

8.0 Environmental Responsibility

(GRI EC2)

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

8.1 Environmental Program Membership

(GRI EN2, EN3, EN4, EN7, EN16, EN17)

Greenhouse Gas Management Program

To manage the risk a firm 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 a part 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 2010-2011 to assure that our processes of gathering our emissions based data was correct and repeatable. Being a part of the EPA Climate Leaders program demonstrated our company's commitment to reducing our impact on the environment through a corporate-wide goal to reduce emissions. Going forward we will continue to use the same GHG inventory tools and IMP to track our impact on the environment.

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

During 2011, we completed our reporting process for calculating our progress against our announced goal of 45% reduction of greenhouse gas emissions intensity. The result, we met and exceeded our goal in that in 2010, we achieved a cumulative 52.7% reduction in our greenhouse emissions intensity target vs. our 45% goal. In 2012, Teradata announced its new emissions goal of a 5 year 41% reduction in greenhouse gas emissions intensity with a base year of 2010.

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

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

FTSE4Good Index

In 2013, Teradata was selected as a member in good standing of the FTSE4Good Index, which is an innovative series of real-time indices designed to reflect the performance of socially responsible equities. This is Teradata's fifth consecutive year to be included in the FTSE4Good Index.



FTSE4Good

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

Year	USA Direct Emissions (Metric Tons CO2 eq)		USA Indirect Emissions (Metric Tons CO2 eq)		International Direct Emissions (Metric Tons CO2 eq)		International Indirect Emissions (Metric Tons CO2 eq)		Total Direct Emissions (Metric Tons CO2 eq)		Total Indirect Emissions (Metric Tons CO2 eq)	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2009	485	521	504	502	642	488	521	2769	488	521	15815	17055
2010	485	521	504	502	642	488	521	2769	488	521	15815	17055
2011	485	521	504	502	642	488	521	2769	488	521	15815	17055
2012	485	521	504	502	642	488	521	2769	488	521	15815	17055
2013	485	521	504	502	642	488	521	2769	488	521	15815	17055
2014	485	521	504	502	642	488	521	2769	488	521	15815	17055
2015	485	521	504	502	642	488	521	2769	488	521	15815	17055
2016	485	521	504	502	642	488	521	2769	488	521	15815	17055
2017	485	521	504	502	642	488	521	2769	488	521	15815	17055
2018	485	521	504	502	642	488	521	2769	488	521	15815	17055
2019	485	521	504	502	642	488	521	2769	488	521	15815	17055
2020	485	521	504	502	642	488	521	2769	488	521	15815	17055

Table 1. Emissions

EPA SmartWay Transport Program

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

SmartWay Transport's goal is 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.

6.2 Dow Jones Sustainability Index

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

encourages investment companies to consider Teradata.

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

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

Launched in 1989, the Dow Jones Sustainability Indexes are the first global indexes that track the financial performance of the leading sustainability-driven companies worldwide.

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

8.3 The Sustainability Yearbook 2013

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

8.5 Virtual Office Program

(GRI 2.8)

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

8.6 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 an 87% reduction from the 375,000 copies that would have been required per year without N/A. In 2013, for its Proxy Statement, Teradata used 37% less paper.

Business Cards

In addition to our marketing collateral, our employee business cards and letterhead have continued to remain eco-friendly. All Teradata business cards for are produced from FSC-certified, 100% recycled/post-consumer waste material. We purchased 1,633 pounds of this material in 2013. A 21% increase from 2012. Additionally, our letterhead is FSC-certified 80% post-consumer waste material. We purchased 252 pounds of this material in 2013, a 3% increase over 2012.

Promotional Items

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

Office Products

In 2012, 16% of Teradata's total spend on office products consisted of Recycled/Remanufactured items. An additional 5% was on items with other green attributes (e.g. Energy Efficient, Refillable, Reduced Harsh Chemicals, etc.). 1% of the ink and toner cartridges that Teradata purchased in 2013 were considered green.

