

Teradata Corporate Social Responsibility



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

CEO Communication

(GRI G4-1)

At Teradata, global corporate citizenship, social responsibility, and environmental sustainability are fundamental to our business and our interactions with customers, employees, partners, suppliers, and the communities where we operate.

As a company, our mission is to transform how businesses work and people live through the power of data. This mission, and Teradata associates, are the driving forces behind our corporate citizenship. For example, through our Teradata Cares program, our associates help build strong and vibrant communities, improve quality of life and make a positive difference where we live and where we work through volunteering and giving. Doing Good With Data™ enables our associates to partner with charitable organizations to offer our expertise, conquer the complexities in their data and deliver answers that matter most. In addition, our customers across the globe are using our offerings and consulting services to do great things through data—from supporting the data that provides groundbreaking discoveries in medical research to facilitating lifesaving telecommunications during the recent California wildfires.

Teradata designs technology for the future, and the future demands powerful analytic solutions. These solutions are intended to meet increasingly stringent standards to support the earth's precious resources, including efficient usage of power and water, as well as space efficiency. We hold our suppliers and business partners to the same standard we hold ourselves. All must meet or exceed the standards of our Code of Conduct, which includes adherence to ethical, responsible and environmentally sustainable business practices with respect to all their Teradata-related activities.

In closing, Teradata remains committed to leading in excellent corporate citizenship, and this commitment is powered every day, across the globe, by our associates. Please refer to the details contained in this year's report.



Oliver Ratzesberger
President & CEO
Teradata Corporation

About This Report

(GRI G4-13; G4-33)

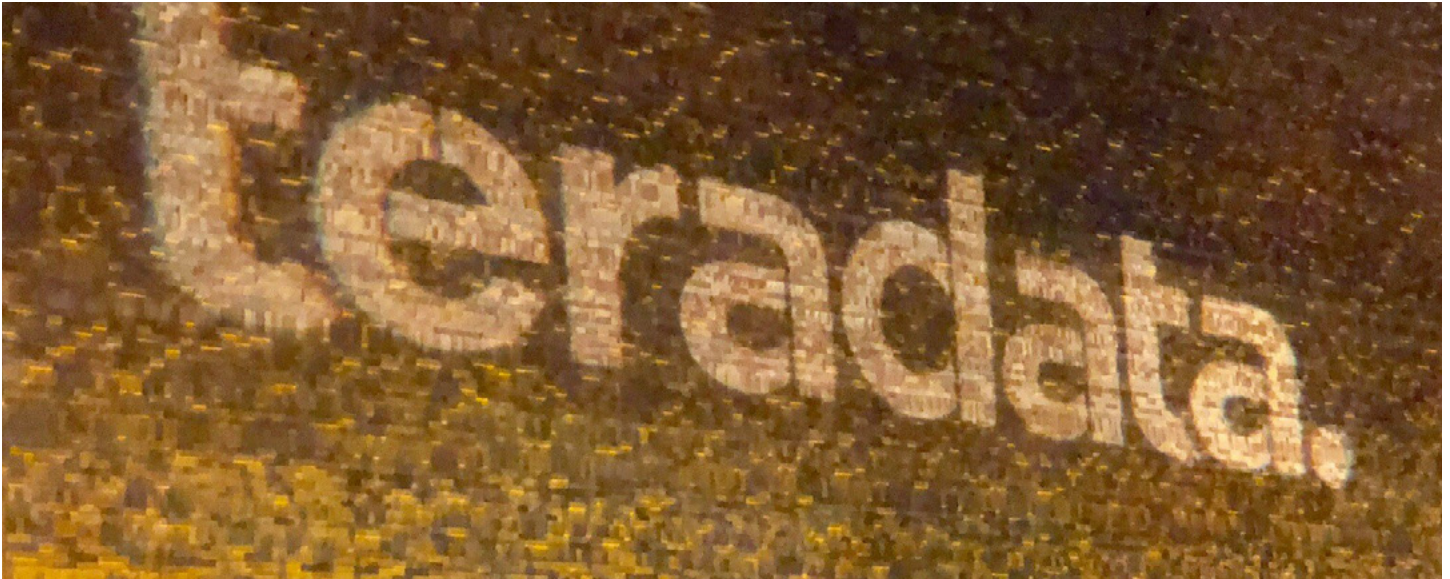
This report describes the policies, processes, and performance of Teradata Corporation to help our customers, communities, and employees understand our past performance and continuing commitment to Corporate Social Responsibility (CSR) as we develop our plans for the future. The information provided is a reflection of our 2018 performance. Our previous report was the 2017 CSR report. At this time, our next annual report, based on our 2019 performance, is planned for release in 2020. However, this schedule could be adjusted during 2019 and 2020.

Audit of this report

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

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

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



1.0 Teradata

1.1 Sustainability Mission Statement

(GRI G4-3)

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

1.2 Our Company

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

Teradata transforms how businesses work and people live through the power of data. Teradata leverages all of the data, all of the time, so you can analyze anything, deploy anywhere, and deliver analytics that matter.

We call this Pervasive Data Intelligence. And it's the answer to the complexity, cost, and inadequacy of today's approach to analytics.

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

Teradata has a singular ability to encompass all the data, all the time, to find answers to the toughest challenges. Teradata delivers real-time, intelligent answers, regardless. And it's done on-premises, in the cloud, and anywhere in between.

The flagship Teradata flagship product is Teradata Vantage,[™] the industry's only platform for Pervasive Data Intelligence. Vantage offers full integration with your favorite tools and languages, leading analytic engines, and new sources of data to deliver the answers you need to create better business outcomes.

Teradata Vantage allows businesses to maximize their investment.

- What others can't see, Vantage does. Get a unified, integrated environment that delivers the best analytic functions and engines at scale.

- All your data, any way you need it. Work with flexible support for multiple data types and formats.
- Your tools, your way. Easily build and use analytics with your preferred tools and languages.
- Get actionable answers faster. Operationalize analytics on an enterprise-ready platform to drive crucial business outcomes.

We combine proven analytics expertise, specialized business consulting, and scalable, high-performance, analytical ecosystems. That's why our agile analytical ecosystem solutions are market-leading and award-winning. Combined with Vantage, our comprehensive consulting services deliver ecosystem architecture expertise, hybrid cloud deployment solutions and forward-thinking solutions tailored to each client. We engage directly with business and IT leaders to solve urgent real-world problems and uncover answers to the toughest business problems.

Teradata's corporate headquarters is located at 17095 Via Del Campo, San Diego, CA 92127. Visit Teradata.com for more details. For more information about markets served and our business segments, please see the business overview section of the Teradata Annual Report located on the investors site of Teradata.com. The reference to that site is in section 12.

Teradata's primary social media channels include:

- www.linkedin.com/company/Teradata
- www.twitter.com/Teradata
- www.facebook.com/Teradata
- www.slideshare.net/Teradata
- www.youtube.com/Teradata

Market Leadership

Teradata works with:

- 17 of the top 20 global commercial and savings banks
- 17 of the top 17 telecommunications companies
- 16 of the top 20 travel and transportation companies

- 15 of the top 20 global retailers
- 13 of the top 20 healthcare companies
- 12 of the top 20 manufacturing companies

1.3 2018 Financial Performance

(GRI G4-9; G4-17)

Teradata revenue in 2018 was \$2.156 billion. The company's competitive differentiation is its expertise in leveraging any organization's data assets to help them achieve high-impact business outcomes. Our focus on business solutions for analytics, coupled with our industry-leading technology and architecture consulting unleashes the potential of great companies. For more financial information, visit the Teradata Investor page of the company web site. All of our SEC filings are located in this area. The quantity of products and services is listed in terms of financial information (revenue is split in these terms) in our earnings reports. Entities not included in this report's scope are those with less than 50 percent ownership, partnerships, or joint ventures. Please see external reference in section 12 for the link to our SEC Filing page.

1.4 Teradata History and Development

(GRI G4-7)

Formed in 1979 as a Delaware corporation, the first Teradata product, the Teradata® Database computer, was used by Wells Fargo and AT&T, among others. Teradata established a relational database management system on a proprietary platform in 1984. In 1990, the company partnered with NCR Corporation to jointly develop next-generation database systems. In 1991, AT&T Corporation acquired NCR and, later that year, NCR purchased Teradata. In 1995, Teradata was merged into NCR's operations and ceased to exist as a separate legal entity. On October 1, 2007, Teradata completed its spin-off from NCR Corporation, and shares of its common stock began regular trading on the New York Stock Exchange (NYSE) under the symbol TDC. Teradata is a member of the S&P MidCap 400.



2.0 Corporate Governance

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

The Board also plans for management succession of the Chief Executive Officer and other senior management positions and oversees the Company’s governance and compliance efforts. For a complete detailed understanding of our Governance policies, please see the external reference in section 12.

2.1 Board of Directors

(GRI G4-39; G4-40)

The Board currently has twelve directors. Ten of the twelve directors are non-employee directors who meet the independence standards of the NYSE. The two non-independent directors are the Company’s Chief Executive Officer and Executive Chairman. As a matter of policy, the Board believes that a substantial majority

of the directors should be independent. In alignment with our commitment to diversity and inclusion and the benefits of diverse perspectives, two of our directors are women. Two of the twelve directors are of Asian ancestry, and one director is Latina.

