2013 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 1.1)

Teradata® Corporation continues to promote a culture of global sustainability within our organization and throughout our ecosystem of customers and business partners. As this year's report shows, we consistently advance our corporate social responsibility initiatives to enrich our community, environment, and customers' success.

In our extended community, we have aligned our Teradata Cares corporate giving strategy with "Data Philanthropy"—using data for public good. Through our partnership with the non-profit organization DataKind, we are helping to connect the volunteer data science community with the non-profit community. In November, Teradata was recognized by the White House Office of Science and Technology Policy and the Networking and Information Technology Research and Development Program for these efforts.

Teradata employees likewise contribute to our communities, and are encouraged to volunteer with local charities four days a year. In 2013, more than 5,000 employees completed 18,000+ hours of volunteerism. And during Teradata's annual "Days of Caring" in August, employees, families, customers, and partners volunteered over 2,500 hours to complete 125 projects with non-profit organizations around the world.

To advance our CSR efforts, Teradata continues its partnerships and memberships with several research, planning, government, and industry organizations that address global sustainability. We remain committed to advancing energy efficiency in data centers and business computing ecosystems through our membership in The Green Grid global consortium. For the fifth consecutive year, we completed and submitted our corporate carbon disclosure project. Each year, we measure how well we reduce our impact on the environment by tracking our recycling efforts as well as greenhouse gas emissions. As an example, over the last nine years, Teradata has reused more than 3,000 nodes and 16.2 petabytes of disks in 42 different countries. This past year, we achieved a 51.8% reduction in greenhouse gas emission intensity—well surpassing our five-year goal of 41% in just three years.

Looking more broadly at our business ecosystem, Teradata has made great strides in successfully using diverse suppliers nationwide since 2009 when we launched our commercial Supplier Diversity Program. By the end of 2013, we increased our spending with minority-owned businesses to 11.66% in both Tier I and Tier II spend, and hope to substantially improve our performance in 2014.

In our Teradata Labs, we continue to look for ways to improve the performance of our leading analytic data solutions, while lessening the impact of computing on the environment. We are pleased to report here the ways our innovation is delivering economic returns to our customers—all while enabling them to be more competitive in a data-driven business environment. From hybrid storage and very high-capacity disk drives to server virtualization, data compression, and efficiency improvements in our database, we are riveted on dramatically decreasing the consumption of energy and floor space. Our extensions to our range of purpose-built workload-specific systems additionally deliver greater performance and efficiency to meet today's business analysis challenges.

This year, our company was once again recognized for our ethical behavior and global sustainability, from organizations including:

- **Ethisphere Institute**, which named Teradata one of the 'World's Most Ethical Companies' for the fifth straight year.

- For the fifth consecutive year, **FSTE4Good** selected Teradata as a member in good standing of its innovative series of real-time indices designed to reflect the performance of socially responsible equities.

- For the fourth year in a row, Teradata was selected for the **Dow Jones** World Index and North America Index as one of the world's leaders in sustainability.

- For the fourth consecutive year, Teradata was named a member of the 2013 **Sustainability Yearbook**.

- Teradata's **UN Global Compact** Communication On Progress (COP) again achieved the 'advanced' designation this year, after becoming a formal signatory to the UN Global Compact in 2011, which pledged our commitment to ethical behavior and human rights.

TERADATA

This past year, Teradata's employees and our extended business ecosystem furthered a culture of corporate social responsibility. Looking ahead, we remain committed to fostering global sustainability practices in all aspects of our business operations, from our company-wide processes to the individual choices made by our employees. In 2014 and beyond, we hope to make even greater gains to advance the triple bottom line—through our people, for our planet, and with our customers.

Mike Koehler

Mike Koehler,
President and CEO,
Teradata Corporation

About This Report

This is the sixth edition of the Teradata® corporate social responsibility (CSR) report. The first was produced in 2009. 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 CSR as we develop our plans for the future.

The information provided is a reflection of 2013 performance. At this time, our next report, based on our 2014 performance, is planned for release in 2015. However, this schedule could be adjusted during 2014 and 2015.

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 content and design of this report was derived from the Global Reporting Initiative's G3 Sustainability Reporting Guidelines. For more information about the GRI, please visit **www.globalreporting.org**.

1.0 Teradata

1.1 Our Mission
(GRI 4.8)

At Teradata Corporation, 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 2.1, 2.2, 2.4, 2.6, 2.7, 2.10)

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 and do more of what's really important. With 10,000+ professionals in 43 countries, Teradata serves more than 2,500 customers, including the top companies across all major industries: consumer goods, financial services, healthcare, automotive, communications, travel, hospitality, and more. An ethical and future-focused company, Teradata is recognized by business media and industry analysts for technological excellence, sustainability, and business value. Visit **Teradata.com** for details.

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.

- Integrated Marketing Management applications, including Integrated Marketing applications and Analytic applications.

- Analytic Applications Services, including Consulting and Customer Services

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™

In 2012, Teradata brought to market the Teradata Unified Data Architecture™, integrating 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.

The Teradata® workload-specific Platform Family has grown as its customers' business needs have grown and offers data warehousing platforms to meet customers' specific analytical and budgetary requirements. These platforms include:

Teradata Active Enterprise Data Warehouse (EDW)

As the foundation of enterprise intelligence and Integrated Data Warehousing, the Active EDW platform drives valuable information into a company's operations and to hundreds of front-line decision makers. It enables smarter, more competitive decisions through near real-time information access and analysis, as well as predictive analytics on customer or business activity. This platform supports both long-running strategic and short-running tactical queries. An Active EDW platform based on Teradata technology provides strategic and tactical intelligence throughout the enterprise.

The Teradata Active Data Warehouse Private Cloud provides virtualized resources, scalability, consistent performance, elasticity and self-service business intelligence.

Teradata Appliances

Every Teradata solution is workload-specific and designed to maximize the customer's return on investment, lower total cost of ownership, and deliver increased business value through a range of options, price points, and features.

Teradata Data Warehouse Appliance
The Teradata Data Warehouse Appliance is cost-effective, ready to run, purpose-built, and fully integrated.

Teradata Data Mart Appliance
Fully integrated, entry-level production data warehousing and data mart solution. Ideal for meeting rapid time to value data warehousing and data mart requirements.

Teradata Integrated Big Data Platform
Cost effectively analyze massive amounts of deep data using this appliance. Delivered fully integrated, ready to run, and ready to grow as a company's or organization's needs grow.

Teradata Aster Big Analytics Appliance
The industry's first unified big analytics appliance provides a powerful, ready-to-run big analytics and discovery platform that is pre-configured and optimized specifically for big data analysis.

Teradata Appliance for SAS®
This is a fully integrated system that is dedicated for executing SAS in-memory analytics. It is a complete, "all-in-one" dedicated analytics appliance pre-loaded with the SAS High-Performance Analytics Server software and the Teradata DBMS running on the same system.

Teradata® Database Software

At the heart of every Teradata Integrated Data Warehouse is the world-class Teradata Database. The massively parallel processing architecture that is the foundation of the Teradata Database spreads data evenly over a large number of units of parallelism, making the Teradata Database fast and powerful. 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.

The flagship Teradata Database software is regarded by customers and industry analysts as a superior choice for analyzing data and processing increasing volumes and complexity of queries without compromising performance. Teradata's processing architecture, combined with our database software, provides the foundation for our unique ability to support and manage a wide range of data warehousing functions. These functions range from reports to ad-hoc queries to data mining and simultaneous data loading, all from a single data warehouse that integrates data from across the enterprise to drive smarter, faster decision-making. The Teradata Database software, which operates in the SUSE Linux operating system environment, delivers real-time intelligence for customers with capabilities and features such as support for mixed workloads, the ability to handle thousands of concurrent queries, robust and simplified system management, high system availability, event monitoring, and easy integration into the enterprise. Teradata also offers a software subscription program that keeps customers up-to-date on new product releases.

Teradata Aster Discovery Platform

Data analytics is now beginning to live at the heart of an organization—providing predictive information that enables companies to make smarter decisions. There is enormous competitive advantage to be gained from big data analytics, such as increased productivity and exponentially greater profits.

Data from web logs, social media, genomics, RFID and sensor networks, are collectively referred to in the media as big data and are more difficult to manage and analyze because they are much less easily grouped, and are present in exponentially great quantity.

The Teradata Aster MapReduce Platform is optimized for big data analytics, able to both store large volumes of data and to process rich analytic applications in-database. This platform uses a patented SQL-MapReduce® framework so that any business intelligence tool that generates standard SQL or any business analyst that knows SQL can immediately invoke the power of data science without having to learn programming languages or new interfaces. This delivers breakthrough performance and scalability on large data volumes, the ability to process relational data side by side with digital data of multi-structured formats, ease of use for a new class of data science analytics and a choice of enterprise deployment options.

