephone technical support and unlimited, around-the-clock online technical support. Our online customer support center provides always-on access to a wealth of technical support, reference information, educational resources and communities. Knowledge-sharing is continuously available through regular seminars, Webcasts and an expansive selection of training courses.

## Products and Services

At SAS, our mission is to add value for our customers and be central to their success. Our proven software and services help you do more with data than you ever thought possible.

Across the enterprise, across industries and across the globe, SAS gives our customers the power to make the right decisions and improve performance ... THE POWER TO KNOW®.

Revenue Growth



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## The SAS® Enterprise Intelligence Platform

A core set of tools for integrating, managing and analyzing data, and then deploying information across the enterprise. The Enterprise Intelligence Platform includes solutions for business intelligence, data integration and analytics.

## SAS® Software Solutions

Applications developed specifically to solve the critical business issues unique to key line-of-business and functional areas, including marketing, finance, IT, human resources and procurement.

**SAS Customer Intelligence** helps you generate a comprehensive picture of customer behavior, risk and profitability — and efficiently create more effective offers and marketing campaigns.

**SAS Human Capital Intelligence** helps you analyze and optimize your work force by surfacing relevant, holistic and predictive information that helps drive strategic human capital decisions.

**SAS Risk Intelligence** enables you to accurately identify, measure, monitor, control and report risks throughout the enterprise.

**SAS IT Intelligence** clarifies the real costs and value of your information assets and helps you identify the best projects and strategies to maximize that value.

**SAS Supply Chain Intelligence** lets you analyze spending and supplier performance across many dimensions so you can make strategic sourcing decisions and optimize your supplier base.

**SAS for Performance Management** helps organizations see, manage and improve the allocation of resources (people, money and technology) with strategy to deliver superior value. As organizations evolve, SAS for Performance Management can integrate with all other SAS solutions to give unparalleled insight into what truly drives cost and value.

## SAS® Industry Solutions

Industry-specific software, domain expertise and data models designed to help businesses achieve objectives more quickly, with less risk and at lower cost. These solutions are tailor-made to the specific needs of decision makers in diverse vertical markets, including:

- Banking
- Government
- Defense
- Aerospace
- Insurance
- Life sciences
- Healthcare providers
- Manufacturing
- Communications
- Oil and gas
- Education
- Retail



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## Alliances and Partners

The SAS Alliance creates a truly complementary and valuable relationship with our more than 400 partners worldwide. It is designed to create new avenues for delivering and implementing SAS solutions. The alliance is built on a network of strategic partnerships that includes:

- Complementary hardware, application and software providers.
- Outsourcing, application and data service providers.
- Systems integrators and consultants.
- Value Added Resellers.

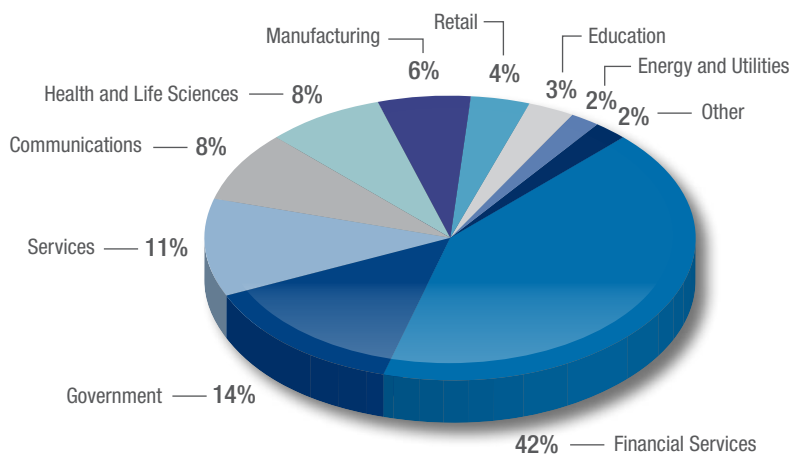


This network of partners, combined with SAS software and solutions, gives organizations access to domain, industry and technology expertise. Our partners bring high-level business content to the mix, and SAS brings functional and technical expertise around solution areas.

## Markets

SAS software is in use in approximately 44,000 customer sites worldwide, representing 105 countries in the Americas, Europe, Middle East and Africa, and Asia Pacific. SAS customers or their affiliates represent 96 of the top 100 companies on the 2007 FORTUNE Global 500® list.

### Revenue by Industry





## Legal Form

SAS Institute Inc. is a corporation formed and existing in the State of North Carolina, USA. All of the shares of SAS are owned or controlled by Jim Goodnight and John Sall.

The main divisions within SAS Institute Inc. are reflected in the governance structure chart on page 14. The SAS Americas division includes ten companies (SAS Institute Inc. and nine subsidiaries), which provide software and services to customers in specific territories. The Europe, Middle East and Africa and Asia Pacific division includes approximately 40 such subsidiaries. We also have a number of representative offices in the above regions. SAS has two subsidiaries, both in the Asia Pacific region, that are dedicated to conducting research and development activities. DataFlux, the leading provider of data quality and data integration solutions, is also a wholly owned subsidiary of SAS and has a subsidiary located in United Kingdom and a branch office in France. JMP is an unincorporated division within SAS Institute Inc.

## Offices and Facilities

SAS' corporate headquarters is located in Cary, North Carolina. Our regional offices are located around the world to provide local customer support. Two US office complexes are owned by SAS Institute Inc. — the company headquarters in Cary and a regional office in Austin, Texas.

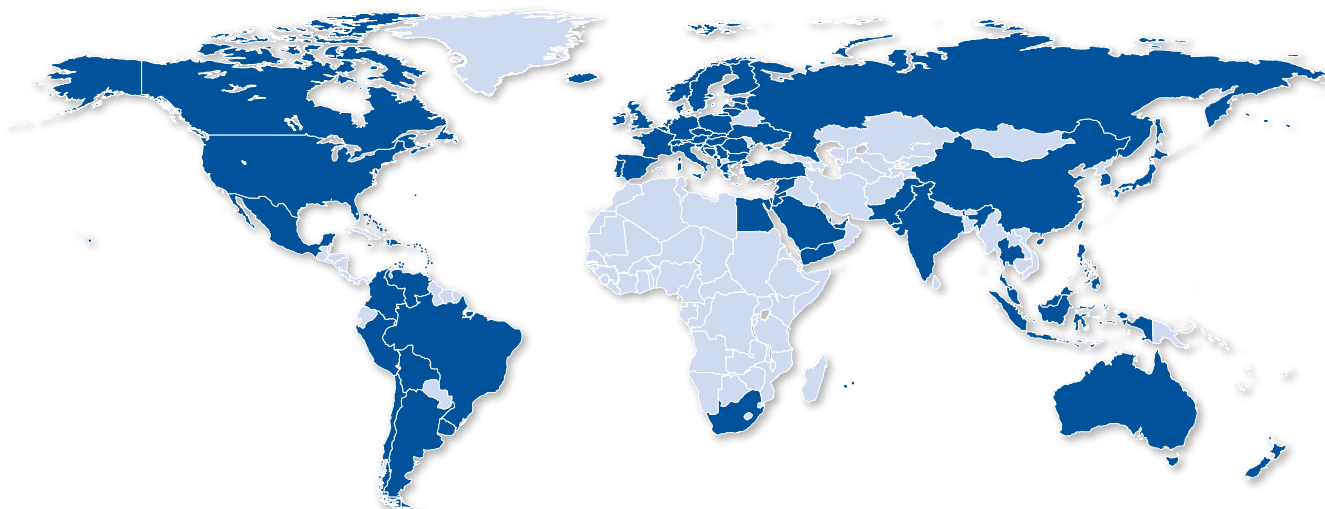


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In addition to SAS headquarters in Cary, NC, SAS holds US regional office space in the following cities across 39 states:



SAS has operations in 105 countries and territories around the world. To see a full list of SAS offices, visit [www.sas.com/offices](http://www.sas.com/offices).





## Key Achievements in 2007

- Achieved record US\$2.15 billion revenue.
- CEO Jim Goodnight honored as 2007 Citizen of the World by the International Affairs Council.
- CEO Jim Goodnight co-chaired World Economic Forum on East Asia.
- SAS inSchool® released SAS Curriculum Pathways 2008 Web-based educational software to improve quality education delivery.
- Formed Health and Life Sciences Global Practice.
- Hosted international gathering in Brussels to discuss Solvency II regulatory requirements.
- Centers for Disease Control and Prevention honored for influenza tracking system based on SAS.
- Jim Goodnight received *Inc.* magazine's Bernard A. Goldhirsh Award for Distinguished Alumni.
- Developed activity-based management, scorecard, dashboard and analytic solutions to help companies track and manage environmental, social and economic data.
- Assessed environmental programs and initiated collection of baseline data to begin measuring carbon footprint and impacts of environmental and sustainability initiatives.

To learn more, visit [www.sas.com/news](http://www.sas.com/news).

