



2016 Teradata Corporate Social Responsibility Report

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



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CEO Communication

(GRI G4-1)

Teradata continues to foster a culture of global sustainability, and in our 2016 report, I am pleased to highlight some of the ways we have advanced our corporate social responsibility initiatives. These examples demonstrate our company's commitment to contributing to sustainability in socially, financially, and environmentally-responsible ways.

During the year, Teradata continued to expand our portfolio of solutions and services to help customers achieve high-impact business outcomes with powerful data and analytics. Our ongoing efforts to drive innovation in our analytics portfolio make it increasingly attractive for companies to harness data to positively affect their businesses. To this end, we leverage advances in IT technology so that customers can lessen the environmental impact of their data centers – power, cooling, and floor space – participating in global sustainability without sacrificing analytical strength.

As the recognized leader in data and analytics, we work every day to help customers solve business problems leveraging new data and analytics insights through our unique approach and proven techniques. Our strategic giving focus of data philanthropy aligns with our corporate emphasis on data and analytics. Together, our employees, partners, and customers participate in Data for Good events in collaboration with DataKind to help non-profit agencies mine their data troves to reveal insights that serve the public good. This philanthropic work is an extension of the ways we help our customers harness the power of data and analytics every day to gain a sustainable competitive advantage in their respective

industries. As part of our broader Teradata Cares philanthropic efforts, our employees also contribute to our local communities around the globe, volunteering more than 25,000 hours of service in 2016.

Throughout our business practices, we place a great deal of importance on the power of data, the ethical behavior of our employees and larger network, and the global sustainability of our solutions and facilities. This year we were once again recognized for our efforts by organizations including the Ethisphere Institute, which named Teradata one of the “World’s Most Ethical Companies” for the eighth straight year, and the Dow Jones Sustainability North American Index, which named Teradata as one of the leaders in sustainability for the seventh year in a row. Teradata also pledged our commitment to the UN Global Compact principles to foster ethical behavior and human rights, and for the fifth straight year, we achieved the UN Global Compact COP’s GC Advanced designation.

As our 2016 report shows, Teradata consistently advanced our programs and initiatives to propel our customers forward as we enrich our local communities and the world at large. In the coming years, we look forward to continuing to promote this culture of corporate social responsibility within our organization and throughout our extended business ecosystem of customers and business partners.



Vic Lund, President and CEO
Teradata Corporation





About This Report

(GRI G4-13; G4-33)

This report describes the policies, processes, and performance of Teradata Corporation to help our customers, communities, and employees understand our past performance and continuing commitment to Corporate Social Responsibility (CSR) as we develop our plans for the future. The information provided is a reflection of our 2016 performance. Our previous report was the 2015 CSR report. At this time, our next annual report, based on our 2017 performance, is planned for release in 2018. However, this schedule could be adjusted during 2017 and 2018.

For more information regarding the Teradata CSR report, please contact: Teradata Corporation, Attn: Alan Lord, Director, Operations, 10000 Innovation Drive, Dayton, OH 45342.

Audit of this report

An independent internal audit project was conducted to review the reporting process and methodology for compiling key performance indicators.

On July 1, 2016, we completed the sale of our marketing applications business to exclusively focus on our analytics solutions business, in support of our transformation plans.

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

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

1.0 Teradata

1.1 Sustainability Mission Statement

(GRI G4-3)

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

1.2 Our Company

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

Teradata delivers better business outcomes through technology-enabled solutions in the areas that matter most—from operational excellence and asset optimization, to customer experience and product innovation, to finance transformation and risk mitigation.

Teradata works with leading businesses in more than 75 countries worldwide. Clients include many of the top performers and best-known brands in telecom, transportation, consumer packaged goods, financial services, and manufacturing.

Teradata focuses on turning the most complex and challenging data sets into high-value assets that produce high-impact insights and tangible value for the business.

Specific solutions and services include:

- Business Analytics Solutions: analytics that unleash the breakthrough value hidden in an organization's data.
- Ecosystem Architecture Consulting: expertise to design and deliver the right architecture to advance the business.
- Hybrid Cloud Solutions: tailored cloud strategies and deployment plans that put analytics wherever they are required.

More than half of our team is consultants – data strategists and data scientists, technologists, innovators, and experts in all types of analytics. We engage directly with business and IT leaders to solve urgent real-world problems and seize compelling strategic opportunities.

We combine proven analytics expertise, specialized business consulting, and scalable, high-performance, analytical ecosystems. That's why our agile analytical ecosystems solutions are market-leading and award-winning.

The corporate headquarters is located at 10000 Innovation Drive, Dayton, OH 45342. Visit Teradata.com for more details. For more information about markets served and our business segments, please see the business overview section of the Teradata Annual Report located on the Investors site of Teradata.com. The reference to that site is in section 12.

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

Market Leadership

Teradata works with:

 15 of the top 20 financial institutions

 18 of the top 19 telecommunications companies

 All of the top six airlines

 14 of the top 20 travel and transportation companies

 14 of the top 20 global retailers

 12 of the top 20 healthcare companies

 12 of the top 20 manufacturing companies

1.3 2016 Financial Performance

(GRI G4-9; G4-17)

Teradata revenue in 2016 was \$2.322 billion. The company's competitive differentiation is its expertise in leveraging any organization's data assets to help them achieve high-impact business outcomes. Our focus on business solutions for analytics, coupled with our industry-leading technology and architecture consulting unleashes the potential of great companies. For more financial information, visit the Teradata Investor page of the company web site. All of our SEC filings are located in this area. The quantity of products and services is listed in terms of financial information (revenue is split in these terms) in our earnings reports. Entities not included in this report's scope are those with less than 50 percent ownership, partnerships, or joint ventures. Please see external reference in section 12.0 for the link to our SEC Filing page.

1.4 Teradata History and Development

(GRI G4-7)

Formed in 1979 as a Delaware corporation, Teradata's first product, the Teradata® Database computer, was utilized by Wells Fargo and AT&T, among others. Teradata established a relational database management system on a proprietary platform in 1984. In 1990, the company partnered with NCR Corporation to jointly develop next-generation database systems. In 1991, AT&T Corporation acquired NCR and, later that year, NCR purchased Teradata. In 1995, Teradata was merged into NCR's operations and ceased to exist as a separate legal entity. On October 1, 2007, Teradata completed its spin-off from NCR Corporation, and shares of its common stock began regular trading on the New York Stock Exchange (NYSE) under the symbol TDC. Teradata also is a component member of the S&P 500.

2.0 Corporate Governance

The Teradata Board of Directors is elected by the stockholders to govern the affairs of the company. The Board selects the "senior management team," which is charged with the conduct of the company's business. Having selected the senior management Team, the Board acts as an advisor to the senior management team members and monitors the team's performance. The Board reviews the company's strategies, financial objectives, operating plans, major risks, and plans for managing such risks.

The Board also plans for management succession of the Chief Executive Officer, as well as other senior management positions, and oversees the company's governance and compliance efforts. For a complete detailed understanding of our Governance policies, please see the external reference in section 12.0.

2.1 Board of Directors

(GRI G4-39; G4-40)

The Board currently has eleven Directors. In January 2016, the company added two directors to the nine who already were serving. One of the directors added in 2016 is a 52-year-old female from a global health services firm, and the other is a 55-year-old male from a firm that provides software and services designed for non-profit organizations. Each non-employee director meets the independence standards of the New York Stock Exchange; ten of the eleven directors (91%) are independent non-employee directors; the one non-independent director is the Company's Chief Executive Officer. The Chairman of the Board is not an Executive Officer of the company. As a matter of policy, the Board believes that a substantial majority of the directors should be independent.

Two of the eleven directors (18 percent) are female, one of whom serves as a trustee to the Anita Borg Institute for Women and Technology. One of the eleven directors (9 percent) is of Asian ancestry. Thus, a total of three of the eleven directors (27 percent) are diverse as measured by these categories. Two of the seven members of the company's senior management team (29 percent) are female.

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 to accommodate the availability of an outstanding candidate.

The Board, with input from its Committee on Directors and Governance, is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board member candidates, taking into account the company's needs and the current makeup of the Board. This includes assessment of the candidate's qualifications under written Director Qualification Guidelines and consideration of: the candidate's knowledge, experience, and skills in areas critical to understanding the Company and its business; personal characteristics, such as integrity, judgment, and alignment to the Company's values; independence; diversity of age ranges; diversity of gender, race, and ethnicity; and, the candidate's commitments to the boards of other publicly-held companies. The Committee on Directors and Governance is responsible for periodically reviewing and modifying, as appropriate, the Qualification Guidelines. The Board evaluates individual director nominees in the context of the Board as a whole, with the overall objective of having a balanced group that can perpetuate

the company's long-term success and represent shareholder interests generally through the exercise of sound business judgment using its diversity of experiences and perspectives.

