

SAS Legal

ESG- Environmental, Social and Governance

Diversity and Inclusion - Commitment to Supplier Diversity

Our strength is in the company we keep. The CEO of SAS Institute Inc. has joined hundreds of other [CEOs of leading companies to pledge](#) and advocate for change and the advancement of diversity and inclusion in the workplace. SAS wants that same level of commitment to diversity and inclusion reflected in our supplier community as we do with our employees and customers. For SAS Legal, that commitment to supplier diversity extends to the law firms that work with SAS. SAS Legal intends to partner with law firms that have a strong commitment to diversity and inclusion in their workforce.

SAS Legal agrees with legal departments of other companies that there is a need for law firms to better promote diverse practices within their organizations, including hiring and promoting a diverse workforce. Multiple diversity surveys of hundreds law firms from the past few years conducted from the [American Bar Association](#) (ABA), [The Minority Corporate Counsel Association \(MCCA\)](#) and [Vault](#), [The National Association for Law Placement, Inc.](#) (NALP), have shown that many law firms are lacking in the area of diversity and inclusion in their legal workforce.

SAS Legal has developed a methodology for law firms to meet a minimum requirement to measure diversity and inclusion in their law firm. The methodology provides an objective way for firms to evaluate their diversity and inclusion efforts. The methodology also provides a means in which the firm can build a closer working relationship with SAS Legal, provide an opportunity for underrepresented attorneys to develop practice leadership skills, and generate legal work for attorneys who might not get an opportunity to work with SAS.

SAS Legal asks that law firms complete an annual survey to help evaluate their performance in the area of diversity and inclusion. Firms are required to complete the survey annually.

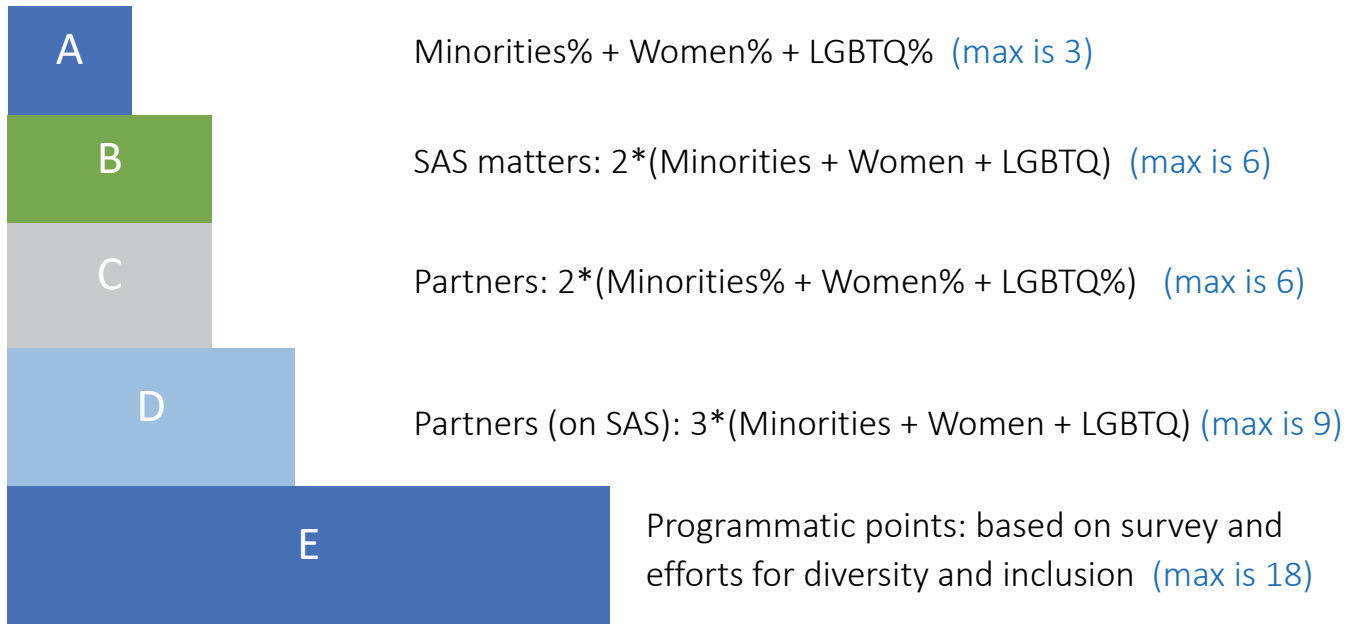
The methodology is implemented in a diversity and inclusion formula that is comprised of several parts for scoring. This formula involves demographic-based points (quantitative) and programmatic-based points (qualitative).

