



2014 Teradata Corporate Social Responsibility Report

Teradata's policies and processes to help our customers, community, and employees understand our past performance and continuing commitment to corporate social responsibility



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CEO Communication

(GRI G4-1)

Global sustainability has become subtler and more pervasive since it first caught the attention of many businesses. And as the market rapidly shifts to a more connected and digitalized world, Teradata, like many information technology companies, has a heightened role beyond simply “going green.” Instead, we must ensure that we are actively engaged in sustainability in a socially, financially, and environmentally responsible way. In this year’s report, I am pleased to convey our contributions across these dimensions.

As we know well, technology has dramatically changed the world in the recent years. Mobile technologies, the Internet of Things, and big data are colliding to create new opportunities for digital innovation. Teradata is at the forefront of this transformation, with an expanded portfolio of products and services that help our customers accelerate growth and drive innovation in the face of increased complexity. We continue to deliver “industry firsts” in our analytics portfolio to make it increasingly cost-effective and efficient for a broader range of organizations to harness new data to make a positive impression on their businesses. Our marketing applications take advantage of mobility to help companies improve digital engagement with their customers and expand their reach to a larger socially and economically diverse world.

Our customers are embracing this new reality across social, financial, and environmental boundaries—with many using our solutions to boost their own sustainability initiatives. For example, a non-profit organization relies on Teradata analytics and marketing applications to drive greater mobile engagement among its donor base to aid disaster recovery. Banks and financial services institutions use Teradata to increase transparency, mitigate risk, and combat fraud and cyber security threats—protecting what matters most to their clients. Utilities use Teradata for smart metering—lessening waste and its impact on

the environment, while optimizing power creation and consumption. These are just some of the ways our customers become more successful and data driven in the new world.

At the heart of Teradata’s relentless drive for customer success is our people. Since our inception, Teradata has pledged to hire the very best individuals to unravel problems never before solved. Today, we are a globally inclusive company that is fully committed to diversity and the highest standards of integrity and ethics. Our employees constitute a vast array of individuals who bring rich perspectives that help create long-term customer and stakeholder value. One example is the way our employees, along with our customers and partners, continue to support our “Data Philanthropy” initiative of using data for public good. In partnership with the non-profit organization DataKind, we are helping to connect the volunteer data science community with the non-profit community to tackle some of their biggest data issues—including human rights, youth mentorship, and the arts. Teradata employees likewise contribute to our local communities, volunteering more than 18,000 hours of service in 2014 alone.

We place high stakes on ethical behavior and global sustainability, and this year we were once again recognized for our efforts from organizations including Ethisphere Institute, which named Teradata one of the “World’s Most Ethical Companies” for the sixth straight year, and the Dow Jones Sustainability North American Index, which named Teradata as one of the leaders in sustainability for the fifth year in a row. We have been selected as a member in good standing by FTSE4Good for the sixth consecutive year, and for the fifth year, were named a member of the 2014 Sustainability Yearbook. Teradata continues to support the UN Global Compact principles, which pledged our commitment to ethical behavior and human rights, and in 2014 we again achieved the ‘GC Advanced’ designation for our Communication On Progress.

Beyond the Teradata ecosystem, we advance our corporate social responsibility efforts through partnerships and memberships with numerous research, planning, government, and industry organizations that address global sustainability. Our membership in The Green Grid global consortium acknowledges our commitment to energy efficiency in data centers and business computing ecosystems. For the sixth consecutive year, we completed and submitted our corporate CDP survey, as well as tracked our recycling efforts and greenhouse gas emissions.

As our 2014 report shows, Teradata consistently advanced our programs and initiatives to propel our customers forward as we enrich our local communities and the world at large. In the coming years, we look forward to continuing to promote this culture of corporate social responsibility within our organization and throughout our extended business ecosystem of customers and business partners.



Mike Koehler, CEO,
Teradata Corporation



About This Report

(GRI G4-13, G4-33)

This report describes the policies, processes and performance of Teradata Corporation to help our customers, community, and employees understand our past performance and continuing commitment to Corporate Social Responsibility (CSR) as we develop our plans for the future. The information provided is a reflection of 2014 performance. Our previous report was the 2013 CSR report. At this time, our next annual report, based on our 2015 performance, is planned for release in 2016. However, this schedule could be adjusted during 2015 and 2016.

For more information regarding Teradata CSR report, please contact: Teradata Corporation, Attn: Alan Lord, Sustainability Manager, 10000 Innovation Drive, Dayton, OH 45342

Audit of this report: An independent Internal Audit project was conducted to review the reporting process and methodology for compiling key performance indicators.

During the 2014 reporting cycle there were no changes in company structure, size, or ownership.

This report also constitutes our Communication on Progress (COP) as a signatory to the UN Global Compact. For more information about the UN Global Compact, please visit www.unglobalcompact.org.

The process for defining report content and the structure of the report and its disclosures were driven by the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. This report is compiled in accordance with GRI G4 Core level. For more information about the GRI, please visit www.globalreporting.org.



1.0 Teradata

1.1 Our Mission

(GRI G4-3)

At Teradata Corporation (TDC), we strive to protect our environment. As such, we conserve natural resources while complying with all applicable local, national and international environmental, health and safety laws. We endeavor to instill environmentally-aware practices throughout our operations, from our global corporate processes to the individual actions of our employees and others working on our behalf. We believe this is our social responsibility, and that sustainable business practices are good for our world and are right for our business. Because of this belief, our company focuses its efforts on providing our customers with best-in-class products and services that are environmentally sustainable.

1.2 Our Company

(GRI G4-4; G4-5; G4-8; G4-9; G4-15)

Teradata is a global leader in analytic data platforms, marketing and analytic applications, and consulting services. Teradata helps organizations collect, integrate, and analyze all of their data so they can know more about their

customers and business. The company's big data analytic solutions, integrated marketing applications, and team of experts help companies gain a sustainable competitive advantage with data. Teradata serves more than 2,600 customers, including the top companies across all major industries. An ethical and future-focused company, Teradata also owns two operating businesses, Claraview and Think Big Analytics. Both are independently operated and vendor-neutral consultancies. Claraview delivers best-in-class business intelligence, big data analytics and data warehousing strategy, architecture and implementation services and solutions. Think Big Analytics, acquired in 2014, is focused exclusively on Hadoop and big data solutions. Teradata is recognized by the business media and industry analysts for technological excellence, sustainability, and business value. The corporate headquarters is located at 10000 Innovation Drive, Dayton, OH 45342. Visit Teradata.com for more details. For more information on markets served and our business segments, please see the business overview section of the Teradata Annual Report located on the Investors site of Teradata.com. The reference to that site is in section 11.

Teradata's primary social media channels include:

 www.linkedin.com/company/Teradata

 www.twitter.com/Teradata

 www.facebook.com/Teradata

 www.slideshare.net/Teradata

 www.youtube.com/Teradata

Teradata focuses its efforts on three large and growing areas:

- Analytic data platforms, including workload-specific data warehouse and data appliance platforms, Teradata Data Warehouse software, Teradata Aster Discovery Platform, Tools and Utilities, and Teradata Unity multisystem management software. These products are used to consolidate data from different sources and make the data available for analysis. The Teradata Database is a fully scalable relational database management system that relies on large parallel processing systems to manage large data warehousing operations.
- Software applications for Marketing address Marketing Resource Management
 - Software applications Analytics including Demand Chain Management, Product Information Management, Retail Decisions, Transportation Decisions, Tax Compliance, Profitability, and Data Quality.
 - Omni-Channel Marketing, Digital Marketing and Marketing Analytics
- Analytic Applications Services, include Consulting and Customer Services

Market Leadership

Teradata has more than 2,600 customers, with 1,800 customers using our applications, notably:

- 15 of the top 20 financial institutions
- 18 of the top 20 telecommunications companies
- All of the top six airlines
- 14 of the top 20 travel and transportation companies
- 15 of the top 20 global retailers
- 11 of the top 20 healthcare companies
- 11 of the top 20 manufacturing companies

On any given business day in almost every industry throughout the world, well over three million users benefit from a Teradata analytics environment or business application. Teradata is present in these industries: automotive, digital media, eCommerce, entertainment, financial services and insurance, government and public services, healthcare, life sciences, hospitality, manufacturing, oil and gas, retail, telecommunications, travel, transportation, utilities. For a geographic breakdown, please see our annual report which breaks down our revenue by region.

Data Analytics

Teradata is the world's largest company focused on analytic data solutions through integrated data warehousing, big data analytics, and business applications.

Teradata has long been a thought- and execution-leader in the use of data to uncover information that can be used to direct business actions. Data analytics now lives at the heart of an organization—providing predictive information that enable companies to make smarter decisions. There is enormous competitive advantage to be gained from analytics, such as increased productivity and exponentially greater profits.

Compared to traditional, structured, data so called 'big data'—data from web logs, social media, genomics, RFID and sensor networks, are more difficult to manage and analyze because they are much less easily grouped, and are present in exponentially greater quantity. These new data sources have brought a new set of opportunities and challenges. The company began addressing these new 'big data' use cases and challenges years before the term was first coined with new technology and analytic capabilities

that enable customers to understand how to evolve their business models, data and analytic architectures, and existing processes to tap into the new opportunities.

Recognizing the fast moving landscape in the data and analytics market, particularly in the area of 'big data,' Teradata has rapidly expanded its technology ecosystem over the past few years. The Teradata Unified Data Architecture is a concept that is unique to Teradata in looking at the entirety of the data warehouse environment, with all the component parts, processes, and data necessary to meet the analytical requirements of the business.

Teradata's best practice enterprise analytic architecture is underpinned by the Teradata Unified Data Architecture, described fully below.

Most Teradata customers already create their data warehouse environment with multiple systems that serve specific purposes, including production, test, development, quality assurance (QA), and disaster recovery (DR). This multiplicity has traditionally been driven out of direct need for these functions; it has not been viewed as a strategic approach to data warehousing.

Further, each of these systems has generally been built on Teradata's Active Enterprise Data Warehouse (EDW) platform, our flagship offering. With the introduction of the Teradata Workload-Specific Platform Family, this approach can be taken to a new level.

The Teradata Architecture can be thought of as the total data warehouse environment: everything needed to run enterprise analytics. The Teradata Unified Data Architecture takes in all the concepts mentioned above, but expands their scope. It continues to include the Teradata systems, but with the Teradata Workload-Specific Platform Family, customers now have a choice of platform types to use in their data warehouse environment; with each platform having unique strengths, price points, and performance characteristics. Additionally, the Teradata Unified Data Architecture includes the interaction between the systems, such as the processes that are run and the data synchronization between systems at any point in time. It also includes supporting systems, such as extract, transform, load (ETL) servers used to bring data into the data warehouse, as well as business intelligence (BI) servers, and any application servers used to deliver results to the users.

Integrated Data Warehousing

Data warehousing is the process of capturing, storing, and analyzing data to gain insight. This process is built on an enterprise data warehouse, which is a single, centralized, application-neutral repository of an organization's current and historical data. Unlike its data warehouse competitors, Teradata data warehouses are built specifically for analytical processing rather than for transactional processing.

Unified Data Architecture™

The Teradata Unified Data Architecture™ integrates the Teradata analytics platform, the Teradata Aster discovery platform, and Hadoop technology into a cohesive and transparent fabric. Teradata Unified Data Architecture™ bridges the gap between the business language of SQL, the extreme processing power of MapReduce, and the big data residing in Hadoop to provide a unified, high-performance big data analytics system for the enterprise. Teradata Unified Data Architecture™ makes it easy to gain valuable insights from massive data sets. Users can ask any question at any time to unlock new and valuable business insights.

Teradata Workload-Specific Platform Family

The Teradata Workload-Specific Platform Family is flexible; any family member can take on most any role.

But there are some natural fits in which some platforms are more appropriate for a certain role than others. These platforms include:

- **Active Enterprise Data Warehouse:** Optimized for integrated data warehouse, active workloads and Dual Active solutions, the Active EDW is often used to deliver strategic and operational intelligence requiring the highest levels of concurrency, tight service-level requirements, and mission critical availability.
- **Data Warehouse Appliance:** This platform can deliver integrated data warehouse, as well as disaster recovery or Dual Active, solutions. It is optimized for analytic workloads, and serves as the foundation for data marts, test/development, or data preprocessing.
- **Integrated Big Data Platform:** Built specifically to cost-effectively analyze extremely large amounts of detailed data to gain deep strategic intelligence.
- **Data Mart Appliance:** This appliance is well-suited for handling data marts, and test and development environments or departmental analytics.

Teradata® Database Software

At the heart of the Teradata Unified Data Architecture is the powerful and fast Teradata Database. The world-class Teradata Database is built on a foundation of massively parallel processing architecture that spreads data evenly over a large number of units of parallelism. Teradata systems are designed to evaluate the amount of resources that will be consumed for processing each query and to select an option that requires as few system resources as possible. It is the gold standard in decision support databases. It is important to note that the Teradata Database is built from one code base. That means that “Teradata is Teradata,” regardless of the platform on which it runs. And that means that customers can expect the same database features, and hence application portability, as they move from platform to platform. Not all databases can make this claim.

1.3 2014 Financial Performance

(GRI G4-9; G4-17)

Teradata revenue in 2014 was \$2.732 billion, and operating income was \$503 million. Teradata’s competitive differentiation is its leadership in technology solutions services. Teradata fuels revenue growth and the addition of new customers through its ability to integrate technology to facilitate analysis of all types of data, and to integrate applications to enable more effective and efficient operations within and across organizations. For further financial information, please visit the Teradata Investor page of the company website all of our SEC filings are located in this area. The quantity of products and services is listed in terms of financial information (revenue is split in these terms) in our earnings reports. Entities not included in this report’s scope are those with less than 50% ownership, partnerships or joint ventures. Please see external reference in section 11.0 for the link to our SEC Filing page.

1.4 Organizational Structure

The Teradata organization is led by a senior management team of leaders who bring an average of more than 20 years of industry-related experience to their positions. Their experience covers all aspects of the business, from engineering and sales to marketing and finance with considerable depth and focus on the data warehousing, enterprise data warehousing, and analytics business. Teradata’s leaders set the strategic direction for the company and each member individually drives the results in their areas of expertise.

Teradata sales employees are responsible for direct sales in current and new accounts within a defined geographic territory. These individuals work cohesively to engage in quality customer relationships and to promote the Teradata portfolio of products.

Global Consulting and Support Services provides client support from project management and high-end consulting to data modeling and business intelligence, as well as support to our customers all around the globe.

Our Research & Development and Product Management teams provide Teradata with software support and lifecycle development. Product Management employees also focus on developing a strategy to build Teradata products.

Corporate infrastructure depends on our core associates in finance, human resources, legal, information technology, marketing and operations. Infrastructure organizations provide support at both a corporate level and in the regions where Teradata does business, to ensure our engineering, sales and consulting organizations have the necessary resources and assistance to ensure success.

1.5 Teradata History and Development

(GRI G4-7)

Formed in 1979 as a Delaware corporation, Teradata's first product, the Teradata Database Computer, was utilized by Wells Fargo and AT&T, among others. Teradata established a relational database management system on a proprietary platform in 1984. In 1990, the company partnered with NCR Corporation to jointly develop

next-generation database systems. In 1991, AT&T Corporation acquired NCR and, later that year, NCR purchased Teradata. In 1995, Teradata was merged into NCR's operations and ceased to exist as a separate legal entity. On October 1, 2007, Teradata completed its spin-off from NCR Corporation, and shares of its common stock began regular trading on the New York Stock Exchange (NYSE) under the symbol TDC. Teradata also is a component member of the S&P 500.





2.0 Corporate Governance

The Teradata Board of Directors is elected by the stockholders to govern the affairs of the Company. The Board selects the Leadership Team (referred to as the “senior management team” in our Board Governance Guidelines), which is charged with the conduct of the Company’s business. Having selected the Leadership Team, the Board acts as an advisor to Leadership Team members and monitors its performance. The Board reviews the Company’s strategies, financial objectives, operating plans, major risks, and plans for managing such risks.

The Board also plans for management succession of the Chief Executive Officer, as well as other Leadership Team positions, and oversees the Company’s governance and compliance efforts. For a complete detailed understanding of our Governance policies, please see the external reference in section 11.0

2.1 Board of Directors

(GRI G4-39; G4-40)

The Board currently has eleven Directors. It recently added two Directors to the nine who already were serving on the Board. One of the recently added Directors is a 51-year-old female from a global health services firm, and the other is a 54-year-old male from a firm that provides software and services designed for nonprofit organizations. Each non-employee Director (ten of the eleven Directors (91%)) meets the independence standards of the New York Stock Exchange; the one non-independent director is the Company’s Chief Executive Officer. The Chairman of the Board is not an Executive Officer of the Company. As a matter of policy, the Board believes that a substantial majority of the Directors should be independent.

Two of the eleven Directors (18%) are female, one of whom serves as a trustee to the Anita Borg Institute for Women and Technology. One of the eleven Directors (9%) is of Asian ancestry. Thus, a total of three of the eleven Directors (27%) are diverse as measured by these categories. Two of the thirteen members of the Company's Leadership Team (15%) are female. One of the thirteen Leadership Team members (8%) is of Asian ancestry.

The Board periodically reviews the size of the Board and determines whether any changes are appropriate, although it is the sense of the Board that five to ten directors is adequate. However, the Board is willing to increase its size in order to accommodate the availability of an outstanding candidate.