The Committee on Directors and Governance will consider candidates recommended by stockholders for nomination by the Board. Stockholders wanting to suggest director candidates should submit their suggestions in writing to the Corporate Secretary of the Company, providing the candidate's name, age, residential and business contact information, detailed biographical data and qualifications for service as a Board member, the class or series and number of shares of capital stock (if any) of the company which are owned beneficially or of record by the candidate, a document signed by the candidate indicating the candidate's willingness to serve, if elected, and evidence of the stockholder's ownership of company stock. If a stockholder submits a candidate for nomination by the Board, the candidate will be considered using the same criteria that the Board uses to evaluate other candidates for Board nomination. The foregoing procedures apply only to stockholders who wish to submit candidates for consideration as Board nominees

for director. A stockholder wanting to nominate a candidate for election as a director must do so by following the procedures described in Article II, Section 16 of the Company's Bylaws.

Each Board member is expected to ensure that existing and planned future commitments do not materially interfere with the member's service as a director of the company and that he or she devotes the time necessary to discharge his or her duties as a director of the company. The Board does not believe it should establish term limits; rather, the Committee on Directors and Governance reviews the director's continuation on the Board whenever the director experiences a change in professional responsibilities, as a way to assure the director's skills and experience continue to match the needs of the Board. In addition, a director's re-nomination is dependent upon a review conducted by the Committee on Directors and Governance.

Unless there is a Contested Election of Directors as set forth in the Company's Bylaws, directors are elected by the affirmative vote of the holders of a majority of the

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

For more information concerning the board of directors, please see the link provided in section 11, under Governance Guidelines.



2.2 Committees

(GRI G4-34)

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

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

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

Each committee has a written charter, which has been approved by the Board. The charter may delegate certain authority and responsibilities to the committee. From time to time, the Board may delegate additional specific authority to a committee by resolution. The committee charters are reviewed periodically and may be changed

upon approval of the committee and the Board. The charter for each committee is posted on the “Corporate Governance” page of the company’s primary web site ([Teradata.com/corporate-governance](https://www.teradata.com/corporate-governance)).

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

(GRI G4-14; G4-41)

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

The Board expects all directors to act ethically, with integrity and in a manner consistent with the company’s shared Values and Code of Conduct in connection with all their activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the company’s policies with respect to conflicts of interest, confidentiality, protection of the company’s assets, ethical conduct in business dealings, and respect for and compliance with applicable law. Also, the Board is focused

on helping cultivate and promote the company's culture of integrity and accountability. Each member of the Board of Directors reviews and receives training on, and certifies his or her compliance with, the company's Code of Conduct annually.

The company has an orientation process for new directors that includes background material and meetings with senior management to familiarize the directors with the company's strategic and operating plans, key issues, corporate governance, Code of Conduct, and the senior management team. In addition, new members to a Committee are provided information relevant to the Committee and its roles and responsibilities.

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

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

2.4 Corporate Sustainability Governance and Leadership

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

2.5 Shareholder Communications

(GRI G4-49)

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

Please see the Corporate Governance page of the Teradata web site at [Teradata.com](https://www.teradata.com) (from the main web page, select “About,” then select “Who is Teradata,” then select “Corporate Governance”) for more information about the company’s corporate governance standards and practices, including the company’s: Articles of Incorporation; Bylaws; Board member profiles; Governance Guidelines; Charters for each of the Board’s Committees; Statement on Director Independence; Securities Transactions by Board members; Code of Conduct; and, how anyone may communicate with the Board.

The Board also has adopted a Compensation Recovery Policy, such that members of the company’s senior management leadership team are subject to forfeiture of the difference between the compensation they receive and the compensation they would have received in the event that publicly disclosed financial statements of the company later are restated.

The Board also has adopted Executive Stock Ownership Guidelines, which provide that members of the senior management leadership team are expected to own at least a specified minimum number of shares in the company; the specified number of shares may vary depending on the executive’s position and the stock price (as of the date of this report, the minimum number of shares expected to be owned by the Chief Executive Officer is 115,000 shares and by other named executive officers is between 15,000 and 70,000 each); this initiative is intended to align the interests of the company’s senior management leadership team better with those of stockholders and the company’s long-term success.

The Board has approved a Political Activity Policy Statement that strictly limits the company’s participation in partisan politics (see more about this under the “Public Policy” section of this report). Each of the policies and guidelines referenced above also is posted on

the “Corporate Governance” web page of the company’s primary external web site. ([Teradata.com/corporate-governance](https://www.teradata.com/corporate-governance))

2.6 International Institute for Conflict Prevention and Resolution

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

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

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



3.0 Industry Involvement

(GRI G4-15; G4-16)

3.1 Associate Members of American Council of Independent Laboratories (ACIL)

ACIL is the trade association representing independent, commercial scientific and testing laboratories. Its members are professional services firms engaged in testing, product certification, consulting, and research and development.

3.2 ASHRAE

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

3.3 ITI

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

4.0 Human Resources

4.1 Overview

Our Human Resources organization is chartered with providing strategic global leadership to guide Teradata 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 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 team. 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 and 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.

4.2 Employment

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

At the end of 2016, Teradata employed nearly 10,000 full-time employees in 44 countries around the globe. Significant operations are included in these countries: U.S.A., India, China, Philippines, Germany U.K., Japan, Pakistan, Australia, France, Czech Republic, and Canada.

We are headquartered in the United States, and operate in the two major regions of the world, with approximately 3,800 employees in the Americas region, approximately 6,200 in the International region (comprised of 4,100 employees in the Asia-Pacific-Japan (APJ) area, and approximately 2,100 employees in the Europe, Middle East, Africa (EMEA) area.)

The nature of Human Resources work requires that the organization meets 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 these 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 EU 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 Collective Bargaining Agreements

Teradata maintains compliance with local country regulations regarding collective bargaining and has recognized unions and/or workers' councils in those countries where union/worker representation is the traditional employment model.

4.4 Career Development

(GRI G4-LA10)

Teradata operates a global organization dedicated to providing learning opportunities to both Teradata management and employees. Teradata learning formats include instructor-led training (deployed globally), web-based training, facilitated distance learning (combination of self-paced and virtual classroom), and virtual workshops and webcasts. Employees have access to numerous resources that help enable their success. Extensive learning opportunities are offered for employees through

Teradata University, an online learning resource unique to Teradata. Teradata University is a dedicated learning management system (LMS) that provides 24/7 access for every employee to position-related, certification-specific, or personal improvement opportunities. Course materials enhance knowledge of Teradata products and services, competitive trends and analysis, methodologies, processes, tools, partner solutions and products, project management, professional skills, internal and external certifications, and technical skills.

Through this program, Teradata provides a professional certification program that supports industry-standard certifications. In 2016, Teradata employees completed 145,100 courses for a total of 445,226 training hours.

4.5 Leadership Development

(GRI G4-LA10; G4-LA11)

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

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



4.6 Performance Management Process (GRI G4-LA11)

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

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

4.7 Diversity

The Teradata 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 the company's commitment to diversity. Teradata complies with laws governing discrimination, but goes beyond compliance to focus on inclusion of the rich backgrounds our employees provide. Teradata is firmly committed to growing and fully leveraging diversity in all aspects of our business. We create an environment where differences are valued, supported, and encouraged. And we believe in the power of diversity. That's because we've seen what happens when people from diverse backgrounds and experiences combine their unique talents to unlock bold new ideas. At Teradata, we value the unique qualities, abilities, and perspectives each person brings to solving customer business problems. With our Teradata guiding principles as a foundation, we

build working relationships based on trust and respect that extend to our customers, partners, suppliers, and the communities in which we live and work.

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

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

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

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

These BRGs are currently active at Teradata:

Asian/Pacific American Association for Advancement, Teradata (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 (TABE)

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

Veterans Echelon of Teradata (VET)

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

Women of Teradata (WT)

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

Supplier Diversity Program

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

Teradata understands that a diverse supplier base promotes innovation, provides multiple procurement channels for goods and services, and displays our company's interest in and commitment to the economic growth of our community while accessing different networks and penetrating new markets. Continued use of large and traditional suppliers removes the depth and breadth of innovation that occurs with a small and diverse supplier base. Teradata encourages recruitment of small and diverse businesses to foster agility and promote innovation. Additionally, utilizing multiple channels allows Teradata to expand the volume of opportunities by forging new relationships with suppliers and their business alliances and certification networks.

