

SAS Corporate
Social Responsibility
Report



THE
POWER
TO KNOW.

SAS Institute Inc. World Headquarters +1 919 677 8000

For questions about this report or its contents, please e-mail globalreporting@sas.com.

Table of Contents

From the CEO	5
About This Report.....	6
Company Overview	7
Financial Strength.....	7
Award-Winning Customer Support.....	7
Products and Services	8
Alliances and Partners	10
Markets	10
Legal Form.....	10
Offices and Facilities.....	11
Key Achievements in 2008.....	12
Corporate Culture and Work/Life Awards	12
Product and Technology Awards and Rankings	13
Corporate Governance	15
Governance Structure	15
Continuity of Business and Succession Planning.....	15
Stakeholder Organizations.....	15
Strategic Initiatives.....	18
Social Goals	18
Environmental Goals	19
Millennium Development Goals.....	21
Commitment to Education.....	26
Why We Support Education	26
How We Support Education	26

Commitment to Employees.....	29
Employee Benefits	29
Employee and Family Health/Work-Life	30
Employee Retention	30
Employee Retirement.....	31
Employee Development.....	31
Compliance and Employee Relations.....	32
Diversity and Equal Opportunity.	32
Employment Practices	34
Occupational Health and Safety	37
Health Care Center	39
 SAS and the Environment.....	40
Sustainability Initiatives	40
Indirect Energy Consumption.....	41
Water Conservation	44
Emissions, Effluents and Waste	45
Compliance.....	45
Green Global Snapshots.....	46
Customers Using SAS® for Sustainability Efforts	48
 SAS and Society	50
Anti-Corruption, Trade and Privacy Law	50
Supplier Diversity.....	52
Public Policy.....	53
 SAS and the Economy.....	54
Direct Economic Value	54
 Global Reporting Initiative Index	56

From the CEO

Since SAS began in 1976, sustainability has been one of our core values driving innovation. Sustainability means more than being “green.” It means that SAS takes a long-term view when we make business decisions, whether they involve attracting, retaining and motivating the best employees; serving our customers; or caring for our physical environment.

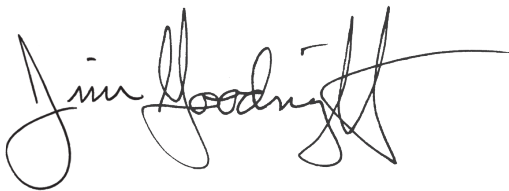
From our first on-site daycare center in 1981 to our on-site health care centers, to our efforts to be a global employer of choice, we have always felt that if you treat employees as though they make a difference, they will make a difference. Satisfied employees lead to sustainable customer relationships.

We have instituted environmentally friendly practices worldwide, including our Leadership in Energy and Environmental Design (LEED)-certified SAS Canada headquarters, the green energy that powers our Netherlands office, and the use of office supplies made from recycled materials in Japan. The solar farm constructed in 2008 at our headquarters in Cary, NC, will reduce carbon dioxide emissions by more than 1,600 tons annually — the equivalent of burning 167,000 gallons of gasoline. Our newest building in Cary will be built to LEED standards, incorporating environmentally friendly features including heat- and water-recovery systems and regenerative drive elevators.

SAS values the economic sustainability of our communities. Our long-standing commitment to education contributes to a sustainable economy by better preparing our future work force to innovate and compete.

More information about each of these initiatives can be found in the pages of this report. I trust you will find that our focus on sustainability provides real value — to our employees, our customers and our communities.

Jim Goodnight
CEO
SAS
May 2009



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.



Just as with our 2007 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.

For the 2008 reporting period, the team was able to use SAS for Sustainability Management to provide the facts and figures regarding our environmental footprint. This software solution, released to the public last year, has been adopted by SAS Corporate Services for environmental data management within SAS-owned offices globally. Social and economic information was provided from the operational systems that support our global human resources and financial departments. The information 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 partners, analysts, customers and media, on www.sas.com.

The 2008 SAS Corporate Social Responsibility Report has limited boundaries to SAS Institute Inc., the US-based parent company for SAS, and international office facilities that are wholly owned by SAS.

Many international offices have been corporate leaders in piloting new technologies, building practices, and employee engagement. Each year, our Executive Sustainability Council will evaluate strategies for expanding the scope of our corporate social responsibility reporting.

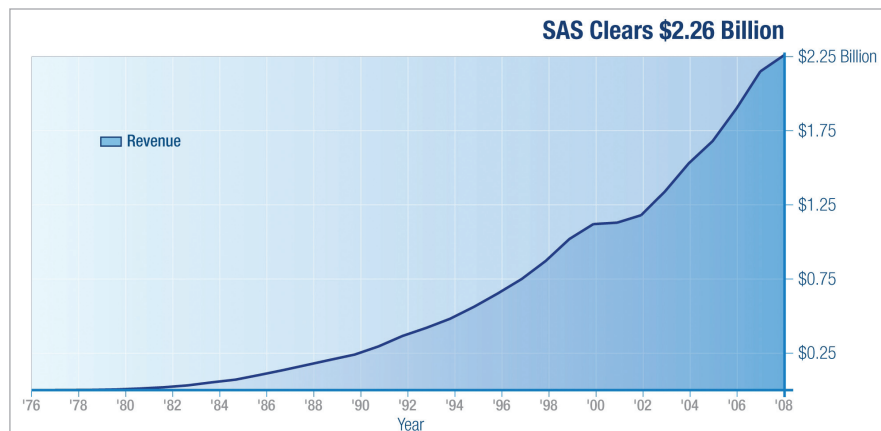
SAS welcomes your comments and questions regarding this report and our corporate responsibility efforts. For questions about this report or its contents, please e-mail globalreporting@sas.com.

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 analytics market. With more than 11,000 employees and 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 2008, intense demand for business analytics propelled SAS to its 33rd straight year of revenue growth, in spite of tough economic conditions. 2008 revenue totaled US\$2.26 billion, up 5.1 percent over 2007 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.



Award-Winning Customer Support

SAS maintains outstanding levels of support and customer satisfaction through real-time technical support and a variety of self-help resources. 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®.

SAS® Business Analytics Software and Services

SAS provides business analytics software and services that help organizations bring diverse data together, analyze that data to create forward-looking insights, and use those insights to improve performance and deliver value. Our customers rely on SAS to solve complex business problems and improve the lives of their customers.

The SAS® Business Analytics Framework

Our business analytics framework provides a flexible and straightforward path for achieving key objectives and gaining maximum return from information assets. Organizations can choose the capabilities and solutions they need to solve their immediate business issues, and achieve results in months instead of years. They can then add new functionality over time – all from one vendor, all through one framework.

The SAS® Business Analytics Framework encompasses:

- **SAS® Data Integration** – enabling organizations to address a full spectrum of data integration needs, from small tactical projects to large strategic business initiatives. SAS improves data integrity by consolidating, cleansing and standardizing data directly within operational environments. SAS also combines structured data with unstructured data—such as e-mail, voice mail and call center records – to provide the widest range of information to drive confident decisions.
- **SAS® Analytics** – enabling decision makers to understand what has happened and what is happening, with the unique ability to predict what will happen. SAS applies predictive analytics across all our solutions, allowing organizations to ask forward-looking questions, gain predictive insights and seize new opportunities.
- **SAS® Reporting** – enabling fact-based collaboration at all levels of an organization through high-impact, engaging and user-centric reporting capabilities. Unlike traditional business intelligence vendors, SAS makes reporting a part of one seamless process for analyzing and collaborating with intelligence.
- **SAS® Business Solutions** – an ever-expanding range of cross-functional and industry-specific applications that solve critical business issues. These solutions leverage SAS' strengths in data integration, analytics and reporting – and reflect SAS' domain expertise across lines of business and within specific industries.