The Board, with input from its Committee on Directors and Governance, is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board member candidates, taking into account the Company's needs and the current makeup of the Board. This includes assessment of the candidate's qualifications under written Director Qualification Guidelines and consideration of: the candidate's knowledge, experience and skills in areas critical to understanding the Company and its business; personal characteristics, such as integrity, judgment and alignment to the Company's values; independence; diversity of age ranges; diversity of gender, race and ethnicity; and, the candidate's commitments to the boards of other publicly-held companies. The Committee on Directors and Governance is responsible for periodically reviewing and modifying, as appropriate, the Qualification Guidelines. The Board evaluates individual Director nominees in the context of the Board as a whole, with the overall objective of having a balanced group that can perpetuate the Company's long-term success and represent shareholder interests generally through the exercise of sound business judgment using its diversity of experiences and perspectives. Each Board member is expected to ensure that existing and planned future commitments do not materially interfere with the member's service as a Director of the Company and that he or she devotes the time necessary to discharge his or her duties as a Director of the Company. The Board does not believe it should establish term limits; rather, the Committee on Directors and Governance reviews the Director's continuation on

the Board whenever the Director experiences a change in professional responsibilities, as a way to assure the Director's skills and experience continue to match the needs of the Board. In addition, a Director's re-nomination is dependent upon a review conducted by the Committee on Directors and Governance.

Unless there is a Contested Election of Directors as set forth in the Company's Bylaws, Directors are elected by the affirmative vote of the holders of a majority of the voting power of the stockholders present in person or by proxy at a meeting of stockholders at which Directors are being elected. If an incumbent Director is not re-elected by the required majority vote, such Director is required to promptly submit an offer to resign from the Board to the Chair of the Committee on Directors and Governance with a copy to the Company's General Counsel. The remainder of the Board will evaluate the relevant facts and circumstances and make a decision as to whether to accept or reject the offer of resignation, and then publicly disclose its decision, and, if applicable, the reasons for rejecting the offered resignation. If the Board accepts a Director's resignation pursuant to this process, the Committee on Directors and Governance will recommend to the Board whether to fill the resulting vacancy or reduce the size of the Board.

The Board conducts annual evaluations of the overall performance of the Board. The Committee on Directors and Governance, with input from the other Directors, is responsible for determining the performance criteria and process to be used for conducting the evaluation. The purpose of these evaluations is to enhance the effectiveness of the Board as a whole. Additionally, each Committee of the Board conducts an annual evaluation of its performance and reports the results of the evaluation to the Board. The Performance of individual Directors is assessed by the Committee on Directors and Governance when a Director is being considered for re-nomination and when a Director offers to resign due to a change in professional responsibilities. This Committee will choose the method and criteria for these assessments. If, at any time, the Board determines that an individual Director is not meeting the established performance standards and qualification guidelines, or his or her actions reflect poorly upon the Board and the Company, the Board may request the resignation of the non-performing Director.

The Board also believes it is appropriate for Directors, at their discretion, to have access to educational programs related to their duties as Directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company provides appropriate funding for the programs. In addition, new Directors are subject to an orientation process, and all Directors receive periodic review of the Company's business and visit Company facilities as part of their ongoing review of the Company and its operations.

The Compensation and Human Resource Committee of the Board oversees the performance evaluation of the Company's executive officers, including the Chief Executive Officer. The Board reviews the performance of the Chief Executive Officer at least annually. The independent Directors in executive session review the criteria and results of the evaluation and determine the compensation payable to the Chief Executive Officer, a substantial portion of which shall be tied to performance. At least once a year, the Board also reviews the Company's strategy and operating plans and provides input to management. The Board monitors performance with respect to these plans.

The Board believes that only cash and equity compensation should be provided to non-employee Directors and that at least fifty percent of a Director's total compensation should be provided in equity. The Board also believes that each Director should hold stock (direct or beneficially owned, but excluding stock options) valued at no less than ten times the amount of the annual retainer paid to such Director within five years after he or she is first elected to the Board.

2.2 Committees

(GRI G4-34)

Currently, there are four Board committees: Executive Committee; Audit Committee; Compensation and Human Resource Committee; and, Committee on Directors and Governance. The Board believes the current committee structure is appropriate. From time to time, depending upon the circumstances, the Board may form a new committee or disband a current committee.

The Board appoints members of the committees on an annual basis. The Committee on Directors and Governance, with consideration of the desires of individual Directors and input from the Chief Executive Officer and Chairman of the Board, recommends to the Board the assignment of Directors to various committees. Vacancies in the committees will be filled by the Board, upon the recommendation of the Committee on Directors and Governance, with input from the Chief Executive Officer and Chairman of the Board.

Only independent Directors may serve on the Audit Committee, the Compensation and Human Resource Committee, or the Committee on Directors and Governance. All members of the Audit Committee must be "financially literate" and at least one member of the Audit Committee must have "accounting or related financial management expertise," as defined by the U.S. Securities and Exchange Commission rules or as required under applicable New York Stock Exchange listing requirements, and all Audit Committee members must meet any additional independence requirements specified in the Company's written Director Independence Standards or any other requirements to which Teradata is subject. Additionally, a member of the Audit Committee may not sit on more than two other Audit Committees of other public companies, unless the Board determines that such commitments would not impair his or her effective service to the Company. The Committee on Directors and Governance and the Board take into account a Director's tenure on a Committee and give consideration to rotating committee members periodically; however, rotation is not mandated as a policy.

Each committee has a written charter, which has been approved by the Board. The charter may delegate certain authority and responsibilities to the committee. From time to time, the Board may delegate additional specific authority to a committee by resolution. The committee charters are reviewed periodically and may be changed upon approval of the committee and the Board. The charter for each committee is posted on the "Corporate Governance" page of the Company's primary website (Teradata.com/corporate-governance).

2.3 Conflicts of Interest, Standards of Conduct, Reporting, and Controls – A discussion of our Precautionary Approach

(GRI G4-14; G4-41)

The Board determines on a case-by-case basis whether a conflict of interest exists with respect to Directors. Each Director must advise the Board of any situation that could potentially be a conflict of interest and will not vote on any issue in which he or she has any interest other than solely as a Director of the Company. In the event that a significant conflict of interest exists and cannot be resolved, the Company's Governance Guidelines indicate that the Director should offer to resign from the Board. Independent Directors also are required to advise the Chair of the Committee on Directors and Governance and the Company's General Counsel in advance of accepting an invitation to serve on another public company board. The facts and circumstances will be evaluated, considered and addressed in accordance with the process set forth in our Governance Guidelines. The Chief Executive Officer of the Company must receive pre-approval from the Committee on Directors and Governance before accepting an offer to join another public company's board. In the setting of compensation for Directors, the Committee on Directors and Governance also periodically considers if Director independence may be jeopardized if the Company makes substantial charitable contributions to organizations with which the Director is affiliated, or if the Company enters into a consulting contract with (or provides direct compensation to) a Director or an organization with which the Director is affiliated. In addition, it is against company policy for Directors to engage in speculative trading of Company securities, and Directors must pre-clear any pledges of Company securities as collateral.

The Board expects all Directors to act ethically, with integrity and in a manner consistent with the Company's shared Values and Code of Conduct in connection with all their activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings, and respect for and compliance with applicable law. Also, the Board is focused on helping cultivate and promote the Company's culture of integrity and accountability. Each member of the Board of Directors reviews and receives training on, and certifies his or her compliance with, the Company's

Code of Conduct on an annual basis. The Audit Committee oversees the Company's ethics and compliance program. Any waiver of the requirements of the Code of Conduct with respect to any individual Director must be reported to, and be subject to approval of, the Board, and shall be publicly disclosed to the extent required under applicable law. As set out in its Charter, the Audit Committee: reviews, approves, and monitors the Company's Code of Conduct initiatives and compliance, including as applied to all senior financial officers of the Company and all members of the Leadership Team; and, oversees the Company's program for monitoring the Company's compliance with laws and regulations and the Company's ethical standards, including receiving reports on all significant ethics and compliance matters and investigations. The Audit Committee Charter also details how the Audit Committee addresses matters related to financial reporting, independent accountants, audits, internal controls, enterprise risk management, risk assessments, and other reports and issues.

2.4 Corporate Sustainability Governance and Leadership

The Audit Committee of the Board of Directors is assigned overall responsibility and oversight for the Company's ethical standards and compliance, which includes initiatives pertaining to corporate social responsibility, sustainability and long-term corporate sustainability strategy and performance. Company management is responsible for implementing the Company's ethical standards and compliance initiatives, including with respect to corporate social responsibility and sustainability, and with respect to preparation and publication of the Company's annual corporate social responsibility report—with oversight by the Audit Committee of the Board of Directors. The overall governance processes applied by the Audit Committee of our Board of Directors as described in this report and in the documents linked to our Corporate Governance webpage are applied to governance of the Company's ethical standards and compliance initiatives, including with respect to corporate social responsibility and sustainability. The Senior Management responsibility for the CSR program is the Chief Operations Officer of the company. This leadership position sets direction and quarterly reviews the progress of the program. The COO of Teradata approves the report prior to its submission to the Board.

2.5 Shareholder Communications

(GRI G4-49)

Under the Teradata Bylaws, qualified stockholders may submit proposals to the Corporate Secretary in advance of the annual meeting of stockholders. In addition, stockholders wishing to communicate with the Audit Committee Chair or any of the Company's other non-employee Directors may do so by contacting the Corporate Secretary. The Corporate Secretary will forward any communications as directed by the stockholder. Also, the Committee on Directors and Governance will consider Director candidates recommended by stockholders for nomination by the Board. Stockholders wanting to suggest Director candidates should submit their suggestions in writing to the Corporate Secretary of the Company along with other relevant information and documentation as set forth in the Company's Governance Guidelines.

Please see the Corporate Governance page of the Teradata website at [Teradata.com](https://www.teradata.com) (from the main web page select "About" then select "Corporate-Governance") for more information about the Company's corporate governance standards and practices, including the Company's: Articles of Incorporation; Bylaws; Board member profiles; Governance Guidelines; Charters for each of the Board's Committees; Statement on Director Independence; Securities Transactions by Board members; Code of Conduct; and, how anyone may communicate with the Board. The Board also has adopted a Compensation Recovery Policy, such that members of the Company's Leadership Team are subject to forfeiture of the difference between the compensation they receive and the compensation they would have received in the event that publicly disclosed financial statements of the Company later are restated. The Board also has adopted Executive Stock Ownership Guidelines, which provide that members of the Leadership Team are expected to own at least a specified minimum number of shares in the Company; the specified number of shares may vary depending on the executive's position and the stock price (as of the date of this report, the minimum number of shares expected to be owned by the Chief Executive Officer is 115,000 shares and by other named executive officers is 35,000 each); this initiative is intended to better align the interests of the Company's Leadership Team with those of stockholders

and the Company's long-term success. The Board also has approved a Political Activity Policy Statement that strictly limits the Company's participation in partisan politics (see more regarding this under the "Public Policy" section of this report). Each of the policies and guidelines referenced above also is posted on the "Corporate Governance" webpage of the Company's primary external website. ([Teradata.com/corporate-governance](https://www.teradata.com/corporate-governance))

2.6 International Institute for Conflict Prevention and Resolution

Teradata believes that ethical and sustainable businesses should take measures to try to avoid and/or reduce unnecessary, expensive and often-wasteful conflicts, disputes, litigation and adversarial procedures. In support of this, Teradata is a signatory to the International Institute for Conflict Prevention and Resolution ("CPR") 21st Century Pledge. Through this program our Company has pledged to commit its resources to manage and resolve disputes through negotiation, mediation and other alternative dispute resolution ("ADR") processes when appropriate, with a view to establishing and practicing global, sustainable dispute management and resolution processes. (See www.cpradr.org/PracticeAreas/ADRpledges/21stCenturyPledge.aspx)

In connection with this, Teradata also has signed the CPR Diversity Commitment, seeking not only to have diversity and inclusion in its workforce, but also in its providers of goods and services, including arbitrators, mediators, neutrals and other ADR service providers. (See www.cpradr.org/PracticeAreas/NationalTaskForceonDiversityinADR/SigntheDiversityCommitment.aspx).

We also include ADR provisions in many contracts, have an internal dispute resolution process policy, and apply a dispute avoidance and resolution process so that we, along with our customers, suppliers, business partners and employees, might avoid or minimize some of the potentially adverse relationship and economic impacts of conflicts and litigation, while gaining effective, efficient, relationship-oriented and sustainable alternatives and advantages from communications, principled negotiations, joint problem-solving and ADR.



3.0 Industry Involvement

(GRI G4-15; G4-16)

3.1 The Green Grid

Teradata is a Contributor member of The Green Grid, a global consortium dedicated to advancing energy efficiency in data centers and business computing ecosystems. Dr. David Wang of Teradata is the Chair of the TGG-China Liaison work Group. In furtherance of its mission, The Green Grid is focused on the following: defining meaningful, user-centric models and metrics; developing standards, measurement methods, processes, and new technologies to improve data center performance against the defined metrics; and promoting the adoption of energy efficient standards, processes, measurements, and technologies. Visit www.thegreengrid.org.

3.2 ASHRAE

We are a member of the Technical Committee (TC) 9.9 the American Society of Heating, Refrigeration and Air-conditioning Engineers (ASHRAE). We support ASHRAE's mission to be recognized amongst all areas of the data-com industry as the unbiased engineering leader in HVAC and an effective provider of technical information for the data-com industry. Visit www.ashrae.org.

3.3 ITI

The Information Technology Industry Council (ITI) is the premier group of the nation's leading high-tech companies and is widely recognized as the tech industry's most effective lobbying organization in Washington, in various foreign capitals and the World Trade Organization. Teradata considers ITI membership important and essential to our electromagnetic interference (EMI) compliance program and potentially to the product safety and environment aspects of Teradata hardware products. Visit www.itic.org.



4.0 Human Resources

4.1 Overview

Our Human Resources organization is chartered with providing strategic global leadership to guide Teradata's efforts to build sustainable competitive advantage through our human capital strategy. Our human capital strategy is a strategic business goal and is aligned with Teradata's business objectives. The Human Resources organization is led by the Chief Human Resource Officer, who is a direct report to the CEO, and holds an important position within the Teradata Leadership. Our Chief Human Resource Officer is a female. The Human Resources organization is comprised of experienced leaders who drive global HR strategy and initiatives through Centers of Expertise, including compensation, benefits, staffing, HR operations, communication, and talent management, and HR business partners, who provide HR leadership to guide and support our business operations. The Americas and International regions, R&D, Global Consulting & Support Services, Teradata Applications and our infrastructure organizations have a dedicated HR Director to partner with them to execute HR initiatives. To support local business operations, HR consultants are located in our largest countries around the globe.

Teradata's HR strategy is not only to remain competitive in the global high tech employment market, but to be an employer of choice for our dedicated employees. Human Resources has implemented global policies and procedures that allow our employees and the business to operate in a compliant, safe, inclusive, and non-discriminatory environment. Additionally, we strive to provide a work environment where our passionate employees are encouraged and able to focus on our customers.

4.2 Employment

(GRI G4-6; G4-9; G4-10; G4-11)

At the end of 2014, Teradata employed more than 11,000 full time employees in 43 countries around the globe.

Significant operations are included in the following countries: USA, Canada, Mexico, Chile, Malaysia, Singapore, Hong Kong, India, Australia, Germany, Finland, Ireland and Austria.

We are headquartered in the United States, and operate in the two major regions of the world, with approximately 4,800 employees in the Americas region, approximately 6,600 in the International region (comprised of 4,100

employees in the Asia-Pacific-Japan (APJ) area and approximately 2,500 employees in the Europe, Middle East, Africa (EMEA) area.)

The nature of Human Resources work requires that the organization meet certain requirements to conduct proper employment practices around the globe. In the United States, we comply with all standards set forth by the Department of Labor (DOL). The DOL provides employment laws and standards for operating a business in the United States. To ensure legal compliance, Teradata Human Resources follows all applicable laws and standards mandated by the DOL.

Outside of the U.S., Teradata maintains relationships with the following agencies to ensure proper work and employee practices while operating in other countries:

- **European Union (EU)** - The EU has worked with companies in Europe to establish overarching agreements that apply to business operations and managing employees. Teradata Human Resources complies with these laws and standards while operating in European Union countries.
- **Workers' councils (found in countries around the world)** - Representation requirements of workers' councils vary with each foreign country. Teradata Human Resources works with local workers' councils within country entities as required to maintain a positive relationship with employees and with the countries in which we are operating.

4.3 Employee Turnover

Teradata emphasizes the importance of low employee turnover by reviewing this data on a regular basis. Beyond the statistics, Teradata makes sufficient efforts to meet the needs of all employees. However, when an employee decides to separate from Teradata, an exit interview is conducted. This process allows Teradata to acquire valuable feedback from employees. Teradata uses this information to assess employment conditions within the company to further its efforts to meet employee needs.

4.4 Collective Bargaining Agreements

Teradata maintains compliance with local country regulations regarding collective bargaining and has recognized

unions and/or workers' councils in those countries where union/worker representation is the traditional employment model.

4.5 Employee Communications

Communications to all associates is via email and via the Teradata company-wide intranet. An internal business collaboration site extends associates' ability to share information. Regular and consistent web-based broadcasts by CEO Mike Koehler and other members of the leadership team keep associates informed on strategies, business updates, product launches and other information. These meetings include an open Q & A period and also provide for private feedback or questions. These meetings are recorded so they can be viewed on demand by associates. In addition, department heads host regular meetings with their teams to facilitate sharing of information to and by associates to keep associates apprised of corporate developments. Teradata's internal communications goals are to keep associates informed about the company through regular communications and to involve and engage associates through open dialogue and collaboration.

4.6 Career Development (GRI-G4-LA10)

Teradata operates a global organization dedicated to providing learning opportunities to both Teradata management and employees. Teradata Learning formats include instructor-led training (deployed globally), web-based training, facilitated distance learning (combination of self-paced and virtual classroom), and virtual workshops and webcasts. Employees have access to numerous resources that help enable their success. Extensive learning opportunities are offered for employees through Teradata University, an online learning resource unique to Teradata. Teradata University is a dedicated learning management system (LMS) that provides 24/7 access for every employee to position-related, certification-specific, or personal improvement opportunities. Course materials enhance knowledge of Teradata products and services, competitive trends and analysis, methodologies, processes, tools, partner solutions and products, project management, professional skills, internal and external certifications, and technical skills.

