SAS 2010 Corporate Social Responsibility Report
An enduring commitment to employees, environment and communities

The SAS 2010 Corporate Social Responsibility Report was developed using the Global Reporting Initiative (GRI) sustainability reporting guidelines. This year's report is based on the calendar year from Jan. 1 to Dec. 31, 2010, just as our previous three reports are based on the calendar year. All data and information pertains to SAS Institute Inc., the US-based parent company for SAS, unless otherwise stated. The report is self-declared at application level C.

Content covers our commitment and performance related to governance, employees, environment, and education and community. This year, we have exported some CSR-related content to the static pages of our website while featuring information related only to 2010 in the CSR report itself.

As in last year's report, we used SAS® for Sustainability Management to provide the facts and figures regarding our environmental footprint. All content has been reviewed by executive leaders and other internal stakeholders.

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

From the CEO

The economic experience of the past few years has tested the fortitude of business leaders. In the midst of this crisis, what has strengthened is an understanding that a sustainable business strategy is compatible with profitability.

Resource efficiency, innovation of products and services, employee engagement, and improved compliance are all hallmarks of sustainable strategies and of business success.

At SAS, our employees are the lifeline of our success. This year, we ranked No. 1 on the Fortune Best Companies to Work For list in the US.

We are continuing our investments in energy-efficient buildings and renewable energy portfolios. In 2010, we more than doubled the capacity of the solar farms at our Cary, NC, headquarters from 1 megawatt to 2.2 megawatts. The combined electricity generation produces enough power for more than 325 average-size homes. The Cary campus also has solar thermal hot water systems, regenerative drive elevators, water and waste conservation projects, active employee engagement efforts, and two newly completed sustainably constructed buildings designed to attain high-level LEED certification. Realizing we operate in a global community, we have continued our commitment to collaborate and participate in various international and national initiatives. This year, SAS joined the Partnership Against Corruption Initiative to fight bribery and corruption, and Change the Equation, a national initiative with the goal of increasing literacy in science, technology, engineering and math. Next year, SAS will join the UN Global Compact and the World Economic Forum Workplace Wellness Alliance, a consortium dedicated to measuring the link between employee wellness, engagement and productivity.

This 2010 Corporate Social Responsibility Report reflects our approach and performance on our broader economic, social and environmental risks to enable all stakeholders to assess our achievements. We will continue to measure our performance while striving for innovation and improvements in our operations.

Jim Goodnight, CEO of SAS

Governance and Management
Solid management, performance and compliance for a sustainable enterprise

Overview

Corporate responsibility is an integral aspect of our business. While there is no specific department for corporate responsibility, the Executive Sustainability Council has been operating for three years and a Corporate Social Responsibility Task Force was created in 2009.

These teams work closely with all aspects of the business engaging with various departments, including Facilities, IT, Community Relations, Corporate Communications, Human Resources and Legal, to ensure policies and efforts on social and environmental issues are considered in the overall operations. To learn how CSR is governed, view the Legal Form and SAS governance structure. View SAS' financial performance for 2010.

2010 Highlights			
Initiative	**2010 Goals**	**Performance Highlights**	**2011 Goals**
Compliance	Maintain "zero tolerance – zero fines" for noncompliance with environmental, anti-corruption, trade and privacy laws.	Achieved goal.	Continue "zero tolerance – zero fines" for noncompliance
Ethics and Compliance – Training	Increase compliance course training and completion rates.	Implemented automated reminder system for courses. Achieved improved completion rates. Enlisted a second training vendor to expand available training assets.	Introduce two new courses and prepare to translate future courses into seven different languages in order to expand training.
Anti-Corruption	"Zero tolerance – zero fines" for anti-corruption for US and international operations.	Achieved goal through introduction of pilot program to enhance due diligence screening for subcontractors and partners in international operations and establishing US lobbying, gift and campaign contribution law compliance process.	Introduce enhanced due diligence screening program to full international business operations. Complete initial corruption risk background review of existing suppliers looking at indictment, conviction, financial and media records to look for news

2010 Highlights			
Initiative	**2010 Goals**	**Performance Highlights**	**2011 Goals**
			of prior corruption or propensity for future corruption, and document and act on our findings accordingly.
Fair Trade Laws, International Peace Accords, Anti-Aggression Laws and Sanctions, and Anti-Boycott Laws	Zero government fines for exports of controlled software, meaning SAS delivered its software only to permitted destinations and users, and zero fines for responses to requests for proposal from countries at risk of requesting participation in prohibited boycotts of US allies.	SAS processed and exported 17,680 software orders and received no government fines. SAS successfully executed an anti-boycott law compliance program for all its offices in countries where there is a risk that customers may seek to involve SAS in boycotts prohibited by the US government. SAS properly reported all boycott requests received and declined to participate in any prohibited boycotts.	Maintain our zero government fines record. Revise our internal processes to allow real-time, or near-real-time, updates to our external Export Commodity Classification Number chart to allow our customers to more quickly determine the ECCNs of the products licensed from SAS for easy application to their own export compliance programs. This will help SAS' customers to more easily comply with export controls on software use and delivery across international borders.
Privacy Protection Laws	Advance awareness of SAS privacy and security practices (internal and external audiences). Develop new mechanisms to communicate these policies and practices.	Achieved goal through: Creating new SAS Solutions OnDemand Business Customer Privacy Policy. Developed privacy awareness training course for all employees worldwide. Trained all SAS Solutions OnDemand personnel in the proper safeguarding of hosted content.	Update SAS Solutions OnDemand Business Customer Privacy Policy to align with new data retention requirements. Provide privacy training and policy upgrade assessment for select offices as needed. Conduct annual in-person privacy training of SAS Solutions OnDemand personnel.

Stakeholder Engagement

We engage with a wide range of stakeholders across all parts of our operations. More detailed information about our relationships with many stakeholder groups can be found throughout this report. They include:

- Customers
- Communities
- Employees
- Regulators and government
- Nongovernmental organizations (NGOs)
- Industry organizations
  We also belong to numerous membership organizations focused on a wide range of corporate responsibility issues.

Highlights from 2010		
Stakeholder Group	**Types of Engagement**	**Examples from 2010**
Communities	Employee volunteering Grants Donations Training	SAS employees volunteered a total of 22,700 hours netting $86,500 for charity.
Customers	Webcasts Users groups meetings Training courses Focus Groups Surveys Feedback forms	In 2010, SAS reinvested 24 percent of revenues into research and development activities in response to users' feedback. In December 2010, SAS conducted a Customer Satisfaction Survey to measure customer satisfaction and loyalty, which are at their highest levels since the study began in 2002.
Employees	SAS Wide Web Webcasts Webzines Blogs	700 blogs 3 CEO Executive Webcasts recorded. 14 Global communication update emails sent. 7 Global communications council meetings held. 37 Global communications phone conferences conducted. 197,580 Hits to the US SAS Family site.