All of these capabilities enable continuous performance improvement, helping organizations achieve not only financial excellence but operational excellence.

Key SAS® Business Solutions

Here are key SAS solutions developed specifically to solve critical business issues unique to line-of-business and functional areas such as marketing, finance, IT, human resources and procurement:

SAS® Customer Intelligence – the most comprehensive suite of analytic marketing solutions, enabling marketing executives to make smarter decisions and solve more business challenges. Only SAS provides the complete set of capabilities needed for a customer-focused marketing process.

SAS® for Enterprise Risk Management – for controlling and reporting risks throughout the enterprise including credit, market and operational risk. A transparent environment lets organizations manage the entire process from identifying risk to measuring, mitigating and monitoring risk on an ongoing basis.

SAS® Human Capital Intelligence – for analyzing and optimizing the work force by surfacing relevant, holistic and predictive information that helps drive strategic human capital decisions.

SAS® IT Intelligence – for optimizing IT resources, services and financial impact...all in support of strategic business goals

SAS® for Performance Management – integrated solutions that help organizations control costs without sacrificing growth objectives, understand what drives cost and profit, and improve agility.

SAS® Supply Chain Intelligence – for analyzing spending and supplier performance across many dimensions, more effectively managing and maintaining assets, forecasting demand, and profitably managing inventory and after-sale services.

SAS® for Sustainability Management – for predicting and responding to environmental, social and economic risks and opportunities.

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

Aerospace	Banking and Capital Markets
Communication	Defense
Education	Energy and Utilities
Gaming and Hospitality	Government
Healthcare	Insurance
Life Sciences	Manufacturing
Oil and Gas	Retail





Alliances and Partners

The SAS Alliance creates a truly complementary and valuable relationship with our more than 600 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 45,000 customer sites worldwide, representing more than 100 countries in the Americas, Europe, Middle East and Africa, and Asia Pacific. SAS customers or their affiliates represent 91 of the top 100 FORTUNE Global 500® companies.

Legal Form

SAS Institute Inc. is a corporation formed and existing under the laws of 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 16. The SAS Americas division includes nine companies (SAS Institute Inc. and eight 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 and branch offices in the above regions.

SAS has subsidiaries in the Asia Pacific region that are dedicated to conducting research and development activities for SAS and its affiliates.

DataFlux, the leading provider of data quality and data integration solutions, is also a wholly owned subsidiary of SAS. DataFlux has a sales subsidiary located in the United Kingdom and a branch office in France.

IDeaS, the premier provider of enterprise revenue management and optimization services, is also a wholly owned subsidiary of SAS. IDeaS has sales offices and distribution partners across the globe.

JMP and Teragram are unincorporated divisions within SAS Institute Inc. JMP develops and markets statistical discovery software that visualizes analytics for end users. Teragram is the market leader in multilingual natural language processing technologies that use the meaning of text to distill relevant information from vast amounts of data.

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.

SAS has operations in 54 countries around the world. To see a full list of SAS offices, visit www.sas.com/offices.



Key Achievements in 2008

- Achieved record US\$2.26 billion revenue.
- SAS performance highlighted in *New York Times* best-seller *The Breakthrough Company: How Everyday Companies Become Extraordinary Performers*.
- SAS acquired Teragram, the leader in natural language processing (NLP) and advanced linguistic technology.
- SAS acquired IDEaS Revenue Optimization, leader in revenue management software for hospitality industry.
- CEO Jim Goodnight invited to join London business advisory council by London mayor.
- SAS CEO Jim Goodnight shared vision on the future of forecasting at World Economic Forum.
- SAS® Curriculum Pathways® provided free to all educators and students in America.
- CSR Report for 2007 published.
- Installed a one-megawatt capacity solar photovoltaic (PV) array at Cary headquarters.
- Installed two commercial-scale solar thermal (hot water) systems at Cary headquarters.
- Using SAS for Sustainability Management, developed carbon model for calculating US-based Greenhouse Gas (GHG) emissions.
- Silver level LEED certification was awarded to the SAS Toronto office building by the US Green Building Council (USGBC).

To learn more, visit www.sas.com/news.

Corporate Culture and Work/Life Awards

- FORTUNE 100 Best Companies to Work For in US for 11th consecutive year.
- FORTUNE 100 Best Companies to Work For in Finland, Europe (Sweden, Netherlands, Germany combined), Mexico, Portugal.
- Dave Thomas Foundation for Adoption Best Adoption-Friendly Workplaces for second consecutive year.
- SAS honored among 50 Best Companies in the Country by *Conceive Magazine*.
- *Computerworld* Best Places to Work in IT.
- Best Places to Work in the Triangle.
- *Carolina Parent* Family Friendly 40 for the seventh time.
- Goodnights presented William C. Friday Award for exceptional leadership and service in education.
- SAS named NC Green Company of the Year by North Carolina Technology Association.

A *New York Times* best-seller suggests that SAS should be equally known for its impressive customer focus and unparalleled growth. It highlights SAS' relentless focus on serving and satisfying customers.



- SAS earns Balanced Life Workplace Award for large legal departments from the North Carolina Association of Women Attorneys (NCAWA).
- SAS among top five companies to work for in IT by *Computerworld*.
- SAS wins Healthiest Company award presented by *Business Leader* magazine and Rex Healthcare.

To learn more about current workplace awards, visit www.sas.com/workplace.

Product and Technology Awards and Rankings

- SAS and Lenovo partner to empower K-12 learning.
- SAS named among *Intelligent Enterprise* “Dozen” for seventh consecutive year.
- SAS® 9.2 is released.
- SAS named Business Intelligence Vendor of the Year in Asia Pacific.
- SAS for Sustainability Management released, helps drive sustainable business strategies and makes being “green” easier.
- SAS named as one of the “Smart Vendors” in the 2008 Verdantix Smart Vendors Carbon Management Software report.
- SAS IT Intelligence for VMware Infrastructure Solution released.
- SAS repeats lead position in Chartis Research’s “Credit Risk Management Systems 2008” for retail banking.
- JMP® Genomics 3.2 released.
- SAS for Patient Safety released.
- Leading firm Gartner Inc. in 2008 placed SAS in:
 - Leaders quadrant of the *Magic Quadrant for Business Intelligence Platforms*, 2008 in February.
 - Visionaries quadrant of the *Magic Quadrant for Marketing Resource Management*, 1Q08 in March.
 - Leaders quadrant of the *Magic Quadrant for Multichannel Campaign Management*, 2008 in April.
 - Leaders quadrant of the *Magic Quadrant for Operational Risk Management Software for Financial Services* in June.
 - Visionaries quadrant of the *Magic Quadrant for Enterprise Marketing Management* in July.
 - Leaders quadrant of the *Magic Quadrant for Customer Data Mining Applications* in July.
 - Visionaries quadrant of the *Magic Quadrant for Data Integration Tools* in September.
- SAS honored with Business Intelligence Market Leader award from *CRM* magazine for sixth consecutive year.



