2009 SAS Corporate Social Responsibility report
An enduring commitment to employees, environment and communities

Overview

This Corporate Social Responsibility Report reflects the core values and achievements of how SAS does business as an employer, a software provider and a corporate citizen. The guiding principles that launched the company in 1976 are still the foundation of the enterprise.

The company strives to be *approachable*, so customers recognize SAS as a reliable partner and not just a vendor. It is about being *customer-driven*, engaging with customers to find out what they want and helping to solve their problems. It requires *swiftness and agility*, to adapt to changing technology and global conditions. It relies on the kind of *innovation* that grows in a workplace culture where employees feel valued, vested and inspired to excellence. And it demands that SAS be *trustworthy*, an ethical business partner that customers can count on for their critical decision-making processes.

Overarching these guiding principles is the commitment to sustainability to drive operational efficiency, spawn innovation, and satisfy the expectations of customers, employees and society. This commitment and understanding are driven from the top. Through the SAS Executive Sustainability Council, top executives ensure that sustainability goals and priorities permeate every aspect of the company's operations. Externally, SAS senior management is represented on the boards of leading conservation organizations, such as The Nature Conservancy, and provides influence on the global stage through such organizations as the World Economic Forum, World Resources Institute and the Environmental Defense Fund.

Responding to the growing need for companies to measure their performance, SAS introduced SAS® for Sustainability Management software in 2008 to enable organizations of any size or industry to measure, manage and report on sustainability indicators. This groundbreaking solution led to Jim Goodnight, SAS CEO, being named among the "100 Most Influential People in Business Ethics" in 2008 by Ethisphere.com.

This 2009 Corporate Social Responsibility Report, the third published by the company, highlights SAS' commitment to, and leadership on, sustainability across all business units – in terms of governance and management, employees, community engagement and the environment.

From the CEO

Since SAS began in 1976, corporate social responsibility has been fundamental to the company's mission. In fact, the company was founded to extend the benefits of academic discovery to the world – to help drive better decisions and performance in health care, government, business and industry.

At SAS, corporate social responsibility is more than being "green" or being a good neighbor and employer. It is about corporate conscience in the larger sense, performance on the world stage, and creating a culture that truly values – and provides enduring value *to* – customers, employees and communities.

Granted, SAS is in a unique position to carry out this mission. Although 2009 was a tough year for many, the economic downturn only accentuated the need to do more with less – and stimulated demand for the kind of analytics-driven business intelligence that SAS delivers. We fared well.

While other companies were forced to let go of talent to cut costs, SAS actually added staff in high-priority areas and emerging markets. While average turnover rate in the software industry was 22 percent, at SAS it fell to 2 percent in 2009. (Forty percent of SAS employees have been with the company 10 years or more.) Privately held SAS achieved record global revenue of U.S.$2.31 billion, up 2.2 percent from 2008 – and reinvested 23 percent of it into R&D.

This strong financial position made it possible for SAS to make significant investments in employees, education and the environment – in initiatives that are already showing positive returns. For instance, in 2009, SAS:

- Continued offering its extraordinary range of employee benefits, including free on-site health care, which save an estimated $105 million annually.

- Generated 1.7 million kWh of sustainable energy – enough to power 150 average-sized North Carolina homes – from a five-acre solar farm, returning the energy to the local utility grid.

- Developed additional solar installations, including a major expansion of the solar farm to ultimately generate 3.7 million kilowatt-hours annually – enough to reduce CO_2 emissions from conventionally produced electricity by more than 3,500 tons a year.

- Continued construction of a 280,000 square foot Executive Briefing Center and 38,000 square-foot cloud computing center designed to high-level LEED standards.

- Saved more than 19 *million* gallons of water through wise landscaping practices, low-flow water fixtures and employee awareness.

- Continued offering its extraordinary r

This 2009 Corporate Social Responsibility Report presents many of the ways SAS puts action to its social ideals – and how these initiatives themselves are proving to be self-sustaining for the long term.

Sincerely,

Jim Goodnight
Chief Executive Officer, SAS

About this Report

The 2009 *SAS Corporate Social Responsibility Report* was developed using the Global Reporting Initiative (GRI) sustainability reporting guidelines and is based on the calendar year. The report is self-declared at application level C – and subsequently qualified by the GRI at application level C.

Just as with our 2008 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 2009 reporting period, the team used SAS for Sustainability Management to provide the facts and figures regarding our environmental footprint. This software solution has been adopted by SAS Corporate Services for environmental data management of SAS 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 full printed report, only a short synopsis. The report is available to all external stakeholder groups, including partners, analysts, customers and media via this dedicated section on the SAS external web site.

The 2009 SAS Corporate Social Responsibility Report includes information for SAS Institute Inc., the US-based parent company for SAS, as well as its global divisions, affiliates, and wholly owned subsidiaries. These business units include, among others, DataFlux, JMP, Teragram and IDeaS.

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

2009 Highlights

Summary of strategic initiatives

SAS has grouped the contents of this report into five key categories. **1**. Governance & Management **2.** Education **3**. Community Engagement **4.** Employees **5.** Environment

Governance and management

Initiative	2009 goals	Highlights for 2009	2010 initiatives
CSR governance	Strengthen governance processes and oversight for corporate social responsibility.	Established a Corporate Social Responsibility Task Force and Executive Sustainability Council to provide guidance and oversight. Published the 2008 CSR report.	Establish a formal CSR mission statement and policy. Continue to refine and augment the CSR governance structure.
Stakeholder engagement	Actively engage stakeholders in the industry and global community to help define CSR priorities and initiatives.	Contributed to ongoing development of an open, distributed environmental intelligence system. Participated in COP 15, the UN global climate change summit. Used a new Open Space initiative to engage employees in CSR priorities, timelines and goals.	Analyze internal survey results to improve stakeholder engagement processes and information dissemination. Continue to proactively engage stakeholders in establishing CSR initiatives and influencing global standards and public policy.
Products, services and markets	Sustain market leadership in business analytics.	Reinvested 23 percent of revenue in R&D. Solicited user input on software development via formal feedback mechanisms and ongoing relationships. Recognized as a market leader ("upper right quadrant") by Gartner Research. Achieved a 94 percent customer satisfaction rating and 98 percent software license renewal rate.	Continue high levels of R&D reinvestment to deliver products that meet customers' expectations. Focus software development efforts on high-priority areas for economic recovery.
Corporate performance and value	Sustain profitability and growth to ensure stability of operations for all stakeholders.	Achieved global revenue of U.S. $2.31 billion, up 2.2 percent from 2008 – continuous profitability since the company was founded in 1976. Expanded software sales in 100 of 120 countries of operation Achieved double-digit growth in developing markets.	Continue the strong governance, product/service excellence and private ownership that has brought 34 years of success.
Compliance	Maintain compliance with U.S. and international labor standards.	Experienced no incidences of noncompliance with environmental, anti-corruption, trade or privacy laws. CEO Jim Goodnight named as one of the 100 Most Influential People in Business Ethics by Ethisphere.com.	Continue compliance and ethics programs.

	Ensure that employees understand the SAS Code of Ethics and laws applicable to SAS' business.	Provided eight online ethics courses to employees. Implemented employee and supervisor reminder system to continue to improve course completion rates.	Continue to expand the reach and scope of ethics and compliance training.
Procurement	Ensure fair and balanced sourcing with appropriate levels of supplier diversity.	Increased senior executives' awareness about supplier diversity. Added three new diverse SAS Alliance members. Surpassed the 5 percent contracting goal for minority and women-owned enterprises for a major construction project.	Continue to improve processes for measuring and reporting on the supplier diversity program and initiatives.
	Consider corporate social responsibility goals when making procurement decisions.	Identified opportunities to incorporate vendors' corporate social responsibility into procurement decisions globally.	Assess the decision criteria and supplier performance to refine strategic sourcing models.

Education

Initiative	2009 goals	Highlights for 2009	2010 initiatives
Support for K-12 education	Provide 21st century technology and instructional materials to prepare students for higher education.	Continued support for the SAS-founded Cary Academy, the North Carolina 1:1 Learning Collaborative, Redesigned Schools 2.0 and SAS Algebra Readiness Initiative. Expanded the number of schools using SAS® Curriculum Pathways® 228 percent, from 1,732 to 5,658 schools. Donated $475,000 worth of laptops to high schools; $2,243,000 in cash donations, $3 million in in-kind donations and $194,000 in surplus equipment. Provided discounted, hosted software solutions to analyze student performance and school district administration.	Continue support for programs to integrate technology and more engaging curriculum materials into the K-12 classroom. Expand SAS Curriculum Pathways offerings to middle schools. Engage employees in campaign to increase teacher licenses of SAS Curriculum Pathways at no cost to educators. Goal: 2,010 teachers contacted in 2010.
Support for higher education	Provide technology-based teaching materials to prepare college and university students for technology careers. Provide technology to improve administration and student enrollment and retention.	Provided instructional materials, software, hosted applications and guest lecturers at no cost to universities and community colleges in North Carolina and elsewhere. Continued support of the Institute for Advanced Analytics at North Carolina State University. Sponsored 10 scholarships at three Research Triangle Park area universities to support top students in computer science and statistics. Developed sustainability solution for higher education.	Continue support for programs that provide SAS software, databases and educators for mathematics, computer science and statistics students at the college, university and graduate school levels. Continue support for full and partial scholarships and summer employment opportunities for talented university students.

Initiative	2009 goals	Highlights for 2009	2010 initiatives
Employee volunteerism	Encourage employees to contribute to meaningful education activities.	Provided incentive and awareness programs that encouraged employees to volunteer 14,900 hours of their time, largely focused on education programs. Matched employee donations made through DonorsChoose.org. Provided cash contributions to education-based nonprofit organizations where employees volunteered their time.	Continue the successful Employee Volunteer Fund that coordinates employee volunteer efforts and SAS charitable contributions to education. Continue an active program of donations to educational causes. Partner with outside organization called

			EarthShare to provide employees with volunteerism opportunities for environmental causes.

Employees

Initiative	2009 goals	Highlights for 2009	2010 initiatives
Talent Acquisition	Attract the right resources to meet our business goals.	In spite of the recession, hired 264 employees, receiving an average of 100 résumés per open position.	Continue proactive recruitment in strategic areas to ensure a highly qualified pipeline of candidates.
Learning and development	Develop talent to meet demands now and in the future.	Provided training, recognition, skills development and a broad array of traditional and innovative work-life benefits to a work-force of 11,055 worldwide, 5,566 in the United States.	Continue the leadership development, skills development and advancement opportunities that ensure a deep talent pool.
Organization effectiveness	Increase employee and overall company performance.	Implemented an online employee performance management system. Continued performance management and organizational development efforts.	Continue to build a performance management culture to enhance company and employee performance.
Employee Engagement	Retain key talent.	Continued providing growth opportunities and programs that keep employees fully engaged. Achieved a turnover rate of only 2 percent, compared to the software industry average of 22 percent.	Continue to put employees first by investing in both their future as well as the company's through innovation in R&D, training, and recognition programs.
SAS brand management	Grow the SAS employment brand globally.	Achieved No. 1 ranking on FORTUNE 100 Best Companies to Work For in US list. Received top 10 "Great Place to Work" and five "Best Employer" rankings for SAS offices in 15 countries.	Continue to recognize employees as the greatest asset in an intellectual property enterprise, and treat them accordingly.

Environment

Initiative	2009 goals	Highlights for 2009	2010 initiatives
Products and packaging	Minimize the negative environmental impacts of product packaging and delivery.	Achieved a 58 percent reduction in delivery of CDs and reduced packaging size by more than 50 percent by increasing customer awareness of electronic software delivery options. Worked to source more environmentally friendly package materials.	Continue to evaluate options for minimizing software delivery packaging. Continue to explore options for more environmentally friendly packaging, such as materials with higher recycled content. Expand baseline review of packaging strategies to global offices and third-party suppliers.
Energy efficiency	Improve energy efficiencies in data centers worldwide.	Investigated the most energy-efficient servers, power components, and cooling strategies to maximize energy efficiency for the new, 38,000-square-foot cloud computing facility under construction.	Continue monitoring power consumption and cooling demands at all levels of the data center to optimize both for performance and energy efficiency.
Emissions reduction	Measure, understand and reduce greenhouse gas (GHG) emissions.	Used SAS for Sustainability Management to expand the US carbon model to determine Scope 1 and Scope 2 GHG emissions for global operations.	Develop companywide management plan and establish global targets for Scope 1 and Scope 2 GHG emissions. Develop baseline for Scope 3 GHG emissions for SAS operations.
Renewable energy	Pursue opportunities for expanding use of renewable energy.	Activated a 1-megawatt capacity solar array and two solar thermal systems at campus headquarters (December 2008) that delivered 1.7 million equivalent kilowatt-hours of renewable energy in 2009. Replaced two elevators at campus headquarters with regenerative drive systems. Regenerative systems turn the motor backward during descent, routing power back into the building.	Install an additional 1.2 megawatts of solar photovoltaic capacity to the existing solar farm. Install at least one solar photovoltaic system on an office building rooftop.
Water conservation	Reduce water consumption for plumbing and café use in SAS-owned buildings.	Measured the impact of low-flow toilets, showerheads and faucet aerators. Installed water-saving devices, such as low-flow toilets, showerheads and faucet aerators which resulted in more than 5 million gallons of annual water savings.	Implement a Strategic Campus Plan directive for retrofitting additional bathrooms with low-flow plumbing.
	Reduce use of municipal and well water for landscape irrigation.	Planted native and drought-resistant plants that need less irrigation and reduced irrigation schedules – saving more than 14 million gallons of water annually. Successfully negotiated with local water utility for direct connection to reclaimed water line in 2010.	Install plumbing infrastructure to connect water utility's reclaimed water line to at least one building in 2010.

		Used captured rainwater for plumbing and irrigation at SAS offices in Canada and the Netherlands.	Implement a rainwater capture system for one office building at SAS world headquarters.
	Reduce water consumption globally.	Developed a baseline for global water usage and established targets for additional savings in SAS-owned offices worldwide.	Implement water-conservation strategies and best practices as appropriate.
Waste management	Reduce employee waste at company headquarters.	Began establishing a waste management baseline for SAS headquarters (completion awaiting data from suppliers). Launched Eco Advocate Volunteer Program to coordinate volunteer employee grassroots initiatives with corporate environmental support and sponsorship.	Continue working to establish a waste management baseline. Set reduction targets and report on performance for SAS headquarters. Expand the Eco Advocate program to incorporate a sponsored volunteer philanthropy program.
	Reduce waste and emissions at SAS-hosted events.	Encouraged employees, customers and suppliers to minimize use of printed materials, recycle materials at events, support meetings electronically, assess the necessity of physical attendance before booking travel, and carpool whenever feasible.	Continue grassroots efforts to minimize the environmental impact of SAS-sponsored events, such as the SAS Global Forum user conference.
Green buildings	Reduce the environmental impact of new buildings.	Continued construction of a 280,000-square-foot Executive Briefing Center and 38,000 cloud computing facility, both designed to high-level LEED standards. Incorporated LEED principals in the *2008-2009 Strategic Campus Plan for Global Headquarters*.	Continue to apply LEED best practices on construction of Executive Briefing Center and cloud computing facility in 2010. Achieve LEED certification for the two new SAS buildings, under construction, by 2011. Review the Strategic Campus Plan annually and continue to incorporate LEED principals to operational procedures.
	Reduce the environmental impact of existing buildings.	Expanded implementation of LEED best practices for maintenance of existing SAS buildings – expanded consideration for innovative technologies.	Baseline at least one existing building for consideration of LEED certification. Continue retrofitting older buildings to incorporate LEED best practices.
Procurement	Reduce the environmental impact of purchasing decisions.	Continued efforts to source products with low environmental impact. In construction of the new campus buildings, selected recycled content and regional materials wherever possible, and required a minimum of 30 percent recycled content in building materials.	Determine baseline for eco-friendly procurement practices and develop protocol for measuring impacts of initiatives. Establish corporate environmental policy for all procurement departments. Incorporate eco-friendly office and operational supplies into purchasing practices

			worldwide.
Awareness and education	Create company-wide awareness of environmental issues among employees and customers.	Engaged in a year-long campaign of education and communication through speaking engagements, visits to the SAS solar farm, company-wide event for Earth Day 2009, featured articles posted on internal green website, published white papers, webcasts and more.	Continue to expand education and awareness activities that prove effective in helping to achieve environmental goals, including week-long celebration of Earth Day at SAS offices worldwide.