Through this program, Teradata provides a professional certification program that supports industry standard certifications. In 2014, Teradata employees completed 154,899 courses for a total of 541,212 training hours.

4.7 Tuition Assistance

Providing education and development opportunities for employees is an important priority for Teradata. Aside from internal professional development, Teradata offers a tuition assistance program for eligible employees. In addition to the considerable number of educational opportunities provided through Teradata University, the company may provide financial assistance towards college- or graduate-level education that supports both Teradata's business priorities and the development of business-critical skills or knowledge for Teradata employees.

National Merit Teradata Scholarships

Not only do we offer tuition assistance to employees, but we provide tuition assistance and scholarships for their children as well. Every year, Teradata provides scholarships to children of Teradata employees who are selected as National Merit Scholarship winners. Students enter this academic competition in the fall of their junior year of high school by taking the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT). Since 2008, 22 national merit scholarships have been awarded by Teradata.

Teradata International Scholarship

Teradata supports children of our international employees through Teradata International Scholarships. The college grants are given in recognition of students' academic achievements and significant contributions to their communities. Children of Teradata employees working in Africa, Asia, Canada, Europe, Japan, the Middle East, or South or Central America are eligible if they are completing secondary school and entering university. Scholarship winners are chosen by an independent selection committee that considered academic achievements and records, school or extra-curricular activities, community and volunteer service, as well as the response to an essay question. Since its inception, 21 international scholarships have been awarded by Teradata through the program.

4.8 Leadership Development (GRI G4-LA10; G4-LA11)

Management development is an important part of Teradata's culture for emerging leaders. It's an ongoing process that includes:

- Preparing annual succession plans that focus on the identification and development of potential candidates for critical leadership positions.

- Consciously developing future leadership through on-the-job activities, mentoring, special projects, and rotational assignments.
- Providing specific management development programs through Teradata Learning, including a highly specific learning curriculum for managers and rising leaders. This program includes an inventory of management and leadership styles, 360-degree review by subordinates, peers and managers, and highly focused leadership sessions. The curriculum enables managers and rising leaders to fully understand the Teradata vision and charter, and adapt it to their own specific businesses, and sub-organization culture.

4.9 Performance Management Process

(GRI-G4-LA11)

All employees participate in the annual Performance Management process, which is an ongoing process to enhance individual and organizational performance through the monitoring, measuring, reporting, and rewarding of performance. It's what connects the work of the business, the team and the individual employee to the company's vision, mission, and strategic objectives.

Performance Management information is provided to guide employees in this collaborative process between the individual and their manager. Our performance management process is driven by effective objective setting, ongoing dialogue captured in quarterly reviews, and an annual review summary that assesses an individual's overall accomplishments against business and development objectives. Employees are provided overall guidelines related to their role in the Performance Management process, to assist their annual preparations and further their success.

4.10 Diversity

Teradata's shared Values form the foundation of our business relationships with each other, our customers, our partners, and our suppliers. They define a global, consistent framework within which we conduct business. We use Teradata Values to direct our behavior and guide our decisions as we strive to achieve our business objectives.

Integrated into our Values is Teradata's commitment to diversity. Teradata complies with laws governing discrimination, but goes beyond compliance to focus on inclusion of the rich backgrounds our employees provide. Teradata is firmly committed to growing and fully leveraging

diversity in all aspects of our business. We create an environment where differences are valued, supported and encouraged. And we believe in the power of diversity. That's because we've seen what happens when people from diverse backgrounds and experiences combine their unique talents to unlock bold new ideas. At Teradata, we value the unique qualities, abilities and perspectives each person brings to solving customer business problems. With our Teradata guiding principles as a foundation, we build working relationships based on trust and respect that extend to our customers, partners, suppliers, and the communities in which we live and work.

We believe in understanding and respecting differences among all people. This concept encompasses but is not limited to human differences with regard to race, ethnicity, religion, gender, culture, and physical ability. Teradata is committed to being a globally inclusive company where all people are treated fairly, recognized for their individuality, promoted based on merit, performance and opportunities, and encouraged to reach their full potential.

Every individual at Teradata has an ongoing responsibility to respect and support a globally diverse environment.

We are engaged in building and nurturing a diversity-friendly, inclusive environment, one that seeks out, welcomes and values diverse people, diverse thinking and diverse solutions for our business. Teradata recognizes several Business Resource Groups as part of its diversity environment. Business Resource Groups (BRGs) encourage employees to enhance their leadership and professional skills through educational and cultural opportunities within the company and/or the community. These globally-chartered affinity organizations are supported by Teradata and provide a number of benefits to the business:

- Assistance with recruiting and retaining diverse employees.
- A resource pool of committed, engaged associates.
- Representation of Teradata as an involved community citizen.
- Assistance with language and cultural support for customers, business partners and other employees.
- A source of educational information on diversity topics.
- A focused communication channel for constituency issues.

The following BRGs are currently active at Teradata:

Asian/Pacific American Association for Advancement, Teradata, Inc. (4A—Teradata)

A partnership focusing on Asian/Pacific Islander issues and dedicated to promoting and fostering a work environment that advocates the full participation and values the diversity of Asian/ Pacific American associates of Teradata.

Hispanic Association of Teradata Employees (HISPA-Teradata)

A partnership focusing on Hispanic issues and creating a productive, diverse workforce in preparation for corporate and community leadership.

Teradata Alliance of Black Employees, Inc. (TABE)

A partnership focusing on developing a strong support structure for Teradata employees of African descent. This is accomplished by identifying resources and support networks.

Veterans Echelon of Teradata Inc. (VET)

A partnership with veterans, active reservists, and veteran supporters, focused on hiring and transition issues for returning military and leveraging skills developed while in the military.

Women of Teradata (WT)

A partnership focusing on women’s issues in Teradata; dedicated to enhancing women’s careers, understanding, knowledge, and personal growth. Open to women and men who support development of women within Teradata.

Supplier Diversity Program

Teradata recognizes the need for and the benefits of sourcing and stimulating the growth of Small Businesses, Minority, Women and Veteran-owned business enterprises (diverse suppliers) and, consequently, has adopted a proactive policy of promoting the use of such businesses as sources of supply. Teradata believes that including diverse suppliers in our sourcing strategy adds value to our business by providing us with a competitive advantage which allows us to invest in the economic success of disadvantaged businesses. We further encourage our suppliers to work with qualified diverse suppliers as often as possible to fulfill our contractual needs and further promote the success of diverse businesses. Teradata believes that this approach in sourcing will develop stronger communities where we live and where we work and

thereby create a solid foundation for supplier diversity success across the nation. As stated by Teradata’s CEO...

“It is Teradata’s policy to ensure that Small Businesses, Minority-owned, Women-owned, and Veteran-owned businesses are sought to participate as suppliers, contractors, and subcontractors of goods and services to Teradata; and comply with regulatory agency requirements and with federal, state, and local procurement regulations and programs...”

In October 2009 Teradata launched the company’s commercial Supplier diversity program—a complement to Teradata’s already active government supplier diversity program. Since this program has been implemented Teradata has made great strides in the successful utilization of diverse suppliers by growing the spending percentages to 14.75% by the end of year 2014 in both Tier I and Tier II spending and hopes to substantially improve our program and performance in 2015.

4.11 Employee Ethics and Compliance Training

(GRI G4-43; G4-LA10; G4-HR2; G4-SO3; G4-SO4; G4-SO5; G4-SO7; G4-PR9; G4-56; G4-57; G4-58)

Teradata shows its commitment to integrating ethical business practices throughout the Company’s global workforce by offering various ethics and compliance learning opportunities, requiring certain amounts, levels, and subject-areas of ethics and compliance training, and requiring various ethics and compliance certifications from all employees, officers, Leadership Team members, and Board members. These communications, training programs, and certifications focus on the Company’s: shared Values; identified Attributes; desired behavioral Qualities; compliance-with-laws requirements; compliance-with-policies requirements; Code of Conduct commitments; environmental, health and safety compliance; respect for human rights; commitments and practices to avoid and eliminate corruption; and, how to raise ethics and compliance concerns and questions, and report potential ethics and compliance violations. These include communications and reinforcement regarding use of a Company-sponsored third-party-administered whistleblower Ethics

Helpline and being able to do so without fear of retaliation and with the ability to do so, to the extent permitted by applicable law, on a confidential and anonymous basis. They also expressly cover the Company's standards of conduct and requirements of all Teradata people to avoid, address, and not tolerate any forms of discrimination, harassment or retaliation, and include training regarding avoiding and stopping out sexual harassment, hostile work environments and discrimination, and implementing non-discriminatory performance management practices and compensation planning for managers.

All newly-hired employees (including employees of companies newly-acquired by Teradata) are oriented to the Company's shared Values, identified Attributes, desired Qualities and Code of Conduct as a part of the Company's onboarding process. They must complete the Company's Code of Conduct training module shortly after their employment start-dates (or merger-dates for employees of newly-acquired companies). Upon their completion of that module, they must certify that they have read, understand and will comply with the Company's Code of Conduct. And, they must disclose all potential conflicts of interest they may have.

In addition, all Teradata employees, individual staff contractors, officers, Leadership Team members and Board members are required to complete a supplemental Code of Conduct training and certification module on an annual basis. The Company's online Code of Conduct training modules typically include: information on key ethics and compliance areas that are the most relevant to Teradata; scenarios; questions/answers; and, links to the Company's Code of Conduct, Ethics Guides, and Ethics Helpline.

All employees of the Company also are required to complete new-hire and annual information security, privacy and data protection compliance training, as well as new-hire and periodic (at least once every three years) environmental, health and safety compliance training. All newly-appointed managers and facilities-coordinators also are required to complete more-advanced periodic environmental, health and safety compliance training upon appointment and periodically (at least once every three years) thereafter. Managers in several jurisdictions (e.g., California, Connecticut and Maine) also are required to complete statutorily-mandated anti-harassment training at least once every two years. Employees who deal with government-contracting and government-officials or representatives in the United States are required

to complete periodic (annual and ad hoc) training on, and certify compliance with, supplemental ethics and compliance requirements that apply to those subject-areas. Employees who deal with non-U.S. transactions or matters that involve non-U.S. government-officials or employees, officials or representatives of governmentally wholly-owned or partially-owned enterprises, officials or representatives of public international agencies, or books-and-records for non-U.S. transactions or payments are required to complete additional training on, and certify compliance with, supplemental ethics and compliance requirements that apply to those subject-areas. These include compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other anti-bribery, anti-corruption and anti-money-laundering policies and laws. Employees who deal with imports, exports or distribution of technologies and information that are subject to boycott, anti-boycott or embargo laws, trade sanctions, export licenses or restrictions, also are required to complete additional training regarding supplemental ethics and compliance requirements that apply regarding those subject areas. Additional ethics and compliance training programs are presented to Company employees at various team meetings and to various subject-matter-focused audiences on a continuous basis. Members of the Company's Board, Leadership Team, next-level Leadership Council, Law Department, Ethics and Compliance Office, and financial-controls organizations also receive periodic ethics and compliance training on key subject-areas that are relevant to their roles and heightened responsibilities.

In connection with the subject-areas noted above, as well as several other key ethics and compliance subject-areas, the Company Ethics and Compliance Office publishes subject-matter-specific Code of Conduct supplemental materials. These are referred to as "Ethics Guides." These Ethics Guides are used in the Company's ethics and compliance training programs and are available to all employees from the Company's employee online sites.

The Teradata Values and Code of Conduct document and Teradata Ethics Guides themselves include, and are used as, learning and training aids. In addition to stating the Company's shared Values, identified Attributes, desired Qualities and standards of conduct, those documents include: explanations of why those Values, Attributes, Qualities and standards apply; answers to frequently-asked-questions; real-world-based scenarios-and-guidance, red-flags and warning-signs listings; explanations of the Company's ethics and compliance

processes; details on how employees can raise ethics concerns and questions and report suspected violations through a variety of channels (including through a toll-free and online Ethics Helpline that can be used on a 24X7 confidential and anonymous basis); and, information about the Company's policy of not tolerating any retaliation against employees who raise issues or make violation reports in good faith. The Teradata Values and Code of Conduct document emphasizes personal and corporate integrity and exemplifies the Company's commitment to integrity, ethics and compliance in all words, decisions and actions of the Company and its people. It also reinforces that Teradata people should ask questions and obtain guidance before acting if they have any doubt about whether something they propose to do might violate the Company's Code of Conduct, Company policies, or the law.

Teradata ethical standards and commitments are set and reinforced from the top of the Company and are communicated and applied to all managers, team leaders, employees, suppliers and business partners. The Company's Values Statement and Code of Conduct document includes 'tone-at-the-top' messages from the Company's Chief Executive Officer, the Chairman of the Board of Directors and the Chief Ethics and Compliance Officer. The Company's Chief Ethics and Compliance Officer is a member of the Company's leadership council and has direct access and reporting-responsibilities to the Company's Chief Executive Officer, the Audit Committee of the Board of Directors, and the General Counsel. Managers, team leaders and Leadership Team members are held to even higher ethical standards and scrutiny, and expressly have additional obligations under the Company's Code of Conduct to set, maintain, reinforce, and exemplify a pervasive culture that reflects the Company's commitments to integrity, ethics, and compliance.

Managers are required, under the Company's Code of Conduct, to consider integrity, ethics, and compliance in all performance evaluations and decisions regarding hiring, retention, compensation, equity grants, and promotion of employees. Managers are provided with ethics and compliance tools so they may have reinforcement discussions and learning sessions with employees, such as real-world scenarios and lessons-learned discussions resulting from the Company Ethics and Compliance Office's periodic distribution to management of "Ethics in the Headlines" summaries, and such as discussions resulting from the Company Ethics and Compliance Office's periodic distribution to management of thought-provoking "Ethics

Quotes" and other "Ethics Aids". Ethics and compliance reminders and reinforcement messages frequently also are included in the Company's employee e-newsletters, employee online sites, internal collaboration and social media sites, e-mails, kick-off meetings, leadership council meetings, and 'town-hall' meetings and webcasts.

The toll-free telephone number for the Teradata Ethics Helpline appears on most Teradata employee identification badges, and mention of that fact typically is included in the Company's Code of Conduct training programs, so all employees will have, and know they have, access to the Company's ethics and compliance guidance and reporting resources at all times.

For 2014 training cycle, more than 12,600 different Teradata people (employees plus individual staff contractors and members of the Board of Directors) received ethics and compliance training, including anti-discrimination, anti-harassment, anti-bribery, anti-corruption, data privacy, information security, environmental, health and safety, training, for an estimated average of over 70,000 person-hour of compliance-related training for the year (i.e., an annual average of ethics-and-compliance training of more than 5 hours per person). Much of this training is done through "Teradata University", the Company's global learning program and platform. During 2014, Teradata employees and contractors completed a total of 154,899 Teradata University courses for a total of 541,212 person-hours of Teradata University training (an average of 12 courses per person per year and an average of 43 hours of training per person per year) at an approximate Company investment cost of \$11 million (i.e., \$875 per employee per year). Teradata's total actual investments of time, money and other resources for employee compliance-related training and other training and development is greater than summarized above with respect to Teradata University in that the above reflects only that completed or tracked through Teradata University; yet, the Company develops, conducts and provides additional training through other means and initiatives, such as in-person training at group meetings and conferences. In addition to the modules made available or tracked through Teradata University, starting in 2014 the Company began offering Teradata people on-demand online access to over 70 different short video and interactive training and awareness modules regarding various ethics-and-compliance-related topics—our Ethics and Compliance Digital Library.

The Teradata annual all-employee Code of Conduct training and certification module for the 2014-2015 cycle: (1) introduces and reinforces updated versions of our Code of Conduct, Supplier Code, Business Partner Code, Gifts and Entertainment Policy, Third-Party Due Diligence processes, Zero-Tolerance for Bribery and Corruption Policy and duties with respect to third-party intellectual property rights; (2) reminds employees of our Values, Attributes, Qualities, Code of Conduct Commitments, and Non-Retaliation (Whistleblower Protection) Policy, as well as how to contact our Ethics Helpline, raise ethics issues, seek guidance and report violations; and (3) covers diversity, inclusion, anti-discrimination, anti-harassment, anti-bullying and managing workplace conflicts in an “Innovating with Respect” section. That module concludes with requiring each employee to disclose all potential conflicts of interest relevant to him or her and requiring each to certify their understanding of and compliance with our Code of Conduct and Ethics and Compliance resources and processes.

Teradata has not identified any known, material or unresolved non-compliance with laws or regulations during the period covered by this report, and has not incurred any significant fines for non-compliance during the reporting period. Teradata has had no legal actions pending or completed during the reporting period regarding anticompetitive behavior or violations of antitrust and monopoly legislation in which the Teradata has been identified as a participant. Teradata has had no confirmed incidents of corruption during the reporting period and has not been involved in any legal cases regarding corruption brought against Teradata or its employees during the reporting period. Teradata has assessed the company for corruption risks on an enterprise-wide basis (100% of operations) and has identified the areas of most significant corruption risks as (1) third-party payments or conduct by employees or representatives of business partners in high-risk countries and (2) gifts and entertainment by Teradata employees or representatives of state-owned-enterprises in high-risk countries. To help mitigate corruption risks, Teradata: has adopted a zero-tolerance policy regarding bribery and corruption; applies that policy to itself, its suppliers and its business partners through codes of conduct and/or contractual provisions; has adopted a gifts and entertainment policy that was updated during the reporting period; applies third-party due diligence screening procedures with respect to high-risk third-parties in high-risk locations; and, has trained its employees regarding these policies, codes of conduct

and their duties to comply, conduct due diligence regarding third parties, keep accurate books and records, and report suspected violations (including through our Ethics Helpline that accommodates reports on a global, confidential, anonymous, around-the-clock basis in multiple languages and with a zero-tolerance policy regarding retaliation for good faith reports).