Teradata has been proactive in finding diverse suppliers to participate in its procurement bid opportunities. Teradata is a corporate member with multiple regional minority business development councils and maintains access to Minority Business Enterprise Associations nationwide. Teradata will continue to explore ways to sustain and grow the company's Supplier Diversity Program and build strategic alliances with and among diverse suppliers.

As stated by the Teradata CEO...

"It is the Teradata policy to ensure that small businesses and minority-, women-, 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 the company's already active government supplier diversity program. Since this program has been implemented, Teradata has made great strides in the successful utilization of diverse suppliers by growing the spending percentages in both Tier I and Tier II spending and hopes to substantially improve our program and performance in 2017.



5.0 Materiality Assessment and Stakeholder Inclusiveness

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

5.1 Materiality Assessment

The information in this report is developed by an internal Teradata leadership team that spends one year investigating our policies, processes, products, and employees. In addition to this internal investigation, this team reaches out to our customers, peer companies, and suppliers. This is a three-step process: Identification: This team seeks external consultants, customers, and suppliers to help understand our most significant impacts with regards to our stakeholders. Finally, we develop peer relationships within and outside of our industry to determine best practices used by similar and dissimilar companies. Prioritization: We then present our findings to our Corporate Leadership team to gain approval and prioritize. Validation: Each area owner then conducts an investigation inside their organization to confirm that the data/

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

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

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

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

Effective in late 2015, Teradata implemented an organizational change in which it would manage the business under two geographic regions and the marketing applications division (prior to its sale on July 1, 2016). Effective July 1, 2016, following the sale of the marketing applications business, Teradata is managing its business in two operating segments:

(1) Americas region (North America and Latin America); and (2) International region (Europe, Middle East, Africa, Asia Pacific and Japan). All material aspects are applicable to our entire company. In addition, some of our material aspects are applicable outside of our company. See table 1 for a listing of external and internal impacts. There are no informational restatements from the previous published report nor has there been reason for restatements for Scope and Aspect boundaries.

5.2 Stakeholders

(GRI G4-37)

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

A. Customers

At Teradata, we are passionate about our customers and their success with our solutions. Their trust in us and their invaluable feedback enable us to continuously innovate and improve to exceed their expectations. 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. Teradata actively seeks partnerships with other leading innovators in software, technology, and integration services to provide customers with end-to-end analytical solutions. Their feedback goes directly into our product marketing group to determine customer concerns for current and new products.

Via a series of integrated processes, we have been helping our customers get more value from their data throughout the life of the product. These best-in-class processes include but are not limited to:

- World-class, passionate consulting and customer service associates, coupled with the Teradata Global Support Center, an interactive Teradata @ Your Service web site, software updates on demand, and the Teradata Education Network.
- Customers contact us to request data about our CSR program; we engage with our customers on the detail within our report and determine from their feedback if the report should be altered. During 2016, the feedback we received was positive. This is normally handled through our bid/RFP process as the customer base requests information, or through our CDP supplier assessment feedback. The specific concerns raised were in regard to our GHG program which encouraged us to formulate a program with goals for energy intensity reduction. In addition, our customers wanted to know if we adopted and had policies that were under the EICC (Electronic Industry Citizenship Coalition) umbrella.

B. Investor Relations

Teradata is committed to serving the best interests of its shareholders. Teradata investor pages, located at [Teradata.com](https://www.teradata.com), enable investors to find key shareholder information and financial reports, which can help put Teradata Corporation's financial performance into perspective. We provide updates to the CDP and the Dow Jones Sustainability Index (DJSI) each year. The focused concern within the DJSI with regards to ethical conduct in the supply chain was one of the catalysts towards developing our enhanced Supplier Code of Conduct. We take the feedback from those surveys to improve our social/product and environmental performance. The main feedback we received is that our report is a good source of information and that we are covering the areas that our communities are concerned with, to the context of our product base and potential impact on the environment.



C. Shareholder Communication

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

D. Employees (GRI G4-49)

We believe our people around the globe who dedicate their time and talents to Teradata and who are so passionate about our customers' success are key to our continuing success. Employees are our company'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 who make us great. We are committed to keeping employees informed through regular communications from leadership and by providing them with open channels 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 web site that provides virtual employees with direct links to the information, tools, and tips that allow them to work effectively "anytime, anywhere."

Through our Teradata Cares community relations inbox, we encourage employee input to our CSR program and confirm that our reporting meets the needs of our employees. Our employees voiced a desire to be able to show Teradata's commitment to the local communities in which they lived through action. This feedback led to a program that allows our people to volunteer 8 hours every quarter during work hours. The feedback we have received regarding this opportunity to be engaged in community activities during the work week has been very positive.

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

E. Peer Companies

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

F. Supply Chain

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

G. Communities

Please see section 6.0 Teradata Cares regarding our community touch points.

5.3 Material Areas and Aspects

(GRI G4-EN1)

From the materiality analysis and Stakeholder engagement described in 5.1, these areas are considered material and will be reported on in this 2016 edition of the Teradata CSR report:

- A. **Environment:** Energy, Emissions, Effluents, and Waste; Products and Services; Compliance; Transport; Supplier Environmental Assessment
- B. **Employment: Training and Development,** Supplier Assessment for Labor Practices
- C. **Human Rights:** Supplier Human Rights Assessment
- D. **Society:** Anti-Corruption, Anti-competitive Behavior, Supplier Assessment for Impacts on Society
- E. **Product Responsibility:** Products and Services Labeling, and Compliance

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

Table 1. Internal/External Boundaries.

To strengthen our commitment to data philanthropy, Teradata has partnered with non-profit organizations like [DataKind](#) to match volunteer data scientists with social agencies, civil groups, and non-governmental organizations. Teradata donates consulting services to these groups to help them explore the power of using data to serve our world and theirs better. The DataKind mission is to harness the power of data science in the service of humanity by engaging data science and social sector experts on projects addressing critical humanitarian problems and by leading the conversation about how data science can be applied to solve the world's biggest challenges.

They are headquartered in New York with chapters in Bangalore, Dublin, San Francisco, Singapore, the U.K. and Washington, D.C. Teradata Cares hosted a Data for Good event in collaboration with DataKind as part of the annual Teradata PARTNERS User Group Conference. Conference volunteers spent their time to evaluate and offer data solutions to beneficiary organizations: Southern Education Foundation, Lost-N-Found Youth and Atlanta Mobile Market and Community Bucket. Learn about the teams' findings at [Datakind.org](#).

Teradata and DataKind believe that data is a powerful resource with the potential to address some of the world's toughest problems. And this data revolution that we're in, this "Data for Good" movement is powered by people such as data analysts, statisticians, scientists, coders, and designers.



6.0 Teradata Cares

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

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

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

TERADATA

Doing Good With Data™

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

6.1 Doing Good With Data™

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 peoples' interest and education in the STEM disciplines (science, technology, engineering, and mathematics). In addition to preparing today's youth for life in the modern world, this approach also develops our industry's future technologists and business leaders. Many employees get involved in career days and help mentor young people towards a future in the field of technology.

2. Helping the environment by supporting global sustainability.

Teradata strives to comply with all applicable workplace health and safety requirements and regularly monitors its achievements in these areas. Also, Teradata has

implemented recycling programs, utilizes recycled products (such as paper), and has implemented various energy and resource conservation programs at multiple facilities. Our green family of products boosts energy efficiency, enabling more output with less consumption. The entire Teradata platform family 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 help 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 employees also volunteer their time as board members for non-profit organizations, participate in social service programs, and lend their considerable experience to many community organizations.



Manila, Philippines, Brigada Eskwela at Silangan Elementary School

6.2 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 per 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 2016, our employees volunteered more than 25,000 hours around the globe.

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, more than 65 Teradata Community Champions are located in cities across the U.S 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 2016, employees, families, customers, and partners volunteered more than 2,500 hours, with non-profit organizations of their choice all around the world.

Teradata Cares for the Earth

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

1. Expand green awareness and behaviors.
2. Bridge activities from green to conservation.
3. Link global employees in a shared initiative.



Hyderabad, India, Planting Trees

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.



Dayton, Ohio, Great Miami River Cleanup

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 Atlanta, Georgia, this year, Teradata employees, partners, and customers participated in a variety of activities to support the International Red Cross. They built bikes, crafted tie blankets, stuffed bears, assembled military relief kits and put together care packs for children. Our customers tell us year after year that it's a pleasure to take some time and give back while attending the PARTNERS Conference.