## Corporate Culture and Work/Life Awards



- Dave Thomas Foundation for Adoption Best Adoption-Friendly Workplaces
- FORTUNE 100 Best Companies to Work For in America for 10th straight year
- *Computerworld* Best Places to Work in IT
- Best Places to Work in the Triangle
- *Carolina Parent* Family Friendly 40
- Pro Patria Award
- CEO Cancer Gold Standard Accreditation for a Healthy Workplace
- Top 10 Workplaces in Europe
- Best Place to Work in Norway
- Great Places to Work in Mexico



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## Product and Technology Awards and Rankings

- CRM Excellence Award
- Gartner Leaders quadrant for Business Intelligence
- Ranked leading provider of advanced analytics by IDC for 10th consecutive year
- CRM magazine Market Leader Awards
- Duke's Choice Award
- START-IT Top 50 Technologies for Manufacturing
- Financial-i Leaders in Innovation
- GovernmentVAR 5-Star Partner
- GovernmentVAR Top SLED Program of the Year
- 2007 Healthcare Informatics 100
- Manufacturing Business Technology Global 100 List
- Yphise Award
- Intelligent Enterprise Readers' Choice Award
- Technology & Learning magazine Award of Excellence
- OpRisk & Compliance Award
- Communications Solutions Product of the Year
- KMWorld's 100 Companies that Matter
- Risk magazine Product of the Year
- North Carolina Technology Association Software Company of the Year



To find out more, visit [www.sas.com/awards](http://www.sas.com/awards).



## Organizational Chart



## Corporate Governance

## Governance Structure

SAS has been privately held since its incorporation in 1976. All shares are owned or controlled by Jim Goodnight and John Sall. The shareholders comprise the board of directors and serve as executive officers, overseeing corporate performance and investment decisions across environmental, social and economic interests. Operational responsibility for environmental priorities rests with the vice president of corporate services. The board works with the senior vice president and chief marketing officer to set corporate social strategy, including employee benefits. Management of financial reporting is the responsibility of the chief financial officer.

## Continuity of Business and Succession Planning

Customers depend on SAS to help them deliver critical solutions that offer significant value to their organization. With this in mind, SAS has expanded our longtime disaster recovery and crisis management procedures into a global Continuity of Business (COB) initiative. This initiative reflects SAS' continued focus on our ability to deliver as a critical supplier to our customers and be there for them when it matters most.

We are also aware of the impact each and every SAS employee — from the CEO to our newest hire has — on our success and our customer relationships. We maintain an up-to-date succession plan designed to ensure uninterrupted operation in the event any member of our executive team is unable to perform his or her duties.

## Stakeholder Organizations

SAS engages with numerous internal and external stakeholders based on commonly held business principles and values. We also work to be a responsible member of the local communities in which we operate. Our goal in external stakeholder participation is to share business experience and work toward mutual goals. This takes shape in practitioner-based workshops and global policy forums.

External groups engaged by the organization include:

- World Economic Forum
- Environmental Defense Fund
- World Wildlife Fund
- Business Roundtable Climate RESOLVE
- National Governors Association

- National Council of State Legislators
- American Legislative Exchange Council
- University of North Carolina system
- North Carolina Technology Association
- Southern Growth Policies Board
- Council of State Governments
- North Carolina Center for Public Policy Research

## Health-Related Stakeholders

- CEO Roundtable on Cancer
- American Red Cross
- North Carolina Healthcare Information and Communications Alliance
- North Carolina Nurses Association
- North Carolina Medical Society
- North Carolina Academy of Family Physicians
- North Carolina Dietetic Association
- American College of Nurse Practitioners
- American Academy of Nurse Practitioners
- National Association of Pediatric Nurse Practitioners (NAPNAP)



## Internal Stakeholders

The key internal stakeholders for the company are our employees. As such, internal communication among employees and between employees and executives has received an ever-increasing amount of attention. This is especially true in recent years with the company's expanding global reach, which means more SAS employees in more regions of the world need to be kept abreast of the latest need-to-know information.

Many SAS employees are directly engaged in critical business areas that require an awareness of our environmental and social impact. Examples of these programs include diversity spending, philanthropy and community affairs, continuity of business, strategic sourcing and procurement, data center management and print services. Innovation and new ideas that align to our environmental and social priorities are encouraged and sponsored by executive management.

## Employee Communication with Executives

As a global organization with more than 10,000 employees in offices around the world, communications is vital to our business success. SAS recognizes that, in many ways, our success depends on how well we communicate consistent, credible company information to employees. Communication from the executive team starts with CEO Jim Goodnight, who leads town hall meetings, Webcasts and informal employee get-togethers over coffee.



While numerous corporate communications vehicles are used, the SAS culture fosters one-to-one communication among employees, including senior management.

## **Corporate Communications Vehicles**

### **SAS Wide Web**

The company intranet, called the SAS Wide Web (SWW), is the day-to-day news source for SAS employees and also contains a library of resources available for employees.

### **Webcasts**

The SWW is also the vehicle by which the company holds regular global Webcasts with SAS executives and other employees or guests. Our most widely viewed Webcasts are CEO Jim Goodnight's quarterly updates. Employees around the world can submit questions in advance and watch the Webcasts from their desks.

### **Webzines**

Webzines are another method of communicating company information, tailored to specific departments.

### **Division Meetings**

SAS also regularly holds division meetings during which the division executive offers corporate news and insight and department directors report on behalf of their teams.

### **Town Halls**

Senior management holds town hall meetings in SAS regional offices around the world, giving employees outside the Cary headquarters the chance to meet with senior executives face-to-face.

### **Blogs**

SAS also maintains internal executive blogs, where employees can post comments in response to executives' entries. We also make internal company resources available to employees to post their own blogs. At the time this report was published, there were nearly 400 employee blogs hosted internally at SAS, a number we expect to see grow.



## Strategic Initiatives

SAS will continue to take action on programs that benefit our employees, communities and the environment. We are committed to these goals and believe that they will result in workforce development, facility improvement and operational efficiencies. In effect, this will have a positive impact on our ability to direct resources toward new product innovations that solve our customers' business problems.

Social Goals		
Initiative	Goal	Timing
Leadership Development	Implement global learning management system, an expansion of the US system in place today.	FY08
	Expand and globalize leadership development curriculum for management.	FY08
	Implement global employee performance management system.	FY09
Compliance	Maintain compliance with US and international labor standards (e.g., US Equal Employment Opportunity Commission).	Ongoing
	100 percent of SAS offices have provided training on code of ethics.	FY09
Employee Engagement	Conduct global employee satisfaction survey every even-numbered year, modeled after existing successful domestic employee survey.	FY08
	Increase global participation rates in employee satisfaction survey.	FY10
Employee and Customer Eco-Awareness	Internal education and communication regarding corporate sustainability strategy via intranet, newsletters and Webcasts.	FY08
	Reduce waste and emissions at SAS Global Forum user conference and implement best practices at all SAS-hosted conferences.	FY09
	Incorporate eco-awareness into work/life curriculum (at company headquarters and via online courses).	FY09

Environmental Goals		
Initiative	Goal	Timing
Products and Packaging	Offer electronic software download (ESD); Create incentives for customers to select ESD.	FY08
	Continue to evaluate our packaging strategy and develop an action plan to address any potentially negative environmental impacts.	FY09
	Measure the energy efficiency of SAS software (dependent upon emerging standards for software).	TBD

Environmental Goals (continued)		
Initiative	Goal	Timing
Energy and Emissions	Continue to reduce energy usage in our data centers worldwide.	Ongoing
	Develop a US baseline for Scope 1 and Scope 2 greenhouse gas (GHG) emissions.	FY08
	Develop a global baseline for Scope 1 and Scope 2 GHG emissions.	FY09
	Develop a companywide GHG management plan and global targets for Scope 1 and Scope 2 GHG emissions and renewable energy.	FY09
Water Conservation	Reduce irrigation scheduling for SAS-owned properties and explore low-water-usage landscaping options.	Ongoing
	Measure the impact of low-flow toilets, showerheads and faucet aerators installed Q4 2007 at company headquarters.	FY08
	Expand use of reclaimed "gray" water for irrigation.	FY08
	Explore options for capturing company headquarters building cooling tower water "blow-off" for irrigation.	FY08
	Develop baseline for water usage and set goals for implemented systems and projected initiatives.	FY09
Waste Management	Expand in-house waste management programs by changing internal processes and employing external vendor options.	FY08
	Develop composting program to include food waste from cafeterias.	FY08
	Establish measurement and reporting systems for headquarters.	FY09
	Set waste management reduction targets and report on performance.	FY10
Green Buildings	Achieve Leadership in Energy and Environmental Design (LEED) certification for one SAS building.	FY08
	Develop and implement LEED best practices for maintenance of existing SAS buildings.	FY09
	Achieve LEED certification for a second SAS building.	FY12
Procurement	Measure and report progress on supplier diversity program.	FY08
	Incorporate eco-friendly office and operational supplies into purchasing practices worldwide.	FY09
	Identify opportunities to incorporate corporate social responsibility (CSR) into procurement decisions and develop metrics to track our progress.	FY09

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## Millennium Development Goals: Success Stories Using SAS® Solutions

The Millennium Development Goals are a set of global priorities agreed upon at the United Nations in 2000. The eight goals — which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 — form a blueprint agreed to by all the world's countries and leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest.

This list represents a small sampling of the ways in which SAS continues to contribute to the progress of reaching the Millennium Development Goals through our customers.

### 1) Eradicate extreme poverty and hunger.

Overcoming poverty in Mexico is a national priority. In 2000, 51 percent of the population was confronted with some level of poverty. In order to meet this challenge, Mexico's Department of Social Development (Sedesol) developed the Social Information System (SIS) using SAS, which identifies the true needs of Mexican households and thus provides the tools needed to create social policy options designed to improve living conditions for households stricken with poverty.

#### **The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) uses SAS to enhance environmental protection and other socioeconomic needs.**

ICRISAT's goal is to harness the power of technology for development, food security, poverty alleviation and environmental protection. In the past 27 years, ICRISAT has generated several important technologies, and this comparative advantage has been instrumental in improving agricultural productivity and reducing poverty while working with the national agricultural research systems (NARS) and other partner institutions, including nongovernmental organizations and members of the private sector.

