



1.2 Ethics and Regulatory Compliance

Robust regulatory compliance and training practices ensure that SAS conducts business in an honest, respectful, fair and safe manner. Guided by the [Code of Ethics](#), SAS' compliance practices have earned the company its valued reputation as an ethical and responsible employer and business partner. SAS is committed to maintaining this reputation and conducting all aspects of the business in a way that promotes and reflects ethical practices. SAS compliance programs use training, policies, processes and audits to ensure compliance in areas such as anti-corruption, international trade and privacy.

SAS is committed to demonstrating honesty, fairness and accountability in every decision and action, including each interaction with employees, customers, suppliers and competitors. The SAS Code of Ethics helps the company define and maintain high standards for respect, honesty, fairness and accountability. This SAS Code of Ethics applies to every employee - at every subsidiary and in every region - as well as all members of the board of directors, officers appointed by the board of directors and agents. Failure to comply with the SAS Code of Ethics or other applicable policies can result in disciplinary action, up to and including termination.

The internal version of SAS' Code of Ethics, which includes links to SAS policies and procedures, serves as a central reference for employees to respond to situations in an ethical manner consistent with SAS standards. The external version of the Code of Ethics is available as part of this report and demonstrates SAS' values to customers, suppliers and other stakeholders.

SAS' Code of Ethics is available to all employees on the company's intranet, and is periodically advertised by the company's internal communications program.

2017 Data

SAS did not have any substantiated, materially negative incidents with regard to public policy, privacy, corruption, ethics, bribery, anti-competitive actions, anti-trust violations or monopoly practices, societal impacts, the environment, labor practices, or employee discrimination or harassment; nor were there any sanctions or fines for noncompliance.

Training

The Ethics and Compliance group at SAS has developed courses to help employees abide by the SAS Code of Ethics and applicable external rules and regulations. SAS provides this training to equip all employees to make the right choices when ethical and regulatory challenges arise.

Online training was developed under the management and oversight of the vice president and general counsel for ethics and compliance, with input from many departments across SAS, and with ultimate approval by the chief legal officer. All global training courses developed since 2012 are available in English, simplified Chinese, French, German, Italian, Japanese, Portuguese and Spanish.

How SAS monitors completion and renewal of training varies, depending on relevant policies, strategies, trainings and codes. Online training completions are tracked by the third-party

vendor that helped to create them and are monitored by the Ethics and Compliance group. Automated reminders are sent to those who have not completed training as the deadline approaches, and managers are contacted as trainings become overdue. All new employees and certain contract workers are required to take some or all of the following training:

- Code of Ethics.
- Information Security.
- Export Controls Awareness.
- Workplace Respect.
- Global Anti-Corruption.
- Privacy and Data Protection for Global Companies.

In addition, all employees are required to take annual refresher ethics training.

SAS provides specialized training for personnel as needed. For example, certain California and India employees take additional anti-sexual harassment training as required by law.

In-person, targeted compliance training is conducted periodically. These courses are developed by the Ethics and Compliance group in the Legal Division with input from the relevant functional business units. For example, in 2017, SAS conducted anti-corruption training for government sales and marketing groups, privacy training for IT staff, export training for federal government sales and services, and HIPAA training for employees interacting with data in the company's health care center or associated with its health care industry solutions.

Employee Feedback

Employees are responsible for appropriately communicating concerns regarding suspected unethical or illegal conduct to a supervisor, Human Resources or the Legal Division. Specific procedures for reporting concerns are displayed on the Legal Division's internal website. Employees may submit comments to SAS Ethics and Compliance via email, telephone or an anonymous online form.

SAS does not retaliate against anyone who reports suspected violations in good faith. All reports of misconduct are investigated in a timely fashion. Unless the complaining individual chooses to remain anonymous, he or she receives feedback on the results of the investigation, to the extent allowed by applicable law.

2017 Data

100 percent of complaints to SAS Ethics and Compliance were investigated and addressed as needed.

Anti-Corruption

SAS has an anti-corruption program to provide training and monitoring across the company. This program includes an online anti-corruption course for all new employees and certain third parties, and in-person, targeted training for sales, marketing, finance and other affected groups. In addition, SAS has implemented gift, marketing event, "revolving door," conflict of interest, lobbying, and donation policies - as well as review procedures - to comply with applicable laws and customer requirements. These documents are available to all employees on the Ethics and Compliance internal website.

SAS conducts advance and ongoing due diligence on subcontractors, partners and other third parties to verify their reputability and identify and mitigate anti-corruption risks. SAS also contractually requires that its subcontractors comply with the principles set forth in its Code of Ethics, including anti-bribery provisions. SAS also conducts audits and transaction-specific due diligence measures to support compliance in high-risk transactions.

Export Controls

SAS maintains an export management system complete with product licensing and screening processes that include checking employees, customers and suppliers against the Office of Foreign Asset Control (OFAC) Specially Designated Nationals and Blocked Persons list and certain other government lists of prohibited parties. SAS also files regular and timely anti-boycott reports as required by US law.

SAS classifies its products according to US export laws and makes such classifications available to its customers at the [SAS Current Export Designation Information](#) page.

Privacy

The Ethics and Compliance group in the SAS Legal Division works to ensure that SAS' use of personal data complies with applicable laws, SAS policies and customer expectations. SAS Global Information Security establishes processes and deploys technologies to protect the confidentiality, availability and integrity of data in the custody or control of SAS.

These groups work closely together 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 industry best practices. Periodic privacy and security-related assessments and compliance reviews include privacy impact assessments for newly developed or modified applications that may affect individual privacy interests, and for any new or significantly modified uses of personal data that may affect those interests.

The Ethics and Compliance group also takes a leadership role with the SAS Privacy Champions Network, a cross-functional, global network of employees who are on the “front lines” of privacy and SAS’ handling of personal data on a daily basis. The Ethics and Compliance group ensures that timely and accurate privacy guidance is distributed through the network, and responds to concerns identified in the field by network members. Throughout 2017, SAS was actively taking steps to prepare for the General Data Protection Regulation (GDPR) in 2018.

The Ethics and Compliance group ensures that SAS’ externally posted privacy statement accurately reflects its information collection and use practices with respect to external parties.

SAS’ privacy statement is global, covering SAS US and its foreign subsidiaries and other business units. Translated versions of the privacy statement with country-specific requirements are linked to the English version.

SAS requires all its employees and certain categories of contractors to complete training on privacy and information security. SAS Global Information Security publishes a monthly information security awareness newsletter to inform employees about information security and privacy issues.