Teradata employees, partners, and customers working together to support the International Red Cross



Teradata Cares with Our Customers

Qualcomm and Teradata were two of the sponsors for the first ever San Diego Smart City Hackathon. The event was organized by the UCSD Center for Wireless Communications, the Silent Intelligence and the team at the City of San Diego bringing together the most innovative technology solutions from the tech community and beyond to help the City deliver on its Climate Action Plan. With over 100 participants, teams competed to present their solutions to an impressive panel of city officials and university professors. Teradata is proud to work together with these impressive organizations impacting climate change through the power of data.

At this year's Teradata Universe, our European customer conference, Teradata Cares supported Children for Tomorrow, an organization supporting children and families who have become victims of war, persecution, and organized violence. Through combined Teradata and customer donations, the organization received more than \$10,000 to support their inspiring mission.

6.3 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). Our goal is to train students to be breakthrough thinkers and doers who use data to create business value by providing free access to resources and software to universities around the globe. Preparing the next generation of data analysts and scientists for current and future career opportunities is our primary focus. By offering students unique learning opportunities including free training for Teradata Certification and hands-on

access to tools including Teradata Database and Teradata Aster® Databases, and SAS Visual Analytics on TUN, they are ready to step into their careers and deliver immediate value. TUN also partners with IBM Watson Analytics, MicroStrategy, and Tableau to provide faculty resources to expose students to even more technology. Currently, TUN provides free access to software and resources to more than 6,400 faculty members and more than 50,000 students from 2,582 schools in 117 countries.

Teradata works with a dedicated board of academics to ensure university faculty members have free access to the necessary tools to prepare future generations of

Data Challenge Spotlight: Hire Heroes USA



Being a TUN Data Challenge non-profit partner is a great opportunity for smart people to look at your organization and data in new ways. As non-profit professionals, we all have constraints on resources. Participating in the 2016 TUN Data Challenge was a great experience for Hire Heroes USA; there was minimal effort for huge payoffs in the end. It's essentially a free consulting opportunity for non-profits.

As the non-profit partner, we were asked to: provide the initial data and questions, help narrow down the finalists by grading the submissions, and attend the Teradata conference. The time we invested was regained and rewarded tenfold by the students' efforts. We received analyses confirming some of our suspicions, as well as findings we had not thought of before. Some results from the student groups helped us revise our marketing and social media strategies, making them more effective in reaching a wider audience.



"The experience working with the students as part of the TUN Data Challenge was great. We don't normally have the time and energy to dive into our numbers the way these students did. Now, we can apply the lessons learned without the initial pain of combing through months (sometimes years) of data."

- Jason, Operations Manager

"We were very impressed by the quality of the projects and the time that the students invested in sifting through our data. As a non-profit organization with lean overhead, having someone else take a deep dive into our data and address ongoing questions was invaluable."

- Christopher, Chief Programs Officer

"On the Marketing side, we always have competing priorities. So, it's hard to make time to analyze social media trends, which platforms are most successful for us, which holidays are best for online donations, etc. The assistance from the students, as part of the TUN Data Challenge, was so valuable. We were able to implement their suggestions immediately and saw a payoff. Now, we know which posts get the greatest return for our efforts—an essential for any non-profit marketing professional."

- Kathleen, Marketing Manager

technologists and business leaders. The academic board that drives this unique teaching portal is composed of leading practitioners and renowned academics recruited from around the world, united by their dedication to sharing innovative, proactive applications of authentic technology for data-driven decisions.

In 2016, Teradata University Network continued expansion into marketing and computer science faculty. We support faculty and students from three different academic areas: MIS, Computer Science, and Marketing. The TUN board is focused on creating content and curriculum in each area, and our work in Sports Analytics has continued to expand with tremendous interest. In addition, TUN continues to engage Teradata customers, providing them with the opportunity to create profiles on Teradata University Network to provide students a view into real career opportunities and help support their recruiting needs.

New in 2016, Teradata University Network hosted our first Data and Analytics Student Career Fair with some of the world's largest companies participating. Several hundred students participated in what will become an annual event, held in conjunction with the Teradata PARTNERS Conference.



2016 Data & Analytics Student Career Fair

Also at PARTNERS, we saw a huge increase of submissions for both our Data Challenge and Analytics Challenge. With more than 70 student teams submitting their work, 17 teams from five countries were selected to present their research in data and analytics and shared their knowledge with conference attendees. Our Data Challenge provided students with the opportunity to compete and test their big data skills with data and business questions provided from our charity partner, Hire Heroes USA.

2016 TUN Student Competition Winners

2016 Analytics Challenge Winners

- Overall Winner: Oklahoma State University
- People's Choice: Loyola University Chicago
- Best Analytics and Visualization: National University of Singapore

2016 Data Challenge Winners

- Overall Winner: NIDA Business School (Thailand)
- People's Choice: UNC Charlotte
- Most Value to Hire Heroes: University of Waterloo (Ontario, Canada)



Oklahoma State University – 2016 Analytics Challenge Overall Winner



7.0 Environmental Responsibility

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

7.1 Energy Consumption/Environmental Program Membership

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

Our measurement includes Scope 1 and Scope 2 emissions. Our data includes only energy consumed within the company. Only electricity and natural gas are used and included in our calculation. Our Scope 2 total fuel consumption for 2016 was 60,324 MWH. The Scope 1 emissions included stable combustible energy where usage recorded was 2528.23 MMBTUs. We used 1538 gallons of liquid gas (Fuel). Our GHG/energy intensity ratio for 2016 was 12.

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

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

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

Teradata uses an energy intensity ratio of total energy (Fuel, Electricity, and Heating) per units of storage shipped. Teradata does not use fuel from renewable

sources or electricity. We do not participate in any type of carbon purchasing schemes.

Greenhouse Gas Management Program

In 2014, Teradata announced its new emissions goal of a 5-year 7 percent reduction in greenhouse gas emission intensity with a base year of 2013. We are announcing in this report that we have achieved and exceeded this goal with a 2-year reduction in greenhouse gas emission intensity of 17.3 percent. We are announcing in this 2016 CSR report our new emission intensity goal with a base year of 2015. Our 5-year goal is an additional 7% reduction in GHG emissions through 2019. We have achieved our three previous GHG emission intensity goals of 45%, 41%, and 7%. We look forward to communicating our progress in our next CSR report.

Teradata's emissions were those included in Table 2.

FTSE4Good Index

In 2016, 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 the seventh consecutive year Teradata has been included in the FSTE4Good Index.



FTSE4Good

"FTSE Group confirms that Teradata has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in

Year	USA Direct Emissions (Metric Tons CO ₂ eq)	USA Indirect Emissions (Metric Tons CO ₂ eq)	International Direct Emissions (Metric Tons CO ₂ eq)	International Indirect Emissions (Metric Tons CO ₂ eq)	Total Direct Emissions (Metric Tons CO ₂ eq)	Total Indirect Emissions (Metric Tons CO ₂ eq)
2014	924	17986	0	2092	924	20078
2015	1256	17853	0	2903	1256	20756
2016	523	17435	0	3212	523	20647

Table 2. Emissions.

companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social, and governance criteria, and are positioned to capitalize on the benefits of responsible business practice.”

EPA SmartWay Transport Program

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

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

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

7.2 Dow Jones Sustainability Index

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

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

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



“Being recognized in this rigorous external benchmark further reinforces our commitment to continue to be a sustainability leader. Making sustainability practices a part of the corporate operating philosophy continues to make good business sense,” said Troy Seelve, Senior Vice President, information technology and operations, Teradata Corporation.

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

Teradata was named a member of the RobecoSAM Sustainability Yearbook, the world’s most comprehensive publication about corporate sustainability, for the fifth year in a row. To be included in this yearbook, Teradata had to be in the top 15 of its assigned industry in terms of sustainable performance.

7.3 Product Environmental Performance

(GRI G4-EN27)

Product Development Sustainability Requirement

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

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

According to leading industry research firms Gartner Group and IDC, the amount of power required to operate and cool data center equipment is a key issue with the CIOs 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 by equipment that is more energy and space efficient.

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

Another long-emerging trend that is driving the explosion in data center growth is the enormous amount of data generated in the world. This phenomenon has been labeled as big data by the industry, and it is created by the vast increase in data sources and data uses worldwide. This would include sources such as Internet use patterns and click streams, wireless call routing data, and automobile sensors. 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 past 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 Workload-Specific Platform Family in which a range of systems has been purpose built to meet the needs of specific industry segments and applications.

