# 2020

**Environmental, Social, and Governance Report**

teradata.

# A letter from our CEO

**While 2020 was a year unlike any other, at Teradata we remained steadfast in our principles and furthered our role as a responsible corporate citizen—our employees responded resiliently and supported each other, our customers, our partners, and our world. The year brought numerous circumstances to address, and our team stepped up.**

We took broad and purposeful measures, from helping governments, healthcare, and logistics companies use data to tackle the COVID-19 virus, to taking action against systemic racism and inequities, improving our sustainability metrics, and supporting the communities in which we live and work.

We believe that corporate social responsibility is an expression of our purpose to transform how businesses work and people live through the power of data. But it is so much more to us—it is both our privilege and our duty to support society with conscientious global citizenship that

helps build a better world. We regularly and systematically engage our key stakeholders to understand their views and concerns for our environmental, social, and governance (ESG) initiatives. We value the insights gained from receiving diverse perspectives and take them to heart.

Further, Teradata pledges its commitment to the UN Global Compact principles to foster ethical behavior and human rights and has achieved the UN Global Compact CoP's Advanced Designation for many years.

This report outlines our broad commitment

and our progress in the ESG arena. Our planet and humanity need support from many organizations to make lasting changes—Teradata's commitment is clear and unwavering. This dedication should be no surprise. Sustainable corporate citizenship has been in the fiber of Teradata for decades, and I am energized by our ongoing progress. We are actively engaged and will keep driving ahead to be a force for meaningful change in building a more sustainable and inclusive future.

*Steve*

**Steve McMillan**
CEO & President

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# What we do

## 2020 Financial Highlights
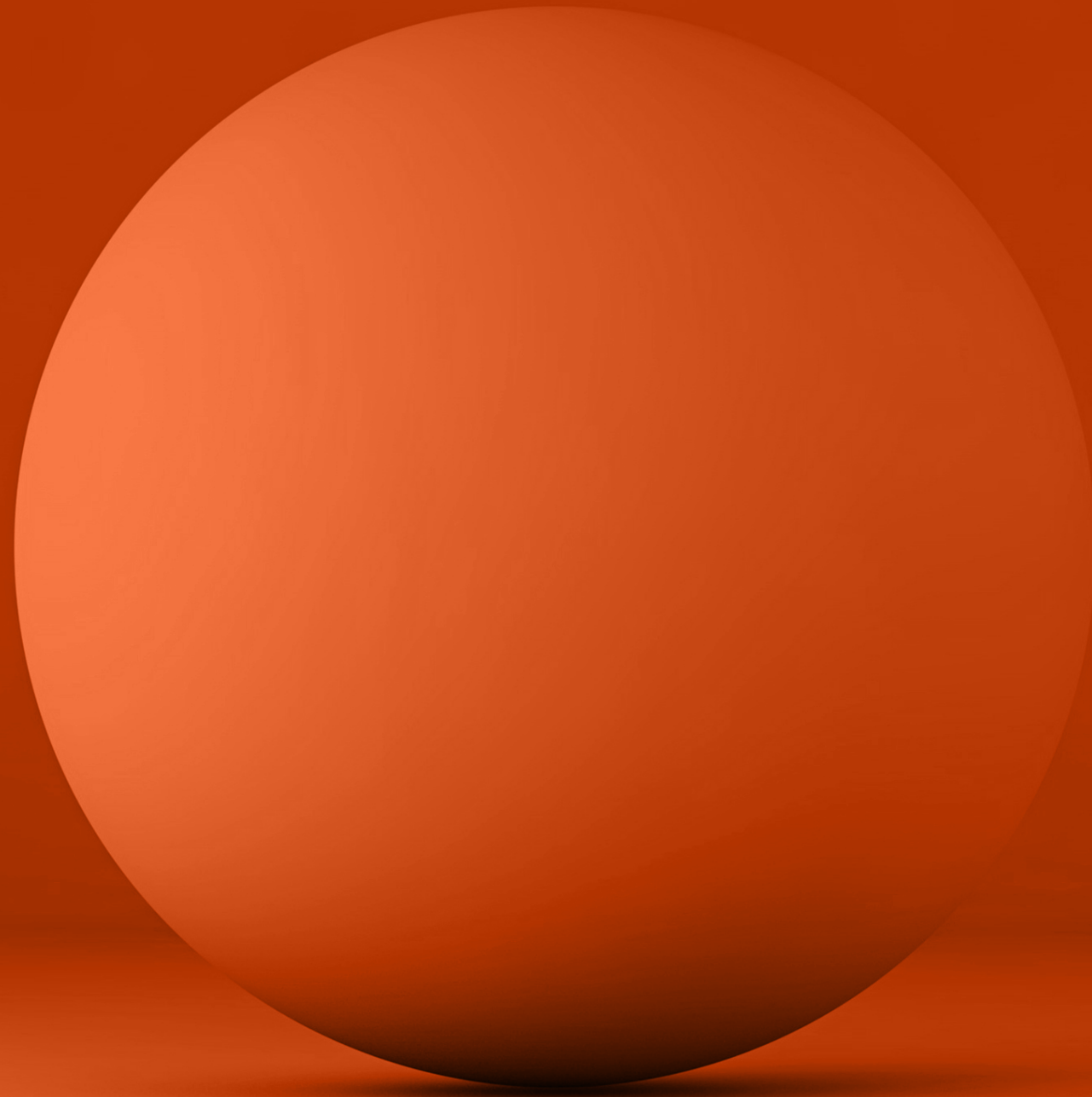
## Our purpose is to transform how businesses work and people live through the power of data, and it's never been more relevant. We have the global presence, experienced leadership, talent, and technological ability to create continued success for Teradata and our customers.

Teradata Corporation is the connected multi-cloud data platform for enterprise analytics, headquartered in San Diego, California, and operating in North America, Latin America, Europe, the Middle East, Africa, Asia Pacific, and Japan. Our enterprise analytics solve business challenges from start to scale.

Around the globe, organizations rely on data to inform decisions on every aspect of their operations—driving efficiency, delivering innovation, managing effective financial controls, and in 2020, safeguarding communities, employees, and families around the globe. Teradata helps many of the world's industry-leading enterprises unlock value from data for their business and the greater good.

Despite the global impact of the pandemic, we rose to the occasion to advance our cloud-first strategy and exceed our expectations on key financial metrics. We were able to accomplish these results while placing the safety and well-being of our employees first and furthering our corporate sustainability efforts.

### $106 Million

Teradata delivered $106 million in public cloud annual recurring revenue (ARR)[1] as of the end of 2020, an increase of 165% year-over-year.

### $1.836 Billion

Our total revenue in 2020 was $1.836 billion.

**The company ended 2020 with year-over-year growth in recurring revenue, gross profit, operating income, earnings per share, and cash provided from operations and free cash flow.**

More information on our financial performance can be found in our Annual Report on Form 10-K for the year ended December 31, 2020, which is available on the Investor Relations page of our website at investor.teradata.com.

[1]Public cloud ARR is defined as the annual value at a point in time of all contracts related to public cloud implementations of Teradata Vantage and does not include ARR related to private or managed cloud implementations.

# Operational
# Footprint

# 8,000

**full-time employees
in 44 countries**
as of the end of 2020.

**Significant operations in
these countries:**
USA, India, China,
Philippines, Germany, UK,
Japan, Pakistan, Australia,
France, and Czech Republic.

# Customers & Markets

Companies rely on data constantly to navigate today's complex and rapidly changing environment. Teradata clients come from all industries, government and nonprofit sectors, and include many of the world's largest companies and best-known brands in communications, retail, healthcare, life sciences, manufacturing, financial services, media & entertainment, and travel & transportation.

# Together, we help global businesses build the future of their business.

**Communications**
The top 19 of top 20 telecommunications companies trust Teradata

**Retail**
We work with the world's biggest retailers and 8 out of the top 10 U.S. retailers

**Healthcare**
13 of the top 20 healthcare companies trust Teradata

**Life Sciences**
Our customers include 10 of the top 15 pharma companies

**Manufacturing**
15 of the top 20 manufacturing companies rely on Teradata

**Financial Services**
We work with 18 of the top 20 global commercial and savings banks

**Media & Entertainment**
Leading media and entertainment companies around the world trust Teradata

**Travel & Transportation**
Teradata supports 16 of the top 20 travel companies

# Pandemic Response

Throughout the pandemic, we have been committed to protecting our employees and contractors, meeting our customers' business needs, and supporting the communities around the world where we live and work.

# Our actions:

We established a Pandemic Response Team to develop and execute plans to continue to operate globally with safety-first considerations.

We transitioned the vast majority of our employees to a work-from-home model.

We implemented additional safety measures for employees and contractors continuing critical on-site work, both at customers' and in our offices, with safety protocols in compliance with local government regulations.

We have kept employees informed on the activities of our Pandemic Response Team, including updates relating to plans to reopen our offices.

We have retained a medical expert to share information and provide periodic updates on the COVID-19 pandemic to employees.

We expanded our Employee Assistance Program to meet the needs of our employees globally.

We provided additional paid wellness days off in June 2020 and January 2021 to give employees a chance to rest and reset.

We built a Resiliency Dashboard that brings together multiple data sources to inform decision-making, initially for our own purposes, but then as a free offering for our customers.

We partnered with global and local organizations and governments to foster effective response.

We joined the COVID-19 Healthcare Coalition, working alongside many of our own customers and technology industry peers to connect the dots between healthcare and government.

We supported our communities with donations and volunteer work.

We continually refined our business continuity plans to ensure we maintained customer support service levels and response times.

We provided virtual sales and marketing support to our customers, including through our pandemic response customer outreach program.

## The Power of Data in Response to the Pandemic

Teradata developed the COVID360 Initiative to help countries restart their economies in the post-pandemic world. We use our analytics platform to develop data-driven risk models that can help government agencies develop efficient situational awareness systems for monitoring and controlling the spread of COVID-19 by considering demographic, geographic, and behavioral factors. This analysis is delivered in a visual dashboard that enables governing bodies to make efficient decisions to take actions to slow the spread of the disease and save lives.
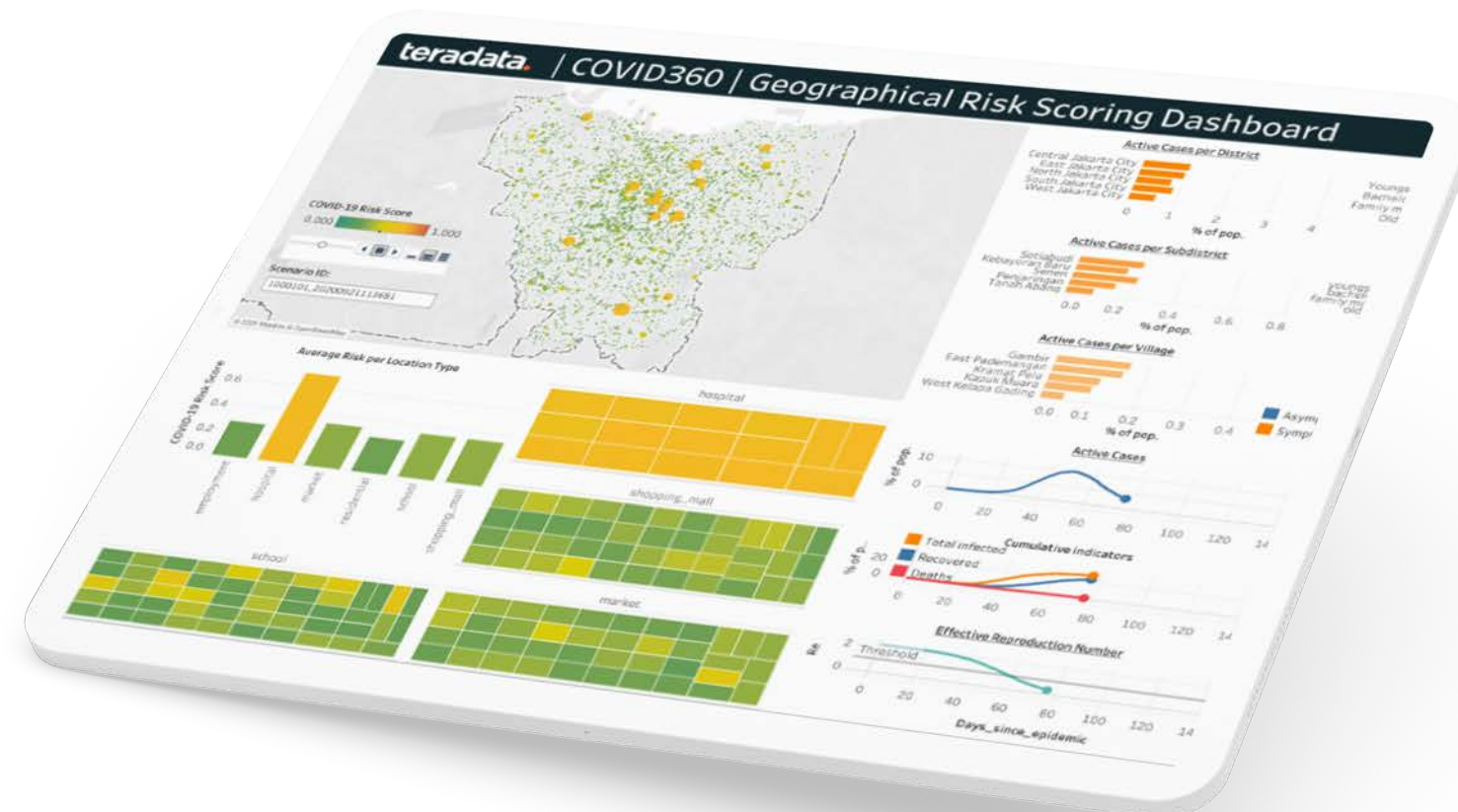


## Academic Partnerships to Advance the Industry

As part of our quest to change how the world uses data for better outcomes, Teradata collaborates with leading academic institutions on research that advances data and analytics best practices. These engagements spur innovation and build thought leadership, positioning Teradata as a forerunner in our industry. Our partnerships include:

**Oxford University Saïd Business School Future of Marketing Initiative**

**Northwestern University Transportation Center**

**University of California– San Diego Jacobs School of Engineering and Halicioglu Data Science Institute**

**University of Texas–Austin**

**University of Washington**

**The Wharton School of the University of Pennsylvania**

# Corporate Responsibility Approach

# Our approach to corporate responsibility

At Teradata, we are committed to operating a business that is responsible for our impact on society and the planet. Meeting that responsibility requires an approach that is anchored in our core values and principles, and considers both the short- and long-term impacts of our business. We integrate environmental, social, and governance (ESG) factors in management of operations across our entire value chain.

**Products and Services**
We are committed to designing technology for a future that is sustainable for all.

**Facilities**
We are committed to addressing global environmental challenges by managing the impact of our operations.

**Workplace**
We are committed to our employees' well-being and development, and to fostering a workplace where employees feel a sense of belonging and can thrive.

**Teradata Cares**
We are committed to giving back and creating positive social change in the communities in which we operate.

**Governance**
We are committed to, and hold ourselves accountable for, acting with the highest level of integrity in all we do.