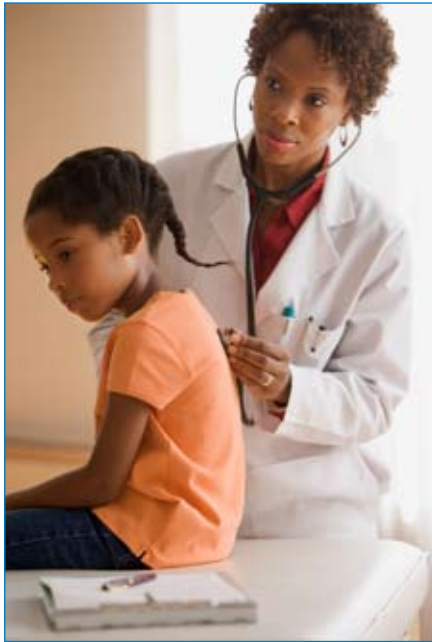
### 2) Achieve universal primary education.

Since its founding more than 30 years ago, SAS has demonstrated its commitment to leading the way in integrating education and technology. Over the past decade, SAS established a research and development division for curriculum resources (SAS inSchool, now SAS Curriculum Pathways); created a tool for delivering schooling effectiveness technology (SAS EVAAS® for K-12) through the Web; and developed a suite of administrative solutions. These efforts have earned awards and accolades from educators across the United States.

### 3) Promote gender equality and empower women.

The National Treasury of South Africa is identifying the impact of government policies, such as affirmative action, on employment. In this post-apartheid era, social policy has aimed to increase significantly the representation of other ethnic groups; government departments have specific demographic targets that they must meet in pursuit of this objective to ensure people with disabilities and women are well-represented in public bodies. **Information on the progress of the project — named “Vulindlela” — had to be viewed from a variety of perspectives: ethnicity, gender, geography, seniority, department and so on, and was done so using SAS software.**

- **Eradicate extreme poverty and hunger.**
- **Achieve universal primary education.**
- **Promote gender equality and empower women.**
- **Reduce child mortality.**
- **Improve maternal health.**
- **Combat HIV/AIDS, malaria and other diseases.**
- **Ensure environmental sustainability.**
- **Develop a global partnership for development.**



At Women & Infants  
Hospital, the Brown  
Center for the Study of  
Children at Risk uses  
SAS to aid its ground-  
breaking research of  
developmental outcomes  
of children who are born  
with prenatal drug  
exposure and other  
at-risk children.

A balance between economic and employment policy is a necessary condition for European Union (EU) development by 2010 (as defined in the Lisbon Agenda). Implementation of the newly adopted European employment policy and indicators is a demanding task for all EU member states, especially for new members as they adapt to a market economy. New EU member states like Slovenia — which gained EU status in May 2004 — must have metrics in place that allow them to monitor labor market trends and evaluate employment policy. Using the Labor Market Indicators System (LMIS) developed by the Slovenia Ministry of Labor, Family and Social Affairs, coupled with SAS' analytic solution, Slovenia works toward the EU's employment goal of "full employment and better jobs for all." **Using SAS software, the Ministry monitors 200 labor market indicators. These perspectives include policy measures for the unemployed, entrepreneurship, flexibility of work, workplace health and safety, human capital development, gender equality, payment for work, social inclusion and regional disparities across the country.** Results are published in labor market progress reports to the EU and to the Slovenian government.

#### 4) Reduce child mortality.

The Pan American Health Organization is using SAS to load, transform, validate and update detailed mortality data received from vital registration systems of countries of the Americas into the Regional Mortality and Population Information System. SAS is also used to summarize, tabulate and analyze cause of death data, produce reports and generate graphic outputs of this information. These analyses contribute to an assessment of the health situation in countries of the Americas and knowledge of the distribution of the patterns of mortality by country, cause, sex and geographic area. Data summarized by SAS, detailed at the four-digit level of the International Classification of Diseases (ICD), is sent to the World Health Organization (WHO) in Geneva to update the global mortality database.

The Hong Kong Department of Health is the health adviser of the government of the Hong Kong Special Administrative Region and an executive arm in health legislation and policy division. Its role is to safeguard the health of the community through promotion and preventive, curative and rehabilitative services, and it uses SAS to fulfill that role. The motto "Partnership in Health" reflects the involvement of the community and other healthcare professionals in the joint effort to improve the health of the people of Hong Kong. Main service areas include general outpatient services, family planning, maternal and child health services, health education, student health services, child assessment services and clinical genetics.

#### 5) Improve maternal health.

Women & Infants Hospital of Rhode Island, a Care New England hospital, is a leading US specialty hospital for women and newborns. The primary teaching affiliate of the Warren Alpert Medical School at Brown University for obstetrics, gynecology and newborn pediatrics, Women & Infants is the 10th-largest obstetrical service in the United States with more than 9,700 deliveries per year. The OB/GYN Division of Research translates findings in research into practice to enhance clinical care and facilitate an understanding of differences among diverse populations. Women & Infants' Department of Pediatrics uses SAS to participate in a number of national studies (including one of low-birthweight babies) as well as to analyze data on adolescents whose mothers had gestational diabetes while pregnant. **At Women & Infants, the Brown Center for the Study of Children at Risk uses SAS to aid its**

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groundbreaking research of developmental outcomes of children who are born with prenatal drug exposure and other at-risk children.

**The Comprehensive Cancer Center at Duke University Medical Center in Durham, North Carolina (US) is using SAS to conduct an epidemiological research study to promote the health and well-being of pregnant women.** The study focuses on cigarette and alcohol consumption, diet and use of dietary supplements in order to determine if these exposures affect newborn health and growth rate during the first year of life. Data is collected using blood samples from both mothers and newborns before and after birth. **Changes in weight gain, laboratory measurements and molecular alterations will be analyzed from both mothers and babies using SAS to evaluate if these associations are present and indicate positive or negative trends between mother and newborn outcomes.**

#### **6) Combat HIV/AIDS, malaria and other diseases.**

As the AIDS pandemic has spread across Africa, infecting and killing millions of adults and children, Uganda's comprehensive response has emerged as a model for the continent's sub-Saharan region. Since 2000, the US Centers for Disease Control and Prevention (CDC) have maintained offices in Uganda, focusing on HIV prevention and treatment for people living with the disease. In the fight against AIDS in Africa, **CDC-Uganda relies on SAS software for all of its data management, analysis and reporting.**

Founded in 2000 as the United States' first not-for-profit pharmaceutical company, the Institute for OneWorld Health develops and tests drugs for tropical diseases that disproportionately plague the world's developing countries. The bites from sand flies infected with the visceral leishmaniasis parasite kill as many as 200,000 people each year in developing countries. While there are drugs available to treat this disease, all of them have serious drawbacks. Some are too toxic, some are too expensive, and others quickly become ineffective to resistant strains of the parasite. **But with help from SAS software, the Institute for OneWorld Health obtained regulatory approval from India for a drug in the final phase of human trials.**

**Engaging in both basic and innovative, high-impact clinical research, the Department of Pediatrics & Adolescent Medicine at the University of Hong Kong has used SAS for statistical genetics software to analyze genetic marker data and its association with diseases.** The department is currently investigating the genetic factors contributing to the development of infectious and autoimmune diseases that are prevalent in the Hong Kong population. These diseases are caused by many risk factors interacting together, including infectious agents, environmental and genetic factors.

#### **7) Ensure environmental sustainability.**

The Chinese Ministry of Water Resources (MWR) is the department of the state council responsible for water administration in China. Responsibilities include: the implementation of integrated management of water resources, including atmospheric water, surface water and groundwater; the organization, coordination, supervision and direction of nationwide flood control; and the execution of operations of flood control and drought prevention for major river basins and key water projects. For the Tai Lake drainage area irrigation system, MWR had to decide when to hold water without

The Pan American Health Organization uses SAS software to analyze and assess vital health information in the Americas and study patterns of mortality by country, cause, sex and geographic area.



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leading to a drought and when to release water without creating a flood. **With the SAS Enterprise Intelligence Platform, MWR has the capability to extract and consolidate data from a large amount of different collection points. Success of the pilot project provided a scientific basis for making decisions about flood control and drought relief.**

**In Pennsylvania (US), the state Department of Environmental Protection's Bureau of Water Supply and Wastewater Management used SAS to develop its statewide drinking water information system,** which comprises a detailed inventory of all drinking water facilities in the state as well as 2.9 million drinking water sample analysis records. The Division of Drinking Water Management reports that the necessary monitoring of more than 70 contaminants at various sampling points at different frequencies and schedules is now a much easier task.



#### **8) Develop a global partnership for development.**

**SAS is aiding foreign assistance efforts through the Economic and Social Databases (ESDB), which bring more than 5,000 data series from 50 sources together in one place and make them available online globally to US Agency for International Development (USAID), the US Department of State and the public.** The ESDB was created to provide a central source of economic and social data pertinent to the State Department and USAID employees to avoid having to gather data from multiple sources. The goal is to allow USAID to access economic and social indicators in USAID-assisted countries or regions and across countries and regions. This allows USAID staff to monitor countries and assist them in making policy decisions. Examples of ESDB sources are the World Development Indicators from the World Bank, Direction of Trade Statistics from the IMF, The PRS Group's *International Country Risk Guide*, UNCTAD's Foreign Direct Investment (FDI), World Telecommunication Indicators Database, Governance Matters Indicators (World Bank Institute) and International Development Flows from the OECD.