4.12 Conflict Minerals Policy

Starting in 2013 and continuing thereafter, Teradata adopted a Conflict Minerals Policy. Teradata applies that policy to itself and its supply-chain and other applicable business partners with respect to Teradata-branded hardware products and their components. As set forth in that policy, Teradata has gone on record, and has taken actions, to oppose and condemn the illegal conflict, violence, extortion, corruption, forced-labor, child labor, human-trafficking, sex-based crimes, gender-based crimes, genocide, social abuses, environmental abuses, and other human rights violations and atrocities in, or adversely affecting, the Democratic Republic of the Congo (DRC) Region of Africa. Teradata also has condemned and opposed those who, directly or indirectly, perpetrate, commit, contribute, or finance the DRC Conflict through, or involving, the mining, extraction, handling, transport, trade, smelting, refining, supply or sale of “Conflict Minerals.” Conflict Minerals are ores of tin, tungsten, tantalum and gold, including their derivatives, such as cassiterite, columbite-tantalite, coltan and wolframite (also commonly referred to as “3TG” Minerals). Through its policy, Teradata prohibits the inclusion in its hardware products and their components of Conflict Minerals known to have originated from the DRC Conflict or its perpetrators. Teradata requires that reasonable-country-of-origin, supply-chain-tracking, and other due-diligence steps be taken to assure that all Teradata hardware products and components will be affirmatively and verifiably determined to be free from Conflict Minerals that come from the DRC Conflict or its perpetrators. Through this policy and the actions required of Teradata and its supply-chain for Teradata-branded products as a result of that policy, Teradata also has declared its support for goals, laws and initiatives that effectively respect and protect human rights and the environment, and foster supply-chain integrity, ethics, compliance, accountability and sustainability. During 2014 and continuing annually thereafter, Teradata issued a Conflict Minerals Report with respect to its conflict minerals initiatives and results during the preceding calendar year. The Teradata

Conflict Minerals Policy and Teradata Conflict Minerals Report are publicly-available online through Teradata.com (from that main web page, select “About”, then select “Corporate Social Responsibility”, then select the corresponding document name; or, select the corresponding document name from this direct link: Teradata.com/corporate-social-responsibility).

4.13 UN Global Compact, EICC Code of Conduct Principles and Other Standards regarding Ethics, Compliance and Human Rights Initiatives

(GRI G4-14; G4-15; G4-16)



In 2011 and continuing through the present, Teradata became a formal signatory to the UN Global Compact. This report also constitutes the Teradata Communication On Progress (“COP”) that is a part of our obligation as a signatory to the UN Global Compact. For 2012, 2013 and 2014, the

Company’s UN Global Compact COP achieved the ‘GC Advanced’ designation. We reference and incorporate the principles of the UN Global Compact in our Code of Conduct, Supplier Code of Conduct and Business Partner Code of Conduct.

The UN Global Compact’s ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [The Rio Declaration on Environment and Development](#)
- [The United Nations Convention Against Corruption](#)

By adopting the principles of, and becoming a signatory to, the UN Global Compact, Teradata embraces, supports and enacts, within our sphere of influence, a set of core commitments in the areas of human rights, labour standards, the environment and anti-corruption, as follows:

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Teradata also has adopted the principles of the Electronic Industry Citizenship Coalition (“EICC”) Code of Conduct (see www.eiccoalition.org/standards/code-of-conduct). Teradata references and incorporates them into its Code of Conduct, Supplier Code of Conduct and Business Partner Code of Conduct. By adopting the principles of the EICC Code of Conduct and applying them to itself and its supply-chain and business partners, Teradata also supports and enacts, within its sphere of influence, a set of core electronics/hardware industry commitments regarding labor, health and safety, the environment, ethics, and management systems, regarding the following:

Labor Standards

- Freely-chosen employment
- Child labor avoidance
- Working hours
- Wages and benefits
- Humane treatment
- Non-discrimination
- Freedom of association

Health and Safety Standards

- Occupational safety
- Emergency preparedness
- Occupational injury and illness
- Industrial hygiene
- Physically demanding work
- Machine safeguarding
- Sanitation, food and housing

Environmental Standards

- Environmental permits and reporting
- Pollution prevention and resource reduction
- Hazardous substances
- Wastewater and solid waste
- Air emissions
- Product content restrictions

Ethical Standards

- Business integrity
- No improper advantage
- Disclosure of information
- Intellectual property
- Fair business, advertising and competition
- Protection of identity
- Responsible sourcing of minerals
- Privacy
- Non-retaliation

Management System Elements

- Company commitment
- Management accountability and responsibility
- Legal and customer requirements
- Risk assessment and risk management
- Improvement objectives
- Training
- Communication
- Worker feedback and participation
- Audits and assessments
- Corrective action process
- Documentation and records
- Supplier responsibility

Teradata also is a member of the Ethisphere Council, the Business Ethics Leadership Alliance (BELA), the Society of Corporate Compliance and Ethics (SCCE), and the Ethics & Compliance Officers' Association (ECO), and has aligned its Code of Conduct, Ethics and Compliance program initiatives, and related policies, procedures, and Ethics Guides with standards and best-practices from those organizations and with the criteria for nomination to and selection for the Ethisphere Institute "World's Most Ethical Companies" listing and the Dow Jones Sustainability Index listing. Teradata has received the "World's Most Ethical Companies" award for six consecutive years (see ethisphere.com/worlds-most-ethical/wme-honorees).



4.14 Teradata Code of Conduct

(GRI G4-LA14; G4-LA15; G4-HR10; G4-HR11; G4-SO9; G4-SO10)

Teradata integrates ethical business practices throughout the Company, its global workforce and with respect to its supply-chain and other business partners by adopting, publishing, communicating, and training based on a written Code of Conduct, Supplier Code of Conduct and Business Partner Code of Conduct.

All Teradata people (e.g., employees, independent staff contractors, officers, and Directors) and all Teradata entities (e.g., the parent company, as well as all Teradata subsidiaries, affiliates, branches, business groups, and teams) worldwide are subject to the Teradata Code of Conduct. In addition, Teradata has adopted numerous subject-matter-specific policies and procedures, as well as subject-matter-specific Code of Conduct supplements, known as "Ethics Guides", that apply to all Teradata people and all Teradata entities who deal with those subject matters and that provide more particular guidance and details on standards of conduct relevant to those subject areas.

The Teradata Code of Conduct and the Company's related policies, procedures and Ethics Guides include: duties to respect human rights and employment/labor rights and laws; commitments and practices to avoid, eliminate and have zero-tolerance for corruption; commitments to environmental, health and safety standards, laws and regulations; and, how to raise ethics and compliance concerns and questions, and report potential ethics and compliance violations, without fear of retaliation and on a confidential and anonymous basis to the extent

permitted by applicable law. They also expressly cover the Company's standards of conduct and requirements of all Teradata people to avoid, address, and have zero-tolerance for any forms of illegal or improper discrimination, harassment and retaliation against anyone.

At a high level, our Code of Conduct commitments are:

1. We conduct business ethically and in compliance with our Code of Conduct and Policies.
2. We seek guidance and report concerns and violations.
3. We respect others.
4. We comply with laws.
5. We compete fairly.
6. We avoid conflicts of interest.
7. We protect assets.
8. We protect data.
9. We keep accurate records.
10. We apply our Code of Conduct and Policies consistently.
11. We do the right thing—always.

As further detailed in other sections of this report, the Teradata Code of Conduct expressly incorporates the principles of the UN Global Compact and the EICC Code of Conduct. Teradata also has adopted and applies a Supplier Code of Conduct and a Business Partner Code of Conduct that adopt and incorporate the principles of the Teradata Code, the UN Global Compact and EICC Code, as well as the Teradata Conflict Minerals Policy, and duties to comply with anti-bribery, anti-corruption, anti-money laundering, fair trade, fair competition, and privacy and data protection requirements and laws. Teradata has adopted a zero-tolerance global anti-bribery and anti-corruption policy and publishes it externally. Links to our Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, the principles of the UN Global Compact, the principles of the EICC Code of Conduct, our Conflict Minerals Policy and our Global Zero-Tolerance for Anti-Bribery/Anti-Corruption Policy are posted on

our external Code of Conduct webpage ([Teradata.com/code-of-conduct](https://www.teradata.com/code-of-conduct)) and Corporate Social Responsibility webpage ([Teradata.com/corporate-social-responsibility](https://www.teradata.com/corporate-social-responsibility)).

Teradata also takes its duties and responsibilities regarding privacy and data protection, including those that are compliance-related, seriously. It includes Company and employee commitments to protect data in the Teradata Code, and those commitments correspondingly are applied to our suppliers and business partners through our Supplier Code of Conduct and Business Partner Code of Conduct. Those codes also reference and incorporate the Teradata global Privacy Policy Statement. That Privacy Policy Statement is externally accessible under the "Privacy" tab of our primary website (see [Teradata.com/privacy](https://www.teradata.com/privacy)) and internally through various employee online resources. It embraces the principles of the US-EU Safe Harbor Framework regarding privacy-protected data and discloses details regarding how we apply those principles to what we do at Teradata. Those Safe Harbor principles address: Notice; Data Integrity; Choice; Data Access; Security; Onward Transfer; and, Enforcement. That Privacy Policy Statement also includes considerable detail about our policies, information protection standards, practices, procedures and initiatives to recognize and comply with laws, rights and best practices that pertain to privacy and data protection. In connection with these activities, Teradata annually self-certifies its compliance with the US-EU Safe Harbor Framework (and the US-Swiss Safe Harbor Framework) and is listed as such with the U.S. Department of Commerce (see <https://safeharbor.export.gov/list.aspx>).

In addition to the principles of the UN Global Compact, EICC Code of Conduct and Safe Harbor Framework, Teradata also has adopted the standards of conduct established by: the International Labour Organization (ILO); the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises; and, the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion & Bribery, Rules on Combatting Corruption, Guidelines on Agents, Intermediaries and Other Third Parties, and Guidelines on Whistleblowing. Teradata has embedded the key principles that underlie these standards into the Teradata Code of Conduct and the Company's related policies, procedures, and Ethics Guides. Among other things, these standards and principles require and reinforce our

commitments to: respect for human rights; commitments and practices to avoid, eliminate and have zero-tolerance for corruption; respect for the environment; sustaining resources; and, that no form of illegal or improper discrimination, harassment or retaliation by Teradata people, suppliers or other business partners will be tolerated by the Company. All of Teradata Tier 1 suppliers have been screened under these policies.

Under the Teradata Code of Conduct for Suppliers, all of the Company’s supply-chain vendors must commit to and certify compliance with the principles set out in the Teradata Code of Conduct and the EICC Code of Conduct with respect to all of their Teradata-related dealings. The same applies to other business partners under the Teradata Code of Conduct for Business Partners. Those codes are substantially the same, but are administered by various parts of the Company. Such a vendor may make this commitment and certification through a written pledge, through their own at-least-as-stringent code of conduct, agreeing to such in their responses to Teradata Requests-For-Proposals (RFPs), or agreeing to such in a contract with Teradata.

Starting in 2013 and continuing thereafter, Teradata went a step further with regard to compliance-assurance for its supply-chain, vendors, other business partners and merger-and-acquisition candidates by deploying an automated third-party due-diligence screening database tool and associated processes. These help further assure that Teradata suppliers and other third parties with whom Teradata conducts, or proposes to conduct, procurement business, as well as resellers, distributors and merger-and-acquisition candidates, do not have records or red-flags for corruption or other ethics and compliance violations, or unacceptable or changing levels of compliance risk. Teradata also continues, as it has for years, to screen buyer, user, reseller and distributor names against an automated “denied-parties-listings” tool to help assure compliance with export, import, embargo, boycott and other trade laws and regulations. Thus, Teradata’s engagement regarding suppliers and other third-parties with respect to ethics and compliance goes beyond merely having a supplier code of conduct, as it includes affirmative duties and undertakings by the third-party and due-diligence and screening by Teradata to help assure compliance. As a result of these actions, Teradata has had and continues to have no significant actual or potential

violations regarding labor practices or human rights issues in its supply chain. In addition there have not been any issues relating to supplier adverse impacts on society. All of Teradata Tier 1 suppliers have been screened under these policies.

Under the Teradata Code of Conduct, various Teradata entities, business organizations and teams also may adopt supplemental standards of conduct and related policies and procedures, but they must be at least as stringent as Teradata global enterprise-wide ones and must comply with all applicable laws and the underlying principles embedded in our global Code of Conduct. This enables and empowers Teradata entities and teams to establish organization-specific and location-specific standards of conduct that are even higher than the Company’s global policies and procedures.

As summarized in more detail in the section above, the Company implements extensive training and communications related to its Code of Conduct and related policies, procedures and Ethics Guides. Our Code of Conduct and Ethics Guides themselves include various best-practices learning aids. The Teradata Code of Conduct is available to anyone at all times through the Teradata website at [Teradata.com](https://www.teradata.com) (from the main web page select “About” then select “Corporate Governance” then select “Code of Conduct”, or select “Code of Conduct” from this direct link: [Teradata.com/corporate-governance](https://www.teradata.com/corporate-governance)). The Code of Conduct and related policies, procedures and Ethics Guides also are available to all Teradata employees at all times through the Company’s internal employee online sites. And, as set out in the Code of Conduct document, anyone can contact the Teradata Ethics and Compliance Office or other identified resources, including the Company’s always-available multiple-language Ethics Helpline, to report a Code of Conduct violation or other ethics and compliance violation, or to raise a Code of Conduct, ethics or compliance issue, question or request at any time.

Teradata regularly, globally, and systematically audits, monitors, and reviews the compliance of its entities with the standards of conduct established by the Company’s Code of Conduct and related policies, procedures, and Ethics Guides. It utilizes internal-controls personnel and internal auditors to verify such, as well as external independent auditors where appropriate. Through or in coordination with the Teradata Ethics and Compliance

The Teradata shared Values are:

INTEGRITY—We are committed to the highest standards of integrity and ethics. At Teradata, we do the right thing—always.

PEOPLE FOCUS—We believe our employees distinguish us. We respect individual differences and strive to build a supportive work environment.

OPEN, TRUST-BASED ENVIRONMENT—We strive to create an environment of openness and trust within Teradata and with our customers, partners and suppliers.

CUSTOMER DEDICATION—We are passionate about our customers and their success with our solutions.

RESPONSIBILITY—We demonstrate responsibility in all aspects of our business endeavors. We are committed to the communities where we work and live.

INNOVATION—We foster an environment of continuous innovation to deliver greater value to our customers.

The Teradata desired Qualities arise from the Teradata shared Values and help translate the directional guidance provided by our Values into a list of actionable characteristics that are sought from all Teradata associates, teams, and business partners. They reflect the types of behaviors Teradata stands for, strives for, and expects of all Teradata people. These Qualities apply not merely with respect to ethics and compliance matters, but with respect to everything Teradata people do in connection with the Company.

Our desired behavioral Qualities are:

- T**rust
- E**xcellence
- R**espect
- A**chievement
- D**edication
- A**ccountability
- T**eamwork
- A**ttitude

Teradata and its people are committed to applying the Teradata shared Values and exemplifying our desired Qualities in all of their Company-related decisions, words, and conduct.

Office, Teradata conducts inquiries and investigations into all instances where potential compliance exceptions have been reported or otherwise have been identified as a result of auditing, monitoring and reviewing for controls and compliance, including those regarding environmental, anti-fraud, anti-bribery, anti-corruption, conflicts of interest, human rights, and import, export and anti-boycott compliance, as well as other forms of financial-related and non-financial-related potential misconduct.

The Teradata Ethics and Compliance Office periodically reviews the status and handling of all such matters, as well as the programmatic aspects of the Teradata Ethics and Compliance initiative, with the Teradata Ethics

and Compliance Committee. The Teradata Ethics and Compliance Committee is comprised of members of the Company's Leadership Team and Ethics and Compliance Office, including the Chief Executive Officer, the Chief Financial Officer, Chief Legal Officer, Chief HR Officer, and Chief Ethics and Compliance Officer. This committee determines for all significant inquiries and investigations if a violation has been committed, what disciplinary actions will be imposed and what remedial actions should be taken to prevent recurrences. The Chief Ethics and Compliance Officer makes such determinations for routine and non-significant matters on an interim basis, and reviews the results with the Ethics and Compliance Committee. The status, handling and determinations for all inquiry

and investigation matters, as well as the programmatic aspects of the Company's Ethics and Compliance initiative, additionally are periodically reviewed by the Audit Committee of the Board of Directors.

4.15 Teradata Values, Attributes and Qualities

The Teradata shared Values are broad core principles that are used to guide all Teradata people and all Teradata teams in all of their Teradata-related acts, decisions, and words. These high-level Values, and the identified Attributes and actionable desired behavioral Qualities that arise from them, foster behavior and a company culture that not only comply with legal and ethical standards, but additionally help Teradata achieve its other business objectives and aspirations. Where our Code of Conduct or related policies, procedures, or Ethics Guides do not address a particular issue, Teradata people are instructed to use our shared Values, identified Attributes and desired Qualities for directional guidance in determining the right thing to do. Our Values, Attributes and Qualities therefore serve as foundations for our Code of Conduct commitments, and are included in the Company's Values and Code of Conduct document (link provided above).

The Teradata shared Values also serve as the basis for the overall direction of the Company and as evaluation criteria for the Company scorecard and its Leadership Team, collectively and individually, not merely with respect to ethics and compliance, but with respect to developing and running the entire business, and with respect to establishing and maintaining the culture of the Company. They are to be embedded in and underlie everything done and aspired to be done at Teradata.

