# Corporate Sustainability Report

## 2012

The SAS culture is anchored by meaningful work, excellent leadership and a world-class work environment. It is reflected in every customer engagement and underpins the company's continuous revenue growth. The creative and collaborative employees SAS attracts and retains directly affect the company's bottom line. They're the driving force behind SAS' growth, profitability and expanding products and solutions line.

Jim Goodnight, SAS CEO

## SAS Corporate Social Responsibility

The SAS 2012 Corporate Social Responsibility (CSR) Report is based on the calendar year January 1 to December 31, 2012. All data and information pertains to SAS Institute Inc., the US-based parent company for SAS, except for environmental data or unless otherwise stated. There have been no significant changes during the reporting period.

The report was developed using Global Reporting Initiative (GRI) G3.1 sustainability reporting guidelines and is self-declared at application level C. SAS' CSR efforts focus on four core areas: governance and ethics, employees, environment, and education philanthropy and community engagement. Content relating to the company's values, structure and employee benefits sits in the Corporate Responsibility site, while content specifically relating to 2012 is contained in this report.

As in previous reports, SAS® for Sustainability Management was used to provide the facts regarding SAS' environmental footprint. This year SAS® Visual Analytics data visualization software was used to generate charts and graphs to provide illustration to the data and additional analytics capabilities. Executive leaders and other relevant internal stakeholders have reviewed all content.

SAS received numerous awards and recognition, which can be found on its website.

SAS welcomes your comments and questions regarding this report and its corporate responsibility efforts.

For questions about this report or its contents, please email globalreporting@sas.com.

# From the CEO

In 2012, many companies began to rethink conventional ways of doing business. They realized big data analytics could deliver results almost instantaneously. When high-performance analytics can solve the world's toughest business problems thousands of times faster, there's no limit to what organizations can achieve. SAS has everything it takes to achieve this: unmatched analytical capabilities, deep industry expertise, a long track record of delivering proven results, and the ability to innovate.

The SAS culture is anchored by meaningful work, excellent leadership and a world-class work environment. It is reflected in every customer engagement and underpins the company's continuous revenue growth. The creative and collaborative employees SAS attracts and retains directly affect the company's bottom line. They're the driving force behind SAS' growth, profitability and expanding products and solutions line.

Over the years, there has been a fundamental shift in the value placed on energy efficiency, intelligent power sourcing and user consumption. SAS remains committed to minimizing the environmental impact of our business – including sustainably driving operational efficiency, spawning innovation, and satisfying the expectations of customers, employees and society.

- In November, SAS was named No. 1 on the World's Best Multinational Workplaces list by Great Place to Work®.
- Our education initiatives inspire more students to study science, technology and math (STEM) – knowledge required to solve global concerns about limited natural resources.
- We emphasize efficiency, flexibility and sustainability in our water usage, waste management, energy management and the construction and maintenance of SAS' buildings.

In our sixth CSR report, we reflect our commitments, performance and future goals ensuring that our business operates both responsibly and sustainably while contributing to the communities where we work.

Sincerely,
Jim Goodnight, SAS CEO

## No. 1 Multinational Workplace

2012 was a banner year for workplace culture recognition. Great Place to Work named SAS No. 1 on its World's Best Multinational Workplaces list, capping a year in which SAS Belgium and SAS Sweden were also No. 1 on their countries' Great Place to Work lists. We were honored as a top workplace in 21 countries and regions.

| | |
|---|---|
| Argentina | Italy |
| Australia | Mexico |
| Belgium | Netherlands |
| Brazil | Poland |
| Canada | Portugal |
| China | South Africa |
| Europe | Sweden |
| Finland | Switzerland |
| France | United Kingdom |
| Greece | United States |
| India | |

sas.com/csr

## GRI Index

Global Reporting Initiative (GRI) Index 2012 Report

| 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 | Governance and Ethics > Governance Structure |
| 2.2 | Primary brands, products and services | Products and Solutions |
| 2.3 | Operational structure | Governance and Ethics > Governance Structure |
| 2.4 | Location of headquarters | Governance and Ethics > Governance Structure |
| 2.5 | Number of countries where organization operates | Governance and Ethics > Governance Structure |
| 2.6 | Nature of ownership and legal form | Governance and Ethics > Governance Structure |
| 2.7 | Markets served | About SAS |
| 2.8 | Scale of organization | Governance and Ethics > Governance Structure |
| 2.9 | Significant changes during reporting period | Introduction |
| 2.10 | Awards received during reporting period | Awards and Recognition |
| **Report Parameters** | | |
| 3.1 | Reporting period | Introduction |
| 3.2 | Date of most recent previous report | Introduction |
| 3.3 | Reporting cycle | Introduction |

| 3.4 | Contact person | Introduction |
|---|---|---|
| 3.5 | Process for defining content | Introduction |
| 3.6 | Boundary of the report | Introduction |
| 3.7 | Limitations on scope or boundary | Introduction |
| 3.8 | Basis for reporting on entities that can significantly affect comparability | Introduction |
| 3.9 | Data measurement techniques and bases of calculations | Introduction |
| 3.10 | Re-statements of information provided in earlier reports | Not relevant |
| 3.11 | Significant changes from previous reporting periods | Introduction |
| **GRI Content Index** | | |
| 3.12 | Standard disclosure tables | GRI Index |
| **Governance, Commitments and Engagement** | | |
| 4.1 | Governance structure | Governance and Ethics > Governance Structure |
| 4.2 | Executive officer | Governance and Ethics > Governance Structure |
| 4.3 | Unitary board structure | Governance and Ethics > Governance Structure |
| 4.4 | Mechanisms for employees to provide recommendations to the governance body | Governance and Ethics > 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 and Ethics > Governance Structure |
| 4.14 | Stakeholder groups | Governance and Ethics > Overview |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | Governance and Ethics > Overview |
| **Economic Performance Indicators** | | |
| EC1 | Direct economic value generated and distributed | Company > About SAS > Statistics |
| **Market Presence** | | |
| EC6 | Policy, practices, and proportion of spending on locally based suppliers | Governance and Ethics > Supply Chain Management |
| **Environmental and Performance Indicators** | | |
| EN2 | Percentage of materials used that are recycled | Environment > Waste Management |
| EN3 | Direct energy consumption by primary energy source | Environment > Energy Consumption |

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| EN5 | Energy saved due to conservation and efficiency improvements | Environment > Energy Consumption |
|---|---|---|
| EN6 | Initiatives to provide energy-efficient or renewable energy-based products and services | Environment > Energy and Emissions |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved | Environment > Energy and Emissions |
| EN8 | Total water withdrawal by source | Environment > Water Consumption |
| EN10 | Percentage and total volume of water recycled and reused | Environment > Water Consumption |
| EN16 | Total direct and indirect greenhouse gas emissions by weight | Environment > Managing Greenhouse Gas Emissions (Partial) |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | Environment > Energy and Emissions |
| EN22 | Total weight of waste by type and disposal method | Environment > Waste Management |
| EN23 | Total number and volume of significant spills | Environment > Waste Management |
| EN26 | Initiatives to mitigate environmental impacts of products and services | Environment > Green Building |
| EN28 | Fines and sanctions for noncompliance with environmental laws and regulations | Environment > Waste Management |
| **Labor Practices and Decent Work Performance Indicators** | | |
| LA1 | Permanent workforce by employment type, age, and gender | Employees |
| LA2 | Number and rate of employee turnover by age group, gender and region | Employees > Hiring & Retaining Staff (Partial) |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | SAS Family > Benefits |
| LA7 | Rates of injury, occupational diseases, lost days and absenteeism, work-related fatalities by region | Employees > Health and Safety |
| LA8 | Education, training, counseling, prevention and risk-control programs regarding serious disease | Employees > Health and Safety |
| LA11 | Programs for skills management | Employees > Skills Development |
| **Society Performance Indicators** | | |
| SO2 | Percentage of business units analyzed for risks related to corruption | Governance and Ethics > 2012 Highlights > Anti-Corruption (Partial) |
| SO3 | Percentage of employees trained in anti-corruption policies and procedures | Governance and Ethics > Ethics and Compliance (Partial) |
| SO4 | Actions taken for incidents of corruption | Governance and Ethics > Anti-Corruption |

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| SO7 | Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices | Governance and Ethics > Supply Chain Management |
|---|---|---|
| SO8 | Fines or sanctions for noncompliance with laws | Governance and Ethics > 2012 Highlights |
| **Customer Privacy** | | |
| PR8 | Complaints regarding customer privacy | Governance and Ethics > Privacy |
| **Compliance** | | |
| PR9 | Monetary value of significant fines for noncompliance with laws and regulations | Governance and Ethics > Supply Chain Management |
| **Philanthropy and Community Engagement** | | |
| PH 1 | Areas of focus for philanthropy activities | Education Philanthropy |
| PH2 | Monetary value of charitable contributions | Community Engagement > Donations |
| PH3 | Employee engagement in philanthropic activities | Community Engagement > Volunteering |
| PH4 | Board memberships by employees | Community Engagement > Community Board Memberships |

# Governance and Ethics



SAS maintains its commitment to corporate social responsibility. In 2012, the SAS Executive Sustainability Council continued its role ensuring that sustainability goals and priorities permeate every aspect of the company's operations. The Corporate Social Responsibility (CSR) Task Force is an interdepartmental group that meets regularly to integrate these efforts across the business. These teams work closely with various departments and ensure that policies and initiatives regarding CSR are considered in all aspects of the business.