-
- SAS ranks first in core risk management technology and operational risk and GRC of Chartis *RiskTech 100* report.
 - SAS and Teradata unveil Advantage Program to bring powerful in-database solutions and services to customers.
 - Yphise award for SAS Strategic Performance Management.
 - Yphise 2008 Strategy Management Assessment report calls SAS “superior.”
 - SAS for Customer Experience Analytics wins Product of the Year Award from *Customer Interaction Solutions* magazine.
 - SAS Patron Value Optimization wins Innovative Gaming Technology Product of the Year Award by *Casino Journal*.
 - SAS honored among InformationWeek 500.
 - SAS Fraud Management wins Technology Innovation of the Year Award by Frost & Sullivan.
 - SAS named to Supply & Demand Chain Executive 100 listing.
 - SAS named Business Intelligence Vendor of the Year in Asia Pacific for the fourth time by Frost & Sullivan.
 - SAS among Top 125 Manufacturing Technology Providers by *START-IT* magazine for second time.
 - SAS retains dominant leadership position in Chartis Research’s operational risk management report for fourth consecutive year.

To find out more, visit www.sas.com/awards.

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. These individuals constitute 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 of importance such as sustainability, education or international development. This takes shape in sharing SAS' experience and ideas at practitioner-based workshops and global speaking engagements for our executives, and actively contributing to international public policy debate.

External groups engaged by the organization include:

- World Economic Forum
- World Resources Institute
- Organization for Economic Co-operation and Development
- United Nations
- European Commission
- European Parliament
- International Telecommunication Union
- Environmental Defense Fund
- World Wildlife Fund
- Business Roundtable
- National Governors Association
- National Council of State Legislators
- University of North Carolina system
- North Carolina Technology Association
- North Carolina Center for Public Policy Research

Organizational Chart

Jim Goodnight, CEO



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 11,000 employees in offices around the world, communication 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. In 2008, SAS launched the Leadership Live Webcast series, where executives are interviewed in an informal setting on hot topics among employees. 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. In 2008, there were more than 400 employee blogs hosted internally at SAS that contributed to more than 2.6 million page views.

In 2008, SAS launched nine SWW mirror sites in the United Kingdom, Asia Pacific, Switzerland, Malaysia, Australia and New Zealand, Finland, Belgium-Luxembourg, Korea and the Netherlands.

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	Status in 2008
Talent Acquisition	Attract the right resources to meet our business goals.	Ongoing	
Learning & Development	Develop talent to meet demands now and in the future.	Ongoing	
Organization Effectiveness	Increase employee and overall company performance through performance management and organizational development efforts.	Ongoing	
Employee Engagement/ Talent Management	Retain key talent by providing growth opportunities and programs that keep them fully engaged.	Ongoing	
SAS Brand Management	Grow the SAS employment brand globally.	Ongoing	
Compliance	Maintain compliance with US and international labor standards (e.g., US Equal Employment Opportunity Commission).	Ongoing	
	100 percent of SAS offices have been provided training on code of ethics, and on compliance with laws applicable to SAS' business, such as sexual harassment, export, anti-bribery, and gift laws	Ongoing	
Employee and Customer Eco-Awareness	Internal education and communication regarding corporate sustainability strategy via intranet, newsletters and Webcasts.	Ongoing	<ul style="list-style-type: none"> • Launched internal eco-awareness green Web site. • Encouraged employee participation in sustainability through celebrating Earth Day, hosting guest speakers and employee fairs. • Kicked off an eco-awareness campaign on intranet homepage with feature articles and green-related employee challenges.
	Incorporate eco-awareness into work/life curriculum.	Ongoing	
Procurement	Measure and report progress on supplier diversity program and initiatives.	Ongoing	
	Identify opportunities to globally incorporate corporate social responsibility (CSR) into procurement decisions.	Ongoing	

Environmental Goals			
Initiative	Goal	Schedule	Status in 2008
Products and Packaging	Continue to evaluate our packaging strategy and develop action plan to address potentially negative environmental impacts.	FY09	
	Measure the energy efficiency of SAS product and solutions (dependent upon emerging standards for software).	TBD	
Energy and Emissions	Continue to improve energy efficiencies in data centers worldwide.	Ongoing	
	Develop a US baseline for Scope 1 and Scope 2 greenhouse gas (GHG) emissions.	FY08	<ul style="list-style-type: none"> • Developed carbon model for calculating (US-only) Scope 1 and Scope 2 GHG emissions. • Included Scope 3 emissions for commercial air travel. • Used model to calculate GHG emissions of US operations for 2007 calendar year.
	Expand US carbon model to determine Scope 1 and Scope 2 GHG emissions for global operations.	FY09	
	Develop companywide GHG management plan and establish global targets for Scope 1 and Scope 2 GHG emissions.	FY10	
	Continue to pursue opportunities for developing renewable energy.	Ongoing	Activated a one-megawatt capacity solar array and two solar thermal systems at campus headquarters in 2008.
	Develop baseline for Scope 3 GHG emissions for SAS operations.	FY10	
	Offer electronic software downloads (ESD); create incentives for customers to select ESD.	FY08	Completed ESD option with incentives. Will continue to provide incentives for customers to select ESD and measure impacts.
	Reduce waste and emissions at SAS Global Forum user conference and implement best practices at all SAS-hosted conferences.	Ongoing	
Water Conservation	Reduce irrigation scheduling for SAS-owned properties and explore low-water-usage landscaping options.	Ongoing	Implemented modified irrigation schedule in 2008 resulting in over 9 million gallons of potable water saved annually.
	Measure the impact of low-flow toilets, showerheads and faucet aerators installed Q4 2007 at company headquarters.	FY08	Installed water-saving devices resulted in more than 2 million gallons of annual water savings.

Environmental Goals (continued)			
Initiative	Goal	Schedule	Status in 2008
Water Conservation (continued)	Expand use of reclaimed water for irrigation.	Ongoing	<ul style="list-style-type: none"> Increased water use for landscape irrigation from 29,000 gallons in 2007 to 40,000 gallons in 2008. Landscaping department will continue to find options for using reclaimed water in lieu of potable.
	Explore options for recapturing cooling tower water for company headquarters' buildings.	FY09	SAS explored several options in 2008 for reducing water consumption in building cooling towers but did not determine a viable solution. SAS will continue to review options in 2009.
	Implement rainwater capture system for one office building at company headquarters.	2010	
	Develop baseline for global water usage and establish targets for additional savings.	FY09	Changed goal to include globally owned offices.
Waste Management	Expand in-house waste management programs by changing internal processes and employing external vendor options.	FY08	Increased recycling by adding co-mingle (glass, plastic and aluminum) containers in every building at SAS headquarters.
	Develop composting program to include food waste from cafeterias.	FY08	Expanded campus composting to include food waste and other compostable materials from cafeterias.
	Introduce employee waste reduction program for company headquarters.	FY09	
	Establish measurement baseline of waste management systems for headquarters.	FY09	
	Set waste management reduction targets and report on performance for company headquarters.	FY10	
Green Buildings	Achieve Leadership in Energy and Environmental Design (LEED) certification for SAS office building.	FY08	SAS Canada office in Toronto achieved Silver LEED certification in August 2008.
	Develop and implement LEED best practices for maintenance of existing SAS buildings.	FY09	Incorporated LEED principals in "2008-2009 Strategic Campus Plan for Global Headquarters"
	Achieve LEED certification for two additional SAS buildings.	FY11	
Procurement	Incorporate eco-friendly office and operational supplies into purchasing practices worldwide.	FY09	
	Determine baseline for eco-friendly procurement practices and develop protocol for measuring impacts of initiatives.	FY10	

United Nations 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.**

United Nations Millennium Development Goals

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



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.