"In 2010, we'll be ready to help our customers who are coming out of the downturn and ready to focus on their core business needs. We're not reshuffling or rebuilding. SAS employees are right here, where they were this time last year, and ready to give our customers what they need."

-Jim Davis, SAS Senior Vice President and Chief Marketing Officer

Highlights – Global SAS-owned offices

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

Fourteen global locations, comprising 64 buildings, are housed in SAS-owned facilities, so there is limited opportunity to control such factors as electricity sourcing, HVAC efficiency and building management practices. Some areas have no municipal recycling options. Others have unusual climate or public service constraints. However, SAS global offices each engage in corporate social responsibility activities to varying degrees, to the extent feasible. The list below shows some examples of 2009 initiatives. In 2010, we intend to expand the boundaries of our reporting and include more countries' initiatives.

"To date, only a few developed nations have recognized the role of the IT sector as a critical solution provider to mitigate and adapt to climate change. This will change. Climate change is a global problem, and this is a global sector with global and pervasive solutions."

Mikael Hagström, Executive Vice President of SAS Europe, Middle East, Africa and Asia Pacific

SAS Australia and New Zealand
- Reduced electricity consumption by 18 percent at Sydney headquarters, equivalent to removing 50 typical mid-size cars from the road.

- Purchased green energy equivalent to taking another 27 cars off the road.

- Increased use of videoconferencing to help reduce travel by 27 percent in Australia and 19 percent in New Zealand.

- Reduced water use by 15 percent compared to 2008 (following a 32 percent reduction from 2007 to 2008).

- Reduced sewage use by 15 percent from 2008 (following a 36 percent decrease from 2007).

- Initiated a server virtualization project to replace 35 physical machines with four virtualized machines for dramatically reduced footprint and energy consumption.

- Donated a large amount of decommissioned IT equipment to the non-profit organization, Technical Aid for the Disabled.

- Established "Team SAS," a cadre of employees who volunteer their time to work on projects that make SAS a better place for all employees.

- Continued the Healthy Lifestyle Program, which promotes health screening, wellness, fitness and education.

- Donated more than 5 percent of net profit to non-profit organizations, such as the Special Olympics, Victorian Bushfire Appeal, The Humour Foundation (aka Clown Doctors) and Westmead Children's Hospital.

- Continued as one of two silver-level sponsors of the Special Olympics in Australia, a non-profit organization that provides year-round sports training and competition for disabled individuals.

- Provided free software and discounted consulting to the Victorian Police to deploy advanced analytics to accurately identify "unaccounted persons" as a consequence of the February 2009 brush fires that that killed 173 people, injured another 414, and destroyed more than 5,000 homes and buildings.

- Implemented a SAS matching contribution for relief efforts after significant tragedies, such as the February 2009 Victorian bushfires.

- Supported employee volunteerism with paid time off to participate in such programs as a pond restoration project for Greening Australia, fundraising for the New Zealand Ambulance Service and a monetary donation to the Red Cross.

- Provided time off and a SAS-owned vehicle to enable teams of SAS employees to travel to the Red Cross to donate blood.

SAS Belgium
- Established a long-term "Prime Foundation Partnership" with Vlerick Leuven-Gent Management School to fund a research position in business analytics.

- Continued partnership with Université Catholique de Louvain (Institut de Statistique), graduating more than 100 students in "Master in Statistics – data management and data mining" over the six years of partnership.

- Provided SAS training for 45 students from Université Catholique de Louvain (Institut de Statistique).

- Partnered with the university to organize three short courses in SAS software and modeling, with approximately 35 participants per session.

- Welcomed 20 students from De Nayer Hogeschool Mechelen and the University of Gent as part of a national Go2Work day.

- Mobilized a volunteer "Green Team" to increase green efforts in the workplace.

- Reduced electricity consumption 12 percent and gas heating 11 percent from use of efficient lighting, highly insulated glass and installation of thermal window shades.

- Greatly expanded materials collected for recycling.

- Named No. 2 on the Best Places to Work in Belgium list for companies with up to 500 employees by the Great Place to Work Institute.

SAS Canada
- In its fourth year in a LEED-certified headquarters building, cut annual CO_2 footprint by 4,060 tons compared to typical construction, equivalent to taking 615 cars off the road or planting more than 20,000 trees. Used 62 percent less energy per square meter than the typical Ontario office building. Used T5HO lighting that consumes 50 percent less energy and distributes 30 percent more light than typical overhead fixtures. Installed a fresh air system that uses warm exhaust air from the building to heat incoming fresh air in the cool months and remove humidity from incoming fresh air in the warm months.

- Named a runner-up for the 2009 Green Toronto Award in Energy Conservation.

- Earned a place on *Maclean's* magazine's list of "Canada's Greenest Employers".

- Harvested more than 1 million liters of rainwater for internal plumbing needs and landscaping.

- Operated a full recycling program that kept more than 85 percent of waste from the SAS building out of landfills.

- Committed $45,000 over three years to rejuvenate two parks in low-income areas.

SAS China
- Participated in the China Green Companies League, which commits to sustainable development and global citizenship responsibility on climate change.

- Ranked No. 1 in the "Best Employers in China 2009" list by Hewitt Associates.

- Named one of "China's Top Employers" by CRF in December of 2009, for the third time.

SAS Denmark
- Established a paper recycling effort and now separates all paper waste from other office waste.

- Instituted electronic transfer for payslips to reduce resource consumption for printing and delivery.

SAS France
- Launched the Les Eoliens program to coordinate charitable and community activities, such as recycling, toys for underprivileged children, blood donation and fundraising.

- Launched "Drive Your Talent Program" training program to share employees' personal and professional skills and integrate these talents with other team members.

- Developed a health program against AHIN1 flu pandemic as part of a continuity of business plan. Program includes hygiene measures and accommodations for telecommuting.

- Launched employee culture training at lunch times to build a robust and shared company culture. Training topics included "Discover SAS," corporate positioning and "using WebEx."

- Implemented energy-saving methods including purchasing 16 hybrid company vehicles, accounting for 10 percent of the fleet; 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.

- Initiated Corporate Social Responsibility Council, an employee volunteer group encouraging sustainability in a team environment. Developed programs including car pooling, printing best practices and an internal contest on CSR.

- Promoted a free eDemo of SAS for Sustainability Management solution to the public.

SAS Germany
- Ranked No. 13 in the "Best Employers in Germany 2010" list by Great Place to Work

- Established a trainee program in the consulting practice to provide employment and career development for new graduates with limited or first professional experience

- Continued environmental initiatives such as using recycled paper in printers and copiers, separating waste, installing a grease-removal tank at the sewage system of the staff canteen, and purchasing biodegradable cleaning supplies

- Using high efficiency lighting and building mechanical systems to reduced energy demand

- Awarded a SAS Student Fellowship Program scholarship that includes free software, free training and mentoring for the duration of a final thesis or dissertation

SAS Hong Kong
- Sponsored the "Innovative Data Mining Application Award" of The University of Hong Kong

- Donated a scholarship to the Department of Management Science of City University Hong Kong

SAS Hungary
- Supported MATFUND (Hungarian High School Mathematics and Physics Foundation) to help enable 1000 students to participate in the annual contest of the periodical *KoMaL*, the Mathematical and Physical Journal for Secondary Schools

SAS Ireland
- Contributed financial support and software to Trinity Access Programme (TAP), a successful program that encourages talented students from disadvantaged areas to pursue higher education

- Served as a founding board member of the Analytics Institute, an independent, not-for-profit organization that promotes analytics to help optimize policy decisions and strategy execution in the public sector and private industry

SAS Italy
- Established baseline for tracking environmental measures, such as use of recyclable materials, use of ecological gas for cooling, low-energy lighting, CO_2 emissions and waste/recycling

- Published Corporate Social Responsibility report (PDF) specific to SAS Italy activities only

SAS Korea
- Mobilized 20 employees through SAS Care, a volunteer group dedicated to charitable activities with a local orphanage

- Provided each employee with a reusable ceramic mug, thereby eliminating more than 5,000 paper cups a month

SAS Mexico
- Provided 12 scholarships to outstanding university students to gain SAS skills and expertise

- Sponsored a fund-raising drive to benefit Fundación San Judas Tadeo, a hospice foster home for children with chronic and/or terminal illnesses

- Ranked No. 32 on the Great Place to Work list by *Gestión Magazine*, making the list for the fourth year in a row

- Ranked No. 7 of 20 companies listed as Best Places to Work in IT and Telecommunications by the Great Place to Work Institute and *InfoWorld* magazine

- Named among 36 Best Places to Work for Women by the Great Place to Work Institute and published in *Mujer Ejecutiva* magazine

SAS Netherlands
- Mobilized an employee volunteer project to refurbish the Dutch Foodbank

- Used ground water for landscape irrigation

- Discontinued use of chemicals in landscaping maintenance

- Used only paper and printed material that has 100% FSC label

- Purchased coffee beans for the office that carry the UTZ label, assuring sustainable production and sourcing

- Discontinued Christmas cards and donated the amount normally spent on cards to charities chosen by SAS colleagues.

SAS Philippines
- Continued a SAS Boot Camp Training Program for the fourth year, to build SAS skills through free classroom and hands-on training, and endorsed 14 highly qualified new graduates for career opportunities

SAS Poland
- Donated PCs, educational materials, and training for schools, colleges and universities in Poland

- Donated used PCs for libraries and children's homes

- Distributed Christmas gifts for children from the Children's Home in Warsaw

SAS Portugal
- Planted a Mediterranean tree for every client or partner presentation at SAS Forum – 26 trees in all

- Designated No. 19 on the Best Places to Work in Portugal 2009 list by the Great Place to Work Institute

SAS Russia
- Provided software, data, courseware and instruction to the State University of Management, Moscow State University of Railway Engineering (Institute of Management and Information Technology, Institute of Economics and Finance), and Moscow Medical Academy (University Mathematics School)

SAS Singapore
- Sponsored three National Infocomm scholarships – SGD 30,000 (about US$21,000) for each full scholar and SGD 12,000 for each partial scholar, for the entire course of study

- Donated an IBM System p server (SGD $300,000), a comprehensive suite of business intelligence software and backend hardware (valued at SGD $360,000), to help the Singapore Management University (SMU) build up its research and teaching capabilities in business intelligence

- Committed S$180,000 in scholarships over three years for 12 undergraduate and 12 postgraduate students in information systems management (eight students per year)

- Provided a series of free training/education/talks/workshops to SMU, including one-day and multi-day events for students, industry professionals and government officials

- Moved into a new office building designed to meet Singapore's exclusive Building and Construction Authority (BCA) Green Mark Gold rating for sustainability in the built environment

SAS Slovakia
- Donated used computers and furniture to the Institute for Deaf People

- Eliminated the use of plastic bags for marketing events

SAS Spain
- Awarded a SAS course, valued at €2,000, as the Extraordinary Prize to a market research major of the Universidad de León

- Awarded a SAS course to the doctoral candidate at the Universidad Complutense de Madrid that presents the most brilliant PhD dissertation, as determined by the business administration and economics faculty

- Provided teaching support for summer courses at the Universidad Complutense de Madrid

SAS Sweden
- Supported Stockholms Stadsmission, a non-profit organization that provides education, care and social programs for children and youth, and for adults who are elderly, sick, lonely or marginalized

- Supported Hand in Hand , which eliminates poverty by creating jobs in microfinance, education, health, information and environment

SAS United Kingdom
- Commissioned a project for Manchester University Business School students to use SAS software to analyze university-wide data on carbon emissions and make recommendations to the university's administration

- Promoted employee morale by sponsoring social events, departmental team-building events, recognition programs, health screening and financial support for charity work

- Continued progress toward achieving accreditation for ISO14001, the international standard for environmental management, for the SAS office

- Achieved Bronze Accreditation – ITM ICARUS environmental accreditation – by measuring, targeting and creating a strategy to reduce CO_2 emissions related to staff travel

- Ran campaigns and established a Green Web Portal to promote awareness about environmental initiatives and enable employees share their ideas and suggestions

- Sourced eco-friendly decking and furniture for the Marlow office

- Launched suggestion tool on office Green Web Portal so employees can submit ideas for improving environmental stewardship for UK locations

- Continue to raise environmental awareness via ongoing stewardship campaigns

Global Reporting Initiative (GRI) Index

Indicator	Description	Reference
Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization	From the CEO
Organizational Profile		
2.1	Name of the organization	Legal Form
2.2	Primary brands, products and services	Products, Services and Markets
2.3	Operational structure	Governance Structure
2.4	Location of headquarters	Legal Form
2.5	Number of countries where organization operates	Legal Form
2.6	Nature of ownership and legal form	Legal Form
2.7	Markets served	Products, Services and Markets
2.8	Scale of organization	Corporate Performance and Value
2.9	Significant changes during reporting period	About This Report
2.10	Awards received during reporting period	Awards and Recognition in 2009
Report Parameters		
Report Profile		
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3.2	Date of most recent previous report	About This Report
3.3	Reporting cycle	About This Report
3.4	Contact person	About This Report
Report Scope and Boundary		
3.5	Process for defining content	About This Report

Indicator	Description	Reference
3.6	Boundary of the report	About This Report
3.7	Limitations on scope or boundary	About This Report
3.8	Basis for reporting on entities that can significantly affect comparability	About This Report
3.9	Data measurement techniques and bases of calculations	About This Report
3.10	Re-statements of information provided in earlier reports	Not relevant
3.11	Significant changes from previous reporting periods	About This Report
GRI Content Index		
3.12	Standard disclosure tables	GRI Index
Governance, Commitments and Engagement		
Governance		
4.1	Governance structure	Governance Structure
4.2	Executive officer	Governance Structure
4.3	Unitary board structure	Governance Structure
4.4	Mechanisms for employees to provide recommendations to the governance body	Governance Structure
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Governance Structure
Engagement		
4.14	Stakeholder groups	Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement
Economic Performance Indicators		
Economic Performance		
EC1	Direct economic value generated and distributed	Financial Strength
Environmental and Performance Indicators		
Energy		
EN3	Direct energy consumption by primary energy source	Energy Conservation