Members of SAS senior management sit on the boards of leading conservation organizations such as the World Wildlife Fund and provide influence on the global stage through organizations such as World Economic Forum, Business Roundtable and Environmental Defense Fund.

Our stakeholders include communities, employees, regulatory and governmental bodies, industry organizations, and business partners and suppliers. Engagement with our stakeholders provides SAS with the opportunity to gain a greater understanding of the needs in the community and in the market. It allows us to build strong partnerships with regulatory bodies and organizations within the industry, and lasting relationships with communities, employees, partners and suppliers.

Governance and Ethics

SAS continues to engage with stakeholders both internally and externally, including:

| Stakeholder | Engagement | 2012 |
|---|---|---|
| Communities | Employee volunteers, grants, donations and training | SAS employees volunteered 22,100 hours through the Employee Volunteer Fund (EVF), resulting in $74,000 paid to schools across North Carolina. In 2012, the total value of cash and non-cash contributions to charities was $18,099,751. |
| Employees | Intranet, webcasts, webzines and blogs | SAS employees maintain 650 active internal blogs, the SAS intranet ran 1,228 stories, and the US SAS Family website had 141,708 hits in 2012. SAS Cary also held three employee morale programs. |
| Regulatory and government | Regular meetings and briefings, membership in trade associations and business organizations | SAS continued its membership in the UN Global Compact, and SAS executives held memberships in various trade and business organizations, including the Business and Industry Advisory Committee to the inter-governmental Organization for Economic Co-Operation and Development. |
| Industry organizations | Interviews, meetings, briefing papers, white papers and articles | SAS executives continued their memberships in industry organizations such as the National Retail Federation and the National Association of Manufacturers. |
| Business partners and suppliers | Meetings, webcasts and representation on boards | SAS executives participate on boards of partner and supplier organizations, including as Chair of the Executive Council of the American Chamber of Commerce to the European Union. A SAS executive also sits on the board of the Atlantic Council and actively participates in the United States Council on International Business. |
| Customers | Host ongoing dialogue with customers to answer questions and gather input for product improvement | SAS interacts with customers through SAS Global Forum, self-help and assisted-help resources, focus groups, training, books, technical papers, social media, support communities, samples, SAS notes and focus areas, and more. |

## Governance and Ethics

### Governance Structure

SAS Institute Inc. is a North Carolina corporation that has been privately held since its inception in 1976. SAS is headquartered in Cary, NC. The company operates through functional divisions that include Worldwide Marketing, Research & Development, Finance, Legal, and Corporate Services. SAS delivers software and related services to customers throughout the world. These sales operations are conducted primarily through SAS and its controlled sales subsidiaries, which operate in 60 countries. These entities are grouped into three regional sales divisions – the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific. Learn more about our full listing of software products.

The SAS Americas division includes 11 companies (SAS Institute Inc. and 10 operating subsidiaries), which provide software and services to customers in specific territories. The Europe, Middle East and Africa division and the Asia Pacific division together include 45 operating subsidiaries. SAS also has a number of representative and branch offices in the above regions, with a total sales presence in 60 countries. SAS also has subsidiaries in the EMEA and Asia Pacific regions that are dedicated to conducting research and development activities for SAS and its affiliates.
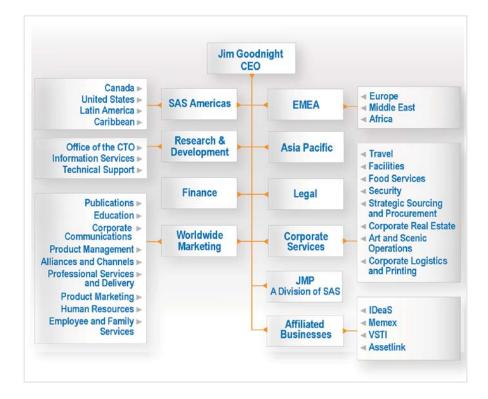
IDeaS, Memex, VSTI and JMP are separately branded but affiliated lines of business that are operated either through dedicated wholly owned subsidiaries of SAS or as integrated divisions of SAS.

SAS acquired new entities in 2012. In early 2012, SAS acquired aiMatch's cloud-based ad server technology that helps publishers sell and manage online ad inventory. Combining SAS' advanced analytics with aiMatch's technology gives publishers a powerful tool for managing, forecasting, optimizing and measuring their ad inventory to maximize ad revenue.

Then in November, SAS acquired rPath, a North Carolina-based provider of next-generation system automation technologies. rPath helps automate the setup and management of SAS solutions in any virtual environment. It also augments the cloud and on-demand domain expertise needed to support customers interested in tapping into these areas.

Jim Goodnight, Chief Executive Officer, and John Sall, co-founder and Executive Vice President, are the company's principal shareholders and constitute the board of directors and executive officers. They oversee corporate performance and investment decisions across environmental, social and economic interests.

Employee rights are managed through Human Resources; ethics and compliance are managed from Ethics and Compliance in Legal (covering compliance with anti-corruption, privacy and anti-aggression laws); sustainability and environmental conservation are managed through Facilities.

Governance and Ethics



Corporate social responsibility initiatives and priorities are set by the board in collaboration with Senior Vice President and Chief Marketing Officer Jim Davis. The SAS Executive Sustainability Council, formed in 2008, reviews metrics of SAS' sustainable performance and provides guidance on ways to conduct global operations in a sustainable manner. This group includes representation from senior-level executives, including co-founders and company owners Jim Goodnight, CEO, and John Sall, Executive Vice President.

In 2012, many initiatives were made possible by direct sponsorship and hands-on participation from Executive Council members, including the employee Junk Swap, a waste stream audit and the expansion of our electric vehicle charging station infrastructure.

In 2012, meetings were conducted with Council subgroups so detailed guidance could be provided by executives and support staff on issues and opportunities specific to their areas of operational control. Read more on SAS' sustainability initiatives.

### Ethics and Compliance

Since 2005, SAS has offered courses to help employees better abide by the SAS Code of Ethics, internal policies and procedures and applicable external rules and regulations. SAS provides this training to help all employees make the right choices when ethical and regulatory challenges arise.

Government regulations and contractual commitments also require SAS to provide certain ethics and regulatory compliance training to employees and certain contract workers to protect the interests of SAS' business partners, the government and society.

Governance and Ethics

Finally, SAS gives this training to all employees so that the people of SAS can continue to make the company a good corporate citizen. Training is provided online worldwide 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.

SAS monitors compliance with its governance and ethics training programs in a variety of ways. For example, online training completions are tracked by a third party, as well as by SAS' internal Learning Management System. Automated reminders are sent to those who have not completed the training programs as the deadline approaches, and managers are contacted as trainings become overdue.

The following training is required of all employees: Code of Business Ethics; Information Security; Export Controls Awareness; SAS Business Ethics in Selling, Buying and Competing; Respect in the Workplace; and Foreign Corrupt Practices Act.

SAS provides specialized training for personnel as needed. For example, California employees take (as required by California law) Sexual Harassment: Promoting Appropriate Behavior, and employees who work with military and intelligence sector government customers take Defense Export Controls (ITAR).

In 2012, SAS expanded its training to include Privacy and Data Protection for Global Companies. This training covers how SAS complies with laws that ensure protection of our customers', employees' and partners' private information.

In-person, targeted compliance training is conducted periodically. For example, in 2012, attorneys in the Compliance group did in-person trainings related to export controls at our United Kingdom and Washington, DC-area offices, and our privacy attorney did specific training for SAS Solutions OnDemand employees.

SAS operates an electronic (email/Web-based) and telephonic ethics hotline that allows for anonymous employee complaints. Employees may also contact their manager or any other manager with whom they feel comfortable to provide feedback. SAS will not retaliate against anyone who makes a good faith report of ethical, regulatory or legal compliance issues. Additional information on employee feedback channels is provided in the Employee section.

HR manages discrimination and employment-based compliance issues, while the Ethics and Compliance group in the SAS Legal Division manages all other compliance issues, including trade, lobbying, gifts and anti-corruption.

All complaints are investigated in a timely fashion. If the complaining individual chooses to leave contact information (as opposed to remaining anonymous), he or she is provided feedback as to the results of the investigation, to the extent allowed by applicable law.

**Anti-Corruption**

SAS has an anti-corruption program consisting of contractual requirements in all agreements with contractors and consultants, an advance due diligence process for engaging with new suppliers and potential acquisition targets, ongoing due diligence screening of suppliers,

in-person and online training, expense record and expenditure reviews and audits, and global outreach efforts through organizations such as the UN Global Compact.

SAS did not report any incidents that happened to or involved SAS with regards to public policy, corruption, ethics, bribery or privacy issues in 2012. However, the state of Washington conducted an investigation into the actions of one of its government employees, which involved a purchase of SAS products. SAS investigated and concluded that it did not violate any laws or regulations, and no legal action was taken against SAS by the state of Washington. In part as a result of this investigation, however, SAS did provide additional anti-corruption training for employees involved in government sales.

## Privacy

The Ethics and Compliance group in the SAS Legal Division ensures that personal data is used by SAS in compliance with applicable laws, SAS policies, and customer expectations. SAS Global Information Security information establishes processes and deploys technologies designed to protect the confidentiality, availability and integrity of data in the custody or control of SAS.