When addressing major social issues such as homelessness and hunger, every dollar counts. To maximize results, leaders of nonprofit organizations need to make sure each appeal reaches the right donor audience. **SAS helps World Vision, a Christian relief agency that links needy children, their families and their communities with generous donors, to discover which types of fundraising campaigns are most**

The Comprehensive Cancer Center at Duke University  
Medical Center uses SAS to conduct an epidemiological  
research study to promote the health and well-being of  
pregnant women.



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**effective and which donors are most likely to continue giving.** World Vision works to reduce poverty and improve living conditions in nearly 100 countries through a range of programs, such as child and family sponsorships, directed donations and emergency relief after civil wars or natural disasters.

South Africa is one of the pilot countries for creating consolidated Government Financial Statistics (GFS) within the framework laid down by the International Monetary Fund and the World Bank. This framework is designed to enable comparisons of government spending between different countries and required South Africa to reclassify all items of government expenditure within GFS standards. **To solve the problem of integrating data scattered across an enormous number of legacy transaction systems covering finance, personnel, logistics and procurement, and the paymaster general's functions, the government consolidated the various data sources with SAS to meet its reporting needs both for GFS and Vulindlela.** (Vulindlela is a National Treasury of South Africa project that identifies the impact of government policies on increasing ethnic representation in employment.) Given the size and scope of the South African government, the project involved a massive data re-engineering, application and database-mapping effort.

Social Compact, a Washington, DC-based nonprofit coalition of American business leaders, promotes successful business investments in underserved communities. By leveraging its leadership's business expertise, it addresses impediments to private investment in inner-city communities; e.g., negative stereotypes, poverty data, lack of dependable business market information and an absence of effective inner-city market analysis models. **The coalition uses SAS software to give potential investors a clear picture of investment opportunities in underserved parts of the United States by assessing existing market opportunities and predicting strong and emerging — yet overlooked — markets.** Through its research and analysis, Social Compact aims to fuel the long-term competitive strength of lower-income communities by attracting needed capital.

In the fight against AIDS  
in Africa, CDC-Uganda relies on  
SAS software for all of its  
data management, analysis  
and reporting.





## Commitment to Education

### Why We Support Education

As a high-tech company, SAS is dependent on a strong educational system to prepare students for success in a knowledge-based economy. But it's simpler than that. It fits who we are as a company. SAS creates products that bring knowledge to our customers. More than 44,000 organizations — including businesses, universities and government agencies — rely on SAS technology to understand their customers, suppliers and own organizations.

### How We Support Education

Our Corporate Citizenship program is based on three components: financial donations, in-kind giving and employee volunteerism. This structure allows SAS to support deserving organizations in a variety of ways.

#### Financial Donations

SAS' financial grants program focuses primarily on K-12 education, particularly the integration of technology and education as a means of improving the educational process.

#### In-Kind Donations

When a nonprofit needs computer equipment or software, they often call on SAS. We give hundreds of thousands of dollars in surplus computer hardware, office equipment and other tangible items to community groups that can benefit from the donation.

#### SAS Giving in 2007 (US)

- Cash donations: \$5.5 million
- In-kind donations of software, hardware and services: \$7.8 million
- Value of in-kind training for students and educators: \$8.75 million
- Donations of surplus equipment: \$400,000

#### Employee Volunteerism

SAS is well-known for its robust employee volunteer initiative. Since our founding in 1976, SAS employees have given generously of their time and talents, making their communities better places to live and work. In 2007, US SAS employees reported volunteering a total of 16,800 hours through our Employee Volunteer Fund, a program in which SAS provides cash contributions to education-based nonprofit organizations where our employees volunteer their time. SAS employees also contribute thousands of hours per year of volunteer time to other community organizations and charities. An active internal mailing list connects interested employees with volunteer activities and resources.



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## Areas of Local Support

Institutions and programs near our global headquarters we continue to support include:

- DonorsChoose ([www.donorschoose.org](http://www.donorschoose.org))
- Golden LEAF Foundation ([www.goldenleaf.org](http://www.goldenleaf.org))
- Triangle Leadership Academy ([www.triangleleadershipacademy.org](http://www.triangleleadershipacademy.org))
- Wake Education Partnership ([www.wakeedpartnership.org](http://www.wakeedpartnership.org))
- Wake Technical Community College ([www.waketech.edu](http://www.waketech.edu))
- High Five Regional Partnership ([www.trianglehighfive.org](http://www.trianglehighfive.org))
- YMCA ([www.ymca.net](http://www.ymca.net))
- Wake County Public Schools ([www.wcpss.net](http://www.wcpss.net))
- North Carolina State University ([www.ncsu.edu](http://www.ncsu.edu))
- North Carolina A&T State University ([www.ncat.edu](http://www.ncat.edu))
- Cary Academy ([www.caryacademy.org](http://www.caryacademy.org))
- Communities in Schools ([www.cisnet.org](http://www.cisnet.org))
- National Action Council for Minorities in Engineering ([www.nacme.org](http://www.nacme.org))
- Apex High School Academy of Information Technology ([www.apexhigh.com/aoit](http://www.apexhigh.com/aoit))
- Treatment and Education of Autistic and Related Communication-Handicapped Children ([www.teacch.com](http://www.teacch.com))

## Laptop in Schools

SAS contributes to the 1:1 Learning laptop project, a collaborative effort to provide teachers and students with laptop computers. Early results of the pilot program in North Carolina are extremely promising, suggesting a strong positive impact on student engagement.

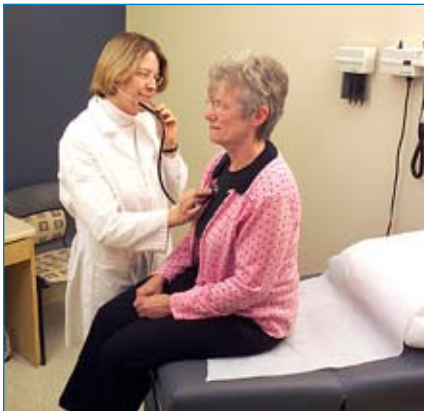
## SAS® Curriculum Pathways®: A Living Commitment to Education

SAS Curriculum Pathways was born with a singular mission: to research and develop educational technologies. By building partnerships with teachers and administrators across the country, SAS focuses on three initiatives:

- Instructional software
- Educator learning and support
- Value-added assessment and research

SAS Curriculum Pathways has garnered numerous technology awards and, more importantly, gained the favor of teachers and students alike. It is now used by schools across the country and is provided for just a small access fee per student — well below our cost — to drive wider access to these powerful resources.





## Commitment to Employees

Our employees are our greatest assets. SAS' unique, award-winning work environment is designed to nurture and encourage creativity, innovation and quality.

There are more than 125 SAS employees whose primary function is to develop, support and deliver ongoing programs like on-site childcare, camps, eldercare, maturing workforce, parent education and support, on-site healthcare, financial education, fitness center and wellness programs. In addition, flexible work schedules and excellent work environments all contribute to the satisfaction and peace of mind of our employees. Employees know they're working for a company that is committed to their long-term success, and they, in turn, are committed to the long-term success of the company.

## Employee Benefits

SAS provides a generous benefit package to all full-time US employees, which includes:

- Paid sick leave.
- Paid vacation.
- Paid holidays.
- Fully paid health insurance (also available for dependents and domestic partners).
- Profit-sharing retirement plan.
- 401(k).

Examples of additional employee-friendly benefits available to all US employees:

- On-site Health Care Center in Cary and Austin, Texas.
- On-site Recreation and Fitness Center in Cary and Austin, Texas; paid fitness center memberships for regional office employees. The center offers numerous swim/aerobic/athletic classes, arranges intramural leagues in various sports and organizes family and individual trips and activities at SAS and in the community.
- Extensive work/life and wellness programs, including case management, individual consultations, listservs, lending libraries, peer mentoring networks, seminars, and lunchtime learning series on topics from managing finances to smoking cessation.
- On-site childcare at headquarters for more than 600 children; childcare subsidies for regional office employees.
- Company subsidized cafés with a variety of healthy menu options.

- On-site support programs in Cary, including teen/college, special needs, adoption, mature workforce, financial planning, divorce and separation, pre-natal and elder care programs.
- National employee assistance program (EAP) resources and confidential counseling services.



## Employee Retention

SAS' current rate of voluntary employee turnover is less than 5 percent, compared to an industry average of approximately 20 percent. Dr. Jeffrey Pfeffer of Stanford University's Graduate School of Business has studied SAS and uses many aspects of our corporate culture as positive examples of the ways that companies can improve their bottom line with employee-friendly policies and programs.

Dr. Pfeffer quantifies the dollar value of low turnover by comparing the difference between SAS' turnover rate and the industry average, and factoring in a formula based on average salary. Even without factoring the costs of recruitment and less tangible costs of disruption to business operations, Dr. Pfeffer's formula places the bottom line value of SAS' low turnover at close to \$100 million per year, based on SAS' current employee headcount and average salary figures.



## Employee and Family Health

We want to help our employees lead healthy and productive lives. For that reason, our health-related benefit offerings are among the finest anywhere.

- Comprehensive medical, dental, and vision plans provided at no premium cost to full-time, salaried employees; employee pays premium for dependent/domestic partner coverage only.
- Low-premium medical, dental, and vision plans for part-time employees.
- Healthcare flexible spending account.
- Short- and long-term disability plans.



SAS understands the importance of leading a well-balanced life and meeting family needs and obligations. We offer the following benefits to help employees maintain this balance:

- Dependent care flexible spending accounts.
- Domestic partner benefits.
- Adoption assistance.
- Family medical leave.
- Family sick days.
- Paid paternity leave.
- Flexible work schedules (subject to manager's approval).
- Competitively priced, on-site summer camp in Cary for school-age children.
- College scholarship program to encourage the education and careers of children of SAS employees.
- Ergonomics program to increase employee productivity, efficiency and comfort while promoting safe working conditions and reducing the risk of strain.