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 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 is a coalition of business leaders from across the United States who are promoting successful business investments in underserved communities. For the past decade, through its pioneering Neighborhood Market DrillDown tools, Social Compact has found more than \$36 billion of missed market opportunities, including \$16 billion in informal income, in more than 350 underserved neighborhoods across the US. **Social Compact relies on SAS technologies to deliver the ability to more deeply assess existing market opportunities and also predict strong emerging markets that may have been overlooked.** Armed with this information, Social Compact educates bankers, retailers, nonprofits and other potential investors and constituents on the strengths and opportunities in underserved neighborhoods across the United States. **Internationally, in partnership with the World Bank and local officials, Social Compact and SAS will embark on a program that will assess the DrillDown's applicability in other national urban contexts with significant emerging markets like Johannesburg, South Africa, and Bogota, Colombia.**



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 45,000 organizations — including businesses, universities and government agencies — rely on SAS technology to understand their customers, suppliers and own organizations.

How We Support Education

SAS supports education in our communities through four programs: educational initiatives, charitable donations, in-kind donations and employee volunteerism. This allows us to support deserving organizations in a variety of ways.

Education Initiatives

As a global corporation, SAS maintains a keen focus on strategic education initiatives in the statewide community of our world headquarters in North Carolina. The philosophy of thinking globally while acting regionally translates into support for initiatives that prepare North Carolina graduates for college, work and life in the 21st century. These include:

Preparing Students for the Future

SAS contributes to the 1:1 Learning Technology Initiative, a public-private partnership to provide teachers and students with laptop computers, teacher training, software and other materials critical to success. Early results of the pilot program in North Carolina are extremely promising, suggesting a strong positive impact on student engagement.

SAS Programming for High Schools

Piloted in 2007, SAS has developed course materials and a training program for high school teachers to help prepare students for college and careers. Training involves five days filled with instruction, assessments and teaching guides necessary to successfully teach SAS programming, readying students for continued education and professions across industries.

Charitable 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 2008 (US)

- Cash donations: \$3.6 million
- In-kind donations of software, hardware and services: \$3 million
- Value of in-kind training for students and educators: \$9.4 million
- Donations of surplus equipment: \$158,000

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 2008, US SAS employees reported volunteering a total of 11,411 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.

Program Support

Surrounding our global headquarters, these are SAS-supported institutions and programs that have an impact on the region:

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



SAS® Curriculum Pathways®: A Living Commitment to Education

Utilized by thousands of teachers in more than 30 states, SAS Curriculum Pathways is now provided at no cost to all US-based educators. The move comes in response to an education system in crisis and in need of resources that engage 21st-century students. This is also an example of SAS' more than 30-year commitment to education.

SAS Curriculum Pathways provides interactive, standards-based resources in English, science, math, social studies and Spanish for grades 8-12 in traditional, virtual and home schools. SAS Curriculum Pathways focuses on topics where doing, seeing and listening provide information and encourage insights in ways that conventional methods cannot. SAS Curriculum Pathways has more than 200 InterActivities and 855 ready-to-use lessons that enable technology-rich instruction and engage higher-order thinking skills. Expanded middle school content is in development.

Designed for a wide range of classroom environments, technology capabilities and learning styles, SAS Curriculum Pathways can be used flexibly – in a one-computer classroom, in small groups, or in one-to-one computing initiatives, where every student and teacher has a computer.

SAS Curriculum Pathways has earned national awards for quality, including the Software & Information Industry Association (SIIA) 2008 CODiE Award for Best K-12 Instructional Solution.

Commitment to Employees

SAS employees work in an environment that fosters the integration of our company's business values and objectives with their personal needs. Our employees are our greatest assets. SAS' unique, award-winning work environment is designed to nurture and encourage creativity, innovation and quality.

There are 200 SAS employees whose primary function is to develop, support and deliver ongoing programs such as on-site childcare, camps, elder care, 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

Because we want to help our employees lead healthy and productive lives, SAS provides a generous benefit package to all full-time US employees, which includes:

- Comprehensive medical, dental and vision plans at no 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.
- Paid sick leave.
- Paid vacation.
- Paid holidays.
- Profit-sharing retirement plan.
- 401(k).

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.
- Paid maternity/paternity leave.



Employee and Family Health/Work-Life

Happy and healthy employees make productive, innovative and loyal employees. Examples of additional employee-friendly benefits available to all US employees:

- On-site Health Care Center in Cary and Austin.
- On-site Recreation and Fitness Center in Cary; 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 support programs in Cary, including teen/college, special needs, adoption, mature workforce, financial planning, divorce and separation, pre-natal and elder care programs.
- On-site childcare at headquarters for more than 600 children; childcare subsidies for regional office employee
- Company subsidized cafés with a variety of healthy menu options.
- National employee assistance program (EAP) resources and confidential counseling services.
- 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 Retention

SAS' current rate of voluntary employee turnover is approximately 6 percent globally, 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. Satisfied employees are loyal and committed to the company.

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.
- 401(k)
 - Employees can set aside a portion of their own salary toward retirement, helping them accumulate even more savings for the longer term.
 - SAS has made 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.
- SAS sponsors a Retiree HRA (Healthcare Reimbursement Arrangement) Plan. This plan helps eligible retirees pay qualifying healthcare insurance premium expenses for themselves and eligible family members.
- SAS' retirees and their spouse and/or domestic partner continue to have access to SAS' Recreation and Fitness Center, Café and Work/Life Center and wellness seminars.
- SAS has a special Web site dedicated to retirees and their families to provide them with information about the benefits, programs and facilities most important to them.

In 2008, SAS funded 5 percent profit sharing contribution. This was in addition to the 3 percent 401(k) safe harbor contribution that SAS funded for eligible employees.



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.

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

AOIT

The Academy of Information Technology (AOIT) prepares students for post-secondary education and careers through a theme-based, contextualized curriculum approach. Students in the Academy are required to complete a programming sequence that includes SAS programming, Microsoft Visual Basic, C++, Java and advanced computer science. SAS offers a number of summer employment opportunities especially for the participants of this program.

Cary Academy

Cary Academy provides a challenging, dynamic academic program that integrates the best of traditional education with new and emerging technologies. As a result, SAS and Cary Academy have partnered to provide an opportunity for Cary Academy students to be exposed to a global working environment, by participating with SAS employees on meaningful projects. Students have the opportunity to apply for SAS technical summer positions.

R3

In 2008, SAS initiated the R3 program which symbolizes our commitment to Recognize, Recruit and Retain women and minorities in various professional arenas. Affirmative outreach has proven to be an invaluable tool in creating an inclusive environment and helps us prepare the work force of the future.

SAS Possibilities

SAS Possibilities was created as a partnership between SAS and the Communities in Schools program, a national dropout prevention organization designed to help young people in need stay in school and prepare for life. SAS Possibilities provides students from the program with a meaningful learning and mentoring experience in a positive corporate environment.

Scholarships

SAS scholarships were created to support top students in the fields of computer science and statistics.

SAS sponsors 10 scholarships at three area universities, NC A&T State University, North Carolina State University, and University of North Carolina at Chapel Hill. Three of these scholarships are designated for minority students.

Workforce Development

In October 2008, Human Resources hosted the first cross-functional Workforce Readiness Task Force meeting to discuss “What Are We Doing to Ensure Kids Are Future Ready?” with representatives throughout the SAS divisions. As a result, members of the task force discussed the many initiatives and programs they already conduct that demonstrate commitment to education. This initial meeting allowed the task force to share and learn about education-related best practices; future meetings will allow for more partnership opportunities and idea-sharing.

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 50.

The company has 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, to complete Customer Service and Food Preparation modules. Last year, SAS hosted 36 vocational students from five high schools in Wake County. Wake Technical Community College has developed a similar training program called Project SUCCEED, from which SAS hosted eight students.

