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2011 TERADATA CORPORATE SOCIAL RESPONSIBILITY REPORT

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

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CEO Communication

(GRI 1.1)

Teradata Corporation continues to promote a culture of global sustainability – within our organization and throughout our ecosystem of customers and business partners. This year, we have advanced our programs and initiatives to make an even greater positive impact on our community, environment, and customers' bottom lines.

Because it is Teradata's mission to provide leading analytic data solutions, we continue to push the limits of performance – while allaying the economic impact to our customers. Our goal is to maximize the computational power they require, while minimizing the corresponding consumption of space and energy.

This year, we launched the Teradata Extreme Performance Appliance – which introduced all-SSD storage technology to the data warehouse industry. Because these devices deliver up to 22x higher storage performance, our customers require fewer drives for the same level of performance as current HDD-based systems. These improvements reduce floor space requirements by 94% and energy consumption by 87% – an economic, as well as an environmental, boost for our customers.

The newest model of the Teradata Active Enterprise Data Warehouse also greatly improves energy consumption. Announced in April 2011, this platform model yields up to a 73% reduction in electricity usage compared to servers of five years ago. By dramatically reducing energy usage for the same system performance and floor space, Teradata reduces our customers' associated data center cooling and power delivery infrastructure.

In addition to hardware improvements, we're persistent in our focus to develop software that makes Teradata systems run more efficiently. The current release of the Teradata Database (Teradata 13.10) delivers greater efficiency and performance – effectively 30% more processing power on the same hardware, while consuming the same amount of energy.

To advance our efforts in corporate social responsibility, Teradata continues its partnerships and memberships with several research, planning, government, and industry organizations that address global sustainability. During 2011, we met our aggressive five-year EPA Climate Leaders goal to reduce greenhouse gas emissions intensity by 45%. We are proud to announce that in two years, we met and exceeded our five-year goal; achieving a cumulative 52.1% reduction in our greenhouse emissions intensity target. We will be developing a new goal in 2012 and will report this goal in our 2013 CSR report.

We are honored to report that for the third year in a row, Ethisphere Institute named Teradata one of the 'World's Most Ethical Companies.' Furthering our commitment to ethical behavior and human rights, Teradata became a formal signatory to the UN Global Compact during 2011. We have supported the principles that underlie the Global Compact for the past several years, and have historically aligned our business and operations in ways that foster those principles. In becoming a signatory, Teradata strengthens this pledge – affirming our commitment to the ten principles of the UN Global Compact covering human rights, labour, environment, and anti-corruption.

Looking more broadly at our ecosystem, this past year we developed a self-audit program and assessment tool to increase transparency between our Code of Conduct and our suppliers operations. Audits of production facilities and corporate procedures are now required of all our tier one direct manufacturing suppliers.

Teradata has made great strides this year in ethics and in global sustainability, and we are pleased to highlight recent recognition:

- > Dow Jones World Index and the North America Index, as one of the world's leaders in sustainability for the second year in a row. In addition, we were selected as a sector leader in the TSV Computer Services & Internet sector.
- > 2012 Computer and Internet Sector Leader by the 13th SAM Corporate Sustainability Assessment as published

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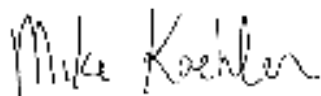
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in the Sustainability Yearbook 2012. Through this assessment, Teradata improved from a Bronze Class member to a 2012 Gold Class Member.

- > NEWSWEEK Green Rankings 2011, where Teradata ranked #42 among the top 500 U.S. companies, based on environmental impact, management and disclosure.

Our Teradata employees likewise continue to demonstrate good corporate citizenship and an ongoing responsibility to support those in need in our communities around the world. In 2011, nearly half of our worldwide employees completed over 15,000 hours of volunteerism, more than doubling the number of projects over 2010. During our annual Teradata Days of Caring in August, employees around the globe joined together to support local community projects – completing 200 projects in 44 cities with 1700 participants volunteering over 2800 hours. We are proud of all our employees' service to their communities, and highlight our Celebration of Caring award winners and key regional accomplishments in this report.

Working together in 2011, Teradata's employees and our extended ecosystem furthered our culture of global sustainability. We demonstrated our commitment to the triple bottom line of people, planet, and profitability: increasing social responsibility through our community relations initiatives, and furthering ethical behavior through our practices and our behaviors, and lessening environmental and economic impact through our operations and analytic data solutions. In 2012 and beyond, we seek to make an even greater impact on our community, environment, and customers' bottom line – making a positive difference in the world in which we live and work.



Mike Koehler,
President and CEO,
Teradata Corporation



About This Report

This is the fourth edition of the Teradata® corporate social responsibility (CSR) report. The first was produced in 2009. This report describes the policies, processes and performance of Teradata Corporation to help our customers, community, and employees understand our past performance and continuing commitment to CSR as we develop our plans for the future.

The information provided is a reflection of 2011 performance. At this time, our next report, based on our 2012 performance, is planned for release in 2013. However, this schedule could be adjusted during 2012 and 2013.

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

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

1.0 Teradata

1.1 Our Mission

(GRI 4.8)

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

1.2 Our Company

(GRI 2.1, 2.2, 2.4, 2.6, 2.7, 2.10)

Teradata Corporation (NYSE: TDC) is the world's leading analytic data solutions company, focused on integrated data warehousing, big data analytics, and business applications. Teradata's innovative products and services deliver data integration and business insight to empower organizations to make the best decisions possible for competitive advantage. Visit teradata.com for details.

Teradata's powerful solutions portfolio and database are the foundation on which the company has built its leadership position in business intelligence and are designed to address any business or technology need for companies of all sizes.

Teradata has a presence in more than 60 countries and on the web at Teradata.com. Teradata's social media links include:

- > www.linkedin.com/company/Teradata
- > twitter.com/Teradata

- > facebook.com/Teradata
- > slideshare.net/Teradata
- > www.youtube.com/Teradata
- > www.flickr.com/photos/teradatanow
- > plus.google.com/u/0/b/113437383333777574401/#

Integrated Data Warehousing

Data warehousing is the process of capturing, storing, and analyzing data to gain insight. This process is built on an enterprise data warehouse, which is a single, centralized, application-neutral repository of an organization's current and historical data.

- > The Teradata® Purpose-Built Platform Family offers end-to-end data warehousing platforms to meet customers' specific analytical and budgetary requirements. These platforms include:
 - > Teradata Active Enterprise Data Warehouse
 - > Teradata Data Warehouse Appliance
 - > Teradata Extreme Data Appliance
 - > Teradata Data Mart Appliance
 - > Teradata Extreme Performance Appliance

Every Teradata solution is purpose-built to customer specifications and designed to maximize return on investment, lower total cost of ownership, and deliver increased business value through a range of options, price points, and features.

Teradata solutions establish the most comprehensive and transparent view of the enterprise for smarter decision making and cut through the complexities of business dimensions to drive results at any scale.

Teradata's Aprimo Acquisition

Teradata's acquisition of **Aprimo**, first announced in December 2010, was completed in early 2011. Aprimo is a global leader in cloud-based integrated marketing software. Together, the two innovators began driving the future of integrated marketing, enabling corporations to optimize marketing performance with more detailed, comprehensive insights from a universe exploding with **big data**.

Marketing executives have been among the first to benefit from the combined capabilities of Aprimo and Teradata. Aprimo resolves the top challenges for marketers such as integrating campaigns across proliferating digital and traditional channels, the elimination of data silos that inhibit results analysis and metrics – and proving ROI on marketing. With its fully integrated suite, Aprimo services hundreds of customers, including 36 of the Fortune 100. Among these are Target Corporation, Warner Bros. Inc., and Nestle S.A.

Teradata's Acquisition of Aster Data

In April 2011, to expand its presence in the "Big Data" marketplace, Teradata acquired Aster Data Systems, Inc., a leader in big data analytics. Teradata Aster provides tools that help its customers harness the power of emerging big data, manage a variety of diverse semi-structured data from web sources, sensor networks, social networks, genomics, and more. Combined with Teradata's leading business analytics and data warehousing solutions, customers can now create new forms of analytical insight that no other single vendor can deliver, from greater depth of detailed data and faster time to value.

The Teradata Aster MapReduce Platform marries science of data with the art of business. Whether it is labeled the "data deluge" or the "data tsunami," the fact is that data and particularly digital data is growing at exponential rates. What is interesting about this trend is not particularly the growth of data, but rather the hidden value that can be found in this data by applying data science. Companies like LinkedIn, Gilt Groupe, and Barnes & Noble have tapped the

data deluge for competitive advantage. And they have done it with Teradata Aster MapReduce Platform.

Teradata Aster MapReduce Platform

Teradata Aster MapReduce Platform delivers a massively parallel processing infrastructure with a software solution that embeds both SQL and MapReduce analytic processing for deeper analytic insights on multi-structured data and new analytic capabilities driven by data science. Built not only to store large volumes of data but also to process rich analytic applications in-database, Teradata Aster MapReduce Platform is optimized for big data analytics.

Teradata Aster MapReduce Platform uses an integrated MapReduce analytics engine for embedded analytic processing, simplifying enterprise access for big data analytics. Teradata Aster MapReduce Platform uses a patented SQL-MapReduce® framework so that any business intelligence tool that generates standard SQL or any business analyst that knows SQL can immediately invoke the power of data science without having to learn programming languages or new interfaces. This delivers breakthrough performance and scalability on large data volumes, the ability to process relational data side by side with digital data of multi-structured formats, ease of use for a new class of data science analytics and a choice of enterprise deployment options.

Using Teradata Aster MapReduce Platform, customers report results such as:

- > **740% return on investment** over a 3-year period from greater analytic insight
- > **\$2.4 million new player revenue** from increased brand trust/site integrity in year one
- > **60% faster analytic processing** for 140 million anonymous user profile scores
- > **\$1.37 million in increased advertising revenue** attributed in year one
- > **70% cross-sell revenue increase** with better insights to consumer preferences

Target Industries

Teradata products and services have broad appeal in almost every form of customer marketplace. Some industries that our customers serve include: communications, media and entertainment, financial services, insurance, retail, government and public services, healthcare, life sciences, and pharmaceuticals, manufacturing, hospitality, gaming, travel and transportation, utilities, and oil and gas.

Market Leadership

Teradata has led the data warehousing market since its inception, with more than 1,379 customers, notably:

- > Nine of the top ten global commercial and savings banks
- > All of the top ten global telecommunications companies
- > All of the top five global airlines
- > Eight of the top ten travel and transportation companies
- > Eight of the top ten global retailers

On any given business day in almost every industry throughout the world, well over a million users access a Teradata data warehouse for precise and reliable intelligence to support business decisions.

Teradata® Database Software

The flagship Teradata Database software is regarded by customers and industry analysts as a superior choice for analyzing data and processing increasing volumes and complexity of queries without compromising performance. Teradata's processing architecture, combined with our database software provides the foundation for our unique ability to support and manage a wide range of data warehousing functions. These functions range from reports to ad-hoc queries to data mining and simultaneous data loading, all from a single data warehouse that integrates data from across the enterprise to drive smarter, faster decision making. The Teradata Database software, which operates in different operating system environments (including LINUX and Microsoft Windows®), delivers real-time intelligence for customers with capabilities and features, such as support for mixed workloads, the ability to handle thousands of concurrent queries, robust and simplified system management,

high system availability, event monitoring, and easy integration into the enterprise. Teradata also offers a software subscription program that keeps customers up-to-date on new product releases.