4.16 Public Policy

Starting in 2012 and continuing to the present, the Company adopted a new Political Activities Policy Statement. Through it, the Company reinforces and declares its commitment to being a responsible corporate citizen,

while also complying with applicable laws and related regulations regarding the use of corporate resources in connection with political activities. The Company generally encourages its employees to participate in permitted political activities where they live and work, provided such activities only occur in an individual and private capacity, and not on behalf of the Company. In furtherance of these principles, the Company's political activity policy now provides that the Company and its affiliates will not make political contributions, or use any corporate funds or assets, for any candidates or political parties, including campaign committees and funds, caucuses, independent expenditure committees, or special interest groups engaged in lobbying activities. It further provides that employees, who engage in partisan political activities, including the election process, must do so solely on their own behalf and not on the Company's behalf, time or premises.

The Teradata Political Action Committee ("Teradata PAC") is a non-profit, non-partisan committee registered with the Federal Election Commission ("FEC"). The Teradata PAC accepts voluntary contributions from eligible employees and, in furtherance of the Company's interests, uses these funds to support candidates for elective offices at the U.S. federal and state levels. The Company does not contribute to the Teradata PAC. Employees who are U.S. citizens may support the activities of the Teradata PAC through voluntary contributions that are made in accordance with applicable laws. Contributions made by the Teradata PAC are reviewed by its Steering Committee and are made without regard for the private political preferences of Company officers and executives. The Teradata PAC's contributions are publicly available through the FEC at www.fec.gov.

According to that site, the Teradata PAC made a total of five contributions during 2014 for a total of \$7,200, with individual contribution amounts ranging from \$500 to \$2,500.



5.0 Materiality Assessment and Stakeholder Inclusiveness

(GRI G4-DMA; G4-18; G4-19; G4-20; G4-21; G4-22; G4-23; G4-24; G4-25; G4-26; G4-27; G4-28; G4-29; G4-30; G4-31)

5.1 Materiality Assessment

The information in this report was developed by internal Teradata leadership team that spent a year investigating our policies, processes, products and employees. In addition to this internal investigation, this team reached out to our customers, peer companies and suppliers. This was a 3 step process: **Identification:** This team sought external consultants, customers, and suppliers to help understand our most significant impacts with regards to our stakeholders. Finally we developed peer relationships within and without of our industry to determine best practices used by similar and dissimilar companies. **Prioritization:** We then presented our findings to our Corporate Leadership team to gain approval and prioritize. **Validation:** Each area owner then conducted an investigation inside their organization to confirm that the data/information was available based on the feedback from our stakeholders and what processes would need to be identified to

gather further information to respond to our stakeholders. The information provided in this report constitutes where applicable those aspects that are considered material in the areas of environmental, social and economic impacts, based on the materiality assessment process noted above. This process is reviewed each year through the publication of our report.

The validation process to determine our material areas and aspects can be described as an investigative and receptive process. From a company perspective, the priorities were Human Rights in the area of our employees and supply base as well as Product Responsibility and Ethical Behavior in the area of Society. The feedback from our market and customer base overlapped in some of these areas such as Human rights in our Supply Chain and Product Responsibility. In addition, the customers inquired about greenhouse gas emissions and if we would be setting goals to reduce our impact on the environment.

The stakeholder groups that were chosen during the stakeholder engagement were the following:

- A. **Customers:** We regularly engage with our customers through frequent dialog as a part our daily operations and through the RFP process where we see the reflection of the sustainability priorities from our customers included in the information requested from Teradata. This interaction gives us indications on what areas matter to our current and potential customers.
- B. **Investor Relations:** Feedback from the investment community such as the Dow Jones Sustainability Index and the CDP along with our regular communications with the shareholders and investors conducted by our Investor Relations team.
- C. **Employees:** Feedback through an email address through Teradata Cares.
- D. **Peer Companies:** We learned from others as we make progress on the CSR journey. Some of the examples of where we turn for experience and inspiration are similar size companies > competitors and innovative CSR companies.
- E. **Supply Chain:** Our direct tier one supply chain incorporates 95% of the spending in this area. These are large companies that have established CSR programs that we were able to learn from during our investigation.
- F. **Communities:** Feedback from community events and volunteer programs

Teradata is a company with no financially reported separate divisions; during the period covered by this report, we consider all material aspects to be applicable to our entire company. In addition, some of our material aspects are applicable outside of our company. Please see table 1 for a listing of external and internal impacts. There are no informational restatements from the previous published report nor have there been reason for restatements for Scope and Aspect boundaries.

5.2 Stakeholders

(GRI-G4-37)

Teradata has always reached out to its most important assets—its stakeholders. These include but are not limited to: customers, investors, employees, peer companies, suppliers, the different communities in which we live and the organizations that support those communities. These inputs happen regularly.

A. Customer

Our customers allow us to exist because of their trust in our company and their valuable feedback. They are the industry powerhouses that are outpacing their competitors. They join with our partners to form a worldwide collaborative network connecting every industry, market, and geography with application-specific expertise and proven best practices. Teradata actively seeks partnerships with other leading innovators in software, technology, and integration services to provide customers with end-to-end analytic solutions. Their feedback goes directly into our product marketing group to determine customer concerns for current and new products.

Via a series of integrated processes, we have been helping our customers make the best decision possible throughout the life of the product. These best-in-class processes include but are not limited to:

- World-class, passionate professional and customer service associates, coupled with the Teradata Global Support Center, an interactive Teradata @ Your Service website, software updates on demand, and the Teradata Education Network.
- Customers contact us to request data on our CSR program, we engage with our customers on the detail within our report and determine from their feedback if the report should be altered. During 2014, the feedback we received was positive. This is normally handed through our bid/RFP process as the customer base requests information, or through our CDP supplier assessment feedback. The specific concerns raised were in regard to our GHG program which encouraged us to formulate a program with goals for energy intensity reduction. In addition, our customers wanted to know if we adopted and had policies that were under the EICC (Electronic Industry Citizenship Coalition) umbrella.

B. Investor Relations

Teradata is committed to serving the best interests of its shareholders. Teradata's investor pages, located at Teradata.com, enable investors to find key shareholder information and financial reports, which can help put Teradata Corporation's financial performance into perspective. We provide updates to the CDP and the Dow Jones Sustainability Index (DJSI) each year. The focused concern within the DJSI with regards to ethical conduct in the supply chain was a one of the catalysts towards

developing our enhanced Supplier Code of Conduct. We take the feedback from those surveys to improve our social/product and environmental performance. The main feedback we receive is that our report is a good source of information and that we are covering the areas that our communities are concerned about within keeping in context of our product base and potential impact on the environment.

C. Shareholder Communication

Stockholders are encouraged to communicate with the Audit Committee Chair or any of the company's other non-employee directors by contacting Teradata's Corporate Secretary at 10000 Innovation Drive, Dayton, OH 45342. The Corporate Secretary will forward any communications as directed by the stockholder. Our CSR report is made available to our shareholders through our website at Teradata.com.

D. Employees (GRI G4-49)

We believe our people around the globe who dedicate their time and talents to Teradata and who are so passionate about our customers' success are key to our continuing success. Employees are Teradata's most valuable asset. This includes all individuals employed by Teradata, both regular full-time and part-time individuals. At Teradata we know it's our people that make us great. We are committed to keeping employees informed through regular communications from leadership and by providing them with open channel to provide feedback. In addition to encouraging ongoing feedback from employees, we participate annually in local and national employee engagement surveys to give management a view of our workplace culture. As ongoing support for our virtual workforce, we created Workplace Connection, a dedicated website that provides virtual employees with direct links to the information, tools, and tips that allow them to work effectively "anytime, anywhere."

Through our Teradata Cares Community relations inbox we encourage employee input to our CSR program and confirm that our reporting meets the needs of our employees. Our employees voiced a desire to be able to show Teradata's commitment to the local communities in which they lived through action. This feedback led to a program that allows our people to volunteer 8 hours every quarter

during work hours. The feedback we have received regarding this opportunity to be engaged in community activities during the workweek has been very positive.

To attract the passionate professionals of the future, Teradata maintains contact with colleges and universities globally to recruit new graduates. In the U.S., we recruit from a number of University of California campuses, the University of Southern California, and Stanford as well as nationwide from leading schools such as the Miami University (Ohio), University of Georgia, University of Indiana, James Madison, Drexel and University of Texas – Austin. Internationally, we attract new hires from universities such as Jawaharlal Technological University and Mumbai University (India), Ateneo de Manila University (Philippines), Copenhagen Business School (Denmark), Università Roma La Sapienza (Italy), and Universidad Tecnológica Nacional (Argentina).

E. Peer Companies

We selected CSR reports from companies within and from outside our business market. Additionally, we held interactive calls with some of these companies regarding their CSR programs and how they determined their assessment of their business and stakeholders. We have yearly calls with some peers to discuss the direction of CSR within the corporate community. This process was and is extremely valuable. What we were able and continue to be able to do from dealing with peer companies is to validate what is being reported on our industry and other industries and to understand what is important to the customer/consumer. This has been a major factor in the structure of our report and what we report, such as the GHG programs, Human Rights, and Product Responsibility.

F. Supply Chain

We held discussions with our Tier 1 Supplier base. We reviewed their CSR programs and reports, and shared information between the companies to enable each other to support the business relationship. Important areas covered were GHG emissions, EICC compliance, and social impacts to the community.

G. Communities

Please see section 6.0 Teradata Cares regarding our touch points with our communities.

5.3 Material Areas and Aspects

(GRI G4-EN1)

From the materiality analysis and Stakeholder engagement described in 5.1, the following areas are considered material and will be reported on in this 2014 edition of the Teradata CSR report:

A. **Environment:** Energy, Emissions, Effluents and Waste, Products and Services, Compliance, Transport, Supplier Environmental Assessment

- B. **Employment:** Training and Development, Supplier Assessment for Labor Practices
- C. **Human Rights:** Supplier Human Rights Assessment
- D. **Society:** Anti-Corruption, Anti-competitive Behavior, Supplier Assessment for Impacts on Society
- E. **Product Responsibility:** Products and Services Labeling, and Compliance

Area	Aspect	External Boundary	Internal Boundary
Environment	Materials	Communities; Suppliers; Customers	
Environment	Energy	Customers; Communities	Employees
Environment	Water	Communities	
Environment	Emissions	Communities	
Environment	Effluents and Waste	Communities	
Environment	Products and Services	Communities; Customers	
Environment	Compliance	Investors; Communities; Customers	
Environment	Transport	Communities; Customers	
Environment	Supplier Environmental Assessment for Labor Practices	Suppliers; Communities	
Human Rights	Investment	Investors; Communities; Customers	Employees
Human Rights	Collective Bargaining	Investors; Communities	Employees
Human Rights	Child Labor	Communities	Employees
Human Rights	Forced or Compulsory Labor	Communities	Employees
Human Rights	Supplier Human Rights Assessment	Suppliers; Communities	Employees
Society	Anti-Corruption	Communities; Suppliers; Customers	Employees
Society	Anti-Competitive Behavior	Investors; Communities; Customers	Employees
Society	Supplier Assessment for Impacts on Society	Suppliers; Communities	
Product Responsibility	Products and Services Labeling	Investor Communities; Suppliers; Customers; Investors	Employees
Product Responsibility	Compliance	Investor Communities; Suppliers; Customers; Investors	Employees

Table 1. Internal/External Boundaries.



6.0 Teradata Cares

(GRI G4-SO1; G4-15; G4-16)

At Teradata, it's the people who make our company great, and their commitment to excellence extends far beyond the company. Teradata Cares, the Teradata Community Relations program, administers all of Teradata's community investment programs and is committed to building strong and vibrant communities, improving quality of life and making a positive difference where we live and work.

Because our corporate emphasis is on data analytics—through platforms, applications and services—we are committed to helping our customers drive results through data. Our corporate focus, therefore, aligns our core mission and capabilities with Data Philanthropy—using data to understand and help the world's citizens for public good. You can learn more about Teradata's commitment to community, strategic giving focus and employee engagement at Teradata.com/community-relations.

6.1 Teradata...Doing Good With Data™

Teradata understands that businesses are using data, big data and data analytics, to optimize their performance and drive a competitive edge. Non-profit organizations, on the other hand, often lack the funding or capacity to exploit the volumes or new forms of data that are readily at hand. They can't afford specialized data scientists who are experts at evaluating and analyzing data. And this is where Teradata believes it can help.

6.2 Community Relations Areas of Focus

At Teradata, we believe that volunteering shows the power of the human spirit, fuels individual passions, develops employee skills, facilitates teamwork, and helps employees understand and appreciate the interdependence between our company and the communities where we live and do business.

Teradata has built a partnership with DataKind, a non-profit organization that harnesses the power of data science in the service of humanity by engaging data science and social sector experts on projects addressing critical humanitarian problems and by leading the conversation about how data science can be applied to solve the world's biggest challenges. They are headquartered in New York with chapters in Bangalore, Dublin, San Francisco, Singapore, the UK and Washington DC. In June, Teradata was a sponsor of a London DataDive with DataKind's UK, chapter. DataDives are weekend events that team selected social organizations that have well-defined data problems together with volunteer data scientists to tackle their data challenges. June's DataDive helped to benefit four organizations: [Buttle UK](#), [The Access Project](#), [Shooting Star Chase](#) and [Citizens Advice Bureau](#).

And for the first time ever, Teradata Cares hosted a DataDive in collaboration with DataKind as part of the annual Teradata PARTNERS User Group Conference. Volunteers spent two days diving into data challenges presented by beneficiary organizations Global Giving, iCouldbe, Cultural Data Project and HURIDOCS.



2014 Teradata PARTNERS User Group Conference DataDive



In December, Teradata helped sponsor the inaugural DataDive for DataKind's Dublin chapter. The event focused on data challenges for three organizations, [Suas](#), [The Key](#), and [TASC](#) (Think Action for Social Change).

Another partnership Teradata created this year was with Code for Dayton, a local chapter of the Code for America Brigade supporting civic hacking in Dayton, Ohio. Teradata helped to sponsor LabHack, a hackathon arranged by Code for America through support of the Wright Brothers Institute and Air Force Research Laboratory (AFRL). This hackathon was a great opportunity for volunteers to exercise their programming, design and data science skills by building solutions to real-world challenges that AFRL researchers encounter every day. Visit [DataKind](#) and [Code for Dayton](#) to learn more about these wonderful organizations.

Teradata focuses our community resources and employee-volunteer talents on three key areas:

1. Improving education to help build tomorrow's technologists and business leaders who understand the possibilities that technology provides.

Interest among youth today in science and technology is diminishing. Teradata Cares is dedicated to countering this trend by nurturing and developing young people's interest and education in the STEM disciplines (science, technology, engineering, and mathematics). In addition to preparing today's youth for life in the modern world, this approach also develops our industry's future technologists and business leaders. Many employees get involved in career days and help mentor young people towards a future in the field of technology.

2. Helping the environment by supporting global sustainability.

Teradata strives to comply with all applicable workplace health and safety requirements and regularly monitors its achievements in these areas. Also, Teradata has implemented recycling programs, utilizes recycled products (such as paper) and has implemented various energy and resource conservation programs at multiple facilities. Teradata's green family of products boosts energy efficiency, enabling more output with less consumption. The entire platform leverages energy-efficient processors and cabinet designs. Finally, in our volunteer efforts, our employees participate in neighborhood clean-ups, restoration projects, promote creative ways to conserve energy at their own locations and assist with disaster relief efforts around the world.

3. Strengthening neighborhoods and communities where Teradata has a presence.

Through Teradata Cares, Teradata employees donate their time and expertise to improve communities around the world. Employees are encouraged to volunteer anywhere they have a passion, whether that be animal welfare, arts and culture, environmental welfare or health and human services relief. Teradata's employees also volunteer their time as board members for nonprofit organizations, participate in social service programs and lend their considerable experience to many community organizations.

6.3 Employee Involvement

Each employee at Teradata has their own passions and skills that can benefit the world around them. Through Teradata Cares, we encourage people to support their personal passions or find new ones through multiple volunteering opportunities in the cities where they live or while they are attending Teradata events.

Volunteering Policy

As part of its commitment to give back, Teradata provides employees four days a year during normal working hours to volunteer in their local communities. Teradata encourages community commitment by offering a variety of opportunities to give back. In 2014, our employees volunteered over 25,000 hours around the globe. Since the launch of Teradata Cares in May 2008, over 74,000 volunteer hours have been completed.

Community Champions

The Community Champions program allows employees the opportunity to promote an ethic of service in their local community. Community Champions embody the values of Teradata and are the leaders of change. Working with Teradata Cares in their local offices, they are integral to mobilizing the corporate community and leveraging our highly-skilled workforce to make a significant and positive impact in the community. Community Champions have the unique opportunity to not only be a volunteer, but also to lead, inspire, and motivate colleagues to get involved.

Teradata Cares provides training, support and tools to assist these passionate employees to further our efforts around the globe. Community Champions are also a critical part of Teradata's Annual Days of Caring. Currently, over 60 Teradata Community Champions are located in cities across the United States and around the world.

Teradata Annual Days of Caring

Every August, Teradata employees around the globe are invited to participate in the annual Teradata Days of Caring, during which employees join together to support local community projects. In 2014, employees, families, customers, and partners volunteered over 2,500 hours, completing 125 projects with non-profit organizations of their choice all around the world.

