

Management's discussion and analysis

Overview

Infosys is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients in 54 countries to create and execute strategies for their digital transformation.

Our vision is to build a globally-respected organization delivering the best-of-breed business solutions, leveraging technology, delivered by the best-in-class people. We are guided by our value system which motivates our attitudes and actions. Our core values are Client Value, Leadership by Example, Integrity and Transparency, Fairness, and Excellence (C-LIFE).

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable growth for our investors and contributing to the communities that we operate in. There are numerous risks and challenges affecting our business. These are discussed in the 'Risk factors' section in this Annual Report.



I. Industry structure and developments

Software and computing technology are transforming businesses in every industry around the world in a profound and fundamental way. During fiscal 2022, we witnessed an acceleration in the adoption of digital technologies as businesses attempted to reimagine their cost structures, increase business resilience and agility, personalize experiences for their customers and employees, and launch new and disruptive products and services.

For more information, refer to the *Operating context* section of the Integrated Report.

II. Opportunities and threats

Our strategy

Our clients and prospective clients are faced with transformative business opportunities due to advances in software and computing technology. These organizations are dealing with the challenge of having to reinvent their core offerings, processes and systems rapidly and position themselves as 'digitally enabled'. The journey to the digital future requires not just an understanding of new technologies and new ways of working, but a deep appreciation of existing technology landscapes, business processes and practices. Our strategy is to be a navigator for our clients as they ideate, plan and execute their journey to a digital future.

In 2018, we embraced a four-pronged strategy to strengthen our relevance with clients and drive accelerated value creation:

- Scale agile digital
- Energize the core
- Reskill our people
- Expand localization

For more information, refer to the *Strategy* section of the Integrated report.

COVID-19

At Infosys, as we continue in our endeavor to fight waves of the COVID-19 pandemic, our priority remains the safety and well-being of our employees, and business continuity for our clients. Business continuity programs were tested and practiced, and the processes were proven to be resilient. We received the ISO 22301 Business Continuity Management System certification for being a company with resilient processes.

For details of our COVID-19 initiatives, refer to the Board's report in this Integrated Annual Report.

Our strengths

We believe that we are well-positioned for the principal competitive factors in our business. With almost four decades of experience in managing the systems and workings of global enterprises, we believe we are uniquely positioned to help them steer through their digital transformation with our Digital Navigation Framework.

We offer end-to-end service offering capabilities in consulting, software application development, integration, maintenance, validation, enterprise system implementation, product engineering, infrastructure management and business process management.

We have built industry-specific domain and technology expertise, and capabilities in methodologies such as Design Thinking and agile software development. These give us the ability to articulate and demonstrate long-term value to our clients around the world, with whom we have deep, enduring and expansive relationships.

We have invested in building proprietary intellectual property in software platforms and products, such as Infosys Cobalt™, Finacle®, McCamish, Panaya, Meridian, Helix, Infosys Equinox, Wingspan, the Edge suite of products, Stater, Infosys Applied AI, CyberNext, Infosys Cortex and Infosys Live Enterprise Application Suite, which either amplify our own services or provide differentiated solutions for our clients' business processes.

We have continued to invest in Infosys Cobalt™ – a set of services, solutions and platforms for enterprises to accelerate their cloud journey. It offers 35,000 cloud assets and over 300 industry cloud solution blueprints.

We launched Infosys Equinox, our flagship digital commerce platform, a set of core microservices encompassing all digital commerce scenarios. This enables enterprises to rapidly build and deploy features across all touchpoints and channels, without the friction and challenges associated with existing legacy platforms.

We have perfected sophisticated service delivery and quality control processes, standards and frameworks, which have resulted in a track record of performance excellence and client satisfaction. Our Global Delivery Model effectively integrates global and local execution capabilities to deliver high-quality, seamless, scalable and cost-effective services for large-scale outsourcing of technology projects fueled by automation, intelligence and collaboration technologies.

We have nurtured premier ecosystem alliances with enterprise software companies, cloud providers and innovative startup companies to be able to offer holistic solutions to our clients.

We have the ability to attract and retain high-quality management and technology professionals, and sales personnel globally and at scale.

Our internal research and development teams identify, develop and deploy new offerings leveraging next-generation technologies. We have invested extensively in infrastructure and systems to enable learning and education across the enterprise at scale. These give us the ability to keep pace with ever-changing technology and how they apply to customer requirements.

We have a strong and well-recognized brand.

We have the financial strength to be able to invest in personnel and infrastructure to support the evolving demands of customers.

We maintain high ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of the Company and its customers.

Our competition

We experience intense competition in traditional services and see a rapidly-changing marketplace with new competitors in niche technology areas who are focused on agility, flexibility and innovation.

We typically compete with other large, global technology service providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end service capability and solutions, ability to scale, digital capabilities, established platforms, superior quality and process execution, distributed agile global delivery model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

We potentially see emerging competition to our services from niche software-as-a-service companies, cloud platform companies and, insourcing of technology services by the technology departments of our clients.