**Supply Chain**
We are committed to holding our suppliers to the same level of integrity to which we hold ourselves.

## ESG Reporting Approach

Teradata is continuously enhancing its ESG reporting process with the goal of increasing transparency and the quality of data. Our 2020 reporting process has been guided by the Global Reporting Initiative (GRI) Standards, and considers disclosures outlined by the Sustainable Accounting Standards Board (SASB) and CDP (formerly the Climate Disclosure Project). We continue to increase alignment with SASB in our reporting, and have enhanced our disclosures in this report. We plan to continue this progress in future reports.

## Governance and Leadership

Teradata's ESG program and reporting are sponsored at the executive level by our Chief Legal Officer and Chief Financial Officer. ESG leadership is further supported with oversight from our Board of Directors, including the audit, compensation, and governance committees of our board. You can read more regarding the role of management and our Board of Directors in ESG in the Governance section of this report.

## Material Issues

We conduct a materiality assessment every three to five years, or when notable shifts happen in our business. In 2017, we conducted a materiality assessment by reviewing our policies, processes, and products, benchmarking peers and best practices, and reaching out to our stakeholders. A new assessment is planned to be completed by 2022.

### Material Issues[2]

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

**Employment:**
Training and Development; Environmental Health and Safety; Diversity, Equity, and Inclusion

**Human Rights:**
Supplier Human Rights and Labor Practices

**Governance:**
Anti-Corruption; Anti-Competitive Behavior; Products and Services Labeling; Regulatory Compliance

2 Per our most recent materiality assessment

## Stakeholder Engagement

We believe that the perspectives of all our stakeholders must be considered and regularly engage them through formal and informal channels. We seek their feedback on ESG issues and consider their perspectives in goal setting, strategy, and implementation of our initiatives.

**Customers:**
We receive input from our customers in daily operations and through the RFP process, where we share ESG information of interest.

**Investors:**
We engage shareholders and investors via investor conferences, earnings calls, meetings, correspondence, and voting. We have a robust, year-round shareholder engagement process to solicit feedback from investors on ESG and other matters. See more in our 2021 proxy statement.

**Employees:**
We receive feedback through employee surveys, dialogue sessions, and conversations with managers and human resources.

**Industry Associations:**
We learn and share best practices with peers and discuss topics important to our industry.

**Vendors and Suppliers:**
We discuss supply chain practices in the contracting and auditing processes.

**Communities:**
We receive input from nonprofit partners and community leaders through community events and volunteer programs.

### UNITED NATIONS GLOBAL COMPACT

Since 2011, Teradata has pledged its formal commitment to the UN Global Compact (UNGC) principles of ethical behavior and human rights. In 2020, Teradata's annual Communication on Progress (CoP) achieved UNGC Advanced designation for the 10th year.

# 2020 ESG Awards and Recognition

Ethisphere World's Most Ethical Companies (11th consecutive year in 2020)

Dow Jones Sustainability World Index (6th time) and North American Index (11th consecutive year in 2020)

ISS ESG Prime status, C rating

United Nations Global Compact Advanced Level (10th year)

MSCI AAA rating (as of December 31, 2020)

ISS Quality Score – highest rating for Environmental (as of December 31, 2020)

People

# Who we are

## Teradata is a community of talented people who believe in the power of data to change the world. Our greatest strength lies in our people, and we strive to create an inclusive culture of belonging where everyone feels welcome, respected, supported, and valued.

Our talent practices encompass compensation, benefits, diversity, equity, and inclusion programs, employee engagement and retention, employee relations, and learning and development efforts. We utilize a Center of Expertise model, with HR business and partners working with specialists in shared services to deliver a comprehensive approach.

**Pandemic Support for Employees**
Teradata acted swiftly to ensure the safety of our employees during the pandemic. In February 2020, we established a Pandemic Response Team to develop and execute plans to continue to operate globally with safety-first considerations and transition the majority of our employees to a work-from-home model while implementing additional safety measures for employees continuing critical on-site work, as well as working virtually with our partners and suppliers.

The Pandemic Response Team, led by our Chief Security Officer and sponsored by our CHRO, includes leaders from functions across the company such as human resources, legal, operations, risk management, and more. The Pandemic Response Team met daily for weeks, then weekly and as needed by the end of the year. To augment the team's efforts, we brought in a corporate medical advisor. This health knowledge, integrated with our leadership experience and data analytics capabilities, enabled us to create a plan for the health and safety of our employees customized to specifics of COVID-19.

We transitioned employees to remote work in March 2020, and built an analytics tool to make decisions on how and when a return to the office would be safe. We offered resources and information to support wellness for employees and their families, and implemented a global Employee Assistance Program for all employees. Paid Wellness Days and Bonus Days Off were added to employee time off, and a "No Meetings Week" was established to help our people take time away from work. The people who make our business happen extend beyond our employees to Teradata contractors and temporary staff who are included and paid on Teradata Wellness Days.

**Future of Work**
The move to remote work for many employees during the pandemic was a prelude to the virtual workplace of the future. Teradata's Future of Work Team is taking the lessons of this period in time to be intentional about options for employee work models in the future to ensure a positive impact on the company, our people, and our culture.

# Staying safe, staying informed

To address the global pandemic, we partnered with Mohannad Kusti, M.D., M.P.H., our corporate medical advisor, a physician executive and consultant with direct expertise with corporate healthcare environments. Considered one of the industry experts on COVID-19 management for employers, and with extensive experience in occupational medicine and public health, Dr. Kusti brought his wealth of knowledge and expertise to Teradata to keep our employees' health as a top priority. Dr. Kusti helped guide us in ensuring that our employees were provided with updated, science-based medical information to protect their health and safety, as well as those they love. As our trusted medical advisor, Dr. Kusti's guidance was conveyed regularly through a series of emails, videos, livestreams and online forums designed to keep our employees informed in the dynamically evolving pandemic.
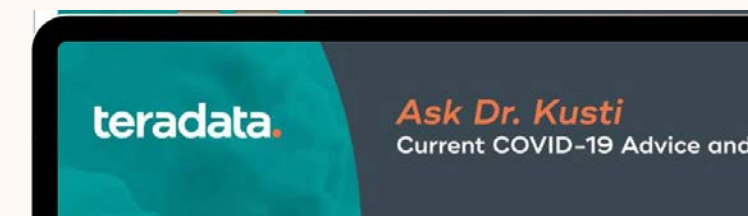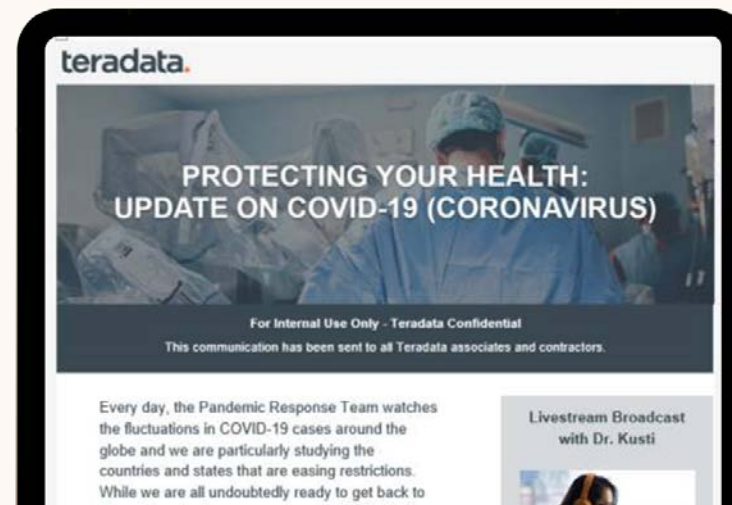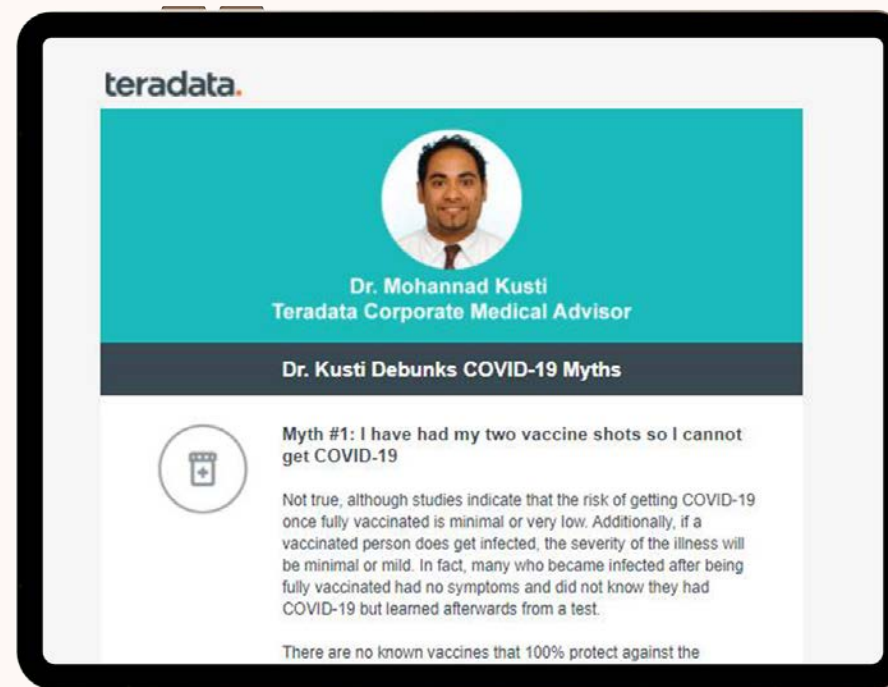
## Defining Our Culture

We create a positive work environment, whether in an office, a production facility, or working from home. Our Core Principles reflect the values we share. Developed in concert with employee focus groups, the Chief Executive Officer, the executive leadership team, and our Board of Directors, we launched these principles in 2020 to drive performance and evolve our culture.

To cultivate cultural belonging, we created the "Defining Our Culture" Learning Lab, an interactive, virtual workshop to help employees participate in shaping our culture. We also utilize our Employee Engagement Survey and focused listening sessions for feedback as we seek continuous improvement. In 2020, our overall employee engagement index was 71, which is a three-point increase from 2019.

### ENGAGEMENT INDEX

**2019**
**68**

**2020**
**71**

Engagement index is based on:

**1. How happy are you at Teradata?** Up 3 points in 2020 from prior year

**2. I would recommend Teradata as a great place to work.** Up 3 points in 2020 from prior year

## Teradata Core Principles

# Customer and Market Driven

# Agility in Execution

# Accountability to Each Other

We set high ambitions as a profitable, growth, cloud-first, platform company.

We are market-driven, acting based on insights into our customers, technology ecosystem, and competitors.

We innovate for where customers are going while building on where they are today.

We act with a sense of urgency to regain the advantage.

We are entrepreneurial without compromising quality, taking bold and thoughtful risks to advance our innovative vision.

We are realistic stewards of our resources.

We trust and collaborate with each other, inviting transparency and challenge.

We debate, decide, commit, and follow through with velocity.

We are inclusive and generous in helping each other.

## Diversity, equity, and inclusion overview

"We believe that only by embracing diversity of identity, thought, background, expression, and perspective can we solve today's challenges and reimagine tomorrow's world."

**Kathy Cullen-Cote**
Teradata Chief Human Resources Officer

At Teradata, our long-term success is directly linked to ensuring that all identities, backgrounds, and expressions are represented, so we are committed to creating a culture of belonging. Diversity, equity, and inclusion (DEI) principles are incorporated in our hiring, compensation, promotion, and development practices, and we have publicly committed to creating more equality in the workplace.

**We value**
Teradata is dedicated to ensuring every perspective is welcomed and each voice is valued. Our new Inclusion Communities foster a more inclusive workplace and enhanced employee experience.

**We build**
We want Teradata to be a place where everyone can reach their full potential. Our partner programs with universities and organizations help break barriers to tech and build stronger, more inclusive communities.

**We pledge**
We have made a formal pledge, along with more than 650 CEOs of global organizations, to the CEO Action for Diversity & Inclusion™, a major effort to create more equality in the workplace.

# Inclusivity and diversity pledge

For the second year, we took part in the CEO Action Pledge for Diversity & Inclusion, a CEO-driven business commitment to advance diversity and inclusion in the workplace. To further reinforce our dedication, we created a Teradata Diversity Pledge for our executive leadership team in 2020, and plan to expand the pledge to our employees in 2021.

**We will encourage all to speak up when they experience or witness intolerance, mistreatment, incivility, or conscious/unconscious-bias in action.**

**We will ask ourselves, "Do our actions and words reflect the value of inclusion?".**

**We will initiate meaningful, complex, and sometimes difficult conversations with colleagues.**

**We commit to ensuring an inclusive environment for all. We will seek different perspectives and respect points of view and communication styles that are different than our own.**

**We will ensure our actions and words reflect the value of and our commitment to inclusion.**

**We will encourage all to move outside our comfort zones to learn about the experiences and perspectives of others.**

**Steve McMillan**
CEO & President

**Hillary Ashton**
Chief Product
Officer

**Stephen Brobst**
Chief Technology
Officer

**Nicolas Chapman**
Chief Strategy
Officer

**Kathy Cullen-Cote**
Chief Human
Resources

**Martyn Etherington**
Chief Marketing
Officer

**Dan Harrington**
Chief Services
Officer

**Molly Treese**
Chief Legal
Officer

# Creating a diverse workforce

The people of Teradata reflect diversity of experience, gender, race, ethnicity, culture, nationality, age, sexual orientation, ability, and more. We collect and review data on our workforce through voluntary self-identification to help us gain understanding and increase growth of underrepresented communities in our employee base. We have conducted pay equity audits, which indicated that we pay our employees equitably. We also evaluate pay across all Teradata positions through a third party to ensure it is fair and equitable.
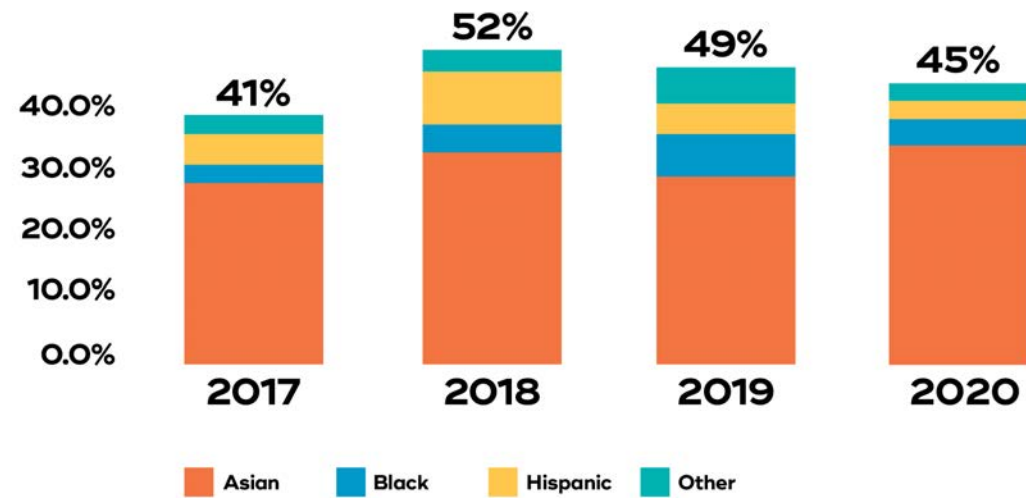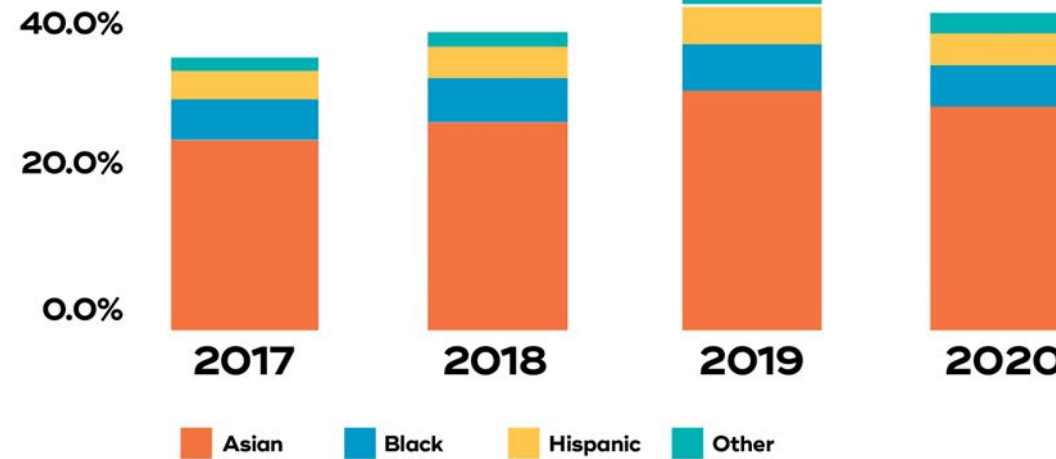
**BEST PLACES TO WORK**