Active Data Warehousing

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

Teradata Active Enterprise Intelligence™ Capabilities

Teradata Active Enterprise Intelligence™ capabilities represent the power of active data warehousing, and refer to the alignment of strategic and operational systems, people, technology and processes to make smarter, faster decisions throughout all levels of an organization. Through active data warehousing technology, professional services, and applications, Teradata enables customers to convert their information into intelligence, and intelligence into actions to respond to business events while they are occurring. Teradata Active Enterprise Intelligence capabilities help our customers effectively maneuver across any complex and dynamic business environment with speed and confidence.

Teradata's Industry Leadership

In 2011, Teradata was positioned as a leader by three international IT analyst firms:

- > In the 2011 Data Warehouse DBMS Magic Quadrant issued by Gartner,
- > In the 2011 Forrester WAVE for Data Warehousing, and
- > In the 2011 Information Difference Study on Data Warehousing

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- > In May 2011, Gartner positioned Aprimo in the “Leader’s Quadrant” of the “Magic Quadrant for Multi-Channel Campaign Management” (MCCM) report.
- > Teradata and some of its most innovative customers won top honors in 2011 in prestigious award programs including Information Management Innovative Solutions Awards, CIO 100 Awards, Gartner/1to1 CRM Awards, Excellence.GOV, the National Association of State CIOs, TechAmerica Foundation, NCDM Database Excellence Awards and Ventana Research Leadership Awards.
- > For the fourth year in a row, Teradata was included in the InformationWeek 500. The magazine also ranked Teradata in its “Top 12 Big Data Analytics Players.”
- > Teradata was again named one of the “World’s Most Ethical Companies” by The Ethisphere Institute.
- > Teradata was again listed in the Dow Jones Sustainability Index and the SAM Sustainability Yearbook.
- > Teradata was again listed in the FTSE4Good Index.
- > Teradata was listed in the Newsweek Green Rankings list.
- > Teradata was a recognized contender in Fortune’s “World’s Most Admired Companies” survey.

1.3 2011 Financial Performance

(GRI 2.8, EC1)

In 2011, Teradata achieved revenues of \$2.362 billion. Sales were apportioned in the following manner: Americas 61 percent, APJ 16 percent and EMEA 23 percent. Teradata’s market capitalization was \$8.11 billion at the end of 2011. For further financial information, please visit Teradata.com/investor.

1.4 Organizational Structure

(GRI 2.3)

The Teradata organization is led by a senior management team of leaders (our “Leadership Team”) who bring an average of more than 20 years of industry-related experience to their positions. Their experience covers all aspects of the business, from engineering and sales to marketing

and finance with considerable depth and focus on the data warehousing, enterprise data warehousing, and analytics business. The Teradata leadership team sets the strategic direction for the company and each member individually drives the results in their areas of expertise.

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

Professional Services provides client support from project management and high-end consulting to data modeling and business intelligence. Teradata Customer Services provides support to our customers all around the globe.

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

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

1.5 Teradata History and Development

(GRI 2.9)

Teradata was formed in 1979 as a Delaware corporation. Our first product, the Teradata Database Computer, was utilized by Wells Fargo and AT&T, among others. We established a relational database management system on a proprietary platform in 1984. In 1990, we 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.

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In 1996, AT&T spun off NCR (including Teradata) to form an independent, publicly traded company. In 1999, NCR consolidated its data warehousing business into a separate Teradata operating division. We continued our investments to extend the scope of our enterprise data warehousing solutions, including improvements to our leading database software, ongoing development of new enterprise analytic software applications, and the provision of sophisticated support and professional consulting services.

On October 1, 2007, Teradata completed its spin-off from NCR Corporation, and shares of its common stock began regular trading on the New York Stock Exchange (NYSE) under the symbol TDC. Teradata also is a component member of the S&P 500.

In 2009, Teradata celebrated its 30th anniversary.

In early 2011, Teradata finalized the acquisition of Aprimo, first announced in December 2010.

In April 2011, Teradata acquired Aster Data Systems, Inc., a leader in big data analytics, to help its customers harness the power of emerging big data.

2.0 Corporate Governance

(GRI 4.1-4.4, 4.6)

The Teradata Board of Directors is elected by the stockholders to govern the affairs of the Company. The Board selects the Leadership Team, which is charged with the conduct of the Company's business. Having selected the Leadership Team, the Board acts as an advisor to Leadership Team members and monitors its performance. The Board reviews the Company's strategies, financial objectives, and operating plans.

The Board also plans for management succession of the Chief Executive Officer, as well as other Leadership Team positions, and oversees the Company's governance and compliance efforts.

2.1 Board of Directors

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

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

The Board, with input from its Committee on Directors and Governance, is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board member candidates, taking into account the Company's needs and the current makeup of the Board. This includes assessment of the candidate's knowledge, experience and skills in areas critical to understanding the Company and its business; personal characteristics, such as integrity and judgment; and, the candidate's commitments to the boards of other publicly-held companies. Each Board member is expected to ensure that existing and future commitments to external boards do not materially interfere with the member's service as a Director of the Company and that he or she devotes the time necessary to discharge his or her duties as a Director of the Company.

2.2 Committees

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

The Board appoints members of the committees on an annual basis. The Committee on Directors and Governance,

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

Only independent Directors may serve on the Audit Committee, the Compensation and Human Resource Committee, or the Committee on Directors and Governance, and at least one member of the Audit Committee must have accounting or financial management experience, as defined by the U. S. Securities and Exchange Commission rules and/or as required under applicable New York Stock Exchange listing requirements. Additionally, a member of the Audit Committee may not sit on more than two other Audit Committees of other public companies, unless the Board determines that such commitments would not impair his or her effective service to the Company.

2.3 Conflicts of Interest, Standards of Conduct, Reporting, and Controls

(GRI 4.6)

The Board determines on a case-by-case basis whether a conflict of interest exists with respect to Directors. Each Director must advise the Board of any situation that could potentially be a conflict of interest and will not vote on any issue in which he or she has any interest other than solely as a Director of the Company. Each member of the Board of Directors reviews and receives training on, and certifies his or her compliance with, the Company's Code of Conduct on an annual basis. As set out in its Charter, the Audit Committee: reviews, approves, and monitors the Company's Code of Conduct initiatives and compliance, including as applied to all senior financial officers of the Company and all members of the Leadership Team; and, oversees the Company's program for monitoring the Company's compliance with laws and regulations and the Company's ethical standards, including receiving reports on all significant ethics and compliance matters and investigations. The Audit Committee

Charter also details how the Audit Committee addresses matters related to financial reporting, independent accountants, audits, internal controls, risk assessments, and other reports and issues.

2.4 Shareholder Communications

Under the Teradata Bylaws, qualified stockholders may submit proposals to the Corporate Secretary in advance of the annual meeting of stockholders. In addition, stockholders wishing to communicate with the Audit Committee Chair or any of the Company's other non-employee Directors may do so by contacting the Corporate Secretary. The Corporate Secretary will forward any communications as directed by the stockholder.

Please see the Corporate Governance page of the Teradata website at Teradata.com (select "Company & Careers" then select "Corporate-Governance") for more information about the Company's corporate governance standards and practices, including the Company's: Articles of Incorporation; Bylaws; Board member profiles; Governance Guidelines; Charters for each of the Board's Committees; Statement on Director Independence; Securities Transactions by Board members; Code of Conduct; and, how anyone may communicate with the Board. In April 2010, the Board adopted a Compensation Recovery Policy, such that members of the Company's Leadership Team are subject to forfeiture of the difference between the compensation they receive and the compensation they would have received in the event that publicly-disclosed financial statements of the Company later are restated. Also in April 2010, the Board adopted Executive Stock Ownership Guidelines, which provide that members of the Leadership Team are expected to own at least a specified minimum number of shares in the Company; the specified number of shares varies depending on the executive's level/position; this initiative is intended to better align the interests of the Company's Leadership Team with those of stockholders and the Company's long-term success. Information concerning these two Board actions is publicly-available through the above-referenced Corporate Governance web page of Teradata.com.

3.0 Industry Involvement

(GRI 4.13)

3.1 The Green Grid

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

3.2 ASHRAE

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

3.3 ITI

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

4.0 Human Resources

4.1 Overview

Our Human Resources organization is chartered with providing strategic global leadership to guide Teradata's

efforts to build sustainable competitive advantage through our human capital strategy. Our human capital strategy is a strategic business goal and is aligned with Teradata's business objectives. The Human Resources organization is led by the Vice President of Human Resources, who is a direct report to the CEO, and holds an important position on 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. Each global region, our R&D and Customer Services organization, and our infrastructure organizations have a dedicated HR Director to partner with them to execute HR initiatives. To support local business operations, HR consultants are located in our largest countries around the globe.

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

4.2 Employment

(GRI 2.5, 2.8, LA1)

At the end of 2011, Teradata employed approximately 8,600 employees in 42 countries around the globe. We are headquartered in the United States, and we operate within a three-region structure. There are approximately 4,100 employees in the Americas region, approximately 2,800 employees in the Asia-Pacific-Japan (APJ) region and approximately 1,700 employees in the Europe, Middle East, Africa (EMEA) region.

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

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

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

4.3 Employee Turnover

(GRI LA2)

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

4.4 Collective Bargaining Agreements

(GRI LA4)

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

4.5 Employee Communications

(GRI LA5)

Appropriate notice is provided regarding operational changes, not only for those employees covered by collective bargaining agreements, but for all Teradata employees. Teradata keeps employees informed through regular updates posted on the employee intranet. Hundreds of other valuable resources are made available to employees on the Teradata intranet. CEO Mike Koehler posts quarterly webcasts to update employees on company news and future business initiatives.

4.6 Career Development

(GRI LA10)

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

Through this program, Teradata provides a professional certification program that supports industry standard certifications. In 2011, Teradata employees completed 80,398 courses for a total of 425,749 training hours.

4.7 Tuition Assistance

(GRI LA10)

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

National Merit Teradata Scholarships

Not only do we offer tuition assistance to employees, but we provide tuition assistance and scholarships for their children as well. Every year, Teradata provides scholarships to children of Teradata employees who are selected as National Merit Scholarship winners. Students enter this academic competition in the fall of their junior year of high school by taking the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT). Since 2008, 14 national merit scholarships have been awarded by Teradata.

Teradata International Scholarship

Since 2010, Teradata expanded support to children of our international employees through Teradata International Scholarships by offering annual scholarships to students who excel both in the classroom and their community. 10 international scholarships have been awarded by Teradata through the program.

4.8 Leadership Development

(GRI LA11)

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

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

4.9 Performance Management Process

(GRI LA12)

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

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

4.10 Diversity

(GRI LA13)

Teradata 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 shared Values to direct our behavior and guide our decisions as we strive to achieve our business objectives.