Teradata Tools & Utilities

These are a powerful set of tools and utilities that address the core data warehouse administration and database access needs. They incorporate industry-standard interfaces to help integrate a Teradata system into an enterprise and streamline the data warehouse management tasks that are commonly performed, such as moving massive volumes of data and accessing multiple data sources in parallel. These tools and utilities also assist in maintaining a high level of overall Teradata system performance.

Teradata Unity

As workload-specific platforms are added to the data analytics environment, they can introduce challenges to both IT and the business. Teradata Unity's automated management functions, architectural flexibility and enablement of diverse analytic capabilities allows organizations to embrace the full benefits of having more than one system. Teradata Unity also simplifies the tasks for database and system administrators of managing, monitoring and controlling the Teradata Analytical Ecosystem.

Teradata Applications

Teradata provides Integrated Marketing and Analytic applications. Teradata software for marketing operations, campaign management and digital messaging, and a broad set of data management and decision support offerings, helps marketers advance the productivity and performance of their marketing organizations and improve customer relationships for competitive advantage. Teradata serves hundreds of customers, including 36 of the Fortune 100.

Analytic Applications Services

Teradata Consulting and Customer Services comprise Analytic Applications Services. Teradata's global consultancy supports the design and implementation of Teradata data warehousing solutions. From world-class patented methodology to services supporting strategy, Teradata consultants help with the financial justification, development, planning, design, implementation, support and enhancement of global enterprise data warehouses. They are experienced in data acquisition and integration services, business intelligence, Teradata applications, quality and testing, and a full range of database support services. Teradata also maintains five global Consulting Development Centers to provide customers a critical mass of Teradata resources to meet their needs.

Teradata offers a complete portfolio of services for one-stop support to architect, integrate, implement and support a company's data warehouse, business intelligence and analytics solutions. With 35 years of data warehousing experience covering more than 2,400 analytics implementations on a global basis, Teradata consultants provide consulting and support services for data warehousing, big data insight and discovery and integrated marketing and analytic applications.

Target Industries

Some industries such as financial services, communications, media and entertainment, travel, transportation and retail were strong early adopters of analytic data to drive business decisions. These industries continue to expand their use of Teradata products and services. As manufacturing, healthcare, government and public services, energy and utilities have embraced analytic data in more recent years, these industries have also come to rely on Teradata. Other industries that are strong adopters and well represented among Teradata customers include insurance, life sciences, gaming and hospitality.

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Market Leadership

Teradata has led the data warehousing market since its inception and counts among its more than 2,568 customers:

- Eighteen of the top 20 global telecommunications companies
- Fifteen of the top 20 global financial institutions
- Fifteen of the top 20 global retailers
- Fourteen of the top 20 travel and transportation companies
- Eleven of the top 20 in healthcare
- Eleven of the top 20 manufacturing companies

Well over a million users access a Teradata analytic platform on any given business day in almost every industry throughout the world, for precise and reliable intelligence to support business decisions.

Teradata's Industry Leadership

Teradata earned recognition for its sustainability efforts in 2013:

- Teradata was listed in the FTSE4Good Index for the second consecutive year.

  Teradata was independently assessed according to the FTSE4Good criteria and named 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.

- Teradata was listed on the 2013 Maplecroft Climate Innovation Index.

- Recognized as a sustainable leader in the software industry, Teradata was again on the Dow Jones Sustainability North American and World Indices in recognition of its strong financial performance, environmental and social practices, and stakeholder engagement. Dow Jones ranked Teradata more highly than 86% of the companies in its category.

- Teradata was a contributing member of The Green Grid, a global consortium dedicated to advancing energy efficiency in data centers and business computing ecosystems

- Teradata is a Signatory in the UN Global Compact, the world's largest corporate citizenship and sustainability initiative.

In 2013, Teradata was positioned as a business and technology leader:

Teradata was ranked on four Forbes Lists. It was #42 on the Forbes 2013 World's Most Innovative Companies. The list of Forbes 2013 World's Most Innovative Companies relies on investors' ability to identify firms they expect to be innovative now and in the future Teradata also was ranked #1584 on the Forbes list of Global 2000, #1254 in Profit and #1010 in Market Value.

Teradata was also highly ranked by industry analyst firms:

- Teradata was named a leader in:
  - Data Warehouse DBMS Magic Quadrant issued by Gartner
  - Information Difference Data Warehouse Landscape Study
  - CRM Multi-Channel Campaign Management Magic Quadrant issued by Gartner
  - Marketing Resource Management Magic Quadrant issued by Gartner
  - Integrated Marketing Management Magic Quadrant issued by Gartner
  - The Forrester Wave™: Enterprise Data Warehouse, issued by Forrester Research

Claraview, a division of Teradata, received a positive rating in Gartner's MarketScope for Business Intelligence and Information Management, North America.

Teradata was recognized for its product innovation and technology:

- **GOVTek Awards**

  Teradata supports efforts to improve citizenship through the equitable and responsible remittance of taxes and fees to governing bodies. In 2013 Teradata earned a GovTek Solution Provider Award for Excellence in Industry and Government Collaboration, for its ability to deliver a single view of the taxpayer through its Teradata Tax Compliance Solution.

- **The American Business Awards**
  - The Teradata Aster Discovery Platform was named a winner in two categories of People's Choice Stevie® Awards. The product won recognition for Favorite New Product of the year in the category of "Favorite Business Intelligence Software," as well as a second award in the category of "New Product or Service of the Year—Software, Business and Competitive Intelligence Solution."
  - Company of the Year Bronze—Computer Software—250+ Employees.

- **American Technology Awards**

  The TechAmerica Foundation named Teradata Virtual Storage a finalist for the American Technology Awards.

- **CRM Watchlist**

  Marketing is integral to customer-facing technology purchasing and strategies. The annual CRM Watchlist names companies whose software or services products or solutions drive social marketing and traditional tools like campaign management, email marketing, marketing resource management and other communications. Teradata Applications was named one to watch on the CRM Watchlist for 2013.

Teradata is regularly acknowledged as a great place to work by leaders in the communities where the company has a significant presence:

- Teradata was selected as the Business Leader of the Year by the San Diego North Chamber of Commerce in recognition of its demonstrated philosophy of giving and corporate social responsibility with a significant influence on the San Diego North County's health and well-being.
- In 2013, Teradata was named a "Best Place to Work" in San Diego, Los Angeles and in Ohio.

Teradata associates were given individual awards and recognitions in 2013:

- **NextGen Movers**

  Tasso Argyros and Mayank Bawa were named to the Forbes list of 10 Rising Stars at Most Innovative Companies. The two founders of Aster Data Systems started the company as a research project at Stanford University and later sold it to Teradata. Argyros is now senior vice president for global product deployment and strategy. Bawa left the company in late 2013.

- **Hall of Femme**

  Teradata's Chief Marketing Officer for Marketing Applications, Lisa Arthur, was selected as one of the 15 leading women marketing executives named by Direct Marketing News to its 2013 Hall of Femme.

- **The Green Grid**

  Dr. David G. Wang, a data center architect was recognized by The Green Grid for his numerous contributions that have helped bring the resource efficiency organization to the Chinese data center industry.

Teradata won top honors in 2013 in prestigious award programs.

- **Ethisphere World's Most Ethical Software Companies**

  Teradata was one of a record 145 companies on the 2013 list of The World's Most Ethical Companies. The Ethisphere designation recognizes companies that truly go beyond making statements about doing business "ethically" and translate those words into action. Honorees not only promote ethical business standards and practices internally, they exceed legal compliance minimums and shape future industry standards by introducing best practices today.

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- **Service Capability and Performance Certification Standards**

    For the eighth consecutive year its Teradata Customer Service Global Support Center has been recognized for its world-class performance by achieving certification under the internationally recognized Service Capability and Performance Certification Standards. Teradata achieved certification after an extensive audit of service operations by Service Strategies Corporation, an independent rating organization and administrator of the standards program.

- **White House Recognition**

    In recognition for its data philanthropy in support of mission-driven organizations, Teradata was honored by the White House for leadership in bringing big data analytics to governments and non-profits.

Additional awards earned in 2013 include:

- **Tableau Software Technology Partner Award**

    Teradata earned the Software Technology Partner of the Year Award from Tableau Software for performance and achievements.

- **NetApp Innovation Award**

    Teradata Labs earned a NetApp Innovation Award for Visionary Leadership in recognition of its courage to think differently about how IT can drive business.

- *Consumer Goods Technology* **Awards**

    Teradata was named Best in Class for Business Intelligence and Demand Data Analysis Solutions by *Consumer Goods Technology* magazine.

- *American Banker* **Award**

    Teradata was honored as the first winner for Data Management in the magazine's Innovation in Banking Technology Awards.

    For the third year, Teradata was named to the Top 25 Enterprise Companies in financial technology by *American Banker*.

- *Information Week* **500**

    Teradata was included in the *InformationWeek* 500 for the sixth consecutive year. *InformationWeek* identifies the nation's most innovative users of information technology with its annual listing, and also tracks their technology, strategies, investments and administrative practices.