The Ethics and Compliance group and Global Information Security work closely to manage data privacy issues and security by, among other things, establishing information governance policies, standards, guidelines and processes based on regulations, business needs and/or industry best practices. They also conduct periodic privacy and security related assessments and compliance reviews, including privacy impact assessments for newly developed or modified applications that may affect individual privacy interests.

The Ethics and Compliance group ensures that SAS' externally posted Privacy Statement accurately reflects its information collection and use practices. SAS' Privacy Statement is global and applies not only to SAS US, but to its foreign subsidiaries and other business units. Translated versions of the Privacy Statement with country specific requirements are linked to the English version.

SAS Legal and Government Affairs actively monitors privacy and data protection related legislation, including reviewing proposed and existing legislation, evaluating its impact on SAS' business and strategic planning, and ensuring compliance with applicable laws and regulations.

SAS requires all its employees to complete training on privacy and information security. It publishes a monthly information security awareness newsletter, Security Sense, to help inform its employees about information security and privacy issues.

SAS maintains a number of policies related to privacy and information security, including the following:

- Collecting and Disclosing Employee Information.
- Company Computer Systems.
- Data Usage Policy.
- Use and Disclosure of Company Confidential and Proprietary Information.
- Global Human Resources Data Privacy Policy.

Governance and Ethics

In 2012, there were no substantiated complaints regarding breaches of customer privacy and losses of customer data.

## Supply Chain Management

We use tools such as service level agreements, benchmarking and supplier relationship management to monitor and manage our suppliers' results. SAS has a Supplier Diversity group within its Corporate Services Division that is responsible for SAS' supplier diversity process. Its goal is to develop 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. Its primary functions include:

- Reviewing RFPs and contracts and responding to customer inquiries with diversity requirements.
- Preparing and providing diversity spending reporting to customers.
- Providing information and access to SAS' procurement opportunities by supporting and conducting various diversity activities and events (i.e. sponsorships, education and attendance).

SAS uses competitive bidding to help ensure competition and fairness in the marketplace for suppliers. Forty-five percent of SAS' 2012 spending was with suppliers whose remit-to address is in North Carolina. In 2012, SAS did not report any instances of anti-competitive behavior anti-trust violations or monopoly practices, nor were there any fines for noncompliance with laws and regulations.

## 2012 Governance and Ethics Highlights

| Initiative | 2012 Goals | 2012 Performance Highlights | 2013 Goals |
|---|---|---|---|
| Ethics and Compliance – Training, Policy and Process | Maintain "zero tolerance-zero fines" for noncompliance with environmental, anti-corruption, trade and privacy laws.<br><br>Release the global privacy course in seven languages. | Achieved "zero tolerance-zero fines" for noncompliance with environmental, anti-corruption, trade and privacy laws.<br><br>SAS released an online, interactive training privacy course in 2012. This course was translated into seven languages and is required training for all worldwide employees. | Policy: Update Code of Ethics and translate into seven languages.<br><br>Training: Create new interactive online Code of Ethics training in seven languages.<br><br>Process: Prepare guidance materials for employees to use to apply for appropriate visas and otherwise ensure safe and compliant business travel. |

## Governance and Ethics

| Initiative | 2012 Goals | 2012 Performance Highlights | 2013 Goals |
|---|---|---|---|
| Anti-Corruption | Refine third-party due diligence program and expand it for use with partners and subcontractors with due consideration of proportionality and risk for each market served by SAS and its subsidiaries.<br><br>Continue review of mid-tier and mid-low-tier suppliers, and new suppliers. | Achieved refining of third-party due diligence program. SAS conducts due diligence on new partners and subcontractors globally. Heightened reviews are conducted for any contractors or markets identified as high-risk.<br><br>SAS completed due diligence reviews on existing suppliers at the mid-tier level and continued review of mid- to low-tier suppliers. | Develop gifting guidelines to help employees better understand what types of professional courtesies are appropriate to give or receive.<br><br>Update US contract language regarding anti-corruption. |
| Fair Trade Laws, International Peace Accords, Anti-Aggression Laws and Sanctions, and Anti-Boycott Laws | Continue work on next phases involving creation of a system to enable near-real-time updates to external ECCN chart.<br><br>Continue to have no government fines. | In 2012, SAS identified steps to achieve updates of our external ECCN chart close to new release events, and our 2013 goal is to implement those steps.<br><br>In 2012, SAS continued to await the results of voluntary disclosures made to the US and UK governments related to export law violations made by two companies prior to their acquisition by SAS. | Begin automation of technology access control systems used to comply with anti-aggression laws. |
| Privacy Protection Laws | Assist offices in filing required documents and notifications as needed.<br><br>Conduct annual in-person privacy training of SAS OnDemand personnel.<br><br>Translate global privacy course into seven languages and assign it to all employees worldwide if pertinent for their responsibilities. | Achieved the filing of required documents and notifications.<br><br>SAS conducted annual in-person privacy training of all SAS OnDemand personnel.<br><br>Achieved translation of global privacy course into seven languages and assignment of course to all employees worldwide for whom training was pertinent to their responsibilities. | Continue EU Data Privacy Law compliance survey and review process. |

# Education Philanthropy



"After being given a tour of SAS and receiving the wonderful experience of being a SAS employee for a day, I would like to work at SAS in the future. I would like to thank Mr. Goodnight for allowing us to have the brilliant opportunity to see the work he does every day. I would also like to thank the SAS employees for giving us this valuable and memorable experience!"

*STEM Career Day attendee middle school student*

Education continues to be the prime focus for SAS' community and philanthropic work. SAS believes that by focusing on one particular area of concern, it can be more effective in making a difference in its community. SAS is committed to supporting technology in the classroom and providing the next generation of computer science innovators with the educational tools they need to succeed.

This year, a total value of $18,099,751 was donated to charities.

SAS supported several local and regional projects in 2012 including a Middle School Math Pilot Program called "Flipping the Classroom" in partnership with North Carolina State University's Friday Institute; a Singapore Math Pilot in partnership with the Burroughs Wellcome Fund; the Triangle High Five Math Summit; North Carolina New Schools' grant application; the North Carolina Science Festival and more.

## Education Philanthropy

SAS not only looks to support education within our own backyard of North Carolina, but is involved in national and international projects as well. Here are a few examples of international and national projects supported by SAS in 2012:

### DonorsChoose.org

SAS employees support specific education areas in their community through DonorsChoose.org, a national nonprofit organization that connects individuals with classrooms in need. The site enables public school teachers to submit "wish lists" for materials that will help their students learn. SAS began matching employee donations in December 2008. In 2012, SAS matched 167 employee contributions totaling more than $35,500, which provided more than $70,000 toward resources for the classroom. Since December 2006, more than 500 employees have donated to more than 530 projects, netting more than $264,000.

### Ready by 21

SAS has a long-standing commitment to improving education at all levels through innovative partnerships and technologies. Ready by 21 brings together different elements of education and the community, and their data, to give an unprecedented view of the resources and relationships that can help develop the next generation of workers. SAS is a leader in analytics and data integration, and Ready by 21's use of the company's software and expertise will provide schools, students, parents, administrators and state and local leaders the ability to make data-driven decisions that support the alignment of programs and resources. Communities will know what resources their young people need, and how best to use them to be ready for school, work and life by the age of 21.

### SAS® Global Academic Program university and student programs

The SAS Global Academic Program (GAP) offers a series of free workshops (hosted by SAS) to support professional development for university faculty. This helps the faculty prepare students for careers that are in high demand (advanced analytics, data mining, forecasting, etc.). GAP also provides free workshops at individual universities across the US and internationally. The program provides free teaching materials to educators and hosts SAS Day events free to the public at universities that connect industry professionals with students. Each year, 10 students from around the world are funded through the SAS Student Ambassador Program to attend and present their work at SAS Global Forum. Twenty conference scholarships and 10 faculty scholarships are also awarded to provide the opportunity for attendance, developing programming skills and networking.

### Global North Carolina Heat Map

The University of North Carolina's Center for International Understanding (CIU) is an educational organization that promotes global competence and awareness among current and future leaders in North Carolina. SAS worked with CIU to create the Global North Carolina Heat Map, a graphical representation of key economic and demographic indicators across all 100 counties in North Carolina.

This is the first time this collection of vital statistics about the state have been pulled together in one place, creating a powerful tool to gain a greater understanding of trade, economic development, higher education, agriculture, tourism, and K-12 education. Using this data,



"The package arrived and our eager students were super excited! They had never before opened such a big box of books intended for them. Their excitement was certainly contagious. We have used the books to enhance our Common Core Standards Curriculum, especially in terms of 'author study.' I have not seen students so excited about reading in a long time. Your generous contributions have really impacted the quality of reading materials I can provide the students. I appreciate your support for my classroom and education in our community."

*Dr. Stephen Elrod*
*teacher recipient of DonorsChoose.org*
*donation from SAS employee*

Education Philanthropy

policymakers, entrepreneurs, education agencies, and institutions of higher education can make informed decisions about which programs and practices are needed to keep North Carolina globally competitive. SAS developed the Heat Map at no cost as part of its philanthropic mission.