Released in 2016, Teradata IntelliFlex® is our newest integrated data warehouse. It provides our customers with much-needed flexibility in designing new systems and for expanding existing systems. Using a fabric-based architecture, it enables independent scaling of nodes (processing power) and storage (data capacity – hot, warm and/or cold) so customers can add only what they need to meet their current and future workload requirements. Teradata IntelliFlex is extremely data center friendly: thinner nodes, more memory per node, and all-SSD storage options enable up to 250 percent more processing power and 1100 percent more memory in a single cabinet. Teradata IntelliFlex provides a 21 percent reduction in power compared to a Teradata Active Enterprise Data Warehouse 6800 for an equivalent performance level.

The Teradata Active Enterprise Data Warehouse 6800 (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 84 percent less power and cooling and occupying 92 percent 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 Active EDW can provide up to 2.5 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 the Teradata Data Warehouse Appliance in 2009. This platform family member enables customers with fewer users and less 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 Teradata Data Warehouse Appliance 2850, released in 2016, is designed as a compact three-dimensional storage that quadruples the data capacity within a single cabinet from the previous generation and larger memory DIMMs for up to 200TB of customer data space and double the memory in a single cabinet from the previous generation. Additionally, the Data Warehouse Appliance cabinet allows the installation of Teradata Aster Analytics, SAS, and Apache® Hadoop® nodes to reduce the number of cabinets needed when customers utilize multiple technologies. It is a compact environment for data warehousing, iterative data exploration, advanced analytics, and low-cost data storage all installed into a single cabinet to preserve valuable data center floor space.

Teradata 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 125TB to more than 300PB (petabytes) of user data. This enables customers to affordably perform business analytics on extreme amounts of data such as deep history or sensor 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 18 percent of the floor space of a high-performance Teradata Active EDW system with the same capacity of user data.

Teradata Aster® SQL Appliance

The big data challenges described earlier include 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. In 2012, Teradata began to offer Teradata Aster Analytics and open-source Apache Hadoop in a single appliance which is optimized to analyze these large volumes of multi-structured data efficiently with a smaller, lower power system. This platform is based on the Teradata Aster SQL-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 efficiently derive the valuable insights from big data that make its use mandatory for successful companies.



Server Virtualization and Cloud Services

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 can 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 frequently used data to larger disk storage units that are more energy efficient on a watt per megabyte basis.

By making its software available on private cloud virtualized infrastructure (e.g., VMware) and popular public cloud providers such as Amazon Web Services (AWS) and Microsoft® Azure®—which use virtualized resources in highly efficient data centers—Teradata gives customers choice for deploying its offerings in environmentally efficient domains.

Software Efficiency Improvements

Teradata Database 16.0, the current release, features software improvements that deliver significant performance improvement over previous generations. As a result, our customers can 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 Database 13.0, enables users to very efficiently store and analyze column-oriented data thereby eliminating the energy and space of any additional special purpose systems to accomplish the same functions.

Product Stewardship

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

For example, Teradata IntelliFlex, the newest integrated data warehouse, announced in April 2016, provides Teradata customers with up to 52 percent reduction in electricity usage and 68 percent reduction in floor space for the same capability data warehouse system of 5 years prior. By dramatically reducing energy usage for the same system performance and required floor space, Teradata also has reduced associated data center cooling and power delivery infrastructure by similar ratios.

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

Data Compression

The Teradata Database software provides a range of data compression features that shrink 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 an automatic software-based compression capability in 2015, which enables a Teradata Data Warehouse Appliance to achieve compression ratios of up to 10X. In typical usage, the software 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 percent 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 percent. Therefore, the total system also uses 44 percent less power and cooling energy to support the system.

7.4 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 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.

REACH Compliance

Teradata is continuously reviewing our products and engaging our suppliers to meet the requirements of the European Union's Registration, Evaluation, Authorization, and Restriction of Chemical substances (REACH) regulation.

7.5 Product Recycling

End-of-Life Activities

(GRI G4-EN1; G4-EN27)

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

The Teradata used equipment program collects all trade-in systems and systems returned to our leasing partner, Wells Fargo Vendor Financial Services. 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.
- Upgrade discontinued platforms with the same generation of equipment.
- Provide larger upgrades to meet growth requirements.
- Provide 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 past eleven years, Teradata has reused hardware from 42 different countries. This includes more than 3,900 nodes and 33.1PB of disks—an increase of 8 percent and 18 percent, respectively, over last year. The units are often shipped in recycled crates and boxes reclaimed from new hardware shipments. Finally, when the time comes, all hardware is shipped to our recycling center, where it's disassembled and de-manufactured.

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

In 2016, we used 1,164 tons of material computing equipment (racks, servers, and storage). Of that material usage, we used 1 percent of renewable/recycled material. Recycled materials for our product can only be packaging as we are not allowed to sell renewable products in new electronic products to our customers.

EU WEEE Compliance

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

Health and Safety Impact (GRI G4-EN29)

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

7.6 Release Process Restrictions (GRI G4-PR3; G4-PR6; G4-PR9; G4-EN27)

As a part of our release processes, we ensure that none of our products emit hazardous resources or waste byproducts. Further, all regional, country, and local regulatory laws and codes are strictly followed during the product

development process to prevent Teradata from developing products with banned substances. Hence, our products do not contain banned substances. The following country requirements are observed during our release process: USA, Canada, European Union, Europe Global, Japan, Australia/New Zealand, and Taiwan. A product cannot be released unless it has passed all current regulatory standards. All appropriate certification and environmental labeling is present on our products. All products require some type of certification or environmental label. Teradata has not incurred fines concerning the provision and use of its products and services.

7.7 Product Transportation (GRI G4-EN30)

In 2016, Teradata logged more than 399,607 miles delivering our products to our customers' data centers. There are no other environmental impacts of transporting our products. With the introduction of Teradata appliance products, Teradata is shipping more nodes per cabinet than ever before. This allows our customers more processing power with a smaller footprint resulting in a lighter weight system to transport.

7.8 Product Packaging

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

Teradata has worked with our manufacturing suppliers to implement environmentally-friendly programs regarding Teradata equipment, including the reuse of crates and pallets and the recycling of other shipping materials, such as cardboard and plastic. We've also turned to bulk packaging for drives, controllers, and drive modules for use with Teradata systems. Instead of using one mini-pallet/box per product, they use a multi-pack container that holds up to 12 products. In 2016, this vendor used 467 of these multi-pack containers for our product. This resulted in a savings of 5,608 individual min-pallet/boxes. The packaging cost savings realized was \$100,214. The shipping cost savings was \$13,963.



8.0 Global Manufacturing Processes

(GRI G4-12)

8.1 Supply Base

Vendor Managed (owned) Inventory (VMI)

Teradata has set up programs with Tier 1 suppliers to locate equipment for sale close to our final assembly location. Under this program, the suppliers ship bulk quantities of product to local hubs near a manufacturing site, rather than sending discrete customer shipments. Of course this process saves us in inventory holding costs, but when we look at it through an environmental lens, we see significant environmental savings. We are pleased to report that 85 percent of our Tier 1 manufacturing suppliers participate in the VMI program. This program continued to operate very efficiently in 2016. Flextronics also has a facility energy savings team that focuses on reducing the amount of energy used by the local facility where our product is built. Teradata has 7 Tier 1 suppliers; those suppliers in turn manage the supply base.

8.2 Teradata Code of Conduct for Suppliers

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

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

The Teradata Code of Conduct

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

The EICC Code of Conduct

Additionally, Teradata requires its business partners that are also electronic industry suppliers to comply with or exceed the standards of conduct set forth in the EICC Code of Conduct with respect to all of their Teradata-related dealings. The areas covered in the Code of Conduct are: Labor, Health and Safety, Environmental, Management Systems, and Ethics. Further details concerning the EICC Code can be found at www.eicc.info.

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

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

8.3 Flextronics: Our EMS Supplier

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



9.0 Facilities

9.1 Teradata Environmental Health and Safety (EHS) Program

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

The EHS policy and procedures are based on established, well-recognized international standards and regulatory requirements that apply to all Teradata locations worldwide. The program requires that all employees and on-site contractors comply with these procedures and requires everyone to review the entire EHS program and Team Safety Handbook procedures every two years. The Teradata 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 the Teradata EHS program falls under the Global Security Director’s office. In 2016, 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, or rented office space. Teradata does not presently have any manufacturing facilities. Our EH&S policy and standards are reviewed and updated yearly to ensure compliance with up-to-date relevant data pertaining to EH&S. Teradata has not been fined or found guilty of any office safety violations since inception as an independent company.

9.2 Facility Information

Teradata operates in 30 facilities in the U.S., 29 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 U.S.