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

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

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

We are engaged in building and nurturing a diversity-friendly, inclusive environment, one that seeks out, welcomes and values diverse people, diverse thinking and diverse solutions for our business. Teradata recognizes several Business Resource Groups as part of its diversity environment. **Business Resource Groups (BRGs)** encourage employees to enhance their leadership and

professional skills through educational and cultural opportunities within the company and/or the community. These globally-chartered affinity organizations are supported by Teradata and provide a number of benefits to the business:

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

Supplier Diversity Program

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

"It is Teradata's policy to ensure that Small Businesses, Minority-owned, Women-owned, and Veteran-owned businesses are sought to participate as suppliers, contractors, and subcontractors of goods and services

to Teradata; and comply with regulatory agency requirements and with federal, state, and local procurement regulations and programs...”

In October 2009 Teradata launched the company’s commercial Supplier diversity program – a complement to Teradata’s already active government supplier diversity program. Since this program has been implemented Teradata has made great strides in the successful utilization of diverse suppliers nationwide by growing the spend percentages to 13.10% by the end of year 2011 in both Tier I and Tier II spend.

4.11 Employee Ethics and Compliance Training

(GRI HR3, SO2, SO3)

Teradata shows its commitment to integrating ethical business practices throughout the Company’s global workforce by offering various ethics and compliance learning opportunities, requiring certain amounts, levels, and subject-areas of ethics and compliance training, and requiring various ethics and compliance certifications from all employees, officers, Leadership Team members, and Board members. These communications, training programs, and certifications focus on the Company’s: shared Values; desired Behavioral Qualities; compliance with laws requirements; compliance with policies requirements; Code of Conduct commitments; environmental, health and safety compliance; respect for human rights; commitments and practices to avoid and eliminate corruption; and, how to raise ethics and compliance concerns and questions, and report potential ethics and compliance violations, without fear of retaliation and on a confidential and anonymous basis. They also expressly cover the Company’s standards of conduct and requirements of all Teradata people to avoid, address, and not tolerate any forms of discrimination, harassment, or retaliation and include training regarding sexual harassment/discrimination and non-discriminatory Performance Management practices and compensation planning for managers.

All newly-hired employees (including employees of companies newly acquired by Teradata) are oriented to the Company’s shared Values, Behavioral Qualities and Code of Conduct as a part of the Company’s new-employee process, they must complete the Company’s Code of Conduct training module shortly after their employment start-dates (or merger dates for employees of newly-acquired companies), and, upon their completion of that module, they must certify that they have read, understand and will comply with the Company’s Code of Conduct, and they must disclose all potential conflicts of interest they may have. In addition, all Teradata employees, individual staff contractors, officers, Leadership Team members and Board members are required to complete a supplemental Code of Conduct training and certification module on an annual basis. The Company’s online Code of Conduct training modules include: information on key ethics and compliance areas that are the most relevant to Teradata; state-of-the-art/best-practices video-audio scenarios; questions/answers; and, links to the Company’s Code of Conduct, Ethics Guides, and Ethics Helpline.

All employees of the Company also are required to complete mandatory periodic environmental, health and safety compliance training, and all managers and facilities coordinators are required to complete more-advanced periodic environmental, health and safety compliance training. Employees who deal with government contracting and governmental officials/representatives in the United States are required to complete periodic training on, and certify compliance with, supplemental ethics and compliance requirements that apply to those subject-areas. Employees who deal with non-U.S. transactions or matters that involve non-U.S. governmental officials/representatives, officials/representatives of governmentally wholly-owned or partially-owned enterprises, officials/representatives of public international agencies, or books-and-records for non-U.S. transactions/payments are required to complete additional training on, and certify compliance with, supplemental ethics and compliance requirements that apply to those subject-areas,

including compliance with the U. S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other anti-corruption, anti-bribery and anti-money-laundering policies and laws. Employees who deal with imports, exports or distributions of technologies/information that are subject to boycott, anti-boycott or embargo laws/restrictions also are required to complete additional training on supplemental ethics and compliance requirements that apply regarding those subject areas. Additional ethics and compliance training programs are presented to Company employees at various team meetings and to various subject-matter-focused audiences on a continuous basis; members of the Company's Leadership Team, next-level Leadership Council, Law Department and financial controls organizations also receive periodic ethics and compliance training on key subject-areas that are relevant to their roles and heightened responsibilities.

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

The Teradata Values and Code of Conduct document and Teradata Ethics Guides themselves include and are used as learning and training aids. In addition to stating the Company's shared Values, Behavioral Qualities and standards of conduct, those documents include explanations of why those Values, Behavioral Qualities and standards apply, answers to frequently-asked-questions, real-world-based scenarios-and-guidance, red-flags/warning-sign listings, explanations of the Company's ethics and compliance processes, details on how employees can raise ethics concerns and questions and report suspected violations through a variety of channels (including through a toll-free/online Ethics Helpline, which can be used on a 24X7 confidential and anonymous basis), and information about the Company's policy of not tolerating any retaliation against

employees who raise issues or make violation reports in good faith. The Teradata Values and Code of Conduct document emphasizes personal and corporate integrity and exemplifies the Company's commitment to integrity, ethics and compliance in all words, decisions and actions of the Company and its people, and reinforces that Teradata people should ask questions and obtain guidance before acting if they have any doubt about whether something they propose to do might violate the Company's Code of Conduct, Company policies or the law.

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

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

frequently also are included in the Company's employee e-newsletters, employee web sites, kick-off meetings, leadership council meetings, and 'town-hall' meetings and webcasts. The toll-free telephone number for the Teradata Ethics Helpline appears on most Teradata employee identification badges and mention of that fact is included in the Company's Code of Conduct training programs, so that all employees will have, and know they have, access to the Company's ethics and compliance guidance and reporting resources at all times.

During 2011, approximately 9,000 different Teradata people (employees plus individual staff contractors and members of the Board of Directors) received ethics and compliance training, including anti-discrimination, anti-harassment, anti-bribery, anti-corruption, data privacy, information security, environmental, health and safety, training, for over 50,000 person-hour of ethics and compliance training during the year (i.e., an annual average of more than five hours per person). In recognition of the quality and effectiveness of its implementation of its compliance training, during 2011, Teradata received the Kaplan EduNeering "Knowledge Summit Achievement Award" as the top company globally in the category of "Compliance" training and communications.

Ethisphere World's Most Ethical Companies

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

4.12 Teradata Code of Conduct

(GRI 4.8)

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

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

The Teradata Code of Conduct and the Company's related policies, procedures and Ethics Guides include: duties to respect human rights and employment/labor rights and laws; commitments and practices to avoid, eliminate and have zero-tolerance for corruption; commitments to environmental, health and safety standards, laws and regulations; and, how to raise ethics and compliance concerns and questions, and report potential ethics and compliance violations, without fear of retaliation and on a confidential and anonymous basis. They also expressly cover the Company's standards of conduct and requirements of all Teradata people to avoid, address, and have zero-tolerance for any forms of illegal or improper discrimination, harassment and, retaliation against anyone.

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

1. We conduct business ethically and in compliance with our Code of Conduct and Policies.
2. We seek guidance and report concerns and violations.
3. We respect others.

4. We comply with laws.
5. We compete fairly.
6. We avoid conflicts of interest.
7. We protect assets.
8. We protect data.
9. We keep accurate records.
- 10 We apply our Code of Conduct and Policies consistently.
11. We do the right thing – always.

Teradata also has adopted the standards of conduct established by: the Electronic Industry Citizenship Coalition (EICC) Code of Conduct; the United Nations (UN) Global Compact; the International Labour Organization (ILO); the Organisation for Economic Co-Operation and Development's (OECD's) Guidelines for Multinational Enterprises; the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion & Bribery, Rules on Combating Corruption, Guidelines on Agents, Intermediaries and Other Third Parties, and Guidelines on Whistleblowing; the Online Privacy Alliance; and, the U.S.-EU Safe Harbor Framework for privacy protection. Teradata has embedded the key principles which underlie these standards into the Teradata Code of Conduct and the Company's related policies, procedures, and Ethics Guides. Among other things, these standards and principles require and reinforce our commitments to: respect for human rights; commitments and practices to avoid, eliminate and have zero-tolerance for corruption; respect for the environment; sustaining resources; and, that no form of illegal or improper discrimination, harassment or retaliation by Teradata people, suppliers or other business partners will be tolerated by the Company.

In 2011, Teradata became a formal signatory to the UN Global Compact. This report also constitutes the Teradata Communication On Progress (COP) that is a part of our obligation as a signatory to the UN Global Compact. Teradata also is a member of the Ethisphere Council, the Business Ethics Leadership Alliance (BELA), the Society of Corporate



Compliance and Ethics (SCCE), and the Ethics & Compliance Officers' Association (ECO) and has aligned its Code of Conduct, Ethics and Compliance program initiatives, and related policies, procedures, and Ethics Guides with standards and best-practices from those organizations and with the criteria for nomination to and selection for the Ethisphere World's Most Ethical Companies listing and Dow Jones Sustainability Index listing.

Under the Teradata Code of Conduct for Suppliers, the Company's vendors must commit to and certify compliance with the principles set out in the Teradata Code of Conduct and the EICC Code of Conduct with respect to all of their Teradata-related dealings, including with respect to all Teradata Requests For Proposals (RFPs) and all contracts with Teradata. Under the Teradata Code of Conduct various Teradata entities, business organizations and teams may adopt supplemental standards of conduct and related policies and procedures, but they must be at least as stringent as Teradata global company-wide ones and must comply with all applicable laws and the underlying principles embedded in the global Code of Conduct. This enables them to establish organization-specific specific and/or location-specific standards of conduct that are higher than the Company's global policies and procedures.

As summarized in more detail in the section above regarding employee ethics and compliance training, the Company implements extensive training and communications related to its Code of Conduct and related policies, procedures and Ethics Guides, and the Code of Conduct and Ethics Guides themselves include various best-practices learning aids. The Teradata Code of Conduct is available to anyone at all times through the Teradata website at www.teradata.com (select "Company & Careers" then select "Corporate-Governance" then select "Code of Conduct"). The Code of Conduct and related policies, procedures and Ethics Guides are available to all Teradata employees at all times through the Company's internal/employee web sites. And, as set out in the Code of Conduct document, anyone can contact the Teradata Ethics and Compliance Office and/or other

identified resources, including the Company's always-available multiple-language Ethics Helpline, to report a Code of Conduct violation or other ethics and compliance violation or to raise a Code of Conduct compliance or other ethics and compliance issue, question or request at any time.

Teradata regularly, globally, and systematically audits/monitors/ reviews the compliance of its entities with the standards of conduct established by the Company's Code of Conduct and related policies, procedures, and Ethics Guides. It utilizes internal controls personnel and internal auditors to verify such, as well as external independent auditors where appropriate. Through or in coordination with the Teradata Ethics and Compliance Office, Teradata conducts inquiries and investigations into all instances where potential compliance exceptions have been reported or otherwise have been identified as a result of auditing/monitoring/reviewing for controls and compliance, including those regarding environmental, anti-fraud/corruption, conflicts of interest, human rights and import/export/anti-boycott compliance, as well as other forms of financial-related and non-financial-related potential misconduct.