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

The Board, with input from its Committee on Directors and Governance, is responsible for periodically determining the appropriate skills, perspectives, experiences, and characteristics required of Board member candidates, considering the Company’s needs and the current makeup of the Board. This includes assessing the candidate’s qualifications under written Director Qualification Guidelines and considering: the candidate’s knowledge, experience, and skills in areas critical to understanding the Company and its business; personal characteristics, such as integrity, judgment, and alignment to the Company’s values; independence; diversity of age ranges; diversity of gender, race, thought, and ethnicity; and, the candidate’s commitments to the boards of other

publicly-held companies. The Committee on Directors and Governance is responsible for periodically reviewing and modifying, as appropriate, the Qualification Guidelines. The Board evaluates individual director nominees in the context of the Board as a whole, with the overall objective of having a balanced group that can perpetuate the Company's long-term success and represent shareholder interests generally through the exercise of sound business judgment, using its diversity of experiences and perspectives.

The Committee on Directors and Governance will consider candidates recommended by stockholders for nomination by the Board. Stockholders wanting to suggest director candidates should submit their suggestions in writing to the Corporate Secretary of the Company, and provide: the candidate's name, age, residential and business contact information, detailed biographical data, and qualifications for service as a Board member; the class or series and number of shares of capital stock (if any) of the Company that are owned beneficially or of record by the candidate; a document signed by the candidate indicating the candidate's willingness to serve, if elected; and, evidence of the stockholder's ownership of Company stock. If a stockholder submits a candidate for nomination by the Board, the candidate will be considered using the same criteria that the Board uses to evaluate other candidates for Board nomination. The foregoing procedures apply only to stockholders who wish to submit candidates for consideration as Board nominees for director. A stockholder wanting to nominate a candidate for election as a director must do so by following the procedures described in Article II, Section 16 of the Company's Bylaws.

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

the Board. In addition, a director's re-nomination is dependent upon a review conducted by the Committee on Directors and Governance.

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

For more information about the Board of Directors, please see the link provided in section 12, under Governance Guidelines.

2.2 Committees

(GRI G4-34)

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

recommendation of the Committee on Directors and Governance, with input from the Chief Executive Officer and Chairman of the Board.

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

Each committee has a written charter which has been approved by the Board. The charter may delegate certain authority and responsibilities to the committee. From time to time, the Board may delegate additional specific authority to a committee by resolution. The committee charters are reviewed periodically and may be changed upon approval of the committee and the Board. The charter for each committee is posted on the “Corporate Governance” page of the Company’s web site ([Teradata.com/About-Us/Corporate-Governance](https://www.teradata.com/About-Us/Corporate-Governance)).

2.3 Conflicts of Interest, Standards of Conduct, Reporting, and Controls— A Discussion of our Precautionary Approach (GRI G4-14; G4-41)

The Board determines on a case-by-case basis whether a conflict of interest exists with respect to directors. Each director must advise the Board of any situation

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

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

The Company has an orientation process for new directors that includes background material and meetings with senior management to familiarize the directors

with the Company's strategic and operating plans, key issues, corporate governance, Code of Conduct, and the senior management team. In addition, new members to a Committee are provided information relevant to the Committee and its roles and responsibilities.

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

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

2.4 Corporate Sustainability Governance and Leadership

The Audit Committee of the Board of Directors is assigned overall responsibility and oversight for the Company's ethical standards and compliance, which includes initiatives pertaining to corporate social responsibility, sustainability, and long-term corporate

strategy and performance. The overall governance processes applied by the Audit Committee as described in this report and in the documents linked from our Corporate Governance web page are applied to governance of the Company's ethical standards and compliance initiatives.

Company management is responsible for implementing the Company's ethical standards and compliance initiatives and for preparing and publishing the Company's annual corporate social responsibility report—with oversight by the Audit Committee of the Board of Directors. The Vice President of Operations is the member of senior management responsible for the corporate social responsibility program. This leadership position sets direction and reviews the progress of the program quarterly. The Vice President of Operations approves the corporate social responsibility report prior to its submission to the Board.

2.5 Shareholder Communications (GRI G4-49)

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

Please see the Corporate Governance page of the Teradata web site at www.Teradata.com/About-Us/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 to communicate with the Board.

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

The Board has adopted Executive Stock Ownership Guidelines which provide that members of the senior management leadership team are expected to own at least a specified minimum number of shares in the Company. The specified number of shares may vary depending on the executive's position and the stock price. As of the date of this report, the minimum number of shares expected to be owned by the Chief Executive Officer is 135,000 shares and by other named executive officers is 35,000 each. This initiative is intended to align the interests of the Company's senior management leadership team better with those of stockholders and the Company's long-term success.

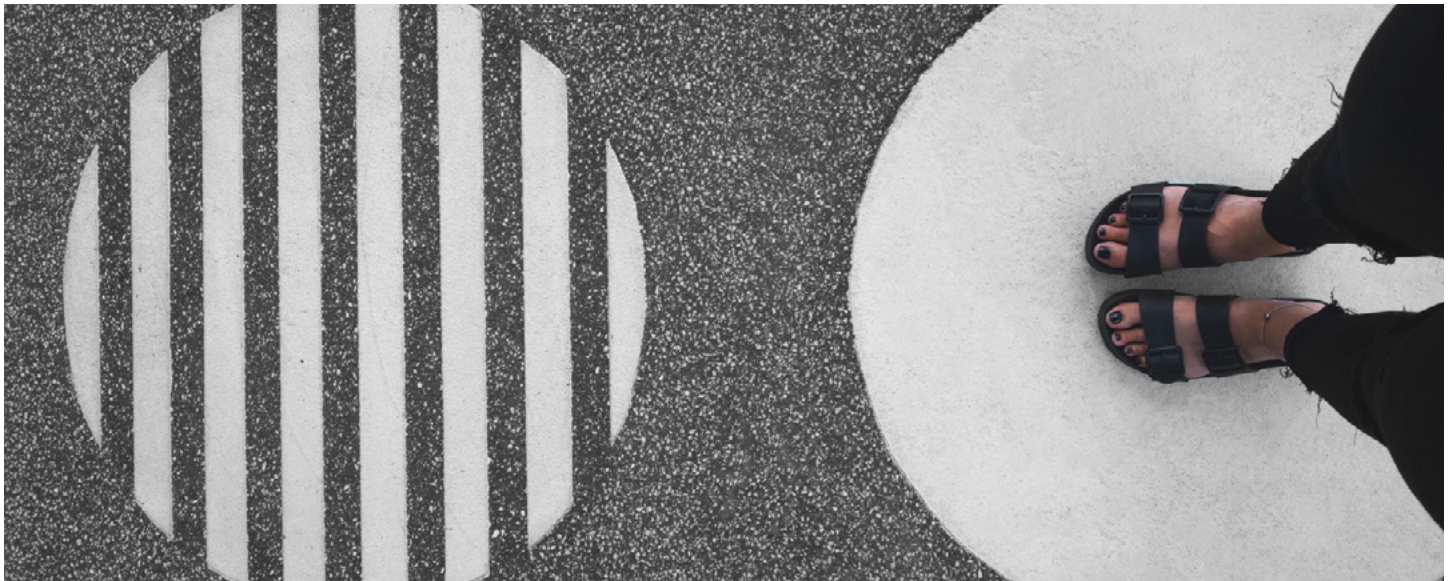
The Board has approved a Political Activity Policy Statement that strictly limits the Company's participation in partisan politics (see more about this under the "Policy Activities" section of this report). Each of the policies and guidelines referenced above also is posted at the "Related Links" menu on the "Corporate Governance" web page of the Company's primary external web site. (www.Teradata.com/About-Us/Corporate-Governance)

2.6 International Institute for Conflict Prevention and Resolution

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

Teradata also has signed the CPR Diversity Commitment, seeking not only to have diversity and inclusion in its workforce, but also in its providers of goods and services, including arbitrators, mediators, neutrals, and other ADR service providers. (See www.cpradr.org/programs/committees/diversity-task-force-adr)

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



3.0 Industry Involvement

(GRI G4-15; G4-16)

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

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

3.2 ASHRAE

We are a member of the Technical Committee (TC) 9.9 of the American Society of Heating, Refrigeration and Air-conditioning Engineers (ASHRAE). We support ASHRAE's mission to be recognized amongst all areas

of the data-com industry as the unbiased engineering leader in HVAC and an effective provider of technical information for the data-com industry. Visit www.ashrae.org.

3.3 ITI

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



4.0 Human Resources

4.1 Overview

Our Human Resources organization is chartered with providing strategic global leadership to guide Teradata efforts to build sustainable competitive advantage through our human capital strategy. Our human capital strategy is aligned with Teradata business objectives. The Human Resources organization is led by the Chief Human Resource Officer, who is a direct report to the CEO, and holds an important position within the Teradata Leadership team. In 2018, our Chief Human Resource Officer was 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, talent acquisition, workforce enablement and technology, and talent management, and HR business partners. Collectively, these teams provide HR leadership to guide and support our business operations. To support local business operations, HR professionals are located in our largest countries around the globe.

4.2 Employment

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

At the end of 2018, Teradata employed more than 10,000 full-time employees in 44 countries around the globe. Significant operations are included in these countries: U.S.A., India, China, Philippines, Germany U.K., Japan, Pakistan, Australia, France and Czech Republic.