**2012 Education Philanthropy Highlights**

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Support for K-12 Education | Continue to support and initiate programs, products and services that effectively integrate science, technology, engineering, math and more online learning materials into the classroom.<br><br>Promote importance of computer science skills through involvement with Computer Science Education Week, school visits by SAS professionals and events on SAS campus.<br><br>Partner with Ready by 21 to analyze community data to support the alignment of resources and programs that prepare young people to be productive in work and life by the age of 21.<br><br>Launch mobile applications to support P-20 education in the STEM areas. | Supported the Triangle High Five Math Collaborative to identify highly effective instructional practices and address disparities in mathematic achievement related to race and income. SAS hosted teachers in monthly planning meetings that led to the annual Math Summit, in which math teachers received professional development and shared best practices.<br><br>Conducted internal and external communications campaign in support of Computer Science Education Week.<br><br>Continued to partner with Ready by 21 to provide data and analysis support.<br><br>SAS AP statistics initiative: SAS provides free professional development to AP statistics teachers in order to integrate the use of software into their courses for college readiness. This includes a three-day workshop, free software and teaching materials. | Participate in state and national events, boards and organizations that promote quality learning.<br><br>Continue to support existing SAS education initiatives and develop new programs, products and services that effectively integrate science, technology, engineering, math and more online learning materials into the classroom.<br><br>Promote importance of computer science and STEM through events during Computer Science Education Week, school visits by SAS professionals and events for teachers and students on SAS campus.<br><br>Continue to partner with Ready by 21 to analyze community data to support the alignment of resources and programs that prepare young people to be productive in work and life by the age of 21.<br><br>Continue launching free mobile applications to support P-20 education in the STEM areas.<br><br>Use the International Year of Statistics to highlight the power of statistics by publishing blogs and staging events focused on careers, best practices and milestones in the field of statistics. |

## Education Philanthropy

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Support for K-12 Education | | Launched two mobile education apps. SAS Gloss makes it simple for teachers to create, distribute and receive worksheets, tests and quizzes electronically. SAS Data Notebook lets students control their learning and set, monitor and reflect on individual goals by subject.<br><br>Hosted the Math Summit focused on implementing North Carolina's Common Core Standards for Mathematics. This two-day event offered professional development for 800 middle and high school math teachers.<br><br>Launched online Algebra I course based on Common Core Math Standards. This course is available at no cost to schools. SAS staff built awareness and conducted training to facilitate widespread use.<br><br>North Carolina 1:1 Learning Technology Initiative: For four years, SAS has provided laptops, professional development and critical support to teachers in 23 rural North Carolina schools. The resulting evaluation and research now provides planning tools, rubrics and lessons learned for schools across the US who wish to launch a technology initiative. | Host an event for AP statistics teachers where they will meet SAS statisticians, learn about careers in statistics and connect with colleagues in other locations.<br><br>Develop a statistics lesson to be used with other SAS STEM Career Day materials. The lesson will expose students to current information about careers in statistics and pique students' interest in advanced math courses. |

Education Philanthropy

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Support for K-12 Education | | SAS STEM Career Day: SAS STEM volunteers entered schools and shared information about their career path and how math, science and technology are used by SAS and SAS customers worldwide. The primary goals were to generate more student interest in STEM careers and STEM courses and to familiarize students with the varied careers in the STEM fields at SAS and other leading corporations.<br><br>Singapore Math Pilot ($41,620): SAS partnered with the Burroughs Wellcome Fund, the North Carolina Board of Education and the North Carolina Department of Public Instruction to provide a mathematics training program for elementary teachers at YE Smith Elementary in Durham. YE Smith joins a cadre of six elementary schools as they collect data and document progress in math performance in order to improve student understanding of math concepts in early years. The goal is to work with partners to stimulate interest in replicating best practices across the state.<br><br>Flipping the Classroom: SAS partnered with North Carolina State University's Friday Institute staff to provide $43,000 of funding and laptops for middle school algebra teachers as they learned strategies and procedures for flipping the algebra classroom. | |

## Education Philanthropy

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Support for K-12 Education | | SAS was a primary sponsor of Digital Learning Day, an effort launched by the Alliance for Excellent Education. This event features best practices in digital learning and effective policies that use online resources. Educators find vital support, instructional strategies, sample legal policies and other resources to help schools as they transform their environment into a 21st century learning organization.<br><br>SAS was a matching funder of $100,000 in North Carolina New Schools' (NCNS) application for an I-3 federal grant. Under the grant, NCNS will extend successful early college-high school strategies among 15 to 20 traditional high schools and up to 10 rural, low-income county districts. One key goal of the initiative is for all students to graduate with at least 21 college credits or the equivalent of seven courses.<br><br>International Year of Statistics: SAS highlighted the power of statistics by releasing lesson plans and iPad® apps; publishing blogs; and staging events focused on careers, best practices and milestones in the field of statistics. | |

Education Philanthropy

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Support for Higher Education | Support programs that provide SAS software, databases and instruction for higher education mathematics, computer science and statistics students.<br><br>Support professional networking and summer employment opportunities for talented university students.<br><br>Provide SAS Analytics at no cost to qualified US higher education researchers through SAS OnDemand for Academics.<br><br>Launch new Master of Science in Analytics degree at a major US university. | Global Academic University program: Provided instructional materials, software, hosted applications and guest lecturers at no cost to universities and community colleges around the US.<br><br>Launched or supported Masters of Science in Analytics degrees at Louisiana State University, University of South Carolina, Northwestern University, Lehigh University, Stevens Institute of Technology, University of Cincinnati and Wake Technical Community College.<br><br>Trained more than 180 university professors in use and instruction of analytics.<br><br>Increased use of SAS OnDemand for Academics by more than 200 percent.<br><br>The SAS Student Ambassador program, Analytics Student Poster Contest, SAS Data Mining Shootout, SAS Global Forum Student Scholarship program and SAS Regional Users Group Student Scholarship programs provided students with opportunities to present research at SAS conferences and network with SAS customers.<br><br>Continued support of the Institute for Advanced Analytics at North Carolina State University.<br><br>Partnered with Achieving the Dream to help more community college students succeed by analyzing data to spot at-risk student populations, support interventions and planning. | Support programs that provide SAS software, databases and instruction for higher education mathematics, computer science and statistics students.<br><br>Launch and/or support additional Master of Science in Analytics degrees and certificate programs at US universities.<br><br>Launch SAS Web Editor, a Web-based tool for writing and running SAS code, available at no cost to professors and students.<br><br>Increase use of SAS OnDemand for Academics.<br><br>Build awareness of the power of statistics through the International Year of Statistics, publishing blogs and staging events focused on careers, best practices and milestones in the field of statistics.<br><br>Provide analytics software to the North Carolina Community College System and North Carolina Independent Colleges and Universities at no cost. |

## Education Philanthropy

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Employee Volunteerism | Continue to promote employee volunteerism in schools by donating funds based on a minimum number of volunteer hours per employee.<br><br>Continue to promote employee educational philanthropy by matching donations to classroom projects highlighted in DonorsChoose.org.<br><br>Participate in fundraising efforts for educational programs such as UNC Public Television.<br><br>Encourage grass-roots volunteerism among employees by way of internal communication vehicles such as SWW, The Hub, volunteer email listserv, electronic bulletin board, Web postings, etc. | Provided incentive and awareness programs that encouraged employees to volunteer more than 22,100 hours of their time, which largely focused on education programs and netted $74,000 for schools through the Employee Volunteer Fund.<br><br>Matched employee donations made through DonorsChoose.org for a total impact of $71,054 contributed to 517 classroom projects across the US.<br><br>Employees volunteered at UNC-TV Festival 2012 during SAS night, raising $160,248 in financial support for public television.<br><br>Volunteer opportunities were shared via the internal website (SWW and The Hub), volunteer email listserv and the electronic bulletin board. From those communications, employees volunteered in a variety of ways including SAS STEM Career Day, Habitat for Humanity, Dress for Success, SAS Championship golf tournament, teaching computer courses at a women's prison, performing with VocalMotion to raise money for charity (2012 DonorsChoose.org) and more. | Continue to promote employee volunteerism in schools by donating funds based on a minimum number of volunteer hours per employee.<br><br>Continue to promote employee educational philanthropy by matching donations to classroom projects highlighted in DonorsChoose.org.<br><br>Participate in fundraising efforts for educational programs such as UNC Public Television.<br><br>Continue encouraging grass-roots volunteerism among employees by way of internal communication vehicles. |

# Community Engagement



"It was fun to work outside with my hands for the day and know that I was helping out a large family in a small way."

*Steve Finck*
*Senior Principal Applications Developer*
*Habitat for Humanity volunteer*

**Donations, Volunteering, Empowering Others**

| 2012 Donations | Type | Amount |
|---|---|---|
| Cash including community grants | | $2,092,716 |
| In-kind donations | Software, hardware and services | $3,705,500 |
| | Value in-kind of training for students and educators | $12,162,980 |
| | Surplus equipment/ furniture/hardware | $138,555 |
| Total | | $18,099,751 |

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## Community Engagement

### Volunteering

As an integral part of SAS culture, employees are encouraged to donate their talent, time and/or money to projects supporting education, the environment and social welfare. In 2012, SAS employees volunteered more than 22,100 hours through the Employee Volunteer Fund (EVF), resulting in more than $74,000 paid to schools across the US, primarily in North Carolina. EVF is a special volunteer program that provides cash contributions to education-based nonprofit organizations where an employee has provided at least 50 hours of volunteer support in three out of four quarters over a 12-month period.