Highlights from 2010		
Stakeholder Group	**Types of Engagement**	**Examples from 2010**
Regulators and Government	Regular meetings and briefings. Membership in trade associations and business organizations.	Joined the World Economic Forum's Partnership Against Corruption Initiative.
Industry Organizations	White papers and articles. Interviews, meetings and briefings.	130 white papers produced in 2010 Participated in World Economic Forum, Business Roundtable, The Business Council, and the International Business Advisory Council in 2010
Business Partners and Suppliers	Meetings Webcasts Representation on boards	

Ethics and Compliance

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

The SAS Code of Business Ethics outlines the responsibilities each employee of SAS and its subsidiaries has to comply with all laws, rules and regulations of the countries in which we do business to ensure legal and ethical behavior. At SAS, we strive to employ the highest ethical standards, demonstrating honesty, fairness and accountability in every decision and action.

Fair Trade and Anti-Aggression Laws
SAS supports the national security policies of the United States and the governments of other countries in which we do business by its commitment to comply with each country's applicable laws regulating the export and importation of encryption by maintaining policies and procedures to identify and classify encryption software products.

Governments restrict the export of encryption and regulate exports of software generally in order to maintain international peace, discourage international aggression and encourage free trade among peaceful, law-abiding nations and their citizens. Our policies and procedures result in timely export classifications, thus reducing our risk of an export violation, while minimizing delays in our product release cycles. SAS further supports national security objectives by providing timely Export Control Classification Numbers (ECCNs) to our customers to facilitate their compliance with export and import regulations. Further, SAS complies with US laws restricting US companies from participating in boycotts of countries allied with the US.

SAS employees are responsible for immediately communicating any concerns regarding suspected unethical or illegal conduct to supervisors, to the Human Resources department or to the General Counsel. SAS will not

take retaliatory action against people who report suspected violations in good faith. All reports of misconduct will be investigated as appropriate.

In order to maintain our high ethical standing, employee compliance and ethics training is provided on a regular basis on issues such as anti-bribery, corruption, data protection, privacy and respect in the workplace. In 2010, SAS produced an internal animated online video training course on encryption export regulations and released it to headquarters development personnel. Encryption is highly regulated and has been an important factor in many past wars, so governments want corporations to cooperate in their encryption exports to prevent encryption from falling into the hands of persons who would use it do harm. SAS used a succinct animated format to convey the message to developers that they can help SAS with encryption export law compliance, and how they can do that.

SAS acquired two new entities and brought their people and operations into compliance with SAS' Human Resources and Ethics and Compliance policies and programs. SAS followed a thorough process to review all potential compliance issues and communicated with government officials to ensure any past issues were properly addressed. New employees were provided all applicable ethics and compliance training. We received zero fines for noncompliance.

Anti-Corruption

SAS strives to maintain compliance with the US and international anti-corruption laws at the local, state and federal level in all its operations. SAS operates at a "zero tolerance – zero fines" level in its compliance with anti-corruption laws, while maintaining an efficient compliance system that allows for robust corporate growth. SAS engages with other business partners and stakeholders around the world to encourage a global community culture that works to end corruption.

This year, SAS joined the World Economic Forum's Partnership Against Corruption Initiative (PACI) to fight bribery and corruption. PACI is based on chief executive officer (CEO) commitments to the PACI Principles for Countering Bribery, which call for the adoption of a zero-tolerance policy on corruption and the implementation of an anti-corruption program guiding the behavior of employees, agents, suppliers, contractors and joint venture partners.

SAS also implemented new enhanced contract language requiring anti-corruption law compliance by all subcontractors and partners. This language requires subcontractors and partners to verify they are not part of any government and are not engaging in undue influence on any governmental entities.

In relation to suppliers, we introduced a pilot program of enhanced due diligence screening for subcontractors and partners as well as an ongoing screening and monitoring process for suppliers to protect against anti-corruption risks.

Privacy

Privacy has become part of mainstream business culture as companies respond to emerging state, federal and international privacy and data protection legislation; rapid changes in technology and security; and growing consumer and employee concern about the collection, storage, use and sharing of personal information. Corporatewide privacy compliance is managed by the SAS Legal Department.

SAS' Privacy Statement is global and applies not only to SAS US, but to foreign subsidiaries and other business units.

SAS strives to maintain compliance with the US and international privacy and information security laws at the local, state and federal level in all its operations. SAS tries to operate at a "zero tolerance – zero fines" level in its compliance with privacy and information security laws, while maintaining an efficient compliance system that allows for robust corporate growth. SAS engages with other business partners and stakeholders around the world to encourage a global community culture that works to end privacy abuse and information security breaches.

Global Reporting Initiative (GRI) Index 2010 Report

2010 Highlights		
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 > Structure
2.2	Primary brands, products and services	Products & Solutions
2.3	Operational structure	Governance > Structure
2.4	Location of headquarters	Governance > Structure
2.5	Number of countries where organization operates	Governance > Structure
2.6	Nature of ownership and legal form	Governance > Structure
2.7	Markets served	Products & Solutions About SAS
2.8	Scale of organization	About SAS
2.9	Significant changes during reporting period	About This Report
2.10	Awards received during reporting period	Awards
Report Parameters		
3.1	Reporting period	About This Report
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
3.5	Process for defining content	About This Report
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	About This Report

2010 Highlights		
Indicator	**Description**	**Reference**
3.11	Significant changes from previous reporting periods	[About This Report](#)
3.12	Standard disclosure tables	[About This Report](#)
Governance, Commitments and Engagement		
4.1	Governance structure	[Governance > Structure](#)
4.14	Stakeholder groups	[Stakeholder Engagement](#)
4.15	Basis for identification and selection of stakeholders with whom to engage	[Stakeholder Engagement](#)
Economic Performance Indicators		
EC1	Direct economic value generated and distributed	[About Us > Corporate Statistics](#)
Environmental and Performance Indicators		
EN3	Direct energy consumption by primary energy source	[Environment > Energy](#)
EN4	Indirect energy consumption by primary source	[Environment > Energy](#)
EN5	Energy saved due to conservation and efficiency improvements	[Environment > Energy](#)
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	[Environment > Energy](#)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	[Environment > Energy](#) [Environment > Green buildings](#)
EN8	Total water withdrawal by source	[Environment > Water](#)
EN10	Percentage and volume of water recycled and reused	[Environment > Water](#)
EN16	Total direct and indirect greenhouse gas emissions by weight	[Environment > Energy](#)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	[Environment > Energy](#)
EN22	Total weight of waste by type and disposal method	[Environment > Waste](#)
EN26	Initiatives to mitigate environmentalimpacts of products and services	[Environment > Waste](#)
EN28	Fines and sanctions for noncompliance with environmental laws and regulations	[Environment](#)
Labor Practices and Decent Work Performance Indicators		

2010 Highlights		
Indicator	**Description**	**Reference**
LA1	Workforce by employee type, employee contract and region	Employees
LA2	Number and rate of employee turnover by age group, gender and region	Employee > Hiring & Retaining staff
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
LA11	Programs for skills management	SAS Family
LA12	Percentage of employees receiving regular performance and career development reviews	Employee > Skills Development
Society Performance Indicators		
SO4	Actions taken for incidents of corruption	Governance > Anti-Corruption
SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	Governance > Overview
SO8	Fines or sanctions for non-compliance with laws	Governance > Overview

Education Philanthropy
Improving lives through learning

Overview

2010 Highlights			
Initiative	**2010 Goals**	**Performance Highlights**	**2011 Goals**
Support for K-12 Education	Provide 21st century technology, expertise, professional development and instructional materials to prepare students for college, career and success.