The Teradata Ethics and Compliance Office periodically reviews the status and handling of all such matters, as well as the programmatic aspects of the Teradata Ethics and Compliance initiative, with the Teradata Ethics and Compliance Committee. The Teradata Ethics and Compliance Committee is comprised of certain members of the Leadership Team, including the Chief Executive Officer, the Chief Financial Officer, Chief Legal Officer and Chief Ethics and Compliance Officer, and determines for all significant inquiries/investigations if a violation has been committed, what disciplinary actions will be imposed and what remedial actions should be taken to prevent recurrences. The Chief Ethics and Compliance Officer makes such determination for all non-significant matters, but reviews the results with the Ethics and Compliance Committee. The status, handling, and determinations for all inquiry/investigation matters, as well as the programmatic aspects of the

Company's Ethics and Compliance initiative, additionally are periodically reviewed by the Audit Committee of the Board of Directors.

4.13 Teradata Values and Behavioral Qualities

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

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

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

Our desired Behavioral Qualities are:

Trust
Excellence
Respect
Achievement
Dedication
Accountability
Teamwork
Attitude

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

5.0 Quality

5.1 Teradata Quality System

(GRI PR1, PR5)

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

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

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

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

- > Consistently meet or exceed the quality expectations of our customers.
- > Continuously improve processes that allow all employees to do their jobs right the first time.

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

- > Involve all necessary corporate functions/organizational levels at the right time.
- > Require management decisions at appropriate points.
- > Provide a framework of order and parallelism to sustain Teradata's portfolio management while ensuring faster time to market and the highest quality.

Formal process management methods (fully documented with measures and improvement activities) are used to maintain this process as well as other business and quality processes within Teradata (See Figure 1).

5.2 Carnegie Mellon-SEI Partner Network

Teradata is a general member of the SEI Partners Network and an SEI Advisory Board Member. The Partner Advisory Board provides advice to the SEI regarding its direction and activities. The Carnegie Mellon Software Engineering Institute (SEI) works closely with organizations, industry, and academia to continually improve software-intensive systems.

Their core purpose is to help organizations improve their software engineering capabilities and to develop or acquire the right software, defect free, within budget and on time, every time. Visit www.sei.cmu.edu.

6.0 Stakeholders

(GRI 4.14-4.17)

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

6.1 Customers

Our customers allow us to exist because of their trust in our company and their valuable feedback. They are the industry powerhouses that are outpacing their competitors. They join with our partners to form a worldwide collaborative network connecting every industry, market, and geography with application-specific expertise and proven best practices. Teradata actively seeks partnerships with other leading

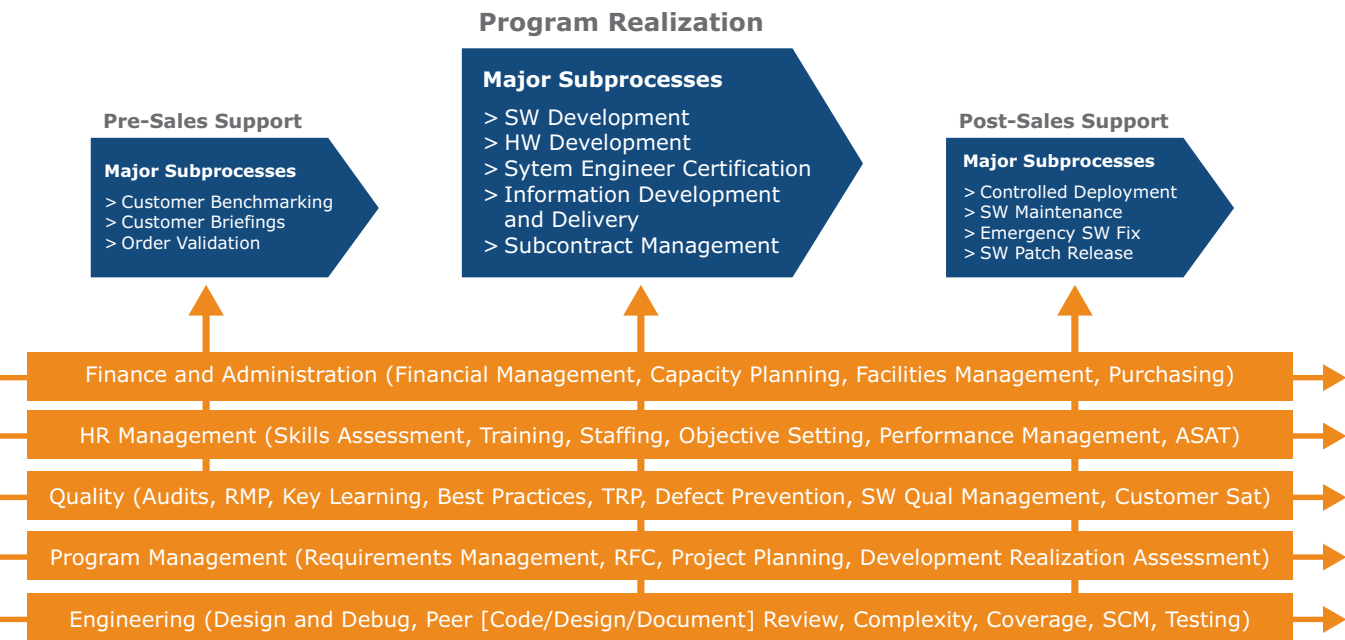


Figure 1. Teradata Processes.

innovators in software, technology, and integration services to provide customers with end-to-end analytic solutions.

Via a series of integrated processes, we have been turning transactions into relationships throughout the life of the product. These best-in-class processes include but are not limited to:

- > World-class, passionate professional and customer service associates, coupled with the Teradata Global Support Center, an interactive Teradata @ Your Service website, software updates on demand, and the Teradata Education Network.
- > Teradata PARTNERS User Group, which is made up of thousands of customers active in data warehousing and its associated technologies and products. Its members come together each year to share their experiences, successes, and challenges at the annual Teradata PARTNERS User Group Conference & Expo. Within the PARTNERS User Group are several subgroups:
 - PARTNERS is governed by a Steering Committee of customer representatives who provide leadership on behalf of all Teradata customers.
 - The Product Advisory Council (PAC) was formed to work closely with Teradata to gather customer requirements – both short- and long-term – and to focus on key product and service issues. The PAC also facilitates a comprehensive product and service enhancement request (ER) process that equitably represents the entire customer base.
 - The Service Focus Team (SFT) works closely with Teradata on key issues regarding support services and other areas that fall beyond the scope of product enhancements. The SFT represents the concerns of Teradata customers and gathers feedback to make service improvements.
 - The Analytical Applications Product Advisory Council (AA PAC) provides advisory input for product development direction to Teradata analytical applications, including integrated Marketing, Relationship

Management, Demand Chain Management, Supply Chain Intelligence and Teradata Warehouse Miner.

AA PAC consists of license holders and end users who come together to provide insight into new business strategies, processes, and functionality with an eye toward adding business value to the analytical applications.

- > The Teradata PARTNERS User Group Conference & Expo provides educational sessions to increase technology and product knowledge. Customers share real-life experiences while gaining insight from industry keynote presenters. The event provides an opportunity to network with colleagues and industry experts, and to examine and discuss the latest data warehousing trends and technologies.
- > Teradata uses its customer satisfaction program to provide each account team with performance scores and commentary from their customers. Furthermore, the company uses the feedback from customers, obtained via questionnaires, to provide Teradata management guidance into positive areas that can be leveraged and negative areas that need improvement. When a questionnaire is completed, results are sent to the account team for review and action, where appropriate. Each quarter, results are reviewed by marketing research, and aggregate results and recommended actions are presented to the Teradata leadership team and area leaders.
- > Aprimo has multiple forums by which customers are able to provide feedback on product and processes within the company. First we have a series of formal meetings that include: Aprimo Marketing Summit Customer Advisory Board, User Groups by Vertical, Aprimo Product Customer Focus Groups and the Aprimo Analytical Product Advisory Council (AAPAC). We also allow customers to provide feedback directly to our product team via a scheduled meeting with their account rep and a representative from the product development team. Finally, customers are able to provide feedback at various touch

points with Aprimo through an online survey administered by Mindshare Technologies. Some of the touch points include: Contract Signing, Implementation Design Sign-off, Customer Care Handoff, Quarterly Review, (Customer) Fiscal Year End, and a quarterly Overall Satisfaction survey.

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

6.2 Investor Relations

Teradata is committed to serving the best interests of its shareholders. Teradata's investor pages, located at Teradata.com, enable investors to find key shareholder information and financial reports, which can help put Teradata Corporation's financial performance into perspective.

6.3 Shareholder Communication

Stockholders are encouraged to communicate with the Audit Committee Chair or any of the company's other non-employee directors by contacting Teradata's Corporate Secretary at 10000 Innovation Drive, Dayton, OH 45342. The Corporate Secretary will forward any communications as directed by the stockholder.

6.4 Employees

Employees are Teradata's most valuable asset. This includes all individuals employed by Teradata, both regular full-time and part-time individuals. At Teradata we know it's our people that make us great. We are committed to keeping employees informed through regular communications from leadership and by providing them with open channel to provide feedback. In addition to an ongoing idea generation program we participate annually in local and national employee engagement surveys to give management a view of our workplace culture. As ongoing support for our virtual workforce, we created *Workplace Connection*, a dedicated

website that provides virtual employees with direct links to the information, tools, and tips that allow them to work effectively "anytime, anywhere."

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.

To attract the passionate professionals of the future, Teradata maintains contact with the following U.S. universities:

East Coast:

- > Bentley
- > Drexel
- > Stevens

Midwest:

- > IUPUI
- > Miami of Ohio
- > Purdue University
- > Rose Hulman
- > Sinclair Community College
- > University of Dayton
- > University of Illinois
- > University of Indiana-Bloomington
- > Wright State University
- > University of Wisconsin – Madison
- > University of Akron

Southeast/DC Area:

- > Georgia Tech
- > North Carolina State
- > University of Georgia
- > James Madison University
- > Virginia Tech
- > University of Virginia

Southwest/West Coast:

- > San Diego State University
- > University of California – Berkeley

- > University of California – Irvine
- > University of California – San Diego
- > University of Southern California
- > Stanford
- > Harvey Mudd
- > Carnegie Mellon Bay Area Campus

Texas:

- > Texas A&M
- > Baylor

Canada:

- > University of Waterloo
- > University of Calgary

7.0 Teradata Cares

(GRI SO1)

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

Our global focus is on education in Science, Technology, Engineering and Mathematics (STEM). This focus develops student interest in technology subjects that will lead to a strong future workforce, and it creates opportunities for employees to engage with students in their local communities. Teradata Community Relations engages in grant-making that is consistent with this educational focus and our technological competency.

Teradata's grant guidelines are available at Teradata.com/t/community-relations.

7.1 Community Relations Areas of Focus

At Teradata, we believe that volunteering shows the power of the human spirit, fuels individual passions, develops

employee skills, facilitates teamwork, and helps employees understand and appreciate the interdependence between our company and the communities where we live and do business.