## Employee Retirement

The SAS Retirement Plan contains a profit sharing and 401(k) component with an annual company contribution to both. Profit sharing has been paid every year that the company has been in existence, ranging from 5 to 15 percent each year. SAS has chosen to make a safe harbor contribution each year since the company began its 401(k) program in 2001. This is a 3 percent non-elective contribution that is immediately 100 percent vested. Unlike matching contributions, our employees do not have to contribute a portion of their pay in order to receive this contribution. They also have the ability to set aside a portion of their own salary toward retirement, helping them accumulate even more savings for the longer term.

In 2007, SAS funded 10 percent profit sharing contribution. This was in addition to the 3 percent 401(k) safe harbor contribution that SAS funded for eligible employees.

SAS also sponsors a Retiree HRA (Healthcare Reimbursement Arrangement) Plan. This plan was established to help eligible retirees pay qualifying healthcare insurance premium expenses for themselves and eligible family members.

## Employee Development

SAS recognizes that all employees have a natural desire to learn. That's why we provide a wide range of educational options — including instructor-led classroom training, self-directed e-learning, live Web training and other employee-focused offerings — to help SAS employees obtain the training and development they need, whenever and wherever they need it most.

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Ongoing skills assessments, validation, coaching and facilitation services reinforce and extend formal training, enabling employees to continually develop the professional knowledge, skills and competencies needed to both excel in their current positions and achieve future career goals.

SAS' training organization leads the creation and delivery of internal training and development. Employees leverage training from the following functional areas to facilitate their ongoing professional development.

- Companywide training
- Leadership, management and team development
- Assessments
- Workshops
- Leadership development services
- Knowledge sharing
- Self-directed training
- Global sales and product training
- Technical training

## Compliance and Employee Relations

SAS intends that all practices that involve recruiting, hiring, training, compensation, benefits, promotions, transfers and terminations, as well as all company-sponsored and recreational programs and all treatment on the job, be free of unlawful discriminatory practices. Employees and candidates will not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged or may engage in any of the following activities: filing a complaint, assisting or participating in an investigation, opposing any act or practice unlawful by VEVRAA or Section 503, or exercising any other right protected by these laws.

SAS has an Employee Relations and Compliance Department within Human Resources. This department has the responsibility to assure legal compliance in the areas of equal opportunity/affirmative action, provide the highest standards of professional and ethical advice regarding employee relations issues and develop programs that attract and retain a more culturally diverse and highly qualified work force.



## Diversity and Equal Opportunity

At SAS we embrace diversity because we believe the best products come from a workplace where varied viewpoints are welcomed and encouraged. SAS values diversity not because it's legally required, but because it makes good business sense.



## **Outreach Programs**

SAS participates in many outreach programs and events at regional historically black colleges such as North Carolina A&T State University, North Carolina Central University and St. Augustine's College, with the goal of exposing all students to engineering and technology and teaching basic business skills such as resumé-building and interview techniques.

The Summer @ SAS program is designed to recognize, build relationships and recruit highly qualified and sought-after talent within under-represented populations.

## **Internships**

SAS hires interns from the National Action Council for Minorities in Engineering (NACME), a scholarship, training and development program designed to increase the representation of minorities in engineering, technology, math, and science-based careers.

In 2007 SAS began hiring students from the Academy of Information Technology (AOIT) program at Apex High School in Apex, North Carolina. Through the AOIT program, rigorous academic learning — including SAS programming — is combined with a paid internship giving students hands-on exposure, professional supervision and practical work experience in the information technology industry.

## **Scholarship and Development Programs**

SAS offers nine scholarships for computer science and statistics majors at North Carolina State University and North Carolina A&T State University. Three of these scholarships are minority-based.

## **Putting Our Ideals Into Action on Our Own Campus**

SAS has a Respect in the Workplace program as part of the company's code of business ethics, with online training that educates employees on SAS' diversity, why it is good for business and why we need to be respectful of it in the workplace. For more information on our code of business ethics, see "SAS and Society" on page 43.

We have developed a program called Food and Service Training (FAST). Students come from Wake County public schools in the Occupational Course of Study (OCS) program, an alternative to the traditional curriculum for high school students. Mentored by SAS café employees, these students earn community-based vocational training toward graduation.

Additionally, we hire employees through Treatment and Education of Autistic and Related Communication-Handicapped Children (TEACCH) to work in the SAS cafeteria.

## **Employment Practices**

SAS draws strength from the unique talents and abilities of our diverse work force and commits to creating a safe environment where the best people do their best work. It is SAS policy to foster an environment characterized by respect for lifestyle, cultural and ethnic differences.



If you treat employees as if they make a difference to the company, they will make a difference to the company. That's been the employee-focused philosophy behind SAS' corporate culture since the company's founding in 1976. At the heart of this unique business model is a simple idea: Satisfied employees create satisfied customers. SAS employees work in an environment that fosters and encourages the integration of the company's business objectives with their personal needs.

In this category, our report will address the following aspects: employment, employee turnover, full-time and part-time benefits, and occupational health and safety.

## Number of Employees

As of the end of 2007, SAS employed 10,235 people worldwide, 5,261 of which were US employees.



US Employment	
Type	2007
Full time	5,106
Part time	155
Total	5,261

Worldwide Staff Headcount Summary	
Location	2007
Asia Pacific	1,087
Canada	233
EMEA	2,876
International Based HQ Staff	97
International Based R&D Staff	457
Latin America	224
United States	5,261
Worldwide Total	10,235

## Total Number and Rate of Employee Turnover

SAS had 235 US employees leave the company in 2007, down from 307 employees in 2006.

2007 US Employee Turnover	
Turnover number	235
Turnover percentage	4.4%
By Age Group (US)	
Number under age 30	17
Number aged 30-50	175
Number over age 50	43
By Gender (US)	
Number males	140
Number females	95

### Comparison of Full-Time and Part-Time Company-Provided Benefits

Benefit Program	Program Description	Eligibility for Full-Time Employees	Eligibility for Part-Time Employees
Health Care	<ul style="list-style-type: none"> <li>Medical plans</li> <li>Dental and vision plans</li> </ul>	Coverage is automatic for employees and optional for dependents.	Available to employees who work a regular schedule of 20 hours per week and their eligible dependents.
Flexible Spending Accounts (FSA)	<ul style="list-style-type: none"> <li>Healthcare FSA</li> <li>Dependent care FSA (full-time only)</li> </ul>	Participation is optional.	Participation is optional.
On-Site Health Care Center	The Cary, NC, and Austin, TX, Health Care Centers provide on-site healthcare for employees and covered dependents.	Coverage is automatic for employees and their eligible dependents enrolled in one of the SAS Medical Plans.	Coverage is automatic for employees and their eligible dependents enrolled in one of the SAS Medical Plans.
Employee Assistance Program (EAP)	Confidential outside service that provides professional counseling, evaluation and short-term problem resolution for personal issues.	Services are available for employees as well as their immediate family members or domestic partner.	Services are available for employees as well as their immediate family members or domestic partner.
Basic Life Insurance	The SAS Basic Life Insurance Plan provides financial protection for the employee's designated beneficiary in the event of the employee's death. SAS pays the full cost of the Basic Life Insurance benefit.	Coverage is automatic for employees.	Coverage is automatic for employees.
Leaves of Absence	<ul style="list-style-type: none"> <li>Personal leave.</li> <li>Family and medical leave.</li> <li>Paternity leave (full-time only).</li> <li>Adoption leave (full-time only).</li> <li>Workers' compensation leave.</li> <li>Military leave.</li> <li>Funeral leave.</li> </ul>	Coverage is automatic for employees.	Coverage is automatic for employees.
Disability Coverage	The SAS Disability Income Continuation Program is a two-part program that provides income continuation for eligible employees.	Coverage is automatic for employees.	N/A
Paid Time Off	<ul style="list-style-type: none"> <li>11 scheduled holidays per year.</li> <li>One floating holiday per year.</li> <li>Vacation days.</li> <li>Occasional absences and time away for personal or family illness, medical emergencies or other situations.</li> <li>Jury duty.</li> </ul>	Coverage is automatic for employees.	Coverage is automatic for employees.