We are headquartered in the United States, and operate in three major regions of the world (Americas, EMEA and APAC), with approximately 3,800 employees in the Americas region, 4,800 employees in the APAC region, which includes GCA (China, Hong Kong, and Taiwan), Japan, and APAC (India, Australia, Indonesia, Korea, New Zealand, Pakistan, Singapore, Malaysia). (And approximately 1,700 employees in the Europe, Middle East, Africa (EMEA) area.).

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

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

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

4.3 Collective Bargaining Agreements

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

4.4 Career Development

(GRI G4-LA10)

We strive to ensure our employees feel valued, supported, and enabled in their growth and development. We believe it is important for all our employees to have the opportunity to reach their full potential. 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.

4.5 Leadership Development

(GRI G4-LA10; G4-LA11)

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

- Collaboration between business leaders and Human Resource Business Partners to prepare annual succession plans that focus on identifying and developing potential candidates for leadership positions and critical roles.
- Consciously developing future leadership through on-the-job activities, mentoring, special projects, and rotational assignments.

4.6 Performance Management Process

(GRI G4-LA11)

All employees participate in the annual performance management process, called Power Your Potential, 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 periodic reviews, and assessing 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 preparations and further their success.

4.7 Inclusion and Diversity

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

Integrated into our values is the company's commitment to inclusion and diversity. While Teradata complies with laws governing against discrimination, it is important to note that our focus on an inclusive and diverse environment goes beyond that. 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.

At Teradata, we remain firmly committed to ensuring that all our team members are compensated fairly, based on ability, job responsibilities, experience, and performance. We continuously evaluate our processes to ensure that we prevent bias within the organizational approach to hiring, compensation, promotion, and development.

Since our report from last year, we have furthered our efforts in diversity and inclusion. Our CEO, Oliver Ratzesberger, has taken part in the CEO Action Pledge, which reinforces our commitment to evolve and enhance our diversity strategies related to recruitment, retention, and advancement of diverse talent.

We are committed to continue to focus on efforts to attract, retain, and advance women in our workforce and know that this starts by creating a workplace where employees of every age, race, sex, ability/disability, religion, culture, sexual orientation, and gender identity feel welcome and supported.

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

Supplier Diversity Program

Teradata recognizes the need for and the benefits of sourcing and stimulating the growth of small businesses, minority, women, and veteran-owned business enterprises (diverse suppliers) and, consequently, has adopted a proactive policy of promoting the use of such businesses as sources of supply. Teradata believes that including diverse suppliers in our sourcing strategy adds value to our business by providing us with a competitive advantage, which allows us to invest in the economic success of disadvantaged businesses. We further encourage our suppliers to work with qualified diverse

suppliers as often as possible to fulfill our contractual needs and further promote the success of diverse businesses. Teradata believes that this approach in sourcing will develop stronger communities where we live and where we work, and thereby, create a solid foundation for supplier diversity success.

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

opportunities by forging new relationships with suppliers and their business alliances and certification networks.

Teradata has been proactive in finding diverse suppliers to participate in its procurement bid opportunities. Teradata is a corporate member with multiple regional minority business development councils and maintains access to Minority Business Enterprise Associations nationwide.

Teradata continues to promote, update, and enhance the Company's Commercial Supplier Diversity Program. Since the Program was implemented in 2009, Teradata has effectuated significant collaborations with increasing numbers of diverse suppliers in all levels of industry. Teradata continues to explore opportunities for growth and to build strategic alliances and partnerships with and among diverse suppliers in 2018 and beyond.



5.0 Materiality Assessment and Stakeholder Inclusiveness

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

5.1 Materiality Assessment

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

applicable, those aspects that are considered material in the areas of environmental, social, and economic impacts, based on the materiality assessment process noted above. This process is reviewed each year through the publication of our CSR report.

The validation process to determine our material areas and aspects can be described as an investigative and receptive process. From a company perspective, the priorities were Human Rights in the area of our employees and supply base, as well as Product Responsibility, and Ethical Behavior in the area of Society. The feedback from our market and customer base overlapped in some of these areas such as Human Rights in our Supply Chain and Product Responsibility. In addition, the customers inquired about greenhouse gas emissions and whether or not we would continue to set goals to reduce our impact on the environment.

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

- **Customers:** We regularly engage with our customers through frequent dialog as a part of our daily operations and through the RFP process where we see the reflection of the sustainability priorities from our customers included in the information requested from Teradata. This interaction gives us indications about which areas matter to our current and potential customers.

- **Investor Relations:** Feedback from the investment community, such as the Dow Jones Sustainability Index and the CDP, along with our regular communications with the shareholders and investors conducted by our Investor Relations team.
- **Employees:** Feedback through a Teradata Cares email address.
- **Peer Companies:** We learn from others as we make progress on the CSR journey. Some of the examples of where we turn for experience and inspiration are similar sized companies and innovative CSR companies.
- **Supply Chain:** Our direct tier-one supply chain incorporates 95 percent of the spending in this area. These are large companies with established CSR programs from which we were able to learn during our investigation.
- **Communities:** Feedback from community events and volunteer programs.

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

- **Americas region:** North America and Latin America
- **International region:** Europe, Middle East, Africa, Asia Pacific, and Japan

All material aspects are applicable to our entire company. In addition, some of our material aspects are applicable outside of our company. See Table 1 for a listing of external and internal impacts. There are no informational restatements from the previous published report nor has there been reason for restatements for Scope and Aspect boundaries.

5.2 Stakeholders

(GRI G4-37)

Teradata has always reached out to its stakeholders—our most valued assets. These include, but are not

limited to: customers, investors, employees, peer companies, suppliers, the communities in which we live, and the organizations that support those communities. These inputs happen regularly.

A. Customers

At Teradata, we are passionate about our customers and their success with our solutions. Their trust in us and their invaluable feedback enable us to continuously innovate and improve to exceed their expectations. They are the industry powerhouses that are outpacing their competitors. They join with our partners to form a worldwide collaborative network connecting every industry, market, and geography with application-specific expertise. Teradata actively seeks partnerships with other leading innovators in software, technology, and integration services to provide customers with end-to-end analytical solutions. Their feedback goes directly into our product marketing group to determine customer desires and concerns for current and new products.

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

- World-class, passionate consulting and customer service associates, coupled with the Teradata Global Support Center, an interactive Teradata Access Portal web site, software updates on demand, and the Teradata Education Network.
- Customers contact us to request data about our CSR program; we engage with our customers on the detail within our report and determine from their feedback if the report should be altered. During 2018, the feedback we received was positive. This is normally handled through our bid/RFP process as the customer base requests information, or through our CDP supplier assessment feedback. The specific concerns raised were in regard to our GHG program which encouraged us to formulate a program with goals for energy intensity reduction. In addition, our customers wanted to know if we adopted and had policies that were under Responsible Business Alliance (RBA) formerly the EICC (Electronic Industry Citizenship Coalition) umbrella.

B. Investor Relations

Teradata is committed to serving the best interests of its shareholders.



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

C. Shareholder Communication

Stockholders are encouraged to communicate with the Audit Committee Chair or any of the company's other non-employee directors by contacting the Teradata Corporate Secretary at 17095 Via del Campo, San Diego, CA 92127. The Corporate Secretary will forward any communications as directed by the stockholder. Our CSR report is made available to all through our web site at Teradata.com.

D. Employees

(GRI G4-49)

We believe our people around the globe who dedicate their time and talents to Teradata and who are so passionate about our customers' success are key to our continuing success. Employees are our company's most valuable asset. This includes all individuals employed by Teradata, both regular full-time and part-time individuals. At Teradata, we know it's our people who make us great. We are committed to keeping employees informed through regular communications from leadership and by providing them with open channels to provide feedback. In addition to encouraging ongoing feedback from employees, we participate in local and national employee engagement surveys to

give management a view of our workplace culture. As ongoing support for our virtual workforce, we created Workplace Connection, a dedicated web site that provides virtual employees with direct links to the information, tools, and tips that allow them to work effectively "anytime, anywhere."

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

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

E. Peer Companies

We selected CSR reports from companies within and from outside our business market. Also, we held interactive calls with some of these companies regarding their CSR programs and how they determined their assessment of their business and stakeholders. We have calls with some peers to discuss the direction of CSR within the corporate community. This process was and is extremely valuable. What we were able and continue to be able to do from dealing with peer companies is to validate what is being reported about our industry and other industries and to understand

what is important to the customer/consumer. This has been a major factor in the structure of our report and what we report, such as the GHG programs, Human Rights, and Product Responsibility.

F. Supply Chain

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

G. Communities

Please see section 6 Teradata Cares regarding our community touchpoints.

5.3 Material Areas and Aspects (GRI G4-EN1)

From the materiality analysis and Stakeholder engagement described in 5.1, these areas are considered material and will be reported on in this 2018 edition of the Teradata CSR Report:

Environment: Energy, Emissions, Effluents, and Waste; Products and Services; Compliance; Transport; Supplier Environmental Assessment

Employment: Training and Development, Supplier Assessment for Labor Practices

Human Rights: Supplier Human Rights Assessment

Society: Anti-Corruption, Anti-Competitive Behavior, Supplier Assessment for Impacts on Society

Product Responsibility: Products and Services Labeling, and Compliance

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

Table 1. Internal and External Boundaries.