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

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

Interest among youth today in science and technology is diminishing. Teradata Cares is dedicated to countering this trend by nurturing and developing young people's interest and education in the STEM disciplines (science, technology, engineering, and mathematics). In addition to preparing today's youth for life in the modern world, this approach also develops our industry's future technologists and business leaders. One of Teradata's most strategic partners is FIRST (For Inspiration and Recognition of Science and Technology). Founded in 1989, FIRST's mission is to inspire young people to be science and technology leaders by engaging them in exciting mentor-based programs that build science, engineering and technology skills; that inspire innovation; and that foster well-rounded life capabilities, including self-confidence, communication and leadership. In addition, Teradata also supports programs like Junior Achievement, that benefit the business community by ensuring that the next generation of business leaders is well-poised to pursue careers in business.

2. Helping the environment by supporting global sustainability.

Teradata strives to comply with all applicable workplace health and safety requirements and regularly monitors its achievements in these areas. Also, Teradata has implemented recycling programs, utilizes recycled products (such as paper) and has implemented various energy and resource conservation programs at multiple facilities. Teradata's green family of products boosts energy efficiency, enabling more output with less consumption. The entire

platform leverages energy-efficient processors and cabinet designs. Finally, in our volunteer efforts, our employees participate in neighborhood clean-ups, restoration projects, and assist with disaster relief.

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. Teradata's employees also volunteer their time as board members for nonprofit organizations, participate in social service programs and lend their considerable experience to many community organizations.

7.2 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 a year during normal working hours to volunteer in their local communities. Teradata encourages employee community engagement in volunteer organizations by offering a variety of opportunities to give back. In 2011, over 4500 employees completed over 15,000 hours of volunteerism. Since the launch of Teradata Cares in May 2008, over 35,000 hours of volunteerism have been completed.

Community Champions

The Community Champions program provides 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 on the community. Community Champions have the

unique opportunity to not only be a volunteer, but also to lead, inspire, and motivate colleagues to get involved.

Teradata Cares provides training, support and tools to assist these passionate employees to further our efforts around the globe. Community Champions are also a critical part of Teradata's Annual Days of Caring. Currently, over 45 Teradata Community Champions are located in the following cities: Atlanta, Auckland, Beijing, Bogota, Boston, Buenos Aires, Canberra, Charlotte, Chicago, Columbia, Delhi, Denver, Dublin, Dusseldorf, El Segundo, Giza, Gurgaon, Helsinki, Hyderabad, Islamabad, Istanbul, Karachi, Kuala Lumpur, London, Manila, Melbourne, Mexico City, Miamisburg, Minneapolis, Moscow, Mumbai, New York City, Peachtree City, Prague, Raleigh, Reston, San Diego, San Mateo, Singapore, Seoul, St. Louis, Sydney, Tokyo, Toronto, and Warsaw.

Teradata Annual Days of Caring

Each 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 2011, employees, families, customers, and partners completed 200 projects in 44 cities with 1700 participants volunteering over 2800 hours.

Community Service Grants

Teradata Cares also provides Community Service Grants to encourage civic volunteerism by providing funds for volunteer projects performed by 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; the purchase of flowers, shrubbery, and mulch to landscape around a community center.

Examples of 2011 Community Service Grant projects include Dragon Boat races to raise money for breast cancer in Sydney, supporting schools with computers in Mexico City, building a kindergarten music room in Augsburg and river clean-up in Dayton.



Dragon Boat Team, Sydney, Australia



Kindergarten project, Augsburg, Germany

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 annual in various cities, projects are completed to support those local communities.



River clean-up in Dayton, OH



Installing Computers, Mexico City

In 2011 in San Diego, Teradata employees, partners and customers built over 125 bicycles and donated them to children at the local Boys and Girls Club. In addition, volunteers at the event also hand-tied 64 blankets for Project Linus, to provide to children in hospitals.



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At the 2011 EMEA Teradata Universe, our European customer conference, Teradata Cares supported, Talita, an organization in Barcelona that helps children with disabilities. Through Teradata and customer donations, the organization received over \$9000 to support programs.

Dollars for Doers

Teradata's Dollars for Doers volunteer service grant program provides financial grants in support and recognition of employees who volunteer with nonprofit organizations. Once an employee has been actively involved with an organization and has performed at least 50 hours of volunteer service during the previous calendar year, they may apply for a volunteer grant. The nonprofit organization is required to verify the hours served.

Celebration of Caring Awards

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

2011 Celebration of Caring Award Winners

2011 Americas Employee of the Year – Darla Marburger, Reston, VA

In 2011, Darla initiated, led, and executed the Rise from the Ashes Drive charitable event. She coordinated the efforts of 30 volunteers collecting household goods to help the victims of the wildfires that destroyed 1500 homes in Bastrop County Texas. Darla's event was adopted by the organization Serve A Village, allowing donors to receive tax credit for the aid they provided. She also was involved in a service expedition to South Africa where she collected children's clothing, school supplies, first aid provisions, hygiene supplies, and baby blankets for a small village where 60% of the population is impoverished.

2011 EMEA Teradata Cares Employee of the Year – Michael Leuenberger, Duesseldorf, Germany

Michael is founder and chair of Global Biking Initiative. This charity collects funds for different humanitarian charities in 18 countries worldwide. As chair, Michael organizes an annual international, one week long, cycling event taking place in Europe with hundreds of participants from 20 countries. He has volunteered over 300 hours in 2011. Through his efforts, 700 people have raised more than quarter of a million Euros for humanitarian projects worldwide.

2011 APAC Teradata Cares Employee of the Year – Srikanth Voorakaranam, Hyderabad, India

Srikanth has been supporting education projects for underprivileged children by volunteering an average of 300 hours per year with Asha for Education since 1996. As an active volunteer, Srikanth actively gives back by working with volunteer teams, mentoring new volunteers, organizing fundraising and awareness events, and perform site visits to interact with children and teachers. In his role at Teradata, he travels often but always finds ways to volunteer during the weekends and virtually via email/phone/web during the week. He offers his skills by creating presentations, content for websites, proposals, publicity materials, annual reports, and represents the organization in Corporate Giving forums organized by other companies.

2011 Teradata Cares Team of the Year – Aprimo TASC

This global team sponsors events, primarily in Indianapolis and Raleigh, for various charitable organizations. In 2011, TASC raised over \$14,000 for a variety of charities such as Women's shelter, Special Olympics, American Cancer Society, Breast Cancer Foundation, U.S. Armed Forces, School supplies, Food Drives, and the Lymphoma Society. They also adopted 2 needy families for the holidays. They believe that participating in these activities are not only great opportunities to give back to the community but have helped greatly in getting team members to know one another after the Teradata acquisition.



2011 Teradata Cares Office of the Year – Dayton, OH

The Dayton office employees have volunteered close to 1000 hours on over 40 service projects to a variety of charities in 2011. Their fundraising efforts included collecting more than \$3500 for victims of the tsunami in Japan and more than \$3000 for cancer research from a book sale and relay event. In addition, they raised nearly \$2000 for an area charity consortium, \$1120 from bake sales, and \$850 for charity for Special Olympics. They were a vital contributor to the regional blood and tissue center, helping to raise money, pack supplies, participate in blood drives, and manage events to fight cancer. Their impact is spread out across the community offering financial and manpower resources to organizations ranging from animal shelters, nursing homes, and area nature arboretum to track and field events for disabled youth, food kitchens and science fairs. Several Dayton employees act as leaders in the community for the specific charity they represent, educating the office on opportunities for involvement. Their mission to help out in as many ways as possible is carried out by the entire office.

7.3 Investing in Our Future

In addition to the financial support we provide communities through our volunteer efforts, Teradata also makes investments in programs in support of our strategic focus on education.

Strategic Grants

Teradata's focus on STEM education is evidenced through our support of programs and events that encourage

children's interest in math, science and technology careers. Around the globe, support of STEM initiatives includes local science fairs, science and technology programs, Girls in IT programs, and mentoring programs. Our support of FIRST includes FIRST Lego League and FIRST Robotics Competitions at state, regional, and team level in our local communities in California, Georgia, Ohio, North Carolina, and South Carolina. In addition, Teradata awards annual Teradata FIRST Scholarships to outstanding senior participants on the teams we support.

Teradata University Network

Mastering the challenges of tomorrow's dynamic business and IT environments will require a combination of technical expertise and practical, hands-on training – and that's exactly what students experience through **Teradata University Network** (TUN).

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

Teradata's goal is to train students to be break-through thinkers and doers who use data to create business value.

“TUN is a win-win, win-win, win-win situation. Teradata is increasing brand awareness and thought leadership, students get leading-edge skills, professors are more effective and employers receive skilled recruits.”

Barb Wixom, Program Director of MS MIT at the McIntire School of Commerce, University of Virginia

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In 2011, the TUN Board began a Curriculum initiative to develop some recommended standards for teaching business intelligence and the undergrad, graduate and executive education levels. Preparing the next generation of data analysts and scientists for current and future career opportunities is our primary focus. Currently, TUN is providing access to software and resources to over 3,000 faculty members from 1641 schools in 90 countries.

7.4 Teradata Cares: Community Spotlights Indianapolis, Indiana

The Teradata - Aprimo office in Indianapolis brought with them to Teradata a strong history of giving back. Through their TASC committee, Team Aprimo Serving Communities, they coordinate activities in both Raleigh and Indianapolis. Now with the support of Teradata Cares, they were able to increase their impact on the community.

Polar Plunge – Each year, employees are “Freezin’ for a Reason” in the Polar Plunge benefitting the Special Olympics Indiana. The Polar Plunge consists of running into the frigid waters of Eagle Creek Reservoir and immersing yourself. Aprimo participants raised \$830.

Susan G Komen Race for the Cure – In April, team members participated in the Susan G. Komen Race for the Cure in Indianapolis. Participants were able to participate in a 5K competitive run, a 5K walk, a 1 mile family walk, or “Sleep in the Cure.” Thirteen employees participated and raised a total of \$2298.



Light the Night – The TASC Team in both Raleigh and Indianapolis participated in the Light the Night walk benefitting the Leukemia and Lymphoma Society. In total, 22 people walked 2 miles and raised \$6225.00!



Monumental Marathon – On Nov 5th, Teradata Cares TASC team participated in the Indianapolis Monumental Half Marathon (13.1 miles) and 5K (3.1 miles). Teradata Cares sponsored a mile marker on the race course and monies raised benefitted the Indianapolis Public Schools.

Manila, Philippines

The Teradata office in Manila opened in 2008 and became a global consulting center in 2010. Their newly established Women of Teradata chapter started Manila’s participation in Teradata Cares in 2011 with two large projects.

Building Lives of our Future Leaders Today – The Women of Teradata wanted to help the Bagong Tanyag Elementary School and the school kids who wanted to study but did not have enough money to support their needs



with books and materials. They decided that providing workbooks to the schools would not just help the kids today, but will be helpful for the future class since the public school usually recycles the workbooks for the following school years. On September 3rd, 28 participants worked presented a program on readiness skills and provided over 500 books to the students.

He Cares Mission – In December, The Women of Teradata Manila celebrated the season of Christmas with the 256 street children of He Cares Mission Center in Quezon City. This successful event involved the participation of over 60 employees raising PHP 15,000.00 and collecting toys, books, clothes, and slippers for the children. All volunteers enjoyed the spirit of giving and handing out gifts to the children. It was a wonderful holiday celebration!