Actively engage the global corporate community in | Engaged Education Committee of the NC Chamber in defining and lobbying for strategic education priorities. Joined Change the Equation national initiative with the goal of increasing literacy in science, technology, engineering and math (STEM).

Engaged with five school | Continue support for programs that help schools integrate technology and more engaging curriculum materials into the classroom. Collaborate with NC Virtual Public School to provide math expertise, product development staff and technology support for the development of an online Algebra I course based on the new Common |

Initiative	2010 Goals	Performance Highlights	2011 Goals
	prioritizing support for strategic education efforts that will strengthen the education system and increase the number of students entering careers in science, technology, engineering and math. Actively engage with governmental organizations and agencies whose goal is to improve education, career-readiness and e-learning.	districts in Triangle High Five Algebra Readiness Initiative with the goal of increasing the number of students who are prepared to be successful in algebra in middle school. Hosted the first annual Algebra Readiness Summit for 400 math educators on SAS campus. Continued support, professional development and technology for the NC 1:1 Learning Technology Initiative. Expanded the number of schools with access to SAS® Curriculum Pathways® 91 percent, from 5,658 to 10,819 schools. Donated $386,000 worth of laptops to high schools; $1,202,213 cash donations and $166,000 in surplus equipment/hardware. Served on boards of the National Board for Professional Teaching Standards, NC e-Learning Commission, JOBS Commission, NC Science Festival and other agencies.	Core Math Standards. Expand SAS® Curriculum Pathways® offerings to middle schools. Engage employees in campaign to increase teacher access to SAS Curriculum Pathways at no cost to educators. Collaborate with Change the Equation national initiative to define metrics for evaluating and sustaining viable STEM initiatives. Publish and disseminate best practices, rubrics and guidelines for implementing successful 1:1 technology initiatives based on research and evaluation from the NC 1:1 Learning Technology Initiative. Host the second annual Algebra Readiness Summit featuring nationally recognized experts in math instruction. Continue to provide support for research-based after-school programs that increase student achievement.
Support for Higher Education	Provide technology-based teaching materials to prepare college and university students for technology	Provided instructional materials, software, hosted applications and guest lecturers at no cost to universities and community colleges in North Carolina	Continue support for programs that provide SAS software, databases and educators for mathematics, computer science and statistics students at the

Initiative	2010 Goals	Performance Highlights	2011 Goals
	careers. Provide technology to improve administration and student enrollment and retention.	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.	college, university and graduate school levels. Continue support for full and partial scholarships and summer employment opportunities for talented university students. Provide SAS Analytics at no cost to qualified US higher education researchers through SAS OnDemand for Education.
Employee Volunteerism	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. Continue partnership with local businesses to better our community. Partner with EarthShare to provide employees with volunteerism opportunities for environmental causes.	Provided incentive and awareness programs that encouraged employees to volunteer 22,700 hours of their time, largely focused on education programs netting $86,500 for schools through the Employee Volunteer Fund. Partnered with the Umstead Hotel in cleaning up Umstead State Park outside SAS' headquarters. Matched employee donations made through DonorsChoose.org.	Promote employee volunteerism in schools by donating funds based on a minimum number of volunteer hours per employee. Promote employee educational philanthropy by matching donations to classroom projects highlighted in DonorsChoose.org.

Education

At SAS we believe that education is the engine of economic growth. As a high-tech company, SAS depends on a strong educational system for its long-term success. By supporting efforts that prepare more graduates for college, work and success in the 21st century, SAS continues to play a vital role in the global community. SAS maintains a keen focus on education initiatives in the statewide community of our world headquarters in North Carolina. The company also participates in select international efforts to improve education, particularly in the fields of science, technology, engineering and math (STEM). This philosophy of thinking globally while acting regionally generates support for strategic education initiatives that benefit the worldwide community. While SAS supports dozens of projects and initiatives, here are a few highlights from this year:

Algebra Readiness/Triangle High Five

Triangle High Five started as a partnership known as High Five in 2003 with one of the main goals to support the development and sustainability of Professional Learning Communities within the Triangle Region and across the state.

Its vision is that all students will graduate with a high school diploma, well prepared to pursue higher education and a career of their choice. In 2009, SAS launched the Algebra Readiness Initiative (ARI) with the goal to increase the number of students who are prepared to be successful in middle school Algebra I. To further this goal, in 2010, SAS facilitated a summit. Recognizing the increased need for professional development for instructional leaders and math teachers, the districts planned an Algebra Readiness Summit on Aug. 12, 2010, hosted on the SAS campus. School teams consisted of 400 math teachers and principals who heard nationally recognized presenters discussing critical topics and research-based instructional strategies related to algebra readiness. Space was provided for more than 25 concurrent training sessions/talks. Plans are underway for a 2nd Annual Algebra Readiness Summit in August 2011.

Change the Equation

SAS CEO Jim Goodnight joined 110 other CEOs in supporting Change the Equation, a nonprofit, nonpartisan CEO-led initiative to solve America's innovation problem. The initiative aims to improve science, technology, engineering and math (STEM) education for every child, with a particular focus on girls and students of color, who have long been underrepresented in STEM fields.

Change the Equation works toward three goals:

- Great Teaching. Improve STEM teaching at all grade levels, with a larger and more diverse cadre of highly capable and inspirational STEM teachers.
- Inspired Learners. Inspire student appreciation and excitement for STEM programs and careers to increase success and achievement in school and opportunities for a collegiate education, especially among underrepresented populations.
- A Committed Nation. Achieve a sustained commitment to improving STEM education from business leaders, government officials, STEM educators and other stakeholders through innovation, communication, collaboration and data-based decision making.
Through its network of more than 110 CEOs, Change the Equation pledges to create widespread literacy in science, technology, engineering and math (STEM) as an investment in our nation that empowers us all. More information on www.changetheequation.org.

North Carolina 1:1 Learning Technology Initiative (NCLTI)

In 2007, SAS was a founding partner in the NCLTI, a public-private partnership providing laptops, professional development and critical support to schools in rural areas of the state. These schools benefit directly from the availability of the online content in SAS Curriculum Pathways, which provides an excellent starting point for teachers as they learn to infuse technology into their instruction. SAS also provides SAS Curriculum Pathways professional development for any NCLTI site. The NCLTI program is designed to address:

- Equity, providing all students access to 21st century teaching, learning, and technology.

- Engagement, involving students in active learning and thereby improving student achievement and reducing dropout rates.
- Economic development, providing all students with workplace skills such as communication, problem solving and collaboration, along with content expertise, to make each region of the state more attractive to businesses. The final outcome of this pilot program is a series of tools and resources – a Framework for Planning – describing a comprehensive and systematic approach to planning learning technology initiatives. This framework puts forth a blueprint for building capacity to support large-scale technology-enabled learning efforts. The framework outlines a set of tools that assist schools and district teams as they plan.
  DonorsChoose.org

SAS employees support specific education areas in their community through DonorsChoose.org, a national nonprofit organization that connects employees 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 funds in December 2008.

In 2010, SAS matched 62 employee contributions of nearly $20,000, which provided almost $40,000 toward resources for the classroom.