Indicator	Description	Reference
EN4	Indirect energy consumption by primary source	Energy Conservation
EN5	Energy saved due to conservation and efficiency improvements	Energy Conservation
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	Energy Management – 2009 Key Initiatives
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Energy Management – 2009 Key Initiatives
Water		
EN8	Total water withdrawal by source	Water Conservation
EN10	Percentage and volume of water recycled and reused	Water Conservation
Biodiversity		
EN11	Land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value	Protecting Biodiversity and Habitats
EN13	Habitats protected or restored	Protecting Biodiversity and Habitats
EN15	Protected species in areas affected by operations	Protecting Biodiversity and Habitats
Emissions, Effluents and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	Energy Conservation
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Energy Management – 2009 Key Initiatives
EN22	Total weight of waste by type and disposal method	Waste Reduction and Recycling
EN23	Total number and volume of significant spills	Reducing Effluents and Waste
Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services	Energy Management – 2009 Key Initiatives
Compliance		
EN28	Fines and sanctions for noncompliance with environmental laws and regulations	Environmental Compliance
Labor Practices and Decent Work Performance Indicators		

Indicator	Description	Reference
Employment		
LA1	Workforce by employee type, employee contract and region	Number of Employees
LA2	Number and rate of employee turnover by age group, gender and region	Employee Retention
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits
Occupational Health and Safety		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, work-related fatalities by region	Occupational Health and Safety
LA8	Education, training, counseling, prevention and risk-control programs regarding serious diseases	Occupational Health and Safety
Employee Retirement		
LA11	Programs for skills management	Occupational Health and Safety
Society Performance Indicators		
Corruption		
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures	Staff Ethics and Compliance Training
SO4	Actions taken for incidents of corruption	Staff Ethics and Compliance Training
Public Policy		
SO5	Public policy positions and participation in public policy development and lobbying	Public Policy
SO8	Fines or sanctions for non-compliance with laws	Public Policy

Governance and Management

Solid management, performance and compliance for a sustainable enterprise

Good governance is the cornerstone of good business. It is about creating transparency, accountability and sound business practices. Strong governance and compliance practices ensure that SAS conducts business in an honest, respectful, fair and safe manner. Guided by the Code of Business Ethics (PDF), SAS' governance and compliance practices have earned the company a strong reputation as an ethical and responsible employer and business partner. SAS is committed to maintaining this reputation and ensuring all aspects of the business are conducted in a way that promotes good governance.

Structure

Legal form

SAS Institute Inc. is a corporation formed and existing under the laws of the state of North Carolina, US, with headquarters in Cary, NC. Jim Goodnight and John Sall have maintained SAS as a family-owned, North Carolina enterprise throughout its existence.

The SAS Americas division includes ten companies (SAS Institute Inc. and nine subsidiaries), which provide software and services to customers in specific territories. The Europe, Middle East, Africa and Asia Pacific division includes approximately 40 such subsidiaries. SAS also has a number of representative and branch offices in the above regions, with a presence in more than 50 countries. SAS has subsidiaries in the Asia Pacific region that are dedicated to conducting research and development activities for SAS and its affiliates.

SAS organizational chart

Governance structure

SAS has been privately held since its incorporation in 1976. All shares are owned or controlled by Jim Goodnight, Chief Executive Officer, and John Sall, co-founder and Executive Vice President. These individuals constitute the board of directors and serve as executive officers, overseeing corporate performance and investment decisions across environmental, social and economic interests.

Corporate social responsibility initiatives and priorities are set by the board, working with the senior vice president and chief marketing officer. The SAS Executive Sustainability Council, formed in 2008, continues to ensure that SAS global operations conduct business in a sustainable manner. This group includes representation from senior-level executives. For more on sustainability governance, click here.

A Corporate Social Responsibility Task Force provides strategic advisement, communications and reporting. This task force included the following representatives in 2009:

- Alyssa Farrell, Strategic and Sustainable Solutions

- Jerry Williams, Corporate Services Division, Environmental Sustainability Program

- Lisa Arney, Internal Communications

- Desiree Adkins, Corporate Communications

- Allison Lane, Corporate Communications

Day-to-day, operational management for corporate social responsibility is distributed among senior managers and executives as follows:

- Governance: Senior Managing Attorney

- Financial reporting: Chief Financial Officer

- Ethics and compliance: Assistant General Counsel

- Employment practices and employee relations: Senior Manager, Employee Relations and Compliance

- Environmental programs: Vice President of Corporate Services

- Education and community engagement: Director of Community Relations

Stakeholder engagement
Strong relationships with internal and external stakeholders enable SAS to understand risks and market drivers, build trust, and extend the company's outreach through increased client base and community support. Key external stakeholders identified are:

- Customers

- Industry organizations

- Regulators

- Employees

- Communities

- Employees

Stakeholder engagement — 2009 highlights

Stakeholder group	Examples of engagement	Examples from 2009
Communities	Employee volunteering Grants Donations Training	Engaged with the Cary Academy to host the Literacy Council of Wake County's Corporate Spelling Bee, which raised more than $13,000 to assist the more than 100,000 people in the county who are illiterate.
Customers	Webcasts Users groups meetings Training courses Surveys Feedback forms	SASware Ballot® program, where users describe what capabilities they want to see in the next software release. In 2009 SAS reinvested 23 percent of revenues into research and development activities in response to users' feedback. In April 2009, SAS conducted an internal survey to understand how our corporate social responsibility practices affect customer engagement and what information is commonly requested by external stakeholders, in order to improve data collection and information dissemination practices internally.
Employees	SAS Wide Web Webcasts Webzines Blogs	SAS hosted more than 600 blogs to share news, insights, announcements and thought leadership. Throughout 2009, SAS used its Open Space initiative to engage employees in choosing the initiatives they want to work on for their divisions, and establishing priorities, timelines and goals for those initiatives.
Regulators and government	Regular meetings and briefings Membership in trade associations and business organizations	SAS CEO Jim Goodnight participated in the World Economic Forum in 2009 speaking on risk modeling and pricing as well as IT in the sustainability field. SAS participated in COP 15, the global climate change summit hosted by the United Nations in Copenhagen. As one of three global IT companies allowed to participate in the conference, SAS addressed the need to integrate measurement and metrics as fundamental elements to any global solution to climate change.
Industry organizations	Interviews, meetings and briefings White papers and articles	Ongoing partnerships with Teradata to help mutual customers optimize how they process and use data throughout their businesses. This year the partnership announced the establishment of a centralized "think tank" where customers can discuss analytic best practices with domain and subject-matter experts, and test or implement innovative models. In March 2009, SAS contributed to the ongoing development of a framework for the Shared Environmental Information System (SEIS), sponsored by the European Union. The collaboration of EU member states, technical partners from private companies, and non-governmental organizations continues to pursue the goals of an open, distributed environmental intelligence system.
Business partners and suppliers	Meetings Webcasts Representation on boards Membership in key	Worked with the Minority/Women Business Enterprise (MWBE) to achieve more than 5 percent subcontracting spending on construction projects.

Stakeholder group	Examples of engagement	Examples from 2009
	minority and women's business networks	

SAS engages with these stakeholders through practitioner-based workshops, global speaking engagements for executives, and active contributions to international public policy debates.

The key internal stakeholders for the company are employees. SAS uses a wide range of approaches to get ongoing feedback from employees, ranging from formal webcasts to informal, small-group gatherings to employee surveys and intranet communications.

Representative key stakeholder organizations

Public policy-related stakeholders	
World Economic Forum	The Nature Conservancy
World Resources Institute	Business Roundtable
Organization for Economic Co-Operation and Development	National Governors Association
United Nations	National Council of State Legislators
European Commission	The University of North Carolina
European Parliament	North Carolina Technology Association
International Telecommunication Union	North Carolina Center for Public Policy Research
Environmental Defense Fund	Society for Human Resources Management (SHRM)

In 2009, SAS completed the Carbon Disclosure Project (CDP) questionnaire related to GHG emissions inventory and related climate change management as per suppliers' request. SAS' overall score was 56 out of 100, benchmarked against 709 other suppliers with an average rating of 39 out of 100.

Products

SAS' core business is providing business analytics software and services that include data integration, analytics and reporting technologies. These technologies can be used by themselves or as a part of a business solution specific to an industry or line of business. The SAS® Business Analytics Framework represents everything SAS does, including solutions, technology and services for:

- Data integration, analytics and reporting.

- Horizontal and vertical business solutions.

- Performance management.

Services

FAST FACTS

Customer technical support

- Customer satisfaction rating: 94 percent
- Average wait time for support calls: less than 30 seconds
- Average tenure of support staff: more than 10 years
- Issues resolved on primary contact: 50 percent

SAS has developed an extensive network of internal and independent SAS consultants who engage with customers to help develop and maintain their analytical applications.

In addition, 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.

The SAS online customer support center provides constant access to a wealth of technical support, reference information, educational resources and communities. Knowledge sharing is continuously available through regular seminars, webcasts, users group meetings and an expansive selection of training courses.

Markets

SAS software is in use at approximately 45,000 customer sites worldwide, representing more than 100 countries in the Americas, Europe, Middle East, Africa and Asia Pacific. SAS customers or their affiliates represent 92 of the top 100 FORTUNE Global 500® companies.

In addition to a cross-industry business intelligence platform and analytic tools, SAS 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. Solutions embody deep domain experience and are tailor-made to the specific needs and conditions of each vertical market.

Distribution of Revenue in Key Market Areas
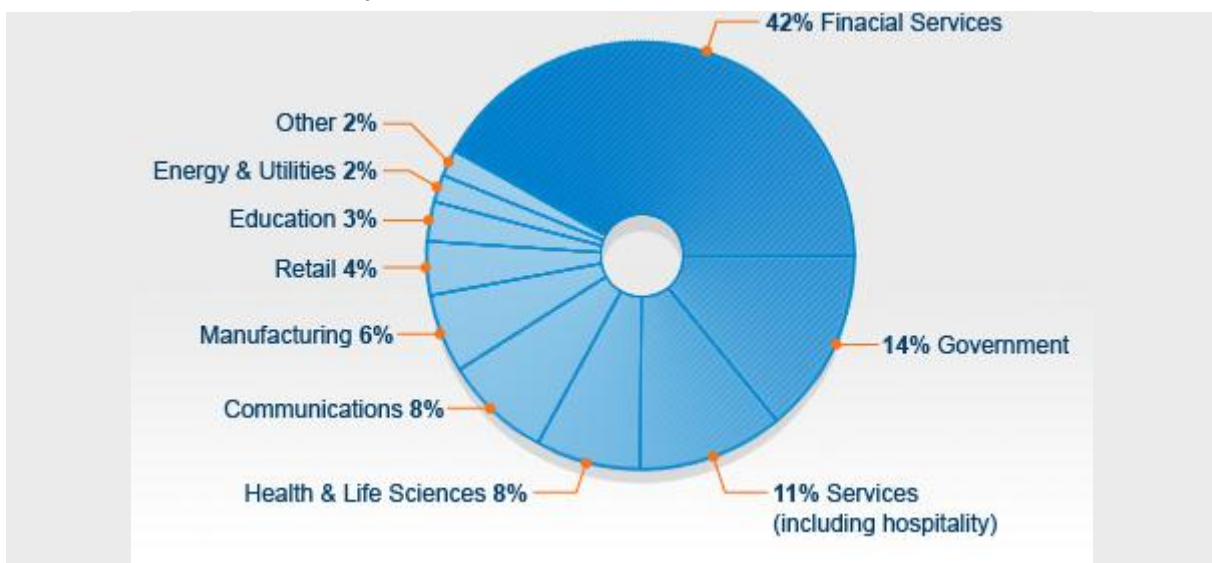
Customer satisfaction and product reliability

At a time when many software companies were cutting back, SAS held firm to its commitment to product quality and meeting customer needs. In 2009, SAS reinvested 23 percent of revenue in R&D activities.

R&D initiatives were guided by customer input received via account teams, product managers and an ongoing SASware Ballot® program, where users describe what capabilities they want to see in the next software release.

SAS' annual software license renewal rate of 98 percent is one of the highest customer retention rates in the industry.

SAS has policies and systems for receiving and responding to customer and employee complaints. These systems allow for anonymous reporting. SAS works to resolve these complaints with all due haste, and to protect customer and employee rights and avoid any retaliation against employees.

Performance

Financial strength

Our continued growth in 2009 is further proof that investing in long-term relationships with customers and employees and maintaining a deep commitment to R&D pays. We not only weathered the downturn, we came out ahead.

Jim Goodnight, SAS CEO

In 2009, SAS achieved global revenue of US $2.31 billion, up 2.2 percent from 2008 results. Despite poor economic conditions, SAS maintained its unbroken chain of growth and profitability for 34 years since the company was founded.

Revenue from software sales alone jumped 3.3 percent at a time when software revenue of major vendors has been declining. SAS reinvested 23 percent of 2009 revenue in R&D and, as Goodnight promised a year ago, ended the year with no layoffs due to economic pressures, underscoring the company's commitment to innovation and employees.

FAST FACTS

2009 financial performance

- US new sales revenue: $174 million, up 7.5 percent
- US renewal revenue: $493 million, up 1 percent
- US total software revenue: $667 million, up 2.6 percent
- Worldwide revenue: $2.31 billion, up more than $50 million
- Number of new customers worldwide: 1,389
- FORTUNE Global 500® customers: 79 percent; 92 of the top 100
- Consecutive years of growth and profitability: 34

Highlights of 2009 financial performance

- Highest growth areas: analytics, customer intelligence, data integration, risk management

- Highest growth industries: banking, government, health care, insurance, retail

- Largest revenue sector: financial services, representing 42 percent of total revenue

- Most surprising result: 12 percent spike in sales to retail, despite a very challenging climate for that sector

- Revenue distribution: Americas, 44 percent; Europe, Middle East and Africa (EMEA), 45 percent; Asia Pacific, 11 percent

- Countries seeing growth in software sales: 83 percent (100 of 120 countries)

- Highest growth in software sales in mature markets: US, UK, Canada, Germany, the Netherlands

- Double-digit growth in developing markets: most of Eastern Europe, the Middle East, South Africa, and pockets of Asia and Latin America

- Eighty percent of new commercial accounts from businesses with revenues of less than $500 million

Awards

The national and global recognition our company garners for its business and workplace innovations stems from inspired leadership and spurs our work force to even greater achievements.

Below is a sampling of awards. For a full listing of SAS' most recent honors, see our awards page.

SAS in '100 Companies that Matter in Knowledge Management'
Cited for its powerful text analytics software, SAS was recognized in the *KMWorld* list.

SAS® Real-Time Decision Manager Receives 2009 Product of the Year Award
SAS Real-Time Decision Manager was named a 2009 Product of the Year by *Customer Interaction Solutions* magazine.

SAS in 'The Dozen' Most Influential Companies for Intelligent Enterprises
For the ninth consecutive year, SAS earned an *Intelligent Enterprise* Editors' Choice Award for exceptional vision, technology innovation and leadership. *Intelligent Enterprise* magazine named SAS among an elite dozen vendors that are most influential for intelligent enterprises in 2010.