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

Technical Manuals

In 1999, Teradata, then a division of NCR, started to move its technical manuals from printed paper that shipped along with the product to electronic distribution available by print-on-demand or electronic media. This move created more than a 98.7% reduction in printed sheets, from 11,000,000 (the equivalent of 1,137 trees) in 1999 to 100,000 (12 trees) in 2013.

6.7 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.

8.6 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 striving to reduce their environmental impact and reduce overall energy costs.

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

Industry, government, and consumers are simply demanding vast increases in computing and internet capability. The result? The power consumed by IT equipment and the data center infrastructure to support it has exploded to the point where worldwide the digital warehouses use about 50 billion watts of electricity, roughly equivalent to the output of 30 nuclear power plants. These challenges are occurring despite the advancement in performance per watt enabled by the processor chip industry.

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

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

Efficient Data Warehouse Computing

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

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

For instance, the Teradata Active Enterprise Data Warehouse (EDW) is targeted for the broad enterprise wide needs of many users and workload types. In fact, the 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 50% less data center floor space. In addition, the hybrid storage capability was introduced in 2011 to further enhance the Active EDW platform's efficiency in performance delivery. Teradata hybrid storage optimizes the performance of solid state drives (SSD) with the efficient storage capacity of hard disk drives (HDD) with Teradata's virtual storage software that intelligently tracks and moves data based on its usage pattern. A hybrid storage based 6T50 can provide up to four times the performance level of a standard storage platform without any increase in energy or floor space. This provides our users an efficient path for the spend needed for today's business analysts' challenges.

Teradata introduced their Data Warehouse Appliance platform products in 2009 that enable customers with smaller numbers of users and user data to perform high performance analytics with a simpler computer system that saves energy and floor space compared to other Teradata and industry alternatives. Teradata is also leveraging the improvements in disk drive storage to bring energy and floor space savings to our customers. The current Teradata Data Warehouse Appliance 2750 released in 2013 leverages the smaller form factor 2.5" hard disk drives that reduces the floor space per unit of data capacity for the system by up to 50% along with a significant reduction in electrical power per unit of data.

Integrated Big Data Platform

The Teradata Integrated Big Data Platform leverages the capability of scaling up in both the data size per node and the number of nodes to build a warehouse appliance that scales from 70TB (terabyte) to over 13.4PB (petabyte) of business analytics on large amounts of data such as with deep archive data. By using large numbers of very high capacity disk drives, the user trades off performance on some workloads for a much lower cost per TB of storage, and at the same time, vastly reducing the footprint and energy required per unit of storage. For example, one full cabinet of the Teradata Integrated Data Platform requires just 15% of the floor space of a high performance Teradata Active EDW system with the same capacity of user data.

Aster Discovery Platform

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

Server Virtualization

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

Teradata adopted the virtualization approach to our basic product architecture well ahead of the industry in 1998 as a path to full utilization of the Teradata platform tiered, unit and storage. Virtualization techniques have been a key enabler to Teradata's ability to effectively leverage the escalating performance capability of multiple core processor technology. Teradata hybrid storage with Teradata virtual storage software has also introduced the virtual storage capability that enables customers to automatically assign more frequently used data to high performance, low power, SSD storage and less used data to larger disk storage units that are more energy efficient on a watt per megabyte basis.

Software Efficiency Improvements

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

Product Stewardship

Teradata recognizes that responsible product stewardship begins with our product designs and specifications. From product conception to final disposition, Teradata not only sets its own standards 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 62% reduction in electricity usage and 50% reduction in floor space for the same capability data warehouse as compared to servers of six years prior. That's enough kWh of energy saved by one typical system to power 60 U.S. homes for one year. By dramatically reducing energy usage for the same system performance and required floor space, Teradata also has reduced associated data center cooling and power delivery infrastructure by similar ratios.

In addition, Teradata has adopted an energy per performance metric for data warehouse energy efficiency. It's based on the amount of data warehouse performance provided by a Teradata system (as calculated by Teradata's own measure of data warehouse performance, potential, called TPhP). The Kilowatt per TPhP (KPTT) efficiency

metric is the amount of energy (in kWh) consumed in order to provide a 100 TPhP level for a system. Over the last five product generations, Teradata has improved its total KPTT rating by over a factor of 6X, and with the release of the Teradata Active Enterprise Data Warehouse 6750 alone, KPTT decreased by 52% over the earlier Active EDW 5500 product. This measurement shows that our products enable our customers to do more with less.