6.0 Teradata Cares

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

At Teradata, it's the people who make our company great, and their commitment to excellence extends far beyond the company. Teradata Cares, the Teradata community relations program, administers all Teradata 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.

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

Because our corporate emphasis is on data analytics—through platforms, applications, and services—we are committed to helping our customers drive results through data. Our corporate focus, therefore, aligns our core mission and capabilities with Data Philanthropy—using data to understand and help the world's citizens

for public good. Learn more about the Teradata commitment to community, strategic giving focus, and employee engagement at [Teradata.com/community-relations](https://www.teradata.com/community-relations).

6.1 Employee Engagement

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

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

Improving education to help build tomorrow's technologists and business leaders.

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

To strengthen our commitment to data philanthropy, Teradata has partnered with non-profit organizations like **DataKind** to match volunteer data scientists with social agencies, civil groups, and non-governmental organizations. Teradata donates consulting services to these groups to help them explore the power of using data to serve our world and theirs better.

The DataKind mission is to harness the power of data science in the service of humanity by engaging data science and social sector experts on projects addressing critical humanitarian problems and by leading the conversation about how data science can be applied to solve the world's biggest challenges. DataKind is headquartered in New York with chapters in Bangalore, San Francisco, Singapore, the U.K. and Washington, D.C.

This year, Teradata was proud to partner with DataKind on several DataDives across the world.

In June, we co-sponsored a DataDive in New York City with GoogleCloud, Elsevier Foundation, and American Airlines. Read all about the important data projects [here](#).

In November, we co-sponsored a DataDive in Washington DC, along with Otoro, and IBM. Take a look at the weekend findings of this great event [here](#).

Also in November, Teradata hosted a DataDive in our London office with Elsevier Foundation. Watch our exciting weekend in this [wrap up video](#).

Our Teradata office in Vienna, Austria, hosted their own datathon this year. Teradata partnered with the University of Vienna to support **ERSTE Foundation**, a non-profit with the mission to strengthen civil society and democracy in Central and Eastern Europe. We can't thank all the wonderful volunteers enough for this great event.

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



Teradata and Elsevier Foundation, DataKind DataDive, London, November 2018

Strengthening communities where Teradata has a presence.

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

Helping the environment by supporting global sustainability.

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

our volunteer efforts, our employees participate in neighborhood clean-ups, restoration projects, promote creative ways to conserve energy at their own locations, and help with disaster relief efforts around the world.



Teradata Caring for the Environment, Canberra, Australia, Little Oak Sanctuary.



Teradata France races to support the Association "L'enfant @ l'hôpital."



Teradata Santa Clara volunteering with Habitat for Humanity to build a playhouse.

6.2 Teradata Cares Programs

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 places where they live or while they are attending Teradata events.

Volunteering Policy

As part of its commitment to give back, Teradata provides employees four days per year during normal working hours to volunteer in their local communities. Teradata encourages community commitment by offering a variety of opportunities to give back. In 2018, our employees volunteered more than 25,000 hours around the globe.

Community Champions

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

Teradata Rewards Excellence in Volunteering

We know our employees make Teradata Cares the great program it is. They exemplify the best of volunteering, and we want to recognize and reward those efforts. Every month, we select a Teradata employee or group of employees who have shown their dedication and commitment in giving back to the community. The winner is highlighted internally across our company on a variety of platforms and externally on our social media sites. In addition, they receive a donation for the charity of their choice. We want to again congratulate all the winners and show you just one example from 2018.

Peter Mulé, Ontario Canada, creating a foundation for those in need.



Peter Mulé and his wife, Denise, operate a Foundation known as Pack a Bag for a Friend whose purpose is to help those in need at Christmas. Pack a Bag for a Friend Foundation helps children, women, and men in

need at Christmas by providing a backpack with items like pajamas, toys, scarves, gloves, books and toiletry items. Backpacks are personalized for gender and age. To learn more about this great organization visit www.pack-a-bag.com

Congratulations Peter, and thank you for sharing your story.



Teradata Cares provides training, support, and tools to assist these passionate employees to further our efforts around the globe. Community Champions are also a critical part of Teradata's Annual Days of Caring. Currently, more than 65 Community Champions are located in cities around the world.

Teradata Annual Days of Caring

Every August, Teradata employees are invited to participate in our annual Teradata Days of Caring. This program promotes group volunteering and supports our employees as they come together for local community projects. In 2018, employees, families, customers, and partners volunteered more than 2,500 hours with non-profit organizations of their choice all around the world in connection with this annual event.

Teradata Cares for the Earth

Teradata Cares for the Earth is a global promotion around conservation for all employees. Everyone is encouraged to participate by volunteering, share their current conservation efforts, and target innovative new ways to help support our environment.

Caring for One Another

In addition to caring for our community, Teradata allows employees to take their volunteer time to care for one another. Employees can use any of their four volunteer days to help another co-worker during a time of crisis. Examples might include helping a colleague after a surgery, cleaning their home during an illness, or even cleaning up after a natural disaster.

Community Service Grants

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



Teradata associates in Lahore, Pakistan, visit children at Shaikat Khanum Cancer Hospital.

Teradata Cares at Events

In addition to projects near their homes, Teradata leverages key stakeholder events to engage not only our employees but also our customers and partners.

At the annual Teradata Universe Conference, attendees complete service projects and donate goods to local non-profit organizations. In Las Vegas, Nevada, Teradata employees, partners, and customers participated in a variety of activities to support children in the local area. They built bikes, toddler beds, and cribs. They also assembled blankets, stuffed animals, boredom buster kits, and super hero capes.

Our customers tell us year after year that it's a pleasure to take some time and give back while attending the conference.



Teradata Universe Conference, Teradata Cares Activity.

During Teradata Universe, our European customer conference, Teradata Cares supported Christopher's Smile, whose vision is for every child diagnosed with childhood cancer to not only survive, but to reach adulthood and enjoy a good quality of life. Through combined Teradata and customer donations, the organization received more than \$10,000 to support their inspiring mission.



Teradata Universe, Christopher's Smile.

As part of our sales kickoff this year in Seville, Spain, more than 1,500 colleagues rallied together, working side by side on projects for the International Red Cross. They assembled 800 boxes of food for hunger relief, built children's beds, cribs, changing tables and night stands, and created stuffed animals, dolls, skateboards, and boredom buster kits for children.

6.3 Teradata University Network

Mastering the challenges of tomorrow's dynamic business and IT environments will require a combination of technical expertise and practical, hands-on training—and that's exactly what students experience through Teradata University Network (TUN). Our goal is to train students to be breakthrough thinkers and doers who use data to create business value by providing free access to resources and software to universities around the globe.

Preparing the next generation of data analysts and scientists for current and future career opportunities is our primary focus. By offering students unique learning opportunities, including free training for Teradata Certification and hands-on access to tools, including Teradata Database and SAS Visual Analytics on TUN, they are ready to step into their careers and deliver immediate value. We upgraded our Teradata Database system, providing more capacity and the ability for each student and faculty member to upload 3GB of data for use in the system. In addition, our new partnership with Fuzzy Logix enables big data algorithms in-database, providing exposure to even more analytics power.

Teradata University Network also partners with IBM Watson Analytics, Fuzzy Logix, and Tableau. These easy-access resources provide faculty a jumpstart to expose students to even more technology. Currently, TUN provides free access to software and resources to more than 5,000 faculty members and tens of thousands of students from more than 2,800 schools in 118 countries.

Teradata works with a dedicated board of academics to ensure university faculty members have free access to the necessary tools to prepare future generations of technologists and business leaders. The academic board that drives this unique teaching portal is

composed of leading practitioners and renowned academics recruited from around the world, united by their dedication to sharing innovative, proactive applications of authentic technology for data-driven decisions.

In 2017, Teradata University Network continued expansion beyond MIS, Computer Science, and Marketing into more business programs where analytics is being introduced to all majors. In addition, we are now supporting high school students in big data clubs. Our work in Sports Analytics has continued to expand with tremendous interest in collegiate sports and working with the U.S. Olympic Committee.

This year brought the sixth year of our student competitions, TUN Analytics Challenge and TUN Data Challenge. In 2018, the competitions brought even more engagement with submissions from several new schools and 15 finalist teams competing at the 2018 Teradata Analytics Universe Conference. We also introduced a new Teradata Technology Award to our competitions to recognize students who utilized Teradata technology in their projects. Let's meet the 2018 winners.

2018 Analytics Challenge

The goal of the Analytics Challenge is to give students an opportunity to present their business analytics research or application cases to professionals in the business analytics community.

All finalists presented their cases in front of their peers and industry attendees along with poster presentations, and winners were selected by esteemed judges and by conference attendees via mobile voting. And in 2018, we had our first high school team selected as a finalist.

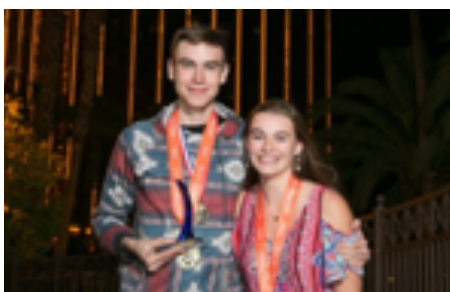
2018 Analytics Challenge Winners



Overall Winner:
Loyola University
Chicago
(Taxi v. Ride Share)
David Faust,
Katherine Fox,
Grace Boos,
Natalie Dusina,
Samantha Schaller.