Recognition for Teradata Customers
Some of Teradata's most innovative customers earned top recognition in 2013 for their use of Teradata analytic technology, applications and services:

- *Asian Banker*

    The Enterprise Data Management Infrastructure of Taiwan Cathay United Bank, implemented by Teradata, won the "Best Data and Analysis Project" at the 2013 IT Implementation Awards presented by *Asian Banker* magazine. Taiwan Cathay United Bank built a single view for risk management and applied data mining for customer behavior analysis.

- *Computerworld* **Honors**

    For the third year in a row, HCA was named as a Laureate in IDG's *Computerworld* Honors Program. The 2013 honor comes from the Cancer Navigation Solution.

- **Constellation SuperNova Award**

   The Constellation SuperNova Awards recognize individuals for their courage in battling the odds to introduce disruptive technologies in their organizations. Two Teradata customers won accolades in the Data to Decisions category from the technology advisory and research firm. They are first place winner Roman Coba of McCain Foods and finalist Brad Donovan of GlaxoSmithKline.

- **Data Strategy Awards 2013**

   Customer Three Mobile and Teradata were finalists for the 2013 Data Strategy Awards for Best Use of Email.

- **Excellence.Gov Awards**

   The United States Air Force Global Combat Support Systems Data Services was named an Excellence.gov Award finalist in the Excellence in Enterprise Efficiencies category by the American Council for Technology and Industry Advisory Council.

- **ML100 2013 Manufacturing Leadership Awards**

   Two Teradata customers earned top spots in the 2013 Manufacturing Leadership 100 (ML100) Awards. Manufacturing Executive, the global community for manufacturing leadership, named Cisco and McCain Foods winners in the Information Leadership category.

- **Ventana Research Leadership Awards**

   Two Teradata customers earned Ventana Research Leadership Awards. The owner and manager of NASCAR racetracks, International Speedway Corporation, was the winner for Marketing Excellence and Dutch landline and mobile telecommunications company KPN was named the winner for Customer Excellence.

- **The Data Warehousing Institute**

   In the annual competition sponsored by The Data Warehousing Institute (TDWI) at the TDWI World Conference, three Teradata customers earned Best Practice Awards. Aircel, a mobile network operator in India, was named the winner in the Enterprise Business Intelligence category, telecommunications company Telenor Pakistan earned the honor in the Advanced Analytics category and the United States Department of Agriculture Risk Management Agency won the Best Practice Award in the Government and non-profit category.

Teradata Magazine
Teradata Magazine won several awards in 2013, including the min's 2013 Best of the Web Awards for editorial excellence. In min's 2013 Editorial & Design competition, Teradata Magazine was named a finalist in six categories: Special Supplement; Feature / Section Design; Single Article; Magazine Design / Single Issue B2B; Digital Magazine Edition and Cover Design B2B. Digital Magazine Awards named Teradata Magazine Cover of the Year winner.

EPIC Awards
The Teradata EPIC Awards are issued each year to companies that have implemented best-in-class, innovative Teradata solutions resulting in significant contributions to their organization's business goals, and to Teradata partners that have made outstanding business and technology contributions to Teradata and to its customers.

Teradata customers were awarded in six categories for their extraordinary innovation in use of data analytics to create competitive advantage. Teradata also recognized Independent Software Vendors and Systems Integrators for their efforts as partners in making outstanding business and technology contributions to Teradata and its customers. Nominations for Teradata EPIC Awards are evaluated by a panel of independent judges drawn from the business world, the technology industry, media, industry analysts and academia.

Additional information, including categories and winners, can be found at **teradataepicawards.com**

APEX Awards
APEX Excellence Awards are given in recognition of innovative companies that best exemplify how Teradata's data-driven marketing solutions can be used to deliver measurable business results. The winning customers and partners were selected from among more than 1,500 high-performing customer and partner companies around the globe that use Teradata's market-leading Integrated Marketing Management solutions for data-driven marketing. They received their awards during Teradata Summit 2013, Teradata's annual marketing customer conference held each spring. Customers and partners were awarded for excellence in seven different categories. All nominations were judged by a panel that includes previous APEX award winners.

1.3 2013 Financial Performance
(GRI 2.8, EC1)

Teradata revenue in 2013 $2.692 billion, and operating income was $532 million. Teradata's competitive differentiation is its leadership in technology and solutions. Teradata's 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, fuels revenue growth and new customer additions.

For further financial information, please visit **Teradata.com/investor**.

1.4 Organizational Structure
(GRI 2.3)

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 2.9)

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.

In 1996, AT&T spun off NCR (including Teradata) to form an independent, publicly traded company. In 1999, NCR consolidated its data warehousing business into a separate Teradata operating division. Teradata continued to invest in extending the scope of its enterprise data warehousing solutions, including improvements to the company's industry-leading database software, ongoing development of new enterprise analytic software applications, and the provision of sophisticated support and professional consulting services.

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.

In 2014, Teradata will celebrate its 35th anniversary.

Teradata expanded its presence in the big data analytics marketplace to help customers harness the power of emerging big data with the 2011 acquisition of Aster Data Systems, now called Teradata Aster. Also that year Teradata acquired Aprimo, a leading provider of software and services that advance the productivity and performance of marketing organizations. Aprimo solutions enable marketers to engage, lead and perform by empowering conversations on new engagement channels, enhancing internal collaboration, and improving marketing performance and accountability. Aprimo, the cornerstone of Teradata's applications portfolio, acquired eCircle in 2012. eCircle is one of the leading full-service digital marketing providers in Europe, providing cloud-based solutions for email, mobile and social media marketing and offers opt-in lead generation and email media solutions. In 2014 Teradata will complete the acquisitions of Aprimo and eCircle and market the related integrated marketing management solutions under the Teradata brand.

Teradata Magazine
Teradata Magazine is a digital-only publication. Printing ceased in the fourth quarter of 2012 reducing cost, and eliminating paper and ink, the use of fossil fuels for printing and distribution, and consumer contributions to landfills.

2.0 Corporate Governance

(GRI 4.1-4.4, 4.6)

The Teradata Board of Directors is elected by the stock-holders to govern the affairs of the Company. The Board selects the Leadership Team, 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, and operating plans.

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.

2.1 Board of Directors

The Board currently has nine Directors. Each Director meets the independence standards of the New York Stock Exchange. The current Chairman of the Board is not an Executive Officer of the Company.

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 knowledge, experience and skills in areas critical to understanding the Company and its business; personal characteristics, such as integrity and judgment; and, the candidate's commitments to the boards of other publicly-held companies. Each Board member is expected to ensure that existing and future commitments to external boards 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.

2.2 Committees

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, and at least one member of the Audit Committee must have accounting or financial management experience, as defined by the U. S. Securities and Exchange Commission rules and/or as required under applicable New York Stock Exchange listing requirements. 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.

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2.3 Conflicts of Interest, Standards of Conduct, Reporting, and Controls
(GRI 4.6)

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. 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. 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, risk assessments, and other reports and issues.

2.4 Shareholder Communications

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.

Please see the Corporate Governance page of the Teradata website at **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. In April 2010, the Board 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. Also in April 2010, the Board 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 varies depending on the executive's level/position; 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. Information concerning these two Board actions is publicly-available through the above-referenced Teradata Corporate Governance web page.

3.0 Industry Involvement

(GRI 4.13)

3.1 The Green Grid

Teradata is a contributing member of The Green Grid, a global consortium dedicated to advancing energy efficiency in data centers and business computing eco-systems. 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 compa-nies and is widely recognized as the tech industry's most effective lobbying organization in Washington, in vari-ous foreign capitals and the World Trade Organization. Teradata considers ITI membership important and essen-tial to our electromagnetic interference (EMI) compliance program and potentially to the product safety and envi-ronment aspects of Teradata hardware products. Visit **www.itic.org**.

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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 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 2.5, 2.8, LA1, LA3)
At the end of 2013, Teradata employed more than 10,000 employees in 43 countries around the globe.

We are headquartered in the United States, and operate in the three major regions of the world, with approximately 4,600 employees in the Americas region, approximately 3,700 employees in the Asia-Pacific-Japan (APJ) region and approximately 2,400 employees in the Europe, Middle East, Africa (EMEA) region.

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
(GRI LA2)
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
(GRI LA4)
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
(GRI LA5)

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 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 2013, Teradata employees completed 156,151 courses for a total of 592,143 training hours.

4.7 Tuition Assistance
(GRI LA10)

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, 18 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, 19 international scholarships have been awarded by Teradata through the program.

4.8 Leadership Development
(GRI 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, 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 LA12)

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
(GRI LA13)

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.