SAS Among Leading Companies for IT Workers
SAS has been ranked as one of the top employers in information technology by *Computerworld* magazine. *Computerworld's* annual "Best Places to Work in IT" feature ranks the top 100 work environments for technology professionals. SAS is listed at No. 19 in this year's survey.

2010 Great Place to Work Honors
SAS Belgium No. 1
SAS Canada No. 4
SAS Finland No. 11
SAS Germany No. 13 among companies with less than 500 employees
SAS Mexico No. 18
SAS Netherlands No. 2
SAS Norway No. 1
SAS Portugal No. 14
SAS Sweden No. 1
SAS United States No. 1 – SAS was listed as one of the best for health care, child care and work/life balance. SAS has made the list all 13 years since it was first established in 1998. This is the seventh time SAS has been in the top 10 and the fifth time in the top five.

Ethics

Mission statement
SAS strives to employ the highest ethical standards, demonstrating honesty, fairness and accountability in every decision and action – in every interaction with employees, customers, suppliers and competitors. This SAS Code of Ethics applies to every employee – at every subsidiary and in every region – as well as all members of the board of directors, officers appointed by the board of directors, agents and employees.

Employees are responsible for immediately communicating any concerns regarding suspected unethical or illegal conduct to a supervisor, Human Resources or the General Counsel. SAS does not take retaliatory action against people who report suspected violations in good faith, and all reports of misconduct are investigated as appropriate.

Specific procedures for reporting such concerns are provided on the Legal Division's website. Employees submit their comments via e-mail, help line or an anonymous online form. Employees can also submit anonymous reports.

In 2008, SAS CEO Jim Goodnight was named one of the 100 Most Influential People in Business Ethics by Ethisphere.com. Goodnight was recognized within the Design and Sustainability category for releasing SAS for Sustainability Management in April 2008.

Staff ethics and compliance training
Since 2005, the company has offered courses to help employees better abide by the SAS Code of Ethics and applicable external rules and regulations. Training is provided worldwide online to all employees, and targeted training is also provided in person to particular groups on specific issues such as gift laws relating to government officials or export laws on encryption software exports.

Course completion percentages improved in 2009 after introduction of a new training reminder system for all employees and supervisors. Further improvements are expected in 2010.

Representative online courses offered in 2009 include:

- **Code of Business Ethics** – The meaning of the code, company policies and all other applicable laws and regulations that govern employee actions and decisions.

- **SAS Business Ethics in Selling, Buying and Competing** – The foundation for sound decisions regarding gifts, confidential information and proper conduct of sales interactions.

- **Foreign Corrupt Practices Act** – The basics of the law, who is affected, and what is required, with sample scenarios to help learners make decisions in situations that may involve bribery.

- **Export Controls Awareness** – Government regulations controlling exports, special restrictions, the export licensing process, and the role of the Export Control Coordinator.

- **Information Security** – Best practices to safeguard company systems and data, and identify and report inappropriate practices.

- **Respect in the Workplace** – Practices essential for maintaining a pleasant and productive working environment, free of discrimination, hostility or inappropriate treatment of individuals.

- **Sexual Harassment: Promoting Appropriate Behavior (California)** – Behavior conducive to a harassment-free work environment in compliance with federal laws.

SAS also hosts "Lunch with Legal" sessions where employees meet with Legal staff informally over lunch.

Compliance

- Anti-corruption, trade and privacy law compliance

- Supplier diversity

- Supplier diversity program – 2009 highlights

- Public policy

- Continuity of business

Anti-corruption, trade and privacy law compliance
The SAS Code of Business Ethics helps the company maintain highest standards for respect, honesty, fairness and accountability. An ongoing corporate ethics and compliance program helps educate employees on the code and regulatory issues pertaining to their work. This program is managed and reviewed regularly by the Assistant General Counsel who serves as head of Compliance.

To help ensure compliance, SAS has phone and email reporting systems and a non-retaliation policy to protect whistleblowers. Reports can also be made anonymously. All employees have access to an internal compliance Web portal that provides guidance on compliance issues.

SAS has developed a compliance system that tracks and reports on lobbying, gift and campaign contributions – accounting for local variances in jurisdictions where SAS works with government entities. SAS maintains an export management system complete with product licensing and screening processes, and 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 SAS adheres to applicable privacy and information security requirements for the jurisdictions in which it conducts business.

As a result of strong policy and staff training, there were no incidences of anti-corruption or breach of trade and privacy laws in 2009.

Supplier diversity

SAS customers represent a wide range of industries, people and locations – and SAS wants this same level of diversity reflected in its own supplier community.

As an intellectual property enterprise, SAS does not require large-scale purchases of materials or components. However, in procuring goods and services to support corporate operations – or in subcontracting for professional services to its customers – SAS continuously seeks to make opportunities available to businesses that are:

- Minority-owned.

- Women-owned.

- Small, disabled-owned.

- HUBZone-certified.

- Small, veteran- or disabled veteran-owned.

The manager of Supplier Diversity is responsible for SAS' Supplier Diversity process. The company's goal is to create and maintain effective relationships with suppliers that create incremental value throughout the life of each contract based upon economy, quality, environmental preservation and social values.

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). SAS is also represented on the boards of various minority supplier development councils and economic development initiatives.

Supplier diversity program – 2009 highlights
The focus for 2009 was to expand company-wide involvement, therefore increasing business opportunities for diverse suppliers. Partnerships developed with specific business units enabled the following achievements:

- Increased senior executives' awareness about supplier diversity.

- Added three new diverse SAS Alliance members.

- Surpassed the 5 percent subcontracting goal for Minority/Women Business Enterprise (MWBE) spending for a major construction project.

In addition, the supplier diversity program was recognized with the following awards in 2009:

- MBE (Minority Business Enterprise) "Advocate of the Year Award" from the Carolinas Minority Supplier Development Council.

- "Woman Business Advocate of the Year" Award, presented by the North Carolina Institute of Minority Economic Development.

Public policy

SAS actively engages in public policy, particularly regarding 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 health care, to name just a few areas.

More generally, education remains a high policy priority for SAS. The company wants to do its 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 work force, and to encourage innovation and creativity.

Among many public policy initiatives, in 2009 SAS worked to:

- Support legislative efforts to increase high school graduation rates in North Carolina.

- Support legislative efforts to increase the use of technology in the kindergarten through 12th grade (K-12) classroom.

- Encourage state governors and legislative leaders across the country to adopt 21st century learning techniques such as SAS Curriculum Pathways into the classroom.

- Support legislative efforts to encourage use of alternative energy in North Carolina through use of business incentives such as tax credits for businesses that adopt environmentally friendly business activities.

Continuity of business

A growing number of companies view SAS as a critical supplier, an honor that carries with it increased levels of risk and responsibility. Our resiliency indirectly influences our customers' resiliency, which in turn influences *their* customers' resiliency. The health of our company has a direct impact on many other companies, and we are planning accordingly. (See Continuity of Business Technical Paper).

SAS' Continuity of Business (COB) program has developed plans and procedures to protect key assets and critical business functions in the event of natural and technological threats. Because SAS is a knowledge-based company, the continuity of our customer relationships is affected by employee customer knowledge and the development of software solutions that address our customers' ongoing business needs. By protecting our employees and helping them to prepare themselves and their families for disaster, we put them in a better position to assist in the short-term recovery of the company and continue to support our customers in the long term.

In the event of an emergency, after life safety, priority is placed on recovering core customer-facing and operational services (including hosted customer applications and data) within specific recovery time objectives.

Education

Improving lives through learning

Commitment

Community engagement with a particular focus on education remains a priority area for SAS. The company believes in doing its part to ensure that citizens of every country have an opportunity for education to guarantee continuing economic development and security, to enable a stable and high-level work-force, and to encourage innovation and creativity.

"Having an educated citizenry is the key to a prosperous economy. In order for our nation to remain competitive, we must engage students with technology, increase our graduation rates and graduate students who are well prepared to succeed in college, career, and life in the 21st century."

-Ann Goodnight, SAS Director of Community Relations

SAS supports education in its communities through four programs: educational initiatives, charitable donations, in-kind donations and employee volunteerism. In 2009, SAS also contributed to policy initiatives in education, including:

- Support for legislative efforts to increase high school graduation rates in North Carolina.

- Support for legislative efforts to increase use of technology in the K-12 classroom.

- Encouragement for governors and legislative leaders across the US to adopt 21st century learning techniques such as SAS® Curriculum Pathways® into the classroom.

Our **commitment to education** is based on the idea "Think globally; act locally." For SAS, that philosophy translates into support for a wide range of strategic, statewide education initiatives.

K-12

- Cary Academy

- SAS Curriculum Pathways

- North Carolina 1:1 Learning Collaborative

- Redesigned Schools 2.0

- The Algebra Readiness Initiative

- SAS Software for K-12: Administration

- SAS Instructional Materials for High Schools

Cary Academy

In 1996, SAS' co-founders established Cary Academy, an independent secondary school in Cary, NC. Their vision was to create a learning community committed to discovery, innovation, collaboration and excellence. Cary Academy provides a dynamic academic program that integrates the best of traditional education with new and emerging technologies. Nearly 100 percent of students from Cary Academy graduating classes have been accepted to an institution of higher learning.

The school's faculty actively collaborates with public schools by sharing best practices, technology consulting, technology integration strategies, and hosting site visits for the NC Association of School Administrators, and other statewide education leadership organizations. This outreach has had a significant

impact on statewide projects, such as the NC Learning Technology Initiative. The school has won many national and local honors. Former US Secretary of Education Margaret Spellings referred to Cary Academy as a "lab for innovation."

SAS® Curriculum Pathways®

FAST FACTS

SAS® Curriculum Pathways®, 2009

- Number of schools using the product: **5,658**
- Number of teachers using the product: **35,346**
- Logins to the system: **847,738**
- Resource views and downloads: **1,219,913**
- Estimated value of 2009 services: **$93 million**

Winner of the 2009 Award of Excellence from *Tech & Learning* magazine, SAS Curriculum Pathways provides interactive, standards-based resources in the core disciplines (grades 8-12) for traditional, virtual and home schools. In science, mathematics, English, social studies and Spanish, the product focuses on topics where multimedia capabilities provide information and encourage insights in ways that conventional methods cannot.

SAS Curriculum Pathways is available to every educator in the US at no cost. In 2009, the number of schools using SAS Curriculum Pathways grew from 1,732 to 5,658 – an increase of 228 percent. The product is now being used in all 50 states.

Middle school curriculum resources are being piloted with selected schools in the 2009-2010 school year.

I want to thank SAS ... for the generosity and willingness to continue to put this resource in our classrooms. Any time we are able to equip teachers with additional tools that have the ability to enhance instruction of young people – it is a win for the teacher, the students and our schools.

Joe Manchin, Governor of West Virginia

Through initiatives such as SAS Curriculum Pathways, global academic programs and high school programming, SAS partners with institutions of learners to actively improve education, rather than simply funding their efforts.

Herb Kirk, Vice President, SAS Education Division

North Carolina 1:1 Learning Collaborative

Shrinking budgets and pricing structures should not stand in the way of America's students receiving education technology that will engage them and better prepare them for today's work force.

Jim Goodnight, CEO of SAS

SAS is a founding partner in this public-private partnership providing laptops, professional development and critical support to schools in rural areas. The program is designed to address:

- *Equity*, providing all students access to 21st century teaching, learning and technology, including SAS Curriculum Pathways content.

- *Engagement*, involving students in active learning and thereby improving achievement and reducing dropout rates.

- *Economic development*, providing all students with workplace skills to make each region of the state more attractive to businesses. To date, SAS has donated almost 1,000 teacher laptops to the initiative and provided professional development sessions with teachers and trainers in 15 school districts. SAS convened key funding partners, such as the Golden Leaf Foundation, Cisco, Intel and AT&T to provide student laptops and additional support. The NC Department of Public Instruction is planning to replicate the initiatives' best practices through grants and available federal funds.

Redesigned Schools 2.0

"These schools and their districts have distinguished themselves as pioneers in their willingness to create learning environments that will, over time, graduate every student fully prepared for college and work.

Bill Harrison, Chairman of the NC State Board of Education

SAS established a collaborative partnership with the North Carolina New Schools Project (NCNSP), the Friday Institute for Educational Innovation at North Carolina State University and two rural school districts to create model schools that use technology to transform teaching and learning. These high schools aim to graduate 100 percent of their students by using research-based teaching strategies that engage students and prepare them to be successful in the global economy.

SAS provided more than 150 laptops to teachers, along with other SAS software and professional development. The schools are now equipped with software and training that enables them to use data to innovate, inspire students, and enhance teaching and learning.

In 2009, SAS committed $475,000 for high school laptops.

The Algebra Readiness Initiative

The Algebra Readiness Initiative helps mathematics teachers identify and engage in highly effective instructional practices as they address the disparities in mathematics achievement related to race and income. SAS engaged with five North Carolina school districts, including Wake County, the state's largest district, to achieve the following objectives of the Algebra Readiness Initiative:

- Convene national experts and provide current research on mathematics instruction and policy.

- Provide professional development for middle school mathematics teachers.

- Identify, demonstrate and build on research-based best practices in math instruction.

- Recognize teachers, schools and districts that have been successful with eighth grade students in Algebra 1

- Provide and sustain an online forum for teachers to collaborate and share their experiences and best practices.

SAS maintains a keen focus on **education initiatives** in the company's home state of North Carolina with the goal of acting locally to learn best practices, then expanding initiatives to improve US and global education.

SAS® Software for K-12: Administration

SAS® EVAAS® for K-12 (Education Value-Added Assessment System) is a hosted software solution that analyzes student test scores to predict the likelihood of future performance levels and to assess the influence of districts, schools and teachers on student progress rates.

SAS OnDemand for K-12 is a hosted software solution that helps school districts make informed administrative decisions to enhance efficiency and performance without having to invest in hardware and software.

Our district is making better decisions because teachers and principals have predictive capability that lets them redirect learning for students at risk.

Doug Otto, Superintendent, Plano (Texas) Independent School District

Data-Driven Decision Making. SAS' integrated solutions provide data integrity with easy access, management, analysis and reporting capabilities, providing districts with the ability to make informed proactive data-driven decisions to enhance efficiency and performance.

Longitudinal Data Systems. SAS software helps evaluate the effectiveness of education systems longitudinally or historically to make data-driven decisions that improve student outcomes.

SAS Instructional Materials for High Schools

In response to a growing number of requests for a more rigorous, relevant curriculum in high schools, the SAS Education division developed course materials and teacher training programs for high school teachers:

- **Teaching materials for SAS programming** – SAS provides five-day training programs and all the instructional materials, assessments and teaching guides necessary to successfully teach SAS programming. This program is available to any high school in the US. Seventeen teachers in 16 schools in three states are teaching SAS programming in the 2009-10 school year. All training and materials are offered free of charge.

Students who take this course are well-equipped to be successful in the 21st century. Last summer, a SAS Programming for High School student's SAS application earned him first-place in the Future Business Leaders of America's (FBLA) Desktop Application Programming competition.

- **Teaching materials for Advanced Placement statistics** – SAS is working with textbook authors and high school teachers to develop data sets, case studies and scripts to help teach statistics in an interactive fashion using JMP®, the SAS software for dynamic data visualization.