Benefit Program	Program Description	Eligibility for Full-Time Employees	Eligibility for Part-Time Employee
Retirement	<ul style="list-style-type: none"> <li>Profit Sharing Plan: A discretionary annual contribution, fully funded by SAS, based on the profits of the company.</li> <li>Safe Harbor Contribution: Company may elect to make a contribution to the 401(k) Plan on the employee's behalf equal to 3 percent of the employee's compensation.</li> <li>401(k): Employee may elect to make their own contributions for retirement through pre-tax and/or Roth 401(k) salary deferrals.</li> <li>Retiree Health Reimbursement Arrangement (HRA): A healthcare reimbursement account established by SAS for eligible retirees.</li> </ul>	<ul style="list-style-type: none"> <li>Employees are eligible after one year of service.</li> <li>Employees are eligible for safe harbor contribution as determined by the Plan Sponsor after 90 days of service.</li> <li>Employees are eligible to contribute a percentage of their pay after 90 days of service.</li> <li>Employees are eligible if they retire from SAS and are age 60 or greater with 20 or more credited years of service.</li> </ul>	<ul style="list-style-type: none"> <li>Employees are eligible after one year of service.</li> <li>Employees are eligible for safe harbor contribution as determined by the Plan Sponsor after 90 days of service.</li> <li>Employees are eligible to contribute a percentage of their pay after 90 days of service.</li> <li>Employees are eligible if they retire from SAS and are age 60 or greater with 20 or more credited years of service.</li> </ul>
<b>Voluntary Benefits</b>			
Voluntary (Additional) Group Term Life Insurance	Additional life insurance protection for employees and eligible dependents, including domestic partner.	Coverage is optional for employees and is also available for spouse/ domestic partner and children.	N/A
Supplemental Income Protection (SIP) for Long-Term Disability	Ability to obtain additional long-term disability coverage based on total compensation (including bonus/ incentive pay not currently covered by group long-term disability).	Coverage is optional for employees.	N/A
Long-Term Care Insurance	Financial protection for the cost of care in a nursing home, assisted living facility, adult day care, community-based setting, or in the home.	Coverage is optional for employees and is also available for spouse/ domestic partner, parents/ grandparents, and parents-in-law/ grandparents-in-law.	N/A
Automobile/Homeowners Insurance	Insurance for auto and home.	Coverage is optional and available for employees and retirees.	N/A
YouDecide.com	Free online service to locate financial and insurance products/services at discounted rates. Any premiums or costs are paid directly to the vendor for products/services purchased.	Coverage is automatic and available for employees and their family members.	Coverage is automatic and available for employees and their family members.

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## Occupational Health and Safety

SAS is committed not only to safeguarding the Earth's environment, but also our working environment. Because we are a technology company, our office-based employees may not face the same concerns as those in other manufacturing organizations, but there are risks nonetheless. We make every effort to mitigate them.

At SAS we have a Risk and Insurance Management department and a Safety department committed to minimizing risk, responding to safety concerns and providing relevant risk management and safety-related information. For example, our headquarters campus has a full-time safety coordinator dedicated to ensuring SAS is compliant with all federal, state and local regulations and who proactively monitors facilities for environmental quality issues. Our campus also has two full-time ergonomics specialists who work with employees to ensure a comfortable and healthful working environment. We also offer on-site massage therapy, yoga and a variety of classes designed to help office workers deal with the physical stresses of their job.

We want to provide the safest possible environment for employees, their invited guests, customers, contractors and vendors through proactive health and safety programs, loss control and education. The programs included in the table below are in keeping with this mission.

### Rate of Injury

In 2007, US operations had 34 workers' compensation claims following injury-related incidences. For 34 claims, six resulted in a total of 293 lost days. The rate of compensation claims was 34 out of 5,261 US employees, or 0.6 percent.

### Education, Training, Counseling, Prevention and Risk-Control Programs

SAS is dedicated to assisting employees and their families in regard to serious diseases. The Bloodborne Pathogen Program (BBP) identifies employees at risk for possible exposure to blood-borne diseases on the job and measures to be taken in protecting themselves. A total of 133 SAS employees from the Recreation and Fitness, Daycare, and Preschool groups completed BBP training in 2007.

Health and Safety Programs	Frequency	Description
Hearing conservation (OSHA)	Annual	<ul style="list-style-type: none"><li>• Baseline hearing testing for all affected departments/employees.</li><li>• Time-weighted dosimeter testing of staff while operating noisy equipment.</li></ul>
Pulmonary function / respirator fit-testing (OSHA)	As needed	<ul style="list-style-type: none"><li>• Medical screening, respirator evaluation, selection, use and training.</li></ul>
Bloodborne pathogens standard (OSHA)	Annual	<ul style="list-style-type: none"><li>• Exposure control plan development/maintenance, training, counseling and follow-up.</li></ul>
Hazardous Communications standard, Material Safety Data Sheets (OSHA)	As needed	<ul style="list-style-type: none"><li>• Identification and tracking of all hazardous chemicals used in the workplace.</li><li>• Implemented nationwide program and training to access MSDS.</li></ul>
Personal Protective Equipment (OSHA)	Ongoing	<ul style="list-style-type: none"><li>• Identification and provision of appropriate equipment for specified jobs requiring additional protection.</li></ul>

Health and Safety Programs	Frequency	Description
Workplace Hazard assessments	Ongoing	<ul style="list-style-type: none"> <li>Review of all job descriptions involving manual labor to determine areas of need for engineering controls and PPE.</li> </ul>
Basic workplace First Aid	Annual	<ul style="list-style-type: none"> <li>Certified American Heart Association first-aid training provided to all departments considered first responders; others on request.</li> </ul>
CPR / AED training	Annual	<ul style="list-style-type: none"> <li>Certified American Heart Association training provided to all departments considered first responders; others on request.</li> </ul>
Driver screening	Annual / ongoing	<ul style="list-style-type: none"> <li>Initial and follow-up driver record checks for all full-time employees whose job duties include driving company vehicles.</li> <li>No part-time or contractor use permitted except in special circumstances approved by risk and security managers.</li> <li>Utilize online nationwide reporting tool.</li> <li>Corporate rental car agreement includes driver screening.</li> </ul>
Defensive Driving training	Annual	<ul style="list-style-type: none"> <li>Policy requires annual training for employees whose job duties include driving company vehicles.</li> <li>Recently implemented online training program to track and schedule mandatory updates.</li> </ul>
Lift training	Ongoing	<ul style="list-style-type: none"> <li>Operator training and certification provided and required for forklift, one- and two-person lifts, boom lifts (owned and rented).</li> </ul>
Turf Gator training	Ongoing	<ul style="list-style-type: none"> <li>Required operation and maintenance training for all operators of John Deere Gator utility vehicles.</li> </ul>
Workers' Comp Cost Control – management education	Periodic	<ul style="list-style-type: none"> <li>High-level presentation to managers/supervisors about the development and purpose of WC, variable elements that contribute to cost over which company can exercise control.</li> </ul>
Accident Investigation – Roundtable discussion for department managers or supervisors	Annual	<ul style="list-style-type: none"> <li>Workshops to train and refresh managers by exploring root causes of incidents as means to prevent future accidents.</li> </ul>
Incident reporting	Ongoing	<ul style="list-style-type: none"> <li>Online internal incident reporting system for employees to record any unusual circumstance that might or does lead to injury or damage.</li> <li>Provides immediate e-mail notification to appropriate job functions for follow-up or investigation.</li> <li>Tracked by department code.</li> <li>Managed by Risk Management department.</li> </ul>
Safe Work Skills	Annual	<ul style="list-style-type: none"> <li>Mandatory injury prevention training for manual labor employee groups.</li> <li>Provided on-site in their work areas to address unique aspects of the work environment.</li> <li>Includes exposure self-identification and education in proper lifting techniques, stretching, and strengthening exercises, follow-up with managers/supervisors to implement recommended changes.</li> </ul>
Ergonomics	Ongoing	<ul style="list-style-type: none"> <li>Especially targeted to the office environment, offers customized training and alternative equipment options for specific workplace needs.</li> <li>Education and awareness of Cumulative Trauma Disorder (CTD) via seminars, consultations, educational video segments accessible to all employees via the SAS intranet.</li> <li>Relies on close interaction between Risk Management, Facilities, Health Care Center, Procurement, Information Services (hardware equipment) and Benefits departments.</li> </ul>

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## Health Care Center

The SAS Health Care Center (HCC) provides the following services. Unless otherwise noted, these services are provided to employees and all dependents covered by the employee's health plan:

1. Community first aid and CPR training for employees and dependents 18 and older.
2. Immunizations for children and adults against communicable diseases including, but not limited to, diphtheria, pertussis, tetanus, hepatitis A & B, meningitis, respiratory syncytial virus (RSV), influenza, typhoid fever, common measles, German measles, mumps, human papilloma virus (HPV), polio, pneumonia and herpes zoster (HZV).
3. Individual and group nutrition education, and individual and family nutrition counseling, for the prevention or treatment of diabetes, hypertension, kidney disease, celiac disease, obesity, heart disease, elevated cholesterol, elevated triglycerides and impaired glucose metabolism.
4. Health maintenance visits (also known as annual physicals) that include screening for risks of/presence of/risk reduction education for chronic illness, including hypertension, diabetes, obesity, heart disease and skin, breast, prostate, lymphatic and hematologic, and colorectal cancers.
5. Routine screening for communicable diseases including, but not limited to, tuberculosis and sexually transmitted diseases.
6. Screening based on symptoms/diagnosis/treatment of reportable communicable diseases including, but not limited to, tuberculosis, syphilis, chlamydia, gonorrhea, common measles, Rubella, mumps, meningitis, salmonella and shigella.
7. Psychological counseling.
8. Pre- and post-natal breastfeeding education, counseling and support by on-site lactation consultants.
9. Parent education in the care of newborns.
10. Tobacco cessation education and counseling.
11. Country-specific immunizations plus education for the prevention of illness for travelers to other countries.
12. Intensive training and certification in CPR and automatic external defibrillator (AED) use for HCC staff.

## SAS and the Environment

SAS is an active and committed partner in the communities where we live, work and conduct business. At SAS, we recognize that environmental sustainability is a continuous effort that requires prudent use and preservation of our natural resources. Our offices around the world take steps to minimize our environmental impact by complying with, and often going above, a growing myriad of environmental regulations. As a company, we are dedicated to operating in an environmentally responsible manner. Sustainable environment issues, such as preservation of natural resources, energy efficiency and climate change, are issues that require thorough analysis and stakeholder dialogue; we will continue to ensure our voice is heard.



As the leading provider of business analytics software, our objective is to proactively solve problems. Equally aware that we are both in the world and of the world, we apply this same objective to the sustainable environment. Our software is the critical enabler that allows others to meet their environmental objectives. We are the catalyst for our customers to attain their goals. Whether facilitating the efficient generation of power, promoting better utilization of critical resources to minimize waste, assisting environmental protection agencies or improving the production and delivery of goods, we enable our customers to do well and to do good.