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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 which enhance

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 by 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 across the country. 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 such diverse businesses. Teradata believes that by having this approach in sourcing will develop stronger communities where we live and where we work and thereby creating a solid foundation for supplier diversity success across the nation. As stated by Teradata's President and 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 nationwide by growing the spend percentages to 11.66% by the end of year 2013 in both Tier I and Tier II spend and hopes to substantially improve our program and performance in 2014.

4.11 Employee Ethics and Compliance Training
(GRI HR3, SO2, SO3)

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; desired Behavioral Qualities; compliance with laws requirements; compliance with policy 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, including through a third-party-administered whistleblower Ethics Helpline without fear of retaliation and with the ability to do so on a confidential and/or 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 sexual harassment/discrimination and 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, desired behavioral 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; state-of-the-art/best-practices video-audio 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 mandatory periodic environmental, health and safety compliance training. All managers and facilities-coordinators also are required to complete more-advanced periodic environmental, health and safety compliance training. Employees who deal with government-contracting and government-officials/representatives in the United States are required to complete periodic 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/representatives, officials/representatives of governmentally wholly-owned or partially-owned enterprises, officials/representatives of public international agencies, or books-and-records for non-U.S. transactions/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 distributions of technologies and information that are subject to boycott, anti-boycott or embargo laws or restrictions also are required to complete additional training on 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 Leadership Team, next-level Leadership Council, Law Department and financial-controls organizations also receive periodic ethics and compliance training on key subject-areas that are relevant to their roles and heightened responsibilities.

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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 web site.

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, desired behavioral Qualities and standards of conduct, those documents include: explanations of why those Values, Behavioral 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, 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 and the Chairman of the Board of Directors. 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 President and Chief Executive Officer, Audit Committee of the Board of Directors, and 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 regarding 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 web sites, 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 2013, more than 11,600 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 over 60,000 person-hour of ethics-and-compliance-related training during 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 2013, Teradata employees and contractors completed a total of more than 156,000 Teradata University courses for a total of more than 592,000 person-hours of Teradata University training (an average of 14 courses per person for the year and an average of 53 hours of training per person for the year). In recognition of the quality and effectiveness of its implementation

of its compliance training, during 2011 Teradata received the Kaplan EduNeering "Knowledge Summit Achievement Award" as the top company globally in the category of "Compliance" training and communications.

Ethisphere World's Most Ethical Companies
For each of the past five years, Ethisphere Institute has named Teradata one of the 'World's Most Ethical Companies'. The independently-assessed criteria for this recognition includes the following: Corporate Citizenship and Responsibility; *Corporate Governance; Innovation that Contributes to the Public Well Being; Industry Leadership; Executive Leadership and Tone from the Top; Legal, Regulatory and Reputation Track Record; and, Internal Systems and Ethics/Compliance Program*. Teradata has achieved this recognition based on performance assessments for the 2009, 2010, 2011, 2012 and 2013 calendar years. As we move forward, Teradata remains committed to meeting or exceeding the high standards established by these ethics criteria in our all of our operations throughout Company and across the world.

4.12 Conflict Minerals Policy

During 2013 and continuing thereafter, Teradata adopted a Conflict Minerals Policy. Teradata applies that policy to itself and its supply-chain 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 0that 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 during 2014 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. The Teradata Conflict Minerals Policy is publicly-available online through **Teradata.com** (from that main web page, select "About", then select "Corporate Social Responsibility", then select "Teradata Conflict Minerals Policy"; or, select "Teradata Conflict Minerals Policy" from this direct link: **Teradata.com/corporate-social-responsibility**).

4.13 UN Global Compact

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 and 2013, the Company's UN Global Compact COP achieved the 'GC Advanced' designation. 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 (ECOA), 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 "World's Most Ethical Companies" listing and the Dow Jones Sustainability Index listing.

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.

4.14 Teradata Code of Conduct
(GRI 4.8)
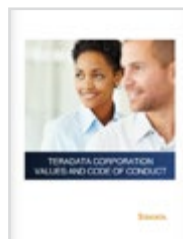
Teradata integrates ethical business practices throughout the Company, its global workforce and with respect to its supply-chain and other business partners by adopting, publishing, communicating, and training based on a written Code of Conduct.

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", apply to all Teradata people and all Teradata entities that deal with those subject matters and 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. 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.

Teradata also has adopted the standards of conduct established by: the Electronic Industry Citizenship Coalition (EICC) Code of Conduct; the United Nations (UN) Global Compact (as noted above); the International Labour Organization (ILO); the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises; 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; the Online Privacy Alliance; and, the U.S.-EU Safe Harbor Framework for privacy protection for cross-border data flows. 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.

Under the Teradata Code of Conduct for Suppliers, 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. 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.

By adopting the principles of the EICC Code of Conduct and applying them to itself and its supply-chain, 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

During 2013 and continuing thereafter, Teradata went a step further with regard to compliance-assurance for its supply-chain 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 and distributors, 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 various 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.

The Teradata annual all-employee Code of Conduct training and certification module for 2013 focused on respect for human rights, and included information about our Conflict Minerals Policy and our commitments to comply with the principles of the UN Global Compact (see **www.unglobalcompact.org/abouttheGC/TheTen-Principles/index.html**) and the principles of the EICC Code of Conduct (see **www.eicc.info/eicc_code.shtml**). Thus, Teradata's standards of conduct for its employees and supply-chain participants extend beyond what is expressly stated in the Teradata Code of Conduct to include global ethical business and industry standards.

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 a 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 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** (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**). The Code of Conduct and related policies, procedures and Ethics Guides are available to all Teradata employees at all times through the Company's internal employee web 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 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 all 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 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 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 and desired Qualities for directional guidance in determining the right thing to do. Our shared Values and desired 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.

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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:

Trust

Excellence

Respect

Achievement

Dedication

Accountability

Teamwork

Attitude

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.

4.16 Public Policy
(GRI SO5, SO6)

During 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.

As noted elsewhere in this report, Teradata also has public policy positions and actions with respect to Conflict Minerals, the principles of the UN Global Compact and the principles of the EICC Code of Conduct.

5.0 Quality

5.1 Teradata Quality System
(GRI PR1, PR5)

Delivering solutions and services that provide value to our customers is critical to Teradata's ongoing success. A key component in the value we bring to our customer is the quality of our solutions and services. In support of this, everyone in Teradata has a shared responsibility to ensure that their daily activities deliver quality to the next step in the process and, ultimately, to the end customer.

Teradata is committed to providing solutions and services that meet or exceed customers' expectations, are free of defects, comply with all applicable standards and regulatory requirements, and offer greater value than those of our competitors. Teradata will ensure that product and process standards (ISO, CMMI), certifications, and registrations are achieved; that quality initiatives are leveraged and integrated; and that environmental, health, and safety legal requirements are achieved, resulting in material improvements to the total business system. We will utilize and continually improve our global business process as a means of delivering outstanding customer value.

Teradata also holds suppliers accountable for meeting performance expectations in terms of quality, cost, delivery, integrity, environment, and innovation to consistently meet our customer's requirements.

The Teradata Quality Management System is comprised of key processes, measures, and controls required to fulfill the intent of the Quality Policy, which is to:

• Consistently meet or exceed the quality expectations of our customers.

• Continuously improve processes that allow all employees to do their jobs right the first time.

Teradata's Program Realization Process is a corporate-wide process overseeing all program activities, from the conceptual stage through lifecycle management. Its purpose is to:

• Involve all necessary corporate functions/organizational levels at the right time.

• Require management decisions at appropriate points.

• Provide a framework of order and parallelism to sustain Teradata's portfolio management while ensuring faster time to market and the highest quality.

Formal process management methods (fully documented with measures and improvement activities) are used to maintain this process as well as other business and quality processes within Teradata.

5.2 Carnegie Mellon-SEI/CMMI Institute Partner Network

Teradata is a general member of the SEI/CMMI Institute Partners Network and an SEI/CMMI Institute Advisory Board Member. The Partner Advisory Board provides guidance and support to the SEI and CMMI Institutes regarding its direction and activities. The Carnegie Mellon Software Engineering Institute (SEI) and CMMI Institute work closely with organizations, industry, and academia to continually improve software-intensive systems. Their core purpose is to help organizations improve their software engineering capabilities and to develop or acquire the right software, defect free, within budget and on time, every time. Visit **www.cmmiinstitute.com**.

6.0 Stakeholders

(GRI 4.14-4.17)
Teradata has always reached out to its most important assets—its stakeholders. These include but are not limited to: customers, investors, employees, suppliers, the different communities in which we live and the organizations that support those communities.

6.1 Customers

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.

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.

- The PARTNERS Users Group has been formed for technical education to support the business community, by sharing information related to data warehousing, business applications and big data analytics. The members are encouraged to not only utilize existing technology to advance technology and its positive impact to businesses but also identify opportunities for technical development and application to address new concerns in the industry.