Data Compression

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

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

Data table compression enables a Teradata user to avoid purchasing additional data storage, resulting in substantial 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 2 KW of continuous power savings—enough to power five average U.S. homes.

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, India, 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 recycled 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:

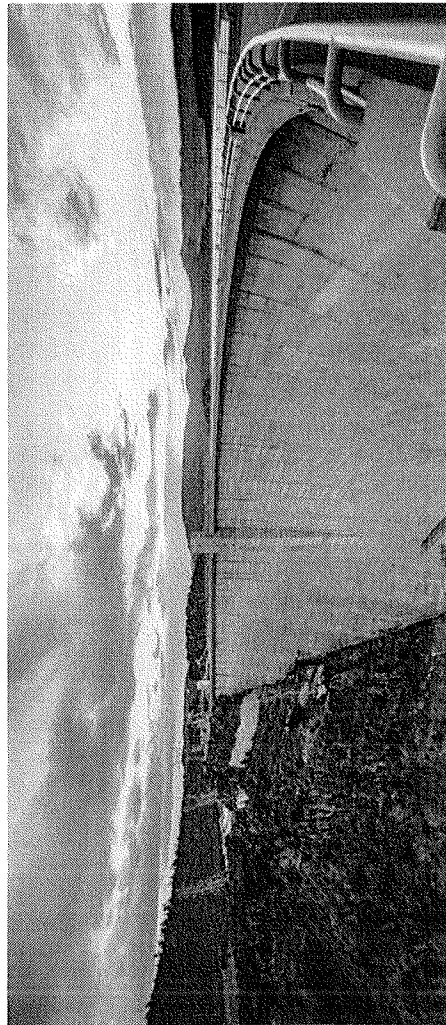
- Systems are disassembled and reused as spare parts to service the installed base of systems around the world. This helps minimize the amount of new products purchased over the service life of our products.
- Systems are reconfigured and sold for customer use. This allows customers to:
 - upgrade discontinued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

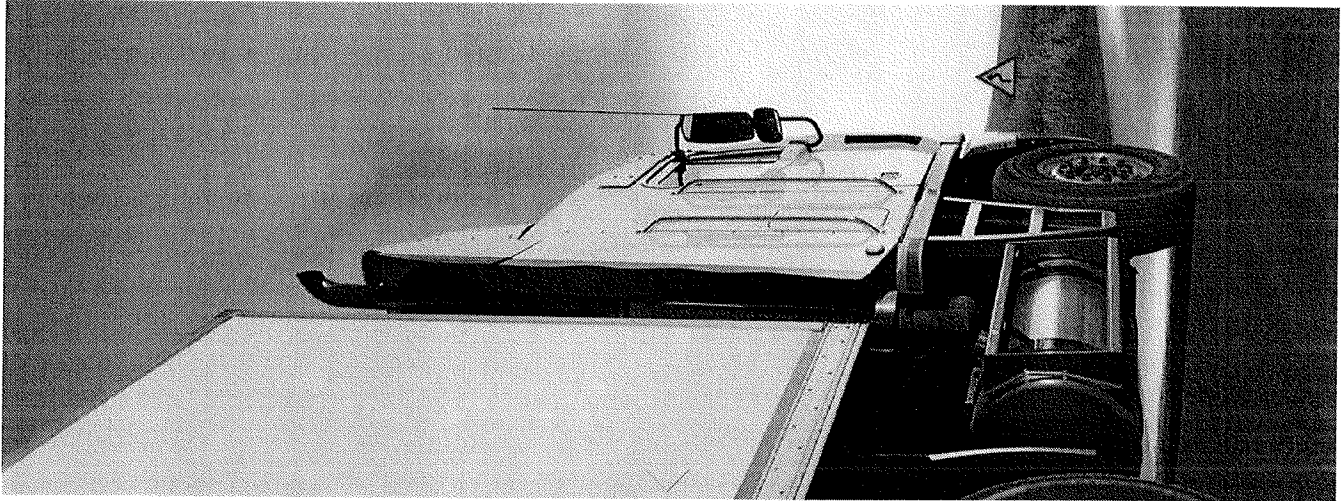
All systems to be resold go through rigorous testing to assure they are stable and meet the same standards as new equipment. The refurbishment effort includes reconfiguring the system and updating firmware, wiping data from the drives, replacing - batteries, and stress-testing the system for several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