In this category, our report will address the following aspects: energy, water, emissions, effluents and waste, and compliance.

### Indirect Energy Consumption

SAS made significant advances in 2007 in making our buildings more energy efficient. Highlights included expanded use of photocell lighting controls so that room lights are only on when necessary, day lighting systems and efficient building energy management systems.

SAS used approximately 63 million kilowatt hours of electricity in 2007. This supported all 24 buildings at SAS' headquarters in Cary, North Carolina, the SAS-owned office in Austin, Texas, and 24 leased regional office spaces throughout the United States. In total, this is approximately 2.2 million square feet.

Total Electricity Consumption			
Office	Kilowatt Hours	Gigajoules	Contribution
SAS headquarters	53,408,077	192,269	85%
US regional offices	9,536,456	33,378	15%
<b>Totals</b>	<b>62,944,533</b>	<b>225,647</b>	<b>100%</b>

The chart below provides energy consumption from our headquarters for the past three years normalized by global revenue. While the total number of kilowatt hours is nominally increasing, efficiency gains eclipse those increases. The energy required to recognize each revenue dollar is decreasing. Beginning this year, we will analyze the best practices that have led to these efficiency gains so that they can be further promoted and expanded into worldwide operations.

Electricity Efficiency - SAS Headquarters			
	2007	2006	2005
Kilowatt Hours (KWh)	53,408,077	50,877,744	49,562,737
Revenue (US\$B)	\$2.15	\$1.90	\$1.68
KWh Growth	5.0%	2.7%	NA
EFFICIENCY: \$ earned per 1 KWh	40.26	37.34	33.90
EFFICIENCY: KWh consumed per \$1 earned	0.025	0.027	0.030

To estimate the fuels consumed to produce purchased energy, we rely on public documents from our electricity providers, the International Energy Agency (IEA) and eGrid data from the US Environmental Protection Agency. While the majority of our electricity purchased today is derived from non-renewable fossil fuels, we encourage additional investment through our regional energy providers in clean coal technology, expanded nuclear capabilities and renewable energy sources.

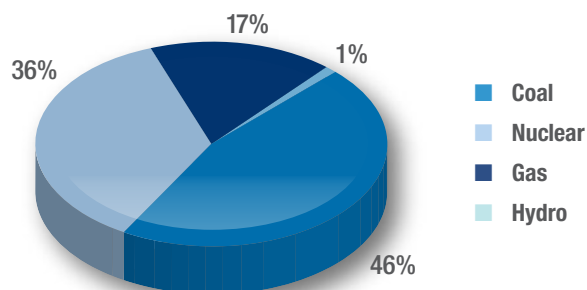
US Electricity Source Supply	Contribution
Combustible fuels*	65%
Nuclear	34%
Hydro	2%
Geothermal/wind/solar/other	0.2%

Source: *Progress Energy*,<sup>1</sup> *International Energy Agency (IEA)*<sup>2</sup>

\*Coal, petroleum, natural gas, biomass

Eighty-five percent of our US electricity used is consumed at our headquarters in Cary. The specific fuel mix for electricity produced here is slightly different than the national figures. In addition, this is the primary focus of efficiency investments, including low-energy lighting, building management systems, LCD workstations and data center efficiency improvements.

#### SAS World Headquarters: Source Supply



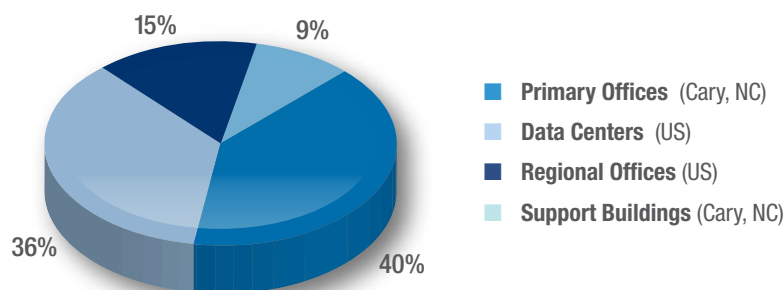
Source: *Progress Energy*, 2006

<sup>1</sup>2006 Regulated Generation Mix in Megawatt Hours [www.progress-energy.com/environment/report/crr.pdf](http://www.progress-energy.com/environment/report/crr.pdf)

<sup>2</sup>International Energy Agency [www.iea.org/Textbase/stats/surveys/mes.pdf](http://www.iea.org/Textbase/stats/surveys/mes.pdf)



## SAS US Electricity Usage



## Basis of Estimated 2007 Electricity Volume

- Electricity for office buildings on SAS-owned properties is mostly metered by building.
- Our primary data center at SAS headquarters is separately metered. Prorated estimates were derived for the scattered smaller data center operations located at headquarters and regional offices.
- The majority of SAS US offices outside of headquarters in Cary are leased, and utilities are not separately metered. Regional office totals are based on estimates provided by property managers and prorated kilowatt hours based on leased square footage for offices not providing data.

## Water Conservation

SAS also significantly enhanced our water conservation efforts in 2007, including the installation of low-flow toilets, showerheads and faucet aerators in all buildings at our headquarters campus. Combined with an increased employee awareness of the need to conserve water, we expect a significant decrease in consumption from previous years.

In the United States, SAS used approximately 150,000 cubic meters of municipal water and 114,000 cubic meters of ground water in 2007. This total includes all US building and data center cooling towers, café and gymnasium operations, as well as irrigation for the 400-acre headquarters in Cary and the 94-acre SAS-owned office in Austin.

SAS headquarters in Cary has 15 wells used primarily for landscape irrigation. These wells are not metered, and each has variable output depending on depth of well, pump size and available water flow. Irrigation volume estimates are based on well capacities and time of usage schedules.

Office buildings on SAS-owned properties are separately metered for water. However, the majority of SAS US offices are leased and utilities are not separately metered. Regional office water usage is based on estimates provided by property managers and prorated volumes based on leased square footage for offices not providing data.

US Water Consumption	
Source	Cubic Meters
Ground water	113,550
Municipal water	149,515



At the SAS-owned building in Toronto, we have applied the LEED principles for water efficiency, including a storm water management and rain water recovery system. The rain water harvesting system re-uses rain water for toilets and plant irrigation. The collected rain is stored in tanks located in the basement of the building. In combination with low flow washroom devices, the Rain Water Recovery System has significantly reduced our demand on city potable water and the demand that rain runoff places on street sewer systems. With the average annual rainfall in Toronto over our 13,000 square foot roof, we harvest nearly 1 million liters of total rain annually.

## Emissions, Effluents and Waste

As a software development company, SAS does not handle large quantities of hazardous chemicals. Although our risks in this area are minimal, we place the utmost importance to abiding by industry best practices and governing regulations, including the following:

- SAS is compliant with all Occupational Safety and Health Administration (OSHA) regulations specific to handling hazardous materials.
- SAS has a Spill Prevention, Control, and Countermeasure (SPCC) plan designed to meet the requirements of US Environmental Protection Agency (EPA) regulations.
- SAS also abides by the storm water runoff prevention guidelines published by the North Carolina Department of Environment and Natural Resources (NCDENR).

SAS did not have any significant spills for the 2007 reporting period.

## Compliance

SAS did not receive any sanctions or fines for noncompliance with environmental laws and regulations. We are very careful to minimize our impact on the environment as we continue to grow as a business and expand our operational footprint. The development of global headquarters in Cary reflects this philosophy. Of approximately 421 acres at SAS headquarters, only about 66 have been used for buildings, roads and other impervious surfacing. The remaining 355 acres is comprised of mostly old growth woodland, lakes and streams, farmland, natural areas and approximately 58 acres of maintained grassy lawns primarily used for employee recreation and landscaping.

Our Austin office is the only other SAS-owned facility in the United States. It is located on 94 acres of mostly undisturbed land and features grounds where deer and other wildlife freely roam. Only about three acres are used for facilities and access roads. It has intentionally been left wild and features a long, winding driveway and natural walking trails surrounding the more landscaped areas around the building. The property is home to several types of endangered birds and spiders, which are protected by landscaping and conservation guidelines to include the Balcones Canyonlands Conservation Plan (BCCP). The BCCP is a joint venture of the City of Austin and Travis County that protects habitats for several locally occurring species protected under the federal Endangered Species Act. SAS works closely with BCCP managers in a joint effort to maintain the natural integrity of these important habitats.