The activities primarily occur during the annual PARTNERS Users Group Conference & Expo, which is held in a major city in the U.S. each year. The organization was formed as a non-profit corporation in 1997. Within the Partners User Group are the following subgroups:

- **PARTNERS Steering Committee**: The Partners Steering Committee is the leadership team for the Partners User Group. The Steering Committee provides candid communication and feedback to Teradata senior management on issues relating to Teradata and data warehousing. Members communicate via monthly conference calls and attend three face-to-face planning sessions per year. The Steering Committee is instrumental in planning, organizing, and executing the world-class annual Teradata PARTNERS User Group Conference & Expo.

- **Teradata Applications Product Advisory Council**: The Teradata Applications Product Advisory Council provides advisory input for product development direction to Teradata Applications, including Relationship Manager, Marketing Operations, Demand Chain Management, Supply Chain Intelligence, and Teradata Warehouse Miner. Teradata Applications PAC consists of license holders and end-users who come together to provide insight into new business strategies, processes, and functionality with an eye towards adding business value to the Teradata's customer focused Applications. www.teradata-partners.com/partners-user-group/teradata-applications-product-advisory-council

- **Product Advisory Council (PAC)**: The Product Advisory Council (PAC) is an advisory group that provides input to Teradata on the product direction for Teradata RDBMS along with related products and platforms. The PAC also has the responsibility for soliciting input for product improvements by processing Enhancement Request (ER) forms from Teradata customers. The PAC determines the validity and value of an ER and, if appropriate, makes a recommendation to Teradata to include the ER in their future planning.

The PAC is sponsored by the Partners Steering Committee. The PAC membership is made up of representatives from Teradata Large Systems customers and is currently limited to fifteen (15) members. The PAC members are asked to serve a minimum of one year on the council. Teradata representatives from Marketing, Product Management, Engineering, and Support/Field act as advisors to the council. **www.teradata-partners.com/partners-user-group/product-advisory-council**

- **The Service Focus Team (SFT)**: The Service Focus Team is a committee of the Partners User Group that works closely with Teradata on issues related to support services and other areas that fall beyond the scope of product enhancements. Members represent the concerns of Teradata customers by serving as catalysts for service improvements, providing ongoing feedback to Teradata and the Partners Steering Committee. **www.teradata-partners.com/partners-user-group/service-focus-team**

- **Unified Data Architecture Product Advisory Council (UDA PAC)**: The Unified Data Architecture Product Advisory Council (UDA PAC) is an advisory group that provides input to Teradata on issues relating to Teradata and Analytic Data Solutions, specifically related to "big data". UDA PAC members represent a broad spectrum of industry disciplines, including retail, travel, finance, insurance, and communications. The UDA PAC represents the valuable voice of the customer, providing client questions, suggestions, and concerns directly to the Teradata Labs team. UDA PAC acts as a conduit to make the customers heard as a unified group with a vested interest in direction, functionality, and services. Sponsored by the Partners Steering Committee, the UDA PAC is made up of representatives from existing Teradata customers. Currently limited to six (6) members, the UDA PAC members are asked to serve a minimum of one year on the council.

- **Customer Interaction Management Product Advisory Council (CIM PAC)**: CIM PAC provides advisory input for product development direction to Teradata Aprimo analytical applications. The CIM PAC consists of license holders and end-users who come together to provide insight into new business strategies, processes, and functionality with an eye towards adding business value to the analytical applications.

- The Teradata PARTNERS User Group Conference & Expo provides business and IT professionals with educational sessions, exposure to new products and solutions, and networking opportunities to advance the data warehousing, business applications and big data analytics disciplines. Customers share best practices and noted keynotes provide forward thinking insight. The PARTNERS Conference provides an opportunity to network with colleagues, industry experts and visionaries from around the globe.

- Teradata uses its customer satisfaction program to provide each account team with performance scores and commentary from their customers. Furthermore, the company uses the feedback from customers, obtained via questionnaires, to provide Teradata management guidance into positive areas that can be leveraged and negative areas that need improvement. When a questionnaire is completed, results are sent to the account team for review and action, where appropriate. Each quarter, results are reviewed by marketing research, and aggregate results and recommended actions are presented to the Teradata leadership team and area leaders.

- Aprimo has multiple forums by which customers are able to provide feedback on product and processes within the company. First we have a series of formal meetings that include: Aprimo Marketing Summit Customer Advisory Board, User Groups by Vertical, Aprimo Product Customer Focus Groups and the Aprimo Analytical Product Advisory Council (AAPAC). We also allow customers to provide feedback directly to our product team via a scheduled meeting with their account rep and a representative from the product development team. Finally, customers are able to provide feedback at various touch points with Aprimo through an online survey administered by Mindshare Technologies. Some of the touch points include: Contract Signing, Implementation Design Sign-off, Customer Care Handoff, Quarterly Review, (Customer) Fiscal Year End, and a quarterly Overall Satisfaction survey.

- Teradata Aster gets strategic input on product, services, and support from its customers throughout the year via questionnaires and product review calls. In addition, there is an annual customer advisory board (CAB) meeting conducted in conjunction with PARTNERS where a large number of Teradata Aster customers are in attendance.

6.2 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.

6.3 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.

6.4 Employees

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."

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), Atenio do Manila University (Philippines), Copenhagen Business School (Denmark), Universita Roma La Sapienza (Italy), and Universidad Tecnológica Nacional (Argentina).

During 2013, Teradata was recognized as one of the Best Employers in Ohio, Los Angeles and San Diego.

TERADATA

7.0 Teradata Cares

(GRI SO1)

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.

In 2013, Teradata Cares announced a new strategic giving focus for our company. 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 new 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**.

7.1 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.

To bring this initiative to life, Teradata identified DataKind as a key partner in their 'data for good' movement. DataKind is a non-profit organization that brings together volunteer data scientists with high-impact social organizations, civil society groups, or NGOs to explore the power of using data to better serve humanity. They accomplish their work through DataDives or DataCorps projects and Teradata partnered with them in 2013 on several key initiatives.

In July, together with DataKind UK, we sponsored our first DataDive in London. DataDives are weekend events that bring the data science community together with the non-profit community to tackle tough data problems in just a short period of time. The event brought together 100 data volunteers and helped to benefit four organizations: Oxfam GB, Help Age International, Community and Voluntary Action Tamside, and Hampshire County Council. In November, we sponsored our second DataDive with DataKind US in New York City benefiting Amnesty International, Crisis Textline, UN MyWorld Survey and the NYC Mayor's Office of Data Analytics.

Teradata also signed on to help with two DataKind DataCorps projects. The DataCorps volunteer team of elite data scientists will work with social organizations for 3-6 month collaborations to clean, analyze, visualize, and otherwise make use of data. Teradata has pledged their support for The Mission Continues, an organization which guides veterans to service projects, education and employment and Medic Mobile, an organization working to improve health in underserved communities.

In November of 2013, Teradata was honored to be recognized by the White House Office of Science and Technology Policy and the Networking and Information Technology Research and Development (NITRD) for its efforts to build partnerships that transform the use of analytics for the greater good of society. Teradata was recognized for bringing the power of data analytics to high-impact social charities around the world so they can better serve the needs of their clientele. Through an established partnership with DataKind, Teradata is helping assist non-profit and non-governmental organizations by producing solutions to their urgent and strategic data challenges.

Visit **DataKind US** or **DataKind UK** to learn more about these organizations.

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7.2 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 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. Employees are encouraged to get involved with many school programs like Junior Achievement, which benefits the business community by ensuring that the next generation of business leaders is well-poised to pursue careers in business.

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.

7.3 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 2013, over 5000 employees completed over 18,000 hours of volunteerism. Since the launch of Teradata Cares in May 2008, over 49,000 hours of volunteerism 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 2013, 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. Around the globe, 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—leaving the world a better place

2. Bridge activities from Green to Conservation

3. Link global employees in a shared initiative—power of employees together

Dalian International Walking Festival—Dalian, China

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.

Go Green at Traffic Signals—Pune, India

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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 2013, Teradata employees, partners and customers joined forces for a literacy event benefiting local Dallas, Texas schools. Attendees built 25 bookcases, 25 rocking chairs, 24 benches, assembled 200 backpacks with new school supplies and donated 8,000 new books to the Dallas community schools. At the 2013 Teradata Universe, our European customer conference, Teradata Cares supported *Specialisterne*, an organization working to enable jobs for people with Autism. Through combined Teradata and customer donations, *Specialisterne* received over $10,000 in support of their inspiring mission.

Teradata employees, partners and customers work together adding smiles to a local school library in Dallas.

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.

2013 Celebration of Caring Award Winners
2013 Americas Employee of the Year—Nicole Cline, Marathon, Florida

Nicole has been volunteering for Precious Paws Rescue, Inc. since 2002 and serves as a foster home for rescue animals. Nicole has volunteered over 2600 hours, and has personally fostered over 200 dogs, averaging between 20 to 50 foster dogs per year. As one of the founding volunteer members, Nicole is so passionate about this organization that she assisted with the legal paperwork required to establish Precious Paws as a non-profit organization. Her volunteer time is spent taking animals to veterinary appointments, counseling potential adopters, advocating for spay and neuter programs, performing home assessments for potential foster and adoptive homes, and working on the Precious Paws website.