Higher Education

- SAS Teaching Materials in the Classroom

- Support to Universities and Community Colleges

- Institute for Advanced Analytics

- SAS Software for Higher Education: Administration

- SAS Software for Higher Education: Teaching

- Other Support Programs for Higher Education

SAS software is used in teaching and research by thousands around the world in colleges and universities. SAS has made software grants and in-kind software contributions with a total value of nearly $2.9 million in 2009 to institutions of higher learning, most of which are located in North Carolina.

SAS® Teaching Materials in the Classroom

For the last seven years, the SAS Education division has provided teaching materials to help professors and instructors incorporate SAS into their teaching, including presentation slides, data sets and printable/editable files of the student manual. These materials are provided free of charge, with copyright permission for professors to use any of the content in their own class notes.

Support to Universities and Community Colleges

SAS has provided numerous guest lecturers to universities and community colleges in North Carolina and other states – at no cost to the institutions. In addition, from time to time SAS has provided assistance with symposia held at the universities.

Institute for Advanced Analytics

In 2007, SAS and North Carolina State University partnered to create the Institute for Advanced Analytics (IAA) to promote graduate education in analytics. This partnership created a unique, and intensive, one-year advanced analytics masters degree. To date, 100 percent of graduates of the program have received job offers, with an average starting salary of $80,000, strongly indicative of the great demand for these 21st century skills.

In 2009, 35 candidates were awarded MS degrees in analytics at the NCSU spring commencement.

SAS® Software for Higher Education: Administration

SAS for Strategic Enrollment Management – SAS helps enrollment managers with data integration, reporting and analytics for every stage in the student life cycle.

As a result of admissions' efforts – and with help from SAS – we're seeing our recruitment climb by 40 percent in the last three years and retention numbers improving from 82 percent to 85 percent.

Cali Davis, Associate Director of Data Analysis and Specialized Recruitment, University of Alabama

SAS for Institutional Research – SAS helps institutional researchers get the information and reports they need to not only support, but also enable decision making and strategic planning.

By partnering with SAS we have been able to answer multiple questions, answer them in a timely manner and increase the accuracy of the data.

Paige Borden, EdD, Director of Institutional Research, University of Central Florida

SAS for Sustainability Management – SAS helps higher education track, communicate and educate on sustainability.

Longitudinal Data Systems – SAS software helps evaluate the effectiveness of education systems longitudinally or historically to make data-driven decisions that improve student outcomes.

SAS continues to support **K-20 education** through direct involvement in all of these initiatives, products, programs and services.

SAS® Software for Higher Education: Teaching

SAS Curriculum Pathways is used in community colleges across the country to help with remedial learning, engaging students with interactive curriculum that prepares them to continue their higher education pursuits.

SAS OnDemand for Academics

SAS OnDemand for Academics provides an online delivery model for teaching and learning data management and analytics. By connecting to a SAS-hosted server over the Web, users access the analytical power of SAS software through a user-friendly, point-and-click interface at no cost for professors and minimal cost to students. In 2009, more than 1,500 professors and students used SAS software in this arrangement.

Other Support Programs for Higher Education

- The SAS Scholar Award Program annually awards five $2,500 undergraduate scholarships for children of eligible employees in the United States.

- The SAS Student Ambassador Program is a competitive program that recognizes and supports students who use SAS technologies in innovative ways that benefit their respective industries and fields of study. Nine ambassadors were given the opportunity to present their research at the 2009 SAS Global Forum in Washington, DC.

- Each year, SAS provides a free trip for five student winners of a poster competition to the Business Forecasting Conference in Cary, NC and the Data Mining Conference in Las Vegas. These scholarships offer the recipients a venue to present their work in an industry environment.

- Each year, SAS conducts an event to share the latest analytical training with professors who teach data mining. In 2009, the event combined four days of technical training with a half-day of presentations from professors already using SAS at their institutions.

- SAS, Dow Chemical Co. and Central Michigan University Research Corp. collaborate to offer a Data Mining Shootout, where student and faculty teams compete to solve a real-world data mining problem. Winners receive a free trip to the annual SAS Data Mining Conference, an invitation to present their work during the conference, and cash prizes from $2,000 – $5,000 for their departments.

- SAS works closely with institutions to develop certificate programs in a variety of areas of SAS expertise. In 2009, dozens of universities offered SAS-supported certificate programs in data mining, statistical methods, data analysis and programming.

- SAS provides course notes, slides and data sets from many of its public training courses, free of charge, for university instructors to use in teaching SAS to students.

- SAS presents informational lectures under the title, *An Analysis of Institutional Research Data Using SAS*, to help institutional researchers learn more about how SAS can help them better understand, analyze and report on research data.

Programs

Through donations, grants and in-kind contributions, SAS supports the following education-related institutions and programs that have an impact on North Carolina's Research Triangle Park area and the region.

- Communities In Schools, the nation's largest dropout prevention organization.

- Triangle Leadership Academy, a joint venture between public school districts in the Triangle area and local education funds representing community and business interests.

- Wake Education Partnership, an independent non-profit organization that mobilizes business and community involvement in Wake County schools.

- Wake Technical Community College, a two-year, public institution serving Raleigh, NC, and surrounding Wake County.

- Triangle High Five Regional Partnership for High School Excellence, committed to seeing that students graduate from high school ready for higher education and careers of their choice.

- Wake County Public Schools, the largest school district in North Carolina and the 18th largest in the nation.

- YMCA of the Triangle, with 15 facilities, meeting community needs through programs that promote good health, strong families and solid communities.

- North Carolina State University, a leading land-grant institution globally recognized for its leadership in science, technology, engineering and mathematics.

Philanthropy

FAST FACTS

Education Donations

- Worldwide Cash Donations: **$16,069,369**
- In-kind donations of software and services: **$3 million**
- Value of in-kind training for students and educators: **$9.4 million**
- Donations of surplus equipment: **$650,000**

SAS support is directed toward sustainable programs that help teens succeed in the classroom and graduate from high school. Organizations are considered for grants and donations if they can show that their efforts have a long-term impact and affect significant numbers of people, without discrimination.

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

In 2009, the SAS Championship golf tournament raised $250,000 to benefit educational organizations, including Communities In Schools of Wake County, through the Triangle Community Foundation. In addition, 180 SAS employees volunteered at the SAS Championship.

- **DonorsChoose.org**, "the eBay of online charitable giving," is a national non-profit that connects employees with classrooms in need. With SAS matching employee contributions, 138 SAS employees donated more than $19,000 in 2009, resulting in a total impact of $37,695 in resources to classrooms.

- **In-Kind Donations**. When nonprofit organizations need computer equipment or software, they often call on SAS. The company gives hundreds of thousands of dollars in surplus computer hardware, office equipment and other tangible items to community groups that can benefit from the donation. The total dollar value of in-kind donations in 2009 was nearly $194,000.

  In addition, SAS ran a winter food drive that contributed more than 600 pounds of food to the North Carolina Food Bank. SAS cafés donate leftover food to the Shepherd's Table Soup Kitchen through the Inter-Faith Food Shuttle (part of Feeding America).

VIDEO SAS Director of Education Initiatives, Caroline McCullen.

Higher Education

- SAS Teaching Materials in the Classroom

- Support to Universities and Community Colleges

- Institute for Advanced Analytics

- SAS Software for Higher Education: Administration

- SAS Software for Higher Education: Teaching

- Other Support Programs for Higher Education

SAS software is used in teaching and research by thousands around the world in colleges and universities. SAS has made software grants and in-kind software contributions with a total value of nearly $2.9 million in 2009 to institutions of higher learning, most of which are located in North Carolina.

SAS® Teaching Materials in the Classroom

For the last seven years, the SAS Education division has provided teaching materials to help professors and instructors incorporate SAS into their teaching, including presentation slides, data sets and printable/editable files of the student manual. These materials are provided free of charge, with copyright permission for professors to use any of the content in their own class notes.

Support to Universities and Community Colleges

SAS has provided numerous guest lecturers to universities and community colleges in North Carolina and other states – at no cost to the institutions. In addition, from time to time SAS has provided assistance with symposia held at the universities.

Institute for Advanced Analytics

In 2007, SAS and North Carolina State University partnered to create the Institute for Advanced Analytics (IAA) to promote graduate education in analytics. This partnership created a unique, and intensive, one-year advanced analytics masters degree. To date, 100 percent of graduates of the program have received job offers, with an average starting salary of $80,000, strongly indicative of the great demand for these 21st century skills.

In 2009, 35 candidates were awarded MS degrees in analytics at the NCSU spring commencement.

SAS® Software for Higher Education: Administration

SAS for Strategic Enrollment Management – SAS helps enrollment managers with data integration, reporting and analytics for every stage in the student life cycle.

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Community Engagement

Improving lives through community service

Volunteerism

Supported and encouraged by SAS through various incentive and awareness programs, employees have given generously of their time and talents. These efforts are making their communities better places to live and work. In 2009, US SAS employees reported volunteering a total of 14,900 hours through the Employee Volunteer Fund, a program in which SAS provides cash contributions to education-based nonprofit organizations where employees volunteer their time.

SAS employees also contribute thousands of hours per year of volunteer time and financial support to other community organizations and charities.

FAST FACTS

2009 Education Fair

- Number of SAS departments and outside organizations participating: **more than 40**
- Number of employees attending: **more than 400**
- Number of new employees registered for DonorsChoose.org: **20**

An active internal mailing list connects interested employees with volunteer activities and resources. In 2009, SAS also held a week-long education fair to showcase SAS contributions to education and to inform employees about opportunities to volunteer in their own communities.

Most notably, SAS employees volunteered in large numbers for the following organizations:

- **Communities In Schools**, a nonprofit organization that coordinates mentoring and tutoring of school children, to help keep them in school and prepare them for life. SAS supports the SAS Kentwood Learning Center both financially and with volunteers. The center has approximately 37 volunteers each week who work with 50-75 students. Support is provided at other Communities In Schools centers, as well.

- **SAS EcoAdvocates Volunteer Program**, launched in 2009, coordinates grassroots initiatives to increase recycling efforts, over and above the corporate program, in every office building at SAS world headquarters. Last year, 135 employees participated.

- **North Carolina Division of Parks and Recreation**, particularly the 5,579-acre Umstead Park next door to the SAS campus, where SAS employees participated in volunteer workdays.

- **DonorsChoose.org**, a website where public school teachers submit their wish lists for materials, employees can choose specific education areas to support, and SAS matches those contributions up to $500 per year per employee.

Citizenship

In support of SAS' commitment to education, the top executives in the SAS Education division serve on a number of boards. Here is a partial list:

- National Board for Professional Teaching Standards, Center for International Understanding Council, e-Learning Commission, University of North Carolina Board of Governors.

- North Carolina Public School Forum, North Carolina News Schools Project, North Carolina Museum of Art, North Carolina Business Committee for Education, Joining Our Business and Schools (JOBS) Commission.

- Data Mining Advisory Board, College of Arts and Sciences, University of Central Florida.

- Central Michigan University Research Corp., Center for Applied Research and Technology.

- Center for the Management of Information Systems, Department of Information and Operations Management, Mays Business School, Texas A&M University.

- Master of Marketing Research Program, Coca-Cola Center for Marketing Studies, Terry College of Business, University of Georgia.

- Institute of Business Intelligence, Department of Information Systems, Statistics, and Management Science, Culverhouse College of Commerce and Business Administration, University of Alabama.

- Department of Statistics and Operations Technology, Daniels College of Business, University of Denver.

- Industry Advisory Committee, North Carolina Community College System.

- Information Technology Advisory Committee, Pennsylvania College of Technology.

- Computer Information Systems Division Advisory Board, Wake Technical Community College.

- Decision Sciences and Center for Quality and Productivity Advisory Board, Business Computer Information System, College of Business Administration, University of North Texas.

Empowering Others

Without true cost impact information, people can't make decisions. This commitment paralysis is only removed when donors, countries and medical providers understand the best- and worst-case scenarios. SAS allows us to do the complex math in real time or very quickly. These are calculations that can't be done on the back of an envelope.

Megan O'Brien, PhD, Research Director for CHAI's Center for Strategic HIV Operations Research

Customers are using SAS software solutions to improve lives and learning in profound and far-reaching ways. For example, in 2009 the Clinton HIV/AIDS Initiative (CHAI) used SAS to:

- Create updated forecasts of anti-retroviral medicine demand for generic suppliers, successfully encouraging them to enter new markets for pediatric AIDS treatment.

- Develop updated combination therapy forecasts to streamline the malaria drug market.

- Generate a new TB drug forecast that contributed to a recent price-reduction agreement with a major manufacturer.

- Create a global HIV treatment cost-driver analysis published in a major medical journal.

- Share forecasts and models with the United Nations Programme on HIV/AIDS and the World Health Organization.

- Develop treatment models in partnership with health ministries to best allocate limited resources.

- Build simulations to investigate how to best treat TB and HIV simultaneously, providing system-level cost savings protections to help government planners make decisions about program integration.

Under an innovative program managed by Statistics Norway, Norway's central agency for official statistics, underdeveloped nations receive software from SAS to analyze poverty statistics and 2010 world census data. The software also generates fact-based documentation to support aid requests from agencies such as the World Bank, the International Monetary Fund, the United Nations and others.

Other customers are using SAS to establish programs and policies that directly improve living conditions, health, human rights, environmental quality and agricultural productivity.

Employees
A workplace culture built on trust, flexibility and values

Culture

My chief assets drive out the gate every day. My job is to make sure they come back."

-Jim Goodnight, SAS CEO

As a software developer himself, SAS CEO Jim Goodnight knows well that designing software is a creative process, and that SAS' continued success is built on "products of the mind." The creativity and puzzle-solving behind great software – and the caring professionalism behind great customer service – are the most essential resources in an intellectual property enterprise.

SAS management believes that workplace culture, company values and employment practices can transform the work experience in ways that are not only good relations but good business. Focusing on people and relationships – making employees a top priority – leads to more productive, satisfied and dedicated employees. They take care of the company that takes care of them.

"In a tough economy, SAS did not waver on our commitment to our employees and the innovative culture that keeps them challenged and provides work-life balance. SAS' continued success proves our core belief: Happy, healthy employees are productive employees."

-Jenn Mann, SAS Vice President of Human Resources

To achieve that ideal, employees must be stimulated, engaged, appreciated and supported. They need to be trusted and valued, to feel that they make a difference. To support the creative process and balance work and family, they must be offered a flexible work environment that allows them to be the most productive. And they should be freed from many of the distractions and difficulties of day-to-day life, so they can focus on doing their best work.

The 2009 metrics point to success in achieving this vision. Average tenure is 10 years; 300 employees have worked 25 or more. Annual turnover was 2 percent in 2009, compared with the average in the software industry of about 22 percent.

For their employee policies and practices in 2009, SAS Belgium, SAS Norway, SAS Sweden and SAS United States were all named No. 1 on each country's 100 Best Companies to Work For list by the Great Place to Work Institute. SAS offices in nine other countries have also been recognized for their workplace cultures.

"The award is positive recognition not only of how much we value our employees, but of how much we value our customers," said Jim Davis, SAS Senior Vice President and Chief Marketing Officer. "Satisfied employees stay longer, get better at their jobs, learn more about SAS products and the ways people use them, develop stronger relationships with our customers, and are ultimately better able to do the work that provides real value for our customers."