North Carolina Science Festival

Launched in 2010, the North Carolina Science Festival is a statewide, multi-day celebration showcasing science and technology. As the first statewide science festival in the US, the NC Science Festival included a series of events across North Carolina and highlighted the educational, cultural and financial impact of science in the state. Through hands-on activities, science talks, lab tours, nature experiences, exhibits and performances, the Festival engaged a wide range of public audiences while inspiring the next generation of scientists. SAS was a major sponsor of this event and will continue to support the next one in 2012.

Community Engagement

While most of SAS' community engagement is education based, we also engage on the environmental level, encourage volunteering in all areas and support humanitarian efforts.

Donations

2010 Highlights	
Donations	**Amount**
Cash including community grants:	$1,202,213
In-kind donations:	
Software, hardware and services	$4,030,038
Value in-kind of training for students and educators	$7,057,085
Surplus equipment/furniture/hardware:	$166,000
Total	$12,455,336

Volunteering

In 2010, SAS employees volunteered more than 22,700 hours largely focused on education programs, netting $86,500 for schools through the Employee Volunteer Fund. The fund is a special volunteer program that provides a cash contribution 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.

SAS and The Umstead Hotel & Spa employees teamed up to support public television by volunteering their time taking pledges during the annual fundraising drive. "SAS Night" was the most successful night during the drive, yielding $129,200 (SAS provided $60,000 in support) with 47 volunteers.

Empowering Others

SAS technology is used in various ways to benefit communities and assist in humanitarian efforts.

This year, SAS helped create a system for managing disaster relief and relief distribution in Pakistan after the devastating floods. SAS helped the International Organization for Migration (IOM) apply analytics to enhance efforts to help millions left homeless by the worst floods in Pakistan's history. The system helped IOM better manage and share data with partner agencies in providing emergency shelter. The public-private partnership between SAS and IOM will in the future explore additional uses of analytics and develop tools to aid in humanitarian disaster response worldwide.

SAS technology was also used for Women's Microfinance Initiative (WMI). WMI extends interest-bearing loans of $50 to $250 to women in eastern Uganda, helping them finance their own enterprises to generate revenue to support their families. In 24 months since its launch in 2008, WMI has issued more than 700 loans to Ugandan women.

A team of WMI student volunteers employs JMP® (SAS technology) to visually depict data so that foundations and corporations that want to support the initiative can easily understand the organization's successes and the loan recipients' challenges.

Philanthropy

SAS-Supported Programs

SAS support is directed toward sustainable programs that help teens succeed in the classroom and graduate from high school. In particular, SAS supports programs that focus on the integration of technology that will strengthen the education system and increase the number of students entering careers in science, technology, engineering and math. Programs must also show that their efforts have a long-term impact and affect significant numbers of people, without discrimination. Examples include:

- **Change the Equation**, a program with a network of more than 110 CEOs that pledge to create widespread literacy in science, technology, engineering and math (STEM) as an investment in the US.
- **Communities in Schools**, the nation's largest dropout prevention organization.
- **Common Core Standards**, an effort to define common curriculum standards for all states.
- **DonorsChoose.org**, "the eBay of online charitable giving," is a national nonprofit that connects employees with classrooms in need. Each year, SAS matches employee contributions to the cause.
- **In-Kind Donations** for nonprofit organizations that need computer equipment or software. SAS 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.
- **National Board for Professional Teaching Standards**, a program that advances the quality of teaching and learning by developing professional standards.
- **NC Center for International Understanding**, a program to ensure that North Carolina is the most globally engaged state in the nation.
- **NC Science Festival**, a statewide showcase of science activities.
- **North Carolina State University**, a leading land-grant institution globally recognized for its leadership in science, technology, engineering and mathematics.
- **Triangle High Five Partnership**, committed to seeing that students graduate from high school ready for higher education and careers of their choice.

- **Triangle Leadership Academy**, a joint venture between public school districts in the Triangle area and local education funds representing community and business interests.
- **Wake County Public Schools**, the largest school district in North Carolina and the 18th largest in the nation.
- **Wake Education Partnership**, an independent nonprofit 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.
- **YMCA of the Triangle**, with 15 facilities to meet community needs through programs that promote good health, strong families and solid communities.

Volunteerism

SAS employees give generously through thousands of hours volunteered at programs such as the Employee Volunteer Fund, in which SAS provides cash contributions to education-based nonprofit organizations where employees volunteer. Other community organizations and programs where SAS employees contribute include North Carolina Food Bank, Communities In Schools, North Carolina Division of Parks and Recreation, SAS EcoAdvocates Volunteer Program, UNC Public Television and the Shepherd's Table Soup Kitchen, where SAS cafes also donate leftover food through the Inter-Faith Food Shuttle (part of Feeding America).

Donation Process for Education-Related Initiatives

SAS support focuses on strategic initiatives in the region surrounding SAS global headquarters that increase interest and achievement in science, technology, engineering and math (STEM). SAS-supported programs meet the following criteria:

- Have nonprofit tax exemption status under Internal Revenue Service code 501(c)(3).
- Have a responsible board of directors serving without compensation.
- Show financial stability as evidenced by annual financial statements.
- Employ ethical methods of publicity, promotion and solicitation of funds.
- Raise funds without payment of commissions, street solicitations or mailing of unordered tickets.
- Operate from a detailed annual budget.
- Request funds for programs or operations with a minimal portion applied to overhead.
- Use the in-kind donation to benefit organizational members or constituents.

The SAS Community Relations program **does not** consider funding or in-kind donations for the following:

- Sponsorship of professional athletic or amateur sports teams or individuals.
- Single events such as walk-a-thons, fundraisers, workshops, seminars, etc.
- Religious causes.
- Political parties, candidates or issues.
- Organizations that are in any way exclusive.
- Trips, tours.
- Independent film/video productions.
- Requests from individuals.

Employees

A workplace culture built on trust, flexibility and values

- Overview
- Hiring & Retaining Staff
- Diversity & Equal Opportunity
- Skills Development
- Health & Safety

Overview

SAS employees are the lifeline of our success. By investing in our employees, we are investing in the long-term future of the company. The SAS culture and approach is based on trust, flexibility and values. Through a healthy work environment, opportunities for development and robust benefits, SAS provides employees with work-life balance. We have been recognized for encouraging creativity and innovation, while balancing work and life. We believe happy, healthy employees are productive employees, and we work hard to create an environment that fosters the integration of our company values with employee needs. As a result of this commitment, SAS ranked No. 1 on the Fortune Best Companies to Work For list in America.

Learn more about SAS culture and employee benefits.