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## Customers Using SAS® for Sustainability Efforts

SAS is committed to promoting sustainable business practices within our company, in all of our locations. We are especially proud that SAS software is in use by companies, government organizations and researchers all over the world to enable their own sustainability initiatives. Here are a few notable examples:

- SAS is used to improve efficiencies and peak demand management in our energy and utilities customers around the world, from the **Salt River Project** in Arizona to **Copenhagen Energy** in Denmark.
- When working in potentially hazardous environments such as gas processing units, conditions can change and the risks to people and assets can multiply in the blink of an eye. At the same time, operations on this scale are costly to maintain and, with fluctuating energy prices, controlling costs without compromising health and safety is a major concern. With a decade-long history of SAS usage, **ConocoPhillips Norway** is now deploying SAS Strategic Performance Management to help target resources and manage its business more effectively. The system combines data on various events (triggers) and their day-to-day follow-up within agreed procedures. Flaring — when oil or gas is burnt off — is also covered. Garbage disposal is yet another example, with SAS software helping to ensure that targets for scrap metal and recycling are met.  
[www.sas.com/success/conocophillips\\_norway.html](http://www.sas.com/success/conocophillips_norway.html)
- Air Quality Research Branch (AQRB) of **Environment Canada** counts on SAS to help measure and analyze trace gases in the atmosphere and to determine the impact of human activities on air quality. In 1991, Canada and the United States signed an Air Quality Agreement to address transboundary pollution, which includes commitments to reduce the major pollutants that cause acid rain — sulfur dioxide and nitrogen oxides. Both countries are cooperating to assess the impacts of air pollution and transboundary pollution on human health, forest ecosystems and surface waters. SAS is important to these cooperative efforts in data analysis, modeling, monitoring and information sharing. [www.sas.com/success/environmentcanada.html](http://www.sas.com/success/environmentcanada.html)
- **TERA Environmental** uses JMP® statistical discovery software from SAS to provide statistical consulting services to organizations that conduct research in the field of wildlife ecology. For instance, TERA uses JMP to help researchers analyze and model caribou movement and their use of ecological resources in Canada.
- SAS is used to support two key applications at the **US Environmental Protection Agency** (EPA): Air Explorer and AirData. Air Explorer extends air-quality analysis capabilities to state, local and tribal agencies via the Web. With SAS, analysts can produce results on the fly and on demand, using a collection of tools that plot, map and produce spreadsheets. It also allows analysts to choose a metropolitan area and plot daily levels of particulate matter and its components. SAS queries the data and returns values that show the level of particles in the air. The AirData Web site represents another step in the EPA's constant progression toward its goal of making useful environmental data available to the public, on demand. SAS helps build AirData on the Web, an application that allows anyone with an Internet connection to generate maps describing air-pollution data anywhere in the United States.  
[www.sas.com/success/epa\\_mintz.html](http://www.sas.com/success/epa_mintz.html)  
[www.sas.com/success/epa.html](http://www.sas.com/success/epa.html)

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- Health and social programs also rely on SAS to deliver analysis and business intelligence. Using SAS, the **Indian Health Service** (IHS) — the division of the US Department of Health and Human Services responsible for providing federal health services to 1.8 million American Indians and Alaskan natives — provides local hospitals with a single point of access to data used in treating these often at-risk communities. Poverty, chronic illness and substance abuse rates far exceed those of the general US population, as does the suicide rate. Using centralized data, the IHS tracks key clinical performance measures at IHS hospitals. Hospital staff reviews clinical performance data and can adjust patient care practices, implement new or changed processes, or identify performance improvement projects. [www.sas.com/success/ihs.html](http://www.sas.com/success/ihs.html)
  - **US Department of Agriculture** scientists use SAS and JMP for a variety of projects that help keep invasive plant and animal species out of the United States and control the spread of those that are already here.
  - Using SAS, the **National Institute for Occupational Safety and Health** (NIOSH) has created a Web-based, automated reporting system to assist the states in monitoring the health and well-being of their citizens. This provides government agencies in all states access to occupational-related data on respiratory diseases. [www.sas.com/success/niosh.html](http://www.sas.com/success/niosh.html)
  - **WildTrack** biologists use JMP to monitor and save endangered species, such as polar bears; three Tapir species in Central and South America; and the most endangered large cat in the world, the Iberian Lynx, in Spain and Portugal.



## SAS and Society

At SAS, we have worked hard to build a corporate culture based on trust between our employees and the company. We've also employed the highest ethical standards in our dealings with customers, suppliers and competitors. As a result, we have a reputation of being a great place to work and a great company to do business with.

In this category, our report will address the following aspects: corruption, supplier diversity and public policy.

### Anti-Corruption

Our reputation is hard-earned and invaluable. It helps us attract and keep outstanding employees and our valued customers. Protecting that reputation requires constant diligence. The SAS Code of Business Ethics helps us maintain our high standards for respect, honesty, fairness and accountability, and we have an ongoing corporate ethics and compliance program to help educate and train employees on the Code and other related areas.

SAS Online Training Summary		
Course	Scope	Percentage Completed
Code of Business Ethics	Worldwide staff	83.5%
Foreign Corrupt Practices Act	Non-US staff	73.8%
Information Security	Worldwide staff	81.2%
Respect in the Workplace	US staff only	88.5%

### Code of Business Ethics

SAS' Code of Business Ethics training helps employees understand the meaning of the Code and what they are expected to do. It emphasizes that employees are expected to follow the Code, company policies, and all other applicable laws and regulations — all while using their judgment and common sense. When employees have questions or concerns, they are expected to raise them to the appropriate resources; they learn who those resources are in the training.

### Foreign Corrupt Practices Act

To prevent US companies and individuals from engaging in such practices, the US government enacted the Foreign Corrupt Practices Act, or FCPA. Foreign Corrupt Practices Act: Part 1 - Understanding the Law explores the basics of the law, who is affected and what is required. Video scenarios and practice questions challenge learners to make decisions in situations that may involve bribery activity.

### Information Security

Information Security training covers various areas of concern related to information security awareness. Using in-depth, scenario-based instruction, the course covers topics such as safeguarding company systems, inappropriate practices and reporting of security concerns. The course also guides users to understand and implement company security policies.

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## Respect in the Workplace

Respect in the Workplace training provides information essential for maintaining a pleasant and productive working environment. The course depicts in video scenes several common areas of concern that can occur within the workplace: racially insensitive comments, stereotyping, how to treat employees with disabilities, sexual harassment, the creation of a hostile work environment, harassment investigations, fear of retaliation and disciplinary action.

## Supplier Diversity

SAS has an award-winning Supplier Diversity Program with the goal to continually increase awareness and business opportunities related to SAS' spending with diverse suppliers.

The Supplier Diversity Program was presented the Progress Energy Excellence in Supplier Diversity Award at the 2006 Raleigh Chamber of Commerce Pinnacle Business Awards Celebration. SAS was also named the "Supplier Diversity Corporation of the Year" in 2005 by the Carolinas Forum, the designated chapter for Women's Business Enterprise National Council (WBENC) members in North Carolina and South Carolina. SAS received the regional award because of the company's support of and dedication to women's business enterprises.

SAS customers represent a wide range of industries, people and locations — and we want this same level of diversity reflected in our supplier community. Because SAS is not a typical manufacturing environment, the creation of our product does not require purchasing materials or component parts. Instead, it relies on a highly skilled staff of technical professionals. SAS complies with the federal laws and regulations that prohibit discrimination in employment based on race, color, religion, gender, national origin, age, disability or veteran status.

As a federal contractor, SAS also complies with Executive Order 11246, as amended, and the implementing rules and regulations of the Office of Federal Contract Compliance, Vietnam Era Veterans Readjustment Assistant Act of 1974, and the Rehabilitation Act of 1973.

In the area of professional services offered to its customers, SAS provides small business concerns owned and controlled by socially and economically disadvantaged individuals and women-owned small businesses the maximum practicable opportunity to participate in the subcontracts it awards to the fullest extent consistent with the efficient performance of the contract.

Regarding the procurement of goods and services to support corporate operations, SAS is committed to continuously seek ways to make business opportunities available to minority-owned, women-owned, small disabled-owned, HUBZone and small disabled veteran-owned businesses. To that end, SAS is a member of the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC). We also participate in local chapter events and are committed to the community in numerous areas such as education and literacy.

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Finally, SAS uses its own commercially available software, SAS Supplier Relationship Management, to consolidate and classify data in order to better track its ongoing commitment to supplier diversity.

## Public Policy

SAS engages in public policy because we believe that we can do well by doing good. Many of the company's policy activities create a policy environment that specifically highlights the role of technology to solve macro-societal problems, such as mitigating environmental impact, providing better stewardship of taxpayer resources with greater government accountability, or ensuring the delivery of affordable quality healthcare, to name just a few of the diverse areas in which we engage.

More generally, education remains a high policy priority for SAS. We want to do our part to ensure that citizens of every country have an opportunity for education to ensure continuing economic development and security, to enable a stable and high-level workforce, and to encourage innovation and creativity.





## SAS and the Economy

### Direct Economic Value

Intense demand for analytics-powered business intelligence propelled SAS to its 31st straight year of revenue growth. 2007 revenue totaled US\$2.15 billion, up 15 percent over 2006 results.

Business intelligence applications accounted for 29 percent of SAS' 2007 revenue. Our enterprise intelligence platform, analytics and industry solutions set us apart from other BI vendors that specialize in query and reporting applications.

### Cross-Industry and Industry-Specific Sales Strengthen

SAS continued to see significant gains in sales of cross-industry business solutions, highlighted by a 50 percent jump in sales of customer intelligence solutions. SAS saw 28 percent growth in sales of industry solutions, which help bankers spot fraud, retailers stock the right merchandise, and more. More than 200 financial institutions worldwide now rely on SAS for Enterprise Risk Management to turn risk concerns, such as regulatory compliance, into a springboard for innovation and competitive advantage.

### Global Breakdown

Reflecting previous years' results, SAS revenue growth remained globally balanced. The Americas accounted for 44 percent of total revenue, Europe/Middle East/Africa (EMEA) 45 percent and Asia Pacific 11 percent.

### Partnering Yields Results

SAS' growing network of alliance and channel partners played an integral role in 17 percent of sales. Of note are strategic deals announced in 2007 that:

- Deeply integrate SAS solutions and enterprise data warehousing products of Teradata Corporation (NYSE: TDC). Both companies are also coordinating marketing, sales and services.
- Expand business intelligence capabilities of Accenture and SAS through increased collaboration.
- Extend globally a reseller program announced in 2006, which is having a growing impact on SAS software sales.

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(NR = not relevant)

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