## 2020

We were honored to be acknowledged by **Fairygodboss**, an online community for women seeking career advice and opportunity, as one of the **Best Places to Work for Women** and **Best Tech Companies to Work for Women in 2020**.
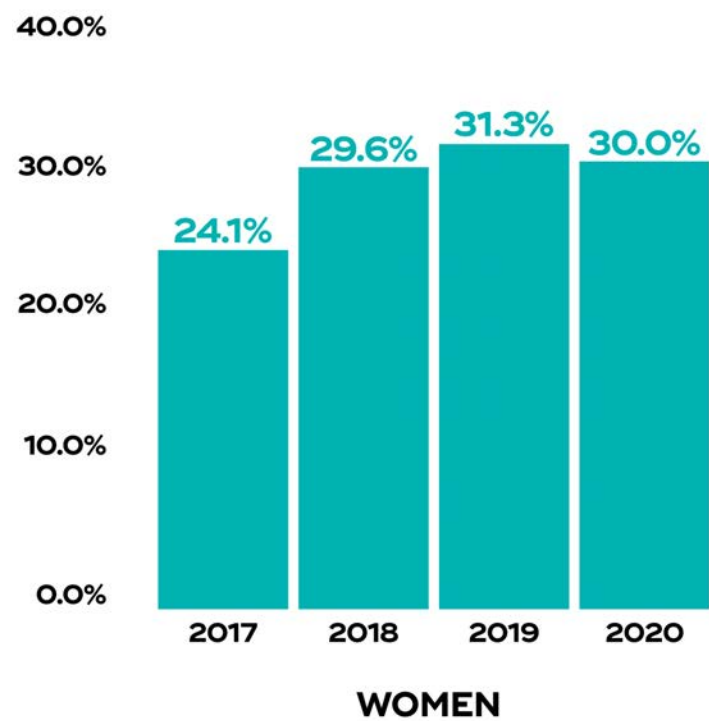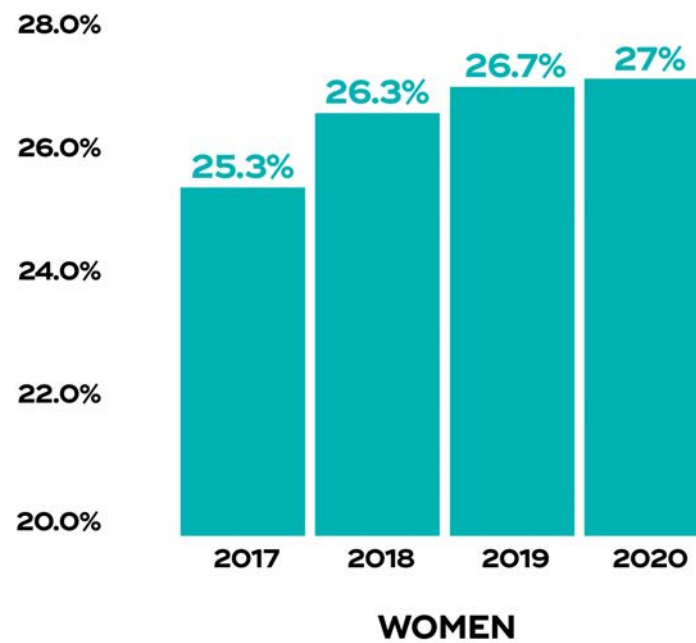
## Ethnic Minority Hiring (U.S. Only)



Stacked bar chart:
- 2017: 41%
- 2018: 52%
- 2019: 49%
- 2020: 45%

Legend: Asian | Black | Hispanic | Other

## Ethnic Minority Representation Over Time (U.S. Only)



Stacked bar chart for 2017, 2018, 2019, 2020

Legend: Asian | Black | Hispanic | Other

## Women Hiring (Global)



Bar chart:
- 2017: 24.1%
- 2018: 29.6%
- 2019: 31.3%
- 2020: 30.0%

**WOMEN**

## Women Representation (Global)



Bar chart:
- 2017: 25.3%
- 2018: 26.3%
- 2019: 26.7%
- 2020: 27%

**WOMEN**

To accelerate the growth of our underrepresented communities at Teradata, we are committed to hiring diverse talent. We have increased ethnic minority and female representation over the last several years, but saw a slight decrease in new hires of these groups in the first half of 2020. As we saw this trend emerge, we enacted a number of diversity hiring initiatives during the latter portion of 2020:

- Initiated a campaign to empower and educate employees on their role in attracting talent to Teradata.
- Prioritized visibility of diversity data with leadership in order to emphasize the need for inclusive decision-making.
- Further educated our managers around unconscious bias in the hiring process through incorporation into our management development programs.
- Through our partnership with Fairygodboss, an online community for women seeking career opportunities, we participated in a virtual career fair specifically for women in tech.

We saw the impact of these initiatives through increased diversity of our new hires in the fourth quarter of 2020, and expect to see greater representation in our hiring and overall workforce in 2021.

## DEI Advisory Board

Teradata launched a DEI Advisory Board in 2020, made up of a cross-functional team selected by the executive leadership team. Their aim is to support the company's mission to eradicate racism and inequality in the workplace.

The Advisory Board is responsible for defining and incorporating our DEI strategies into every aspect of our business. Goals include creating a culture of belonging as part of our core values, identifying and reviewing company processes for DEI incorporation, and changing systems, organizational structures, policies and practices, and attitudes so that power is shared equitably.

*Advisory board members as of December 31, 2020*

**Thomas Kuruvilla**
Product

**Zane Mumford**
Strategy

**Beth Peralta**
HR
Advisory Board Lead

**Jonathan Steel**
Legal

**Elisha Foust**
GTM
Inclusion Community

**James Williams**
Product
Advisory Board Lead

**Kiera Brown**
HR
Inclusion Community

**Rhonda Morgan**
HR

**Christian Dahlström**
CS&S
Culture Champions

**Pam Chitkara**
ITS/Finance

**Karin Moore**
Product

**Katherine Knowles**
Marketing

**Paul Good**
CS&S

**Sheila Steele**
PM
Advisory Board

**Chet Robinson**
Marketing

### Corporate Equality Index

Teradata completed the Human Rights Campaign (HRC) Foundation's Corporate Equality Index survey for the first time in 2020. The HRC is the national benchmarking tool on corporate policies, practices, and benefits pertinent to lesbian, gay, bisexual, transgender, and queer employees. We scored 90 out of 100, and due to the valuable feedback we are expanding our benefits in 2021 to include the addition of domestic partners.

**We create a culture of belonging by offering resources and ways to get involved:**

### Inclusion Communities

Teradata's Inclusion Communities are open to all who wish to join a community for learning, networking, professional development, or in support of a particular group. Each Inclusion Community is championed by an executive sponsor and key leaders throughout our organization. Two new Inclusion Communities were added in 2020: The Analytics Network and Toastmasters.

### Country Navigator

We offer a learning resource to facilitate an inclusive environment, Country Navigator. This online tool provides education and awareness of different work styles in over 90 different cultures and provides downloadable country resources and information. It also offers guidance on how to do business with other cultures and individuals who are from different geographic locations. Employees can access a customized analysis of their own unique work style preferences and identify the dominant cultural orientations that might impact their work interactions.

### Managing Bias Training

A course on Managing Bias was launched to all global employees in 2020. Now part of all employees' required learning path, the curriculum seeks to aid understanding of bias, provide training on managing any potential unconscious bias, and give guidance on how to respond to bias in the workplace. 95% of employees had completed the training by the end of 2020.

### Inclusive Leadership Learning Lab

Launched in the fall of 2020, these highly interactive sessions provide employees with a deeper understanding of diversity, equity, and inclusion at Teradata. Participants learn actions they can take to be an inclusive leader at Teradata.

### Diversity Dialogues

An ongoing panel series was created in 2020 to foster meaningful dialogues about DEI topics such as systemic racism, allyship, and microaggressions. Our CEO was in every session, and many were hosted by the executive leadership team.

- Systemic Racism: CHRO Kathy Cullen-Cote is joined by special guest Dr. Mark Hendrickson, a professor of history at UC San Diego who discusses systemic racism.
- Allyship: A panel of employees share their experiences on allyship with moderator Martyn Etherington, CMO.
- Microaggressions: A panel of employees share their experiences with microaggressions with moderator Hillary Ashton, CPO.
- Celebrating Diversity & Mental Health Awareness: CHRO Kathy Cullen-Cote welcomes special guest Eric Alva who shares his experience as a Hispanic, gay, and disabled military veteran.

### Learning and Development Overview

We're committed to our employees' professional growth at every level of the organization. In 2020, we expanded on-demand opportunities and launched LinkedIn Learning to support learning and development while working from home. Teradata University is a dedicated learning management system that provides 24/7 access for every employee to position-related, certification-specific, or professional development opportunities. Further resources to help employees manage their career are available in our development platform, CareerU. Teradata employees participated in 90,602 hours of training in 2020, an average of 12 hours per person. Teradata's total actual investment in training and development is greater since the company provides additional training through other initiatives.

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**LEARNING LABS**

In addition to our new Learning Labs devoted to inclusion and culture, Teradata uses the hands-on lab format to create rich multi-dimensional learning experiences across many development topics, including **Career Coaching**, **Finding Your Passion**, and **Creating Your Personal Brand**.

## Leadership Development

Teradata is focused on growth at every level of the organization, including the leaders who will drive our future. We launched two new communication platforms in 2020 to build leadership capability:

- VP Forum: Question-and-answer session held for Teradata VPs and up, led by the CEO and executive leaders, to foster open dialogue among leaders.
- People Leader Calls: A global program that connects people leaders at all levels to the information, tools, and resources needed to further enhance their leadership capabilities. Some of the topics for this year include leading through uncertainty and cultivating an inclusive culture.

## Executive Development Program (EDP)

For Teradata to meet its mission to transform how businesses work and people live through the power of data, we need the highest level of performance from our executive leadership. To this end, we created a nine-month cohort program to further develop executive leadership capability and stimulate cohesion and cultural vitality. The experiential program features multi-day sessions, 360-degree feedback, individual coaching, action learning projects, and reflective assignments, all designed to propel our senior leaders and our business forward.



## Management Development Program (MDP)

Centered on management fundamentals, this eight-week interactive program provides the foundation for effective team leadership. The course focused on three areas:

- Engage: Skills and mindset to engage, inspire, and motivate teams.
- Perform: Core principles for setting clear expectations and goals that drive high performance.
- Develop: Building of capabilities to develop team members through effective coaching and feedback.

## Environmental Health and Safety (EHS)

Teradata is committed to the health and safety of its employees and business partners across our operations. Our environmental health and safety (EHS)

system adheres to ISO 14001 standards and provides guidance on implementing policy and procedures within our facilities, as well as complying with regulatory requirements. Oversight of the Teradata EHS program falls under the Global Security Director. In addition, each Teradata location has a designated Site EHS Coordinator to implement our global policies as well as site-level procedures.

**There are five main components to our EHS program:**

- An EHS Management System (EHSMS) that guides the overall EHS program.
- 19 standard operating procedures that contain the guidelines and procedures to be followed for specific areas of EHS.
- Annual review and updates of EHS policy and standards to ensure we are compliant with the most up-to-date information.
- Annual assessments and audits of each facility every three years on a rotational basis.
- Involving our employees in safety is part of our program, and we require that all employees and on-site contractors review Team Safety Handbook procedures every two years.

## Talent Management, Compensation, and Benefits

Teradata reviews and aligns its practices with industry norms and employee needs

to ensure we offer competitive benefits and compensation. Power Your Potential is our annual performance management process, which aims to foster strong performance and open dialogue about career aspirations. We also employ ongoing talent planning processes, including strategic workforce planning, talent reviews, and succession planning. During 2020, we continued to rightsize our workforce as we execute on our business transformation and become a cloud-first company.

## HR Compliance

Teradata follows all applicable laws and standards mandated by the DOL and states. 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.

# Facilities

# Management approach

## Teradata's commitment to sustainability is good for the planet and our business. In addition to the environmental features we build into our products, we aim to operate our business in a sustainable way.

While our San Diego headquarters is our only owned facility, we have initiatives across all our global locations to manage our impact on the environment. We pursue programs in our facilities and production to improve our sustainability, with a focus on energy, greenhouse gas emissions, waste, and water.

Teradata has environmental policies and procedures which include adherence to all applicable environmental laws, regulations, and standards. We drive compliance through an Environmental Management System (EMS) across all our facilities. Our EMS is administered through a third party that has achieved ISO 14001 Environmental Management certification.

**Our Sustainability Commitment**
To maintain sustainable practices throughout our operations, we:

- Promote ownership, responsibility,

and accountability for sustainable performance and continuous improvement.
- Establish procurement policies that support regional sourcing, recycled content, reusable materials, and Energy Star certifications where economically and/or operationally feasible.
- Continuously improve sustainable performance through compliance auditing, measurement, and reporting.
- Participate in the exchange of sustainability methodologies, technologies, knowledge, and best practices.
- Increasing employee awareness of sustainability issues through formal and informal communications.