*Here are some examples of SAS volunteer projects in 2012:*

*UNC-TV Festival 2012*
SAS volunteers helped raise $160,248 for UNC-TV, the statewide public television network. Volunteers from SAS and The Umstead Hotel and Spa answered 368 calls during the SAS challenge from 8 to 11 p.m. The evening was part of UNC-TV's annual fundraiser, which SAS has been a part of for the last 13 years. Since 2000, SAS has helped raise more than $2.1 million for public television.

*Habitat for Humanity*
For the past six summers, employees from IDeaS, a SAS company based in Minneapolis, have volunteered building a home for a family in need through Twin Cities Habitat for Humanity. In 2012, two teams donated 200 service hours on projects including installing exterior siding, interior insulation and drywall.

*SAS STEM Career Day*
SAS STEM volunteers entered schools and shared information about their careers, how they chose their career paths, and how SAS and SAS customers use math, science and technology worldwide. The primary goals are to generate more student interest in STEM careers and STEM courses, to help students see the connection between what they do in school and an exciting STEM career pathway, and to familiarize them with the varied careers in STEM fields at SAS and other leading corporations.

*Empowering Others*
SAS strived to empower others in 2012 through projects such as the Reedy Creek STEM Career Day, Ready by 21 and more. More importantly, SAS products have made a significant impact on businesses and organizations in their ability to achieve their goals. JMP® software has facilitated organizations in producing clean energy, bolstering women entrepreneurs and protecting biodiversity by providing automated techniques for data mining and predictive modeling with great accuracy and flexibility.

"It was our way of paying it forward."

*Anna Byrd*
*SAS Principal Events Technology Specialist*
*DonorsChoose.org donor*

"I leverage skills that I use every day, but in a new way. I like being a part of something larger and seeing that several small efforts result in tremendous output. I liked seeing the new owner's face light up and the team bonding with colleagues through projects outside of the daily work environment."

*Jane Stampe*
*Managing Director for SAS Americas*
*Habitat for Humanity volunteer*

## Volunteer Profiles

*Raleigh Correctional Center for Women*



Employees like Becky Brown exemplify going above and beyond to live and breathe the corporate culture of SAS. She teaches computer classes and helps teach a jobs skill course at the Raleigh Correctional Center for Women as one of 10 mentors who participate in a 16-week class called Jobstart.

"It is fulfilling to teach and encourage women who are eager to learn how to make a better life for themselves and their families upon their release," said Brown, a Senior Digital Marketing Specialist. "I give so little (1-2 hours a week) and receive so much in return. The women are empowered with skills and resources to bridge their transition back into society." Two hundred women have graduated from Jobstart; only 12 percent of graduates return to prison, compared to 35 percent of women overall.

*SAS® Alliance Relationship Team*
The Alliance Relationship Team (ART) at SAS has a commitment to building professional relationships. They gave back to the community by hosting their first ART Gives Back event at Dress for Success in Durham, NC in 2012. Dress for Success promotes economic independence for disadvantaged women, helping them with every facet of getting a job, including wardrobe, coaching, mock interviews and résumé preparation.

"It was a genuine honor for ART to be able to be involved with this amazing organization," said Senior Alliance Specialist Dave McKay. "They receive a huge amount of donations, and their limited staff just can't handle it all by themselves. The ART team helped with sorting, hanging, organizing and moving the inventory. It was a big help to the organization, and we had a great time building the team and bonding at the event, too." ART plans to host a Give Back event once every quarter.

## Community Board Memberships

SAS staff takes the company's corporate responsibility values outside of the corporate walls by sitting on the boards of a variety of community organizations that support education, disaster relief efforts, the arts, science innovation, environmental conservation and several other issues important to employees.

## Community Engagement

### The following is a list of some of the boards that SAS employees served on in 2012:

American Chamber of Commerce to the European Union Executive Council

Atlantic Council

Business Education Board – added August 2012

Cary Academy

Council of Americas

Dept. of Computer Science Strategic Advisory Board at NCSU – Board Emeritus

Environmental Defense Fund National Council

Friday Institute for Educational Innovation (NCSU)

Institute for Emerging Issues Education Council (NCSU)

Kids 'N Community Foundation, Carolina Hurricanes

LEARN NC

Marbles Kids Museum

National Board for Professional Teaching Standards

North Carolina Community College System

North Carolina Museum of Art

North Carolina Museum of Natural Sciences – Friends

Public School Forum of North Carolina

North Carolina Science Festival

North Carolina State University – Board of Trustees

Smithsonian National Museum of Natural History, Advisory Board

The Center for International Understanding Council

The Nature Conservancy Africa Advisory Council

United States Council for International Business – Executive Committee

University of North Carolina Board of Governors

Wake Education Partnership

World Wildlife Fund

YMCA of the Triangle

# Employees



SAS secured the No. 1 spot in the 2012 World's Best Multinational Workplaces list from Great Place to Work, garnering accolades around the globe for its workplace culture and commitment to innovation. SAS Belgium and SAS Sweden were also No. 1 on their countries' Great Place to Work lists. SAS was also honored as a top workplace in 21 countries and regions.

At the end of 2012, SAS had 13,442 employees worldwide and 6,542 US employees.

SAS provides an environment that engages employees so that they may build lasting relationships with customers and focus on meeting their businesses' needs. SAS believes that happy, healthy employees drive the innovation that supports SAS' leadership in business analytics.

"Our ability to attract and keep creative employees directly contributes to SAS' consistent revenue growth, profitability and industry-leading products and solutions," said CEO Jim Goodnight.

Learn more about SAS employee culture and benefits in the Employee and Retiree website.

Employees

| US Staff Headcount Summary – 2012 | |
|---|---|
| Description of Employee | Numbers |
| Type | |
| Full-time | 6,440 |
| Part-time | 102 |
| Gender | |
| Female | 2,766 |
| Male | 3,776 |
| Age | |
| 19-31 | 522 |
| 32-44 | 2,309 |
| 45-63 | 3,511 |
| 64 and up | 200 |
| Total | 6,542 |

**Hiring and Retaining Staff**

In 2012, SAS maintained a low turnover rate while growing the worldwide staff. People stay at SAS because they are happy and feel respected. The company strives to nurture creativity and innovation – encouraging employees to take risks and exceed expectations while helping them balance work and life. By reducing turnover, SAS reduces recruitment costs, retains knowledge and delivers deeper, longer-term customer relationships. SAS sees a strong connection between employee loyalty and business success.

SAS' extensive internal communications program enables staff to be informed and engaged in all aspects of the business, as well as interact with executive leadership.

Employees

| US Turnover Summary | | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| **Type** | | | | | |
| Turnover number | 220 | 184 | 144 | 112 | 200 |
| Turnover percentage | 3% | 3% | 3% | 2% | 4% |
| **By age group** | | | | | |
| Gen Y (19-31) | 30 | 32 | 14 | 17 | 26 |
| Gen X (32-44) | 98 | 72 | 63 | 45 | 84 |
| Boomers (45-63) | 77 | 72 | 54 | 40 | 77 |
| Matures (64 and up) | 15 | 8 | 13 | 10 | 13 |
| **By gender** | | | | | |
| Female | 85 | 68 | 54 | 53 | 99 |
| Male | 135 | 116 | 90 | 59 | 101 |

## Diversity/Equal Opportunity

SAS continues to provide equal employment opportunity for all employees regardless of age, race, color, gender identity, religion, creed, ancestry, national origin, citizenship, marital status, sexual orientation, disability, medical condition, veteran status, pregnancy or any other protected class as defined by federal, state or local law. In 2012, SAS reported zero incidences of discrimination or harassment against SAS or employees of SAS.

SAS annually hosts programs and supports organizations to promote diversity and equal opportunity. Some examples include:

- Standing Behind Veterans.
- Women's Initiative Network (WIN).
- Treatment and Education of Autistic and Related Communication Handicapped Children (TEACCH).
- Food and Service Training (FAST).
- Vocational Rehabilitation of NC.

Learn more about how SAS promotes diversity and equal opportunity and supports women and families.

## Skills Development

As part of SAS' culture and benefits for employees, the company continues to provide training for leadership, sales, technical and interpersonal development. Training ranges from instructor-led classrooms to e-learning and live Web training. Having several options

Employees

enables employees to find their best learning method to meet work and career goals. In 2012, SAS employees devoted 112,383 hours to professional training.

Ninety-six percent of full- and part-time employees participated in professional SAS training in 2012. Counting all employees, the average amount of time spent in training per employee was 17 hours for full-time employees and six hours for part-time employees. For leadership development, SAS held 32 workshops and had 937 participants.

| Training | Breakdown |
|---|---|
| Classroom | 28% |
| Webcast and video | 44% |
| E-learning | 25% |
| Reading material | 3% |

Training programs include:

- Interpersonal development.
- SAS Leadership Series.
- The Leadership Challenge.
- Leadership & Energy for Performance (LE4P).
- The Management Fundamentals Program.
- Sales training.
- Technical training.

More information on training programs is available on our website.

**Health and Safety**

SAS provides a safe working environment for all its employees. An on-site health care center is provided at the worldwide headquarters in Cary, NC, and strives to provide comprehensive health care services that promote optimal health. Health care staff includes family nurse practitioners, physicians, registered dietitians/nutritionists, nurses, medical laboratory technologists, a psychologist and physical therapists.