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

Over the last nine years, Teradata has reused more than 3000 nodes and 16.2 petabytes of disks in 42 different countries. The units are often shipped in recycled crates and boxes reclaimed from new hardware shipments.

Finally, when the time comes, all hardware is shipped to our recycling center, where it's disassembled and re-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. (2011/65/EU)

Health and Safety Impact

(GRI EN2, PR2, PR3)

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 regulatory laws and codes are strictly followed during the product development process. The following country requirements are tested during our release process: USA, Canada, European Union, Europe Global, Japan, Australia, New Zealand, and Taiwan. A product cannot be released unless it has passed all current regulatory standards. All appropriate certification and environmental labeling is present on our products.

8.12 Product Transportation

(GRI EN29)

In 2013, Teradata logged 649,996 miles carrying 1,342 tons of hardware equipment on American highways delivering our products to our customers' data centers. All shipments were ground-based. Teradata did not ship any products to U.S. customers by air. There are no other environmental impacts of transporting our products, with the introduction of Appliance Product Teradata's shipping more nodes per cabinet than ever before. This allows our customer's more processing power with a smaller footprint 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 our packaging for drives, controllers, and drive modules for use with Teradata systems. Instead of using one mini-pallet/box per product, they use a multi-pack container that holds up to 12 products. In 2013, this vendor used 200 of these multi-pack containers for our product. This resulted in a savings of 2400 individual mini-pallet/boxes. The cost savings realized was \$21.76 per box or \$42,888.

Teradata products ship in wood crates. In 2003, we started to put processes in place to reuse crates. Our EMS partner, Flextronics, is the administrator of our wood crate recycling program, which allows the company to reuse crates after the equipment is unboxed at the customer site. In 2013, we recycled 311, an increase of 26% from 2012. Total to date for the program is 2523 crates. Each crate is about 50 cubic feet. Therefore, through this program we have recycled over 60,360 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 Tier 1 manufacturing suppliers participate in the VMI program. This program continued to operate very efficiently in 2011. Flextronics also has a facility energy savings team that focuses on reducing the amount of energy used by the local facility where our product is built.

9.2 Teradata Code of Conduct for Suppliers

(GRI 4.8)