**Climate Impact – Energy and Emissions**
Climate change is a challenge for the environment, society, and the economy. We manage our impact by monitoring our energy and emissions, and implementing

ways to increase energy efficiency. Teradata's primary drivers of energy use are our data centers and customer lab spaces. In 2020, we continued to consolidate our data centers. We began this effort in 2019 with 14 data centers, and plan to reduce to four centers by the end of 2021. The data center in San Diego has a number of energy efficiency strategies in place—it's laid out with a hot/cold aisle scheme, and we have implemented server virtualization and added a ducted return system to increase cooling efficiencies. Plans are in place to migrate the data center to a lights-out environment in 2021, which will lead to further efficiency.

Teradata continues to make capital improvements to improve our energy consumption and emissions. From 2018 through 2020, Teradata renovated approximately 24% of the San Diego campus, including the installation of a state-of-the-art variable refrigerant flow air-conditioning system to optimize energy

*"Consideration of the impact of our business on people and the planet is part of our mission to transform the world through the power of data. We can and must create a more sustainable world."*

**Alex Entrekin**
Teradata Vice President, Operations

All lighting was upgraded to the California Title 24 LED motion and daylight sensor-controlled standard. Several solar tubes were added throughout the campus, which bring in natural light and eliminate artificial lighting in the installation areas during daylight hours.

Our 2020 energy use was 42,642 MWh, a 17% reduction from 2019 driven in large part by the closure of our offices during the pandemic.

**Our 2020 energy intensity ratio was 0.032 based on a calculation of energy use per square foot.**

We closely track our Scope 1 and Scope 2 greenhouse gas emissions (GHG), report on an annual basis to the CDP, and actively address our carbon footprint through energy management. Over the last 12 years, we have set five greenhouse gas energy intensive goals (GHG EI) based on energy usage and hardware production units, meeting the first four goals. The most recent goal, set in 2018, targets a 10% reduction of our GHG intensity by 2022. As our product mix is shifting from nearly all on-premises equipment to cloud-based, we are evolving our GHG goals to be representative of a cloud company, including a revision of this goal.

The cloud-first focus of our business strategy supports Teradata's economic future, and our ambitions for mitigating climate change.

This, along with a shift to a flexible workforce and site consolidation, enables us to set a new target based on long-term absolute GHG reductions.

**Therefore, we are establishing a new goal, guided by science-based targets, to reduce absolute Scope 1 and 2 GHG emissions by 37% by 2033. We are also working to better understand and reduce our Scope 3 emissions.**

## 2018–2020 Energy and Emissions Based on New GHG Goal

|  | 2018 | 2019 | 2020 |
|---|---|---|---|
| **Energy Usage (MWh)** | 55,953 | 51,157 | **42,642** |
| **Scope 1** | 156 | 223 | **177** |
| **Scope 2** | 17,855 | 15,207 | **10,650** |
| **Total Scope*** | 18,011 | 15,430 | **10,827** |

*1 + 2 GHG (MTCO2e)

Teradata has partnered with San Diego Gas & Electric to offer 100 free electric vehicle charging stations at our San Diego campus, the second most of any company in San Diego County, behind only SDG&E itself. Since installation, Teradata has registered more than 150 electrical vehicles for the program. To further reduce local emissions from employee transportation, Teradata has numerous dedicated carpool, vanpool, and motorcycle parking spaces on campus as well as secure bicycle storage.

## 38%
OF OUR ENERGY WAS FROM **renewable sources.**

## The future of work is more sustainable

To keep our employees and communities safe during the pandemic, Teradata transitioned the vast majority of its employees to a work-from-home model. Teradata also launched a Future of Work initiative to reflect a more agile workforce model. Through this initiative, we have been working to substantially reduce our global real estate footprint and provide a more flexible and hybrid work environment to our employees, while recognizing the positive impact this effort will have on our commitment to sustainability. From the third quarter to the end of 2020, Teradata reduced the number of physical offices that we lease globally by 36%. Teradata is committed to continually reviewing and reducing its real estate footprint globally to align with our Future of Work initiative. Additional benefits include reducing employee travel and driving to further reduce our carbon footprint.
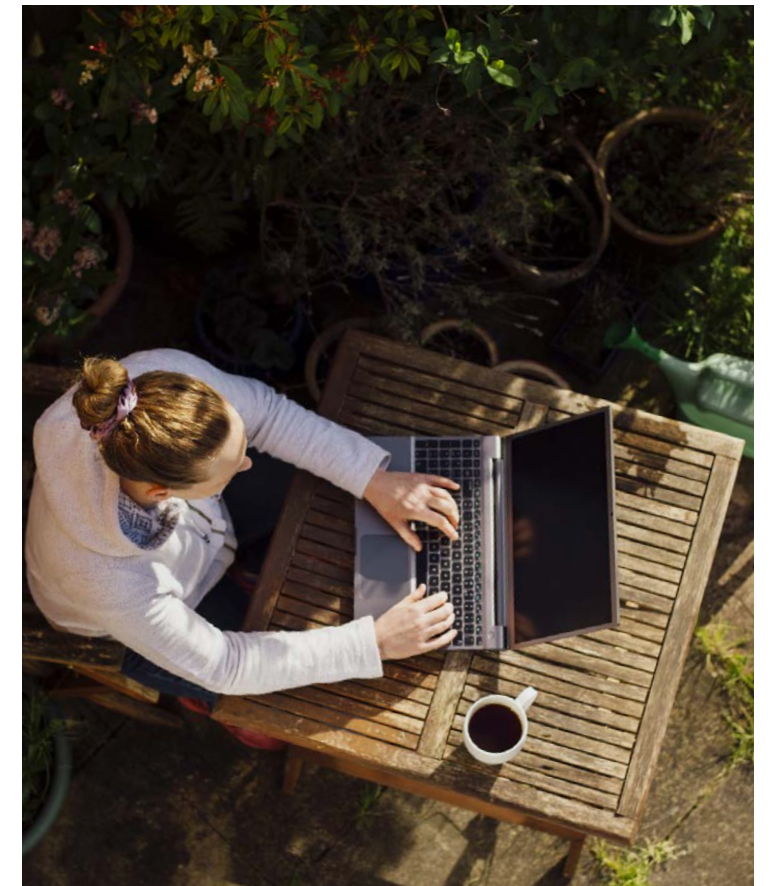
## Waste

Waste reduction, reuse, and recycling have long been a priority at Teradata. This is a particular focus at our San Diego campus, which houses the majority of our operations. In 2020, there were 4,194 pounds of universal waste (CRTs, electronics, fluorescent lamps, UPS, and household batteries). This figure is down roughly 88% from the prior year, primarily due to restrictions during the pandemic limiting both the requirements and activity taking place at the workplace. Teradata operationally controlled sites disposed of no hazardous waste in 2020, and there was no known discharge of wastewater other than into municipal wastewater disposal systems.

Teradata recycled 46,731 pounds, including all possible recyclables (glass, metal, plastic, paper, and wood) in 2020. This

reduction in total volume from more than 221,000 pounds of recycled waste in 2019 was caused by office closures during the pandemic. Teradata also works with its manufacturing suppliers to reuse crates and pallets and recycle shipping materials such as cardboard and plastic, and use bulk packaging when feasible across the value chain.

## Site-Level Recycling

We encourage site-based recycling activities, and our facilities website promotes reuse, recycling, and other conservation activities. Teradata offices play an important role in our environmental efforts. Paper and cardboard recycling in San Diego, Atlanta, and El Segundo totaled more than 14,000 pounds, saving more than 49,000 gallons of water and 120 trees that would have been required for processing raw pulp into

paper. Our San Diego headquarters office recycles additional waste streams, including fluorescent lamps, construction debris, batteries, and toner cartridges, as well as green waste from landscaping.

## Water

Water scarcity impacts many regions of the world, and Teradata recognizes that water stewardship is a part of environmental impact. At all sites, including our San Diego headquarters office, we use minimal water and only withdraw water from municipal sources for human support and HVAC heat rejection. Our total water use in our U.S. locations in 2020 was 41,390 cubic meters, representing the largest portion of our footprint. No water was taken from the supply of High Stressed Water Regions.

The Teradata facility that houses the largest number of our employees is the San Diego headquarters. We take additional efforts to conserve water there, including:

• Upgraded restroom fixtures with sensor-controlled water-saving technology.
• Irrigation controllers with integrated weather stations have been installed to minimize water use.
• Drought-tolerant landscaping.

## Transportation

We have been members of the EPA SmartWay Program since 2009, which

is a collaboration between industry and government to reduce air pollution and greenhouse gas emissions. As part of our commitment to carefully manage our emissions, we have established programs with Tier 1 suppliers to locate equipment for sale close to our final assembly location and reduce mileage needed to transport it.

**REDUCE, REUSE, RECYCLE**

Teradata recycled

# 46,731 POUNDS in 2020

including all possible recyclables (glass, metal, plastic, paper, and wood)

Teradata Cares

# Committed to communities

## At Teradata, making a meaningful contribution to our world is integral to how we operate. We use the power of data to transform how businesses work and people live.

This pursuit extends beyond what we do in our jobs—we seek to build strong and resilient communities and make a positive difference where we live and work. Teradata Cares is our community relations program dedicated to investing in our communities through financial support, our technology, talent, expertise, and time.

The worldwide impact of the pandemic was hard to imagine at the beginning of 2020, but quickly shaped our lives and Teradata's community support. We knew we could make a difference by leveraging our core capabilities to help the world's citizens navigate the challenges.

**Teradata Cares**

Our strategic focus areas are:

**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 nonprofit organizations, participate in social service programs, and lend their considerable experience to many community organizations.

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

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

"Our goal is to help the world change for the better through our efforts. Leveraging our data analytics offerings and expertise in our communities helps make a difference. We are all connected, and we can create a better world."

**Martyn Etherington**
Teradata Chief Marketing Officer

## Doing Good With Data™

At Teradata, we are on a mission to use data to disrupt thinking and make the world a better place. This goal is at the heart of our community support as well. Teradata Cares focuses on data philanthropy, which creates public good by applying our core mission and capabilities to societal challenges.

Businesses are using data and analytics to optimize their performance and drive a competitive edge. Non profit organizations, on the other hand, often lack the funding or capacity to leverage the data at hand. They can't afford specialized data scientists who are experts at evaluating and analyzing data. This is where Teradata believes it can help.

To strengthen our data philanthropy efforts, Teradata partners with nonprofit organizations such as DataKind, which matches volunteer data scientists with social agencies, civil groups, and nongovernmental organizations. Teradata sponsors several DataKind events yearly to help organizations explore the power of data to strengthen the impact on their social missions. In 2020, Teradata was proud to partner with DataKind on several data for good initiatives across the world.



We rise by lifting others.

- In March 2020, DataDive UK, a signature event where data scientists spend a weekend providing support for nonprofits, moved online for the first time. Despite the change from an in-person event, pro-bono recipients The Brilliant Club and Citizens Advice Manchester were still able to work with fantastic volunteers to help further their mission.
- In November 2020, Teradata hosted a Data & AI for Good Community Celebration virtually with the DataKind community. The "Empowering Communities, Serving Humanity" theme focused on sharing work done on improving health service delivery, increasing community access to food pantries, and raising awareness of housing insecurity.

## COVID-19 Response

Since the devastating global pandemic began, Teradata turned to its data engineering, data scientists, and analytic resources to help humanity tackle COVID-19, partnering with global and local organizations to foster understanding and effective response. We also supported nonprofits where we live and work by donating, volunteering time, and utilizing our matching gifts program to provide funding for organizations crucial in supporting communities through the difficult time.
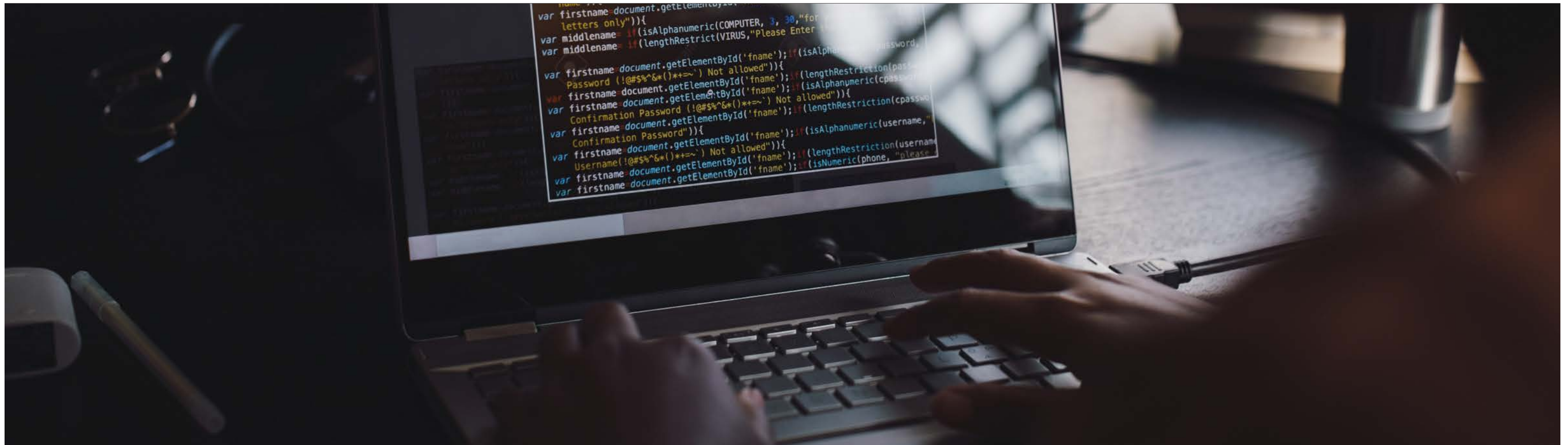
## Global Hackathon

Teradata held a global hackathon with its employees to formulate ideas about how data can help solve issues the world is facing as a result of the pandemic. Submission categories covered various industry sectors and included ideas such as:

**Monitoring the diets of the infected** to track recovery trends

**Reducing the number of contaminations points** for retail goods

**Developing safe transport processes** for when the workforce returns to the office

**Tracking mask availability** by location

**Determining how CT scans can be used** to diagnose infection when tests are not available

**Alerting people** when they are nearing a quarantine zone through geofencing

**Tracking employee productivity** in a work-from-home setting

**Mapping where the virus is likely to remain strong** or impact in a second wave

**Leveraging fitness devices to determine early warning signs** such as a elevated heart rates overlaid with other data points to predict infection

## Behind the Battle Against the Pandemic in China – The Power of Data

In China, Teradata helped launch a public roaming history inquiry service, "Roaming Inquiry within 14 Days," a public service that enabled people to understand the risk by tracking their movement history in relation to at-risk people. Teradata used its analytics platform and experts to customize the data model while also providing invaluable, ongoing support to government agencies. We collaborated with the National Health Commission in China, disease control centers, and township units in the delivery of text messages to inform returning travelers about the most up-to-date prevention measures, and supported the Ministry of Industry and Information Technology to assist the national and provincial governments in joint prevention and control.

## MIT COVID Challenge Hackathon

Teradata participated in an MIT-hosted series of virtual collaboration events to design solutions for challenges created by the pandemic. Work targeted critical areas such as bolstering health systems, protecting the vulnerable, and preventing misinformation. Teams included a wide variety of contributors, including medical students, UX designers, biomedical engineers, and clinical advisors.

