Becoming a Net-Zero bank requires more than just a green ambition

teradata.

Your Net-Zero future requires great vision and action

The journey to becoming a Net-Zero bank of the future begins with ambition. You will set ambitious targets to become Net-Zero, notably including all financed emissions, by 2050. You will also set challenging 2030 targets.

But ambition is not enough.

To meet these goals, you need to finance the companies and projects that will make a real difference. You need your own operations to become climate positive as soon as possible.

And, of course, you need to disclose precisely where you are on your green journey in line with the Taskforce on Climate-related Financial Disclosures (TCFD) and your Net-Zero commitment.

Is it possible to ensure business growth, an amazing customer experience, AND meet your Net-Zero ambitions all at the same time?

The answer requires a new perspective...

There is no short-term fix— You must transform

Let's face facts. Tactical projects that produce little long-lasting change litter the current business landscape when it comes to sustainability.

These are often small scale – "Pilot" projects that will... can... might... scale, once they have proven their worth and technology advances sufficiently. But proof never comes.

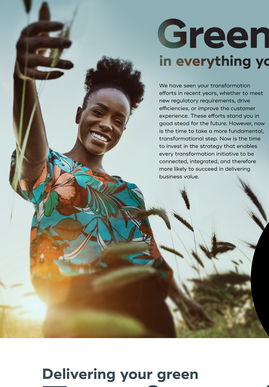
To turn your bank into a Net-Zero champion, you require more than tactical climate projects. Isolated initiatives – often rolled out to meet specific regulatory requirements – are not the answer.

What is needed is true visibility when it comes to climate risk and opportunity.

This can only be achieved by connecting 100% of your data – both structured and unstructured – with climate data. This will allow you to measure the current and future carbon impact of every aspect of your business and operations.

You can replace assumptions and "top down" estimates with real, reliable, and forward-looking data and insights. Enable and accelerate your transformation into the world's first Net-Zero bank.

Enable and accelerate your transformation into the world's first Net-Zero bank.



Green in everything you do

We have seen your transformation efforts in recent years, whether to meet new regulatory requirements, drive efficiencies, or improve the customer experience. These efforts stand you in good stead for the future. However, now is the time to take a more fundamental, transformational step. Now is the time to invest in the strategy that enables every transformation initiative to be connected, integrated, and therefore more likely to succeed in delivering business value.

The answer is to build on proven Teradata technology. With Teradata, you gain the ability to manage and analyze complex data at scale.

Teradata provides the data foundation for all bank activities, both across the businesses you finance and your own operations, to uncover gaps, risks, and opportunities.

All of this can be achieved with Teradata Vantage™ connecting every part of the business and providing the answers you need on how and where to transform.

Delivering your green Transformation

One efficient technology solution to deliver your Net-Zero ambition.

Sustainability

Make every initiative a sustainability initiative. Ensure sustainability is no longer a pure cost consideration, as projects can deliver provable, long-term profitability whilst also contributing to Net-Zero targets.

Data

Integrate multiple new climate data sources with existing enterprise data at pace and scale to turbo-charge your journey to becoming the Net-Zero bank of the future.

Customer Experience

Use your climate analytics capabilities to create new opportunities for customer engagement and new profitable business lines.

Resilience

Operational resilience has become just as pressing an issue as financial resilience. Regulators rightly have this as a priority, and the Net-Zero bank of the future will have resilience at its core. With Teradata, you are entirely cloud enabled with full control to move providers, with no vendor lock-in, further boosting your operational resilience.

Connect and empower every initiative

With your new green strategy, you'll be able to join and analyze your environmental impact data, whether from your own operations or the businesses you finance.

With advanced climate impact scenario analysis, you can see the entire picture, from the enterprise level right down to the most granular transaction or customer level.

You will be able to understand the impact of everything from a single mortgage to your entire balance sheet. And, just as importantly, you can better understand the journey your customers are on as they transition to a Net-Zero future.

From there, you can define meaningful, sustainable business KPIs, measure against existing KPIs, and ultimately realise the sustainability potential of every project or business initiative you undertake.

With Teradata, you can integrate all your data, including:

- **Financed emissions from every asset on the balance sheet**
- **All data to embed Net-Zero into strategic and day-to-day management decision making**
- **All data necessary for market-leading TCFD disclosure support**
- **Scenario analysis of every asset under both transition and physical risk scenarios**
- **Your own operations emissions from branches, offices, data centres, and all other facilities**
- **Environmental impact of partners and suppliers**

Embed Net-Zero into everything

Teradata employs an agile approach, delivered in three stages. Our processes are specifically designed to return value within the first 12 months.

1 Customer insights and engagement

Use the rich customer data you have already have in Teradata to provide climate impact insights to personal customers

Extend coverage to SMEs and corporate customers, opening up new climate impact services

Create new products and strategies to facilitate and incentivize green behaviours

Flexibly deploy next-generation analytics to produce insights

2 Build scenario analysis capability

Implement a multi-use, scalable scenario analysis engine to deepen climate risk understanding and insights

Assess reductions in financed emissions against financial metrics to identify optimal strategies to meet key goals

Detect complex, cross-enterprise interdependencies and their impact on financial outcomes and Net-Zero goals

Add artificial intelligence (AI), machine learning (ML), and 4D analytics to enhance models

Minimize the environmental impact of owned operations from end to end, with real-time decisioning across all business units and activities

3 Disclosure and management information

Calculate and report the environmental impact of all your financing activity and all operations

Embed the preparation and controls needed to meet what will soon be mandatory regulation in most jurisdictions, using formal financial reporting standards

Standardize TCFD disclosure information with those used by the business, seamlessly embedding climate risk

Understand drivers of emissions and apply "what if" analyses to accelerate progress toward key goals

Make your journey to Net-Zero profitable and cost effective

Your new sustainability strategy, powered by Teradata, can enable business opportunities while supporting the raft of ever-increasing regulatory requirements, such as:

Innovate new customer propositions that engage existing and net-new customers

Focus green funding and investment on the initiatives with the best combination of Net-Zero payoff and financial return

Manage your climate impact with agile, repeatable scenario analyses, converting a regulatory compliance issue into a compelling competitive advantage

Deliver on your TCFD commitments with leading-edge climate disclosures – fully auditable, totally reliable

Engage all your people on the journey to Net-Zero, mobilizing your existing talent to innovate

Green and meaningful.

Just a 1%, data-driven, climate change revenue opportunity, combined with a 5% compliance cost savings, will deliver material benefits in the first year of deployment.

We project these outcomes to be:

Revenue increase = $100 million p.a. (based on a current $10 billion p.a. revenue base)

Compliance cost saving = $50 million p.a. (based on a current $1 billion p.a. compliance investment cost)

Take the next step on your journey to a Net-Zero future

What we propose is not some miraculous panacea to make your bank Net-Zero overnight. What we will create together is the solid foundation to make true sustainability a reality.

Turn green cost into long-term profitability and competitive advantage by connecting every initiative, and prove the value each green project and business initiative can deliver.

Contact Teradata today to set up a meeting and discuss this further.

17095 Via Del Campo, San Diego, CA 92127 Teradata.com

The Teradata logo is a trademark, and Teradata is a registered trademark of Teradata Corporation and/or its affiliates in the U.S. and worldwide. Teradata continually improves products as new technologies and components become available. Teradata, therefore, reserves the right to change specifications without prior notice. All features, functions, and operations described herein may not be marketed in all parts of the world. Consult your Teradata representative or Teradata.com for more information.

© 2021 Teradata Corporation All Rights Reserved. Produced in U.S.A. 10-21

teradata.