8.0 Environmental Responsibility

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

8.1 Environmental Program Membership

(GRI EN3, EN4, EN7, EN16, EN17)

Greenhouse Gas Management Program

To manage the risks from greenhouse gas (GHG) emissions from our operations and identify cost-effective mitigation opportunities, Teradata joined the U.S. Environmental Protection Agency (EPA) Climate Leaders program in 2008. However, late in 2010, the EPA announced that the agency would be winding down the program in September

2011. The EPA's goal was to give direction, guidance and the tools for companies to become aware of the importance of understanding their impact on the environment. A major part of the program was to educate companies on what greenhouse gases are and the importance of tracking and reporting a company's greenhouse gases. Over the past two years, Teradata has worked with the EPA as apart of the Climate Leaders program to review our GHG inventory and develop our Inventory Management Plan (IMP). Through this process, our Inventory Management Plan was externally verified through the EPA program in 2008-2010 to assure that our processes of gathering our emissions based data was correct and repeatable. Being a part of the EPA Climate Leaders program demonstrated our company's commitment to reducing our impact on the environment through a corporate-wide goal to reduce emissions. Going forward we will continue to use the same GHG inventory tools and IMP to track our impact on the environment.

In 2009, Teradata developed a worldwide, corporate-wide inventory for its GHG Emissions for 2008. The Emissions were for a full year 2008 and continue to serve as our base year in our EPA Climate leaders reporting process. We also have provided our emissions for 2008-2011. See tables 1-4.

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

During 2011, we completed our reporting process for calculating our progress against our announced goal of 45% reduction of greenhouse gas emissions intensity. This process was completed after our 2011 CSR (2010 results)

report was completed. We are very pleased to announce that we have met and exceeded our goal in that in 2010 we achieved at cumulative 52.1% reduction in our greenhouse emissions intensity target vs. 2008! In just 2 years, we were able to advanced pass our 5 year goal. We will be communicating a new goal in 2012 and will report this goal in our 2013 CSR report.

FTSE4Good Index

In 2008, Teradata was selected as a member in good standing of the FTSE4Good Index, which is an innovative series of real-time indices designed to reflect the performance of socially responsible equities.



The Index is created and managed by global index provider FTSE Group and covers five markets: United Kingdom, Europe, Japan, United States, and Global. Four tradable and five benchmark indices make up the FTSE4Good Index series. A committee of independent practitioners in socially responsible investment (SRI) and corporate social responsibility (CSR) review the indices to ensure that they are an accurate reflection of current CSR best practices.

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.

Region	Direct Emissions (metric tons CO ₂ eq)	Indirect Emissions (metric tons CO ₂ eq)
USA	498	13049
International	0	2769

Table 1. 2008 Base Year Emissions

Region	Direct Emissions (metric tons CO ₂ eq)	Indirect Emissions (metric tons CO ₂ eq)
USA	521	14251
International	0	2837

Table 2. 2009 Emissions

Region	Direct Emissions (metric tons CO ₂ eq)	Indirect Emissions (metric tons CO ₂ eq)
USA	724	15754
International	0	2993

Table 3. 2010 Emissions

Region	Direct Emissions (metric tons CO ₂ eq)	Indirect Emissions (metric tons CO ₂ eq)
USA	504	17068
International	0	3037

Table 4. 2011 Emissions

8.2 Dow Jones Sustainability Index

For the second year, Teradata was selected for one of the famous Dow Jones Indexes, this one identifying the world's leaders in sustainability. Included in both the World Index and the North America Index, Teradata was also selected as a sector leader in the TSV Computer Services & Internet sector. We increased our scores in each of the economic, environmental and social dimensions. Based on thorough analysis of corporate economic, environmental and social



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performance, this annual index is the largest global analysis of corporate sustainability leadership. In addition to recognition as one of the world's top companies, being named to this index encourages investment companies to consider Teradata.

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

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

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

8.3 The Sustainability Yearbook 2012

Teradata was named the 2012 Computer and Internet Sector Leader by the 13th SAM Corporate Sustainability Assessment as published in the Sustainability Yearbook 2012. Sector Leaders are chosen by those companies who score the highest in each of the 58 sectors. Teradata was also selected as 2012 Gold Class Member through the assessment. Last year Teradata was a Bronze Class member.

8.4 Newsweek Green Rankings

In 2011, Teradata was awarded inclusion to the Newsweek Green Rankings in the Top US 250 companies. Specifically, Teradata was ranked #42 in the United States. The rankings are available at Newsweek.com/green. The rankings were developed based on surveys of the 500 largest US firms. The information was prepared by leading CSR environmental research and analytical firms Truscost and Sustainalytics. Some of the data points included were to assess companies' environmental footprint (including greenhouse-gas emissions and water use); management (including environmental policies, programs, and initiatives); and disclosure (including company reporting and involvement in transparency initiatives). Underlying data are drawn from a variety of sources, including the companies themselves, and vetted for reliability.

8.5 Virtual Office Program

(GRI 2.8)

At the end of 2011, Teradata had 10,264 employees and contractors around the world, more than 19% work virtually. This not only allows Teradata as a company to lessen the impact of its people in terms of fuel consumption, but it also allows our employees the flexibility of working from home, a factor that helps us attract and retain high-quality people.

8.6 Paper Conservation

Teradata Annual Report and Proxy Statement

In 2008, Teradata was one of the first companies to take advantage of the SEC-approved "Notice and Access" (N&A) policy, which allows companies to send notices to all shareholders that the company's Annual Report and Proxy Statement are available electronically, while also providing an opportunity for shareholders to request paper copies. This policy significantly lowered the required number of printed copies of both Teradata's Annual Report and the Proxy Statement that were printed and mailed to shareholders. Since 2008, Teradata has printed on average 35,000 copies of each report per year, which equates to a 87% reduction from the 275,000 copies that would have been required per year without N&A.

Teradata Magazine

Teradata Magazine is printed by a vendor that is committed to environmentally sound practices and has achieved status with its state (Minnesota) as a Very Small Quantity Generator (VSQG) of hazardous waste. Furthermore, the hazardous waste that is generated is put to use through a fuel-blending program and burned as a fuel; non-recyclable and non-hazardous wastes are used to fuel an energy plant to generate electricity. These actions reduce the consumption of fossil fuels. Our vendor is a member of the EPA's SmartWay Transport, EPA Energy Star Partner, and Department of Energy Better Buildings Better Plants programs.

Teradata Magazine is printed in a "Zero Direct Landfill Waste Facility" with more than 98 percent of its waste being recycled and the remainder being burned for beneficial use to generate power.

Recognitions:

1. 2012 Energy Star Partner of the Year Award recipient
2. 2011 International Energy Professional Development Award – AEE - Association of Energy Engineers
3. 2010 CenterPoint Energy Customer of the Year for energy efficiency
4. 2009, 2010, 2011 Xcel Energy Process Efficiency Winners as top customers for energy efficiency
5. 2010 What They Think Award – Environmental Initiative Award Winner – sponsored by
6. 2011 Corporate Energy Management Regional Award – AEE – Association of Energy Engineers
7. Energy Star Partnership Logo – First printer granted permission to use Energy Star logo in magazines they print. The magazine continued with its commitment to environmentally friendly practices including water soluble ink that is safer for workers than solvent-based ink, elimination of paper address labels as well as cover letters and polybags for employee copies

Business Cards

In addition to our marketing collateral, our employee business cards and letterhead have remained ecofriendly. Our business cards for Teradata Corporation are produced from FSC-certified, 100% recycled/post-consumer waste material. We purchased 962 pounds of this material in 2011. Additionally, our letterhead is FSC-certified, 80% post-consumer waste material. We purchased 240 pounds of this material in 2011.

Promotional Items

In 2011, total eco-friendly units purchased on the promotional website were 18% of total sales. New items added this year included BPA free reusable drinkware, notebook paper made with stone, lunch coolers, and solar powered technology. This resulted in an additional increase in the purchase of eco-friendly, green items from 1% of total purchases in 2008 to 8% in 2009 to 18% in 2011.

Office Products

In 2011, 26.5% of Teradata's total spend on office products was on Recycled/Remanufactured items, up 2.3% from 2009. An additional 3.6% was on items with other green attributes (e.g. Energy Efficient, Refillable, Reduced Harsh Chemicals, etc.). In addition, Teradata switched from non-recycled copy paper to 30% recycled paper in 2009. In 2011, 100% of Teradata's spend on cut sheet paper was considered green up 20% from 2010. This increase in recycled paper usage equates to 59 fewer trees used vs virgin paper alternative and a net energy savings of 24 million BTUs!

Technical Manuals

In 1999, Teradata, then a division of NCR, started to move its technical manuals from printed paper that shipped along with the product to electronic distribution available by print-on-demand or electronic media. Table 3 illustrates how this moved created more than a 98% reduction in printed sheets, from 11,000,000 (the equivalent of 1,137 trees) in 1999 to 2080 (22 trees) in 2010.

8.7 Indirect Procurement

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

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

8.8 Product Environmental Performance

(GRI EN6, EN26)

Product Development Sustainability Requirement

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

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

According to leading industry research firms Gartner Group and IDC, the amount of power required to operate and cool data center equipment is a key issue with the chief information officers of major corporations. Awareness of the critical nature of data center power and cooling became top of mind back in 2006 and a majority of the IT community now believes that power and cooling issues will impact their companies' purchasing decisions. While the economic conditions can impact the enthusiasm for green initiatives at times, all users of IT equipment remain intensely focused on the cost savings that are enabled by smaller, more energy efficient equipment.

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 the amount spent on electricity by IT and data centers grew almost 56% from 2006 to \$6.6 billion by 2011.¹ In addition the emissions levels due to data centers are forecast to triple over their 2007 levels. These challenges are occurring despite the advancement in performance per watt enabled by the processor chip industry.

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

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

Efficient Data Warehouse Computing

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

¹ <http://www.nytimes.com/2011/08/01/technology/data-centers-using-less-power-than-forecast-report-says.html#>

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 Platform Family in which a range of systems have been purpose built to meet the needs of specific industry segments and applications.

For instance, the Teradata Active Enterprise Data Warehouse (EDW) is targeted for the broad enterprise wide needs of many users and workload types. In fact, this platform can deliver the same data warehouse capability as the Teradata products of five years ago while demanding 75% less power and cooling and occupying 80% less data center floor space. In addition, the hybrid storage capability was introduced in 2011 to further enhance the Active EDW platform's efficiency in performance delivery. Teradata hybrid storage optimizes the performance of solid state drives (SSD) with the efficient storage capacity of hard disk drives (HDD) through the intelligent tracking and movement of data based on its usage pattern. A hybrid storage based 6680 can provide up to four times the performance level of the previous generation without any increase in energy or floor space. This provides our users an efficient path for the speed needed for today's business analysis challenges.