In 2009, the program was implemented globally. In 2016, 25 percent of the 118 sites Teradata occupies are located in the U.S. During 2016, Teradata continued its sustainability commitment to compliance and provides up-to-date information about its internal facilities web site that helps promote green living to all Teradata employees and contractors.

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

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

9.3 Facility Locations

(GRI G4 EN-11; G4- EN13)

The company’s primary research and development center is located in San Diego, California; comprised of 460,000 sq. ft. Teradata also leases other locations around the world. None are located near protected habitat areas or of a high biodiversity value.

9.4 Facilities Environmental Impact

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

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

During calendar years 2008-2016, Teradata operationally controlled sites disposed of no hazardous waste. Teradata did not import/export any ODS. In 2016, Teradata recycled 289,403 (12 percent yr. on yr. increase) pounds including all possible recyclables to the effort (glass, metal, plastic, and wood).

In 2016, there were 174,056 (26 percent yr. on yr. increase) pounds of universal waste (CRTs, electronics, fluorescent lamps, UPS, and household batteries). The new recycling guidelines have increased what is considered Universal Waste adding many new items to the list. Teradata neither imported nor exported any hazardous waste at sites within Teradata's operational control. Also, during this reporting year, there were no significant spills or releases of hazardous waste from Teradata operationally controlled facilities. Teradata does not have any operations that are in danger of causing threats or irreversible damage to the environment.

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

9.5 Facilities Update: Rancho Bernardo (San Diego)

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

- 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 includes: 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 67,063 lbs. (14 percent increase) of waste office paper from the landfill in 2016, saving the equivalent of 570 trees and 234,721 gallons of water that would have been required for processing raw pulp into paper.
- **Metal Scrap and Other Recycling:** In 2016, Teradata diverted 32,884 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 San Diego landscapers are required to recycle all of the green waste that is generated by this facility. An arborist recycles all wood from the tree trimming that is done twice a year.

Irrigation controllers with integrated weather stations have been installed to minimize the water used for irrigation. These controllers allow for different plant material and landscaping conditions to factor into watering schedules.

The conservation program includes these energy improvements to the facility:

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

Miamisburg, Ohio

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

The WSHP system consists of a number of heat pump units connected to a common recirculating water loop. A cooling tower and high efficiency natural gas boiler

remove and add 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 reused to heat or cool the space.
- CO₂ control – The carbon dioxide (CO₂) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.
- Paper conservation: Teradata's Miamisburg office diverted 58,487 (200 percent increase) lbs. of waste office paper from the landfill in 2016, via our document destruction partner. This saved the equivalent of 532 trees and 204,705 gallons of water that would have been required for processing raw pulp into paper.

El Segundo, California

- Paper Conservation: Teradata's El Segundo office diverted 15,400 (96 percent increase) lbs. of waste office paper from the landfill in 2016, saving the equivalent of 131 trees and 53,900 gallons of water that would have been required for processing raw pulp into paper.

Johns Creek, Georgia

- Paper Conservation: Teradata's John's Creek office diverted 3,845 lbs. of waste office paper from the landfill in 2016, saving the equivalent of 166 trees and 13,400 gallons of water that would have been required for processing raw pulp into paper.

9.6 Ongoing Data Center Operations

The Teradata data center operations team continues to effect efficiencies in energy consumption through virtualization and modernization of infrastructure including networking, workstations, servers and storage technologies. Cloud strategies surrounding the sourcing of applications and technology services including SaaS and IaaS capabilities further extend Teradata data center virtualization efforts and will provide an ongoing opportunity to continue optimizing our energy footprint.



10.0 Ethics and Compliance

10.1 Employee Ethics and Compliance Training

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

Teradata shows its commitment to integrating ethical business practices through the company's global workforce by offering various ethics and compliance learning opportunities and requiring certain levels and subject areas of ethics and compliance training. Teradata also requires ethics and compliance certifications from all employees, officers, senior management leadership team members, and Board members.

These communications, training programs, and certifications focus on: Teradata shared values; identified attributes; desired behavioral qualities; compliance-with-laws; compliance-with-policies requirements; Code of Conduct commitments; environmental, health and safety compliance; respect for human rights, anti-slavery, and anti-forced-labor; commitments and practices to avoid and eliminate corruption; and, how to raise ethics and compliance concerns and questions and report potential ethics and compliance violations. These include communications regarding use of a company-sponsored third-party-administered whistleblower Ethics Helpline without fear of retaliation and, to the extent permitted by applicable law, on a confidential, anonymous basis. The communications also expressly cover Teradata standards of conduct and requirements that all Teradata people avoid, address, and not tolerate any forms of discrimination, harassment, or retaliation. Teradata also issues training regarding avoiding and eliminating sexual harassment, hostile work environment and discrimination, and implementing non-discriminatory performance management practices and compensation planning for managers.

All newly-hired employees, including employees of companies newly-acquired by Teradata, are oriented to the company's shared values, identified attributes, desired qualities, and Code of Conduct as a part of the company's onboarding process. These employees 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 they have read, understand, and will comply with the company's Code of Conduct and, disclose all potential conflicts of interest.

All Teradata employees, individual staff contractors, officers, senior management leadership team members, and Board members are required to annually complete a supplemental Code of Conduct training and certification module. The company's online Code of Conduct training modules typically include: information about key ethics and compliance areas relevant to the company; scenarios; questions/answers; and, links to the company's Code of Conduct, Ethics Guides, and Ethics Helpline. Teradata also deploys ethics and compliance reinforcement, training, awareness, and communications periodically through the year with on-demand online ethics and compliance resources.

All Teradata employees are also required to complete new-hire and annual information security, privacy, and data protection compliance training and new-hire and periodic (at least once every three years) environmental, health and safety compliance training. All newly-appointed managers and facilities coordinators are required to complete more-advanced periodic environmental, health, and safety compliance training upon appointment and periodically (at least once every three years) thereafter. Managers in several jurisdictions (e.g., California, Connecticut, and Maine) are required by statute to complete statutorily-mandated anti-harassment training at least once every two years. Employees who deal with government contracting and government officials or representatives in the U.S. are required to complete periodic (annual and ad-hoc) training on, and certify compliance with, supplemental ethics and compliance requirements related to those subject areas.

Teradata also requires specialized training for employees who perform specialized functions. Employees who deal with non-U.S. transactions or matters that involve non-U.S. government officials or employees, officials, or representatives of governmentally wholly-owned or partially-owned enterprises, officials, or representatives of public international agencies, or books-and-records for non-U.S. transactions or payments are required to complete additional training on, and certify compliance with, supplemental ethics and compliance requirements that apply to those subject areas. This training includes compliance with the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and other anti-bribery, anti-corruption, and anti-money-laundering policies and laws.

Employees who deal with imports, exports, or distribution of technologies and information that are subject to boycott, anti-boycott or embargo laws, trade sanctions, export licenses or restrictions, are required to complete supplemental ethics and compliance training regarding those subject areas.

Additional ethics and compliance training programs are continuously presented to company employees at various team meetings and to various subject-matter-focused audiences. Members of Teradata's Board, senior management leadership team, next-level senior leaders, Law Department, Ethics and Compliance Office, and financial controls organizations also receive periodic ethics and compliance training about key subject areas relevant to their roles and responsibilities.

In connection with the subject areas noted above and several other key ethics and compliance subject areas, the Teradata Ethics and Compliance Office publishes subject-matter-specific 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 intranet.

The Teradata Values and Code of Conduct document and Teradata Ethics Guides include learning and training aids. In addition to stating Teradata shared values, identified attributes, desired qualities, and standards of conduct, those documents include: explanations of why those values, attributes, qualities, and standards apply; answers to frequently-asked-questions; real-world-based scenarios-and-guidance, red-flags and warning-signs listings; explanations of Teradata ethics and compliance processes; details about 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 prohibiting 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 decisions and actions of the company and its people. It also reinforces that if they have

any doubt about whether something they propose to do might violate the company's Code of Conduct, policies, or the law, Teradata people should ask questions and obtain guidance before acting.

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

Managers are required under the 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 for reinforcement discussions and learning sessions with employees, such as real-world scenarios and 'lessons-learned' discussions resulting from the Ethics and Compliance Office's periodic distribution to management of "Ethics in the Headlines" summaries, and such as discussions resulting from the 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 are also frequently included in employee e-newsletters, employee online sites, internal collaboration and social media sites, e-mails, kick-off meetings, leadership council meetings, and 'town-hall' meetings and webcasts.

The toll-free telephone number for the Teradata Ethics Helpline appears on most Teradata employee identification badges and is included in the Code of Conduct training programs. All Teradata employees have access to the ethics and compliance guidance and reporting resources at all times.