2010 Highlights			
Initiative	**2010 Goals**	**Performance Highlights**	**2011 Goals**
Talent Management	Build global leadership development framework. Roll out senior leadership development training. Deliver management fundamental training globally. Create career paths for high incumbent global positions. Create and educate managers on talent identification process.	Developed leadership competency model used as platform for all SAS leadership development programs. Delivered Management Fundamentals classes in US, Canada and Asia Pacific. Delivered Leadership Essentials classes in US. Built the Global Career Framework Infrastructure. Increased number of employee development plans for high-potential employees; increasing bench strength.	Enhance current leadership essentials program targeted to mid- and senior-level high-potential leaders in US. Build standardized core and leadership competencies for all global SAS employees. Deliver Management Fundamentals training for US; Europe, Middle East and Africa; and Asia Pacific. Expand the rollout of the Global Career Framework to Worldwide Marketing, Research and Development, Information Systems Division, and

2010 Highlights			
Initiative	**2010 Goals**	**Performance Highlights**	**2011 Goals**
			Technical Support.
Organizational Development	Obtain the following usage rates by region of online performance management system: US – 80 percent Europe, Middle East and Asia – 50 percent Asia Pacific – 40 percent	Achieved usage rates of the online performance management system: US – 100 percent Europe, Middle East and Asia – 60 percent Asia Pacific – Expanded to India, R&D centers, Malaysia and Thailand	Achieve 100 percent usage of online performance management system worldwide.
Employee Engagement	Increase employee awareness and interaction through introducing mirror sites and conducting surveys. Increase interaction and visibility of SAS executives through corporate webcasts and surveys. Increase two-way communication and engagement through raising blog participation by 10 percent and readership by 20 percent; boosting internal news subscription rates by 20 percent.	Created four country mirror sites (total 15); 68 percent of employees feel connected globally (55 percent in 2009). 6 executive and leadership webcasts; 85 percent of employees feel executives communicate openly. 700 internal blogs (596 in 2009); 4,200 employees from 49 countries subscribe to Inside News – an increase of more than 25 percent over 2009.	Launch an internal social network site with the aim of having 25 percent of all employees registered within the first 90 days. Conduct further surveys on connectivity to global colleagues and leadership communication. Commemorate SAS' 35th anniversary with employees around the world through celebrations, Webcasts and employee-generated memorabilia. Involve employees in news generation by launching "Report It" feature for intranet site and encouraging 50 submissions in the first year.

In 2010, SAS employed 11,489 people worldwide – 5,804 in US and 5,685 internationally.

US staff headcount summary – 2010	
Description of Employee Type	**Numbers**
Full-time employees	5,680
Part-time employees	124
Gender	

Hiring and Retaining Staff

Our hiring policy is based on Equal Employment Opportunity for all applicants without regard to age, race, color, gender, 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.

SAS' success as a company and reputation as a best-in-class workplace help us attract the best and the brightest candidates. We focus on hiring talented individuals with the right knowledge, skills and cultural fit who have the same spirit of innovation and creativity and who thrive on challenging work. The culture at SAS is linked directly to its values and core competencies. This leads to dedicated, loyal employees who develop leading-edge solutions for customers. In 2010, SAS received more than 56,000 resumes and filled more than 700 positions.

SAS recruiters develop position-related, competency-based questions and culture-fit questions that are based on the company's values. Teamwork and collaboration are part of our daily life at SAS. In order to ensure a good fit with the team, candidates also participate in team interviews. This often gives candidates an even better picture of the corporate culture and offers a glimpse into life as a SAS employee.

To ensure that employees take full advantage of their work experiences, SAS offers skills development, employee support, direct contact with managers, directors and the CEO as well as feedback surveys. As a result of our policies, we have a low staff turnover:

US Turnover summary – 2010			
US Staff Turnover Type	**2010**	**2009**	**2008**
Turnover number	144	112	200
Turnover percentage	3%	2%	4%
By age group			
Gen Y (19-31)	14	17	26

Gen X (32-44)	63	45	84
Boomers (45-63)	54	40	77
Matures (64 and up)	13	10	13
By gender			
Female	54	53	99
Male	90	59	101

Note: The numbers differ from last year's report, as we changed our methodology and data sources for calculating turnover and have updated the previous years in this table to be consistent with this year's calculations.

Diversity and Equal Opportunity

As with applicants, it is the policy of SAS to provide Equal Employment Opportunity for all employees without regard to age, race, color, gender, 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.

SAS is committed to providing a professional and safe work environment where everyone is treated with dignity and respect. SAS does not tolerate discrimination or harassment of any kind, including sexual harassment, by managers, employees or any third parties. SAS strictly prohibits discriminatory practices, including sexual harassment. Harassment, whether verbal, written, physical or environmental, is unacceptable and will not be tolerated, whether it occurs in the workplace or at outside company or client-sponsored activities.

Internal diversity initiatives
Embracing global cultures: Established in 1995, SAS International Connection (SASIC) originated from a group of innovative SAS employees who collected their international talents to promote the various cultures represented at SAS, as well as serve as a cultural resource. SASIC is a group of SAS employees dedicated to fostering, supporting and promoting international issues at SAS. Its members strive to share their knowledge and expertise with fellow SAS employees and customers. SASIC provides international knowledge and expertise in a wide variety of areas, including languages and customs, etiquette and ethnicity. Its members work to foster mutual concern and understanding among people of different cultural backgrounds. In addition, each year SASIC organizes various interesting, educational and fun events to promote and educate its members about different cultures, languages, customs and more from around the world, such as:

- Monthly luncheons at Triangle restaurants that offer various international or ethnic dishes.
- Movies and videos.
- Picnics.
- Trips.
- Holiday luncheons, where members bring dishes and/or wear traditional garments from their native country.
- Foreign language groups that meet regularly to learn and practice.
- Theme luncheons to discuss topics covering diverse customs, traditions and cultures in different countries.

Any complaint brought forward will be investigated and resolved appropriately. All employees are obligated to report all perceived incidents of harassment or discrimination, regardless of the position of the alleged offender. In 2010, there were zero reports or incidents of harassment or discrimination.

SAS draws strength from the unique talents and abilities of a diverse workforce 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 varying viewpoints are welcomed and encouraged.

The Women's Initiative Network (WIN), launched in January 2010, is a community of SAS employees who empower, encourage and inspire women to pursue excellence in their careers and fulfillment in their personal lives. The mission of WIN is to foster a global community across SAS to:

- Develop leadership capabilities among women workers.
- Expand and strengthen internal and external professional networks and affiliation.
- Showcase SAS thought leaders and expose participants to external visionaries.
- Contribute to community efforts to attract young women to careers in science and technology.

By sharing time, expertise and passion with those beyond the walls of SAS, they act as ambassadors for the corporation and for careers in science and technology.

The Cary headquarters location has a membership of approximately 60 members, and the online membership, which includes regional and global participation, is more than 400 members. The group's activities have included:

- Lunch-n-learns with SAS leaders: Agile Career Development and What Does Innovation Look Like?
- Industry thought leader events: "How to Perform Like a Rock Star" by Orna Drawas.
- Networking events: "Building Relationships Across SAS" – an event in SAS' new state of the art building to network with both SAS peers and executives.
- Community events – partnering with The Science House at North Carolina State University to promote science and math to middle school and high school female students; group participation in the Race for the Cure. Training and employment for individuals with autism: SAS food service operations employs six autistic employees.
- F.A.S.T. (Food And Service Training): Students from Wake Tech and Wake County Schools. These students receive credit for their Occupational Course of Study for graduation. Fifty-five students from nine schools participated in 2010.
- SUCCEED: Adult students with developmental disabilities from the Compensatory Education Program through Wake Tech. These students need work experience that will help them find a full-time job. SAS employed eight students in 2010.
- TEACCH (Treatment and Education of Autistic and Communication related handicapped Children) is an employment supported program through the University of North Carolina to help individuals with autism. SAS employed seven employees in this program in 2010.