## India Hackathon

Teradata participated in the "Hack the Crisis–India" hackathon organized by the Indian government. During the event, we built a solution using Teradata technology to build a real-time predictive model with dashboard visualization to identify and prioritize the vulnerable. This model was then used to provide guidance for healthcare organizations.



## Teradata University for Academics

For 20 years, we have provided access to Teradata technology and resources to train students to be breakthrough thinkers and doers who use data to create business value. Teradata University for Academics has been supported by leading practitioners and renowned academics from around the world. The platform is composed of on-demand web-based courses, lab simulations, and certification programs. More than 145 hours of online technical training are available in both basic and advanced skills.

**Since its inception in 2001,** Teradata University for Academics has been accessed by more than 5,000 registered faculty members from more than 2,700 universities (and high schools) in 124 countries.

In 2020, we expanded our partnership with the University of Arkansas to allow students and faculty from any university worldwide to gain hands-on experience with Teradata Vantage, the world's leading analytics platform. Teradata University for Academics program now offers complimentary technical education for anyone in the academic community regardless of their association with Teradata. We also migrated to a new platform, which has been accessed by more than 200 faculty members, 1,200 students, 250 schools, and in 45 countries.

## Student Competitions

Student competitions are a cornerstone of Teradata University for Academics with participants from around the globe every year. In 2020, despite the challenges of the pandemic, we received 30 submissions from students in 10 countries. The finalist presentations were held virtually, with seven winners from universities in the USA, Mexico, Thailand, and Germany. Since the inception of our academic program, we have received more than 500 high-quality submissions to our Analytics and Data Challenges from more than 25 countries.

- Teradata Analytics Challenge is an opportunity to present business analytics research or application cases to professionals in the business analytics community. Winners are selected by esteemed judges and all attendees of the virtual competitions.
- Teradata Data Challenge is a team-based competition where all are given the same dataset and questions from a nonprofit partner. Our 2020 Data Challenge nonprofit partner, Taproot Foundation, leveraged the student teams to help strengthen their marketing efforts for greater social impact.

## Supporting Social Justice

Teradata's long-standing commitment to social justice was put to the test in 2020. While we have solid policies in place, we realized that we could take more action, and expanded our employee matching gift allowance to increase our support for organizations working for social justice. Teradata employees took this opportunity to heart, supporting organizations that promote human rights, racial and gender equality, LGBTQ rights, and other worthy causes.

Additionally, we declared a launch of a scholarship program for underrepresented minorities pursuing university degrees in science, technology, engineering, and math (STEM) in 2021. You can read more about our commitment to diversity, equity, and inclusion in the People section of this report.

## 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, sharing their current conservation efforts, and targeting innovative new ways to help support our environment.

## Earth Day

2020 held unique Earth Day opportunities. While our annual group volunteer efforts were canceled, we continued to support environmental causes through donations and encouraging our employees to introduce new sustainable practices in the home and in safe ways in their community, such as trail clean-up, community garden maintenance, and composting. This enabled our continued engagement in environmental causes while keeping our employees healthy and safe.

# Employees serving our communities

**At Teradata, we believe that volunteering fuels human spirit, develops employee skills and strong teams, and helps employees appreciate the interdependence between our company and the communities in which we live and do business.**

As part of our commitment to give back, we give employees four days per year during normal working hours to volunteer in their local communities.

In 2020, our communities needed our support more than ever, yet we also needed to ensure the health and safety of all involved. Teradata employees took this challenge to heart, finding ways to help virtually, putting safeguards in place, and designing creative means of giving back. The pandemic didn't dampen our spirit or diminish our dedication, and employees volunteered more than 25,000 hours around the globe in 2020. Group giving during the pandemic was also a popular alternative to what would have typically been team or group volunteerism.

Also vital this year was Teradata's policy that allows employees to take their volunteer time to care for one another. Employees can use any of their four volunteer days to help another coworker 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. The pandemic presented many opportunities and Teradata employees were consistently there for one another.



**Art of Giving Workshop at the Virtual Intern Summit, San Diego**



**Teradata Singapore – COVID-19 Food Relief**



**Teradata San Diego donating school and hygiene supplies to students impacted by homelessness**



**Teradata Brazil at Projeto Apredener & Sonhar – The Learn & Dream Project**

# 25 Days of Good

Employees in EMEA raised more than $60,000 for charities worldwide during #25daysofgood, an internal campaign which helped 25 non profit organizations such as UNICEF, WWF, International Rescue Committee, and Refugees International to help people in need during the pandemic.

## Involving Our Customers

Teradata leverages its internal and external events to engage our employees, customers, and partners in service projects and goods drives for nonprofit organizations. At our January sales kickoff this year in Vancouver, BC, colleagues assembled bookcases, rocking chairs, school supply kits, snack kits, stuffed animals, and more for donation to Vancouver Public Schools.

A new feature was added to our global customer reference program, Peer Advantage Cares, in 2020. Members can now earn points that are redeemed for charitable contributions through nonprofits.

## Teradata Days of Caring

Every August, Teradata employees are encouraged to take action for positive change through Teradata Days of Caring. Employees, families, customers, and partners all come together for local community projects, volunteering more than 2,500 hours with nonprofit organizations of their choice all around the world. Employees continued the tradition in new ways this year to give back while staying safe during the pandemic.

## Community Service Grants

Teradata further supports groups of employees on volunteer projects through Community Service Grants. Funds are provided to purchase supplies and materials needed for community projects and in support of team fundraising. Examples 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.

# Governance

# How we work together

**Teradata's Board of Directors and management team set the tone of ethics and integrity from the top of the organization. We have adopted many governance best practices that establish strong independent oversight by our Board of Directors and provide our stockholders with meaningful rights.**

Our board is led by an independent, non-executive chair, and eight of our nine directors are independent, including all members of the audit, compensation, and governance committees. We value diversity in every aspect of our organization, and our board comprises a variety of ethnicities, genders, experiences, skills, and more. More information can be found in our Proxy Statement.

Operating as a responsible global citizen is a vital element of our culture. Our board is actively engaged in the oversight of ESG matters and regularly receives updates from Teradata management. Our board committees engage in aspects of our ESG matters as follows:

- Our Audit Committee is tasked with oversight of our ethical standards and compliance, including initiatives pertaining to ESG, as well as our enterprise risk management program, which includes ESG-related risks.
- Our Compensation and Human Resource Committee provides oversight relating to people management, including matters relating to talent management and development, talent acquisition, employee engagement, and diversity, equity, and inclusion practices.
- Our Governance Committee is responsible for reviewing the board's corporate governance practices and procedures, including the board's self-evaluation process, board composition, shareholder engagement, and our governance policies.

Our Governance Committee oversees the Company's ESG program, including related activities and public disclosure. In connection with such oversight, and in coordination with our Audit Committee and our Compensation and Human Resource Committee, as appropriate, our Governance Committee reviews and monitors the Company's activities and shareholder feedback with respect to corporate citizenship and sustainability, including corporate responsibility, human rights, environmental stewardship, community outreach, and philanthropy.

Our management team is actively engaged in ESG-related initiatives and has taken steps toward advancing a formalized ESG program with cross-functional support

**Board Diversity**



**56%**
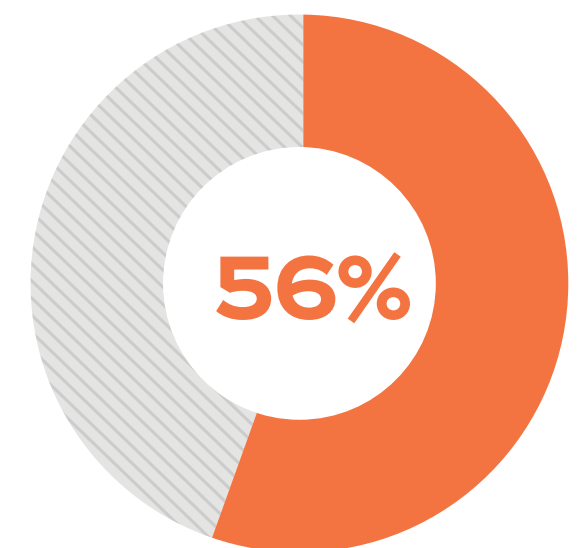
**More than half of our board members share diverse backgrounds, because at Teradata, diversity is a priority at every level.**

across our entire organization to identify, coordinate, and advance our ESG priorities and objectives. These activities are currently being led by our Chief Legal Officer. As part of this effort, we have reconstituted our Corporate Citizenship Council, which is a cross-functional team of representatives across the Company, to coordinate and advance our ESG initiatives.

- Our Chief Human Resources Officer is responsible for implementation of the Company's people strategies and programs, including our diversity, equity, and inclusion employee engagement and enhancing the employee experience, COVID-19 pandemic response, and wellness efforts, as well as career development and executive leadership planning.
- Our Chief Ethics and Compliance Officer is our senior leader responsible for our ethics and compliance initiatives, including administration of our Code of Conduct.
- Our Chief Marketing Officer is responsible for our community outreach activities, including our Teradata Cares program, as well as ESG-related customer-facing activities and support.
- Our Chief Financial Officer oversees our Operations Department, which is responsible for our environmental and sustainability initiatives relating to our supply chain and facilities, as well as the publication of our annual report on corporate responsibility, sustainability, and other ESG matters.

## Comprehensive Commitment to Ethical Business

Integrity is one of our most important assets, and the foundation of every decision we make. At Teradata, we have high standards of integrity for our employees, vendors, and business partners at all levels.

## Ethics and Compliance

Teradata's ethics and compliance (E&C) program is led by our Chief Ethics and Compliance Officer, and managed by our E&C team, which works collaboratively with other business functions throughout the Company. Our efforts are additionally steered by the Ethics and Compliance Executive Committee, which comprises the Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer, and Chief Ethics and Compliance Officer. Teradata is a member of the Ethisphere Business Ethics Leadership Alliance. We have aligned our E&C program and related policies and procedures with the standards and best practices from this and other world-class organizations.
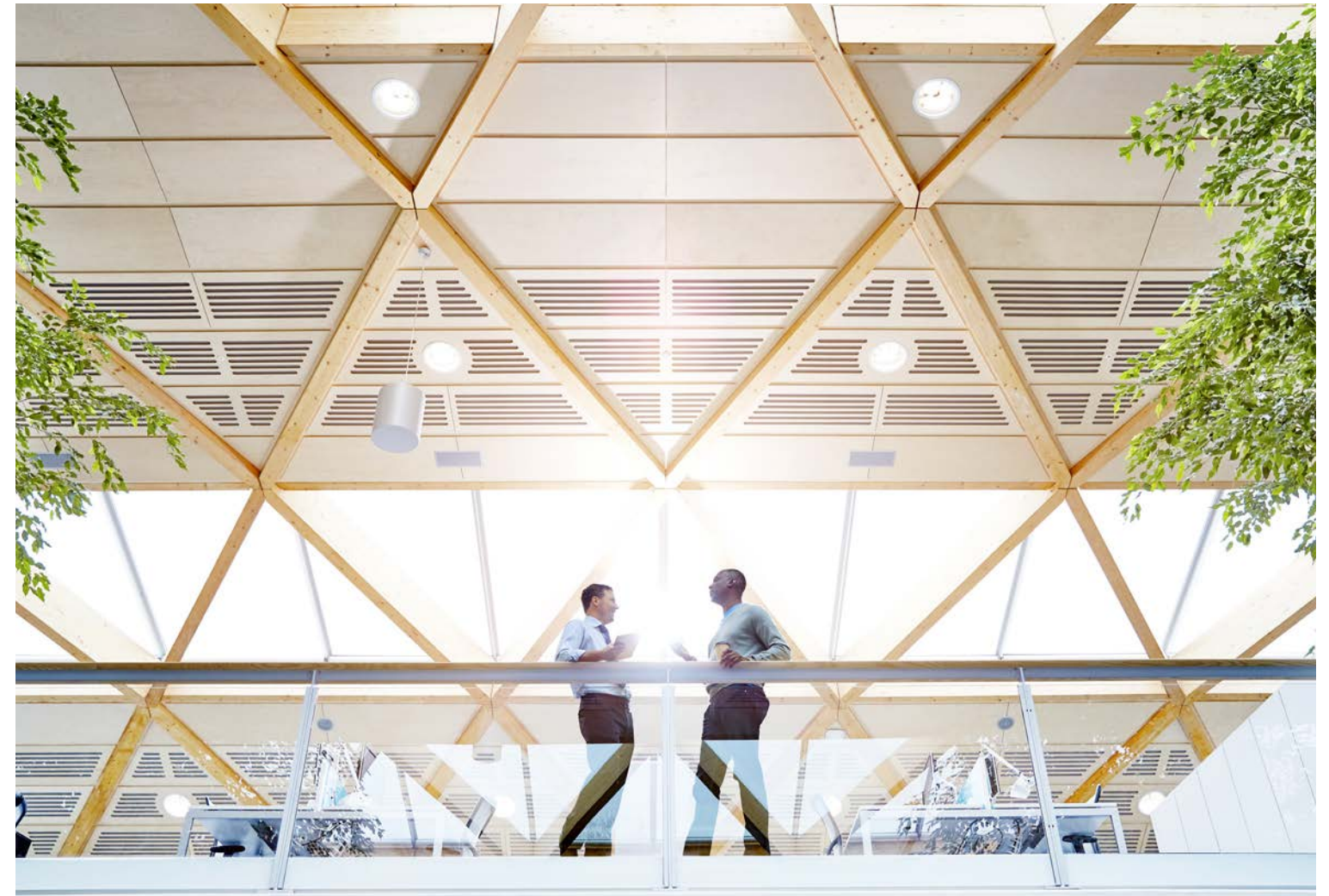


"At Teradata, we aim to exceed standards, do the right thing, and hold ourselves accountable to each other—always. We are proud to have been included on the Ethisphere Institute's list of the World's Most Ethical Companies every year since 2010."

**Jonathan Steel**
Teradata Chief Ethics and Compliance Officer

# Teradata Code of Conduct and related commitments

We integrate ethical business practices throughout the Company's operations through our Code of Conduct, Supplier Code of Conduct, and Business Partner Code of Conduct and related due diligence procedures. All Teradata people, including employees, independent contractors, officers, and directors, are subject to the Teradata Code of Conduct, which we refreshed in 2020.

**The Code of Conduct incorporates principles from global guidelines for ethical business, including:**

The United Nations Global Compact

The Responsible Business Alliance Code of Conduct

The International Labour Organization

The Organization for Economic Co-Operation and Development Guidelines for Multinational Enterprises

The International Chamber of Commerce (ICC) Rules of Conduct

**Our Code of Conduct and related policies, procedures, and educational materials make up a comprehensive approach to ethical business practices, including but not limited to:**

Human rights

Labor rights

Confidentiality, data privacy, and protection

Workplace health and safety

Zero tolerance for bribery and corruption

Non-discrimination and non-harassment

Non-retaliation

Conflicts of interest

# Our Code of Conduct Commitments

We conduct business ethically and in compliance with our Code of Conduct and policies.

We seek guidance and report concerns and violations.

We treat all people with respect.

We comply with laws.

We compete fairly.

We avoid conflicts of interest.

We protect assets.

We protect data and personal information.