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

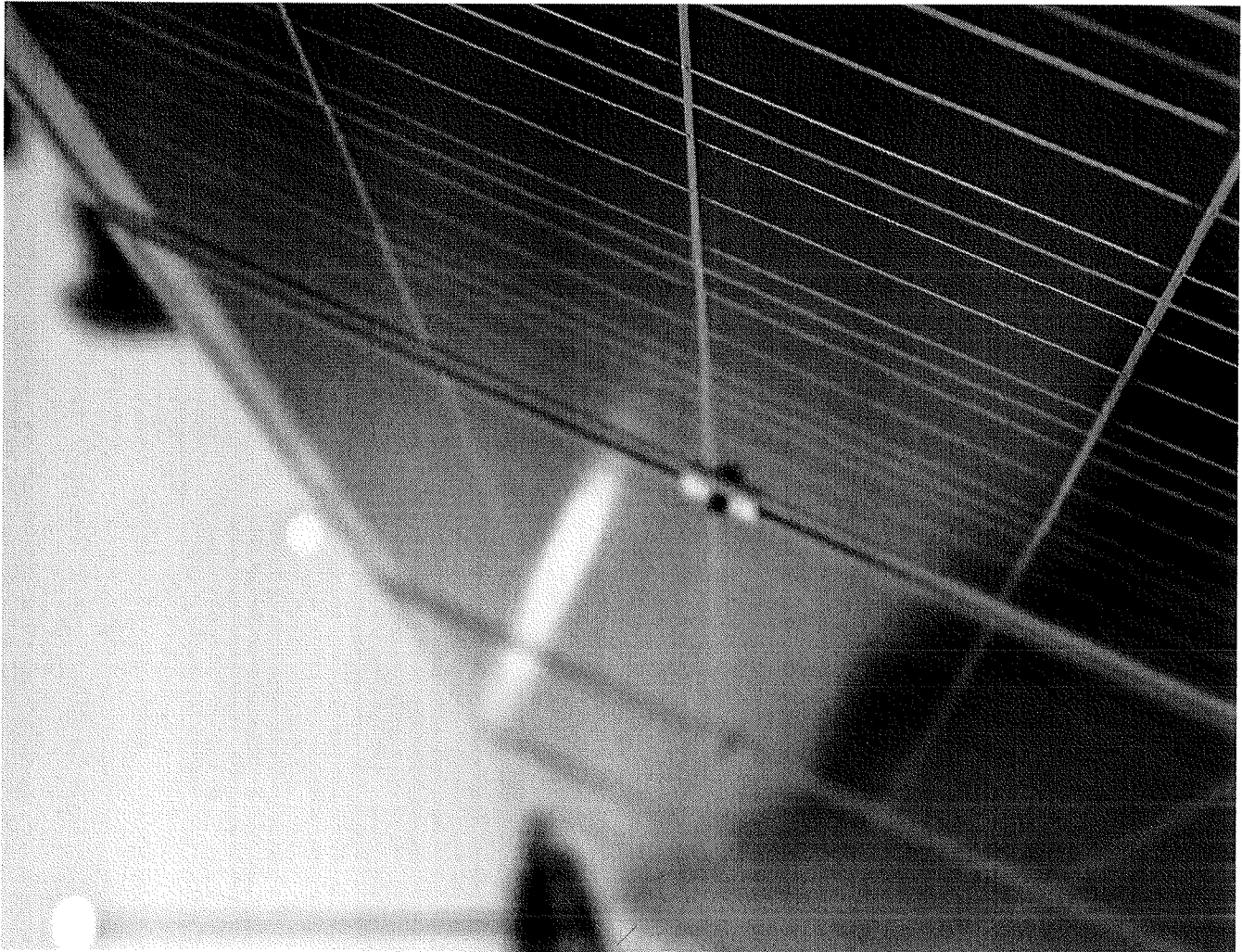
In combining these two Codes of Conduct, we are able to reach out to all Tier One suppliers, not just those in the electrical industry. We are pleased to report that all of our Tier One suppliers have signed an agreement stating that they are in compliance with the Teradata Code of Conduct for Suppliers.

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 tenants 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 2010, and achieved an excellent grade in both the Corporate and Facility audits. We are also using this audit tool to evaluate our tier one vendors.

9.3 Flextronics: Our EMS Supplier

Flextronics has the ISO 14001 Environmental Management Certification for the manufacturing sites that we employ. We are proud to be a partner with this company. Flextronics is also a founding member of the Electronic Industry Citizenship Coalition. This only increases our confidence in our manufacturing partner in terms of its ability to assure an ethical supply chain. These partnerships are another way our customers can be sure that we partner with the leading edge suppliers in the world. Flextronics is our sole EMS supplier.



10.0 Facilities

(GRI 301)

10.1 Teradata Environmental Health and Safety (EHS) Program

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

The EHS policy and procedures are based on established, well-recognized international standards and regulatory requirements that apply to all Teradata locations worldwide. The program requires that all employees and onsite contractors comply with these procedures and requires everyone to re-review the entire EHS program procedures every two years. Teradata's program also encompasses yearly assessments of each facility and audits each facility every three years on a rotational basis. There are two components to the EHS program—the EHS Management System (EHMS), 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 the 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 2015, we have continued this program and perform the necessary facility audits to ensure we are in compliance with our program.

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

10.2 Facility Information

Teradata operates in 25 facilities in the United States, 24 of which are leased. Teradata's only owned facility is our San Diego Campus in Southern California.