III. Financial condition

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of its financial statements, including the recoverability of carrying amounts of financial and non-financial assets. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of its financial statements.

Refer to the Standalone and Consolidated financial statements in this Integrated Annual Report for detailed schedules and notes.

1. Equity share capital

We have one class of shares – equity shares of par value ₹5 each. During the year, the movement in share capital was primarily on account of buyback of 5,58,07,337 shares resulting in a cash outflow of ₹9,200 crore.

2. Other equity comprises mainly reserves and surplus and other comprehensive income

The movement in retained earnings was on account of profit earned during the year, payment of dividends and buyback of equity. Changes in securities premium are mainly due to a decrease on account of the buyback of equity shares and an increase on account of the exercise of stock options. On a standalone level, other reserves include profit on transfer of business between entities under common control. The Group has made an irrevocable election to present the subsequent changes in fair value of certain instruments in other comprehensive income.

3. Property, plant and equipment

Additions to gross block were on buildings, plant and machinery, land acquired primarily in Bengaluru, Hiriyyur and Hyderabad in the current year and primarily in Bengaluru, Tumakuru and Hyderabad in the previous year.

4. Goodwill and other intangible assets

There was no addition to goodwill and other intangible assets in the current year.

5. Financial assets

A. Investments

On a standalone level, during the year, we invested additionally in our subsidiaries for operations and expansions.

Refer to *Annexure 1* to the *Board's report* for the statement pursuant to Section 129(3) of the Companies Act, 2013, for the summary of the financial performance of our subsidiaries. The audited financial statements and related information of subsidiaries will be available on our website, at www.infosys.com.

We invest in the startup ecosystem to gain access to innovation that, when combined with our services and solutions, can benefit our clients. These investments are typically minority equity positions in startup companies and / or venture capital funds.

Our investments comprise mutual funds, fixed maturity plan securities, tax-free bonds, non-convertible debentures, certificates of deposit, commercial paper and government securities. Certificates of deposit represent marketable securities of banks and eligible financial institutions for a specified time period and with a high credit rating by domestic credit rating agencies. Investments made in non-convertible debentures represent debt instruments issued by government-aided institutions and financial institutions with high credit rating. The majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. The Company invests after considering counterparty risks based on multiple criteria including Tier I capital, capital adequacy ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as per our risk management program.

B. Trade receivables

Days Sales Outstanding has reduced to 67 days in the current year from 71 days in the previous year due to the Management's strong focus on ensuring timely collection from clients.

C. Cash and cash equivalents

Our cash and cash equivalents comprise deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit-rating agencies which can be withdrawn at any point of time without prior notice or penalty on principal. Ratings are monitored periodically and the Company has considered the latest credit rating information to the extent available as at the date of approval of these financial statements.

D. Loans

We provide personal loans and salary advances to employees and loans to subsidiaries as per business requirement on a need base.

E. Other financial assets

Restricted deposits represent amounts deposited with financial institutions to settle employee-related obligations as and when they arise during the normal course of business. Unbilled revenues are classified as financial assets as right to consideration is unconditional and is due only after passage of time. Foreign currency forward and options contracts are entered into to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

6. Other assets

Unbilled revenues are classified as non-financial asset where the right to consideration is dependent on completion of contractual milestones. Withholding taxes and others represent local taxes payable in various countries in which we operate. Deferred contract cost mainly comprises the cost of obtaining a contract and the cost of fulfilling a contract recorded in accordance with Ind AS 115, *Revenue from Contracts with Customers*. We provide for gratuity, a defined benefit retirement plan ("Gratuity Plan"), covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

7. Deferred tax assets / liabilities

Net deferred tax asset comprising deferred tax assets less deferred tax liabilities has decreased primarily on account of temporary difference on Special Economic Zone Reinvestment Reserve, property, plant and equipment and on branch profit tax partially offset by deferred tax asset on credits related to branch profits and intangible assets.

8. Income tax assets / liabilities

Our net profit earned from providing software development and other services outside India is subject to tax in the country where we perform the work. Most of our taxes paid in countries other than India can be claimed as credit against our tax liabilities in India.

9. Financial liabilities

Liabilities for accrued compensation to employees include the provision for bonus, accrued salaries, incentives and retention bonus payable to the staff. Financial liability under option arrangements represents redemption liability towards Stater and HIPUS acquisitions to purchase / sell the corresponding minority stake. Accrued expenses represent amounts accrued for other operational expenses. Retention monies represent monies withheld on contractor payments, pending final acceptance of their work. Compensated absences are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Other financial liability includes financing arrangements entered into by the Company with a third party towards deferred contract cost assets.

10. Other liabilities

Withholding and other taxes payable represent local taxes payable in various countries in which we operate. Invoicing in excess of revenues are classified as unearned revenues. We provide for provident fund to eligible employees of Infosys, which is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company operates defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. These plans are managed by third-party fund managers.

11. Provisions

Provision for post-sales client support is towards likely cost for providing client support to fixed-price and fixed-timeframe contracts.