For the 2015-2016 training cycle, more than 13,350 different Teradata people (employees plus individual staff contractors and members of the Board of Directors) received ethics and compliance training in such diverse areas as anti-discrimination, anti-harassment, anti-bribery, anti-corruption, data privacy, information security, and environmental, health, and safety training. This resulted in a total of 32,042 person-hours of compliance-related training for the year.

Teradata University, the company's global learning platform, provides much of this training. During 2016, Teradata employees and contractors completed a total of 145,100 Teradata University courses for a total of 445,226 person-hours of Teradata University training (an average of 12 courses per person per year and an average of 37 hours of training per person per year). This represents an approximate company investment of \$9.2M (\$768 per employee per year). These totals reflect only the course work completed through Teradata University. Teradata's total actual investments of time, money, and other resources for employee compliance-related training and other training and development is greater since the company develops, conducts, and provides additional training through other initiatives, such as in-person training at group meetings and conferences. In addition to the courses tracked through Teradata University, the company offers on-demand online access to more than 70 different short video and interactive training and awareness modules regarding various ethics-and-compliance-related topics through an Ethics and Compliance Digital Library.

The Teradata annual all-employee Code of Conduct training and certification module for the 2015-2016 cycle: (1) addresses third-party misconduct, bribery and corruption avoidance, reviews the company's Trade, Gifts and Entertainment policy and Privacy requirements, and reminds employees of the company's Social Responsibility commitments (2) discusses the overall Culture of Compliance Teradata creates with its Code, Shared Values, adherence to the UN Global Compact, and focus on Individual Accountability, and; (3) in a year filled with international political events, reminds employees of the company policies regarding discussion and respect for others in the area of politics in the workplace. The module requires each employee to disclose all potential conflicts of interest relevant to him or her and requiring each to certify their understanding of and compliance with our Code of Conduct and Ethics and Compliance resources and processes.

Teradata has not identified any known, material, or unresolved non-compliance with laws or regulations during the period covered by this report, and has not incurred any significant fines for non-compliance during the reporting period. Teradata has had no legal actions pending or completed during the reporting period regarding anti-competitive behavior or violations of antitrust and monopoly legislation in which Teradata has been identified as a participant. Teradata has had no confirmed incidents of corruption during the reporting period and has not been involved in any legal cases regarding corruption brought against Teradata or its employees during the reporting period. Teradata has assessed the company for corruption risks on an enterprise-wide basis (100 percent of operations) and has identified the areas of most significant corruption risks as (1) third-party payments or conduct by employees or representatives of business partners in high-risk countries and (2) gifts and entertainment by Teradata employees or representatives of state-owned-enterprises in high-risk countries.

To help mitigate corruption risks, Teradata has adopted a zero-tolerance policy regarding bribery and corruption; applies that policy to itself, its suppliers, and its business partners through its Code of Conduct and/or contractual provisions; has adopted a gifts and entertainment policy; applies third-party due diligence screening procedures for high-risk third parties in high-risk locations, and; has trained its employees regarding these policies, codes of conduct, and their duties to comply, conduct due diligence regarding third parties, keep accurate books and records, and report suspected violations (including through our Ethics Helpline that accommodates reports on a global, confidential, anonymous, around-the-clock basis in multiple languages and with a zero-tolerance policy regarding retaliation for good faith reports).

10.2 Conflict Minerals Policy

Teradata adopted a Conflict Minerals Policy in 2013 which continues today. Teradata applies that policy to itself and its supply chain and other applicable business partners for Teradata-branded hardware products and their components. In the policy, Teradata has gone on record, and has taken actions, to oppose and condemn the illegal conflict, violence, extortion, corruption, slavery, 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).

Teradata policy prohibits the inclusion in its hardware products and their components of Conflict Minerals known to have originated from DRC Conflict perpetrators. Teradata requires that reasonable-country-of-origin, supply chain tracking, and other due-diligence steps be taken to assure that all Teradata hardware products and components will be affirmatively and verifiably determined to be free from Conflict Minerals that come from DRC Conflict or its perpetrators. Through this policy and the resultant actions required of Teradata and its supply-chain for Teradata-branded products, Teradata 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. Since 2014 and annually thereafter, Teradata issued a Conflict Minerals Report reflecting its conflict minerals initiatives and results during the preceding calendar year.

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

10.3 UN Global Compact, EICC Code of Conduct Principles, and Other Standards regarding Ethics, Compliance, and Human Rights Initiatives (GRI G4-14; G4-15; G4-16)

Since 2011 through the present, Teradata became a formal signatory to the UN Global Compact. This CSR 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 the fifth straight year, Teradata has achieved the UN Global Compact COP’s GC Advanced designation. The Teradata Code of Conduct, Supplier Code of Conduct, and Business Partner Code of Conduct reference and incorporate the principles of the UN Global Compact.



The UN Global Compact’s ten principles in the areas of human rights, labor, 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, labor standards, the environment, and anti-corruption. These commitments include:

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.

Labor

- 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 labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

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

Anti-Corruption

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

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

Labor Standards

- Freely-chosen employment
- Child labor avoidance
- Limit on working hours
- Appropriate and lawful wages and benefits

- Humane treatment
- Non-discrimination
- Freedom of association

Health and Safety Standards

- Occupational safety
- Emergency preparedness
- Prevent, manage and report occupational injury and illness
- Industrial hygiene
- Identify, evaluate and control physically demanding work
- Machine safeguarding
- Sanitation, food, and housing
- Health and safety communication

Environmental Standards

- Environmental permits and reporting
- Pollution prevention and resource reduction
- Hazardous substances
- Wastewater and solid waste
- Air emissions
- Materials restrictions
- Storm water management
- Energy consumption and greenhouse gas emissions

Ethical Standards

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

Management System Elements

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

Teradata is also a member of these organizations: the Ethisphere Business Ethics Leadership Alliance (BELA), the Society of Corporate Compliance and Ethics (SCCE), and the Ethics and Compliance Initiative (ECI; formerly known as the Ethics & Compliance Officers' Association or ECOA). Teradata has aligned its Code of Conduct, Ethics and Compliance program initiatives and related policies, procedures, and Ethics Guides with standards and best practices from those organizations and with the criteria for nomination to and selection for the Ethisphere Institute "World's Most Ethical Companies" listing and the Dow Jones Sustainability Index listing. Teradata has received the "World's Most Ethical Companies" award for eight consecutive years (see worldsmostethicalcompanies.ethisphere.com/honorees).



10.4 Teradata Code of Conduct

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

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

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

The Teradata Code of Conduct and related policies, procedures, and Ethics Guides include: the duty of the Company and its employees 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 on a confidential and anonymous basis (as permitted by local law) without fear of retaliation. They also expressly cover Teradata 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.

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

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

As noted in other sections of this report, the Teradata Code of Conduct expressly incorporates the principles of the UN Global Compact and the EICC Code of Conduct. Teradata has also adopted and applies a Supplier Code of Conduct and a Business Partner Code of Conduct that adopt and incorporate the principles of the Teradata Code, the UN Global Compact and EICC Code, and the Teradata Conflict Minerals Policy. These Codes outline the duty of our Suppliers and Partners to comply with anti-bribery, anti-corruption, anti-money laundering, fair trade, fair competition, and privacy and data protection requirements and laws. Teradata has adopted and publishes externally a zero-tolerance global anti-bribery and anti-corruption policy. Links to Teradata Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, the principles of the UN Global Compact, the principles of the EICC Code of Conduct, our Conflict Minerals Policy, and our Global Zero-Tolerance for Anti-Bribery/Anti-Corruption Policy are posted on our external Code of Conduct web page ([Teradata.com/code-of-conduct](https://www.teradata.com/code-of-conduct)) and Corporate Social Responsibility web page ([Teradata.com/corporate-social-responsibility](https://www.teradata.com/corporate-social-responsibility)).

Teradata also takes its duties and responsibilities regarding privacy and data protection seriously, including those that are compliance-related. The Teradata Code outlines the commitment of the company and its employees to protect data. These commitments are correspondingly applied to our suppliers and business partners through our Supplier Code of Conduct and Business Partner Code of Conduct. Those codes also reference and incorporate the Teradata global Privacy Policy Statement.