We keep accurate records.

We apply our Code of Conduct and policies consistently.

We prohibit retaliation against those raising concerns in good faith.

We do the right thing—always.

## Ethics and Compliance Training and Communications

We communicate our E&C policies and provide toolkits and reference guides to ensure observance from employees, vendors, and business partners. All newly hired employees are oriented to the Company's Code of Conduct as part of the onboarding process, and all Teradata employees, contractors, and board members are required to complete a Code of Conduct training and certification annually.

Teradata has adopted numerous subject-matter-specific policies and procedures, as well as subject-matter-specific Code of Conduct supplements, toolkits, and quick reference guides. These educational materials provide more particular guidance and details on standards of conduct. We require further, specialized training for groups of employees when relevant to their roles and responsibilities. Teradata is committed to creating an environment where people are free from discrimination and harassment. Employees globally receive training to this end.

All E&C training and learning training aids are available to all employees via a dedicated intranet site. Teradata's E&C office has a column in the employee newsletter and regularly publishes additional articles about related topics.

## Ethics Advocates

Teradata's E&C program includes "Ethics Advocates" at our locations worldwide. We select more than 50 Teradata employees who demonstrate high integrity and an interest in ethics to act as a conduit between the E&C office and their respective geographies and business units. Ethics Advocates champion our policies and facilitate engagement and dialogue among employees regarding ethical issues.

## Ethics and Compliance Monitoring

Teradata regularly monitors compliance with our Code of Conduct and related policies and procedures globally. Systems, internal personnel, and internal and external auditors are engaged in this effort. We conduct inquiries and investigations into all instances where potential compliance exceptions have been reported or identified. The Ethics and Compliance Executive Committee oversees any significant inquiries and investigations to determine whether a violation has been

committed, what disciplinary actions will be imposed, and what remedial actions should be taken to prevent recurrence. 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. There were no reports of significant violations in 2020.

### TERADATA'S ETHICS HELPLINE

**2020**

Teradata's Ethics Helpline is a way for employees to anonymously discuss concerns or seek clarification on ethics and compliance policies, laws, and regulations.

**HELPLINE ACCESSIBLE**

# 24/7

**HOURS A DAY**　　　**DAYS A WEEK**

## Data Privacy and Protection

Teradata's future achievements and critical relationships are based on the trusted exchange of information. We have established a harmonized global Privacy Policy, which embodies standards that meet and often exceed the requirements of data protection laws around the world. The policy is publicly available on our website. Expectations for data protection are further outlined in the Code of Conduct, Supplier Code of Conduct, and Business Partner Code of Conduct. All Teradata employees are required to complete new-hire and annual information security, privacy, and data protection compliance training.

We 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) and the California Consumer Privacy Act.

## Business Continuity

Teradata continuously identifies and tests key critical business processes to ensure business continuity. We execute business continuity plans to ensure we maintain our high standard of business performance, and refine them in response to both enterprise-level and localized events.

## Political Activities

Teradata's Political Activities Policy Statement provides that the Company 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. Teradata is a member of the Information Technology Industry Council, the premier global advocate for the technology industry. Our membership enables our participation in industry-wide collaboration with worldwide governments and the World Trade Organization on policy that enables innovation.

# Supply Chain

# Management approach

At Teradata, we hold our supply chain partners to high ethical standards. Our supply chain management approach encompasses direct and indirect suppliers, and addresses human rights, supplier diversity, and mineral sourcing.

We are working closely with our suppliers to convey our expectations, monitor compliance, and take corrective actions if needed. We have a Supplier Code of Conduct that incorporates the Teradata Code of Conduct with standards from the Responsible Business Alliance (RBA) and United Nations Global Compact. By adopting the principles of the RBA Code of Conduct, Teradata supports electronics/hardware industry commitments regarding labor, health, safety, the environment, ethics, and management systems.

All vendors must commit to and certify compliance with our standards. They may make this commitment and certification via 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.

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 are in constant communications with our Tier 1 direct manufacturing suppliers, which accounts for 95% of our spend. We have an Environmental Management System supplier that has ISO 14001 environmental management certification and is a founding member of the RBA. We periodically assess production facilities and corporate procedures for adherence to the Supplier Code of Conduct. To support this process, Teradata works with our EMS partner to employ an assessment tool based directly on the standards of the RBA Code of Conduct.

## Our Suppliers

Teradata has 4,783 suppliers from 43 countries.[3] Our main types of suppliers are software, data management, facilities operations, and services such as advertising, legal, and staffing.

## Human Rights

We firmly believe in the right of all people to fairness, dignity, and respect. Upholding these rights is fundamental to our values, and we are committed to protecting human rights throughout our operations. We protect the rights of vulnerable groups and view violations such as slavery and human trafficking as gross abuses of human rights. Teradata implements and enforces systems and controls to help ensure they do not occur anywhere in Teradata's own business or in that of our supply chains, including compliance with laws such as the UK Modern Slavery Act.

"Integrity is at the heart of Teradata. Respecting the value of all people is central to the way we do business, and the basis for efforts to ensure a supply chain that benefits all involved."

**John Bowman**
Teradata Senior Director, Supplier Operations

3 As of 12/31/2020

# United Nations Global Compact

Teradata has adopted the UN Global Compact, which incorporates principles from the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work which apply across our value chain to include suppliers. We also make annual financial contributions to the UN Global Compact Foundation to support the UN Global Compact's mission.

## Conflict Minerals

We have a responsibility to ensure that the materials used in our supply chain are ethically sourced. This includes tin, tantalum, tungsten, gold, and their derivatives (3TG). The sale and use of 3TG from the Democratic Republic of the Congo (DRC)

region of Africa has been linked to human rights violations. Teradata is part of the Responsible Minerals Initiative and has adopted a Conflict Minerals Policy that prohibits the inclusion of Conflict Minerals known to have originated from DRC conflict perpetrators in our products and their components.

In 2020, we established a Conflict Minerals Committee, which oversees our efforts to ensure that our products are free from conflict minerals. We implement supply chain tracking and other due diligence on our suppliers, such as records auditing, and issue a Conflict Minerals Report annually.

## Supplier Diversity

Teradata understands that a diverse supplier base promotes innovation and drives inclusive economic growth. We are committed to doing business and encouraging our vendors to do business with suppliers who are minorities, women, veterans, disabled veterans, LGBTQ, and small business enterprises. We recognize third-party certifications, track and monitor our diverse spend, and identify areas of opportunity and growth.

In 2020, Teradata implemented a formal Supplier Diversity Policy Statement, signed by our CEO, which affirms that certified diverse suppliers have the maximum opportunity to participate in providing products and services to Teradata.

Supplier diversity is managed through our global procurement organization, which helps facilitate introductions to internal stakeholders and ensure diverse supplier opportunities. Reports on our diverse spend are shared regularly with senior management to ensure progress. We also participate in membership organizations and conferences in order to source diverse suppliers, including:

- United States Hispanic Chamber of Commerce Conference
- National Minority Supplier Development Council Conference
- TechSCALE (Supply Chain Access, Leadership, and Equity), a nonprofit organization focused on advancing supplier diversity in the technology sector

As we transform our organization to a cloud-based business, our spending is shifting. We are using this opportunity to further the growth of diversity in our supply chain. In 2020, we launched a Supplier Diversity Plan that outlines Teradata's policy, objectives, efforts, administration, and reporting, as well as practices to facilitate opportunity for certified diverse suppliers. We are establishing a baseline measurement of supplier diversity to help us understand our progress in this area.

## TECH:SCALE LIVE

### VIRTUAL CONFERENCE

As a technology corporate member, Teradata exhibited in a virtual booth at the

## tech:SCALE Live virtual conference,

an event designed to educate and empower diverse businesses and create a space for networking opportunities between suppliers and corporate members. Along with exhibiting, Teradata attended the diverse vendors showcase, where diverse vendors across a range of services showcased their products and services.

# Products and Services

# Changing how the world uses data to achieve better outcomes

**Teradata technology offers modern, flexible products and services that help shape the future by solving both business and global issues. We provide the analytics capabilities that our customers need to succeed and innovate.**

We consider not only the viability of our products and solutions in the marketplace, but also the environmental impact. Teradata complies with applicable laws and regulations in all countries in which it operates. We conduct comprehensive due diligence throughout the product lifecycle to ensure compliance. We strive to exceed compliance requirements and seek to maximize opportunities for energy efficiency, recycling, and reuse. We believe this approach benefits our business, our customers, and the environment.

**Our Commitment to Sustainability in Our Products**

We design technology for the future, as our customers demand powerful cloud-based platform data warehousing and analytic offerings that are capable of meeting increasingly stringent worldwide energy standards focused on reducing consumption and waste of the Earth's precious natural resources, including efficient usage of power and water, as well as space efficiency. Our objective is to provide our customers with best-in-class products that are not only highly scalable, but environmentally

sustainable as well. To that end, we continuously seek technology advancements and alternatives to improve performance-per-watt, reduce cooling requirements, and reduce data center floorspace needs for our customers. Our cloud-based solutions are designed to enable customers to scale their system resources to meet dynamic business requirements to ensure the "right-sizing" of systems for optimal power and consumption efficiency.

"Data abounds, and with it the potential to make the world a better place. Teradata solutions make so much possible with the cloud. We are unlocking value that will build the future."

**Hillary Ashton**
Teradata Chief Product Officer

# Cloud transformation

As data use increases globally, databases are increasingly deployed in or migrated to the cloud. Teradata is highly focused on cloud deployment. This enables our customers to enhance their analytics while saving time, money, space, and energy. Our cloud partners are creating energy efficiency through the cloud's aggregation of supply and demand, consolidated machine use, and increased utilization rate[3]. By making our software available on the cloud, Teradata gives customers the opportunity to deploy in more environmentally efficient domains. Each of our cloud partners has achieved carbon neutrality or has committed to doing so, and is increasing use of renewable energy sources.

aws    Google Cloud    Microsoft

3 https://sustainability.aboutamazon.com/carbon_reduction_aws.pdf
https://cloud.google.com/sustainability
https://download.microsoft.com/download/7/3/9/739BC4AD-A855-436E-961D-9C95EB51DAF9/Microsoft_Cloud_Carbon_Study_2018.pdf
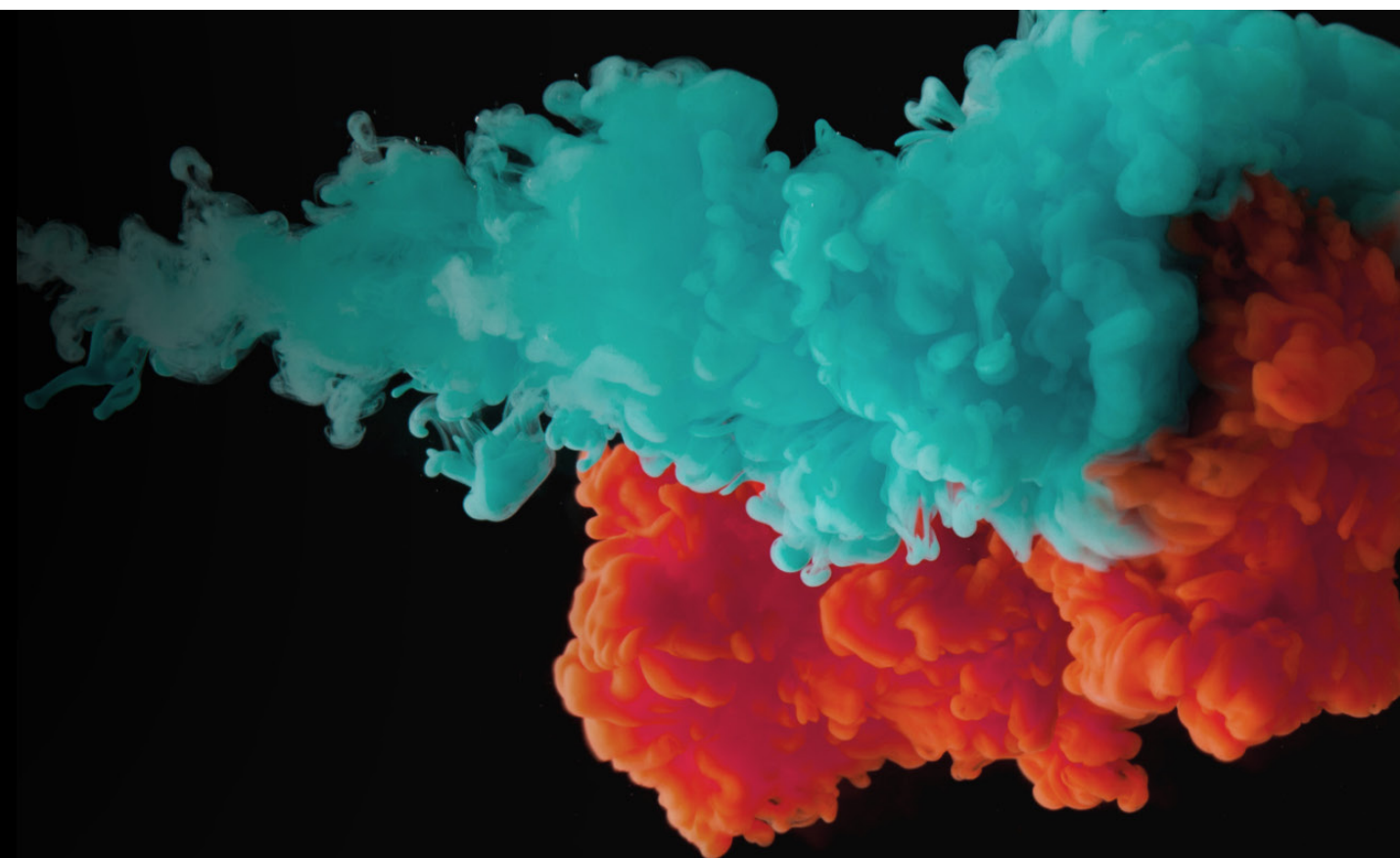
# Energy efficiency strategies in our product design

Technology innovation is increasing the energy consumption required for processing and cooling, while also increasing cost for our customers. As a business driver, Teradata seeks technology alternatives in our hardware and software to increase power efficiency and reduce cooling requirements in data center environments as part of our product design process.

Our offerings are designed to increase the efficiency of our customers' analytics, and we strive to support the efficiency of their energy use through our designs, including:

### Data Platforms
Teradata solutions are specialized to specific tasks, which makes them more efficient than those that are built for general purpose.

### Server Virtualization
Virtualization enables greater energy efficiency in data centers by replacing a large number of lightly used servers with smaller, fully utilized servers, an approach that requires less power and enables storage on the more energy–efficient disks.

## Resiliency Dashboard

From the beginning of the pandemic, Teradata solutions have been leveraged to develop data-driven analytics to enhance the ability of governments and business to respond, saving lives and livelihoods.

**An example is the Resiliency Dashboard, an easy-to-modify tool that integrates critical publicly available data sources with customized data. Our customers used the tool in a number of ways, including as:**

The foundation for a software company's pandemic response plan, determining which office locations could safely be open, under what guidelines, and with what travel restrictions.