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

In 2009, the program was implemented globally. In 2015, 22% of the 107 sites Teradata occupies are located in the US. During 2015, 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, EN23, EN24)

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

10.4 Facilities Environmental Impact

Through a study conducted as part of our past membership in EPA Climate Leaders program, Teradata learned we are in compliance with the use of ozone depleting substances in our products and processes. Also, because Teradata has only office and light assembly operations, HFCs, SOCs 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 light out environment. The in conjunction with the added a ducted return system has increased cooling efficiencies.

During calendar years 2009-2013, Teradata's operationally controlled sites disposed of no hazardous waste. In 2013, Teradata recycled 293,154 pounds including all possible recyclables to the effort (glass, metal, plastic, and wood).

In 2013 there was 212,883 pounds of universal waste (CRTs, Electronics, fluorescent lamp, UPS and household batteries). The new recycling guidelines have increased what is considered Universal Waste adding many new items to the list. This and renewed focus on recycling has allowed a substantial increase from 2012. Teradata neither imported nor exported any hazardous waste at sites within Teradata's operational control. Additionally, during this reporting year, there were no significant spills or releases of hazardous waste from Teradata's operationally controlled facilities.

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

10.5 Facilities Update: Rancho Bernardo

(San Diego)

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

San Diego, California

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

Conservation efforts include:

- Paper Conservation:** Teradata diverted 4,922 Lbs. of waste office paper and 15,320 of cardboard from the landfill in 2012, saving the equivalent of 173.75 trees and 71,542 gallons of water that would have been required for processing raw pulp into paper.

The San Diego facility also participates in Shred-It's paper shredding program, through which it saved the equivalent of 207 trees.

Metal Scrap and Other Recycling

In 2013, Teradata diverted 46,940 Lbs. from the landfill consisting of metal scrap, including light and heavy iron and aluminum. The majority of the metal scrap generated through the Teradata San Diego location is electronic scrap. Teradata San Diego also recycles other waste streams, including aluminum cans, plastic bottles, fluorescent lamps, consumable drums, and toner cartridges.

Green Landscaping

Teradata's San Diego landscapers are required to recycle all of the green waste that is generated by this facility. An arborist recycles all work from the tree trimming that is done twice a year. Irrigation controllers with integrated weather stations have been installed to minimize the water used for irrigation. These controllers allow for different plant material and landscaping conditions to factor into watering schedules.