Best Use of
Analytics and
Visualization:
California State
Fullerton
(Opioid Epidemic)
Mansi Bhat.



People's Choice:
Concord Academy
High School
(Guns in Schools)
Lucas Ewing and
Haley Wixom
(pictured), August
Pokorak, Kenneth
Lin, Quinn Meyerson.

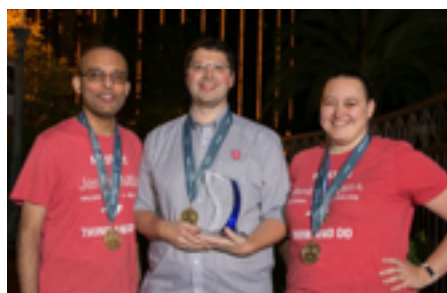
2018 Data Challenge

For the Data Challenge competition, all student teams were given the same dataset and questions from our non-profit partner National Multiple Sclerosis Society (NMSS).

2018 Data Challenge Winners



Most Value to
National MS
Society: North
Carolina State
University
Jaideep Basak,
Ryan Randall, Dena
Simkus (pictured),
Anjanie Kashidas.



People's Choice:
ESCP Europe
Fahd Lemhaider,
Marie Tourdes,
Chiao-Ann Tsai,
Anke Joubert.



Overall Winner:
Washington
University St. Louis
Ariel Tien, Songyi
Wang, Di Ai, Xinyi
Liu, Ziwei Liu.

Teradata Technology Award: UNC Charlotte
Praveen Sharma (Data Challenge Honorable Mention).



7.0 Environmental Responsibility

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

7.1 Energy Consumption/Environmental Program Membership

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

Our measurement includes Scope 1 and Scope 2 emissions. Our data includes only energy consumed within the company. Only electricity and natural gas are used and included in our calculation. Our Scope 2 total fuel consumption for 2018 was 48979 MWH.

The Scope 1 emissions included stable combustible energy where usage recorded was 2943 MMBTUs. We used 52 gallons of liquid gas (Fuel). Our GHG/energy intensity ratio for 2018 was .09.

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

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

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

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

Greenhouse Gas (GHG) Management Program

Teradata has succeeded in achieving five previous goals of reduced greenhouse gasses as measured by our GHG emission intensity metric. Those were 45%, 41%, 7%, 7%, and 7%). We are announcing in this report that our new goal of 10% reduction in greenhouse gas as measured by our greenhouse gas intensity metric is in place with a base year of 2018 and a goal year of 2022. We look forward to communicating our progress in our next CSR report.

Teradata's 3-year emissions are those included in Table 2.

Year	USA Direct Emissions (Metric Tons CO ₂ eq)	USA Indirect Emissions (Metric Tons CO ₂ eq)	International Direct Emissions (Metric Tons CO ₂ eq)	International Indirect Emissions (Metric Tons CO ₂ eq)	Total Direct Emissions (Metric Tons CO ₂ eq)	Total Indirect Emissions (Metric Tons CO ₂ eq)
2016	523	17435	0	3212	523	20647
2017	147	15495	0	3553	147	19048
2018	156	14277	0	4063	156	18340

Table 2. Emissions.

EPA SmartWay Transport Program

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

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

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

7.2 Industry Acknowledgements

Dow Jones Sustainability Index

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



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

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

"Being recognized in this rigorous external benchmark further reinforces our commitment to continue to be a sustainability leader. Making sustainability practices a part of the corporate operating philosophy continues to make good business sense."

– Alex Entekin Vice President, Operations and Risk Management.

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-indices.com.

Forbes Just 100

Teradata was listed in the 2018 *Forbes* Just 100, a list put together by *Forbes* and Paul Tudor Jones' Just Capital, that highlights companies that do well in areas of community engagement, environmental impact, management performance and shareholder returns, worker treatment, customer treatment, and job opportunity and creation.

7.3 Product Environmental Performance (GRI G4-EN27)

Product Development Sustainability Requirement

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

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

According to leading industry research firms Gartner Group and IDC, the amount of power required to operate, and cool data center equipment is a key issue with the CIOs of major corporations. Awareness of the critical nature of data center power and cooling became top of mind 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 digital warehouses use about 30 billion watts of electricity, roughly equivalent to the output of 30 nuclear power plants. These challenges are occurring despite the advancement in performance per watt enabled by the processor chip industry.

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

Not only is power a challenge, 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 Analytic Platform Computing

As shown over the past five years, Teradata has uniquely leveraged key IT industry technology to deliver the same industry-leading analytic platform 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 optimized hardware infrastructure purpose—built to meet the needs of specific industry segments and applications.

Released in 2016, Teradata IntelliFlex® is our most powerful analytic platform. It provides our customers with much-needed flexibility in designing new systems and for expanding existing systems. Using a fabric-based architecture, it enables independent scaling of (processing power and storage (data capacity—hot, warm and/or cold) so customers can add only what they need to meet their current and future workload requirements. Teradata IntelliFlex is extremely data center-friendly: up to 12 nodes and two tiers of all-SSD storage in a single cabinet enable up to 3.5x data capacity, 4.5x performance for analytics, and 2x performance per kW than the previous generation. Released in 2018, Teradata IntelliBase™ is a compact, fully-integrated environment for data warehousing, iterative data exploration, and low-cost data storage. The versatile cabinet enables a mixture of Teradata Vantage™ software and Hadoop nodes to meet your workload requirements—all installed into one cabinet to preserve valuable data center floor space. IntelliBase offers a cost-effective, fully-supported solution for entry-level Teradata systems and enterprise-class Hadoop ecosystems. A new feature for added investment protection and business agility is the ability to re-purpose hardware via software re-imaging: e.g. convert a node from running Teradata Vantage software to running Hadoop.

Server Virtualization and Cloud Services

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

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

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

Software Efficiency Improvements

Teradata Vantage 1.0, the current release, features software improvements that deliver significant performance improvement over previous generations. As a result, our customers can perform more processing on the same hardware with the same energy consumption. We continue to focus on developing software that makes the Teradata systems run more efficiently and

perform more useful work on the same system hardware. For instance, the breakthrough Columnar feature introduced in Teradata Database 13.O, enables users to very efficiently store and analyze column-oriented data thereby eliminating the energy and space of any additional special purpose systems to accomplish the same functions.

Product Stewardship

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

Data Compression

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

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

7.4 Product Environmental Compliance

RoHS Compliance

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

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

REACH Compliance

Teradata is continuously reviewing our products and engaging our suppliers to meet the requirements of the European Union's Registration, Evaluation, Authorization, and Restriction of Chemical substances (REACH) regulation. At this time, we are not aware of any products sold by Teradata that require substance registration under REACH.

7.5 Product Recycling

End-of-Life Activities

(GRI G4-EN1; G4-EN27)

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

The Teradata used equipment program collects all trade-in systems and systems returned to our leasing partner, Wells Fargo Vendor Financial Services. These systems are then recycled in one of four ways:

- Systems are disassembled and reused as spare parts to service the installed base of systems around the world. This helps minimize the number of new products purchased over the service life of our products.
- Upgrade discontinued platforms with the same generation of equipment.
- Provide larger upgrades to meet growth requirements.
- Provide systems as test and development platforms.

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

- Systems are reconfigured and redeployed internally for enhanced R&D and lab systems. This sustains the life of the systems, keeps our labs updated, and lowers our capital costs.
- Systems beyond their economic and functional life are recycled.
- Over the past twelve years, Teradata has reused hardware from 42 different countries. This includes more than 4,500 nodes and 48.4PB of disks—an increase of 6 percent and 24 percent, respectively, over last year. The units are often shipped in recycled crates and boxes reclaimed from new hardware shipments. Finally, when the time comes, all hardware is shipped to our recycling center, where it's disassembled and de-manufactured.

We have recycled several times the amount of equipment that has been reused. Here the equipment is broken down, sorted, and shredded into various materials categories like drives, circuit boards, wire, plastics, and metals, for further refining. Our recycling partner and all its suppliers, right down to the refineries

and smelters, are ISO 14001:2004 certified and meet or exceed all federal, state, and local environmental standards and practices.

In 2018, we used 748 tons of material computing equipment (racks, servers, and storage). Of that material usage, we used 1 percent of renewable/recycled material. Recycled materials for our product can only be packaging as we are not allowed to sell renewable products in new electronic products to our customers.

EU WEEE Compliance

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

Health and Safety Impact

(GRI G4-EN29)

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

7.6 Release Process Restrictions

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

As a part of our release processes, we ensure that none of our products emit hazardous resources or waste by-products. Further, all regional, country, and local regulatory laws and codes are strictly followed during the product development process to prevent Teradata from developing products with banned substances. Hence, our products do not contain banned substances. The following country requirements are observed during our release process: USA, Canada, European Union, Europe Global, Japan, Australia/New Zealand, and Taiwan. A product cannot be released unless it has passed all current regulatory standards. All appropriate certification and environmental labeling is present on our products. All products require some type of certification or environmental label. Teradata has not incurred fines concerning the provision and use of its products and services.