A method for a global HR team to identify the most vulnerable employees and enable outreach to those at the highest risk of COVID-19 complication, as well as manage mental and physical health issues related to isolation.

A predictive model for a communications company to avoid potential issues and ensure better service for the hundreds of millions of people at home sharing limited internet and cellular infrastructure for work and school.

Insights for a national retailer's direct marketing with profitability and productivity metrics for in-store, online, and curbside options.
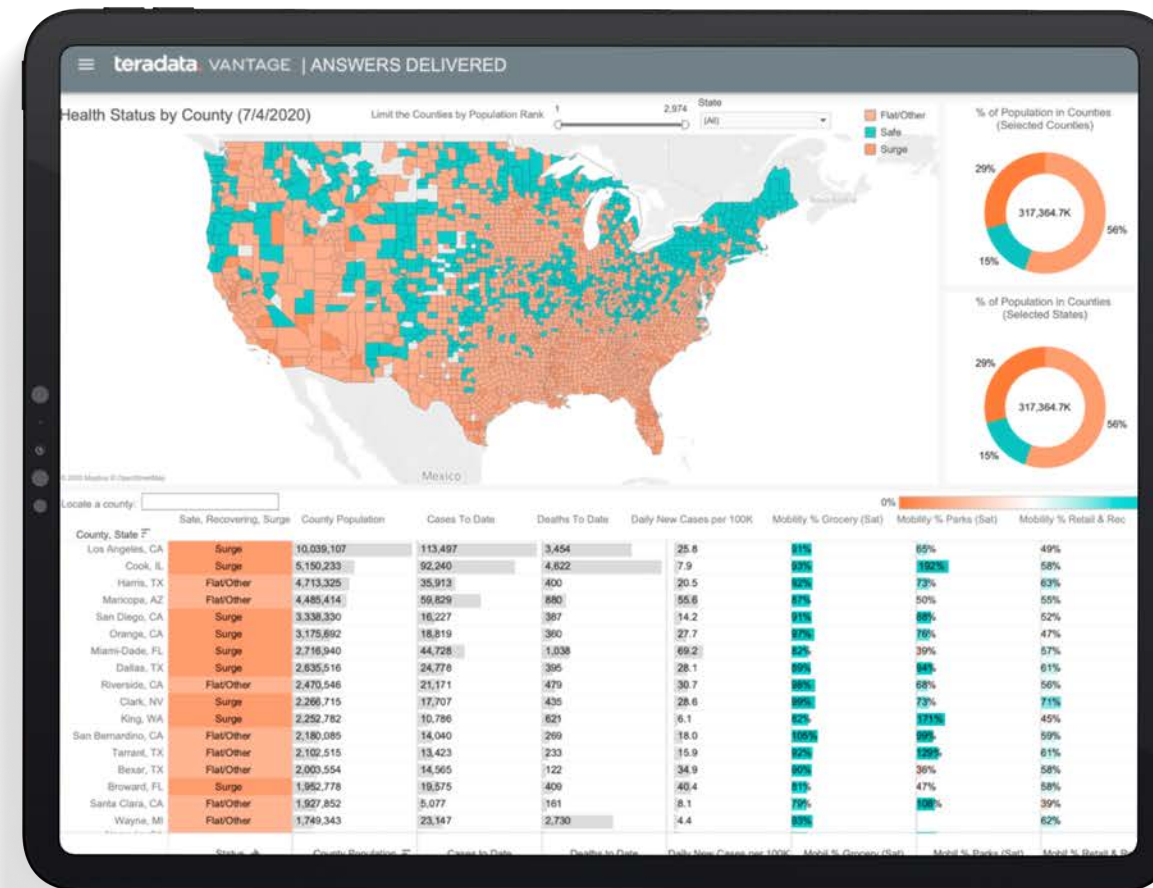
## Product Reuse and Recycling

Teradata's global end-of-life hardware management initiatives extend the life of replaced systems, mitigate the environmental impact of disposal, and reduce the production of new parts and systems.

**Last year, more than 49 tons of hardware from replaced systems were reused. Systems are reused in several ways:**

Spare parts from disassembled systems are used to service the installed base of systems around the world.

Discontinued platforms with the same generation of equipment are upgraded.

Parts are used for upgrades to meet growth requirements.

Systems are reconfigured and redeployed internally for research and development and lab systems.

Systems beyond their economic and functional life are recycled. Equipment is broken down, sorted, and shredded into various material categories such as drives, circuit boards, wire, plastics, and metals for further refining. Our recycling partners are ISO 14001:2004 certified and meet or exceed all federal, state, and local environmental standards and practices.
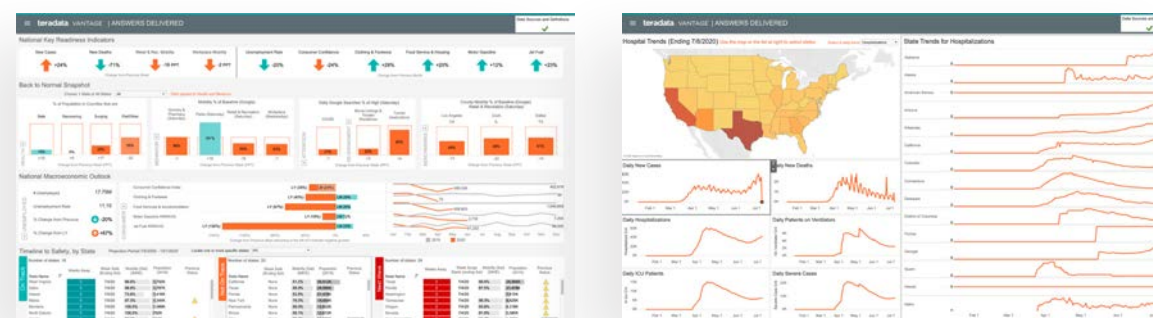
# About this Report

# About this report

## Teradata has published this report to provide an overview of our company's operations related to environmental, social, and governance. This report is for the calendar year ending December 31, 2020.

Unless otherwise noted, the scope of this report includes information from Teradata's global operational footprint. We have noted any significant changes in scope and boundary throughout the report that may vary from our 2019 report, which was published in 2020.

We self-declare that this report is in accordance with the Global Reporting Initiative (GRI) Standard framework at the core level. As required, a GRI Index at the end of this report shows our alignment with GRI reporting elements and our material topics. We intend to continue to report annually.

This report was guided by the Sustainability Accounting Standard Board (SASB). Environmental, social, and governance content collected, assessed, and disclosed includes quantitative and qualitative information that reflects Teradata's approach to long-term value creation. An SASB Index provides details of material disclosures and activities.

This report also constitutes the Teradata Communication On Progress (COP) that is a part of our obligation as a signatory to the UN Global Compact.

For additional information regarding this report and its contents, please visit our website at www.teradata.com. You may also contact:

**Alan Lord**
Director, Supplier Operations
Email: alan.lord@teradata.com
714 South Lake Drive Suite 200
Lexington, SC 29072

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Statements in this report relating to Teradata's future plans, expectations, beliefs, intentions and prospects, such as statements regarding our future ESG-related expectations and goals (including, without limitation, our greenhouse gas management program goal, our expectations regarding increased diversity in our hiring and overall workforce in 2021, and our plans and activities to reduce our energy usage and emissions) are forward-looking statements. These forward-looking statements are based upon current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially, including the factors described from time to time in Teradata's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent quarterly reports on Forms 10-Q, as well as the Company's annual report to stockholders. Teradata does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

# Global Reporting Initiative (GRI) Content Index

The Environmental, Social, and Governance (ESG) Report is prepared in accordance with the GRI Standards Core Guidelines and reflects performance in calendar year 2020. We report annually on the ESG topics that were identified through our 2017 materiality topics assessment process and that we believe represent Teradata's priority economic, environmental, and social impact.

## General Disclosures

| Disclosure | | Response, Page, or Link |
|---|---|---|
| **102** | **Organizational Profile** | |
| 102 – 1 | Name of the organization | Teradata Corporation |
| 102 – 2 | Activities, brands, products, and services | 2020 ESG Report: About Teradata – p 4 – 7<br>2020 ESG Report: Products and Services – p 48 – 51 |
| 102 – 3 | Location of headquarters | 2020 ESG Report: About Teradata – p 5 – 6 |
| 102 – 4 | Location of operations | 2020 ESG Report: About Teradata – p 5 – 6 |
| 102 – 5 | Ownership and legal form | 2020 ESG Report: About Teradata – p 5 |
| 102 – 6 | Markets served | 2020 ESG Report: About Teradata – p 7 |
| 102 – 7 | Scale of the organization | 2020 ESG Report: About Teradata – p 5 – 7 |

| Disclosure | | Response, Page, or Link |
|---|---|---|
| 102 – 8 | Information on employees and other workers | 2020 ESG Report: About Teradata – p 6<br>2020 ESG Report: People – p 21 – 22 |
| 102 – 9 | Supply chain | Teradata has 4,783 suppliers from 43 countries. Our main types of suppliers are software, data management, facilities operations, and services, such as advertising, legal and staffing.<br><br>2020 ESG Report: Supply Chain – p 45 – 47 |
| 102 – 10 | Significant changes to the organization and its supply chain | No significant changes to the organization and its supply chain. |
| 102 – 11 | Precautionary principle or approach | As a signatory of the United Nations Global Compact, Teradata affirms Principle 15 of the 1992 Rio Declaration that states, "…where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation". |

## General Disclosures (continued)

| Disclosure | | Response, Page, or Link |
|---|---|---|
| **102** | **Organizational Profile (continued)** | |
| 102 – 12 | External initiatives | CDP (formerly the Carbon Disclosure Project) |
| | | CEO Action Pledge for Diversity & Inclusion |
| | | Global Reporting Initiative |
| | | Sustainability Accounting Standards Board |
| | | United Nations Global Compact |
| 102 – 13 | Membership of associations | Boston College Center for Corporate Citizenship |
| | | National Minority Supplier Development Council Conference |
| | | Responsible Materials Initiative |
| | | TechSCALE (Supply Chain Access, Leadership and Equity) |
| | | United States Hispanic Chamber of Commerce Conference |
| **102** | **Strategy** | |
| 102 – 14 | Statement from senior decision-maker | 2020 ESG Report: A Letter from our CEO – p 2 |
| 102 – 15 | Key impacts, risks, and opportunities | 2020 ESG Report: Corporate Responsibility Approach – p 10 – 13 |
| **102** | **Ethics and Integrity** | |
| 102 – 16 | Values, principles, standards, and norms of behavior | 2020 ESG Report: People – p 15, 18 |

| Disclosure | | Response, Page, or Link |
|---|---|---|
| 102 – 17 | Mechanisms for advice and concerns about ethics | 2020 ESG Report: Governance – p 40 – 42 |
| **102** | **Governance** | |
| 102 – 18 | Governance structure | 2020 ESG Report: Governance – p 39 – 40 |
| | | Proxy Statement – p 13 – 23 |
| 102 – 19 | Delegating authority | 2021 Proxy Statement – p 31 – 32 |
| 102 – 20 | Executive-level responsibility for economic, environmental, and social topics | Chief Legal Officer |
| 102 – 21 | Consulting stakeholders on economic, environmental, and social topics | 2020 ESG Report: Corporate Responsibility Approach – p 10 – 13 |
| 102 – 22 | Composition of the highest governance body and its committees | 2020 ESG Report: Governance – p 39 – 40 |
| | | 2021 Proxy Statement – p 13 – 23 |
| 102 – 23 | Chair of the highest governance body | Our Board is led by an independent, non-executive Chairman. |
| | | 2020 ESG Report: Governance – p 39 – 40 |
| | | 2021 Proxy Statement – p 13 – 23 |

## General Disclosures (continued)

| Disclosure | | Response, Page, or Link |
|---|---|---|
| **102** | **Governance (continued)** | |
| 102 - 24 | Nominating and selecting the highest governance body | 2020 ESG Report: Governance - p 39 – 40<br>2021 Proxy Statement – p 13 - 23 |
| 102 - 25 | Conflicts of interest | 2021 Proxy Statement – p 24 |
| 102 - 26 | Role of highest governance body in setting purpose, values, and strategy | 2020 ESG Report: People - p 15 |
| 102 - 27 | Collective knowledge of highest governance body | 2020 ESG Report: Governance - p 39 - 40 |
| 102 - 28 | Evaluating the highest governance body's performance | 2020 ESG Report: Governance - p 39 - 40<br>2021 Proxy Statement – p 41 - 42 |
| 102 - 29 | Identifying and managing economic, environmental, and social impacts | 2020 ESG Report: Corporate Responsibility Approach - p 10 - 12 |
| 102 - 31 | Review of economic, environmental, and social topics | 2020 ESG Report: Corporate Responsibility Approach - p 11 - 12<br>2020 ESG Report: Governance - p 39 - 40 |
| 102 - 32 | Highest governance body's role in sustainability reporting | 2020 ESG Report: Corporate Responsibility Approach - p 11 - 12<br>2020 ESG Report: Governance - p 39 - 42 |

| Disclosure | | Response, Page, or Link |
|---|---|---|
| 102 - 33 | Communicating critical concerns | Teradata Code of Conduct: Raising Concerns. https://www.teradata.com/About-Us/Corporate-Governance/Code-of-Conduct |
| 102 - 34 | Nature and total number of critical concerns | There were no reports of significant violations in 2020. |
| 102 - 35 | Remuneration policies | 2021 Proxy Statement – p 34 - 56 |
| 102 - 36 | Process for determining remuneration | 2021 Proxy Statement – p 34 - 56 |
| 102 - 37 | Stakeholders' involvement in remuneration | 2021 Proxy Statement – p 34 - 56 |
| 102 - 38 | Annual total compensation ratio | 2021 Proxy Statement – p 69 |
| 102 - 39 | Percentage increase in annual total compensation ratio | 2021 Proxy Statement – p 69 |
| **102** | **Stakeholder Engagement** | |
| 102 - 40 | List of stakeholder groups | 2020 ESG Report: Corporate Responsibility Approach - p 12 |
| 102 - 41 | Collective bargaining agreements | Teradata is not party to any collective bargaining agreements. |

## General Disclosures (continued)

| Disclosure | | Response, Page, or Link |
|---|---|---|
| **102** | **Stakeholder Engagement (continued)** | |
| 102 – 42 | Identifying and selecting stakeholders | 2020 ESG Report: Corporate Responsibility Approach – p 11 – 12 |
| 102 – 43 | Approach to stakeholder engagement | 2020 ESG Report: Corporate Responsibility Approach – p 11 – 12 |
| 102 – 44 | Key topics and concerns raised | 2020 ESG Report: Corporate Responsibility Approach – p 11 – 12 |
| **102** | **Reporting Process** | |
| 102 – 45 | Entities included in the consolidated financial statements | 2020 Form 10-K – p 36 – 37 |
| 102 – 46 | Defining report content and topic boundaries | 2020 ESG Report: About This Report – p 53 |
| 102 – 47 | List of material topics | 2020 ESG Report: Corporate Responsibility Approach – p 11 – 12 |

| Disclosure | | Response, Page, or Link |
|---|---|---|
| 102 – 48 | Restatements of information | Teradata has revised energy and greenhouse gas emissions data for 2018 and 2019 to include leased facility space where energy use is inclusive in lease or unavailable. Energy and GHG emissions revisions are based on commercial energy use data compiled by the U.S. Energy Information Administration. https://www.eia.gov/consumption/commercial/data/2012/c&e/cfm/pba4.php |
| 102 – 49 | Changes in reporting | There were no significant changes to the reporting in 2020. |
| 102 – 50 | Reporting period | January 1, 2020 – December 31, 2020 |
| 102 – 51 | Date of most recent report | July 2020 |
| 102 – 52 | Reporting cycle | Annual |
| 102 – 53 | Contact point for questions regarding the report | teradatacares@teradata.com |
| 102 – 54 | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option. |
| 102 – 55 | GRI Content Index | 2020 ESG Report: Content Index – p 54 – 65 |
| 102 – 56 | External assurance | No information in this report has been externally assured. |