Building	Address 1	City	State / Province	Country	Space Use	Rentable Area	Unit of Measurement
Melbourne, VIC, Australia	600 St Kilda Road	Melbourne	VI	AUS	OFFICE	2,463	SQF
Canberra, Australia	12 Macross Street	Canberra	ACT	AUS	OFFICE	2,367	SQF
Vienna, Austria	Schubertgasse	Vienna	VIENNA	AUS	OFFICE	1,776	SQF
Mississauga, Ontario, Canada	5303 Airport Road	Mississauga	Ontario	CAN	OFFICE	14,452	SQF
Toronto, Ontario, Canada	281 Consumers Road	Toronto	Ontario	CAN	OFFICE	3,022	SQF
Santiago, Chile	Centro Cultural San	Santiago	Chile	CHI	OFFICE	4,266	SQF
Copenhagen, Denmark	Syngebovej 14-15	Copenhagen	Denmark	DEN	OFFICE	3,922	SQF
Espoo, Finland	Vuorimäentie 1A, Nantalejo Oy Espoo, Finland	Espoo	Finland	FIN	OFFICE	1,917	SQF
Antony, France	25 bis de la Gare de la Gare	Antony	France	FRA	OFFICE	20,624	SQF
Duesseldorf, Germany	Heinrich Heine Allee 20	Duesseldorf	Germany	GER	OFFICE	1,155	SQF
Frankfurt, Germany	Sonnenstrasse 20	Frankfurt	Germany	GER	OFFICE	2,975	SQF
Hong Kong, Hong Kong	14, 27A Avenue Road	Hong Kong	Hong Kong	HK	OFFICE	1,792	SQF
Hong Kong, Hong Kong	22/F Tower One Times Square	Hong Kong	Hong Kong	HK	OFFICE	1,569	SQF
Hyderabad, AP India	Manikam 111, 12-122, 235	Hyderabad	India	IND	R&D	22,373	SQF
Hyderabad, AP India	158, 160, 171 and 225 Sanjay Park Road	Hyderabad	India	IND	R&D	22,373	SQF
Mumbai, MH, India - Winchester Building	Highland	Mumbai	India	IND	OFFICE	29,824	SQF
Pune, MH, India	Tower XII, Cybercity, Nagarvalli City	Pune	India	IND	OFFICE	14,822	SQF
Pune, MH, India	Tower 6, Cybercity, Nagarvalli City	Pune	India	IND	OFFICE	25,970	SQF
Dublin, Ireland	Santry Demesne, Court Square	Dublin	Ireland	IRL	OFFICE	2,616	SQF
Rome, Italy	Via Valentini, Maglietta 667	Rome	Italy	ITA	OFFICE	2,723	SQF
Kuala Lumpur, Malaysia	Malayan Avenue II	Kuala Lumpur	Malaysia	MAL	OFFICE	5,277	SQF
Mexico City, Mexico	106, 476, 483 Colinas Nuevas, Ciudad de Mexico	Mexico City	Mexico	MEX	OFFICE	13,318	SQF
Singapore, Singapore	503 South Road, Unit 213-27	Singapore	Singapore	SIN	OFFICE	7,313	SQF
Stockholm, Sweden	Kungshuset, Kista	Stockholm	Sweden	SWE	OFFICE	10,162	SQF
El Segundo, CA, United States	1900 N. Sepulveda Boulevard	El Segundo	California	USA	R&D	43,612	SQF
El Segundo, CA, United States	601 N. Sepulveda Boulevard	El Segundo	California	USA	OFFICE	52,000	SQF
San Carlos	955 S. Bascom Avenue	San Carlos	California	USA	OFFICE	13,477	SQF
San Diego, CA, United States (17085)	17085 Via Del Camacho	San Diego	California	USA	R&D	160,699	SQF
San Francisco, California, United States	301 Howard Street	San Francisco	California	USA	OFFICE	4,908	SQF
Santa Clara, CA, United States	2085 Lakeside Road	Santa Clara	California	USA	R&D	7225	SQF
Washington DC, United States	905 15 Street NW	Washington DC	DC	USA	OFFICE	5,874	SQF
Itasca, Illinois, United States	200 Park Boulevard	Itasca	Illinois	USA	OFFICE	4,374	SQF
Raleigh, North Carolina, United States	3555 Centerville Drive	Raleigh	North Carolina	USA	OFFICE	21,300	SQF
Miamisburg, OH, United States	1600 Innovation Drive	Miamisburg	Ohio	USA	OFFICE	60,000	SQF
Lexington, SC, United States	714 South Lake Drive	Lexington	South Carolina	USA	OFFICE	12,106	SQF
West Columbia, SC, United States	3243 Flat Springs Road	West Columbia	South Carolina	USA	OFFICE	12,813	SQF

Table 2



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.

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

— Scott Gnanu, Chief Development Officer, Teradata Corporation

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

— Caroline Wain, Vice President of Customer Services, SDG&E

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

- Prior installation of a Building Automation System (BAS) to control campus lighting and heating, ventilation, and air conditioning (HVAC) systems continues to reduce the energy needed to maintain the building environment. BAS controls operation times and limits individual zone thermostatic adjustments, ensuring effective climate control without zone competition. BAS also controls the activation of waterside economizers that allow Teradata to minimize compressor operating times during the summer and can also be used for heating over the winter. As a building envelope measure, specially coated glass and window treatments were installed to reduce thermal transfer. The energy savings are about 250,000 kWh annually with this system.
- Prior installation of state-of-the-art lighting that utilizes energy-efficient T8 fluorescent lamps, compact fluorescent, and LED technology has significantly reduced energy usage. To supplement the T8 lamps, we installed parabolic reflectors, deep bays, and electronic ballasts. The energy savings are about 195,000 kWh annually with this lighting system.