7.7 Product Transportation

(GRI G4-EN30)

In 2018, Teradata logged more than 234,127 miles delivering our products to our customers' data centers. There are no other environmental impacts of transporting our products. With the introduction of Teradata appliance products, Teradata is shipping

more nodes per cabinet than ever before. This allows our customers more processing power with a smaller footprint resulting in a lighter weight system to transport.

7.8 Product Packaging

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

Teradata has worked with our manufacturing suppliers to implement environmentally-friendly programs regarding Teradata equipment, including the reuse of crates and pallets and the recycling of other shipping materials, such as cardboard and plastic. We've also turned to bulk packaging for drives, controllers, and drive modules for use with Teradata systems. Instead of using one mini-pallet/box per product, they use a multi-pack container that holds up to 12 products. In 2018, this vendor used 190 of these multi-pack containers for our product. This resulted in a savings of 2,285 individual min-pallet/boxes. The packaging cost savings realized was \$40,833. The shipping cost savings was \$5,690.



8.0 Global Manufacturing Processes

(GRI G4-12)

8.1 Supply Base

Vendor Managed (owned) Inventory (VMI)

Teradata has set up programs with Tier 1 suppliers to locate equipment for sale close to our final assembly location. Under this program, the suppliers ship bulk quantities of product to local hubs near a manufacturing site, rather than sending discrete customer shipments. Of course, this process saves us in inventory holding costs, but when we look at it through an environmental lens, we see significant environmental savings. This program continued to operate very efficiently in 2018. Flex (formerly Flextronics), our sole-source EMS supplier, also has a facility energy savings team that focuses on reducing the amount of energy used by the local facility where our product is built. Teradata has 9 Tier 1 suppliers; those suppliers in turn manage the supply base.

8.2 Teradata Supplier Code of Conduct

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

As mentioned earlier, Teradata, 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 Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Code of Conduct. Together, these standards, where applicable, constitute the Teradata Code of Conduct for Suppliers. By using these standards and contracting and auditing our suppliers based on these standards, we are using a precautionary approach within our supply base. No suppliers have been subject to environmental impact assessments.

The Teradata Code of Conduct

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

The RBA 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 RBA Code of Conduct with respect to all 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 RBA Code can be found at www.responsiblebusiness.org.

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

As a part of the Teradata Code of Conduct for Suppliers program, and as a result of our adoption of the RBA Code of Conduct, we developed a self-audit program for our Tier 1 direct manufacturing suppliers. There were no environmental risks identified in our

supply chain. Also, there were no labor risks associated with our supply chain. One of the tenets of the RBA Code of Conduct is to periodically assess production facilities and corporate procedures for adherence to the code. To support this process, Teradata in conjunction with Flex, uses an assessment tool based directly on the standards of the RBA Code of Conduct.

8.3 Flex: Our EMS Supplier

Flex has the 14001 Environmental Management Certification for the manufacturing site(s) that we employ. We are proud to be a partner with this company. Flex is also a founding member of the RBA. 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. Flex is our sole EMS supplier. There have been no major changes in the structure of our supply chain or major operations.



9.0 Facilities

9.1 Teradata Environmental Health and Safety (EHS) Program

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

The EHS policy and procedures are based on established, well-recognized international standards and regulatory requirements that apply to all Teradata locations worldwide. The program requires that all employees and on-site contractors comply with these procedures and requires everyone to review the entire EHS program and Team Safety Handbook procedures every two years. The Teradata program also encompasses yearly assessments of each facility and audits each facility every three years on a rotational basis. There are two components to the

EHS program—the EHS Management System (EHSMS) which explains the overall EHS program and 19 standard operating procedures (SOPs), which contain the guidelines and procedures to be followed for specific areas of EHS.

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

Oversight of the Teradata EHS program falls under the Global Security Director’s office. In 2018, we have continued this program and perform the necessary facility audits to ensure we are in compliance with our program.

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

9.2 Facility Information

Teradata operates in 26 facilities in the U.S., 25 of which are leased. Teradata's only owned facility is our San Diego campus in Southern California.

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

In 2009, the program was implemented globally. In 2018, 23.5 percent of the 119 sites Teradata occupies are located in the U.S. During 2018, Teradata continued its sustainability commitment to compliance and provides up-to-date information about its internal facilities web site that helps promote green living to all Teradata employees and contractors.

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

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

9.3 Facility Locations

(GRI G4-EN-11; G4-EN13)

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

9.4 Facilities Environmental Impact

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

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

As in the past during 2018, Teradata operationally controlled sites disposed of no hazardous waste. Teradata did not import/export any ODS. In 2018, Teradata recycled 161,052 pounds including all possible recyclables to the effort (glass, metal, plastic, paper, and wood).

In 2018, there were 32,299 pounds of universal waste (CRTs, electronics, fluorescent lamps, UPS, and household batteries). The new recycling guidelines have increased what is considered Universal Waste adding many new items to the list. Teradata neither imported nor exported any hazardous waste at sites within Teradata's operational control. Also, during this reporting year, there were no significant

spills or releases of hazardous waste from Teradata operationally controlled facilities. Teradata does not have any operations that are in danger of causing threats or irreversible damage to the environment.

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

9.5 Facilities Update

San Diego, California

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

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

Conservation efforts include:

- **Metal Scrap and Other Recycling:** In 2018, Teradata diverted 13,199 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, fluorescent lamps, construction debris, batteries, and toner cartridges. The total weight of this waste stream was 71,733 lbs.

- **Green Landscaping:** Teradata San Diego landscapers are required to recycle all green waste that is generated by this facility. An arborist recycles all wood from the tree trimming that is done twice a year.
- In partnership with San Diego Gas and Electric, Teradata installed 40 electric vehicle charging stations in the parking lot of the Rancho Bernardo facility. The cost of the electricity to charge the employee cars will be paid by Teradata. Additionally, another 40 charging stations were installed in late 2018.

Irrigation controllers with integrated weather stations have been installed to minimize the water used for irrigation. These controllers allow for different plant material and landscaping conditions to factor into watering schedules. The conservation program includes these energy improvements to the facility:

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

- In 2014, Teradata approved a Capital Spend of more than \$2M to improve and upgrade the Central Plant System in the San Diego facility, which will markedly decrease energy consumption. The benefits of this initiative have been recognized from 2015 to the present.
- In 2018 Teradata renovated the 58,000 square foot “C” building on the San Diego campus. Included in the renovation project was the installation of a \$1.7M state-of-the-art LG Variable Refrigerant flow air conditioning system to optimize energy efficiency. Additionally, all restroom fixtures were upgraded to sensor-controlled water saver technology. As part of the renovation, all lighting is compliant with the California Title 24 LED, sensor controlled standard.

Miamisburg, Ohio

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

The WSHP system consists of several heat pump units connected to a common recirculating water loop. A cooling tower and high efficiency natural gas boiler remove and add heat as required, to maintain the loop temperature within the proper temperature range. Efficiencies include:

- Variable speed pump and fan motors: These motors save energy by operating at optimum levels.
- Heat recovery: Energy is recovered from exhaust air and then reused to heat or cool the space.
- CO₂ control: The carbon dioxide (CO₂) levels are constantly measured to ensure the correct amount of outside air is conditioned and introduced into the building.
- Paper conservation: Teradata’s Miamisburg office diverted 86,856 lbs. (50% decrease) of waste office paper from the landfill in 2018, via our document destruction partner. This saved the equivalent of 736 trees and 302,608 gallons of water that would have been required for processing raw pulp into paper.

El Segundo, California

Paper Conservation: Teradata’s El Segundo office diverted 3,414 lbs. (38 percent decrease) of waste office paper from the landfill in 2018, saving the equivalent of 29 trees and 11,915 gallons of water that would have been required for processing raw pulp into paper.

Johns Creek, Georgia

Paper Conservation: Teradata’s John’s Creek office diverted 7,696 lbs. of waste office paper from the landfill in 2018, saving the equivalent of 65 trees and 26,895 gallons of water that would have been required for processing raw pulp into paper.

Santa Clara, California

Teradata covers the electrical cost for six landlord-installed electric vehicle charging stations as a benefit to our employees.



10.0 Ethics and Compliance

10.1 Teradata Code of Conduct and Related Commitments

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

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

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

The Teradata Code of Conduct and related policies, procedures, and Ethics Guides include: the duty of the Company and its employees to respect human rights and employment/labor rights and laws; commitments and practices to avoid, eliminate, and have zero-tolerance for corruption; commitments to avoid, address, and have zero tolerance for any forms of illegal or improper discrimination, harassment, and retaliation; commitments to data privacy and protection; commitments to environmental, health, and safety standards, laws and regulations; and, how to raise ethics and compliance concerns and questions and report potential ethics and compliance violations on a confidential and, where permitted, anonymous basis, without fear of retaliation.

As noted in other sections of this report, the Teradata Code of Conduct expressly incorporates the principles of the UN Global Compact and the Reasonable Business Alliance (RBA) Code of Conduct. Teradata has also adopted the standards of conduct established by these organizations: the International Labour Organization (ILO); the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises; and, the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion & Bribery, Rules on Combatting

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

- We conduct business ethically and in compliance with our Code of Conduct and Policies.
- We seek guidance and report concerns and violations.
- We respect others.
- We comply with laws.
- We compete fairly.
- We avoid conflicts of interest.
- We protect assets.
- We protect data.
- We keep accurate records.
- We apply our Code of Conduct and Policies consistently.
- We do the right thing—always.