In 2008, SAS initiated the R3 program, which exemplifies our commitment to "Recognize, Recruit and Retain" women and minorities in various professional arenas. Affirmative outreach has proven to be an invaluable tool in creating an inclusive environment and helps us prepare the future workforce. In additional to developing core technical skills, we hope to provide our students with the richest experience possible and also provide personal and professional development. Students work with mentors and are able to work on challenging projects that provide the knowledge and skills needed to be successful in a global marketplace. The goal of the program is to create a career pathway leading to employment with SAS for the successful student.

Students in the R3 program receive not only core skills training, but professional development and mentorship as well. In May 2010, the program had 17 returning students and four new students.

Skills Development

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:

- Leadership development.
- Sales training.
- Technical training.
- Interpersonal development.

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 and 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.

61 percent of full- and part-time employees took some type of professional training.

Of the full-time employees who took training, the average time spent in training was 23 hours. Part-time employees who took training spent an average of nine hours in training.

Counting all employees, the average number of hours of training per employee is 14 for full-time and five for part-time.

The total professional training hours for 2010 was over 82,000.

Training Highlights

Training	Breakdown
Classroom	87%
Webcast and video	8%
E-learning	4%
Reading material	1%

SAS takes a three-tier approach to developing our leaders – both current and emerging. In 2010, there were 30 offerings with 992 participants.

Management Fundamentals Program (MFP)
This program is designed for our new managers or those managers who would like to refresh themselves on the basics of management. MFP is a blended learning and development opportunity that provides managers with the critical knowledge and abilities essential to handle the normal day-to-day function of being a people manager. Employees practice new behaviors and skills, establish and build peer relationships while constructing a new mindset for being, and developing as, a manager. The result is an improved ability to navigate across the business toward cross-functional and more strategic goals.

The Leadership Challenge (TLC)
This program is for our general SAS leadership population. TLC is a two-day experiential workshop focusing on how SAS leaders motivate others to want to get extraordinary things done. Our goal is to teach leaders about

five practices to transform values into actions, visions into realities, obstacles into innovations, separateness into solidarity, and risks into rewards.

Leadership and Energy for Performance (LE4P)
This program is targeted to higher-level leaders and teaches leaders how to enhance/manage their physical, emotional, mental and purposeful energy to more effectively lead themselves and others. This 90-day program begins with five days of facilitated coursework, discussion, feedback and introspection combining two research-based programs: the Corporate Athlete Course and The Leadership Challenge. The reminder of the 90 days is spent in biweekly classes, seminars, participant-led discussion groups and/or exercise classes in order to focus on expanding and managing personal energy and increasing the frequency of specific leadership behaviors. Our goal is to provide our leaders with a habit-forming model that can be used for repeatable results, continuous personal growth and consistent leadership enhancement.

SAS Global Career Framework
In 2010, SAS began the development and implementation of a comprehensive career development program called the SAS Global Career Framework. The framework was created in response to employees' desire to have greater visibility to career paths and opportunities for development. It provides a structured approach to career development.

The Global Career Framework is comprised of three components:

- Infrastructure provides the basic foundation – transparency in the levels of jobs at SAS and consistency internationally and across business units. Central to the infrastructure are career ladders, which help employees understand what job opportunities exist within the company and what path is necessary for them to take in order to get there.
- Assessment provides support to SAS managers in understanding their organizations' current skills and competencies, as well as how individuals and their organization are performing. It can also help highlight gaps and help managers better understand how to meet the current and future needs of business.
- Development provides the tools and resources that support managers in developing skills and competencies in individuals and teams. SAS provides user-friendly tools that employees and managers can use to chart career aspirations.

Health and Safety

The health and safety of our employees is paramount to our success. SAS seeks to provide a safe workplace environment for its employees. It complies with all applicable federal, state and local laws regarding safe work practices and working environment. 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 or property and also seeks reimbursement for loss or damage whenever possible.

To prevent work-related injuries, SAS educates employees about how to fit the tools and equipment at each work site to the needs of the employee.

Ergonomic staff (through the Risk Management Department) are trained to make individual work site analyses and provide specific suggestions for improving an employee's work environment.

Health Care Center staff are equipped to evaluate and treat specific complaints whether or not they are work-related.

The Safe Work Skills Program addresses "labor-intensive" employee groups in the workplace (i.e., employees who frequently lift and bend as a requirement of their jobs). Annual attendance is required and includes an

educational class on safe lifting, a healthy-back class where these skills are practiced safely in the actual work areas, and an ergo-safety site survey with subsequent meetings between employees and management to surface concerns.

Injuries/Lost Days	2010	2009
Employee numbers	5,804	5,566
Compensation claims	18 = .003 percent	33 = .006 percent
Lost working days	407	314

In 2010, US operations had 18 workers' compensation claims following injury-related incidences. The rate of compensation claims was 18 out of 5,804 US employees, or .003 percent. Among those claims, eight resulted in a total of 407 lost days

Surveys
SAS conducted two surveys, one gauging employees' feelings on internal communications resulting in 85 percent of those surveyed agreeing that executives communicate openly. This is up from 69 percent from 2009. The second survey, related to several questions around employee satisfaction in areas such as trust, camaraderie and respect. Scores were 91 percent and above in all areas, contributing to SAS being No. 1 on the Fortune Best Companies to Work For list in the US.
SAS joins WEF Workplace Wellness Alliance

At the end of 2010, SAS announced its intention to join the World Economic Forum (WEF) Workplace Wellness Alliance, a consortium of global CEOs dedicated to measuring the link between employee wellness, engagement and productivity. The Alliance will standardize a set of common metrics and launch an online knowledge-sharing platform. It will enable employees to achieve their full potential while making optimum contributions to business growth and success. SAS is a long-standing WEF partner, and SAS CEO Jim Goodnight an active contributor to WEF debates.

Environment
Stewardship for today, preservation for tomorrow

Overview

2010 Solar Farms Renewable Energy Generation

SAS strives to be a leader in environmental sustainability. From U.S. headquarters to our offices around the world, SAS is committed to making a difference. This year saw the installation of new solar arrays, completion of a new cloud computing facility designed to responsibly expand computing capacity and achieve high-level Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council, and continued efforts to manage water consumption, waste and energy efficiency intelligently.

Highlights from 2010 at Cary, NC world headquarters included:

- Activation of Solar Farm II, a 1.2 megawatt addition to our solar farms.
- Installation of building rooftop solar thermal hot water system.
- Completion of reclaimed water line from the local utility to data center cooling towers.

- Almost doubling the amount of operational waste diverted from landfills.
- Diverting 81 percent of new construction and major renovation waste from landfills.
- Registration of three buildings striving for LEED certification.
- Addition of numerous environmentally-friendly and energy efficient technologies in new and existing buildings.

In addition to employing various sustainability measures at the Cary world headquarters and global operations, SAS takes pride in supporting environmental education and awareness efforts. We regularly engage employees and the communities where we operate with active dialogue about the environment. In 2010, SAS supported numerous environmental speaking engagements, visits to the SAS solar farms, companywide Earth Day celebrations, featured articles posted on the internal green website, published white papers and webcasts. By engaging with customers, employees, industry leaders and world leaders, SAS seeks to extend the reach of our sustainability initiatives.