The Security and Safety departments investigate any incidents that pose a danger to company employees or third parties and take measures to reduce or eliminate these hazards. The Risk Management department provides additional training and resources to help identify and prevent similar incidents from causing injury or damage to individuals.

SAS has an Ergonomics department that supports our employees through personal assessments, training and by providing further educational resources through an intranet site, which includes FAQs, Quick Tips and an overview and signup link to the Safe Work Skills program for manual labor employees. It also provides an assessment request form that employees can complete for a personal worksite evaluation by one of our two full-time ergonomics specialists.

Employees

| Injuries/Lost Days - US | | | | |
|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 |
| Total US Employees | 6,556 | 6,207 | 5,804 | 5,566 |
| Compensation Claims | 39 = 0.59% | 22 = 0.35% | 18 = 0.13% | 33 = 0.59% |
| Lost Working Days | 334 | 328 | 407 | 314 |

## 2012 Employee Highlights

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Talent Management | Increase leadership development offerings through blended model strategy:<br><br>• Launch Manager Portal of HR website.<br><br>• For the Global Career Framework, expand infrastructure implementation to EMEA and Asia Pacific. | Enhanced the development of SAS leaders by providing:<br><br>• 64 leadership events/workshops.<br><br>• 7 Management Fundamentals classes.<br><br>• Worldwide Manager Portal.<br><br>Implemented Global Career Framework:<br><br>• 76 percent complete in US.<br><br>• 52 percent complete in EMEA and Asia Pacific. | Continue to expand our domain expertise in core business areas by hiring and retaining world-class talent.<br><br>Provide growth opportunities and transparency via SAS' Global Career Framework.<br><br>Grow SAS' bench strength using a five-step organizational talent review process and data.<br><br>Enhance employee skills to meet customer needs, including global expansion of leadership development.<br><br>Conduct SAS Global Employee Survey in order to collect feedback and build programs to enrich the employee experience.<br><br>Implement a Global HR technology strategy to drive HR intelligence. |

Employees

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|---|
| Organizational Development | Increase development paths to support employee development in other functional areas of the business.<br><br>Implement new global HR management solution system for US (Phase 1).<br><br>Identify critical experts and high-potential employees. | Completed talent reviews for 35 percent of US organization.<br><br>Launched Phase I of new global HR management solution system.<br><br>Designed and launched the Emerging Leaders program to build leadership pipeline. | Improve SAS' operational efficiency by:<br><br>• Realigning resources in core areas to achieve maximum productivity.<br><br>• Streamlining HR programs and policies. |
| Employee Engagement | Increase employees' awareness of and interaction with one another globally by:<br><br>• Holding a virtual communications summit to share ideas and best practices in global communications strategies.<br><br>• Holding an employee video contest to share ideas for talking about the SAS story externally.<br><br>Increase interaction with and visibility of SAS executives internally via:<br><br>• Incorporating live questions on-screen during executive update webcasts via our new social media network, The Hub.<br><br>• Launching a new "Name that Executive" series on the intranet, whereby SAS leaders answer 20 questions, and employees guess who gave what answer. | Created an internal video team to produce videos that inform, motivate and engage employees around the world. Videos are now incorporated into internal news coverage alongside text articles as a way of reaching employees through multiple communication channels.<br><br>Held a virtual communications summit for global offices that consisted of 10 presentations during March 2012. Employees from 18 countries participated.<br><br>Profiled 23 individual executives on the SAS intranet site with a "Name That Executive" trivia series throughout the year. | Increase global awareness and connectivity among employees by profiling global offices on the SAS intranet through articles, photos and videos. |

Employees

| Initiative | 2012 Goals | Performance Highlights | 2013 Goals |
| --- | --- | --- | --- |
| | Increase communication and engagement among employees by:<br><br>• Incorporating "like it," rating and thank you features into The Hub (our internal social media network).<br><br>• Launching live, on-site story coverage of events to share with information with employees via our intranet site.<br><br>• Creating videos to inform, motivate and engage employees with what's going on at SAS. | Increased engagement among employees by incorporating a number of new features on The Hub, our internal social media network. This included adding "like it" ratings and "thank you" features, integrating Hub comment streams with our internal news articles, and posting employee questions from The Hub on-screen during live webcasts. | |

# Environment



SAS employees and their plug-in electric vehicles at the 12-acre, 2.2-megawatt SAS solar farm.

The implementation of environmental strategies is largely the domain of the SAS Corporate Services Division Environmental Management Program. The Environmental Management Program facilitates environmental efforts at company headquarters in the US, collects and reports key environmental indicators for global operations, and provides guidance and support to offices worldwide. The highest priority is assigned to energy conservation and solar projects, emission management and pollution mitigation, water conservation, waste reduction and recycling, procurement and green building.

Within these functional areas, SAS has multi-year programs in place. Our goal is to expand on these programs each year, looking for opportunities for improvement. SAS strives to be a sustainability leader by investing in innovative technologies that help minimize the environmental impacts of our business.

## Environment

In 2012, SAS demonstrated sustainability leadership with numerous environmental initiatives that helped us continue to be one of the best places to work in the world. Our world headquarters in Cary, NC, boasts several large-scale projects and accomplishments symbolizing our commitment to the environment.

**Highlights from 2012 include:**

- Energy: Generated 3,906 megawatt hours of renewably sourced solar power from rooftop and ground-mounted solar installations.
- Emissions: Reduced greenhouse gas emissions by 1 percent or 854 tonnes of carbon dioxide globally.
- Green building: Diverted 95.3 percent of construction waste from the landfill for all construction projects at the Cary headquarters campus.
- Waste management: Diverted almost 1,500 tons of waste from landfills globally.
- Water conservation: Conserved 20,013 cubic meters, or 5.3 million gallons, of water globally.

In addition to employing various sustainability measures at its headquarters, SAS takes pride in supporting environmental education and awareness efforts. In 2012, SAS supported numerous environmental speaking engagements, visits to the SAS solar farms and companywide Earth Day celebrations; featured articles posted on our internal green website; and published white papers and webcasts. SAS also received many awards, including recognition for its local environmental activities. By engaging with customers, employees, industry leaders and world leaders, SAS seeks to extend the reach of its sustainability initiatives.

In 2012, SAS did not receive any sanctions or fines for noncompliance with environmental laws and regulations in the United States. To read more about our environmental initiatives and governance, please visit our Environment webpage.

### Executive Sustainability Council

The SAS Executive Sustainability Council, formed in 2008, continues to review metrics of SAS' sustainability performance and provides guidance on ways to conduct global operations in an environmentally sustainable manner.

The Executive Sustainability Council and the steering committee are chartered to act on environmental policy statements and mandates. In 2012, many initiatives were made possible by direct sponsorship and hands-on participation from Executive Sustainability Council members, including the employee Junk Swap, waste stream audit, and the expansion of our electric vehicle charging station infrastructure. This past year, meetings were conducted with council subgroups in order to provide detailed guidance by executives and support staff on issues and opportunities specific to their areas of operational control. Read more about environmental governance, policies and mandates at SAS.

### Energy and Emissions

Finding ways to conserve energy and implement more energy-efficient initiatives are ongoing objectives for SAS. In 2012, SAS installed numerous environmentally friendly and

Environment

energy-efficient technologies in new and existing buildings. Approximately 80 percent of our energy use is from electricity. This plays a significant role in steps we take to reduce energy use and emissions in our operations.

Renewable energy remains a priority for the company. SAS' seven solar installations at campus headquarters generated almost 4 million kWh (3,905,510 kWh) of clean, renewable energy in 2012.

Learn more information on our renewable energy initiatives.

### Energy Consumption

In 2012, SAS reduced energy consumption in office buildings at the Cary headquarters by 8.5 percent, or 3,100 megawatt hours. Investments in energy-efficient technologies and adherence to best practices of the US Green Building Council's Leadership in Energy and Environmental Design (LEED®) rating system have become standard practices for SAS building projects.

Using SAS Sustainability Management and SAS Visual Analytics software, we continued to enhance our ability to track environmental metrics to help us understand our environmental footprint in 2012 and beyond.

| Global Energy Consumption, GJ | | | | |
|---|---|---|---|---|
| **Region** | **2012** | **2011*** | **Variance** | **Percent Difference** |
| Asia Pacific | 32,260 | 30,598 | 1,662 | 5.4% |
| Canada | 10,369 | 7,174 | 3,195 | 44.5% |
| EMEA | 101,135 | 96,623 | 4,512 | 4.6% |
| Latin America | 4,537 | 3,083 | 1,454 | 47.1% |
| US Data Center | 119,779 | 110,123 | 9,656 | 8.7% |
| United States, excludes Data Center | 239,083 | 256,553 | -17,470 | -6.8% |
| Totals | 507,163 | 504,154 | 3,009 | 0.5% |
| *2011 EMEA and US totals increased slightly due to restated supplier invoice totals. | | | | |

The increase in global energy use was due primarily to the expansion of the Data Center. Over the past decade, the challenge of delivering timely information to support enterprise analytics has increased exponentially. The deployment of additional computing and storage solutions, combined with IT globalization at corporate headquarters, has increased demand for energy and data center space. Existing facilities were reaching capacity and could not be efficiently expanded to maintain the high level of support expected by SAS' customers. The solution was to design and construct a dedicated computing facility, emphasizing efficiency, flexibility and sustainability.
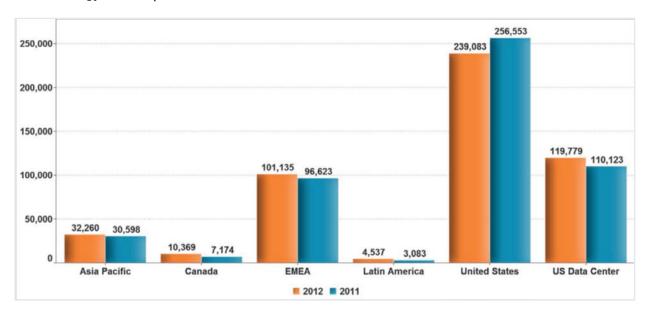
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This past year, the new Data Center achieved an average power usage effectiveness (PUE) of 1.35. This remained unchanged from 2011.