Corruption, Guidelines on Agents, Intermediaries, and Other Third Parties, and Guidelines on Whistleblowing. Teradata has embedded the key principles underlying these standards into the Teradata Code of Conduct and related policies, procedures, and Ethics Guides. Among other things, these standards and principles require and reinforce the Company's commitments to these principles: respect for human rights; commitments and practices to avoid, eliminate, and have zero tolerance for corruption; respect for the environment; commitment to sustaining resources; and, intolerance for any form of illegal or improper discrimination, harassment, or retaliation by Teradata people, suppliers, or other business partners. In addition, Teradata has adopted and published a statement opposing modern slavery and human-trafficking, embracing the principles of the U.K. Modern Slavery Act, and describing its relevant anti-slavery and anti-human-trafficking practices, requirements and standards (see e.g., assets.teradata.com/resourceCenter/downloads/Teradata-UK-Limited-Modern-Slavery-Statement.pdf).

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

Links to Teradata's Code of Conduct, Supplier Code of Conduct, Business Partner Code of Conduct, the principles of the UN Global Compact, the principles of the RBA Code of Conduct, our Conflict Minerals Policy, and our Global Zero-Tolerance for Anti-Bribery/Anti-Corruption Policy are posted on the Company's external Code of Conduct web page (www.teradata.com/About-Us/Corporate-Governance/Code-of-Conduct) and Corporate Social Responsibility web page (www.teradata.com/About-Us/corporate-social-responsibility). The Code of Conduct and related policies, procedures, and Ethics Guides are also available to all Teradata employees through our employee intranet. Teradata publishes its Code and makes it available to employees in 17 different languages.

10.2 Employee Ethics and Compliance Awareness, Training, and Communication

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

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

These communications, training programs, and certifications focus on: compliance with laws; compliance with policies; standards of conduct; environmental, health and safety compliance; respect for human rights, anti-slavery, anti-human-trafficking and anti-forced-labor; commitments and practices to avoid and eliminate bribery, corruption and money-laundering; data privacy and protection; implementing non-discriminatory performance management practices and compensation planning for managers; anti-discrimination and anti-harassment; non-retaliation; and, how to raise ethics and compliance concerns and questions and report potential ethics and compliance violations. The Company publicizes the phone number and website for its third party administered whistleblower Ethics Helpline, where its employees can ask questions or report concerns anytime without fear of retaliation on a confidential and, where permitted, anonymous basis.

Teradata continually assesses best practices for ethics & compliance training, communications and awareness. In 2018, Teradata incorporated questions from an externally-standardized ethics culture survey into a broader survey of its workforce. Teradata is using the results from that survey to further enhance its Ethics & Compliance program and provide more targeted ethics & compliance-related communications to employees. More specific information about Teradata's ethics-related awareness, trainings, and communications is below.

Tone at the Top

Teradata ethical standards and commitments are set at and reinforced from the top of the Company and are communicated and applied to all managers, team leaders, employees, suppliers, and business partners. The Company's Code of Conduct includes "tone-at-the-top" messages from the Chief Executive Officer, the Executive Chairman of the Board of Directors, and the Chief Ethics and Compliance Officer. Teradata's Chief Ethics and Compliance Officer is a senior leader of the company and he has direct access and reporting responsibilities to the Chief Executive Officer, the Audit Committee of the Board of Directors, and the General Counsel.

Managers, team leaders, and senior management leadership team members are held to higher ethical standards and scrutiny and have additional obligations under the Company's Code of Conduct and training materials to set, maintain, reinforce, and exemplify a pervasive culture that reflects Teradata's commitments to integrity, ethics, and compliance. Managers are required under the Code of Conduct to consider integrity, ethics, and compliance in all performance evaluations and decisions regarding hiring, retention, compensation, equity grants, and promotion of employees.

Code of Conduct Training and Certification

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

All Teradata employees, individual staff contractors, officers, senior management leadership team members, and Board members are required to annually complete a supplemental Code of Conduct training and certification module. The Company's online Code of Conduct training modules typically include: education about key ethics and compliance areas relevant to the Company; hypothetical scenarios; questions/answers; and links to the Company's Code of Conduct, Policies, Ethics Guides, and Ethics Helpline.

The Teradata annual all-employee Code of Conduct training and certification for the 2017-2018 cycle included modules focused on: (1) anti-bribery/anti-corruption, (2) non-discrimination/non-harassment, and (3) protecting and not misusing confidential information, trade secrets, and intellectual property. The annual all-employee Code of Conduct training and certification module for the 2019 cycle will reemphasize anti-bribery/anti-corruption and non-discrimination/non-harassment, and additionally cover fraud and conflicts of interest.

Teradata's annual Code of Conduct training requires each employee to disclose all relevant potential conflicts of interest and certify his/her understanding of and compliance with our Code of Conduct and Ethics and Compliance resources, including how to report violations through the Company's whistleblower Ethics Helpline or other channels.

Other Ethics and Compliance Related Trainings

All Teradata employees are also required to complete new-hire and annual information security, privacy, and data protection compliance training, and new-hire and periodic (at least once every three years) environmental, health and safety compliance training. All newly-appointed managers and facilities coordinators are required to complete more-advanced periodic environmental, health, and safety compliance training upon appointment and periodically (at least once every three years) thereafter. Beginning in 2019, all U.S.-based Teradata employees will receive two hours of anti-harassment training every year, which exceeds legal requirements for anti-harassment training.

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

boycott, anti-boycott, or embargo laws, trade sanctions, export licenses, or restrictions, are required to complete supplemental legal and ethics and compliance training regarding those subject areas.

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

In 2017-2018, 14,912 Teradata associates (employees plus individual staff contractors and members of the Board of Directors) took the Company's annual Code of Conduct training. From 2016-2018, a total of 30,025 person hours of compliance-related training was completed in such areas as anti-harassment, anti-bribery, anti-corruption, data privacy and protection, information security, and environmental, health, and safety training. Teradata University, the Company's global learning platform, provides much of this training.

During 2018, Teradata employees and contractors completed a total of 131,626 Teradata University courses for a total of 342,699 person-hours of Teradata University training (an average of 11 courses per person per year and an average of 29.5 hours of training per person for the year). This represents an approximate Company investment of \$11.1M (\$954 per employee) for 2018. During 2017, Teradata employees and contractors completed a total of 128,732 Teradata University courses for a total of 432,395 person-hours of Teradata University training (an average of 11 courses per person for the year and an average of 37 hours of training per person for the year). This represents an approximate Company investment of \$10.3M (\$887 per employee) for 2017. These totals reflect only the course work completed through Teradata University. Teradata's total actual investments of time, money, and other resources for employee compliance-related training and other training and development is greater since the

Company develops, conducts, and provides additional training through other initiatives, such as in-person training at group meetings and conferences or other third-party resources.

Ethics and Compliance Learning Aids

In connection with the subject areas noted above and other key ethics and compliance subject areas, the Teradata Ethics and Compliance Office publishes subject-matter-specific supplemental materials referred to as “Ethics Guides.” These Ethics Guides are used in the Company’s ethics and compliance training programs and are available to all employees on the Company’s intranet. Teradata deploys ethics and compliance reinforcement, training, awareness, and communications periodically throughout the year with on-demand online ethics and compliance resources. In 2018, the Company obtained a license to a training library of microlearning content from a third-party provider and has begun personalizing and deploying that content to its workforce. Teradata’s Ethics and Compliance office has a column in the all-employee e-newsletter and regularly publishes articles about ethics and compliance-related topics.

The Teradata Code of Conduct and Teradata Ethics Guides also include learning and training aids. In addition to stating Teradata Core Values and standards of conduct, those documents include: explanations of why those values and standards apply; answers to frequently asked questions; real-world-based scenarios and guidance; listings of red flags and warning signs; explanations of Teradata ethics and compliance processes; details about how employees can raise ethics concerns and questions, and how to report suspected violations through a variety of channels, including through the Ethics Helpline; and, information about the Company’s policy prohibiting retaliation against employees who raise issues or make reports in good faith. The Teradata Code of Conduct reinforces that if a Teradata associate has any doubt about whether an action or decision might violate the company’s Code of Conduct, policies, or the law, the associate should ask questions and obtain guidance before acting.

Teradata managers are provided with ethics and compliance tools for reinforcement discussions and learning sessions with employees, such as

real-world-based scenarios and ‘lessons-learned’ discussions resulting from the Ethics and Compliance Office’s periodic distribution of ethics and compliance messaging to managers and other ethics aids. Ethics and compliance reminders and reinforcement messages are also frequently included in internal collaboration and social media sites, emails, kick-off meetings, leadership council meetings, and ‘town-hall’ meetings and webcasts.