2013 International Employee of the Year—Srinivas Rao, Hyderabad, India

Srinivas has served as a Teradata Cares Champion in Hyderabad since 2008. He continues to raise the bar every year and inspires employees in India to give back through a variety of causes. He has coordinated blood drives, organized a scholarship program for students who could not meet college expenses, and led fundraising for families in need. His leadership was instrumental in "Take the Staircase Campaign" encouraging employees to be fit by taking the stairs and reducing power consumption by not using elevators, "Raise funds for Thalassemia society through Jute Bag Sale" promoting the use of jute bags, which are environmentally friendly and "Diyas & Candles Sale" promoting the handmade work of mentally challenged children. His passion for helping others is contagious and his drive and determination to give back is an inspiration for all.

2013 Team of the Year—Phool Nagar Project Team, GCC Islamabad & Lahore, Pakistan

When employees in GCC Islamabad & Lahore learned of the Phool Nagar School, they started planning for a joint project. The school provides free education to underprivileged children at Kot Bhai Khan and adjacent villages. The Teradata Cares team spent time collecting statistics, understanding the educational landscape of the area and planning for activities with the children because the trip cannot be made frequently. The trip to Phool Nagar School is a four hour trip one way from both locations (Islamabad & Lahore). Approximately 500 families live in this village and the volunteers spent time talking to the families and encouraging them to send their children to school. Donations such as sports items, books, stationery, chocolates, educational and learning toys were collected for the children and delivered to the school. The team spent the day playing games with the children, motivating teachers and affirming the importance of education and job planning. The team plans to have an ongoing volunteer relationship with Phool Nagar School in the future.

2013 Office of the Year—Atlanta, Georgia

In 2013, volunteer efforts by Atlanta office employees helped benefit thousands of lives. The Atlanta office has enjoyed a longstanding relationship with North Fulton Community Charities and has supported them annually with their two largest events: Back to School Fair and Adopt-a-Family holiday program. For the Back to School Fair, Teradata was the primary financial sponsor and Teradata employees helped out by providing and sorting donations, stuffing backpacks, and then distributing backpacks to over 1300 children in need. Their participation in the annual Adopt-a-Family program grew to over 80 volunteers supporting 8 families during the holidays. Office donations far exceeded their commitment which helped to benefit even more families. In addition, the office supports Habitat for Humanity's Annual technology house. In their 4th year of participation, they stepped up as the lead sponsor alongside several Teradata customers with 40 volunteers on various build days. They have mentored and sponsored several FIRST robotics teams at local schools during the year and volunteer at the local Peachtree Regional supporting over 1000 high school students. Several employees serve on non-profit boards and volunteer with additional charities. Atlanta leadership is very supportive of Teradata Cares efforts and the office truly has volunteerism and giving embedded into their culture with managers planning team volunteer projects throughout the year.

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7.4 Teradata Cares: Community Spotlights

Manila, Philippines

Teradata was devastated to see one of the greatest disasters of all time, Typhoon Haiyan, hit the Philippines. Employees in Manila immediately wanted to help but because no one could get to the Visayas region and personally assist the victims, Manila responded to the call of the Department of Social Welfare and Development and helped them with the repacking of relief goods.

Madrid, Spain

Teradata associates collaborated with the Madrilean Spina Bifida Association to create a fun activity that employees and clients could do together. The Spina Bifica Association arranges basketball games for children affected by this disease. This simple activity provides the opportunity for children to enjoy a group sport and to develop their psychomotor skills .Teradata joined the activities by playing games and donating sporting equipment for the organization.

Mumbai, India

The Nana Palkar Smruti Samiti offers residential accommodation for 76 patients at the Sadan. This facility is offered to patients visiting Mumbai for medical treatment; patients are as young as 9 and as old as 60. Every year on average, more than 1700 patients are provided accommodation in the Sadan. Teradata employees visited and distributed 145 fruit packets to the residents, each packet containing 4 different fruits. Patients visited by Teradata were all being treated for cancer or dialysis for kidney failure.

San Francisco, California

Family House is a non-profit organization that provides housing to families of seriously ill children being treated by the nearby University of California San Francisco Benioff Children's Hospital. Employees worked at Family House cleaning the communal areas to ensure a safe environment for all the families who benefit from and might stay at Family House. They helped organize snacks and relief kits for families during their stay, because basic care items are greatly needed and scan be forgotten during a medical crisis. The Teradata employees plan to continue their volunteer work with Family House and are collecting donations that can be sent for those in need.

7.5 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.

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.

> "If universities are not teaching students the right technologies and tools, they cannot meet the needs of students or the practitioners that will need to hire them. Clearly the challenges of preparing tomorrow's workforce are mounting. We see it in the expansion of Teradata University Network. More than 500 faculty from 176 new universities joined in 2013."
>
> – Ramesh Sharda, Oklahoma State University, Teradata University Network Executive Director

In 2013, we also reached out to engage Teradata customers with the establishment of our Customer Advisory Board, to ensure we are delivering the resources to prepare students to meet the expectations of the world's leading companies. Teradata customers have created profiles on Teradata University Network to provide students a view into real career opportunities. This year we also introduced a student rate for our annual PARTNERS Conference in order to provide students an affordable opportunity to learn and interact with our customers.

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 access to tools like 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 3,800 faculty members and over 50,000 students from over 1750 schools in 98 countries.

Students at PARTNERS 2013
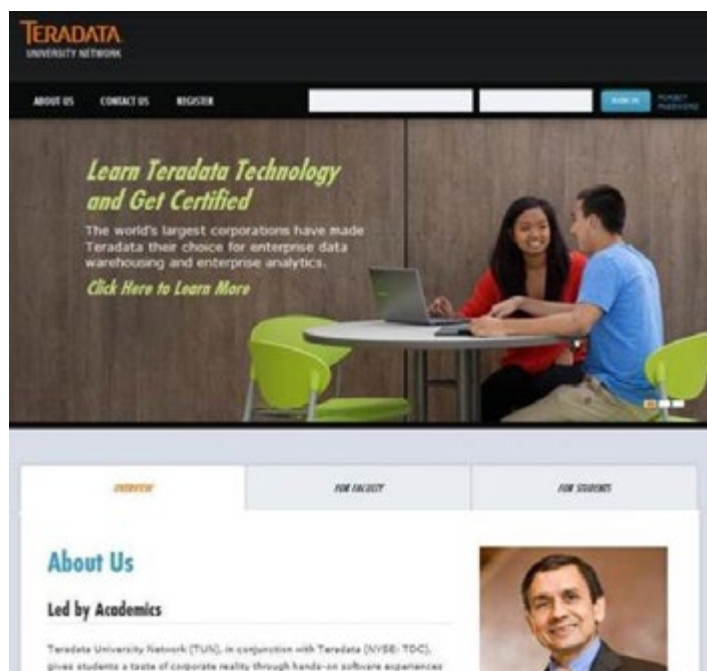
Teradata University Network website

TERADATA

8.0 Environmental Responsibility

(GRI EC2)
Our commitment to environmental responsibility is evident in our people, products, and processes.

8.1 Environmental Program Membership
(GRI EN2, EN3, EN4, EN7, EN16, EN17)
Greenhouse Gas Management Program
To manage the risks from greenhouse gas (GHG) emissions from our operations and identify cost-effective mitigation opportunities, Teradata joined the U.S. Environmental Protection Agency (EPA) Climate Leaders program in 2008. However, late in 2010, the EPA announced that the agency would be winding down the program in September 2011. The EPA's goal was to give direction, guidance and the tools for companies to become aware of the importance of understanding their impact on the environment. A major part of the program was to educate companies on what greenhouse gases are and the importance of tracking and reporting a company's greenhouse gases. Over the past two years, Teradata has worked with the EPA as apart of the Climate Leaders program to review our GHG inventory and develop our Inventory Management Plan (IMP). Through this process, our Inventory Management Plan was externally verified through the EPA program in 2008-2010 to assure that our processes of gathering our emissions based data was correct and repeatable. Being a part of the EPA Climate Leaders program demonstrated our company's commitment to reducing our impact on the environment through a corporate-wide goal to reduce emissions. Going forward we will continue to use the same GHG inventory tools and IMP to track our impact on the environment.

In 2009, Teradata developed its first worldwide, corporate-wide inventory for its GHG Emissions for 2008.

In 2010, Environmental Protection Agency Climate Leaders program officially approved Teradata's aggressive five-year goal to reduce its worldwide greenhouse gas emissions intensity by 45 percent. The greenhouse gas emissions intensity calculation is based on facility energy usage and the number of Teradata Purpose-Built Platforms shipped per year. With regards to our goal progress, based on our 2009 emission results as compared to our 2008 baseline, we achieved a 33.6% reduction in our energy intensity goal.