Teradata introduced their Data Warehouse Appliance platform products in 2009 that enable customers with smaller numbers of users and user data to perform high performance analytics with a simpler computer system that saves energy and floor space compared to other Teradata and industry alternatives. Teradata is also leveraging the improvements in disk drive storage to bring energy and floor space savings to our customers. The Teradata Data Warehouse Appliance 2690 released in 2011 introduces the smaller form factor 2 ½" hard disk drives that reduces the floor space per unit of data capacity for the system by up to 50% along with a significant reduction in electrical power per unit of data.

Extreme Data

The Teradata Extreme Performance Appliance 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 23TB (terabyte) to over 186PB (petabyte) of user data. This enables customers to affordably perform business analytics on large amounts of data such as with deep archive data. By using large numbers of very high capacity disk drives, the user trades off a lower performance 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, an entry sized system of 91TB of user data with the Teradata Extreme Performance Appliance requires just 15% of the floor space and just 10% of the energy of a high performance Teradata Active EDW system with the same capacity of user data.

Extreme Performance

The Teradata Extreme Performance Appliance introduced the use of all SSD storage technology to the data warehouse industry. In actual use with Teradata systems, the SSD units demonstrate an overall 22 times higher storage device performance than the conventional hard disk drives (HDD) used throughout the industry today. So with the use of SSD technology far fewer storage drives are required to provide the industry-leading data warehouse performance from Teradata. As a result of the savings in the number of storage drive units, a Teradata customer can reduce the required floor space by 94% for the same level of performance over the current HDD based systems. Likewise the energy required for the same warehouse performance is reduced by 87% compared to the current HDD based Teradata system.

The Big Data challenges described earlier includes the analysis of high volumes of data which lacks the structure to be efficiently addressed with a standard relational database. It would require a large sized, power hungry platform, Teradata began to offer in 2011 the Aster Data Appliance which is optimized to analyze these large volume unstructured data efficiently with a smaller, lower power system based on industry approaches such as MapReduce.

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Server Virtualization

The virtualization of servers and storage is allowing the whole IT industry to more efficiently use the IT resources in the data center. Virtualization means that one large, highly utilized server is able to support the workload typically provided with multiple under-utilized servers by acting like multiple virtual servers. This process enables a data center to replace a large number of lightly used servers with a smaller, more efficient set of fully utilized servers.

Teradata adopted the virtualization approach to our basic product architecture 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 has also introduced the virtual storage capability that enables customers to efficiently assign more frequently used data to high performance, low power SSD storage and less used data to larger disk storage units that are more energy efficient on a watt per megabyte basis.

Software Efficiency Improvements

Teradata 13.10, the current release of the Teradata Database, features software improvements that deliver up to 30% performance improvement over previous generations. As a result, our customers are able to perform more processing on the same hardware with the same energy consumption. We continue to focus on developing software that makes the Teradata systems run more efficiently and perform more useful work on the same system hardware.

Product Stewardship

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

For example, the newest model of the Teradata Active Enterprise Data Warehouse, announced in April, 2011, provides Teradata customers with up to 73% reduction in electricity usage for the same capability data warehouse as compared to servers of five years prior. That's enough KWh of energy saved by one typical system to power 50 U.S. homes for one year. By dramatically reducing energy usage for the same system performance and required floor space, Teradata also has reduced associated data center cooling and power delivery infrastructure by similar ratios.

In addition, Teradata has adopted a energy per performance metric for data warehouse energy efficiency. It's based on the amount of data warehouse performance provided by a Teradata system (as calculated by Teradata's own measure of data warehouse performance, potential, called TPerf). The Kilowatt per TPerf (KPT) efficiency metric is the amount of energy (in KWh) consumed in order to provide a 100 TPerf level for a system. Over the last five product generations, Teradata has improved its total KPT rating by over a factor of 6X, and with the release of the Teradata Active Enterprise Data Warehouse 6650 alone, KPP decreased by 73% over the earlier Active EDW 5450 product. This measurement shows that our products enable our customers to do more with less.

The Cooling Door

Starting with the Active EDW 5400 platform generation and continuing with every model and generation of the Teradata Platform Family, each Teradata platform features the patented cooling door. This innovative door design allows data centers to run up to five degrees warmer while maintaining the required air temperature within the cabinet, thereby reducing cooling energy requirements up to 25%. With increasing concerns about data center power usage, this savings is an advantage for our customer base.

Data Compression

The Teradata Database software provides a range of data compression features that shrinks the amount of storage space required to contain a data table. The extent that a

data table can be compressed depends upon the data patterns that make up that table. The compression factor can reach 3X 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 2X.

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

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

8.9 Product Environmental Compliance

RoHS Compliance

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

Prior to the effective date of the EU RoHS Directive, Teradata implemented comprehensive due diligence, order control, and parts management processes to ensure initial compliance and we continue to do so in order to assure

ongoing compliance. As a result, Teradata is fully compliant with the EU RoHS Directive and similar legislation in other parts of the world, including regulations applicable in China and California.

8.10 Product Recycling

(GRI EN26)

End-of-Life Activities

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

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

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

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

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

Over the last eight years, Teradata has reused more than 2300 nodes and 5.1 petabytes of disks in 28 different countries. The units are often shipped in recycled crates and boxes reclaimed from new hardware shipments.

Finally, when the time comes, all hardware is shipped to our recycling center, where it's disassembled and de-manufactured.

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

EU WEEE Compliance

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

California Waste Recycling Act

California SB20, amended by SB50, established the Electronic Waste Recycling Act of 2003. The act requires a retailer selling a covered electronic device (CED) in California to collect a waste recycling fee from the consumer and transmit the collected fee to the State Board of Equalization. The act requires manufacturers to inform retailers selling

their product if a CED is subject to the waste recycling fee and to submit an annual report that makes recycling information available to consumers. The act prohibits CEDs from sale in California if the device is prohibited from being sold or offered for sale in the European Union under the RoHS Directive. (2002/95/EC)

Health and Safety Impact

(GRI EN2 PR2, PR9)

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

8.11 Release Process Restrictions

(GRI PR2, PR3, EN28)

As a part of our release processes, we ensure that all of our products do not emit hazardous resources or waste byproducts. Further, all regional, country, and local safety regulations and codes are strictly followed during the product development process. The following regulatory standards are tested during our release process: USA, Canada, Europe, Europe Global, Japan, Australia/New Zealand, and Taiwan. A product cannot be released unless it has passed all current regulatory standards. All appropriate UL certification and environmental labeling is present on our products.

8.12 Product Transportation

(GRI EN29)

In 2011, Teradata logged 850,196 miles carrying 1,718 tons of hardware equipment on American highways delivering our products to our customers' data centers. All shipments were ground-based; Teradata did not ship any products to U.S. customers by air. There are no other environmental impacts of transporting our products. With the introduction of Appliance Product Teradata is shipping more nodes per cabinet than ever before. This allows our customer's more processing power with a smaller foot print resulting in less weight system to transport.

8.13 Product Packaging

(GRI EN26)

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

Teradata has worked with our manufacturing suppliers to implement environmentally-friendly programs regarding Teradata equipment, including the reuse of crates and pallets and the recycling of other shipping materials (such as cardboard and plastic). We've also turned to bulk packaging for drives, controllers, and drive modules for use with Teradata systems. Instead of using one mini-pallet/box per product, they use a multi-pack container that holds up to 12 products. In 2011, this vendor used 724 of these multi-pack containers for our product. This resulted in a savings of 8,688 individual min-pallet/boxes.

Our products ship in wood crates. In 2003, we started to put processes in place to reuse crates; In 2011, we recycled 648. Total to date for the program is 1,769 crates. Each crate is about 30 cubic feet. Therefore, through this program we have recycled over 53,070 cubic feet of wood.

9.0 Global Manufacturing Processes

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

9.1 Supply Base

(EN26)

Vendor Managed (owned) Inventory (VMI)

Teradata has set up programs with Tier One suppliers to locate equipment for sale close to our final assembly location. Under this program, the suppliers ship bulk quantities of product to local hubs near a manufacturing site, rather than sending discrete customer shipments. Of course this process saves us in inventory holding costs, but when we look at it through an environmental lens, we see significant environmental savings. We are pleased to report that 100% of our manufacturing suppliers participate in the VMI program. Our EMS partner, Flextronics, is the administrator of our wood crate recycling program, which allows the company to reuse crates after the equipment is unpacked at the customer site. This program continued to operate very efficiently in 2011. Flextronics also has a facility energy savings team that focuses on reducing the amount of energy used by the local facility where our product is built.

9.2 Teradata Code of Conduct for Suppliers

(GRI 4.8)

As mentioned earlier, Teradata Corporation, its employees, and partners have adopted the Teradata Code of Conduct. In addition, we have also adopted the standards of conduct set forth in the Electronic Industry Citizenship Coalition (EICC) Code of Conduct. Together, these standards, where applicable, constitute the Teradata Code of Conduct for Suppliers.

The Teradata Code of Conduct

Teradata expects and requires its business partners, including its suppliers, to comply with or exceed the standards of conduct set forth in the Teradata Code of Conduct with respect to all of their Teradata-related dealings. For more information, see section 4.12 of this report or view the entire Teradata Code of Conduct online at Teradata.com/t/code-of-conduct.

The EICC Code of Conduct

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

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

In 2011, as a part of the our Teradata Code of Conduct for Suppliers program and as a result of our adoption of the EICC Code of Conduct, we developed an self-audit program for our tier 1 direct manufacturing suppliers. One of the tenets of the EICC Code of Conduct is to periodically assess production facilities and corporate procedures for adherence to the code. With regards to this process, Teradata has developed an assessment tool based directly on the standards of the EICC Code of Conduct. The completion of this assessment is a requirement for tier one suppliers of Teradata.

This audit program is directly based on the EICC self-audit tool. Teradata performed an audit through this program in 2011, and achieved an excellent grade in both the Corporate and facility audits. We are now working with our tier one vendors to complete these audits. We look forward to reporting on the progress in 2012.

9.3 Flextronics: Our EMS Supplier

Flextronics has the 140001 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.

10.0 Facilities

(GRI SO1)

10.1 Teradata Environmental Health and Safety (EHS) Program

Teradata is committed to protecting the environment and the health and safety of its employees, contractors, and vendors as well as the communities in which it operates. In 2009, 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 Teradata locations worldwide. The program requires that all employees and onsite contractors comply/review the EHS program procedures every three years. In addition, onsite audits and assessments are to be conducted every three years on a rotational basis. There are two components to the EHS program – the EHS Management System (EHSMS) which explains the overall EHS program and 19 standard operating procedures (SOPs) which contain the guidelines and procedures to be followed for specific areas of EHS.

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

Oversight of Teradata's EHS program falls under the company's COO office. In 2010, we have continued this program and perform the necessary facility audits to ensure we are in compliance with our program.

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10.2 Facility Information

Teradata operates in 23 facilities in the United States (an increase of 25%), 22 of which are leased. Teradata's only owned facility is our San Diego campus in Southern California.

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

In 2009, the program was implemented globally. In 2011, 23% of the 97 sites Teradata occupies are located in the US. During 2011, Teradata continued its sustainability commitment to compliance and provides up-to-date information on its internal facilities website that helps promote green living to all Teradata employees and contractors.