The data center industry uses the PUE calculation as a measure of efficiency. A PUE of 2.0 means that for every watt of IT power consumed, an additional watt is consumed to cool and distribute power in support of the IT equipment. A data center is more efficient when it uses less energy to run the facility than to power the IT equipment. Thus, the closer it gets to a PUE of 1.0, the more efficient it is.

Other larger growth percentages are due to adding offices in areas with a small office footprint, including Canada and Latin America.

Global Energy Consumption



**Managing Greenhouse Gas Emissions**

Because a majority of our emissions are related to electricity use, our energy efficiency initiatives have a direct impact on our overall greenhouse gas emissions. In 2012, SAS reduced its carbon emissions by 1 percent, or 854 tonnes of carbon dioxide globally.

The Environmental Management Program uses SAS solutions to forecast how emissions will change over the next five years and understand which initiatives will have the greatest effect. Using our sustainability reporting software, SAS creates performance indicators, following externally published standard frameworks, to understand which metrics are related and which initiatives will have the greatest effect, and to help communicate strategy, goals and objectives to facilitate effective execution.

Environment

| Global Emissions Summary, t CO2-e | | | | |
|---|---|---|---|---|
| Source | 2012 | 2011* | Variance | Percent Difference |
| Asia Pacific | 6,585 | 6,117 | 468 | 7.6% |
| Canada | 553 | 377 | 176 | 46.6% |
| EMEA | 8,937 | 8,631 | 306 | 3.5% |
| Latin America | 363 | 177 | 186 | 105.0% |
| US Data Center | 17,225 | 15,837 | 1,388 | 8.7% |
| United States, excludes Data Center | 27,312 | 30,690 | -3,378 | -11.0% |
| Totals | 60,975 | 61,829 | -854 | -1.3% |

*2011 EMEA and US totals increased slightly due to restated supplier invoice totals.
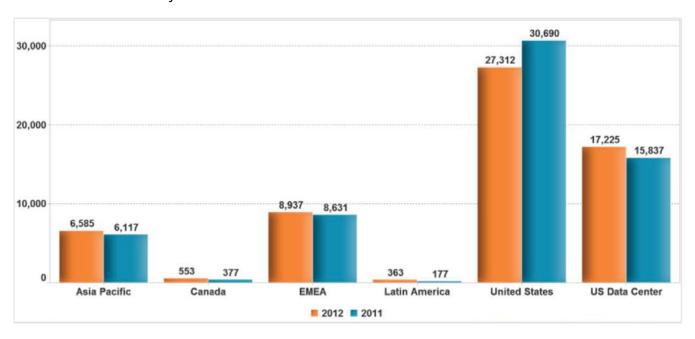


**Eco-Commuters and Electric Vehicles**

"If you build it, they will come." This phrase encapsulates the explosion of electric cars showing up on campus. SAS supported plug-in technology with the installation of six electric vehicle charging stations, two of which were installed in 2012. After an electric vehicle education and test drive event for employees as well as an announcement about additional charging stations to be installed, the number of electric vehicles increased from three to more than 50.
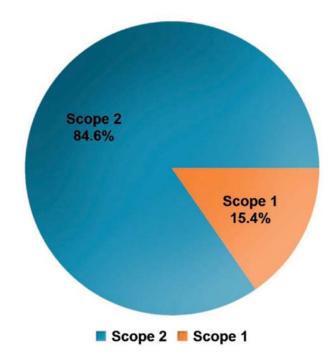
Employees with energy-efficient and earth-friendly vehicles, participants in our vanpool program, and active carpoolers have access to premium Eco-Commuter parking spaces that include electric vehicle charging stations.

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## Global Emissions Summary



## Scope 1, Scope 2 Global Emissions

Environment

## Electricity Efficiency

As part of our effort to evaluate, measure, and reduce our energy use, SAS also analyzes how we can provide a more energy efficient service to our customers. One measure we use to track our progress is electricity usage per dollar earned. This indicates how much energy is required to provide our software solutions, training, education, etc. Reducing this metric means we are more energy efficient while providing the same level of service to our customers. In 2012, our revenue increased, but our energy use decreased, making our services more energy efficient for our customers.

| Electricity Efficiency – SAS Headquarters | | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| Kilowatt Hours (kWh) | 65,659,782 | 66,223,024 | 61,620,698 | 57,890,219 | 55,652,476 |
| Revenue (US$ Billion) | $2.88 | $2.73 | $2.43 | $2.31 | $2.26 |
| kWh Growth | -1.0% | 7.5% | 6.4% | 4% | 4.2% |
| Efficiency: $ Earned Per 1 kWh | $43.92 | $41.10 | $39.40 | $39.90 | $40.61 |
| Efficiency: kWh Consumed Per $1 Earned | 0.023 | 0.024 | 0.025 | 0.025 | 0.025 |

## Supply Chain

In 2012, SAS continued its ongoing research of options for incorporating corporate social responsibility elements into procurement processes and for reducing the environmental impact of supply chain processes. As in years past, SAS completed its annual Carbon Disclosure Project (CDP) Supply Chain questionnaire related to greenhouse gas emissions inventory and related climate change management for 2012. SAS achieved a CDP performance score of 78, a 10 percent improvement from 2011. The average score of more than 2,400 supplier responses was 48.

To learn more about our sustainable supply chain practices, visit our Environment Web page.

Environment

## 2012 Highlights – Energy and Emissions

| 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|
| Expand reporting capabilities of existing campus building management system to enable data archiving and automate ETL process into SAS Forecasting tools to achieve improved analytics. | Evaluation and procurement completed for building management system reporting module upgrade. | Complete installation of building management system reporting module and conduct administrator and user training.<br><br>Integrate building smart meters with building management system to capture energy consumption data and evaluate performance. |
| Install two additional electric vehicle charging stations at campus headquarters. | Installed two electric vehicle charging stations at Building T for a total of six. | Install eight additional electric vehicle charging stations at campus headquarters.<br><br>Initiate procurement for two rooftop solar systems to achieve commercial operation by Q2 2014.<br><br>Apply in-memory analytics to global energy data for enhanced analysis and visualization and enable environmental performance dashboards on SAS mobile devices. |
| Improve on Carbon Disclosure Project (CDP) score of 71. | Achieved CDP performance score of 78. The survey average score was 48 for more than 2,400 supplier responses. | Improve on Carbon Disclosure Project score of 78. |

## Green Building

SAS strives to be a leader in environmental sustainability through green building practices. Globally, SAS uses the best design, engineering, materials and technology available to minimize environmental impact when building or remodeling business facilities. This commitment leads the design and construction decisions for our office buildings.

SAS has three LEED certified buildings as of 2012, including one Platinum level certification for our newest US office building and Executive Briefing Center. Platinum is the highest level awarded by the US Green Building Council. To achieve certification for existing buildings, SAS is performing advanced retrocommissioning to ensure building systems are operating efficiently using as little energy and water as possible. In 2012, SAS diverted 95.3 percent of construction waste from the landfill for all construction projects at the Cary, NC, headquarters campus. Learn more about green building practices and our effort to minimize the impact on biodiversity.

"We use 'beneficial' bugs to treat insect and pest problems with indoor plants, so there's no spraying of chemicals."

*Millie Jones*
*Landscaping Manager*

Environment

**Green building highlights from 2012 include:**

- Building Q, the newest building under construction at campus headquarters, is targeting a high-level LEED certification and will feature highly efficient HVAC and mechanical systems, rooftop solar photovoltaics, and extensive use of LED lighting.

- A new office building in Sweden incorporated a ground-coupled geothermal heating system in 2012 and began installing solar on the rooftop set to be completed in 2014.