Teradata Cares for the Earth

In order to support our second area of focus, **helping the environment by supporting global sustainability**, and in conjunction with Earth Day, Teradata Cares for the Earth is a global effort around conservation for all employees and their families are encouraged to participate, share their current conservation efforts, and target new ways to help support our environment. The strategic objectives for the program are to:

1. Expand Green Awareness and Behaviors
2. Bridge activities from Green to Conservation
3. Link global employees in a shared initiative



Planting Trees - Beijing, China



Beach Cleanup Activity - El Segundo, CA

Community Service Grants

Teradata Cares also provides Community Service Grants to encourage civic volunteerism by providing funds for volunteer projects performed with teams of five or more employees. Community Service Grants must be used to purchase supplies and materials for the performance of a specific, one-time, hands-on project to be completed by the employee group that requests the grant, or donations in support of teams raising money for various causes. Examples of this type of project might include the purchase of lumber or hardware to build a fence around a school playground; the purchase of bathroom fixtures to renovate a homeless shelter; or the purchase of flowers, shrubbery, and mulch to landscape around a community center.

Teradata Cares at Events

In addition to projects near their homes, Teradata leverages customer events to engage not only our employees but also our customers and partners. At the Teradata PARTNERS User Group Conference held annually in various cities, projects are completed to support those local communities.

In 2014, Teradata employees, partners and customers assembled 100 bicycles and painted 16 wall murals that were donated to the local Nashville, TN Boys and Girls Clubs.

At this year's Teradata Universe, our European customer conference, Teradata Cares supported the Czech Cystic Fibrosis Association, an organization working to change lives and make a difference for all people born with Cystic Fibrosis. Through combined Teradata and customer donations, the organization received over \$10,000 in support of their inspiring mission.



Teradata employees, partners and customers work together adding smiles for local children in the Nashville area.

Celebration of Caring Awards

In 2008, Teradata Cares launched its "Celebration of Caring Awards". Teradata employees are nominated annually for their personal involvement in helping to improve the quality of life for others. The Celebration of Caring Awards recognize and honor Teradata employees whose volunteer efforts best exemplify dedication to the well-being of the people in their communities. In addition, the charities that our winners support also receive a grant from Teradata.

2014 Celebration of Caring Award Winners

2014 Americas Employee of the Year – Patricia Morales, El Segundo, California

Patricia has served as a Teradata Cares Champion in El Segundo since 2008. She has been the driving force behind many employee volunteer events in El Segundo. She planned the first volunteer fair for El Segundo with an incredible employee turnout. Patricia is also a passionate supporter of the American Cancer Society (ACS) and has

rallied employees behind the cause to raise over \$26,000 in 5 years. She organizes the ACS's signature fundraising event, represents the organization at local fairs and gives presentations at local businesses and the city council. She helps to provide resources and information to others when they are dealing with a cancer diagnosis. Patricia has also initiated multiple beach cleanup days at Dockweiler State Beach. She orchestrated a national disaster response preparedness event for the office including a presentation from the Emergency Preparedness Manager from the city of El Segundo and coordinated the first Red Cross Blood Drive on the El Segundo campus.

2014 International Employee of the Year – Muhammad Haseeb Khan, Lahore, Pakistan

Haseeb is a member of the Teradata Cares team in Pakistan and has been heavily involved in many activities over the past year. When people were displaced from North Waziristan, he was part of the team that helped collect goods and distribute them among the persons displaced from their homes. Pakistan experienced horrible floods last year and many people were without shelter, food and clothes. Haseeb helped coordinate two relief trips to the affected areas. Teams went door-to-door asking what was needed, came back and developed a plan to deliver relief goods to nearly 100 families. During Teradata's Annual Days of Caring, Haseeb was part of a team that visited a small village nearly 3 hours from Lahore. They spent the day in a local school providing free education, free uniforms, books and stationary to elementary students. Their primary goal for the visit was to motivate the students by sharing the importance of education and sharing success stories with them.

2014 Team of the Year – Dalian, China

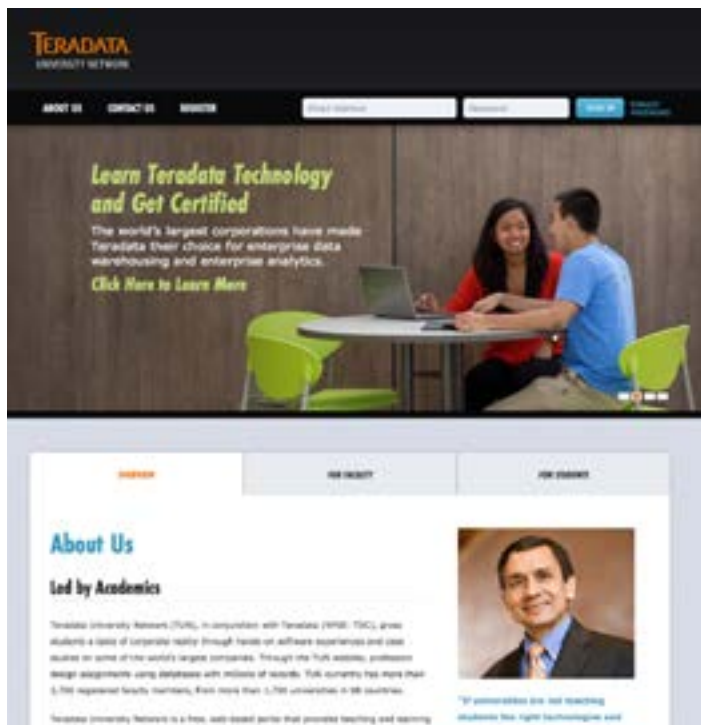
The Teradata Cares group in Dalian, China has shown great compassion for the families in the distant Yushu Qumalai County in Qinghai province of China. The team collected and sent out 135 packages of warm clothes to orphanage children and elderly people suffering in this mountainous area of China. This group also organized an activity to raise awareness around environmental protection. They cleaned trash in a local park near their office. Volunteers enjoyed the outdoor activity and every member carried garbage bags and filled them to capacity before finishing.

2014 Office of the Year – Manila, Philippines

In 2014, the Teradata Manila office created activities addressing a broad spectrum of needs, including education, health and wellness, elder care and environmental welfare. For the past several years, they have given school supplies to 750 students from Bagong Tanyag Elementary School. Manila made dreams come true for children and families of the Cancer Warriors Foundation by providing their time, attention and much-needed fun. Help from Manila employees extended to the elderly as the group visited GRACES, Golden Reception and Action Center for the Elderly and other Special Cases to provide medicine and visitation with the clients. They tackled environmental awareness with a clever trivia contest, open to all Manila employees, and followed that up with the International Coastal Clean-Up at Baywalk, Manila, removing 197.5 kilos of garbage. In close partnership with the Philippine Red Cross, employees regularly participate in the blood donation drive and have collected 72 bags that have helped save countless lives. The Manila office has embraced the Teradata Cares spirit by developing a fun, creative environment of giving back.

Teradata University Network

Mastering the challenges of tomorrow’s dynamic business and IT environments will require a combination of technical expertise and practical, hands-on training—and that’s exactly what students experience through Teradata University Network (TUN). Teradata’s goal is to train students to be break-through thinkers and doers who use data to create business value by providing free access to resources and software to universities around the globe. Preparing the next generation of data analysts and scientists for current and future career opportunities is our primary focus. By offering students unique learning opportunities including free training for Teradata Certification and hands-on access to tools including Teradata database, Teradata Marketing Applications, MicroStrategy and SAS Visual Analytics on TUN, they are ready to step into their careers and deliver immediate value. Currently, Teradata University Network TUN is providing free access to software and resources to over 4,700 faculty members and over 50,000 students from 2,177 schools in 102 countries.



Teradata University Network website

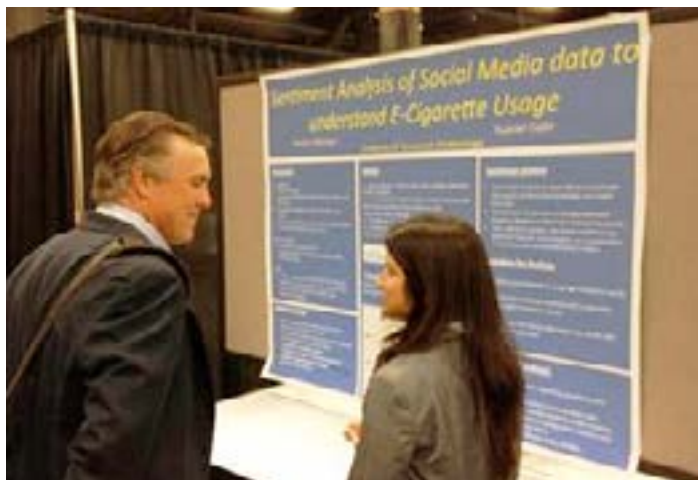
Teradata works with a dedicated board of academics to ensure faculty at universities have free access to the necessary tools to prepare future generations of technologists and business leaders. The academic board that drives this unique teaching portal is composed of leading practitioners and renowned academics recruited from around the world, united by their dedication to sharing innovative, proactive applications of authentic technology for data-driven decisions.

In 2014, Teradata University Network launched initiatives to expand into marketing and computer science faculty. With the launch of a new website in January, we are now able to support faculty and students from three different academic areas: MIS, Computer Science and Marketing. The TUN board is focused on creating content and curriculum in each area and our work in 2014 brought tremendous success with the highest number of faculty registrations in one year, in the history of the program. In addition, TUN is also continuing to engage Teradata customers, providing them with the opportunity to create profiles on Teradata University Network to provide students a view into real career opportunities and help support their recruiting needs.

Also new in 2014 were opportunities for TUN members to engage at our annual PARTNERS Conference. Special faculty rates were added to the existing student rates to make conference attendance more affordable. Even more exciting was the launch of TUN’s first Annual Student Poster Contest. There were 10 teams selected as finalists and they presented their research in data and analytics to conference attendees. This provided an opportunity to share their knowledge and interact with our customers. Our plan is to continue this program for future conferences.



Students at PARTNERS 2014



2014 TUN Poster Contest presentations



2014 TUN Poster Contest Winners

Teradata University Network opportunities are continuing to grow with new partnerships with ACM and IEEE-CS and expanded partnership opportunities with SAS, MicroStrategy and Tableau. To see more about our TUN program, please visit Teradatauniversitynetwork.com.



7.0 Environmental Responsibility

Our commitment to environmental responsibility is evident in our people, products, and processes.

7.1 Energy Consumption/ Environmental Program Membership

(GRI G4-EN3; G4-EN5; G4-EN15; G4-EN16, G4-EN18; G4-EN19)

Our measurement includes Scope 1 and Scope 2 emissions. Our data includes only energy consumed within the company. Only electricity and natural gas are used and included in our calculation. Included in our Scope 2 was our total fuel consumption included in these numbers is 60,420 MWH. The Scope 1 emissions included stable combustible energy where usage recorded was 1984 MMBTUs. We used 51,479 gallons of liquid gas (Fuel). Our GHG/energy intensity ratio for 2014 was .15.

Teradata used the GHG Protocol operation control option to determine the sources of energy usage in the company.

We used the US EPA Climate Leaders: Indirect Emissions from Purchases/Sales of Electricity and Steam protocol to determine our Scope 1 and Scope 2 Emissions. For the US, Internationally we used the CO₂ standards from the IEA 2013 CO₂ Emissions report.

Our overall emissions were reduced due to updating our emissions source factors for the US to the USEPA GRID 2014 and updating to the new IEA international standards from outdated 2008 EPA US and international standards.

Gases included are N₂O, CH₄ and CO₂. We have no biogenic CO₂ emissions.

Teradata uses an energy intensity ratio of total energy (Fuel, Electricity, and Heating) per units of storage shipped. Teradata does not use fuel from renewable sources or electricity. We do not participate in any type of carbon purchasing schemes.

Greenhouse Gas Management Program

In 2012, Teradata announced its new emissions goal of a 5 year 41% reduction in greenhouse gas emission intensity with a base year of 2010. In 2013, we announced that we had achieved a 51.8% reduction which enabled us to meet and exceed this 2nd Emissions goal in just 3 years. Teradata announced its new emissions goal of a 5 year 7% reduction in greenhouse gas emission intensity with a base year of 2013. We chose this year due to the fact we met our last target in 2013. Our target year of completion is 2017.

Teradata's emissions were those area included in Table 2.

Year	USA Direct Emissions (Metric Tons CO ₂ eq)	USA Indirect Emissions (Metric Tons CO ₂ eq)	International Direct Emissions (Metric Tons CO ₂ eq)	International Indirect Emissions (Metric Tons CO ₂ eq)	Total Direct Emissions (Metric Tons CO ₂ eq)	Total Indirect Emissions (Metric Tons CO ₂ eq)
2012	502	18556	0	3830	502	22386
2013	642	19502	0	2352	642	21854
2014	924	17986	0	2092	924	20078

Table 2. Emissions.

FTSE4Good Index

In 2014, Teradata was selected as a member in good standing of the FTSE4Good Index, which is an innovative series of real-time indices designed to reflect the performance of socially responsible equities. This is Teradata's 6th consecutive year to be included in the FTSE4Good Index.



FTSE4Good

"FTSE Group confirms that Teradata has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalize on the benefits of responsible business practice."

EPA SmartWay Transport Program

Teradata has been a member of the SmartWay Program since 2008. SmartWay is an innovative collaboration between the freight industry and government to reduce air pollution and greenhouse gas emissions, improve fuel efficiency, and strengthen the freight sector.

SmartWay Transport's goals are to reduce the impact of freight transport on the environment, and to help our partners see the rewards to their business. Working together, we aim to reduce:

- Fuel consumption from trucks and rail delivering freight.
- Operating costs associated with freight delivery.
- Emissions of CO₂.
- Emissions of NO_x, PM, and air toxics.

7.2 Dow Jones Sustainability Index

For the fifth consecutive year, Teradata was named to the Dow Jones Sustainability North American Index for the Software and Services industry. The DJSI assessment is based on in-depth analysis of financially material economic, environmental, and social practices, with a focus on industry-specific risks and opportunities. Teradata's sustainability strategy addresses both its internal operations



and its products, working to deliver analytic platform solutions that are energy-efficient, Teradata's product design innovations have increased power efficiency, improved performance-per-watt and reduced cooling requirements in data center environments. Teradata also conserves resources in the way its products are packaged and shipped.

The Dow Jones Sustainability World Index comprises more than 300 companies identified as the top 10 percent of the leading sustainability performers among the largest 2,500 companies in the Dow Jones Global Total Stock Market Index. Companies on the North America Index represent the top 20 percent of the highest performers.

"Being recognized in this rigorous external benchmark further reinforces our commitment to continue to be a sustainability leader. Making sustainability practices a part of the corporate operating philosophy continues to make good business sense," said Bruce Langos, Chief Operations Officer, Teradata Corporation.

Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes that track the financial performance of the leading sustainability-driven companies worldwide. When selecting the top performers in each business sector, Dow Jones reviews companies on several general and industry-specific topics related to economic, environmental and social dimensions. These include corporate governance, environmental policy, climate strategy, human capital development and labor practices. The indexes are compiled annually by Dow Jones and the Zurich-based Sustainable Asset Management Group. More information is available at www.sustainability-indexes.com.

Teradata was named a member of the RobecoSAM Sustainability Yearbook, the world's most comprehensive publication on corporate sustainability, for the fourth year in a row. Teradata performed within the top 15 percent of IT Services and Internet Software and Services industry and also achieved a score within 30 percent of the best-performing company in the category.

7.3 Paper Conservation

Teradata Annual Report and Proxy Statement

In 2008, Teradata was one of the first companies to take advantage of the SEC-approved "Notice and Access" (N&A) policy, which allows companies to send notices to all shareholders that the company's Annual Report and

Proxy Statement are available electronically, while also providing an opportunity for shareholders to request paper copies. This policy significantly lowered the required number of printed copies of both Teradata's Annual Report and the Proxy Statement that were printed and mailed to shareholders. Since 2008, Teradata has printed on average 35,000 copies of each report per year, which equates to an 87% reduction from the 275,000 copies that would have been required per year without N&A. In 2014, for its Proxy Statement, Teradata used 27% less paper.

Business Cards

In addition to our marketing collateral, our employee business cards and letterhead have continued to remain eco-friendly. All Teradata Business Cards, Letterhead, Memo Pads, and Envelopes are produced from FSC-certified, 100% recycled/post-consumer waste material. For 2014, we purchased 434 pounds for Business Cards, 96 pounds for Letterhead, 180 pounds for Memo Pads, and 42 pounds for Envelopes.

Promotional Items

In 2014, eco-friendly units purchased on the promotional website totaled 13% of sales. We will continue to expand on this as we source new items for the year.

Office Products

In 2014, 13% of Teradata's total spend on office products consisted of Recycled/Remanufactured items. An additional 19% was spent on items with other green attributes (e.g. Energy Efficient, Refillable, Reduced Harsh Chemicals, etc.). 6% of the ink and toner cartridges that Teradata purchased in 2014 were considered green.

In 2014, 45% of Teradata's spend on copy paper was recycled. This recycled paper usage equates to 185 fewer trees used vs. virgin paper alternatives, a net energy savings of 78 million BTUs and a 15,000 pound reduction in greenhouse gases.

Technical Manuals

Teradata has continued its used of moving its technical manuals from printed paper that shipped along with the product to electronic distribution available by print-on-demand or electronic media. This move created more than a 47% reduction in printed sheets, which saved 13 trees in 2014.

7.4 Product Environmental Performance (GRI G4-EN27)

Product Development Sustainability Requirement

As a business value driver, Teradata R&D will continuously search out and leverage technology alternatives in our hardware and software that can improve performance-per-watt, reduce cooling requirements, and shrink the floor space needs in data center environments as part of our product designs.

The data center industry in which our products operate has broad concerns. Energy consumption rates are skyrocketing, and many organizations are experiencing shortfalls in data center capacity for power, cooling, and space. While at the same time responsible companies are driving to reduce their environmental impact and reduce overall energy costs.