In addition, SAS also hosted four students from Wake Tech’s Healthful Living Program and continued to hire employees supported through Treatment and Education of Autistic and Related Communication-Handicapped Children (TEACCH) to work in the SAS cafeterias. For these students, it is their first introduction to the work force. They are mentored by SAS café employees and earn community-based vocational training toward graduation.

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 workers 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.

As such, 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 2008, SAS employed 11,019 people worldwide, 5,475 of which were US employees.

Worldwide Staff Headcount Summary	
Location	2008
Asia Pacific	1,165
Canada	243
EMEA	3,014
International Based HQ Staff	148
International Based R&D Staff	507
Latin America	268
United States	5,475
Other	199
Worldwide Total	11,019

US Employment	
Type	2008
Full-time	5,328
Part-time	147
Total	5,475

Total Number and Rate of Employee Turnover

SAS had 215 US employees leave the company in 2008, down from 235 employees in 2007.

2008 US Employee Turnover	
Turnover number	215
Turnover percentage	3.81%
By Age Group (US)	
Number under age 30	14
Number aged 30-50	134
Number over age 50	54
Number age: other	13
By Gender (US)	
Number males	114
Number females	101

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

Benefit Program	Program Description	Eligibility for Full-Time Employees	Eligibility for Part-Time Employees
Healthcare	<ul style="list-style-type: none"> • Medical plans • Prescription plan • Dental and vision plans 	Available to employees and their eligible dependents.	Available to employees who work a regular schedule of 20 hours per week and their eligible dependents.
Flexible Spending Accounts (FSA)	An account that allows employees the ability to set aside money to pay for certain out-of-pocket healthcare expenses with pre-tax dollars.	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.
Dependent Care FSA	An account that allows employees the ability to set aside money to pay for certain out-of-pocket dependent care expenses with pre-tax dollars.	Participation is optional.	Not offered to part-time employees.
Accidental Death & Dismemberment (AD&D)	The SAS AD&D plan provides a monetary benefit for employees due to certain bodily injuries or death resulting from a covered accident.	Coverage is automatic for employees.	Coverage is automatic for employees.
Leaves of Absence	<ul style="list-style-type: none"> • Personal leave. • Family and medical leave. • Paternity leave (full-time only). • Adoption leave (full-time only). • Workers' compensation leave. • Military leave. • Funeral leave. 	Coverage is automatic for eligible employees.	Coverage is automatic for eligible 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"> • 11 scheduled holidays per year. • One floating holiday per year. • Vacation days. • Paid Sick Leave. • Leave options for personal or family illness, medical emergencies or other situations. • Jury duty. 	Coverage is automatic for the employee.	Coverage is automatic for the employee.

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

Benefit Program	Program Description	Eligibility for Full-Time Employees	Eligibility for Part-Time Employees
Retirement	<ul style="list-style-type: none"> Profit Sharing Plan: A discretionary annual contribution, fully funded by SAS, based on the profits of the company. 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. 401(k): Employee may elect to make their own contributions for retirement through pre-tax and/or Roth 401(k) salary deferrals. Retiree Health Reimbursement Arrangement (HRA): A healthcare reimbursement account established by SAS for eligible retirees. 	<ul style="list-style-type: none"> Employees are eligible after one year of service. Employees are eligible for safe harbor contribution as determined by the Plan Sponsor after 90 days of service. Employees are eligible to contribute a percentage of their pay after 90 days of service. Employees are eligible if they retire from SAS and are age 60 or greater with 20 or more credited years of service. 	<ul style="list-style-type: none"> Employees are eligible after one year of service. Employees are eligible for safe harbor contribution as determined by the Plan Sponsor after 90 days of service. Employees are eligible to contribute a percentage of their pay after 90 days of service. Employees are eligible if they retire from SAS and are age 60 or greater with 20 or more credited years of service.
Voluntary Benefits			
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.

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 Security and Safety department committed to minimizing risk, responding to safety concerns and providing relevant risk management and safety-related information. For example, company 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. Additionally, a manager of Emergency Preparedness and Response ensures a state of readiness to cope with emergencies and life safety matters. 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 2008 US operations had 31 workers' compensation claims following injury-related incidences. Among those claims, five resulted in a total of 274 lost days. The rate of compensation claims was 31 out of 5,571 US employees, or 0.55 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, and Security and Safety groups completed BBP training in 2008.

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

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

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. Diagnosis and treatment of acute illnesses (i.e., strep throat, respiratory infections, skin conditions, headaches, joint pain, etc) and injuries.
6. Routine screening for communicable diseases including, but not limited to, tuberculosis and sexually transmitted diseases.
7. 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.
8. Psychological counseling.
9. Pre- and post-natal breastfeeding education, counseling and support by on-site lactation consultants.
10. Parent education in the care of newborns.
11. Tobacco cessation education and counseling.
12. Country-specific immunizations plus education for the prevention of illness for travelers to other countries.
13. Intensive training and certification in CPR and automatic external defibrillator (AED) use for HCC staff.





"In less than a year this plan went from idea to reality," said SAS CEO Jim Goodnight. "I hope people will learn from our experience that sustainable energy is within reach and makes bottom-line business sense."



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.

In April 2008, we launched SAS for Sustainability Management, a solution that helps organizations accurately measure and manage their environmental impact. The solution introduced the first decision-support software platform for proactively identifying innovative strategies that effectively address complex environmental, social and economic situations while achieving stakeholder objectives. SAS is using its software to gather, measure and analyze its sustainability performance.

Our software is also 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 section, our report will address the following aspects: specific sustainability initiatives; energy; water; emissions, effluents and waste; and compliance.

SAS expanded the scope of this report to include all SAS-owned property globally. This includes the SAS-owned office in Austin, Texas, and 10 country office locations: Australia, Belgium, Canada, France, Germany, Italy, Netherlands, South Africa, Sweden and the United Kingdom. This is a change from our methodology in 2007, where we focused solely on US operations. We elected to report owned offices in 2008 because SAS has direct influence over these facilities, ensuring the accuracy of the data. We will continue to evaluate our reporting methodology and plan to report data on leased offices globally in 2009.

Sustainability Initiatives

Solar Farm

As of December 2008, the one-megawatt solar farm at SAS headquarters is generating sustainably sourced power to the Progress Energy grid.

Covering five acres, the photovoltaic (PV) solar array is estimated to generate 1.7 million kilowatt-hours (kWh) per year, reducing carbon dioxide emissions by more than 1,600 tons annually. This is equivalent to the carbon dioxide emissions from the consumption of more than 167,000 gallons of gasoline.

Executive Briefing Center

SAS broke ground in 2008 on a new office building and Executive Briefing Center being built with sustainable construction methods that encourage recycling of materials. It is being developed to Leadership in Energy and Environmental Design (LEED) standards for water and energy conservation, and includes features such as solar-thermal water heating and regenerative drive elevators.

The Executive Briefing Center will house 690 offices, two auditoriums, meeting rooms and a full-service cafeteria. At approximately 280,000 square feet, the building will be for customer events and meetings.