SAS did not receive any sanctions or fines in 2010 for noncompliance with environmental laws and regulations in the United States.

Green Buildings

This year, SAS completed a new 38,660-square-foot cloud computing facility at our Cary, NC world headquarters. The building was designed with highly efficient mechanical and electrical systems, including a cooling system that will use reclaimed water and water-side economizers that allow for heat removal without utilizing the building chillers.

Over the past decade, the challenge of delivering timely information in support of 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 support expected by our customers. The solution was to design and construct a dedicated computing facility, emphasizing efficiency, flexibility and sustainability. Collaboration with industry-recognized engineering experts has put us on a successful path to achieve LEED certification. Cary headquarters highlights from 2010 included:

- Expected energy consumption reduction of 32.8 percent.
- When fully utilized, annual savings of 6.8 million kilowatt hours are anticipated.
- Expected 30 percent water reduction from high-efficiency mechanical systems and 40.2 percent reduction in ancillary use from low-flow technologies.
- 20.9 percent of the building's materials have been manufactured from recycled content.
- Flywheel system eliminates battery replacement and yields lower cost of ownership compared to UPS battery systems.
- Construction of facility achieved 75.2 percent waste diversion from landfill.
- Old-growth trees adjacent to building were saved by making use of soil nailing system that allowed embankment cuts without excessive disruption to environment.
- Annual energy savings are equivalent to a reduction of 3,600 CO2e tonnes.

The new data center provides opportunities to use robust measurements to make proactive IT selection decisions – minimizing IT inefficiencies. With the completion of the new facility, we were able to retire an older, less efficient data center and utilize this space to meet demand for additional employee offices. We were also able to consolidate IT equipment in other locations and ultimately retire 20 percent of our IT assets.

The construction of a new office building, also designed to achieve LEED certification, will house an Executive Briefing Center to be completed in early 2011. This building is designed to help conserve water and energy, by employing features such as a rainwater capture system that provides water for restrooms, 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 auditoria, meeting rooms and a full-service cafeteria. Through December, 82 percent of construction waste was diverted from landfill and recycled.

We replaced the roof on our largest building at Cary, NC world headquarters (386,225 square feet) with a white reflective membrane. White rooftops reflect sunlight, which reduces heat transfer to the building and minimizes cooling load. The new roof has greater insulation, which will help to reduce energy consumption for the building. The roof replacement generated 4.92 tons of debris, of which 79 percent was recycled.

SAS is also embracing LEED guidelines for remodeling and retrofit of existing buildings. Since LEED design is currently recognized only in the US and Canada, SAS offices in other countries are working to incorporate country-specific best practices and pursue equivalent certifications for new construction projects and maintenance of existing buildings.

2010 Highlights

2010 Goals	Performance Highlights	2011 Goals
Continue to apply LEED best practices on construction of Building C and cloud computing facility in 2010. Achieve LEED certification for the two new SAS buildings, under construction, by 2011. Maintain Q1 2011 completion date for environmentally-friendly constructed office building.	Completed construction of 38,660-square foot cloud computing facility: Construction of facility achieved 75 percent waste diversion from landfill. Expected energy consumption reduction of 32.8 percent. Expected 30 percent water reduction from high-efficiency mechanical systems and 40.2 percent reduction in ancillary use from low-flow technologies. 20.9 percent of the building's materials have been manufactured from recycled content. Continued on-target construction schedule for 280,000-square-foot office building, which will provide employee offices, cafeteria and Executive Briefing Center space. To date, 82 percent of waste from Building C has been diverted from landfill.	Achieve LEED New Construction certification for cloud computing facility. Achieve LEED New Construction certification Building C.
Review the Strategic US Headquarters Plan annually and continue to incorporate LEED principals to operational procedures	SAS continues to proactively maintain, repair and retrofit existing facilities to best practice guidelines recommended by the US Green Building Council. (See goals for existing building LEED certifications)	
Baseline at least one existing building for consideration of LEED certification. Register existing building for LEED Existing Building: Operations and Maintenance (EBOM) certification	SAS completed evaluation of existing building at US headquarters and is pursuing LEED Existing Building: Operations and Maintenance (EBOM) certification. Registered existing building for EBOM certification.	Register five owned facilities for EBOM certification. Register two non-US offices for EBOM certification.

Water

SAS' 900-acre campus in Cary used 117,763 cubic meters of municipal water and approximately 51,292 cubic meters of ground water from 15 wells in 2010. For 13 other owned facilities worldwide, SAS used 53,381 cubic meters of municipal water in 2010.

2010 Highlights

2010 Goals	Performance Highlights	2011 Goals
Implement a Strategic Campus Plan directive for retrofitting existing bathrooms with low-flow plumbing.	Renovated nine restrooms in major office buildings at Cary campus headquarters with low-flow technologies.	Renovate 12 restrooms in major office buildings at Cary headquarters with low-flow technologies.
Install plumbing infrastructure to connect water utility's reclaimed water line to at least one building in 2010.	Completed installation of reclaimed water line to cloud computing facility. The building will eventually use up to 20 million gallons of reclaimed water in its cooling towers annually.	Supplant 5 million gallons of potable water to cloud computing facility cooling towers with reclaimed water. Connect reclaimed water line to additional building on campus. Projected annual usage of 11 million gallons.
Implement a rainwater capture system for one office building at SAS world headquarters.	Completed installation of rainwater capture system for office building at SAS world headquarters.	Report water capture and building use for system.
		Replace two antiquated building cooling towers with higher-efficiency models designed to use less water and accept reclaimed water as alternative.

Water Consumption, Cubic Meters

Source	2009	2010	Variance	Percent
US Ground Water	39,600	51,292	11,692	30%
US Municipal Water	142,471	151,438	8,967	6%
US Reclaimed Water	62	175	113	182%
Global Offices Municipal Water	71,866	83,525	11,659	16%
Global Rainwater	954	1,003	49	5%

2010 Highlights				
2010 Goals	**Performance Highlights**		**2011 Goals**	
Capture & Reuse				
Global Surface Water	151	151	0	0%
Totals	255,104	287,585	32,481	13%

Increased consumption in 2010 attributed to:

- Added 38,660-square feet of building space to Cary headquarters.
- SAS added office space following the acquisitions of MEMEX and VSTI.
- Construction of new building and establishing new landscaping.
- Added 165 new employees at Cary headquarters.
- Expanded cooling needs for increased data center capacity in new and existing facilities.
  Major water conservation initiatives began or expanded in 2010 included:
- Completion of reclaimed water line from the local utility to the new data center in Cary's Building D. The building will eventually use up to 20 million gallons of reclaimed water in its cooling towers annually. When the water line is connected to the cooling towers at Building R, another 11 million gallons of reclaimed water will be put to use.
- Renovated nine bathrooms with low-flow plumbing technologies.
- Installed rainwater capture system in new building at Cary campus headquarters. The system uses two 20,000-gallon cisterns to collect rainwater from the building roof. Rainwater capture is UV disinfected and used to supply non-potable water to the low-flow bathroom flushing fixtures.

Using reclaimed water and rain water reduces our impact on local reservoirs and minimizes the amount of energy needed by the water utility to treat waste water to potable quality.