According to leading industry research firms Gartner Group and IDC, the amount of power required to operate and cool data center equipment is a key issue with the chief information officers of major corporations. Awareness of the critical nature of data center power and cooling became top of mind back in 2006. While the economic conditions can impact the enthusiasm for green initiatives at times, there is now a renewed focus by all users of IT equipment on the cost savings that are enabled equipment that is more energy and space efficient.

Industry, government, and consumers are simply demanding vast increases in computing and internet capability. The result? The power consumed by IT equipment and the data center infrastructure to support it has exploded to the point where worldwide, the digital warehouses use about 30 billion watts of electricity, roughly equivalent to the output of 30 nuclear power plants. These challenges are occurring despite the advancement in performance per watt enabled by the processor chip industry.

Another long emerging trend that is driving the explosion in data center growth is the enormous amount of data generated in the world. This phenomenon has been labeled as "Big Data" by the industry and it is created by the vast increase in data sources and data uses worldwide. This would include sources such as internet use patterns and click streams, wireless call routing data, automobile sensors, etc. This flood of data requires an enormous increase in the equipment to store the data and to, more importantly, analyze it.

Not only is power a problem, but cooling and space requirements are growing as well. According to Gartner Group and Liebert Group the growth in energy consumption drives the same level of growth in cooling demands for the data center essentially doubling the cost and emissions impact of IT equipment. The “real estate” in corporate data center floors is some of the most expensive space on the planet due to the extensive infrastructure required there.

Efficient Data Warehouse Computing

As shown over the last five years, Teradata has uniquely leveraged key IT industry technology to deliver the same industry-leading data warehouse capability while dramatically decreasing power, cooling, and floor space demands. Teradata has demonstrated that we are an industry leader in our use of the industry standard multiple-compute core technologies for microprocessors that are so important to vastly improving compute performance per watt.

A vast majority of system and solution providers to the data center choose to use general purpose standard industry equipment, not equipment specialized for particular computing tasks as are the Teradata systems. As a result Teradata solutions are relatively more efficient than the mainstream of the data center industry. Key to Teradata’s capability here is the Teradata Platform Family in which a range of systems have been purpose built to meet the needs of specific industry segments and applications.

For instance, the Teradata Active Enterprise Data Warehouse (EDW) is targeted for the broad enterprise wide needs of many users and workload types. In fact, this platform can deliver the same data warehouse capability as the Teradata products of five years ago while demanding 75% less power and cooling and occupying 80% less data center floor space. In addition, the hybrid storage capability was introduced in 2011 to further enhance the Active EDW platform’s efficiency in performance delivery. Teradata hybrid storage optimizes the performance of solid state drives (SSD) with the efficient storage capacity of hard disk drives (HDD) with Teradata Virtual Storage software that intelligently tracks and moves data based on its usage pattern. A hybrid storage based 6750 can provide up to four times the performance level of a standard storage platform without any increase in energy or floor space. This provides our users an efficient path for the speed needed for today’s business analysis challenges.

Teradata introduced their Data Warehouse Appliance platform products in 2009 that enable customers with smaller numbers of users and user data to perform high performance analytics with a simpler computer system that saves energy and floor space compared to other Teradata and industry alternatives. Teradata is also leveraging the improvements in disk drive storage to bring energy and floor space savings to our customers. The current Teradata Data Warehouse Appliance 2750 released in 2013 leverages the smaller form factor 2 1/2” hard disk drives that reduce the floor space per unit of data capacity for the system by up to 50% along with a significant reduction in electrical power per unit of data.

Integrated Big Data Platform

The Teradata Integrated Big Data Platform leverages the capability of scaling up in both the data size per node and the number of nodes to build a warehouse appliance that scales from 76TB (terabyte) to over 234PB (petabyte) of user data. This enables customers to affordably perform business analytics on large amounts of data such as with deep archive data. By using large numbers of very high capacity disk drives, the user trades off performance on some workloads for a much lower cost per TB of storage, and, at the same time, vastly reducing the footprint and energy required per unit of storage. For example, one full cabinet of the Teradata Integrated Data Platform requires just 15% of the floor space of a high performance Teradata Active EDW system with the same capacity of user data.

Aster Discovery Platform

The Big Data challenges described earlier includes the analysis of high volumes of data which lacks the structure to be efficiently addressed with a standard relational database. It would require a large sized, power hungry platform to “brute force” the analysis of this data. Teradata began to offer in 2012 the Aster Discovery Platform which is optimized to analyze these large volume unstructured data efficiently with a smaller, lower power system. This platform is based on the Teradata Aster MapReduce software for discovery of patterns in big data and Hadoop analytics servers to store any data type in the low-cost, scalable Hadoop engine. Business analysts and data scientists can now in a single cabinet derive the valuable insights from Big Data that make its use mandatory for successful companies.

Server Virtualization

The virtualization of servers and storage has allowed the whole IT industry to more efficiently use the IT resources in

the data center. Virtualization means that one large, highly utilized server is able to support the workload typically provided with multiple under-utilized servers by acting like multiple virtual servers. This process enables a data center to replace a large number of lightly used servers with a smaller, more efficient set of fully utilized servers.

Teradata adopted the virtualization approach to our basic product architecture well ahead of the industry in 1996 as a path to full utilization of the Teradata platform (servers and storage). Virtualization techniques have been a key enabler to Teradata's ability to effectively leverage the escalating performance capability of multiple core processor technology. Teradata hybrid storage with Teradata Virtual Storage software has also introduced the virtual storage capability that enables customers to automatically assign more frequently used data to high performance, low power SSD storage and less used data to larger disk storage units that are more energy efficient on a watt per megabyte basis.

Software Efficiency Improvements

Teradata 15, the current release of the Teradata Database, features software improvements that deliver significant performance improvement over previous generations. As a result, our customers are able to perform more processing on the same hardware with the same energy consumption. We continue to focus on developing software that makes the Teradata systems run more efficiently and perform more useful work on the same system hardware. For instance, the breakthrough Columnar feature introduced in Teradata 13.0 release enables users to very efficiently store and analyze column oriented data thereby eliminating the energy and space of any additional special purpose systems to accomplish the same functions.

Product Stewardship

Teradata recognizes that responsible product stewardship begins with our product designs and specifications. From product conception to final disposition, Teradata not only designs our products to meet or exceed all applicable safety and health standards, but also strives to improve the environmental design of our products, with a goal of maximizing opportunities for environmental efficiency, recycling and/or reuse.

For example, the newest model of the Teradata Active Enterprise Data Warehouse, announced in April 2014, provides Teradata customers with up to 86% reduction in electricity usage and 92% reduction in floor space for the

same capability data warehouse as compared to servers of six years prior. That's enough KWh of energy saved by one typical system to power 60 U.S. homes for one year. By dramatically reducing energy usage for the same system performance and required floor space, Teradata also has reduced associated data center cooling and power delivery infrastructure by similar ratios.

In addition, Teradata has adopted a power per performance metric for data warehouse power efficiency. It's based on the amount of data warehouse performance provided by a Teradata system (as calculated by Teradata's own measure of data warehouse performance, potential, called TPerf). The Kilowatt per TPerf (KPT) efficiency metric is the amount of power (in KW) drawn by hardware equipment in order to provide a 100 TPerf level for a system.

Data Compression

The Teradata Database software provides a range of data compression features that shrinks the amount of storage space required to contain a data table. The extent that a data table can be compressed depends upon the data patterns that make up that table. The compression factor can reach 5X or greater for data with highly repeatable patterns, such as phone call information, where popular area codes repeat often. It's estimated that the typical Teradata user can enjoy an average compression factor of 3X through the use of standard Teradata Database compression capabilities.

Teradata introduced a hardware based compression capability in 2011, that enables a Data Warehouse Appliance to achieve compression ratios of up to 10X automatically and without requiring valuable processor resources. In typical usage, the hardware compression will conservatively provide a 3X to 4X compression factor.

Data table compression enables a Teradata user to avoid purchasing additional data storage, resulting in substantial energy savings. For example, a user with an average 2X compression factor would require approximately 44% less total disk storage space for the same amount of user data; since Teradata systems require balanced storage and server configurations; this would reduce the required total system size by 44%. Therefore, the total system also uses 44% less power and cooling energy to support the system. On an average system, this results in 8 KW of continuous power savings—enough to power five average U.S. homes.

7.5 Product Environmental Compliance

RoHS Compliance

Teradata complies with the European Union Directive on the Restriction of Hazardous Substances (EU RoHS), which limits the use of certain substances, such as lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs) in electrical and electronic equipment placed on the European community market.

Prior to the effective date of the EU RoHS Directive, Teradata implemented comprehensive due diligence, order control, and parts management processes to ensure initial compliance and we continue to do so in order to assure ongoing compliance. As a result, Teradata is fully compliant with the EU RoHS Directive and similar legislation in other parts of the world, including regulations applicable in China, India, and California.

7.6 Product Recycling

End-of-Life Activities (GRI G4-EN1; G4-EN27)

With technology progressing at lightning-fast speeds, it seems there is more obsolete computer hardware to manage every year. Teradata, through technology like multi-generational coexistence, has helped to extend the life of data warehouse systems. Even so, all systems must be replaced eventually. Teradata established a program in 1996 to extend the life of those replaced systems and to mitigate the environmental impact of disposal.

The Teradata Used Equipment program collects all trade-in systems and systems returned to our leasing partner, GE Capital. These systems are then recycled in one of four ways:

- Systems are disassembled and reused as spare parts to service the installed base of systems around the world. This helps minimize the amount of new products purchased over the service life of our products.
- Systems are reconfigured and sold for customer use. This allows customers to:
 - upgrade discontinued platforms with the same generation of equipment
 - purchase larger upgrades to meet growth requirements
 - purchase systems as test and development platforms

All systems to be resold go through rigorous testing to ensure they are stable and meet the same standards as new equipment. The refurbishment effort includes reconfiguring the system and updating firmware, wiping data from the drives, replacing—batteries, and stress-testing the system for several days.

- Systems are reconfigured and redeployed internally for enhanced R&D and lab systems. This sustains the life of the systems, keeps our labs updated, and lowers our capital costs.
- Systems beyond their economic and functional life are recycled.

Over the last ten years, Teradata has reused more than 3300 nodes and 21.7 petabytes of disks in an increase of 10% and 33% respectively from 42 different countries. The units are often shipped in recycled crates and boxes reclaimed from new hardware shipments. Finally, when the time comes, all hardware is shipped to our recycling center, where it's disassembled and de-manufactured.

We have recycled several times the amount of equipment that has been reused. Here the equipment is broken down, sorted and shredded into various materials categories like drives, circuit boards, wire, plastics, metals, etc. for further refining. Our recycling partner and all of its suppliers, right down to the refineries and smelters, are ISO 14001:2004 certified and meet or exceed all federal, state, and local environmental standards and practices.

In 2014 we used 5,446,000 lbs of material computing equipment (racks, servers, storage, etc). Of that material usage we used 1% of renewable /recycled material. Recycled materials for our product can only be packaging as we are not allowed to sell renewable products in new electronic products to our customers.

EU WEEE Compliance

Our equipment decommissioning and recycling programs are compliant with international recycling legislation, such as the European Union Directive on Waste Electrical and Electronic Equipment (EU WEEE), as well as other applicable e-waste laws and regulations in other parts of the world. Products that are affected by the EU legislation are labeled in accordance with the Directive.

Health and Safety Impact

(GRI G4-EN29)

There are no known incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of Teradata products and services. Furthermore, since becoming an independent publicly-traded company in 2007 and through the date of this report, Teradata-controlled global facilities and operations had no fines or penalties incurred for non-compliance with environmental compliance, pollution control, or occupational safety and health regulations. Over that same time period, Teradata Corporation did not experience any non-monetary sanctions, notifications of permit or licensing violations, administrative orders or warnings issued by governmental agencies responsible for enforcement of environmental compliance regulations or ordinances, nor has Teradata ever incurred any significant fines or non-monetary sanctions for products, services, or environmental law/regulation non-compliance.

7.7 Release Process Restrictions

(GRI G4-PR6; G4-PR3; G4-PR9; G4-EN27)

As a part of our release processes, we ensure that all of our products do not emit hazardous resources or waste byproducts. Further, all regional, country, and local regulatory laws and codes are strictly followed during the product development process in order to prevent Teradata from developing products with banned substances. Hence, our products do not contain banned substances. The following country requirements are tested during our release process: USA, Canada, European Union, Europe Global, Japan, Australia/New Zealand, and Taiwan. A product cannot be released unless it has passed all current regulatory standards. All appropriate certification and environmental labeling is present on our products. All products require some type of certification or environmental label. Teradata has not incurred in fines concerning the provision and use of its products and services.

7.8 Product Transportation

(GRI G4-EN30)

In 2014, Teradata logged 665,931 miles carrying 1,090 tons of hardware equipment on American highways delivering our products to our customers' data centers. All shipments were ground-based; Teradata did not ship any products to U.S. customers by air. There are no other environmental impacts of transporting our products. With the introduction of Appliance Product Teradata is shipping more nodes per cabinet than ever before. This allows our customer's more processing power with a smaller foot print resulting in less weight system to transport.

7.9 Product Packaging

Teradata continues to work with its vendors to reduce the amount of product packaging used when shipping our product into and out of the factory.

Teradata has worked with our manufacturing suppliers to implement environmentally-friendly programs regarding Teradata equipment, including the reuse of crates and pallets and the recycling of other shipping materials (such as cardboard and plastic). We've also turned to bulk packaging for drives, controllers, and drive modules for use with Teradata systems. Instead of using one mini-pallet/box per product, they use a multi-pack container that holds up to 12 products. In 2014, this vendor used 762 of these multi-pack containers for our product. This resulted in a savings of 9,134 individual min-pallet/boxes. The packaging cost savings realized was \$163k. The shipping cost savings was \$22k

Teradata products ship in wood crates. In 2003, we started to put processes in place to reuse crates. Our EMS partner, Flextronics, is the administrator of our wood crate recycling program, which allows the company to reuse crates after the equipment is unpacked at the customer site. In 2014, we recycled 100 crates. Total to date for the program is 2423 crates. Each crate is about 30 cubic feet. Therefore, through this program we have reused over 72,690 cubic feet of wood.



8.0 Global Manufacturing Processes

(GRI G4-12)

8.1 Supply Base

Vendor Managed (owned) Inventory (VMI)

Teradata has set up programs with Tier 1 suppliers to locate equipment for sale close to our final assembly location. Under this program, the suppliers ship bulk quantities of product to local hubs near a manufacturing site, rather than sending discrete customer shipments. Of course this process saves us in inventory holding costs, but when we look at it through an environmental lens, we see significant environmental savings. We are pleased to report that 100% of our Tier 1 manufacturing suppliers participate in the VMI program. This program continued to operate very efficiently in 2014. Flextronics also has a facility energy savings team that focuses on reducing the amount of energy used by the local facility where our product is built. Teradata has 8 Tier 1 suppliers; those suppliers in turn manage the supply base.

8.2 Teradata Code of Conduct for Suppliers

(GRI G4-14; G4-EN32; G4-EN33; G4-LA15)

As mentioned earlier, Teradata Corporation, its employees, and partners have adopted the Teradata Code of Conduct. In addition, we have also adopted the standards of conduct set forth in the Electronic Industry Citizenship Coalition (EICC) Code of Conduct. Together, these standards, where applicable, constitute the Teradata Code of Conduct for Suppliers. By using these standards and contracting and auditing our suppliers based on these standards, we are using a precautionary approach within our supply base. There have been no suppliers subject to environmental impact assessments.

The Teradata Code of Conduct

Teradata expects and requires its business partners, including its suppliers, to comply with or exceed the standards of conduct set forth in the Teradata Code of Conduct with respect to all of their Teradata-related dealings. For more information, see section 4.14 of this report or view the entire Teradata Code of Conduct online at Teradata.com/code-of-conduct.

The EICC Code of Conduct

Additionally, Teradata requires its business partners that are also electronic industry suppliers to comply with or exceed the standards of conduct set forth in the EICC

Code of Conduct with respect to all of their Teradata-related dealings. The areas covered in the Code of conduct are: Labor, Health and Safety, Environmental, Management Systems, and Ethics. Further details concerning the EICC Code can be found at www.eicc.info.

In combining these two Codes of Conduct, we are able to reach out to all Tier 1 suppliers, not just those in the electronic industry. We are pleased to report that all of our Tier 1 suppliers have signed an agreement stating that they are in compliance with the Teradata Code of Conduct for Suppliers.

As a part of the our Teradata Code of Conduct for Suppliers program and as a result of our adoption of the EICC Code of Conduct, we developed a self-audit program for our Tier 1 direct manufacturing suppliers. Teradata audited 80% of Tier 1 vendors in 2014. Flextronics, our EMS supplier, audits all other suppliers, in 2014, Flextronics audited 34 suppliers. There were no environmental risks identified in our supply chain. Also, there were no labor risks associated with our supply chain. One of the tenets of the EICC Code of Conduct is to periodically assess production facilities and corporate procedures for adherence to the code. With regards to this process, Teradata has developed an assessment tool based directly on the standards of the EICC Code of Conduct. The completion of this assessment is a requirement for Tier 1 suppliers of Teradata.

This audit program is directly based on the EICC self-audit tool. Teradata performed an audit through this program in 2011 and 2012, and achieved an excellent grade in both the Corporate and facility audits. We are also using this audit tool to evaluate our Tier 1 vendors.

8.3 Flextronics: Our EMS Supplier

Flextronics has the 14001 Environmental Management Certification for the manufacturing site(s) that we employ. We are proud to be a partner with this company. Flextronics is also a founding member of the Electronic Industry Citizenship Coalition. This only increases our confidence in our manufacturing partner in terms of its ability to assure an ethical supply chain. These partnerships are another way our customers can be sure that we partner with the leading edge suppliers in the world. Flextronics is our sole EMS supplier. There have been no major changes in the structure of our supply chain or major operations.