During 2011, we completed our reporting process for calculating our progress against our announced goal of 45% reduction of greenhouse gas emissions intensity. The result: We met and exceeded our goal in that in 2010. We achieved at cumulative 52.1% reduction in our greenhouse emissions intensity target vs. our 45% goal. 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.

We are pleased to announce that we have achieved our 2nd Emissions goal. Our base year was 2010 and our goal was a 5 year 41% reduction in greenhouse gas emission intensity. In 2013, Teradata achieved a 51.8% reduction in its emission intensity metric since 2010, well surpassing our goal in just 3 years. Teradata will be working to establish a new goal and will announce that goal in our 2014 based CSR report.

Teradata's emissions were those area included in Table 1.

FSTE4Good Index
In 2013, Teradata was selected as a member in good standing of the FSTE-4Good Index, which is an innovative series of real-time indices designed to reflect the performance of socially responsible equities. This is Teradata's fifth consecutive year to be included in the FSTE4Good Index.

"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."

Year	USA Direct Emissions (Metric Tons CO2 eq)	USA Indirect Emissions (Metric Tons CO2 eq)	International Direct Emissions (Metric Tons CO2 eq)	International Indirect Emissions (Metric Tons CO2 eq)	Total Direct Emissions (Metric Tons CO2 eq)	Total Indirect Emissions (Metric Tons CO2 eq)
2008	498	13049	0	2769	498	15818
2009	521	14251	0	2837	521	17088
2010	724	16022	0	2993	724	19853
2011	504	17336	0	3875	504	21211
2012	502	18556	0	3830	502	22386
2013	642	19502	0	2352	642	21854

Table 1. Emissions

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 NOx, PM, and air toxics.

8.2 Dow Jones Sustainability Index

For the fourth straight year, Teradata was selected for two of the Dow Jones Indexes, both the World Index and the North America Index. Based on thorough analysis of corporate economic, environmental and social performance, this annual index is the largest global analysis of corporate sustainability leadership. In addition to recognition as one of the world's top companies, being named to this index encourages investment companies to consider Teradata.

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**.

8.3 The Sustainability Yearbook 2013

Teradata was name as a part of the 2013 Computer and Internet Sector by the 14th SAM Corporate Sustainability Assessment as published in the Sustainability Yearbook 2013.This is the fourth year in a row, that Teradata has been selected as a part of the Sustainability Yearbook.

8.4 Virtual Office Program

(GRI 2.8)

At the end of 2013, Teradata had 12,851 employees and contractors around the world, approximately 12% work virtually. This not only allows Teradata as a company to lessen the impact of its people in terms of fuel consumption, but it also allows our employees the flexibility of working from home, a factor that helps us attract and retain high-quality people.

8.5 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 2013, 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 are produced from FSC-certified, 100% recycled/post-consumer waste material. We purchased 1,633 pounds of this material in 2013, a 21% increase from 2012. Additionally, our letterhead is FSC-certified, 80% post-consumer waste material. We purchased 252 pounds of this material in 2013, a 5% increase over 2012.

Promotional Items

In 2013, eco-friendly units purchased on the promotional website totaled 11% of sales. New items added this year included travel tumblers and a fruit infuser bottle. Teradata is working with our promotional products supplier to expand the variety of eco-friendly options available in 2014 including biodegradable recycled plastic and bamboo-based products.

Office Products

In 2013, 16% of Teradata's total spend on office products consisted of Recycled/Remanufactured items. An additional 5% was achieved on items with other green attributes (e.g. Energy Efficient, Refillable, Reduced Harsh Chemicals, etc.). 11% of the ink and toner cartridges that Teradata purchased in 2013 were considered green.

In addition, Teradata switched from non-recycled copy paper to 30% recycled paper in 2009. In 2013, 66% of Teradata's spend on cut sheet paper was considered green. This recycled paper usage equates to 202 fewer trees used vs. virgin paper alternatives, a net energy savings of 83 million BTUs and a 16,000 pound reduction in greenhouse gases.

Technical Manuals

In 1999, Teradata, then a division of NCR, started to move 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 98.7% reduction in printed sheets, from 11,000,000 (the equivalent of 1,137 trees) in 1999 to 100,885 (12 trees) in 2013.

8.6 Indirect Procurement

Teradata Corporation continues to develop sustainable initiatives in its procurement philosophies.

The Teradata RFP is a sustainable RFP. It contains an entire section inquiring about potential business partners' sustainable programs in the areas of ethical, social, and environmental policies. These are criteria that Teradata will closely consider when determining awards for new business.

8.7 Product Environmental Performance
(GRI EN6, EN26)

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.[1] 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 Đ" hard disk drives that reduces 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.

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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 an/or reuse.

For example, the newest model of the Teradata Active Enterprise Data Warehouse, announced in April, 2014, provides Teradata customers with up to 82% reduction in electricity usage and 90% 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 an energy per performance metric for data warehouse energy 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 energy (in KWh) consumed in order to provide a 100 TPerf level for a system. Over the last five product generations, Teradata has improved its total KPT rating by over a factor of 6X, and with the release of the Teradata Active Enterprise Data Warehouse 6750 alone, KPP decreased by 82% over the earlier Active EDW 5500 product. This measurement shows that our products enable our customers to do more with less.

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.

8.8 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.

8.9 Product Recycling
(GRI EN26)
End-of-Life Activities

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 nine years, Teradata has reused more than 3000 nodes and 16.2 petabytes of disks in 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.

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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.

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.

California Waste Recycling Act

California SB20, amended by SB50, established the Electronic Waste Recycling Act of 2003. The act requires a retailer selling a covered electronic device (CED) in California to collect a waste recycling fee from the consumer and transmit the collected fee to the State Board of Equalization. The act requires manufacturers to inform retailers selling their product if a CED is subject to the waste recycling fee and to submit an annual report that makes recycling information available to consumers. The act prohibits CEDs from sale in California if the device is prohibited from being sold or offered for sale in the European Union under the RoHS Directive. (2011/65/EU)

Health and Safety Impact
(GRI EN2 PR2, PR9)

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.

8.10 Release Process Restrictions
(GRI PR2, PR3, EN28)

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. 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.

8.11 Product Transportation
(GRI EN29)

In 2013, Teradata logged 649,996 miles carrying 1,342 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.

8.12 Product Packaging
(GRI EN26)

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 2013, this vendor used 200 of these multi-pack containers for our product. This resulted in a savings of 2400 individual min-pallet/boxes. The cost savings realized was $21.76 per box or $42,888.

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 2013, we recycled 311, an increase of 28% from 2012. Total to date for the program is 2323 crates. Each crate is about 30 cubic feet. Therefore, through this program we have recycled over 60,360 cubic feet of wood.

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9.0 Global Manufacturing Processes

(GRI HR2, HR3, HR5, HR6, HR7)

9.1 Supply Base

(EN26)

Vendor Managed (owned) Inventory (VMI)

Teradata has set up programs with Tier One 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 2011. 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.

9.2 Teradata Code of Conduct for Suppliers

(GRI 4.8)

As mentioned earlier, Teradata Corporation, its employees, and partners have adopted the Teradata Code of Conduct. In addition, we have has 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.

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 One suppliers, not just those in the electrical industry. We are pleased to report that all of our Tier One 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 an self-audit program for our tier 1 direct manufacturing suppliers. 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 one 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 one vendors.

9.3 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.

10.0 Facilities

(GRI SO1)

10.1 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 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 2013, 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.

10.2 Facility Information

Teradata operates in 25 facilities in the United States 24 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 2013, 22% of the 107 sites Teradata occupies are located in the US. During 2013, 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.

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10.3 Facility Locations

(GRI EN5, EN6, EN8, EN9, EN10, EN19, EN20, EN21, EN23, EN24)

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 areas of high biodiversity value.

10.4 Facilities Environmental Impact

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 and light assembly 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 2008-2013, Teradata's operationally controlled sites disposed of no hazardous waste. In 2013, Teradata recycled 293,154 Pounds including all possible recyclables to the effort (glass, metal, plastic and wood).

In 2013 there was 212,883 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. This and renewed focus on recycling has allowed a substantial increase from 2012. 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 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.

10.5 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 4,922 Lbs. of waste office paper and 15,520 of cardboard from the landfill in 2013, saving the equivalent of 173.75 trees and 71,544 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 207 trees.

- **Metal Scrap and Other Recycling**: In 2013, Teradata diverted 46,940 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.