Miamisburg, Ohio

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

The WSHP system consists of a number of heat pump units connected to a common recirculating water loop. WSHP units on this loop exchange heat with the loop by rejecting heat to the loop (for those units in the cooling mode), and extracting heat from the loop (for those units in the heating mode). A Cooling Tower and High Efficiency Natural Gas Boiler removes and adds heat as required to maintain the loop temperature within the proper temperature range. Efficiencies include:

- Variable Speed Pump and Fan Motors—These motors save energy by operating at optimum levels.
- Heat Recovery—Energy is recovered from exhaust air and then re-used to heat or cool the space.
- CO₂ Control—The Carbon Dioxide (CO₂) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.

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 21 new physical servers in 2013 by building the servers in our existing virtual infrastructure. This directly results in an ongoing annual energy consumption avoidance of about 225,000 kWh. We continue efforts to target additional physical servers for replacement or retirement and we expect our Win-dows Server 2003 migration program to drive significant virtualization over the course of the next year. Also during 2013, Teradata initiated a practice of installing blank drives in empty server rack locations to improve the efficiency of the server cooling systems.

11.0 Reporting Parameters

- GRI 3.1** This report covers Teradata Corporation's fiscal year 2013 unless otherwise specified.
- GRI 3.2** This is the Sixth sustainability report for Teradata.
- GRI 3.3** Teradata plans to issue updated reports annually.
- GRI 3.4** For questions regarding this report, please contact E. Alan Lord, Program Manager, Sustainability.
- GRI 3.5** Teradata conducted a review of its internal processes based on the G3 GRI Index and determined which indicators/areas were applicable to our company today. From this process, we also learned what we can work on to become a more sustainable company.
- GRI 3.6** Teradata is a global company, and this report covers all of Teradata Corporation. However, in some geographic areas, individual limitations to specific areas may be required based on how Teradata is aligned.
- GRI 3.7** Teradata is a global company, and this report covers all of Teradata Corporation. However, in some areas, individual limitations to specific areas may be required based on how Teradata is aligned.
- GRI 3.8** This is the Sixth sustainability report from Teradata Corporation. Our 2013 operations were compared against our 2012 operations.
- GRI 3.10** There are no effects from re-statements of information provided in earlier reports.
- GRI 3.11** There are no significant changes from previous reporting periods in scope, boundary, or measurement methods applied in the report.
- GRI 3.12** See Table 3 at the end of this report.

END NOTES

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

GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number	GRI Indicator	Teradata Report Section number
11	Inside cover	311	11	EN6	8.8-10.3	LA10	4.6-4.7
21	1.2	312	11	EN7	8.1	LA11	4.8
22	1.2	313	11	EN8	10.3	LA12	4.9
23	1.4	41	2.0-2.4	EN9	10.3	LA15	4.10
24	1.2	42	2.0-2.4	EN10	10.3	HR2	9.0-9.2
25	4.2	43	2.0-2.4	EN16	8.1	HR3	4.11 9.0-9.2
26	1.2	44	2.0-2.4	EN17	8.1	HR5	9.0-9.2
27	1.2	45	3.0-3.3	EN18	10.3	HR6	9.0-9.2
28	1.3 4.2 8.5	48	11 4.14 9.2	EN20	10.3	HR7	9.0-9.2
29	1.5	413	3.1	EN21	10.3	SC1	7.0-10.0
210	1.2	414	6.1-6.5	EN23	10.3	SC2	4.11
31	11	415	6.1-6.5	EN24	10.3	SC3	4.11
32	11	416	6.1-6.5	EN26	8.0-8.10 8.13-9.1	SC5	4.16
33	11	417	6.1-6.5	EN28	8.11	SC6	4
34	11	EC1	1.3	EN29	8.12	PR1	5.1
35	11	EC2	8.0	LA1	4.2	PR2	8.10-8.11
36	11	EN2	8.1	LA2	4.3	PR3	8.11
37	11	EN3	3.1	LA3	4.2	PR5	5.1
38	11	EN4	8.1	LA4	4.4	PR9	8.10
310	11	EN5	10.3	LA5	4.5		

Table 3.

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