9.0 Facilities

9.1 Teradata Environmental Health and Safety (EHS) Program

Teradata is committed to protecting the environment and the health and safety of its employees, contractors, and vendors as well as the communities in which it operates. As part of that commitment, Teradata developed a global Environmental Health and Safety (EHS) program. This program provides guidance on implementing and complying with basic environmental, health, and safety procedures within our facilities and complying with regulatory requirements.

The EHS policy and procedures are based on established, well-recognized international standards and regulatory requirements that apply to all Teradata locations worldwide. The program requires that all employees and onsite contractors comply with these procedures and requires everyone to re-review the entire EHS program & Team Safety Handbook procedures every two years. Teradata's program also encompasses yearly assessments of each facility and audits each facility every three years on a rotational basis. There are two components to the EHS program—the EHS Management System (EHSMS) which explains the overall EHS program and 19 standard operating procedures (SOPs) which contain the guidelines and procedures to be followed for specific areas of EHS.

The successful implementation of this program requires each Teradata location to have a designated Site EHS Coordinator. This person will serve as the primary contact for EHS matters and “take charge” of the facility should an emergency situation arise.

Oversight of Teradata's EHS program falls under the company's COO office. In 2014, we have continued this program and perform the necessary facility audits to ensure we are in compliance with our program.

Teradata adheres to ISO 14001 for the Enterprise Health and Safety program in place in all Teradata owned, leased, rented office space. Teradata does not presently have any manufacturing facilities. Our EH&S policy and standards are reviewed and updated yearly to ensure compliance with up to date relevant data pertaining to EH&S. Teradata has not been fined or found guilty of any office safety violations since inception as an independent company.

9.2 Facility Information

Teradata operates in 33 facilities in the United States 32 of which are leased. Teradata's only owned facility is our San Diego campus in Southern California.

In 2008, Teradata Corporate Real Estate embarked on a quest for greater sustainability. As a starting point, policies and procedures were created to govern how our sustainability program would be implemented in our facilities, with an initial focus on the United States.

In 2009, the program was implemented globally. In 2014, 26% of the 123 sites Teradata occupies are located in the US. During 2014, Teradata continued its sustainability commitment to compliance and provides up-to-date information on its internal facilities website that helps promote green living to all Teradata employees and contractors.

Teradata is committed to complying with all applicable health, safety, and environmental laws, regulations, and standards in delivery of services to customers, interactions with employees, and involvement within the community. To fulfill this commitment, Teradata will work to establish and maintain sustainable practices by:

- Increasing employee awareness of sustainability issues through formal and informal communications.
- Promoting ownership, responsibility, and accountability for sustainable performance and continuous improvement.
- Establishing procurement policies that support regional sourcing, recycled content, reusable materials, and Energy Star certifications where economically feasible.
- Continuously improving sustainable performance through compliance auditing, measurement, and reporting.

9.3 Facility Locations (GRI G4 EN-11)

The company's primary research and development center is located in San Diego, California, comprised of 460,000 sf. Table 2 lists Teradata locations we track emissions and their corporate function. None are located near protected habitat areas or of a high biodiversity value.

Building	Address	City	State / Province	Country	Space Use	Rentable Area	Unit of Measurement
Canberra, ACT, Australia	12 Moore St.	Canberra	ACT	AUS	Office	2,967	SQF
North Sydney, NSW, Australia	60 Miller St.	North Sydney	NSW	AUS	Office	12,615	SQF
Melbourne, VIC, Australia	606 St Kilda Rd.	Melbourne	VIC	AUS	Office	4,907	SQF
Vienna, Austria	Storchengasse 1	Vienna		AUT	Office	7,728	SQF
Mississauga, ON, Canada	6303 Airport Rd.	Mississauga	Ontario	CAN	Office/R&D	14,458	SQF
Toronto, ON, Canada	251 Consumers Rd.	Toronto	Ontario	CAN	R&D	3,022	SQF
Santiago, Chile	Cerro Colorado 5240	Santiago		CHL	Office	4,286	SQF
Copenhagen, Denmark	Lyngbyvej 14-28	Copenhagen		DNK	Other	0	SQF
Espoo, Finland	Valkjärventie 7 A, Kiinteistö Oy Espoon Tietajanpuisto	Espoo		FIN	Office	1,981	SQF
Antony, France	2/6 place du General de gaulle	Antony		FRA	Office	20,634	SQF
Düsseldorf, Germany	Niederkaßeler Lohweg 189	Düsseldorf		DEU	Office	3,681	SQF
Frankfurt, Germany	Lyonerstr. 20	Frankfurt		DEU	Office	2,975	SQF
Munich, Germany	Dachauer Strasse 63+65	Munich		DEU	Office/R&D	43,008	SQF
Kwun Tong, KU, Hong Kong	No. 378 Kwun Tong Rd.	Kwun Tong	Kowloon	HKG	Office	1,792	SQF
Gurgaon, HR, India	Block 4A, DLF Corporate Park, DLF City 3	Gurgaon	Haryana	IND	Office	1,553	SQF
Gurgaon, HR, India	Block 4A, DLF Corporate Park, DLF City 3	Gurgaon	Haryana	IND	Office	1,772	SQF
Powaimumbai, MH, India	Nomura Building, High St., Hiranandani Business Park	Mumbai	Maharashtra	IND	Office	29,624	SQF
Powaimumbai, MH, India	Nomura Building, High St., Hiranandani Business Park	Mumbai	Maharashtra	IND	Office	9,362	SQF
Pune, MH, India	Tower XII, Cybercity, Magarpatta City	Pune	Maharashtra	IND	Office	22,020	SQF
Pune, MH, India	Tower IX, Magarpatta City SEZ, Magarpatta City	Pune	Maharashtra	IND	Office	25,970	SQF
Rome, Italy	Via Valentino, Mazzola 66/ Via Erminio Spalla 41	Rome		ITA	Office	2,723	SQF
Mexico City, Mexico	Mariano Escobedo 476, Col. Nueva Anzures	Mexico City	D.F.	MEX	Office	7,326	SQF
Singapore	Suntec Tower 3, 8 Tamsek Blvd.	Singapore		SGP	Office	3,670	SQF
Stockholm, Sweden	Kronborggrand 5, Kista	Stockholm		SWE	Office	4,370	SQF
El Segundo, CA, United States	601 N. Nash St.	El Segundo	California	USA	R&D	52,000	SQF
San Carlos, CA, United States	999 Skyway Rd.	San Carlos	California	USA	R&D	20,432	SQF
San Diego, CA, United States	17095 Via Del Campo	San Diego	California	USA	R&D	185,381	SQF
San Francisco, CA, United States	301 Howard St.	San Francisco	California	USA	Office	13,688	SQF
Santa Clara CA, United States	2055 Laurelwood Rd.	Santa Clara	California	USA	R&D	9,171	SQF
Washington DC, United States	616 H St. NW	Washington	DC	USA	Office	5,894	SQF
Itasca, IL, United States	500 Park Blvd.	Itasca	Illinois	USA	Office	4,374	SQF
Cambridge, MA, United States	614 Massachusetts Ave.	Cambridge	Massachusetts	USA	Office	4400	SQF
Raleigh, NC, United States	5565 Centerview Dr.	Raleigh	North Carolina	USA	R&D	28,784	SQF
Dayton, OH, United States	1611 South Main St.	Dayton	Ohio	USA	Data Center	5,000	SQF
Miamisburg, OH, United States	10000 Innovation Dr.	Miamisburg	Ohio	USA	Office	60,000	SQF
Vandalia, OH, United States	3700 McCauley Dr.	Vandalia	Ohio	USA	Office	1,200	SQF
Lexington, SC, United States	714 South Lake Dr.	Lexington	South Carolina	USA	Office	12,094	SQF
Irving, TX, United States	4200 West Royal Ln.	Irving	Texas	USA	Office	7,105	SQF

Table 3. Facilities.

9.4 Facilities Environmental Impact

(GRI G4-EN20; G4-EN21; G4-EN9; G4-EN24; G4-EN25; G4-EN26)

Through a study conducted as part of our past membership in EPA Climate Leaders program, Teradata learned we are in compliance with the use of ozone depleting substances in our products and processes. Also, because Teradata has only office operations, NOx, SOx and other air emissions are presumed to be minimal and, therefore, are not estimated or tracked. Teradata has not evaluated any contribution of fugitive emissions. Our data centers are laid out with a hot/cold aisle scheme, server virtualization was implemented and plans are in place to migrate to a lights out environment. This in conjunction with the added a ducted return system has increased cooling efficiencies.

During calendar years 2008-2014, Teradata's operationally controlled sites disposed of no hazardous waste. Teradata did not import/export any ODS. In 2014, Teradata recycled 254,912 Pounds including all possible recyclables to the effort (glass, metal, plastic and wood).

In 2014 there was 202,832 pounds of universal waste (CRTs, Electronics, fluorescent lamp, UPS and household batteries). The new recycling guidelines have increased what is considered Universal Waste adding many new items to the list. Teradata neither imported nor exported any hazardous waste at sites within Teradata's operational control. Additionally, during this reporting year, there were no significant spills or releases of hazardous waste from Teradata's operationally controlled facilities. Teradata does not have any operations that are in danger of cause threats or irreversible damage to the environment.

Teradata did not have any intentional discharge of waste water other than into municipal waste water disposal systems. Teradata does not recycle or reuse water, because Teradata only withdraws water from municipal sources for human support and HVAC heat rejection. Consequently, there are no water sources impacted by Teradata Operations.

9.5 Facilities Update: Rancho Bernardo (San Diego)

Our San Diego facility continued its commitment to the community to be a sustainable partner. Here are some highlights at San Diego facility from the past year:

San Diego, California

- Teradata was honored for its innovative green business practices through the **2009-2011 Waste Reduction Awards Program** (WRAP), sponsored by the California Integrated Waste Management Board. In 2012 this program was discontinued in favor of new mandatory recycling regulations put in place by the state of California. Teradata continues its aggressive recycling programs, resulting in the reduction of operating costs. The range of environmentally sound business practices include: innovative reuse and recycling; resource conservation; conducting employee education programs; buying recycled-content supplies for the workplace; and managing electronic waste responsibly.

Conservation efforts include:

- **Paper Conservation:** Teradata diverted 3,411 Lbs. of waste office paper and 16,073 lbs. of cardboard from the landfill in 2014, saving the equivalent of 165.02 trees and 69,949 gallons of water that would have been required for processing raw pulp into paper.
The San Diego facility also participates in Shred-It's paper shredding program, through which it saved the equivalent of 210 trees.
- **Metal Scrap and Other Recycling:** In 2014, Teradata diverted 30,057 Lbs. from the landfill consisting of: metal scrap, including light and heavy iron and aluminum. The majority of the metal scrap generated through the Teradata San Diego location is electronic scrap. Teradata San Diego also recycles other waste streams, including aluminum cans, plastic bottles, fluorescent lamps, construction debris, and toner cartridges.
- **Green Landscaping:** Teradata's San Diego landscapers are required to recycle all of the green waste that is generated by this facility. An arborist recycles all wood from the tree trimming that is done twice a year.
Irrigation controllers with integrated weather stations have been installed to minimize the water used for irrigation. These controllers allow for different plant material and landscaping conditions to factor into watering schedules.

The conservation program includes the following energy improvements to the facility:

- Prior installation of a Building Automation System (BAS) to control campus lighting and heating, ventilation, and air conditioning (HVAC) systems continues to reduce the energy needed to maintain the building environment. BAS controls operation times and limits individual zone thermostatic adjustments, ensuring effective climate control without zone competition. BAS also controls the activation of waterside economizers that allow Teradata to minimize compressor operating times during the summer and can also be used for heating over the winter. As a building envelope measure, specially coated glass and window treatments were installed to reduce thermal transfer. The energy savings are about 250,000 Kwhs annually with this system.
- Prior installation of state-of-the-art lighting that utilizes energy-efficient T8 fluorescent lamps, compact fluorescents, and LED technology has significantly reduced energy usage. To supplement the T8 lamps, we installed parabolic reflectors, deep louvers, and electronic ballasts. The energy savings are about 195,000 Kwhs annually with this lighting system.
- In 2014 Teradata approved a Capital Spend of over \$2m to improve and upgrade the Central Plant System in the San Diego facility, which will markedly decrease energy consumption. The benefits of this initiative will commence in late Q1 2015.
- 2014 Construction project recycling: Teradata recycled 190 yards of dirt during this year's courtyard reconstruction project. Working with the contractor, we were able to have the dirt repurposed to a construction site in the area.

Miamisburg, Ohio

One of the most efficient HVAC systems on the market has been installed for the Teradata new Miamisburg building. The system is called a Water Source Heat Pump (WSHP) system.

The WSHP system consists of a number of heat pump units connected to a common recirculating water loop. WSHP units on this loop exchange heat with the loop by rejecting heat to the loop (for those units in the cooling mode) and extracting heat from the loop (for those units in the heating mode). A Cooling Tower and High Efficiency

Natural Gas Boiler removes and adds heat as required, to maintain the loop temperature within the proper temperature range. Efficiencies include:

- Variable Speed Pump and Fan Motors – These motors save energy by operating at optimum levels.
- Heat Recovery – Energy is recovered from exhaust air and then re-used to heat or cool the space.
- CO2 Control – The Carbon Dioxide (CO₂) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.
- Paper Conservation – Teradata's Miamisburg office diverted 25,200 lbs. of waste office paper from the landfill in 2014, via our document destruction partner.

Johns Creek, Georgia

- Paper Conservation: Teradata's John's Creek office diverted 6,261.02 lbs. of waste office paper from the landfill in 2014, saving the equivalent of 53 trees and 21,882 gallons of water that would have been required for processing raw pulp into paper.

Indianapolis, Indiana

- The Indianapolis office of Teradata Applications participates in a voluntary recycling program through building management. The program includes recycling cans and bottles as well as White paper and paper shredded by a document destruction company.

9.6 Ongoing Data Center Operations

Teradata continues efforts to conduct efficient data center operations by increasing the virtual server and storage footprint and replacing older infrastructure with more efficient solutions to reduce and manage energy consumption. As a result of these efforts, we were able to avoid the deployment of 94 new physical servers in 2014 by building the servers in our existing virtual infrastructure. This directly results in an ongoing annual energy consumption avoidance of about 295,240 kWh. As expected, our Windows Server 2003 migration played a significant role in the increased server virtualization in 2014. In 2015 we will continue to drive increased virtualization through the elimination and replacement of older technology and we are in the process of upgrading our Teradata Integrated Data Warehouse infrastructure which we expect will contribute to further efficiencies in energy consumption.

10.0 GRI Index (G4-32)

General Standard Disclosures	Section	General Standard Disclosures	Section	General Standard Disclosures	Section
Strategy and Analysis		Identified Material Aspects and Boundaries		G4-31	
G4.1	CEO Communication	G4-17	1.3	G4-32	10.0
Organizational Profile		G4-18	5.0-5.3	G4-33	About This Report
G4-3	1.1	G4-19	5.0-5.3	Governance	
G4-4	1.2	G4-20	5.0-5.3	G4-34	2.2
G4-5	1.2	G4-21	5.0-5.3	G4-37	5.2
G4-6	4.2	G4-22	5.0-5.3	G4-39	2.1
G4-7	1.5	G4-23	5.0-5.3	G4-40	2.1
G4-8	1.2	Stakeholder Engagement		G4-41	2.3
G4-9	1.2; 1.3; 4.2	G4-24	5.0-5.3	G4-43	4.11
G4-10	4.2	G4-25	5.0-5.3	G4-49	2.5; 5.3
G4-11	4.2	G4-26	5.0-5.3	Ethics and Integrity	
G4-12	8.0-8.3	G4-27	5.0-5.3	G4-56	4.11
G4-13	About This Report	Report Profile		G4-57	4.11
G4-14	2.3; 4.13; 8.2	G4-28	5.0-5.3	G4-58	4.11
G4-15	1.2; 3.0; 4.13; 6.0-6.3	G4-29	5.0-5.3		
G4-16	3.0; 4.13; 6.0-6.3	G4-30	5.0-5.3		

Table 4. General Standard Disclosures.

Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators
G4-DMA	5.0-5.3	G4-EN16	7.1	G4-EN27	7.4; 7.6; 7.7	G4-LA15	4.14; 8.2	G4-SO7	4.11
G4-EN1	5.3; 7.6	G4-EN18	7.1	G4-EN29	7.6	G4-HR2	4.11	G4-SO9	4.14
G4-EN3	7.1	G4-EN19	7.1	G4-EN30	7.8	G4-HR10	4.14	G4-SO10	4.14
G4-EN5	7.1	G4-EN20	9.4	G4-EN32	8.2	G4-HR11	4.14	G4-PR3	7.7
G4-EN9	9.4	G4-EN21	9.4	G4-EN33	8.2	G4-SO1	6.0-6.3	G4-PR6	7.7
G4-EN11	9.3	G4-EN24	9.4	G4-LA10	4.6; 4.8; 4.11	G4-SO3	4.11	G4-PR9	4.11; 7.7
G4-EN13	9.3	G4-EN25	9.4	G4-LA11	4.8; 4.9	G4-SO4	4.11		
G4-EN15	7.1	G4-EN26	9.4	G4-LA14	4.14	G4-SO5	4.11		

Table 5. Specific Standard Disclosures.

11.0 List of External Reports referenced in report

A. SEC Filings

1. investor.teradata.com/financial-performance/sec-filings/default.aspx

B. Governance Policies

1. www.teradata.com/corporate-governance

End Notes

1. www.nytimes.com/2012/09/23/technology/data-centers-waste-vast-amounts-of-energy-belying-industry-image.html

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