Teradata is committed to complying with all applicable health, safety, and environmental laws, regulations, and standards in delivery of services to customers, interactions

with employees, and involvement within the community. To fulfill this commitment, Teradata will work to establish and maintain sustainable practices by:

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

10.3 Facility Locations

(GRI EN5, EN6, EN8, EN9, EN10, EN19, EN20, EN21, EN 23, EN24)

The company's primary research and development center is located in San Diego, California, comprised of 480,000 sf. Table 5 lists Teradata locations we track emissions and their corporate function. None are located near protected areas of high biodiversity value.

Building	Address 1	City	State / Province	Country	Space Use	Rentable Area	Unit of Measurement
San Diego, CA, United States (17095)	17095 Via Del Campo	SAN DIEGO	CALIFORNIA	USA	R&D	460,689	SQF
El Segundo, CA, United States	100 N. Sepulveda Boulevard	EL SEGUNDO	CALIFORNIA	USA	R&D	49,012	SQF
Miamisburg, OH, United States	10000 Innovation Drive	MIAMISBURG	OHIO	USA	OFFICE	60,000	SQF
Mumbai, MH, India – Winchester Building	Hiranandani Business Park	MUMBAI	Maharashtra	IND	OFFICE	29,624	SQF
Secunderabad, AP, India – HYDERABAD	Municipal No. 1-8-382, 386, 388, 389, 436 and 443, Sardar Patel Road	SECUNDER-ABAD	Andhra Pradesh	IND	R&D	29,010	SQF
Pune, MH, India	Tower XII, Cybercity, Magarpatta City	PUNE	Maharashtra	IND	OFFICE	22,020	SQF
West Columbia, SC, United States	3245 Platt Springs Road	WEST COLUMBIA	SOUTH CAROLINA	USA	OFFICE	13,813	SQF
Prague, Czech Republic – City Empiria Building	Na Strži 65	PRAGUE	–	CZE	OFFICE / STORAGE	10,104	SQF
Rome, Italy	Via Valentino Mazzola 66/ Via Erminio Spalla 41	ROME	–	ITA	OFFICE	2,723	SQF
Dublin, Ireland	Santry Demesne, Swift Square	DUBLIN	–	IRL	OFFICE	2,616	SQF
Lahore, Punjab, Pakistan – Commercial Building No. 31/A	Block-C-1, Gulberg-III	LAHORE	PUNJAB	PAK	OTHER	2,605	SQF
Melbourne, VIC, Australia	606 St Kilda Road	MELBOURNE	VIC	AUS	OFFICE	2,464	SQF
Santa Clara CA, United States	2055 Laurelwood Road	SANTA CLARA	CALIFORNIA	USA	R&D	7,725	SQF

Table 5.

10.4 Facilities Environmental Impact

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

During calendar years 2008-2011, Teradata's operationally controlled sites disposed of no hazardous waste. In 2011, Teradata recycled 20,747 pounds of universal waste (CRTs, fluorescent lamp, and household batteries). Teradata neither imported nor exported any hazardous waste at sites within Teradata's operational control. Additionally, during this reporting year, there were no significant spills or releases of hazardous waste from Teradata's operationally controlled facilities.

Teradata did not have any intentional discharge of waste water other than into municipal waste water disposal systems. Teradata does not recycle or reuse water, because Teradata only withdraws water from municipal sources for human support and HVAC heat rejection.

10.5 Facilities Update: Rancho Bernardo (San Diego)

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

San Diego, California

- > Teradata was honored for its innovative green business practices through the **2009, 2010 and 2011 Waste Reduction Awards Program (WRAP)**, sponsored by the California Integrated Waste Management Board.

Teradata diverted materials from local landfills through aggressive resource management and recycling programs, resulting in the reduction of operating costs. The range of environmentally sound business practices that were cited as reasons include: innovative reuse and recycling; resource conservation; conducting employee education programs; buying recycled-content supplies for the workplace; and managing electronic waste responsibly. Throughout 2011, 161 tons or 64% of the total waste stream was diverted from entering the landfill.

Conservation efforts include:

- > **Paper Conservation:** Paper Conservation: Teradata diverted 13 tons of waste office paper from the landfill in 2011, saving the equivalent of 221 trees and 91,000 gallons of water that would have been required for processing raw pulp into paper. This also includes more than a 60% reduction in the amount of paper used in 2009. The San Diego facility also participates in Shred-It's paper shredding program, through which it saved the equivalent of 92 trees. This resulted in an overall decrease in paper recycling of 5% over 2009. This was due to the reduction of paper used within the San Diego facility.
- > **Metal Scrap and Other Recycling:** In 2011, Teradata diverted 58 tons from the landfill consisting of: metal scrap, including light and heavy iron, electronic scrap, batteries, monitors and circuit boards. 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. The amount of metal and other recycled material generated was reduced by 65% over 2009.
- > **Green Landscaping:** Teradata's San Diego landscapers are required to recycle all of the green waste that is generated by this facility. An arborist recycles all wood from landscaping clean up.

- 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. By minimizing watering times, Teradata has reduced irrigation water consumption by 10%. The San Diego site increased its green recycling by 18% over 2009.

> **Energy Conservation:** In 2010, Teradata received an incentive check from San Diego Gas and Electric Company (SDG&E) for \$250,000 for aggressive energy conservation and innovative green business practices. As a result of its conservation efforts, Teradata now saves 2.5 million kilowatt-hours of energy yearly, which is sufficient to power more than 200 homes for one year.

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

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

“We are committed to helping all of our customers take a proactive approach to energy conservation,” said Caroline Winn, SDG&E’s vice president of customer services.

“Through our various energy-efficiency incentive programs, we can help customers save energy and put money back in their pocket.”

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

- > **Server Virtualization:** replaced 319 old servers and storage systems by leveraging virtualization technology, fewer servers were needed to perform the same workload.
- > **CRTs are being replaced with LCD monitors.** These LCD monitors use about 20% of the energy of the old CRTs.
- > **Prior installation of a Building Automation System (BAS)** to control campus lighting and heating, ventilation, and air conditioning (HVAC) systems continues to reduce the energy needed to maintain the building environment. BAS controls operation times and limits individual zone thermostatic adjustments, ensuring affective climate control without zone competition. BAS also controls the activation of waterside economizers that allow Teradata to minimize compressor operating times during the summer and can also be used for heating over the winter. As a building envelope measure, specially coated glass and window treatments were installed to reduce thermal transfer. The energy savings are about 250,000 Kwhs annually with this system.
- > **Prior installation of state-of-the-art lighting** that utilizes energy-efficient T8 fluorescent lamps, compact fluorescents, and LED technology has significantly reduced energy usage. To supplement the T8 lamps, we installed parabolic reflectors, deep louvers, and electronic ballasts. The energy savings are about 195,000 Kwhs annually with this lighting system.

Hyderabad, India

In November 2011, Teradata R&D India relocated its Hyderabad site to a modern office building in a dedicated IT Park. This will assist in reducing overall power consumption, and in particular the power consumption associated with the diesel operated back up generator. The diesel operated generator in the old facility was used regularly due to frequent power outages by the local electricity provider. The new facility has dual external power sources, should one supplier fail.

Miamisburg, Ohio – New Site

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

The WSHP system consists of a number of heat pump units connected to a common recirculating water loop. WSHP units on this loop exchange heat with the loop by rejecting heat to the loop (for those units in the cooling mode) and extracting heat from the loop (for those units in the heating mode). A Cooling Tower and High Efficiency Natural Gas Boiler will 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 re-used to heat or cool the space.
- > CO2 Control – The Carbon Dioxide (CO2) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.

10.6 Ongoing Data Center Operations

Teradata continues efforts to conduct efficient data center operations leveraging strategies for virtualization and elimination of older infrastructure to reduce and manage energy consumption. As a result of these efforts, we were able to avoid the deployment of 130 new physical servers in 2011 by building the servers in our existing virtual infrastructure. This directly results in an ongoing annual energy consumption avoidance of about 219,000 kWh. Going forward, we are making plans to eliminate 30 to 35 older servers either with new virtual servers or more energy efficient physical infrastructure where necessary. This would result in additional energy savings ranging from 130,000 to 191,000 kWh's annually going forward.

11.0 Reporting Parameters

- GRI 3.1 This report covers Teradata Corporation's fiscal year 2011 unless otherwise specified.
- GRI 3.2 This is the fourth sustainability report for Teradata.
- GRI 3.3 Teradata plans to issue updated reports annually.
- GRI 3.4 For questions regarding this report, please contact E. Alan Lord, Program Manager, Sustainability, 3245 Platt Springs Road, West Columbia, SC 29072.
- GRI 3.5 Teradata conducted a review of its internal processes based on the G3 GRI index and determined which indicators/areas were applicable to our company today. From this process, we also learned what we can work on to become a more sustainable company.
- GRI 3.6 Teradata is a global company, and this report covers all of Teradata Corporation. However, in some geographic areas, individual limitations to specific areas may be required based on how Teradata is aligned.
- GRI 3.7 Teradata is a global company, and this report covers all of Teradata Corporation. However in some areas, individual limitations to specific areas may be required based on how Teradata is aligned.
- GRI 3.8 This is the fourth sustainability report from Teradata Corporation. Our 2011 operations were compared against our 2010 operations.
- GRI 3.10 There are no effects from re-statements of information provided in earlier reports.
- GRI 3.11 There are no significant changes from previous reporting periods in scope, boundary, or measurement methods applied in the report.
- GRI 3.12 See Table 6 at the end of this report.

GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number
1.1	Inside cover	3.13	11.0	EN16	8.1	HR7	9.0-9.2
2.1	1.2	4.1	2.0-2.4	EN17	8.1	SO1	7.0; 10.0
2.2	1.2	4.2	2.0-2.4	EN19	10.3	SO2	4.11
2.3	1.4	4.3	2.0-2.4	EN20	10.3	SO3	4.11
2.4	1.2	4.4	2.0-2.4	EN21	10.3	PR1	5.1
2.5	4.2	4.6	2.0-2.3	EN23	10.3	PR2	8.10;8.11
2.6	1.2	4.8	1.1; 4.12; 9.2	EN24	10.3	PR3	8.11
2.7	1.2	4.13	3.1	EN26	8.6; 8.8; 8.10; 8.13, 9.1	PR5	5.1
2.8	1.3; 4.2; 8.5	4.14	6.1-6.5	EN28	8.11	PR9	8.1
2.9	1.5	4.15	6.1-6.5	EN29	8.12		
2.10	1.2	4.16	6.1-6.5	LA1	4.2		
3.1	11.0	4.17	6.1-6.5	LA2	4.3		
3.2	11.0	EC1	1.3	LA4	4.4		
3.3	11.0	EC2	8.1	LA5	4.5		
3.4	11.0	EN3	8.1	LA10	4.6;4.7		
3.5	11.0	EN4	8.1	LA11	4.8		
3.6	11.0	EN5	10.3	LA12	4.9		
3.7	11.0	EN6	8.8; 10.3	LA13	4.10		
3.8	11.0	EN7	8.1	HR2	9.0-9.2		
3.10	11.0	EN8	10.3	HR3	4.11, 9.0-9.2		
3.11	11.0	EN9	10.3	HR5	9.0-9.2		
3.12	11.0	EN10	10.3	HR6	9.0-9.2		



Table 6.

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