10.3 Privacy and Data Protection

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

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

In connection with these activities, Teradata annually self-certified its compliance with the US-EU Safe Harbor Framework (and the US-Swiss Safe Harbor Framework) prior to it being superseded, and was listed as such with the U.S. Department of Commerce; has adopted and entered into data transfer agreements based on EU Model Clauses; and has embraced the superseding EU-US Privacy Shield Framework. In 2016, Teradata applied to join the Privacy Shield Framework, and our U.S.-based organizations certified with the U.S. Department of Commerce and publicly committed to comply with the Framework's requirements. The U.S. Department of Commerce accepted Teradata's application and included Teradata on its Privacy Shield registry list effective as of January 6, 2017. In 2018, Teradata's Privacy Shield certification was renewed, and Teradata also joined the Swiss-US Privacy Shield Framework.

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

Since 2011 through the present, Teradata has been a formal signatory to the UN Global Compact. This CSR Report also constitutes the Teradata Communication On Progress (COP) that is a part of our obligation as a signatory to the UN Global Compact. For the past several years, including in 2018, Teradata's COP has achieved the UN Global Compact's GC Advanced designation. The Teradata Code of Conduct, Supplier Code of Conduct, and Business Partner Code of Conduct reference and incorporate the principles of the UN Global Compact.



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

- The Universal Declaration of Human Rights.
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

- The Rio Declaration on Environment and Development.
- The United Nations Convention Against Corruption.

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

Human Rights

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

Labor

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

Environment

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

Anti-Corruption

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

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

Labor Standards

- Freely-chosen employment
- Child labor avoidance (Young workers)
- Limit on working hours
- Appropriate and lawful wages and benefits
- Humane treatment
- Non-discrimination
- Freedom of association

Health and Safety Standards

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

Environmental Standards

- Environmental permits and reporting
- Pollution prevention and resource reduction
- Hazardous substances
- Solid waste

- Air emissions
- Materials restrictions
- Water management
- Energy consumption and greenhouse gas emissions

Ethical Standards

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

Management System Elements

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

Teradata is also a member of these organizations: the Ethisphere Business Ethics Leadership Alliance (BELA), the Society of Corporate Compliance and Ethics (SCCE), and the Ethics and Compliance Initiative (ECI). Teradata has aligned its Code of Conduct, Ethics and Compliance program initiatives, and related policies, procedures, and Ethics Guides with standards and best practices from those organizations and with the criteria for nomination to and selection for the Ethisphere Institute “World’s Most Ethical Companies” listing and

the Dow Jones Sustainability Index listing. Teradata has received the “World’s Most Ethical Companies” award for many consecutive years (see www.worldsmostethicalcompanies.ethisphere.com/honorees).



10.5 Conflict Minerals Policy

Teradata adopted a Conflict Minerals Policy in 2013, which continues today. Teradata applies that policy to itself and its supply chain and other applicable business partners for Teradata-branded hardware products and their components. In the policy, Teradata has gone on record, and has taken actions, to oppose and condemn the illegal conflict, violence, extortion, corruption, slavery, forced-labor, child labor, human trafficking, sex-based crimes, gender-based crimes, genocide, social abuses, environmental abuses, and other human rights violations and atrocities in, or adversely affecting, the Democratic Republic of the Congo (DRC) Region of Africa. Teradata also has condemned and opposed those who, directly or indirectly, perpetrate, commit, contribute, or finance the DRC Conflict through, or involving, the mining, extraction, handling, transport, trade, smelting, refining, supply, or sale of “Conflict Minerals.” Conflict Minerals are ores of tin, tungsten, tantalum, and gold, including their derivatives, such as cassiterite, columbite-tantalite, coltan, and wolframite (also commonly referred to as “3TG” Minerals).

Teradata policy prohibits the inclusion in its hardware products and their components of Conflict Minerals known to have originated from DRC Conflict perpetrators. Teradata requires that reasonable-country-of-origin, supply chain tracking, and other due diligence steps be taken to assure that all Teradata hardware products and components will be affirmatively and verifiably determined to be free from Conflict Minerals that come from DRC Conflict or its perpetrators. Through this policy and the resultant actions required of Teradata and its supply chain for Teradata-branded products, Teradata has declared its support for goals, laws, and initiatives that effectively respect and protect human rights and the environment

and foster supply chain integrity, ethics, compliance, accountability, and sustainability. Since 2014 and annually thereafter, Teradata has issued a Conflict Minerals Report reflecting its conflict minerals initiatives and results during the preceding calendar year.

The Teradata Conflict Minerals Policy and Teradata Conflict Minerals Report are publicly available online at www.Teradata.com/About-Us/Corporate-Social-Responsibility.

10.6 Third-Party Risk Management

Teradata’s Supplier Code of Conduct and Business Partner Code of Conduct outline the duty of our Suppliers and Partners to comply with anti-bribery, anti-corruption, anti-money laundering, fair trade, fair competition, and privacy and data protection requirements and laws. These Codes adopt and incorporate the principles of the Teradata Code of Conduct, the UN Global Compact, the FSA Code of Conduct, and the Teradata Conflict Minerals Policy described above. Teradata has also adopted and publishes externally a zero-tolerance global anti-bribery and anti-corruption policy.

All the Company’s supply chain vendors and business partners must commit to and certify compliance with these principles. They may make this commitment and certification through a written pledge, through their own at-least-as-stringent code of conduct, by agreeing to such in their responses to Teradata requests for proposals, or by agreeing to such in a contract with Teradata.

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

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

All Tier 1 Teradata suppliers are required to be screened under these policies. As a result of these actions, Teradata has not any significant actual or potential violations regarding labor practices or human rights issues in its supply chain. Also, Teradata is not aware of any issues relating to supplier adverse impacts on society.

10.7 Internal Monitoring and Investigations

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

The Teradata Ethics and Compliance Office periodically reviews the status and handling of all such matters and the programmatic aspects of the Teradata

Ethics and Compliance initiative with members of the Company's senior Leadership Team. The Company also has an Ethics and Compliance Executive Committee comprised of the Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer, and Chief Ethics and Compliance Officer. This committee oversees all significant inquiries and investigations regarding whether or not a violation has been committed, what disciplinary actions will be imposed, and what remedial actions should be taken to prevent recurrences.

The Chief Ethics and Compliance Officer makes determinations and reviews the results of significant inquiries and investigations with the Ethics and Compliance Executive Committee. The Ethics and Compliance Executive Committee has the authority to require the Chief Ethics and Compliance Officer to take stronger (but not weaker) actions than what the Chief Ethics and Compliance Officer had determined. The status, handling, and determinations for all inquiry and investigation matters, as well as the programmatic aspects of the Company's Ethics and Compliance initiative, are periodically reviewed by the Audit Committee of the Board of Directors.

10.8 Risk Management and Assessment

To help mitigate corruption risks, Teradata applies its zero-tolerance policy regarding bribery and corruption to itself, its suppliers, and its business partners through its Code of Conduct and contractual provisions; maintains a gifts and entertainment policy that it regularly updates and communicates to its employees; applies third-party due diligence screening procedures for high-risk third parties in high-risk locations; and, regularly trains its employees regarding these policies, codes of conduct, and their duties to comply, conduct due diligence regarding third parties, keep accurate books and records, and report suspected violations.

Teradata has assessed the Company for corruption risks on an enterprise-wide basis (100 percent of operations) and has identified the areas of most significant corruption risks as: (1) third-party payments or conduct by employees or representatives of business partners in high-risk countries and (2) gifts and entertainment by Teradata employees of

representatives of state-owned-enterprises in high-risk countries. The Company is implementing continuous-improvement controls and initiatives to help avoid or mitigate these risks.

Teradata has not identified any known, material, or unresolved non-compliance with laws or regulations during the period covered by this report and has not incurred any significant fines for non-compliance during the reporting period. Teradata has had no legal actions pending or completed during the reporting period regarding anti-competitive behavior or violations of antitrust and monopoly legislation in which Teradata has been identified as a participant. Teradata has had no incidents of corruption during the reporting period that have resulted in litigation or criminal charges against the Company or its officers and directors and has not been involved in any legal cases regarding corruption brought against Teradata or its employees during the reporting period. As disclosed in its quarterly SEC filings, in 2017, Teradata's internal controls detected questionable expenditures and questionable books-and-records entries isolated to its operations in Turkey. The Company, along with outside counsel and outside forensics accountants, investigated these matters. The Company terminated the employees and contractors in Turkey who appeared to have been involved in the questionable activities and shut down its direct sales operations in Turkey. The Company self-reported the issues and investigation to enforcement officials at the U.S. Department of Justice ("DOJ") and U.S. Securities and Exchange Commission ("SEC"). The DOJ and SEC have informed the Company they have closed their files regarding the matter without

taking any enforcement action against the Company and without seeking any fine, penalty, or disgorgement against the Company.

10.9 Political Activities

Starting in 2012 and continuing to the present, the Company adopted a Political Activities Policy Statement. Through it, Teradata reinforces and declares its commitment to responsible corporate citizenship while also complying with applicable laws and related regulations regarding the use of corporate resources in connection with political activities.

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

11.O GRI Index

(G4-32)

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Table 3. General Standard Disclosures.

Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators	Material Aspects	DMA and Indicators
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Table 4. Specific Standard Disclosures.

12.0 List of External Reports Referenced in Report

A. SEC Filings

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

B. Governance Policies

www.teradata.com/corporate-governance

C. Financial Reports

investor.teradata.com/financial-reports/quarterly-results/default.aspx

D. Governance Guidelines

www.teradata.com/governance-guidelines

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