Energy and Emissions

SAS continues to be innovative in energy efficiency. This year, we installed thermal slab floor cooling and radiant floor heating in the new Executive Briefing Center, which will open in 2011. Thermal slab floor cooling uses water cooled in off-peak hours by building chillers to help maximize air conditioning efficiencies. The cooled water runs through pipes in concrete slabs to help cool the building during the day and minimize electricity use when rates are highest. The radiant flood heating system is situated in a building with large atrium space to maintain heat near occupants at the floor and reduce heat loss through the roof. This system maintains occupant comfort and minimizes heating required in open areas.

SAS continues to implement LEED guidelines and best practices in the pursuit of formal certification for new and existing buildings, as well as leased and owned office renovations. SAS has expanded use of energy-efficient lighting technologies such as LED, fluorescent and metal halides.

This year also saw the completion of our second solar farm on the company's campus. Solar Farm II – situated on approximately seven acres adjacent to the first five-acre farm – has a 1.2-MW capacity and will produce an estimated 1.9 million kWh each year. It comprises 5,236 ground-mounted photovoltaic (PV) panels. The system incorporates a RayTracker tracking system that rotates the assembly for maximum sun exposure, increasing energy capture by up to 25 percent over fixed systems and reducing acreage requirements. No trees were cut down to build the farm, and we eliminated the need for concrete support by driving steel posts into compacted soil. To maintain the grass under the panels, sheep inhabit the 12 acres to keep them manicured and fertilized.

2010 Goals	Performance Highlights	2011 Goals
Install an additional 1.2 megawatts of solar photovoltaic capacity to the existing solar farm.	Activated a 1.2-megawatt capacity solar array at world headquarters (Solar Farm II/August 2010) that produces an additional 1.9 million kilowatt-hours (kWh) of renewable energy. Combined with the 2009 Solar Farm 1, the arrays generate more than 3.6 million kWh annually.	Install an additional 1.0 megawatt of solar photovoltaic capacity to the existing solar farm.
Install at least one solar photovoltaic system on an office building rooftop.	Began installation of rooftop photovoltaic (PV) system for one office building on Cary headquarters. Installation completed early 2011.	Complete installation and activation of solar PV rooftop system. Install solar PV system on one additional building rooftop at Cary headquarters. Install solar thermal hot water system for one additional campus building.
		Install at least two electric vehicle charging stations.
		Purchase plug-in electric vehicles for fleet operations in 2012.
		Deploy custom energy scorecards and dashboards to all globally owned offices.
		Decommission approximately 7,000 square feet of older, less efficient data center space and consolidate services in cloud computing facility.

Region	2009	2010	Variance	2010 Contribution
Asia Pacific	32,436	30,777	-5%	6%
Canada	7,720	7,808	1%	2%
EMEA	97,424	104,931	8%	21%
Latin America	3,083	3,083	0%	1%
US Data Center	89,397	94,995	6%	19%
United States, excludes Data Center	234,167	264,685	13%	52%
All Regions	464,228	506,280		

In 2010, SAS consumed 150,457 GJ of energy, compared to 127,632 GJ in 2009 for direct fuels used in support of global fleet and building operations.

Electricity efficiency – SAS headquarters					
	2010	2009	2008	2007	2006
Kilowatt Hours (kWh)	61,238,828	57,890,219	55,652,476	53,408,077	50,877,744
Revenue (US $Billion)	$2.43	$2.31	$2.26	$2.15	$1.90
kWh Growth	4.0 percent	4.0 percent	4.2 percent	5.0 percent	2.7 percent
Efficiency: $ Earned Per 1 kWh	39.7	39.9	40.61	40.26	37.34
Efficiency: kWh Consumed Per $1 Earned	0.025	0.025	0.025	0.025	0.027

Managing Greenhouse Gas Emissions

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 65 out of 100, up from 56 last year and well above the average of 45.

Global Emissions Summary, CO2e T

Source	2009 Contributions		2010 Contributions		Variance		2010 Contribution	
Asia Pacific	1	6,528	1	6,162	17%	6%	6,529	6,163
Canada	122	286	99	314	19%	-10%	408	413
EMEA	2,745	5,527	3,017	6,037	-10%	-9%	8,272	9,055
Latin America	0	177	0	177	0%	0%	177	177
US Data Center	0	15,548	0	15,722	0%	-1%	15,548	15,722
United States, excludes data center	5,525	19,899	7,187	21,676	-30%	-9%	25,424	28,864
Totals	8,394	47,963	10,305	50,088	-23%	-4%	56,357	60,392

Waste

2010 Highlights		
2010 Goals	**Performance Highlights**	**2011 Goals**
Continue working to establish a waste management baseline.	Established program to track waste and recycling volumes for Cary headquarters.	Expand program to measure globally owned offices.
Expand the Eco Advocate program to incorporate a sponsored volunteer philanthropy program.	SAS expanded the Eco Advocate program to include volunteer options outside of SAS business.	Expand participation to US regional and global offices.
Set reduction targets and report on performance for SAS headquarters.	Continued to establish and expand material volumes included in baseline for waste management program.	Increase volume of materials diverted from landfill by 10 percent.
		Conduct intensive recycling effort at Cary headquarters to "clean house" prior to opening of new building.
		Add two new initiatives to increase recycling options for Eco Advocates.
		Develop reporting to measure waste by building.

As in 2009 and detailed below, SAS continued investment in Waste Management Program initiatives to reduce waste and encourage recycling at its facilities.

Overall volumes for recycling increased in 2010 due to an increased focus on the treatment of operational and construction waste, a campus-wide cleanup to prepare for the 2011 opening of Building C, increased participation from the Eco Advocate employee volunteer program, and employee awareness campaigns.

- 41 percent of total waste volume at campus headquarters was recycled in 2010, up from 22 percent in 2009.
    - 100 percent of e-waste achieved
    - materials increased by over 200,000 lbs.
    - Cardoard recycling increased by 567,000 lbs.
    - Recycling of books and paper increased by 250 percent from 2009.
- 81 percent of waste volume for new construction and major renovation projects at Cary headquarters was diverted from landfill
    - Construction totals for Building D – 75 percent recycled.
    - Construction totals for Building C – 82 percent recycled.
    - Completed replacement of office building roof renovation project with white reflective membrane. Rooftop replacement generated 4.92 tons of debris, 79 percent of which was recycled.

Waste Disposal

Type and Disposal Method	2009 lbs	Percent of Total	2010 lbs	Percent of Total	2010-2009 Variance	Percent Variance
Operational waste recycled	461,422	22%	1,321,434	41%	860,012	186%
Operational waste sent to landfill	1,538,880	74%	1,818,981	57%	280,101	18%
Waste mulched & composted	80,950	4%	56,370	2%	-24,580	-30%

While procurement and environmental education are not material issues this year for SAS, we have continued efforts to determine a baseline for eco-friendly procurement and aim to increase volume of green material procurement by 10 percent.

SAS takes pride in its education and awareness efforts on environmental issues. We engaged in a yearlong campaign of education and communication through speaking engagements, visits to the SAS solar farms, a companywide event for Earth Day, featured articles posted on the internal green website, published white papers and webcasts.