## Economic Disclosures

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 201 | Economic Performance | 201 – 1 | Direct economic value generated and distributed | 2020 Form 10-K – p <u>33</u> – <u>43</u> | 2020 Form 10-K – p <u>33</u> – <u>37</u><br>2020 ESG Report: About Teradata – p <u>4</u> |
| | | 201 – 2 | Financial implications and other risks and opportunities due to climate change | | 2020 Form 10-K – p <u>21</u> – <u>22</u><br>2020 ESG Report: Facilities – p <u>27</u> – <u>28</u> |
| | | 201 – 3 | Defined benefit plan obligations and other retirement plans | | 2020 Form 10-K – p <u>70</u> – 75<br>2020 ESG Report: People – p <u>25</u> |
| | | 201 – 4 | Financial assistance received from government | | Teradata does not receive financial assistance from a government entity. |
| | | 203 – 2 | Significant indirect economic impacts | | Teradata developed the COVID360 Initiative to help countries restart their economies in the post-pandemic world.  This analysis is delivering in a visual dashboard that enables governing bodies to make efficient decisions to take actions to slow the spread of the disease and save lives. |
| 205 | Anti-Corruption | 205 – 1 | Operations assessed for risks related to corruption | 2020 ESG Report: Governance – p <u>39</u> – <u>40</u> | Teradata regularly monitors compliance with our Code of Conduct and related policies and procedures globally. |
| | | 205 – 2 | Communication and training about anti-corruption policies and procedures | | 2020 ESG Report: Governance – p <u>40</u> |
| | | 205 – 3 | Confirmed incidents of corruption and actions taken | | There were no reports of significant violations in 2020. |

## Economic Disclosures (continued)

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 206 | Anti-Competitive Behavior | 206 - 1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Teradata Code of Conduct | There are no such current or concluded legal actions. An investigation into potential bid collusion for one particular customer transaction was started in South Korea in Q2 2019 but, after low-level initial activity, has been dormant since that date with no sign currently that it will be reactivated. |
| 207 | Tax | 207 - 1 | Approach to tax | Teradata's Global Tax Policy | Teradata's Global Tax Policy<br>Form 10-K: Effective Tax Rate - p 42 |

## Environmental Disclosures

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 301 | Materials | 301 – 2 | Recycled input materials used | 2020 ESG Report: Products and Services – p 49 – 51 | Over the past 16 years, Teradata has reused more than 4700 nodes and 55.9 PB of disks—an increase of 6 percent and 15 percent, respectively, over last year. |
| | | | | | 2020 ESG Report: Products and Services – p 49 – 51 |
| | | 301 – 3 | Reclaimed products and their packaging materials | | Over the past 16 years, Teradata has reused more than 4700 nodes and 55.9 PB of disks—an increase of 6 percent and 15 percent, respectively, over last year. |
| | | | | | 2020 ESG Report: Products and Services – p 49 – 51 |
| 302 | Energy | 302 – 1 | Energy consumption within the organization | 2020 ESG Report: Facilities – p 27 – 28 | 2020 ESG Report: Facilities – p 27 – 28 |
| | | 302 – 3 | Energy intensity | | 2020 ESG Report: Facilities – p 28 |
| | | 302 – 4 | Reduction of energy consumption | | 2020 ESG Report: Facilities – p 28 |
| | | 302 – 5 | Reduction in energy requirements of products and services | 2020 ESG Report: Products and Services – p 49 – 51 | 2020 ESG Report: Products and Services – p 49 – 51 |
| 303 | Water and Effluents | 303 – 1 | Interactions with water as a shared resource | 2020 ESG Report: Facilities – p 27, 30 | 2020 ESG Report: Facilities – p 30 |
| | | 303 – 3 | Water withdrawal | | 2020 ESG Report: Facilities – p 30 |
| | | 303 – 5 | Water consumption | | 2020 ESG Report: Facilities – p 30 |

## Environmental Disclosures (continued)

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 305 | Emissions | 305 – 1 | Direct (Scope 1) GHG emissions | 2020 ESG Report: Facilities – p 27 – 28 | 2020 ESG Report: Facilities – p 28 |
| | | 305 – 2 | Energy indirect (Scope 2) GHG emissions | | 2020 ESG Report: Facilities – p 28 |
| | | 305 – 5 | Reduction of GHG emissions | | 2020 ESG Report: Facilities – p 28 |
| 306 | Waste | 306 – 1 | Waste generation and significant waste-related impacts | 2020 ESG Report: Facilities – p 27, 30 | 2020 ESG Report: Facilities – p 30 |
| | | 306 – 2 | Management of significant waste-related impacts | | 2020 ESG Report: Facilities – p 30 |
| | | 306 – 3 | Waste generated | | 2020 ESG Report: Facilities – p 30 |
| | | 306 – 4 | Waste diverted from disposal | | 2020 ESG Report: Facilities – p 30 |
| | | 306 – 5 | Waste directed to disposal | | 2020 ESG Report: Facilities – p 30 |
| 307 | Environmental Compliance | 307 – 1 | Non-compliance with environmental laws and regulations | ESG Report: Governance – p 39 – 41 | Teradata had zero violations of environmental laws and/or regulations. |
| 308 | Supplier Environmental Assessment | 308 – 1 | New suppliers that were screened using environmental criteria | ESG Report: Supply Chain – p 46 – 47 | 100% of all manufacturing partners are required to be ISO 14001. In addition, a third-party risk assessment is conducted of suppliers. |

## Social Disclosures

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 401 | Employment | 401 – 1 | New employee hires and employee turnover | 2020 ESG Report: People – p 15 – 18 | 2020 ESG Report: People – p 25 |
| | | 401 – 2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | | 2020 ESG Report: People – p 25 |
| 403 | Occupational Health and Safety | 403 – 1 | Occupational health and safety management system | 2020 ESG Report: People – p 15 – 18, 25 | 2020 ESG Report: People – p 25 |
| | | 403 – 2 | Hazard identification, risk assessment, and incident investigation | | 2020 ESG Report: People – p 25 |
| | | 403 – 4 | Worker participation, consultation, and communication on occupational health and safety | | 2020 ESG Report: People – p 25 |
| 404 | Training and Education | 404 – 1 | Average hours of training per year per employee | 2020 ESG Report: People – p 15 – 18, 24 – 25 | Teradata employees participated in 90,602 hours of training in 2020, an average of 12 hours per person. Hours at Teradata University training in 2020.<br><br>2020 ESG Report: People – p 24 - 25 |
| | | 404 – 2 | Programs for upgrading employee skills and transition assistance programs | | 2020 ESG Report: People – p 24 - 25 |

## Social Disclosures (continued)

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 405 | Diversity and Equal Opportunity | 405 – 1 | Diversity of governance bodies and employees | 2020 ESG Report: People – p 15 – 24 | 2020 ESG Report: People – p 21 – 24<br>2020 ESG Report: Governance – p 39 |
| | | 405 – 2 | Ratio of basic salary and remuneration of women to men | | We have conducted formal and informal pay equity audits which indicated that we pay our employees equitably. We also evaluate pay across all Teradata positions through a third party to ensure it is fair and equitable. |
| 408 | Child Labor | 408 – 1 | Operations and suppliers at significant risk for incidents of child labor | 2020 ESG Report: Supply Chain – p 46 – 47 | We adhere to the Responsible Business Alliance Code of Conduct. No operations and suppliers are at significant risk for incidents of child labor. |
| 409 | Forced or Compulsory Labor | 409 – 1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 2020 ESG Report: Supply Chain – p 46 – 47 | We adhere to the Responsible Business Alliance Code of Conduct. No operations and suppliers are at significant risk for incidents of forced or compulsory labor. |
| 412 | Human Rights Assessment | 412 – 2 | Employee training on human rights policies or procedures | 2020 ESG Report: Governance – p 39 – 43 | All employees are trained annually on the Teradata Code of Conduct which expressly addresses human rights issues. Additionally, our Supplier and Business Partner Codes of Conduct incorporate standards of conduct and principles related to human rights including the Responsible Business Alliance Code of Conduct, the United Nations Global Compact Principles, and all related laws and practices. |

## Social Disclosures (continued)

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 412 | Human Rights Assessment (Continued) | 412 - 3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | 2020 ESG Report: Supply Chain - p 46 - 47 | 2020 ESG Report: Supply Chain - p 46 |
| 413 | Local Communities | 413 - 1 | Operations with local community engagement, impact assessments, and development programs | 2020 ESG Report: Teradata Cares - p 32 - 37 | 2020 ESG Report: Teradata Cares - p 32 - 37 |
| 414 | Supplier Social Assessment | 414 - 1 | New suppliers that were screened using social criteria | 2020 ESG Report: Supply Chain - p 46 - 47 | 100% of all manufacturing partners' facilities are ISO 14001. In addition, a third-party risk assessment is conducted of suppliers. |
| 415 | Public Policy | 415 - 1 | Political contributions | 2020 ESG Report: Governance - p 39 - 40, 44 | 2020 ESG Report: Governance - p 44 Political Activity Policy Statement |
| 417 | Marketing and Labeling | 417 - 1 | Requirements for product and service information and labeling | | The following country requirements are observed during our release process: USA, Canada, European Union, Europe Global, Japan, Australia/New Zealand, India, China, and Taiwan. All products require some type of certification or environmental label. A product cannot be released unless it has passed all current regulatory standards including the presence of all appropriate certification and environmental labeling. |
| | | 417 - 2 | Incidents of non-compliance concerning product and service information and labeling | | No incidents of non-compliance concerning product and service information and labeling. |

## Social Disclosures (continued)

| GRI Standard | | Disclosure | | Management Approach | Response, Page, or Link |
|---|---|---|---|---|---|
| 418 | Customer Privacy | 418 – 1 | Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data | 2020 ESG Report: Governance – p 39 – 40, 44 | There have been no such data breaches by Teradata or where Teradata has been required to notify users. |
| 419 | Socioeconomic Compliance | 419 – 1 | Non-compliance with laws and regulations in the social and economic area | 2020 ESG Report: Governance – p 39 – 40 | Teradata had zero violations of social and economic laws and/or regulations. |

# Sustainability Accounting Standards Board (SASB) Index

The Environmental, Social, and Governance (ESG) Report includes financially material sustainability topics and their associated metrics identified by SASB and considered material to Teradata's business. Teradata reports topics and standards for the Technology and Communications Sector – Software and IT Service (2018).

| Topic | Accounting Metric | Unit of Measure | Code | Disclosure |
|---|---|---|---|---|
| Environmental Footprint of Hardware Infrastructure | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Gigajoules (GJ), Percentage (%) | TC-SI-130a.1 | 1. 153511.2 Gigajoules<br>2. 100%<br>3. 38% |
| | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Thousand cubic meters (m³), Percentage (%) | TC-SI-130a.2 | 1. 41,390 m³<br>2. Not disclosed. Water consumption is not material to Teradata's business.<br><br>Water data includes US locations with most significant water footprint only. |
| | Discussion of the integration of environmental considerations into strategic planning for data center needs | n/a | TC-SI-130a.3 | ESG Report – Facilities – Management Approach – p 27 - 28 |

| Topic | Accounting Metric | Unit of Measure | Code | Disclosure |
|---|---|---|---|---|
| Data Privacy & Freedom of Expression | Description of policies and practices relating to behavioral advertising and user privacy | n/a | TC-SI-220a.1 | ESG Report – Governance – Data Privacy and Protection – p 44<br>Teradata Privacy Policy |
| | Number of users whose information is used for secondary purposes | Number | TC-SI-220a.2 | 0 |
| | Total amount of monetary losses as a result of legal proceedings associated with user privacy | Reporting currency | TC-SI-220a.3 | $0 |
| | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | Number, Percentage (%) | TC-SI-220a.4 | 1. 0<br>2. 0<br>3. 0% |
| | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | n/a | TC-SI-220a.5 | Based on our current understanding there are no countries monitoring, blocking, content filtering, or censoring our core products and service. |

| Topic | Accounting Metric | Unit of Measure | Code | Disclosure |
|---|---|---|---|---|
| Data Security | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected | Number, Percentage (%) | TC-SI-230a.1 | 1. O<br>2. O%<br>3. O<br><br>There have been no such data breaches by Teradata or where Teradata has been required to notify users. |
| | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | n/a | TC-SI-230a.2 | ESG Report - Governance - Data Privacy and Protection - p 44<br>Teradata Privacy Policy |
| Recruiting & Managing a Global, Diverse & Skilled Workforce | Percentage of employees that are (1) foreign nationals and (2) located offshore | Percentage of employees that are (1) foreign nationals and (2) located offshore | TC-SI-330a.1 | 1. Not disclosed. Not material to our business.<br>2. Not disclosed. Not material to our business. |
| | Employee engagement as a percentage | Percentage (%) | TC-SI-330a.2 | 71% |
| | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | Percentage (%) | TC-SI-330a.3t | Gender: 27% Female (All Roles - Global)<br>Asian: 25% (All Roles - U.S. only)<br>Black: 4% (All Roles - U.S. only)<br>Hispanic: 4% (All Roles - U.S. only)<br>Other: 2% (All Roles - U.S. only) |

| Topic | Accounting Metric | Unit of Measure | Code | Disclosure |
|---|---|---|---|---|
| Intellectual Property Protection & Competitive Behavior | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Reporting currency | TC-SI-520a.1 | $0 |
| Managing Systemic Risks from Technology Disruptions | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime | Number, Days | TC-SI-550a.1 | 1. Not disclosed.<br>2. Not disclosed.<br>3. Not disclosed. |
| | Description of business continuity risks related to disruptions of operations | n/a | TC-SI-550a.2 | ESG Report - Governance - Business Continuity - p 44 |

| Topic | Activity Metric | Unit of Measure | Code | Disclosure |
|---|---|---|---|---|
| Business Disclosures | 1) Number of licenses or subscriptions, (2) percentage cloud-based | Number, Percentage (%) | TC-SI-000.A | 1. Not disclosed.<br>2. Not disclosed. |
| | 1) Data processing capacity, (2) percentage outsourced | See note | TC-SI-000.B | 1. 5339 TCore<br>2. 0 % |
| | (1) Amount of data storage, (2) percentage outsourced | Petabytes, Percentage (%) | TC-SI-000.C | 1. 113 Petabytes Shipped<br>2. 0 % |

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