Benefits

FAST FACTS

Campus amenities, 2009

- Meals served each day in SAS cafés: **500 breakfasts, 2,300 lunches**
- Total meals served in headquarters cafés in 2009: **103,997 breakfasts, 574,548 lunches**
- Total meals served at Austin Centavos Café in 2009: **9,642**
- Staff participation in on-site meal service: **54 percent**
- Number of catered corporate events and customer visits: **1,008**
- Children enrolled in SAS-subsidized day care: **605**
- SAS-subsidized meals provided to on-site day care: **81,345**
- Utilization of campus amenities: **6,709 employees, 70 percent**
- M&Ms consumed in 2009: **22.5 tons, ~$216,000**

SAS has been recognized for its benefits package – a generous combination of traditional benefits, campus amenities and innovative work-life programs.

A strong focus on employee perks has been embedded in the company since its first year of operations – with flexible workweeks and profit sharing, expanding to company-sponsored child care, recreation and fitness center and on-site health care.

At the heart of this employee-focused philosophy is a simple idea: If you treat employees as if they make a difference to the company, they will make a difference to the company. Satisfied employees create satisfied customers.

Stanford Professor Jeffrey Pfeffer studied SAS' benefits and, based on his calculations, the company's employee focus should save SAS close to $100 million, plus the savings in health care costs derived from the on-site health care centers in Austin, TX and Cary, NC.

Here is a high-level view of the benefits enjoyed by SAS employees

A full portfolio of traditional benefits

- Comprehensive medical, dental, vision and prescription drug plans to full-time, salaried employees. SAS pays approximately 90 percent of the employee's healthcare premium.

- Optional coverage available for dependents and domestic partners.

- Low-premium medical, dental, vision, and prescription drug plans for part-time employees.

- Retiree Healthcare Reimbursement Arrangement Plan.

- Health care flexible spending account.

- Short- and long-term disability plans.

- Unlimited sick leave, family sick leave.

- Three weeks' paid vacation; another week after 10 years of service.

- Paid holidays, plus another paid week between Christmas and New Year's Day.

- 401(k) and profit-sharing retirement plans.

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

- Adoption assistance and paid leave.

- Family and medical leave.

- Paid maternity and paternity leave, funeral leave.

- Company-provided life insurance, accidental death and dismemberment insurance.

- Voluntary options for other forms of insurance (long-term care, group term life, etc.).

- Telecommuting options (manager-approved).

- Paid education and training expenses.

Work-life benefits

SAS has always had an unusual commitment to go far beyond the traditional benefits package. More than 200 SAS employees are dedicated to delivering programs that make employees' lives easier, reduce distractions and contribute to employees' peace of mind. Examples include: on-site health care, on-site childcare, artist-in-residence, camps, elder care, parent education and support, financial education, fitness center and wellness programs.

Employees enjoy a wealth of on-campus services, a beautifully landscaped campus, art placed throughout the buildings, and sculptures situated amid the rolling hills and trails of the SAS campus. There's even a meditation garden. Employees thrive in this environment and recognize the company's commitment to their well-being and long-term success.

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

- **On-site Health Care Centers** on the campus of SAS headquarters in Cary and regional office in Austin, with all services free to employees or their covered dependents

- **On-site childcare** for more than 600 children at SAS headquarters in Cary; childcare subsidies for regional office employees; on-site summer camp for school-age children; college scholarship program for the children of SAS employees.

- **Three company-subsidized, on-site cafés** with a broad variety of menu options and accommodations for a variety of diets, from South Beach to low-carb to vegan.

- **On-site Recreation and Fitness Center** – 66,000 square feet with natatorium – free to employees, family members and domestic partners; paid fitness center memberships for regional office employees.

- **Extensive work/life programs** and formal support programs, including Employee Assistance Program resources and confidential counseling.

- **On-site convenience services** such as dry cleaning, hair salon, massage therapy, UPS depot, book exchange, in-season tax prep vendor, orthotics store and farmer's market.

These initiatives foster a creative, nurturing and supportive environment that inspires employees to feel that the work they do is more than just a job.

 "I have two daughters who are both in the SAS childcare program and the daycare is right on campus. I'm in walking distance from them and I'm able to visit them during the day and have lunch with them. Also, I was able to nurse both my children for the first year – you don't hear about that happening much. On a personal level that was really important to me."

-Michelle Dockery, SAS Development Tester

Practices

- Hiring and retaining staff

- Diversity and equal opportunity

- Employee retirement

- Employee learning and development

Hiring and retaining staff

FAST FACTS

Employment at SAS

- Average tenure of US workers (according to the US Department of Labor): **4.1 years**
- Average tenure of SAS employees: **10 years**
- Percent of SAS employees with more than 10 years of service: **40**
- Average turnover in the software industry: **22 percent**
- SAS voluntary turnover in the US in 2009: **2 percent**

SAS' commitment to employees has led to strong demand for employment. The company hired 264 employees in 2009, receiving an average of 100 résumés per open position.

In addition to commitment to preserve talent even in tough times, SAS recognizes and rewards talent, regardless of job title. The company does not differentiate benefits between employees. This means that the service worker (such as a housekeeper) has the same choice of health plans, child care services, health care and fitness programs as the CEO. Salary levels are determined the same way – by matching market data to the job title.

Number of employees
As of the end of 2009, SAS employed 11,055 people worldwide; 5,566 were US employees.

Worldwide staff headcount summary – 2009	
Location	
Asia Pacific	1,092
Canada	257
Europe, Middle East and Africa (EMEA)	2,943
International-based R&D staff	547
International-based headquarters staff	160
Latin America	297
United States	5,566
IdeaS	193
Worldwide total	11,055

US staff headcount summary – 2009	
Type	
Full-time employees	5,435
Part-time employees	131
Gender	
Female	2,475
Male	3,091
Age	
Less than 30 years old	253
30-50 years old	3,863
More than 50 years old	1,450
Average (mean) age	45
Total employees	5,566

SAS had 95 US employees leave the company in 2009. SAS' current rate of voluntary employee turnover is approximately 2 percent in the US, and 6 percent globally, compared to an industry average of approximately 22 percent.

US staff turnover	2009	2008	2007
Type			
Turnover number	95	215	235
Turnover percentage	1.63	3.81	4.4
By age group			
Less than 30 years old	8	14	17
30-50 years old	59	134	175
More than 50 years old	28	54	43
By gender			
Female	44	101	140
Male	51	114	95

Diversity and equal opportunity
SAS draws strength from the unique talents and abilities of a 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. This policy is put into action through a variety of internal initiatives, community outreach programs and scholarship opportunities.

SAS values diversity not because it is legally required, but because it makes good business sense. The best products and services come from a workplace where varied viewpoints are welcomed and encouraged.

Internal diversity initiatives
- **Embracing global cultures** – SAS International Connection (SASIC) brings together the international talents of SAS employees to help promote the various cultures represented at SAS. This group helps in translating documents and debugging SAS programming code in different languages.

- **Honoring women in technology** – In March, SAS celebrates Ada Lovelace Day in honor of the first programmer, as well as the ongoing contributions of thousands of other women. Throughout March 2009, the SAS intranet's "On the Job" series focused on the role of SAS women in technology.

- **Training and employment for individuals with autism** – SAS food service operations employs six autistic employees.

Promoting diversity through community outreach
- **Preparing students for IT careers.** The SAS Academy of Information Technology (AOIT) prepares students for post-secondary education and careers in the IT industry. In 2009, five participants were offered summer positions.

- **Preparing students for college.** Cary Academy is an independent, coeducational, college-preparatory day school for students in grades 6-12, adjacent to the SAS campus. The academy – with 25 percent of students of color, supports a director of diversity and a Committee on

Multicultural Initiatives and Diversity (COMID). SAS offers Cary Academy students collaborative projects with SAS employees and opportunities for SAS technical summer positions.

- **Preparing women and minorities for professional careers.** In 2008, SAS initiated the R3 program (*r*ecognize, *r*ecruit and *r*etain) to partner SAS mentors with participants, to advance their potential in a global corporate culture. In May 2009, the program had seven returning students and 22 new students.

- **Fostering science and math experience.** SAS has joined with the North Carolina School of Science and Math (NCSSM), the nation's first public, residential high school with a specialized curriculum in science and math. In 2009, three NCSSM students received hands-on experience and mentoring in summer jobs at SAS.

Promoting diversity through scholarships

SAS scholarships were created to support top students in the fields of computer science and statistics. In 2009, SAS sponsored eight scholarships. Two of these scholarships are specifically designated for minority students.

Employee retirement

The SAS Retirement Plan contains both a profit sharing and 401(k) component, with an annual company contribution to both.

401(k) – In addition to a traditional 401(k) plan, SAS makes a 3 percent, non-elective Safe Harbor contribution that is immediately 100 percent vested. Employees do not have to contribute a portion of their pay in order to receive this contribution. Employees can also choose to set aside a portion of their own salary toward retirement.

Profit sharing – Profit sharing ranging from 5 percent to 15 percent has been paid every year since the company was founded. In 2009, SAS funded a 5 percent profit sharing contribution, in addition to the 3 percent 401(k) Safe Harbor contribution that SAS funded for eligible employees.

Services to retirees – SAS sponsors a Retiree HRA (Healthcare Reimbursement Arrangement) Plan. This plan helps eligible retirees pay qualifying health care insurance premiums for themselves and eligible family members.

SAS retirees and their spouse and/or domestic partner continue to have access to the SAS Recreation and Fitness Center, cafés, Work/Life Center and wellness seminars. SAS has a special website dedicated to retirees and their families to inform them about benefits, programs and facilities.

Employee learning and development

FAST FACTS

SAS Global Learning and Development, 2009

- Management and leadership courses: **36 courses, 436 participants**
- Third-party technical training courses: **73 courses, 1,380 participants**

Ongoing training and professional development enables employees to succeed at their current jobs and to branch out and apply their talents in new ways. SAS has a variety of organizations dedicated to training employees in various areas, such as:

- Training and skills management.

- Knowledge sharing.

- Management and leadership development.

- Sales training.

- Technical training.

Offerings include instructor-led classroom training, self-directed e-Learning, live Web training, coaching and other employee-focused offerings. These options help employees meet their work-related challenges, career-progression goals and prepare for future organizational needs.

The company also offers ethics courses to help employees understand applicable rules and regulations, to preserve the company's integrity, reputation, and the trust and confidence of customers, suppliers, business partners and the public. Other professional development opportunities are less structured, such as words@SAS, a recurring series of SAS Wide Web (intranet) articles focused on how to improve terminology management at SAS.

Compliance

Fair employment practices
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.

We've worked hard to create a corporate culture that is based on trust between our employees and the company."

-Jim Goodnight, SAS CEO

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 (Vietnam Era Veterans Readjustment Assistance Act) or Section 503 affirmative action rights, or exercising any other right protected by state and federal 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 professional and ethical advice regarding employee relations issues, and develop programs that attract and retain a more culturally diverse and highly qualified work force.

The company has not experienced any labor disputes affecting operations.

Employee communication

Employees are influential at SAS because the company's leadership understands that employees have valuable feedback and are the main drivers of change, momentum and innovation for the company.

At a company with more than 11,000 employees in 50 countries around the world, connecting with employees is important. The SAS Internal Communications team responds to the challenge by using a broad range of communication tools. In 2009 the use of social media continued to expand – from blogs to online contests and peer-to-peer award nominations – to create a tight-knit virtual community.

Here is a sampling of communication channels that were used in 2009 to inform employees and give them a voice in the company.

- **SAS Wide Web** – The company intranet is the day-to-day news source for SAS employees and also contains a library of resources available for employees. In 2009, the SAS Wide Web (SWW) won international recognition as a runner-up in the Best Company Intranet category from Ragan Communications.

- **SAS Family** – In early 2009, SAS launched the SAS Family section of the external Web site. This site enables family members to tap directly into online information about the benefits, programs and facilities available to them.

- **Webcasts** – The company holds regular global webcasts with SAS executives and other employees or guests. The most widely viewed webcasts are CEO Jim Goodnight's quarterly updates.

- **Webzines** – Webzines and podcasts are other methods of communicating company information, often 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 hall meetings** – Senior management holds town hall meetings in SAS regional offices around the world, giving employees outside the headquarters the chance to meet with senior executives face-to-face.

- **Open Space meetings** – Divisions host large group brainstorming and planning sessions – all employees are invited and encouraged to attend – on topics as diverse as customer service, management accountability, waste reduction and safety. Open Space has proven to be an effective way of getting more employees engaged in innovation and problem-solving for their division.

- **Blogs** – In 2009, SAS hosted more than 600 internal blogs to share news, insights and thought leadership. Any employee can receive a template to sustain their own blog. Dozens of these blogs are maintained by the leadership team, including the high-profile "In Other Words" external blog written by Jim Davis, Senior Vice President and Chief Marketing Officer.

This mix of communication vehicles – particularly the immediacy and interactivity afforded by social media – has provided positive feedback. In a 2009 poll of employees, 91 percent of respondents agreed or strongly agreed that they were "adequately informed about the company from direct internal channels (e.g., webcasts, podcasts, SAS Wide Web articles, internal blogs, etc.)."

Health and Safety

A safe workplace

FAST FACTS

Workplace safety

- Workers' compensation claims, US operations, in 2009: **33**
- Claims rate in 2009: **33 out of 5,566 US employees, .006 percent**
- Lost days due to illness or injury: **314**

SAS is committed to safeguarding employees and their working environment. The Risk and Insurance Management department and a Security and Safety department are 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 compliance with all federal, state and local regulations.

- Proactively monitoring facilities for environmental quality issues.

A manager of emergency preparedness and response ensures a state of readiness to cope with emergencies and life safety matters.

In 2009, US operations had 33 workers' compensation claims following injury-related incidences. The rate of compensation claims was only 33 out of 5,566 US employees, or .006 percent.

In 2009, SAS implemented the following new campus health and safety measures:

- Installed automated external defibrillators in each headquarters building and in company emergency response vehicles.

- Conducted CPR/first aid/AED certification training for all company emergency responders.

- Offered new first aid, emergency preparedness and safety courses for employees.

- Developed situation-specific evacuation plans and supporting Web-based e-training.

- Implemented the first phase of an automated emergency notification system.

- Started phased implementation of the "Safe Traveler" program to analyze and mitigate risk for travelers.

- Deployed a dedicated emergency response field command vehicle.

- Added two staff members focused on emergency response and life safety matters.

Healthy employees

Health and safety programs
SAS aims 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 mission is carried out in programs such as the ones in the table below.

The headquarters campus also has two full-time ergonomics specialists who work with employees to ensure a comfortable and healthful working environment. SAS also offers on-site massage therapy, yoga and a variety of classes designed to help office workers deal with the physical stresses of their jobs.

FAST FACTS

Health Care Center 2009

- Visits to the on-site Health Care Centers: **40,148**
- Percent of staff using on-site health services: **90**
- Savings attributed to the Health Care Center in 2009: **$5 million**
- Market value of services delivered in 2009: **$7,643,258**
- Percent of patients reporting complete satisfaction with their care: **98.9**
- Percent of patients reporting complete satisfaction with the overall health care experience: **98.9**
- Average employee cost per visit: **$0.00**

SAS Health Care Centers

SAS maintains on-site health care centers at the company's Cary, NC, headquarters (where the majority of the company's employees are based) and Austin, TX office. These centers provided service for 40,148 patient visits in 2009. Health care services are provided at no cost to employees or their dependents.