The Teradata global Privacy Policy Statement is externally accessible under the “Privacy” tab of the Company’s primary web site (see [Teradata.com/privacy](https://www.teradata.com/privacy)) and internally through various employee online resources. It embraces the principles of EU Model Clauses for data transfer agreements, the US-EU Safe Harbor Framework until it was superseded, and the superseding EU-US Privacy Shield Framework regarding privacy-protected data. The policy discloses how we apply those principles to what we do at Teradata. Those principles address: Notice; Choice; Accountability for Onward Transfer; Security; Data Integrity and Purpose Limitation; Access; and, Recourse, Enforcement, and Liability. That Privacy Policy Statement also includes considerable detail about our policies, information protection standards, practices, procedures, and initiatives to recognize and comply with laws, rights, and best practices that pertain to privacy and data protection.

In connection with these activities, Teradata annually self-certified its compliance with the US-EU Safe Harbor Framework (and the US-Swiss Safe Harbor Framework) prior to being superseded and was listed as such with the U.S. Department of Commerce; has adopted and entered into data transfer agreements based on EU Model Clauses; and has embraced the superseding EU-US Privacy Shield Framework. In 2016, Teradata applied to join the Privacy Shield Framework and our U.S.-based organizations certified with the U.S. Department of Commerce and publicly committed to comply with the Framework’s requirements. The U.S. Department of Commerce accepted Teradata’s application and included Teradata on its Privacy Shield registry list effective as of January 6, 2017 (see www.privacyshield.gov/participant?id=a2zt0000000TO7fAAG). Teradata intends to join the Swiss-US Privacy Shield Framework after registration becomes available in April 2017.

In addition to the principles of the UN Global Compact, EICC Code of Conduct, Safe Harbor Framework, EU Model Clauses for privacy-protected data transfers and EU-US

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

Ethics

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.

Privacy Shield, Teradata also has adopted the standards of conduct established by these organizations: the International Labour Organization (ILO); the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises; and, the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion & Bribery, Rules on Combatting Corruption, Guidelines on Agents, Intermediaries, and Other Third Parties, and Guidelines on Whistleblowing. Teradata has embedded the key principles underlying these standards into the Teradata Code of Conduct and related policies, procedures, and Ethics Guides. Among other things, these standards and principles require and reinforce our commitments to these principles: respect for human rights; commitments and practices to avoid, eliminate, and have zero tolerance for corruption; respect for the environment; sustaining resources, and; Teradata will tolerate no form of illegal or improper discrimination, harassment, or

retaliation by Teradata people, suppliers, or other business partners. All of Teradata Tier 1 suppliers have been screened under these policies.

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

Starting in 2013 and continuing thereafter, Teradata enhanced its method for assuring compliance for its supply chain, vendors, other business partners, and merger and acquisition candidates by deploying an automated third-party due-diligence screening database tool and associated processes. These help assure that Teradata suppliers and other third parties with whom Teradata conducts, or proposes to conduct, procurement business, as well as resellers, distributors, and merger and acquisition candidates, do not have records or red-flags for corruption or other ethics and compliance violations, or unacceptable or changing levels of compliance risk.

For years, Teradata has screened buyer, user, reseller, and distributor names against an automated “denied-parties-listings” tool to help assure compliance with export, import, embargo, boycott, and other trade laws and regulations. This is an ongoing practice. Teradata engagement regarding suppliers and other third parties respecting ethics and compliance goes beyond merely having a supplier code of conduct; it includes affirmative duties and undertakings by the third party and due-diligence and screening by Teradata to help assure compliance.

All Tier 1 Teradata suppliers have been screened under these policies. As a result of these actions, Teradata has had and continues to have no significant actual or potential violations regarding labor practices or human rights issues in its supply chain. Also, Teradata is not aware of any issues relating to supplier adverse impacts on society. 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. These standards and procedures must be at least as stringent as Teradata global enterprise-wide ones and must comply with all applicable laws and the underlying principles embedded in our global Code of Conduct. This enables and empowers Teradata entities and teams to establish organization- 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, Teradata 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 include various best practices learning aids. The Teradata Code of Conduct is available to anyone at all times through the Teradata web site at

Teradata.com (from the main web page, select “About,” then select “Who is Teradata,” then select “Corporate Governance,” then select “Code of Conduct,” or select “Code of Conduct” from this direct link: [Teradata.com/corporate-governance](https://www.teradata.com/corporate-governance)) and at the Ethics and Compliance Connections page.

The Code of Conduct and related policies, procedures, and Ethics Guides are available to all Teradata employees through internal employee on-line sites. Anyone can contact the Teradata Ethics and Compliance Office or other identified resources, including the always-available multi-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 through use of a toll-free number, through the E&C website or by direct email.

Teradata regularly, globally, and systematically audits, monitors, and reviews the compliance of its entities with the standards of conduct established by the Code of Conduct and related policies, procedures, and Ethics Guides. It utilizes internal-controls personnel and internal auditors and external independent auditors for this effort. Through or in coordination with the Ethics and Compliance Office, Teradata conducts inquiries and investigations into all instances where potential compliance exceptions have been reported or otherwise 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 senior-most management Leadership Team. The company also has an Ethics and Compliance Executive Committee comprised of the Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer, and Chief Ethics and Compliance Officer. This committee oversees all significant inquiries and investigations regarding whether 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 determinations and reviews the results with the Ethics and Compliance Executive Committee. The Ethics and Compliance Executive Committee has the authority to require the Chief Ethics and Compliance Officer to take stronger (but not weaker) actions than what the Chief Ethics and Compliance Officer had determined. 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, are periodically reviewed by the Audit Committee of the Board of Directors.

10.5 Teradata Values, Attributes, and Qualities

The Teradata shared values are broad core principles that are used to guide all Teradata people and all Teradata teams in all of their Teradata-related acts, decisions, and words. These high-level values, and the identified attributes and actionable desired behavioral qualities that arise from them, foster behavior and a company culture that comply with legal and ethical standards and help Teradata achieve its other business objectives and aspirations. Where our Code of Conduct or related policies, procedures, or Ethics Guides do not address a particular issue, Teradata people are instructed to use our shared values, identified attributes, and desired qualities for directional guidance in determining the right thing to do. Our values, attributes, and qualities therefore serve as foundations for our Code of Conduct commitments and are included in the Teradata 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 provide an evaluation criteria for the company scorecard and its senior management leadership team, collectively and individually. These criteria apply not just to ethics and compliance but 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.

10.6 Public Policy

Starting in 2012 and continuing to the present, the company adopted a new Political Activities Policy Statement. Through it, Teradata 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.

Teradata 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 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 or using Teradata resources.

Prior to 2016, Teradata maintained a Political Action Committee as a non-profit, non-partisan committee designed to further the company's interests. The Teradata PAC ceased accepting contributions near the end of 2015 and terminated operations and distributed final campaign/political committee contributions from those funds in early 2016.

11.0 GRI Index (G4-32)

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G4-12	8.0-8.3	G4-27	5.0-5.3	G4-56	10.1
G4-13	About This Report	Report Profile		G4-57	10.1
G4-14	2.3; 8.2; 10.3	G4-28	5.0-5.3	G4-58	10.1
G4-15	3.0; 6.0-6.3; 10.3	G4-29	5.0-5.3		
G4-16	3.0; 6.0-6.3; 10.3	G4-30	5.0-5.3		

Table 3. General Standard Disclosures.

Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators
G4-DMA	5.0-5.3	G4-EN16	7.1	G4-EN27	7.3; 7.5; 7.6	G4-LA15	8.2; 10.4	G4-SO7	10.1
G4-EN1	5.3; 7.5	G4-EN18	7.1	G4-EN29	7.5	G4-HR2	10.1	G4-SO9	10.4
G4-EN3	7.1	G4-EN19	7.1	G4-EN30	7.7	G4-HR10	10.4	G4-SO10	10.4
G4-EN5	7.1	G4-EN20	9.4	G4-EN32	8.2	G4-HR11	10.4	G4-PR3	7.6
G4-EN9	9.4	G4-EN21	9.4	G4-EN33	8.2	G4-SO1	6.0-6.3	G4-PR6	7.6
G4-EN11	9.3	G4-EN24	9.4	G4-LA10	4.4; 4.5; 10.1	G4-SO3	10.1	G4-PR9	7.6; 10.1
G4-EN13	9.3	G4-EN25	9.4	G4-LA11	4.5; 4.6	G4-SO4	10.1		
G4-EN15	7.1	G4-EN26	9.4	G4-LA14	10.4	G4-SO5	10.1		

Table 4. Specific Standard Disclosures.

12.0 List of External Reports Referenced in Report

A. SEC Filings

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

B. Governance Policies

1. www.teradata.com/corporate-governance

C. 2015 Annual Report

1. investor.teradata.com/financial-performance/financial-reports/default.aspx

D. Governance Guidelines

1. www.teradata.com/governance-guidelines

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