1. Points based on overall diversity and inclusion metrics of the attorneys in the law firm.
 - a. For example, if the firm has 50% women attorneys then the points will be 0.5.
 - b. The maximum number of points is 3 points.
2. Points based on the diversity of the legal team that directly works on SAS matters.
 - a. This metric focuses on the number of people on the team that works directly with SAS.
 - b. For example, if the team has 1 woman attorney and 1 LGBTQ attorney then the total points would be $2(1+1) = 4$ points.
 - c. The maximum number of points is 6 points.

3. Points based on the overall diversity and inclusion metrics of the partners, members, or owners in the law firm.
 - a. This is for the partnership level of the firm.
 - b. For example, if the firm has 50% women attorney partners then the points will be $2*(0.5) = 1$ point.
 - c. The maximum number of points is 6 points.
4. Points based on the diversity of the partners, members, or law firm owners that directly work on SAS matters.
 - a. This metric focuses on partners on the team that works directly with SAS.
 - b. For example, if the team has 1 woman attorney partner and 1 LGBTQ attorney partner then the total points would be $3(1+1) = 6$ points.
 - c. The maximum number of points is 9 points.
5. Points based on a number of programmatic points that the law firm can accumulate based on diversity and inclusion workplace policies, objectives, and initiatives.

SAS Legal Outside Counsel Diversity Index

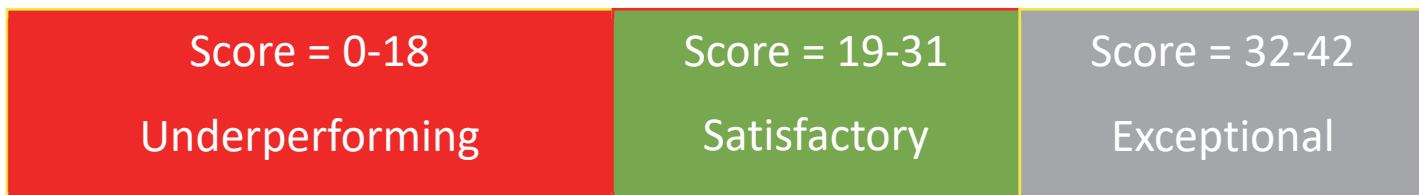
Overall Point System



Scoring Framework



DI Score = A+B+C+D+E = 42 maximum points



List of Programmatic Points (One Point Each)

1. Complete ABA Diversity Survey (or AmLaw, NALP, Vault/MCCA Diversity Survey)
2. Written Diversity Strategy that is communicated to staff
3. Biannual Diversity, Inclusion, & Bias Training for staff
4. Provide staff an opportunity for annual feedback regarding D&I issues in the firm
5. Provide credit for employee leading D&I opportunities and events
6. Include at least one diverse firm member in hiring decisions
7. Include at least one diverse candidate in hiring and interviews
8. Tie partner compensation to diversity and inclusion efforts
9. Diverse employees given credit for assignments and clients
10. Diverse employees provided access to clients, firm committees, and firm events
11. Succession plan that promotes diversity in the firm
12. Voluntary opportunity for disclosure of sexual orientation and gender identity
13. Paid paternity leave
14. At least three months of paid maternity leave
15. Full time or part time diversity professional on staff
16. Written retention strategy known to partners. Retention goals reviewed annually.
17. Written policy on ability jobs for employees with disabilities
18. Written policy on military veterans and veteran recruitment

Exclusions

There are several exclusions to firms participating in fully completing and satisfying the requirements of the annual diversity and inclusion survey. These exclusions include the following conditions:

- Assumes firm has more than 15 attorneys
- One-time engagements
- Emergency engagements (will review D&I after 6 months of engagement)
- Total firm billing less than \$10K/year.

Firm Performance

SAS Legal is committed to having a collaborative relationship with firms to help to meet these diversity objectives. Firms that do not meet the diversity and inclusion goals after the annual review period will be given a period of 6 months to make adjustments and improvements in order to meet a threshold satisfactory level. Firms are encouraged to have an ongoing dialog with SAS Legal to provide updates and feedback about their diversity and inclusion efforts. Firms that continue to not meet a threshold satisfactory level after the initial 6-month period of time has expired may be subject to a 10% reduction of billing fees or termination of services.

NOTES

- The survey is intended for US attorneys with law firms with offices located in the United States.
- If an attorney who directly works with SAS fits more than one category (e.g., minority, woman, LGBTQ), then the firm accumulates points for each category. For example, if the firm's partner working directly with SAS fits more than one category then the firm accumulates up to $3(1+1+1) = 9$ points. If the firm's associate working directly with SAS fits more than one category then the firm accumulates up to $2(1+1+1)=6$ points.
- For the purposes of this survey:
 - "Minorities" are defined according to the [American Bar Association Diversity Survey](#).
 - "Partners" are defined as equity partners, shareholders, or principals who own a fraction of the law firm. "Partners" do not include non-equity partners, counsels, associates, or attorneys that do not own a part of the firm.