Ninety percent of SAS employees use the Health Care Centers; 55 percent of employees and 55 percent of family members choose the centers as their primary health care provider.

The HCC's clinical staff totals 57 health care professionals. Services provided by the SAS Health Care Centers include:

- A full-service on-site laboratory (31,460 lab tests performed in 2009).

- Comprehensive physical examinations for children and adults (2,785 exams performed in 2009).

- Management of chronic conditions including asthma, diabetes, hypertension and obesity.

- Treatment of minor and serious illnesses and emergencies.

- General physical therapy and specialized spine and neck McKenzie physical therapy.

- Extensive pre-diabetes and diabetes education.

- Child and adult immunizations; travel immunizations and health advice.

- Flu shots (6,419 flu shots for employees and dependents in 2009).

- Allergy shots (3,108 administered in 2009).

- Breastfeeding education and support (at the hospital, home and work).

- Tobacco cessation counseling and support.

- 24-hour pediatric services.

We are truly blessed here at SAS to have such an INCREDIBLE medical staff at our fingertips. This is the best health care I have received and it still blows my mind that there is no charge for the services!

Respondent to the 2009 Patient Satisfaction Survey

In the last three years, the SAS Health Care Center saved $17 million through a combination of patient services delivered and employee time saved. Employees who are healthier are more productive and cost SAS fewer health plan dollars. Quick and easy access to on-site health care services saved employees 53,686 hours of work time that would otherwise be spent traveling to and waiting in doctors' offices.

SAS aims to lower the number of future SAS employees with chronic illnesses, thus lowering future health plan expenditures. The company will be conducting an independent research study to test this hypothesis.

SAS Recreation and Fitness Center

The Recreation and Fitness Center (RFC) was created because SAS believes that employees' health can be improved and stress reduced if they – and their families – have access to excellent company-sponsored facilities and programs for fitness, wellness and recreation. In 2009, 96 percent of SAS employees used the facility.

In 2009, the RFC continued to increase employee interest and involvement by providing numerous and diversified programs such as swim, aerobic and athletic classes; arranging intramural leagues in various sports; organizing family and individual trips and activities at SAS and in the community; and providing fitness counseling and one-to-one prenatal exercise. Nine new programs were added in 2009. An incentive program was implemented to encourage and reward participation in all RFC programs.

Environment

Stewardship for today, preservation for tomorrow

Goals

"Our environmental sustainability program is simply part of the way we do business. It is the right thing to do, and it makes measureable business sense."

-Jerry Williams, SAS Environmental Sustainability Program Manager

SAS is fully committed to minimizing the environmental impacts of our business. This commitment is not just goodwill, it makes good business sense. Investments in environmentally responsible practices and technologies deliver returns for SAS in three significant ways:

- Reducing costs through intelligently managed resource consumption.

- Growing new markets through inventive, eco-friendly business practices.

- Responsibly meeting the expectations of customers, government and the public.

The concept and practice of sustainability is embedded into every aspect of our business, from reducing packaging in the product delivery pipeline to reusing IT equipment for optimization of asset life to recycling in the company's cafés to creating an analytic software solution that enables SAS customers to better manage their sustainability initiatives.

Environmental governance

The SAS Executive Sustainability Council, formed in 2008, continues to ensure that SAS global operations conduct business in a sustainable manner. This group includes representation from senior-level executives, including company owners Jim Goodnight, CEO, and John Sall, co-founder and Executive Vice President.

The Executive Sustainability Council – and the steering committee that reports to it – are chartered to act on 10 foundation mandates:

- Corporate priority – Establish policies, programs and practices for conducting operations in an environmentally sound manner as one of the highest corporate priorities.

- Integrated management – Fully integrate environmental policies, programs and practices into all functions, business units and global offices.

- Continual improvement – Continue to raise the bar on environmental performance in alignment with technological developments, scientific understanding and stakeholder expectations.

- Employee education – Educate, train and motivate employees to conduct their activities in an environmentally responsible manner.

- Prior assessment – Conduct impact assessments before starting a new activity or project and before decommissioning a facility or leaving a site.

- Products and services – Develop and provide products or services that have no undue environmental impact throughout the product life-cycle – from development to delivery, use and disposal.

- Customer support – Advise and educate customers, distributors and the public in the safe and environmentally responsible use, transportation, storage and disposal of SAS products.

- Facilities and operations – Develop, design and operate facilities and conduct activities with constant consideration for minimizing resource consumption, adverse environmental impact and waste.

- Research – Conduct or support research on the environmental impacts of SAS activities and how to minimize adverse impacts.

- Contractors and suppliers – Promote the adoption of these principles by SAS contractors and suppliers, encouraging and (where appropriate) requiring improvements in their practices.

Sustainability issues are managed by the SAS Executive Sustainability Council. Its charter is to set global direction for corporate social responsibility; the focus to date has been on environmental awareness and stewardship. In 2009, the council addressed strategy and oversaw companywide environmental programs as follows:

- Promoted sustainability in the planning, development and operation of company facilities.

- Reviewed existing or proposed additions to corporate sustainability programs.

- Guided future investments.

- Determined participation in global reporting organizations.

- Communicated internally and externally about environmental issues.

Implementation of environmental strategies is largely the domain of the SAS Corporate Services division and the Environmental Management Program, which take the lead in on-campus green efforts. The Environmental Management Program facilitates green efforts at company headquarters in the US, collects and reports key environmental indicators for global operations and provides guidance and support to offices worldwide. Outside the US, each country office has responsiblity for managing green initiatives and sharing best practices among SAS operations.

" SAS' overall commitment to promoting sustainable energy has made it a leader among businesses statewide and nationally."

-Julie Robinson, Marketing and Communications Director, North Carolina Sustainable Energy Association

Naturally, SAS uses its own analytics technology to measure and analyze the performance of its sustainability initiatives. SAS® for Sustainability Management allows customers to leverage global standards such as the Greenhouse Gas Protocol and the Global Reporting Initiative. Adherence to global standards for measurement and reporting provides consistency across the 105 countries in which SAS operates.

In 2009, the council refined the process for determining the carbon footprint of US operations, began rolling out this process to global offices, and established preliminary emissions reduction strategies. Ultimately, the company plans to create a model of environmental management that other companies can emulate.

SAS did not receive any sanctions or fines in 2009 for noncompliance with environmental laws and regulations – either in the US or in global offices.

2009 Initiatives
- Water conservation

- Energy conservation

- SAS solar farm

- Green buildings

- Reducing effluents and waste

- Waste reduction and recycling

At SAS, environmental sustainability is a continuous effort requiring prudent use, conservation and preservation of our natural resources. Projects initiated or ongoing in 2009 focused on water conservation, energy conservation and solar power, waste reduction and recycling, and habitat protection. A significant focus was the construction and renovation of company buildings to LEED (Leadership in Energy and Environmental Design) certification standards.

SAS completed the Carbon Disclosure Project (CDP) Supply Chain questionnaire related to Greenhouse Gas (GHG) emissions inventory and related climate change management in response to customer requests. SAS' overall score was 56 out of 100, which ranked in the first quartile of all company scores. SAS was benchmarked against 709 other suppliers with an average rating of 39 out of 100.

This report includes SAS property globally, including:

- SAS-owned office locations in Cary, NC, and Austin, TX.

- SAS-owned offices in 10 other countries: Australia, Belgium, Canada, France, Germany, Italy, Netherlands, South Africa, Sweden and the United Kingdom.

- 127 leased office spaces globally (does not include home offices).

Water conservation

FAST FACTS

SAS headquarters landscaping

- Acres maintained as landscaped grounds: **262.54**
- Acres of turf grass lawn maintained at world headquarters: **79**
- Interior plants maintained and watered weekly: **2,700**
- Gallons of reclaimed water used on campus: **16,455**

SAS' 900-acre headquarters in Cary used 107,682 cubic meters of municipal water and approximately 39,600 cubic meters of ground water from 15 wells in 2009. The primary needs were for office cooling towers, cafés, gymnasium operations, landscape irrigation and employee consumption. For 13 other owned facilities worldwide, SAS used 46,972 cubic meters of municipal water in 2009.

At SAS headquarters, a combination of water-saving technologies and practices, coupled with increased employee awareness about water usage, has resulted in significant savings. Prior to conservation efforts initiated in 2007, headquarters' campus was increasing municipal water usage by 3 percent annually. Adjusted for our usage trend from the 2007 baseline, water conservation initiatives have resulted in savings of more than 5 million gallons per year.

Landscaping staff continue to set the bar for achievement. Since 2007, campus irrigation usage has dropped from more than 24 million gallons to just over 10 million gallons – a 57 percent reduction.

Major water conservation initiatives began or expanded in 2009 included:

- Completion of the effort to install low-flow toilets, shower heads and faucet aerators in all buildings at Cary headquarters, saving more than 2 million gallons of water annually.

- Replacement of building cooling towers with higher-efficiency systems that can be operated with utility reclaimed water.

- Using reclaimed water from the local water utility for landscaping areas without irrigation lines.

- Initiating plans to install a direct feed from the town of Cary wastewater treatment plant for reclaimed water to use in campus cooling towers and chillers.

- Planting native and drought-resistant plants and warm-season grasses that require less frequent irrigation.

- Reducing and modifying irrigation schedules to optimize requirements for plant types – saving more than 9 million gallons of water a year.

- Increasing employee awareness and participation, especially during summer months, to reduce water consumption at work and at home.

Global offices also managed water usage through employee educational campaigns and innovative water conservation solutions. For example:

- The SAS office in the United Kingdom uses sewage-grade water for landscape irrigation and lavatory flushing.

- The Australia office reduces water consumption 30 percent by: installing dual-flush cisterns, waterless urinals and faucet aerators; performing regular maintenance on water-handling systems; and continuously monitoring consumption patterns.

- The Netherlands office uses captured rainwater to irrigate gardens.

- The office in Germany realized a 20 percent reduction in water consumption from installation of low-flow plumbing and office educational campaigns.

- At the SAS-owned LEED-certified building in Toronto, SAS has applied LEED principles for water efficiency, including a storm water management and rainwater recovery system. The rainwater harvesting system recovers nearly 1 million liters of rainwater annually and reuses that water for toilets and plant irrigation. The collected rain is stored in tanks 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.

SAS Water Consumption (Cubic Meters)				
Source	2009	2008	Savings	Percent
Headquarters municipal water	107,682	113,237	5,555	5%
Headquarters ground water	39,600	56,347	16,747	30%
Headquarters reclaimed water	62	151	89	59%
Global offices municipal water*	46,972	39,428	(7,544)	(19%)
Rainwater capture (Toronto)	954	954	0	0%
Totals	195,270	210,117	14,847	7%

* Includes all SAS-owned offices outside of campus headquarters in Cary, NC

Energy conservation

The Environmental Management Program at SAS assigns top priority to energy conservation. Energy management is a multifaceted program that includes energy conservation, energy generation, policy compliance, and employee education and engagement.

Energy consumption and energy efficiency

SAS continues to improve processes for collecting, understanding and managing energy requirements for facilities world-wide. As this understanding grows, the ability to report and proactively influence consumption trends increases. For this report, SAS is expanding disclosure to include estimated electricity usage for leased office space globally.

Electricity for office buildings on SAS-owned properties is primarily metered by individual 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. Electricity consumption was provided by local office energy statements read from on-site utility meters for all SAS-owned facilities. A SAS-developed energy intensity metric, based on an average per square foot calculation for metered offices, was used to estimate energy utilization for leased square footage when reliable electricity consumption was not provided by landlord. Energy data from leased office space is often unreliable, as landlords have to estimate usage based on percentage tenant share of building meter. SAS used approximately 95 million kilowatt hours of electricity in 2009. Sixty-nine million kilowatt hours supported 23 buildings at SAS' headquarters in Cary and 13 other owned facilities worldwide, totaling approximately 2.4 million square feet of office space. Another 26 million kilowatt hours is estimated for 127 leased offices globally, supporting an additional 1.4 million square feet. Even though SAS data centers used 9 percent more energy in 2009, energy-saving initiatives kept the overall energy growth down to 4 percent from 2008.

Total electricity consumption			
Office	**Kilowatt Hours**	**Gigajoules**	**Contribution**
SAS US Offices	**39,181,207**	**141,052**	**41.3 percent**
SAS US Data Centers	**28,876,000**	**103,954**	**30.5 percent**
SAS Global Offices	**26,754,954**	**96,713**	**28.2 percent**
Totals	**94,812,161**	**341,719**	**100 percent**

The chart below shows energy consumption at world headquarters for the past four years, normalized by global revenue. While the total number of kilowatt hours is nominally increasing, energy conservation initiatives implemented help efficiency metrics remain positive. The energy required for each revenue dollar is decreasing as a trend and only increased slightly in 2009, which was a very difficult economic year. SAS continually analyzes the best practices that have led to efficiency gains so they can be further promoted and expanded into worldwide operations.

Electricity efficiency – SAS headquarters				
	2009	**2008**	**2007**	**2006**
Kilowatt Hours (kWh)	57,890,219	55,652,476	53,408,077	50,877,744
Revenue (US $Billion)	$2.31	$2.26	$2.15	$1.90
kWh Growth	4.0 percent	4.2 percent	5.0 percent	2.7 percent
Efficiency: $ earned per 1 kWh	39.9	40.61	40.26	37.34
Efficiency: kWh consumed per $1 earned	0.025	0.025	0.025	0.027

Sixty-one percent of electricity used is consumed at SAS headquarters in Cary. As a result, this location is the primary focus of efficiency investments, such as low-energy lighting, advanced building management systems, LCD workstations and data center efficiency improvements.

Energy management – 2009 key initiatives

In early 2009, the Environmental Management Program team used SAS for Sustainability Management to calculate the company's US and global carbon footprint, assess emissions reduction strategies and report to the Executive Sustainability Council. The carbon model aligns with the Greenhouse Gas Protocol (GhG

Protocol) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Geography - CO_2e T	Scope 1	Scope 2	Totals	% Contribution
United States	5,525.8	35,446.4	40,972.2	72.7%
EMEA	2,744.9	5,526.5	8,271.4	14.7%
Asia Pacific	1.1	6,528.0	6,529.1	11.6%
Latin America	—	176.7	176.7	0.3%
Canada	122.4	285.7	408.2	0.7%
Totals	8,394.3	47,963.4	56,357.6	100%
Asset - CO_2e T	Scope 1	Scope2	Totals	% Contribution
Cary headquarters	5,504.0	29,970.7	35,474.8	63%
U.S. Regional Offices	21.8	5,475.6	5,497.4	10%
Global Owned Offices	2,868.4	3,468.6	6,337.0	11%
Global Leased Offices	—	9,048.4	9,048.4	16%
Totals	8,394.3	47,963.4	56,357.6	100%

Ongoing analysis includes comparison of consumption year over year by individual buildings and by location. Metrics such as consumption per employee and square footage, as well as calculations of facility energy intensity, are compared against industry benchmarks.