LEED CERTIFICATION AND GREEN FEATURES	
Key features of the building that will support LEED standards	
Water Use	Targeting a minimum of 30 percent water use reduction through rainwater collection and reuse, collecting storm water runoff for irrigation and using highly efficient fixtures.
Energy Use	Targeting a minimum of 20 percent energy use reduction through extensive use of: <ul style="list-style-type: none">• Heat recovery systems for heating the building.• Cooling systems assisted by the use of cool outside air.• Solar thermal water heating.• Regenerative drive elevators.• Building materials that provide increased insulation.
Air Quality	Improving air zoning for increased thermal comfort.
Recycled Materials	<ul style="list-style-type: none">• Selecting recycled content and regional materials wherever possible.• Targeting 75 percent of construction waste for recycling.• Removal and drying of many hardwood trees on-site for potential use within Building C. Other wood will be chipped for mulch to be reused for landscaping, and some will be donated to Warmth for Wake, a seasonal energy assistance outreach program.

Indirect Energy Consumption

SAS continued to make significant advances in 2008 in managing our indirect energy consumption — that is, energy supplied where SAS does not control the source of production, such as electricity from a utility provider. SAS completed installation of energy management systems in office buildings at company headquarters. Additionally, employee energy awareness campaigns and proactive facilities maintenance programs helped SAS headquarters decrease electricity usage by 6 percent for non-data center operations.

Global offices also realized significant reductions in electricity usage due to employee educational efforts and innovative solutions. The United Kingdom office posted signs and sent e-mails to remind employees to turn off lights and equipment. The Australian office realized a 10 percent electricity reduction from creative solutions such as installing sail shades on windows that directly face the sun and recalibrating the air-conditioning system to increase efficiencies. Our LEED-certified building in Toronto saves an estimated 6 million kilowatt hours annually over traditionally constructed office buildings.



Because SAS continues to grow as a company offering additional software, services and solutions, we have expanded data centers to meet demand. During 2006 and 2007, we built approximately 9,000 square feet of additional data center space and populated a significant portion of it in 2008. Our business model is evolving to provide more software-as-a-service (SaaS) options and increasing levels of support for customers. As a result, data center electricity consumption grew by 25 percent in 2008. While this increase is substantial, economies of scale are achieved by consolidating software operations for many businesses in one facility. This results in tremendous savings over conventional independently supported software operations.

Even though SAS data centers used 25 percent more energy in 2008, energy-saving initiatives kept the overall energy growth down to 4.2 percent from 2007.

SAS used approximately 67 million kilowatt hours of electricity in 2008. This supported 23 buildings at SAS' headquarters in Cary and 11 other owned facilities worldwide, totaling approximately 2.4 million square feet of office space.

Total Electricity Consumption			
Office	Kilowatt Hours	Gigajoules	Contribution
SAS Headquarters	55,652,476	200,349	84%
Global Offices	10,872,019	39,139	16%
Totals	66,524,495	239,488	100%

The chart below provides energy consumption from our headquarters for the past four 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				
	2008	2007	2006	2005
Kilowatt Hours (KWh)	55,652,476	53,408,077	50,877,744	49,562,737
Revenue (US\$B)	\$2.26	\$2.15	\$1.90	\$1.68
KWh Growth	4.2%	5.0%	2.7%	NA
EFFICIENCY: \$ earned per 1 KWh	41.33	40.26	37.34	33.90
EFFICIENCY: KWh consumed per \$1 earned	0.024	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.

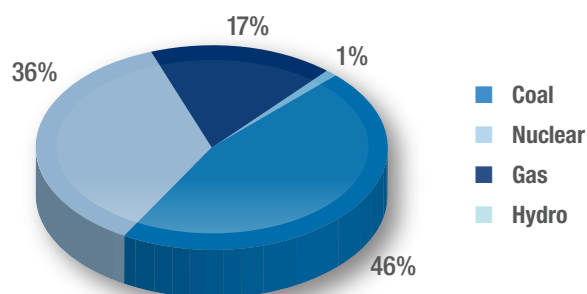
US Electricity Source Supply	Contribution
Combustible fuels*	65%
Nuclear	34%
Hydro	2%
Geothermal/wind/solar/other	0.2%

Source: Progress Energy, International Energy Agency (IEA)

*Coal, petroleum, natural gas, biomass

Eighty-four percent of our 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

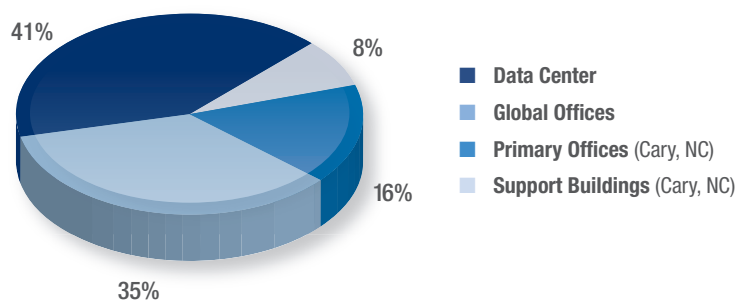


Source: Progress Energy, 2006

¹2006 Regulated Generation Mix in Megawatt Hours www.progress-energy.com/environment/report/crr.pdf

²International Energy Agency www.iea.org/Textbase/stats/surveys/mes.pdf

SAS Electricity Usage



Basis of Estimated 2008 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 offices globally.

Water Conservation

SAS realized considerable savings from water conservation efforts initiated in 2007 and continued in 2008. Efforts included raising employee awareness with articles on our internal Web site, guest speakers, employee fairs and conservation challenges. Operationally, SAS installed low-flow toilets, showerheads and faucet aerators in all buildings at company headquarters.

These efforts resulted in savings of 6 percent, or 7,209 cubic meters less municipal water used for campus buildings from 2007 to 2008. Given SAS' historical annual trend of a 3 percent increase in water use, the adjusted savings impact of our water conservation efforts is closer to 9 percent or almost 11,000 cubic meters saved.

SAS headquarters has 15 wells used primarily for landscape irrigation. These wells were not metered for the 2008 reporting period. 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. In late 2008, SAS installed meters on each of these wells to better quantify usage and the impacts of our conservation measures. Modified landscape irrigation scheduling in 2008 greatly reduced our annual demand for water without affecting the health of our planted materials. Prudent use of well water resulted in an estimated savings of more than 35,000 cubic meters, a 39 percent reduction from 2007.

Headquarters also increased use of reclaimed water to almost 150 cubic meters in 2008 for landscape irrigation. Using reclaimed water saves energy because it does not have to be treated by public utilities for potable uses.

Global offices also realized significant reductions in water usage through employee educational campaigns and innovative water conservation solutions. Our United Kingdom office uses sewage-grade water for landscape irrigation and lavatory flushing. The Australia office realized a 30 percent reduction from the installation of dual-flush cisterns, waterless urinals and faucet aerators. They also perform regular maintenance and monitoring of consumption patterns. The Netherlands office uses captured rainwater to irrigate gardens.

At the SAS-owned LEED certified building in Toronto, we have applied LEED principles for water efficiency, including a storm water management and rainwater recovery system. The rainwater harvesting system reuses rainwater 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 rainwater recovery system has significantly reduced demand for city potable water. It also relieves stress on street sewer systems from rain runoff demands. With the average annual rainfall in Toronto over our 13,000-square-foot roof, SAS harvests nearly 1 million liters of total rain annually.

SAS' 400-acre headquarters in Cary used approximately 113,000 cubic meters of municipal water and 56,000 cubic meters of ground water in 2008. The primary needs were office cooling towers, cafés, gymnasium operations, landscape irrigation and employee consumption.

For our 11 other owned facilities worldwide, SAS used approximately 42,000 cubic meters of municipal water in 2008.