**2012 Highlights – Green Building**

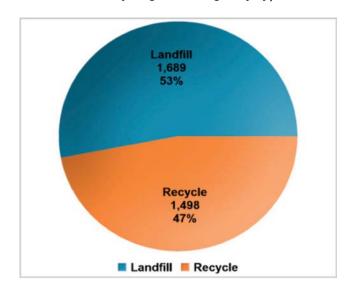| 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|
| Achieve LEED certification for at least one existing building in 2012. | Formal certification was delayed until 2013 to establish processes to efficiently pursue LEED certification for multiple existing buildings. | Achieve LEED certification for at least one existing building in 2013 and initiate certification process for one additional existing building. Achieve LEED certification for two new office buildings globally by 2014. |
| Conduct enhanced commissioning for two owned buildings globally. | SAS performed advanced, retrocommissioning on one of the primary office buildings at SAS headquarters and the data center in the UK. Commissioning ensures that building systems are operating efficiently and as intended so employees can do their jobs in a safe and comfortable environment and so SAS does not use more energy and water than necessary. | Conduct enhanced commissioning for two owned buildings globally, including Sweden and UK data center expansion project. |

**Waste Management**

The SAS Waste Management Program has established processes to more effectively measure and monitor the operational waste stream. With more than 13,000 employees worldwide, SAS realizes that significant environmental benefits can be generated from waste management efforts at an individual or local level.  Globally, SAS disposed of 3,187 tons of operational waste in 2012. This includes paper, cardboard, composting, aluminum and plastic, and any other non-construction waste material. Forty-seven percent of that waste (or more than 1,500 tons) was diverted from landfills in 2012 through our recycling and waste management program at each SAS location around the world. In 2012, SAS did not have any spills of hazardous materials, oil, fuel, waste, or chemicals, and did not have any fines for noncompliance with environmental legislation.

Environment

## 2012 Tons of Global Operational Waste

| Region | | AP | CAN | EMEA | LA | USA | Total |
|---|---|---|---|---|---|---|---|
| Disposal Method | Recycle Type | Waste | Waste | Waste | Waste | Waste | Waste |
| ⊞ ⊡ Landfill | | 258 | 40 | 494 | 56 | 841 | 1,689 |
| ⊟ ⊞ Recycle | Cardboard | 103 | 16 | 197 | 23 | 335 | 674 |
| | Commingle | 9 | 1 | 18 | 2 | 30 | 60 |
| | E-Waste | 16 | 3 | 31 | 4 | 52 | 105 |
| | Other | 39 | 6 | 74 | 9 | 127 | 255 |
| | Paper | 62 | 10 | 118 | 14 | 201 | 404 |
| Total | | 486 | 76 | 932 | 107 | 1,586 | 3,187 |

## 2012 Global Recycling Percentages by Type; Global Waste Disposal, Tons



Landfill
1,689
53%

Recycle
1,498
47%

■ Landfill  ■ Recycle

SAS continues to invest in waste management initiatives to reduce waste and encourage recycling at all its facilities. For our non-recyclable items, we strive to purchase materials that are biodegradable in a landfill or are readily compostable. This is the first year SAS reported global operational waste figures. The following are successful projects we created or took part in during 2012:

- SAS' landfill diversion progress for the past three years demonstrates our commitment in this area – increasing operational waste recycling from 26 percent to 47 percent.
- Construction projects at the Cary headquarters campus this diverted 95.3 percent of construction waste from the landfill, or more than 617 tons of waste.
- SAS annually achieves 100 percent e-waste diversion from landfills by repurposing equipment for internal use, recycling with responsible vendors and donating to educational institutions.

"I've always done what I consider the 'small' things to help keep trash levels down, such as separating my own trash into recyclables and compostable items. But, I feel like since I've come to SAS, I now have more of a chance to be a bigger part of it, as this company does so much to promote green efforts."

*Leif Allen*
*Corporate Logistics Manager*
*Eco Advocate*

Environment

- Since the employee electronics recycling program's inception in April 2008, the SAS Material Management Center has collected more than 50 tons of personal electronic hardware for recycling.
- Paper and commingled recycling at headquarters increased by 8 percent to 331,000 pounds.

## Hazardous Materials

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

- SAS complies with all Occupational Safety and Health Administration regulations specific to handling hazardous materials.
- SAS has a spill prevention, control, and countermeasure plan designed to meet US Environmental Protection Agency (EPA) regulations.

## 2012 Highlights – Waste Management

| 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|
| Collect, analyze and report global waste volumes in 2012 CSR report. | Global operational waste data collected and reported in 2012 CSR report. | Report global recycling and landfill volumes annually in CSR report. |
| Increase landfill diversion by additional 5 percent in 2012. | Landfill diversion volume increased by 5 percent, or 59,142 pounds, at world headquarters. | Divert at least 90 percent of construction project waste from landfill. |
| Continue to promote environmental initiatives with active employee participation – add two new initiatives to increase recycling options for Eco Advocates. | Eco Advocate volunteers supported our first ever waste stream audit and employee Junk Swap events.<br><br>More than 300 employees donated materials for employee Junk Swap, which diverted more than 5,000 square feet of exchanged materials from local landfills.<br><br>More than 150 employees took a test drive in a plug-in electric vehicle at an event designed to raise awareness about plug-in technologies.<br><br>Eco Advocates also monitored recycling containers to reduce contamination and supported an electric vehicle test drive and education fair. | Conduct waste stream audit for another building at headquarters.<br><br>Organize 2nd annual employee Junk Swap.<br><br>Incorporate responsible recycling instructions into SAS customer software deliveries.<br><br>Expand Green2Go program, reusable alternative to food to-go plastic containers, to another cafeteria at SAS headquarters. |

## Environment

| 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|
| Develop internal waste landfill and recycling dashboards with detail by building. | Global operational landfill and recycling data collected. Performance dashboards include global offices and buildings at SAS headquarters. | Apply in-memory analytics to global environmental data for enhanced analysis and visualization and enable environmental performance dashboards on SAS mobile devices. |

**Water Use**

SAS' 900-acre headquarters campus in Cary and 13 owned offices globally use water for office and data center cooling, cafés, gymnasium operations, landscape irrigation and general employee consumption. Water conservation is critical to SAS because many of our facilities operate in communities that have experienced significant water shortfalls and are subject to water use restrictions. At SAS headquarters, a combination of water-saving technologies and practices coupled with increased employee awareness about water usage has resulted in significant savings.
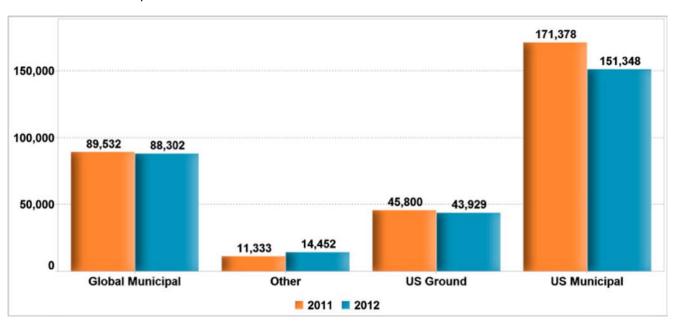
The Cary campus used 151,348 cubic meters of municipal water and approximately 44,000 cubic meters of ground water from 15 wells in 2012. For 13 other owned facilities worldwide, SAS used 51,888 cubic meters of municipal water in 2012. In 2012, SAS:

- Reduced water usage globally by 20,013 cubic meters, or 6 percent.
- Saved 9,500 cubic meters of water from the installation of higher-efficiency cooling towers that can accept reclaimed water.
- Used 8,135 cubic meters, or 2.1 million gallons, of reclaimed water in lieu of municipal-potable water.
- Reduced landscape irrigation volume by 4 percent despite a full year of operation for new headquarters building and expansion of data center.
- Collected 2,803 cubic meters of water in its rainwater-capture system for office buildings at world headquarters.
- Expanded use of river water used for landscape irrigation in lieu of municipal-provided potable water at UK office.
- Expanded use of native drought-tolerant plants and planted large expanses of prairie grasses instead of the more traditional turf grasses.

Environment

| Water Consumption (Cubic Meters) | | | | |
|---|---|---|---|---|
| Source | 2011 | 2012 | Variance | Percent |
| US Ground Water | 45,800 | 43,929 | -1,871 | -4% |
| US Municipal Water | 171,378 | 151,348 | -20,030 | -12% |
| US Rainwater | 1,932 | 2,803 | 871 | 45% |
| US Reclaimed Water | 8,247 | 8,135 | -112 | -1% |
| Global Offices Municipal Water | 89,532 | 88,302 | -1,230 | -1% |
| Global Rainwater Capture & Reuse | 1,003 | 998 | -5 | 0% |
| Global Surface Water | 151 | 2,515 | 2,364 | 1,566% |
| Totals | 318,043 | 298,030 | -20,013 | -6% |

## Global Water Consumption

Environment

## 2012 Water Use Highlights

| 2012 Goals | Performance Highlights | 2013 Goals |
|---|---|---|
| Replace two antiquated building cooling towers with higher-efficiency models designed to use less water and accept reclaimed water as an alternative. | Installed cooling towers that are 25 percent more efficient. | |
| Connect reclaimed water line to Building R, the largest building at Cary headquarters. | Reclaimed water line was connected to Building R in late 2012. | Complete system testing for Building R and begin using reclaimed water for cooling towers in Q2 2013. |
| Increase reclaimed water usage by 100 percent. | Systems were turned off mid-year due to quality issues. Resumption planned for Q2 2013 when additional filtration is installed. 2.1 million gallons of reclaimed water use was 1 percent lower than rainwater captured in 2011. | Increase reclaimed water usage by 100 percent.<br><br>Expand infrastructure in 2013 to allow access for four more buildings by 2014. |
| | | Integrate building smart meters with building management system to capture water consumption data and evaluate performance.<br><br>Apply in-memory analytics to global water data for enhanced analysis and visualization. Enable environmental performance dashboards on SAS mobile devices. |
| Increase rainwater capture by 50 percent. | Rainwater capture system achieved 46 percent increase over prior year. Usage was slightly lower than goal due to operation maintenance typical for new systems. | |