Building on this analysis, the company initiated or continued the following key emissions-reduction initiatives in 2009:

- Installed three more energy management systems in headquarters buildings, bringing to completion the campaign to equip all primary buildings with automation systems to maximize energy efficiency.

- Monitored performance of two large-scale, rooftop solar systems installed in December 2008 (among the largest solar thermal applications in North Carolina) to heat water for cafeteria, laundry and showers.

- Replaced two office building elevators with regenerative drive systems that use 66 percent less energy.

- Generated 1.7 million kWh of energy – enough to power 150 average-sized North Carolina homes – from a five-acre solar farm, returning the energy to the local utility grid.

- Developed and announced plans for additional solar thermal and photovoltaic installations across the SAS campus, including a major expansion of the solar farm to ultimately generate 3.7 million kilowatt-hours annually – enough to reduce CO_2 emissions from conventionally produced electricity by more than 3,500 tons a year.

- Continued construction of a new Executive Briefing Center and Cloud Computing Facility, both designed to high-level LEED standards.

- Pursued leading-edge energy efficiency technologies in data centers, building construction and retrofits worldwide. Technologies such as radiant floor heating, green roofing, high-performance glass and advanced energy management systems are planned for implementation.

- Applied high-efficiency tactics in the data center, such as server virtualization and blade servers, directional baffling and floor grommets to optimize cooling, and more granular power metering to identify inefficiencies.

- Supported day-to-day, operational improvements such as automated lighting control, "sleep" mode on networked electronics, LED and fluorescent lighting, high-efficiency HVAC systems, carpooling and hybrid vehicles.

Throughout the year, the Environmental Management Program team provided direction to stakeholders and technical partners to assess energy consumption when reviewing options for capital acquisitions – encouraging the more efficient option where there was a return on investment over the useful life of the asset.

SAS was represented at COP 15, the United Nations conference on climate change (Copenhagen, December 2009) – sponsoring a speaking engagement at the conference and a SAS booth at the associated "Bright Green" trade show.

SAS solar farm

" Long a software industry leader, SAS Institute has fully embraced sustainability throughout its facilities and in its policies globally. ... Pragmatic to the end, SAS has managed to marry the efficient harvesting of the sun's rays and excellent business practices."

-Stephen Stokes and Randy Weston, Lessons from Leaders: Sustainable Leadership, AMR Research, May 2009

In December 2008, SAS completed construction of a five-acre, 1-megawatt capacity solar farm at world headquarters in Cary. The photovoltaic (PV) solar array generated 1.7 million kilowatt-hours (kWh) in 2009, reducing carbon dioxide emissions by more than 1,600 tons annually – equivalent to the emissions produced by consuming more than 167,000 gallons of gasoline.

The solar farm creates zero waste, which means: no waste-disposal costs, no money spent on foreign oil, no nuclear waste and no carbon emissions. No trees were cut to prepare the site. Most of the materials used in construction are recyclable. Mounting piers were driven deep into the ground to eliminate the requirement for concrete footings, and sheep are used to maintain the grass around the solar arrays.

SAS is not using any of the environmental benefits or offsets from the solar farm to support corporate emission reduction strategies. SAS sells the electricity and Solar Renewable Energy Certificates (SREC) to Progress Energy. This agreement helps Progress Energy meet a state mandate requiring North Carolina utilities to have 12.5 percent of their electricity come from renewable sources by 2021.

The solar farm has been used to demonstrate the feasibility of solar investments to visiting groups of municipal leaders, private business entrepreneurs, and leaders of large multi-national organizations. North Carolina Gov. Beverly Perdue announced her initiatives for a greener North Carolina from the SAS solar farm.

The project has been so successful that in 2009 SAS decided to more than double the size of the solar farm, adding another 1.2 megawatts of capacity for a total annual estimated generation of 3.7 million kilowatt-hours – enough to reduce CO_2 emissions from conventionally produced electricity by more than 3,500 tons a year. The expansion is scheduled for completion by July 2010.

Green buildings

Globally, SAS uses best design, engineering, materials and technology available to minimize environmental impact when building or remodeling business facilities.

In August 2008, the SAS-owned office in Toronto attained Silver-level LEED certification, becoming the first LEED-certified commercial building in Canada. At SAS headquarters in North Carolina, two new facilities (scheduled for completion in 2010) are being built with sustainable construction methods to high-level LEED standards:

- The SAS Executive Briefing Center is designed to help conserve energy and water, and includes features such as thermal slab floor cooling, radiant floor heating, regenerative drive elevators and

solar-generated hot water and electricity. With approximately 280,000 square feet, this building will house 690 offices, two auditoriums, meeting rooms and a full-service cafeteria.

- A new 38,000-square-foot cloud computing facility is under construction, designed with highly efficient mechanical and electrical systems, including a cooling system that will use reclaimed water and an economizer that uses outside air for cooling.

SAS is also embracing LEED guidelines for remodeling and retrofit of existing buildings. Since LEED design is only recognized in the US and Canada, SAS is working with building and design organizations to be leaders in many countries around the globe. For example, SAS is currently participating in a pilot program for environmental guidelines being developed in Germany for remodeling older buildings.

SAS targets for LEED certification and green building features	
Source	**Target**
Water use	Targeting a minimum of 30 percent water use reductions through: • Rainwater collection and reuse. • Collecting storm water runoff for irrigation. • Plumbing fixtures that use 52 percent less water than conventional fixtures.
Energy use	Targeting 30 percent energy use reduction through extensive use of: • Heat recovery systems for heating water, radiant cooling and heating. • High-efficiency cooling systems assisted by the use of cool outside air. • Solar thermal water heating. • Natural lighting, fluorescent and LED lighting. • Regenerative-drive elevators that use 66 percent less energy. • Building materials that provide increased insulation, such as vegetated rooftop areas. • Real-time display of building energy use to increase employee awareness.
Air quality	• Low-emissions paints, adhesives, carpets and fabrics to reduce indoor air contamination. • Improved air zoning for increased thermal comfort.
Recycled materials	• Selecting recycled content and regional materials wherever possible. • Requiring a minimum of 20 percent recycled content in building materials. • Targeting 75 percent of construction waste for recycling. • Reuse of removed trees for lumber, firewood (donated to Warmth for Wake) and mulch.

SAS Canada's office building is the first LEED-certified new office building in Canada. With rain water harvesting and energy conservation measures resulting in savings of more than 6 million kWh of energy per year (equivalent to 4,000 tons of avoided CO_2 emissions), the SAS building has served as an example for many other new buildings in Toronto.

Reducing 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 in US or international offices in 2009.

Waste reduction and recycling

As a company of more than 11,000 employees, SAS realizes that significant environmental benefits can be generated from efforts at an individual or local level. In 2009, SAS initiated or continued a number of grassroots programs to reduce waste and encourage recycling at its facilities.

On-campus recycling

An on-campus recycling program gives employees easy options to recycle aluminum, batteries, cardboard, electronics, glass, magazines, newspaper, pallets, paper, plastic bottles, printer cartridges and scrap metal. Employees can bring materials from home to the central Campus Recycling Center or to dozens of aluminum/glass/plastic bins throughout the campus. Two IT recycling events collected 10 tons of electronic equipment brought by employees from home.

In 2009, 125 employees participated in SAS' Eco Advocates program, an employee-based volunteer effort to encourage recycling of batteries, paper, plastic, aluminum and chipboard at drop-off locations in every building at world headquarters. This simple effort yielded a meaningful cumulative benefit. For example, in 2009, employees used the program to recycle more than 15,000 pounds of commingled materials and 1,625 pounds of batteries.

Individual departments have their unique programs as well. For example, the IT team donated $311,000 worth of decommissioned IT equipment. The grounds management team composted landscaping debris and vegetable waste from campus cafés. World headquarters offices implemented online processes and print-on-demand practices to reduce paper consumption.

Food service initiatives

SAS has three cafeterias on campus and numerous break stations and food-to-go locations managed by an internal Food Services department. In 2009, the department engaged in a number of activities to reduce waste:

- Reduced the use of disposables such as polystyrene and plastics not readily recycled by waste management services, replacing them with biodegradable or other more earth-friendly options wherever feasible

- Installed an InSinkErator pulper system in the largest cafe to process and reduce food waste to as little as 15 percent of its original volume

- Donated leftover food to the Shepherd's Table Soup Kitchen through the Inter-Faith Food Shuttle (part of Feeding America)

- Promoted a "Buy Local" food and products campaign on the SAS internal website and offered special theme menus based on local produce

- Continued an employee awareness campaign that reduced the use of disposables by 30 percent between Earth Day 2008 and Earth Day 2009

Education division initiatives

The SAS Education division, which offers courses to approximately 25,000 students a year, has a unique opportunity to reduce paper consumption. In 2009, the division:

- Piloted programs in Denmark and Australia to provide hundreds of pages of course notes, data and other course materials on a USB/flash drive rather than in hard-copy printouts.

- Reviewed the content of US courses to streamline page counts for course content, eliminating thousands of pages of course notes for 1,400 courses.

- Completed testing of new extended learning pages that provide course notes, white papers and other supplemental courseware on Web pages rather than in printed form.

- Continued offering live courses via the Web, eliminating the need for more than 3,400 students to travel to participate in 270 different courses in 2009.

Biodiversity and Habitats

SAS is very careful to minimize impact on biodiversity and the surrounding habitats as the company continues to grow and expand its operational footprint at the two company-owned locations in the US

Of approximately 900 acres at SAS headquarters in Cary only 80 acres have been used for buildings, roads and other impervious surfaces. The remaining 820 acres have been retained as old growth woodland, lakes and streams, farmland, natural areas and approximately 58 acres of maintained grassy lawns, primarily used for employee recreation and landscaping.

The company follows LEED standards for campus landscaping, such as:

- Reducing heat islands by providing large-caliper shade trees and garden roof areas.

- Providing more trees than required by town regulations.

- Planting drought-resistant and native plants that require only minimal irrigation.

- Collecting rainwater in catchment ponds or cisterns to be used for irrigation.

The SAS Austin office is located on 94 acres of mostly undisturbed land where deer and other wildlife freely roam. Only about three acres are used for facilities and access roads. The property has intentionally been left wild and features a long, winding driveway and natural walking trails surrounding the more landscaped areas around the building.

The Austin property is home to several types of endangered birds and spiders, which are protected by landscaping and conservation guidelines, such as 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.

Supply Chain

SAS recognizes that the environmental impact of business activities extends beyond the campus and employee workspaces and actually spans the entire supply chain, from suppliers to distribution channels to product use.

As a software company, SAS does not have the same risks and concerns as a traditional manufacturing organization in regard to raw materials, hazardous wastes and supplier practices. Because the primary input to SAS products is intellectual property rather than physical materials, SAS does not currently collect data on GHG emissions and climate change strategy from suppliers.

However, the company is researching options for incorporating corporate social responsibility elements into procurement processes, and continually seeks to reduce the environmental impact of supply chain processes. In 2009, SAS:

- Started delivering the platform for SAS Business Analytics (the company's most widely used technology) to customers via electronic software delivery, significantly reducing resource requirements for printing, duplicating, packaging and shipping SAS software and users' manuals.

- Implemented process changes that will enable all SAS solution offerings, such as SAS Activity-Based Management and SAS Strategic Performance Management, to be available for electronic download at their next scheduled release dates.

- Continued designing SAS software to execute quickly in very large data volumes, thereby using power-hungry IT resources for shorter processing times.

On the sourcing side of the equation, SAS makes extensive use of green products, such as environmentally friendly cleaning supplies and low-emissions paints and products for campus buildings. Employees are advised to consider environmentally beneficial solutions when ordering goods and services. The SAS Strategic Sourcing and Procurement department routinely assists stakeholders and technical partners with finding the most efficient and earth-friendly options.

Eco Education

Having seen the power of thinking globally and acting locally, SAS believes that education and awareness are key to minimizing the environmental impact of business activities. By engaging with customers, employees, industry leaders and world leaders, SAS seeks to extend the reach of sustainability initiatives.

"SAS has a history of investing for the long term. We recognize that environmental sustainability is a continuous effort that requires prudent use and preservation of our natural resources. SAS offices around the world are taking steps to minimize our environmental impact."

-Jerry Williams, SAS Environmental Sustainability Program Manager

Toward that end, SAS hosted or participated in a broad variety of education and awareness activities in 2009:

- Hosted a company-wide Earth Week 2009 event to highlight SAS environmental activities and generate awareness about guest organizations participating in the event, including: NC GreenPower, Progress Energy, SunPower Inc., Southern Energy Management, Sustainable Business Solutions, Waste Industries, The Produce Box and the town of Cary (water).

- Launched the Eco Advocates employee volunteer program to boost recycling at SAS world headquarters.

- Hosted a series of free, open webcasts on sustainability, including: *A Guide to Measuring Performance in a Green Economy*, *Extending Sustainable Practices into the Supply Chain*, and *Best Practices for Managing Energy and Emissions.*

- Published free, downloadable white papers on topics of industry importance pertaining to sustainability management, and contributed a white paper on sustainability to the World Economic Forum *Global IT Report.*

- Participated in local and global organizations to collaborate and share best practices, including the Sustainable NC Business Council, SEE Change Initiative business roundtable, World Business Council for Sustainable Development and The Green Grid.

- Continued an awareness campaign to help employees become better informed about what SAS is doing to be environmentally responsible and how employees can participate at work and home.

- Maintained an intranet site focused on SAS green initiatives and opportunities, along with an "Eco Tips" online suggestion box to gather employee ideas.

- Sponsored numerous green events, guest speakers, "Lunch and Learn" sessions and employee fairs to increase awareness and education and engage employee participation.

- Gave tours of the SAS solar farm to employees, schools, dignitaries, customers, environmental groups and other visitors.

Empowering Others to Make Positive Change

SAS is working with leading international organizations to apply technology to the global issues of greenhouse gas emissions, as well as other environmental and social concerns. Customers use SAS software to: facilitate the efficient generation of power, promote better utilization of critical resources to minimize waste, assist environmental protection agencies, and improve the production and delivery of goods.

In 2009, SAS continued to enhance and support SAS for Sustainability Management, the analytic software solution that helps organizations measure and manage their environmental impact.

The Poste Italiane Group (the largest employer in Italy, with approximately 150,000 employees) presented its SAS for Sustainability Management application at COP 15, the United Nations conference on climate change (Copenhagen, December 2009). This SAS customer uses the solution to define, monitor and

optimize electric energy, fuel and water consumption in 250 buildings. Early successes include a 1 percent decrease in resource consumption per year and a 7 percent reduction in CO_2 emissions.

In 2009, SAS added two new offerings to the SAS for Sustainability Management suite:

- **SAS Sustainability Reporting**, which uses generally accepted reporting metrics, such as the Global Reporting Initiative (GRI), with pre-defined analytics for better reporting about sustainability performance.

- **SAS Energy and Emissions Management**, which provides activity-based capacity and resource planning models to help organizations choose between alternatives based on predicted resource requirements.

In October 2009, SAS announced a partnership with AMEE for access to up-to-date emissions and energy data. AMEE is a global service provider that aggregates every model, method, standard and emission factor related to carbon dioxide (CO_2), greenhouse gas (GHG), energy and environmental assessment. This partnership enables automated data extraction from AMEE databases into SAS Energy and Emissions Management to reduce the complexity, risk and time associated with energy and emissions modeling.