SAS Water Consumption (Cubic Meters)				
Source	2008	2007	Savings	%
Headquarters Municipal Water	113,237	120,446	7,209	6
Headquarters Ground Water	56,347	91,778	35,431	39
Headquarters Reclaimed Water*	151	108	NA	NA
Global Offices Municipal Water**	42,393	NA	NA	NA
Totals	212,128	212,332	42,640	

*Data gleaned from Town of Cary Reclaimed Water System: www.townofcary.org/depts/pwdept/reclaimhome.htm

**Includes US office in Austin.

Emissions, Effluents and Waste

As a global 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.

SAS is 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.

In 2008, SAS used five acres of open farmland to build a one-megawatt capacity solar farm. Measures were taken at every step in the process to ensure the solar array was constructed in an environmentally responsible manner. Other than small pads for inverters, transformers and combiner boxes, SAS did not use concrete in its construction. A system of support bracketing and driven steel piers were used in lieu of concrete foundations. Additionally, no trees were cleared to develop the farm and provide sun exposure.

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.



Green Global Snapshots

While this report has covered various sustainable aspects of SAS offices outside of the US, here are specific examples of several global office efforts – ranging from formalizing environmental procedures to encouraging staff to turn off the light when leaving the room.

SAS Canada

SAS Canada's Toronto-based office building is the first LEED-certified new commercial office building in the city. With rain water harvesting and energy conservation measures resulting in savings of over 6 million kWh of energy per year (equivalent to 4,000 tons of avoided CO₂ emissions), the SAS building has served as an example to many new buildings in Toronto with similar sustainability features.

Further, SAS Canada staff contributes time and effort to sustainability causes in their local communities through activities such as cleaning up parks and streets and fundraising for environmental organizations. Employees conduct outreach to local companies to engage them on community events, raising sustainability awareness.

SAS United Kingdom

SAS United Kingdom (UK) integrates environmental strategy into its core operations – and reduces waste and pollution through, for example, energy awareness campaigns and extensive recycling programs. The office adheres to best practices by working with organizations like the Carbon Trust, the Chartered Institution of Building Services Engineers (CIBSE), and Envirowise, as well as suppliers and consultants.

SAS UK is developing an Environmental Management System (EMS) that will set formal procedures to achieve environmental goals. In this way, SAS UK seeks ISO 14001 certification, an international specification of an EMS.

SAS Australia

Sustainability programs at SAS Australia in 2008 contributed to a reduction of 10 percent reduction of electricity usage. In addition to recalibrating the air conditioning system, the office reduced energy consumption through installing:

- Sail shades on windows with direct sunlight.
- Sensor lights in meeting rooms.
- Low-wattage halogen and fluorescent lights.

-
- Timers on all photocopiers and printers.
 - Video-conferencing capabilities in each office to minimize travel between offices.

Additionally, SAS Australia water usage programs have contributed to a reduction of 30 percent of water usage at the facility. The office installed dual flush cisterns, waterless urinals, and shower and kitchen aerators.

SAS France

SAS France implements sustainability through a myriad of energy-saving methods including purchasing more hybrid company vehicles, using low energy-consuming light bulbs, and installing automated on/off lighting features. The office also recycles paper, batteries, plastic bottles and food while using recycled paper in printers.

SAS France initiated a Corporate Social Responsibility Council comprising volunteers across the office to develop environmental programs like car pooling, printing best practices and an internal contest on CSR, encouraging sustainability in a team environment.

SAS Germany

The SAS Germany office uses an “under-floor cooling/heating” system whereby warm air in the summer is collected by a heat pump and used for heat in the winter. Conversely, cool air in the winter is collected to cool the building in the summer. SAS Germany employs low energy lighting and water-saving taps for environmental savings as well.

SAS India

SAS India installed an air conditioning system that is controlled in zones and set to a default temperature to conserve electricity. More than 50 percent of SAS India staff enjoy subsidized transportation to commute to and from the office, decreasing the number of private cars emitting pollution on the road.

Employees turn off lights and computers during lunch and the SAS store now has “green” bags to discourage the use of plastic bags.

SAS Japan

Many office supplies – including furniture – at SAS Japan are made from recycled materials. The office saves energy by printing documents in black and white rather than color.

SAS Malaysia

SAS Malaysia keeps track of each employee’s printouts to ensure there are no unnecessary print jobs, limiting paper waste. In addition to transitioning to energy-saving light bulbs, the office encourages staff to turn off unused lights by placing stickers on each main light switch.

SAS Netherlands

SAS Netherlands uses low-wattage light bulbs and recycles glass, paper and print toners. The office has the same “under-floor cooling/heating” system as SAS Germany and uses ground water to irrigate the site rather than tap water.

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:

As a signatory to the American College and University Presidents Climate Commitment, the University of North Carolina at Chapel Hill uses JMP® statistical discovery software from SAS to assess the university's carbon footprint. Then, focusing on building energy efficiency, the greenhouse gas emissions manager is able to pinpoint recommendations for improvement that save the university money, electricity and emissions – all part of the goal to become climate neutral.

www.jmp.com/software/success/unc_energy.shtml

With SAS Business Intelligence solutions, Poste Italiane Group analyzes energy efficiency in at least 250 facilities, including those with the highest energy consumption — such as data processing centers, executive centers and the largest branches. Future developments involve correcting operation and maintenance behaviors for the systems and indirectly for the buildings. Early successes include a 1 percent decrease in consumption per year and a total 7 percent reduction in CO₂ emissions.

www.sas.com/success/poste.html

A pilot project in 2008 with Cisco Systems demonstrated the ability to establish and populate a data model that captures Scope 1 and Scope 2 emissions, as well as analysis variables (sq. meters, headcount), apply industry-accepted greenhouse gas accounting methodologies to evaluate carbon footprint, and report requested results to a leadership council for better insight into financial commitments toward sustainability strategies.

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

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

WildTrack biologists Sky Alibhai and Zoe Jewell contend that censuring and monitoring endangered species is fundamental to wildlife conservation. That's why they use JMP to monitor 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. WildTrack's low-cost, non-invasive monitoring program combines the ancient art of footprint identification with statistical software from SAS and algorithms for a growing number of species. www.wildtrack.org

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: anti-corruption, trade and privacy law compliance; respect in the workplace; supplier diversity and public policy.

Anti-Corruption, Trade and Privacy Law Compliance

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. Online training is provided worldwide to all employees, and targeted training is provided in person to particular groups on specific issues such as gift laws relating to government officials or export laws on encryption software exports. SAS also has an ethical issues reporting system complete with:

- A phone hotline.
- E-mail reporting system.
- Anonymous reporting system.
- Non-retaliation policy to protect whistleblowers.

In addition, employees have access to an internal Compliance Web portal that provides guidance on compliance issues.

SAS has developed a lobbying, gift, and campaign contribution law compliance system with proper reporting and record-keeping practices. We also have a review process for local law issues in instances where SAS works with government entities.

SAS maintains an export management system with:

- Product licensing and screening processes.
- Customer and supplier screening practices and systems.

SAS has obtained an employee data safe harbor to safeguard the movement of employee data into and out of its US headquarters, and adheres to applicable privacy and information security requirements in all its business.

SAS Online Training Summary		
Course	Scope	Percentage Completed
Code of Business Ethics	Worldwide	86%
Foreign Corrupt Practices Act	Non-US staff	75%
Information Security	Worldwide staff	82%
Respect in the Workplace	US staff only	88%
Export Controls Awareness	Worldwide	88%
SAS Business Ethics in Selling, Buying and Competing	Launched Worldwide 3-4-09	29%
Sexual Harrassment	California Employees	55%

Online Training Course Summaries

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.