Building	Address 1	City	State / Province	Country	Space Use	Rentable Area	Unit of Measurement
Melbourne, VIC, Australia	606 St Kilda Road	Melbourne	VIC	AUS	OFFICE	2,464	SQF
Canberra, Australia	12 Moore Street	Canberra		AUS	OFFICE	2,967	SQF
Vienna, Austria	Storchengasse 1	Vienna		AUSTRIA	OFFICE	7,728	SQF
Mississauga, Ontario, Canada	6303 Airport Road	Mississauga	Ontario	CAN	OFFICE	14,458	SQF
Toronto, Ontario, Canada	251 Consumers Road	Toronto	Ontario	CAN	OFFICE	3,022	SQF
Santiago, Chile	Cerro Colorado 5240	Santiago		CHI	OFFICE	4,286	SQF
Copenhagen, Denmark	Lyngbyvej 14-28	Copenhagen		DEN	OFFICE	5,522	SQF
Espoo, Finland	Valkjarventie 7 A, Kiinteisto Oy Espoon Tietajanpuisto	Espoo		FIN	OFFICE	1,917	SQF
Antony, France	2/6 place du General de gaulle	Antony		FRA	OFFICE	20,634	SQF
Duesseldorf, Germany	Niederkasseler Lohweg 189	Duesseldorf		GER	OFFICE	3,681	SQF
Frankfurt, Germany	Lyonerstr. 20	Frankfurt		GER	OFFICE	2,975	SQF
Hong Kong, Hong Kong	No. 378 Kwun Tong Road	Hong Kong		HK	OFFICE	1,792	SQF
Hong Kong, Hong Kong	22/F Tower One, Times Square	Hong Kong		HK	OFFICE	1,569	SQF
Secunderabad, AP, India – HYDERABAD	Municipal No. 1-8-382, 386, 388, 389, 436 and 443, Sardar Patel Road	Secunderabad	Andhra Pradesh	IND	R&D	29,010	SQF
Mumbai, MH, India – Winchester Building	Hiranandani Business Park	Mumbai	Maharashtra	IND	OFFICE	29,624	SQF
Pune, MH, India	Tower XII, Cybercity, Magarpatta City	Pune	Maharashtra	IND	OFFICE	33,862	SQF
Pune, MH, India	Tower 9, Cybercity, Magarpatta City	Pune	Maharashtra	IND	OFFICE	25,970	SQF
Dublin, Ireland	Santry Demesne, Swift Square	Dublin	–	IRL	OFFICE	2,616	SQF
Rome, Italy	Via Valentino, Mazzola 66/ Via Erminio Spalla 41	Rome	–	ITA	OFFICE	2,723	SQF
Kuala Lumpur, Malaysia	Megan Avenue II	Kuala Lumpur		MAY	OFFICE	5,277	SQF
Mexico City, Mexico	No. 476 de la Calzada Mariano Escobedo, Colonia Nueva Anzures	Mexico City		MEX	OFFICE	7,326	SQF
Singapore, Singapore	300 Beach Road, Unit #18-02	Singapore		SGN	OFFICE	2,949	SQF
Stockholm, Sweden	Kronborgsgrand 5, Kista	Stockholm		SWE	OFFICE	10,162	SQF
El Segundo, CA, United States	100 N. Sepulveda Boulevard	El Segundo	California	USA	R&D	49,012	SQF
El Segundo, CA, United States	601 N. Nash Street	El Segundo	California	USA	OFFICE	52,000	SQF
San Carlos	999 Skyway Road	San Carlos	California	USA	OFFICE	20,432	SQF
San Diego, CA, United States (17095)	17095 Via Del Campo	San Diego	California	USA	R&D	460,689	SQF
San Francisco, California, United States	301 Howard Street	San Francisco	California	USA	OFFICE	4,908	SQF
Santa Clara CA, United States	2055 Laurelwood Road	Santa Clara	California	USA	R&D	7,725	SQF
Washington DC, United States	616 H Street NW	Washington DC	DC	USA	OFFICE	5,894	SQF
Itasca, Illinois, United States	500 Park Boulevard	Itasca	Illinois	USA	OFFICE	4,374	SQF
Raleigh, North Carolina, United States	5565 Centerview Drive	Raleigh	North Carolina	USA	OFFICE	22,368	SQF
Miamisburg, OH, United States	10000 Innovation Drive	Miamisburg	Ohio	USA	OFFICE	60,000	SQF
Lexington, SC, United States	714 South Lake Drive	Lexington	South Carolina	USA	OFFICE	13,179	SQF
West Columbia, SC, United States	3245 Platt Springs Road	West Columbia	South Carolina	USA	OFFICE	13,813	SQF

Table 2.

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"Teradata is committed to sustainable business practices that are good for the environment, while contributing to corporate profitability. Our investment in conservation paid for itself within one year. Our customers, investors and communities are increasingly looking to Teradata to identify and adopt innovative green business practices across our business."

– Scott Gnau, Chief Development Officer, Teradata Corporation

SDG&E offers companies financial incentives, design assistance, performance audits and training to build greater energy-efficiency into their operations. SDG&E's energy management initiatives provide a wide range of customized solutions to help lower electricity and natural gas costs and solidify the bottom line. The energy-efficiency and demand-response initiatives plus relevant equipment are designed to help reduce energy usage; lower operating costs and generate real savings.

"We are committed to helping all of our customers take a proactive approach to energy conservation. Through our various energy-efficiency incentive programs, we can help customers save energy and put money back in their pocket."

– Caroline Winn, Vice President of Customer Services, SDG&E

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 affective 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.

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 recalculating 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 (CO_2) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.

10.6 Ongoing Data Center Operations

Teradata continues efforts to conduct efficient data center operations leveraging strategies for virtualization and elimination of older infrastructure to reduce and manage energy consumption. As a result of these efforts, we were able to avoid the deployment of 71new physical servers in 2013 by building the servers in our existing virtual infrastructure. This directly results in an ongoing annual energy consumption avoidance of about 223,000 kWh. We continue efforts to target additional physical servers for replacement or retirement and we expect our Windows Server 2003 migration program to drive significant virtualization over the course of the next year. Also during 2013, Teradata initiated a practice of installing blank plates in empty server rack locations to improve the efficiency of the server cooling systems.

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11.0 Reporting Parameters

GRI 3.1   This report covers Teradata Corporation's fiscal year 2013 unless otherwise specified.

GRI 3.2   This is the Sixth sustainability report for Teradata.

GRI 3.3   Teradata plans to issue updated reports annually.

GRI 3.4   For questions regarding this report, please contact E. Alan Lord, Program Manager, Sustainability.

GRI 3.5   Teradata conducted a review of its internal processes based on the G3 GRI index and determined which indicators/areas were applicable to our company today. From this process, we also learned what we can work on to become a more sustainable company.

GRI 3.6   Teradata is a global company, and this report covers all of Teradata Corporation. However, in some geographic areas, individual limitations to specific areas may be required based on how Teradata is aligned.

GRI 3.7   Teradata is a global company, and this report covers all of Teradata Corporation. However in some areas, individual limitations to specific areas may be required based on how Teradata is aligned.

GRI 3.8   This is the Sixth sustainability report from Teradata Corporation. Our 2013 operations were compared against our 2012 operations.

GRI 3.10   There are no effects from re-statements of information provided in earlier reports.

GRI 3.11   There are no significant changes form previous reporting periods in scope, boundary, or measurement methods applied in the report.

GRI 3.12   See Table 3 at the end of this report.

End Notes

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

GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number
1.1	Inside cover	3.11	11	EN6	8.7; 10.3	LA10	4.6; 4.7
2.1	1.2	3.12	11	EN7	8.1	LA11	4.8
2.2	1.2	3.13	11	EN8	10.3	LA12	4.9
2.3	1.4	4.1	2.0-2.4	EN9	10.3	LA13	4.10
2.4	1.2	4.2	2.0-2.4	EN10	10.3	HR2	9.0; 9.2
2.5	4.2	4.3	2.0-2.4	EN16	8.1	HR3	4.11, 9.0-9.2
2.6	1.2	4.4	2.0-2.4	EN17	8.1	HR5	9.0; 9.2
2.7	1.2	4.6	2.0-2.3	EN19	10.3	HR6	9.0; 9.2
2.8	1.3; 4.2; 8.4	4.8	1.1; 4.14; 9.2	EN20	10.3	HR7	9.0; 9.2
2.9	1.5	4.13	3.1	EN21	10.3	SO1	7.0; 10.0
2.10	1.2	4.14	6.1-6.5	EN23	10.3	SO2	4.11
3.1	11	4.15	6.1-6.5	EN24	10.3	SO3	4.11
3.2	11	4.16	6.1-6.5	EN26	8.7; 8.9; 8.12; 9.1	SO5	4.16
3.3	11	4.17	6.1-6.5	EN28	8.10	SO6	4
3.4	11	EC1	1.3	EN29	8.11	PR1	5.1
3.5	11	EC2	8.0	LA1	4.2	PR2	8.10
3.6	11	EN2	8.1	LA2	4.3	PR3	8.10
3.7	11	EN3	8.1	LA3	4.2	PR5	5.1
3.8	11	EN4	8.1	LA4	4.4	PR9	8.10
3.10	11	EN5	10.3	LA5	4.5		

Table 3.

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