SAS Business Ethics in Selling, Buying and Competing

This training helps our employees follow our company's ethics policies and make sound decisions regarding gifts received or given or competitive confidential information belonging to SAS, SAS customers, suppliers, and partners, or former employers. The course also reinforces ways to conduct sales interactions that are consistent with SAS' ethics policies and how to seek assistance from appropriate resources within SAS when uncertain about questions of ethics.

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.

Export Controls Awareness

Export Control training covers the government regulations controlling exports, special restrictions, the export licensing process, and the role of the Export Control Coordinator. The training includes a series of video-based situations that challenge learners to analyze the export control implications.

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.

Respect in the Workplace

Respect in the Workplace training provides information essential for maintaining a pleasant and productive working environment. The training complements policies and procedures to ensure compliance with the SAS Code of Ethics and applicable laws in this regard. 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.

Sexual Harassment

“Promoting Appropriate Behavior,” a sexual harassment training administered in California, outlines the destructive impact of harassment in the workplace and details behavior conducive to a harassment-free work environment in compliance with federal laws including Title VII of the Civil Rights Act of 1964, California’s AB1825 and California’s Fair Employment and Housing Act (FEHA). Employees view interactive video-based situations that involve harassment in various work settings.

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 Center of North Carolina (WBC-NC). We also participate in local chapter events and are committed to the community in numerous areas such as education and literacy.

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 business analytics propelled SAS to its 33rd straight year of revenue growth. 2008 revenue totaled US\$2.26 billion, up 5.1 percent over 2007 results.

SAS added 2,600 new customers and saw the strongest growth in analytics, data mining and solutions that help organizations keep current customers and win new ones, manage risk and optimize processes.

Organizations Partner with SAS to Manage Top and Bottom Line

Driven by the challenging economic climate, customers turned to SAS' market-leading business analytics to derive money-saving and money-making insights from ever-growing volumes of data. Risk management solutions were up 28 percent, and optimization software sales increased 18 percent. In addition, SAS saw strong sales growth in multiple industries, led by energy and utilities with a 27 percent increase, and capital markets, which jumped 15 percent. Total revenue from analytics and data mining rose more than 15 percent.

Other highlights:

- Double-digit increases were achieved in data integration solutions in life sciences and government.
- Revenue for analytics products exceeded 20 percent growth in the healthcare and education industries.
- Double-digit growth was achieved in business intelligence applications in government, retail and life sciences.
- More than 50 percent growth was achieved in customer intelligence solutions in insurance.

Global Success: Innovation Through Acquisition

As in previous years, SAS revenue growth remained globally balanced, contributing to the company's stability. The Americas accounted for 43 percent of total revenue; Europe, Middle East and Africa (EMEA) 45 percent; and Asia Pacific 12 percent.

Of note are high growth rates in emerging markets – 25 percent in Latin America, 20 percent in India and more than 15 percent in major eastern European countries

On the innovation front, SAS successfully integrated the employees and technologies of two companies in 2008:

- Teragram, a 40-person firm headquartered in Cambridge, MA, expands SAS' analytical portfolio with natural language processing and advanced linguistic technology.
- IDEaS Revenue Optimization, a 200-person Minneapolis firm, complements SAS' advanced analytics, business intelligence and industry-specific solutions with revenue-management capabilities specifically for the travel and hospitality industries.

Effective Partnering Yields Results

SAS' growing network of alliance and channel partners played an integral role in 28 percent of sales and almost half of the top 50 global deals. Of note are strategic initiatives including partnerships with leading systems integrators, continued efforts with Teradata Corp., and a continued focus on third-party channels.

Partnerships with systems integrators Accenture, Capgemini, Tata Consultancy Services, Wipro Technologies and others offer customers the resources and expertise to leverage SAS® Business Analytics throughout the enterprise. SAS is continuing its in-database analytic efforts with Teradata via the SAS and Teradata Advantage Program launched in 2008.

Global Reporting Initiative Index

(NR = not relevant)

Indicator	Description	Reference
Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization	From the CEO, p. 5
Organizational Profile		
2.1	Name of organization	Company Overview, p. 7
2.2	Primary brands, products and/or services	Products and Services, p. 8
2.3	Operational structure	Governance Structure, p. 15
2.4	Location of headquarters	Offices and Facilities, p. 11
2.5	Number of countries where organization operates	Offices and Facilities, p. 11
2.6	Nature of ownership and legal form	Legal Form, p. 10
2.7	Markets served	Markets, p. 10 Key SAS® Business Solutions, p. 9
2.8	Scale of organization	Company Overview, p. 7
2.9	Significant changes during reporting period	Company Overview, p. 7
2.10	Awards received during reporting period	Key Achievements in 2008, p. 12 Corporate Culture and Work/Life Awards, p. 12 Product and Technology Awards and Rankings, p. 13
Report Parameters		
Report Profile		
3.1	Reporting period	About this Report, p. 6
3.2	Date of most recent previous report	About this Report, p. 6
3.3	Reporting cycle	About this Report, p. 6
3.4	Contact person	About this Report, p. 6
Report Scope and Boundary		
3.5	Process for defining content	About this Report, p. 6
3.6	Boundary of the report	About this Report, p. 6
3.7	Limitations on scope or boundary	About this Report, p. 6
3.8	Basis for reporting on entities that can significantly affect comparability	About this Report, p. 6

3.9	Data measurement techniques and bases of calculations	About this Report, p. 6
3.10	Re-statements of information provided in earlier reports	NR
3.11	Significant changes from previous reporting periods	About this Report, p. 6

GRI Content Index

3.12	Standard disclosure tables	GRI Index, p. 56
------	----------------------------	------------------

Governance, Commitments and Engagement

Governance

4.1	Governance structure	Governance Structure, p. 15
4.2	Executive officer	Governance Structure, p. 15
4.3	Unitary board structure	Governance Structure, p. 15
4.4	Mechanisms for employees to provide recommendations to the governance body	Stakeholder Organizations, p. 15

Engagement

4.14	Stakeholder groups	Stakeholder Organizations, p. 15
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Organizations, p. 15

Environmental Performance Indicators

Energy

EN4	Indirect energy consumption by primary source	Indirect Energy Consumption, p. 41
-----	---	------------------------------------

Water

EN8	Total water withdrawal by source	Water Conservation, p. 44
-----	----------------------------------	---------------------------

Emissions, Effluents and Waste

EN23	Total number and volume of significant spills	Emissions, Effluents and Waste, p. 45
------	---	---------------------------------------

Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Compliance, p. 45
------	--	-------------------

Labor Practices and Decent Work Performance Indicators

Employment

LA1	Total work force by employee type, employment contract and region	Employment Practices, p. 34
LA2	Total number and rate of employee turnover by age group, gender and region	Employment Practices, p. 34
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Employment Practices, p. 34

Occupational Health and Safety

LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	Occupational Health and Safety, p. 37
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	Occupational Health and Safety, p. 37

Society Performance Indicators

Corruption

SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Anti-Corruption, Trade, and Privacy Law, p. 50
-----	---	--

Public Policy

SO5	Public policy positions and participation in public policy development and lobbying	Public Policy, p. 53
-----	---	----------------------

Economic Performance Indicators

Economic Performance

EC1	Direct economic value generated and distributed	SAS and the Economy, p. 54
EC3	Coverage of the organization's defined benefit plan obligations	Employee Retirement, p. 31



SAS Institute Inc. World Headquarters +1 919 677 8000 To contact your local SAS office, please visit: **www.sas.com/offices**

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. ® indicates USA registration.
Other brand and product names are trademarks of their respective companies. Copyright © 2009, SAS Institute Inc. All rights reserved. 103969_542391_0709