12. Leases

Additions mainly comprise lease of computers and building taken on lease in certain locations outside India.

IV. Results of our operations

The function-wise classification of the Standalone Statement of Profit and Loss is as follows:

in ₹ crore

Particulars	Year ended March 31,			
	2022	%	2021	%
Revenue from operations	1,03,940	100.0	85,912	100.0
Cost of sales	69,629	67.0	55,541	64.6
Gross profit	34,311	33.0	30,371	35.4
Operating expenses				
Selling and marketing expenses	4,125	4.0	3,676	4.3
General and administration expenses	4,787	4.6	4,559	5.3
Total operating expenses	8,912	8.6	8,235	9.6
Operating profit	25,399	24.4	22,136	25.8
Finance cost	128	0.1	126	0.1
Other income, net	3,224	3.1	2,467	2.8
Profit before tax	28,495	27.4	24,477	28.5
Tax expense	7,260	7.0	6,429	7.5
Profit for the year	21,235	20.4	18,048	21.0

The function-wise classification of the Consolidated Statement of Profit and Loss is as follows:

in ₹ crore

Particulars	Year ended March 31,			
	2022	%	2021	%
Revenue from operations	1,21,641	100.0	1,00,472	100.0
Cost of sales	81,998	67.4	65,413	65.1
Gross profit	39,643	32.6	35,059	34.9
Operating expenses				
Selling and marketing expenses	5,156	4.2	4,627	4.6
General and administration expenses	6,472	5.4	5,810	5.8
Total operating expenses	11,628	9.6	10,437	10.4
Operating profit	28,015	23.0	24,622	24.5
Finance cost	220	0.2	195	0.2
Other income, net	2,295	2.0	2,201	2.2
Profit before tax	30,110	24.8	26,628	26.5
Tax expense	7,964	6.6	7,205	7.1
Profit after tax	22,146	18.2	19,423	19.4
Non-controlling interests	36	0.0	72	0.1
Profit attributable to the owners of the Company	22,110	18.2	19,351	19.3

1. Revenue

The growth in our revenues in fiscal 2022 from fiscal 2021 is as follows:

in ₹ crore

Particulars	Standalone			Consolidated		
	2022	2021	% change	2022	2021	% change
Revenue	1,03,940	85,912	21.0	1,21,641	1,00,472	21.1

The increase in revenues was primarily attributable to an increase in digital revenues, deal wins including large deals and volume increases across most of the segments.

The revenues from digital and core services for fiscals 2022 and 2021 are as follows:

in ₹ crore

Particulars	Consolidated		
	2022	2021	% change
Digital revenue	69,404	48,687	42.6
Core revenue	52,237	51,785	0.9

Revenue growth in reported terms includes impact of currency fluctuations. We, therefore, additionally report the revenue growth in constant currency terms, which represents the real growth in revenue excluding the impact of currency fluctuations. We calculate constant currency growth by comparing current period revenues in respective local currencies converted to INR using prior-period exchange rates and comparing the same to our prior-period reported revenues. Our revenues in reported currency terms for fiscal 2022 is US\$ 16,311 million, a growth of 20.3%. Our revenues for fiscal 2022 in constant currency grew by 19.7%.

We added 451 new customers (gross) during fiscal 2022 as compared to 475 new customers (gross) during fiscal 2021.

On a consolidated basis, for the years ended March 31, 2022 and March 31, 2021, approximately 97.1% were export revenues whereas 2.9% were domestic revenues.

Refer to the 'Segmental profitability' section in this report for more details on the analysis of segment revenues.

2. Expenditure

Cost of sales

The cost of efforts, comprising employee cost and cost of technical sub-contractors, has increased as a percentage of revenue from 58.3% in fiscal 2021 to 60.7% in fiscal 2022 on a standalone basis and from 56.3% in fiscal 2021 to 57.6% in fiscal 2022 on a consolidated basis. The cost of efforts has increased mainly on account of compensation increase and increase in sub-contractors cost offset by improvement in offshore mix.

Third-party items bought for service delivery to clients include software and hardware items.

Selling and marketing expenses

The selling and marketing expenses on standalone and consolidated basis have reduced as a percentage of revenue during fiscal 2022 to 4.0% from 4.3% in fiscal 2021, and 4.2% during fiscal 2022 from 4.6% in fiscal 2021, mainly on account of a decrease in employee benefit costs offset by increase in branding and marketing expenses and professional charges.

General and administration expenses

The general and administration expenses on standalone and consolidated basis have reduced as a percentage of revenue during fiscal 2022 to 4.6% from 5.3% in fiscal 2021, and 5.3% during fiscal 2022 from 5.8% in fiscal 2021, respectively, mainly on account of a decrease in employee benefit costs, communication costs, repairs and maintenance partially offset by increase in consulting and professional expenses.

3. Other income and finance cost

Other income primarily includes income from investments gain / loss on investments, foreign exchange gain / loss on forward and options contracts and foreign exchange gain / loss on translation of other assets and liabilities. In the current year, the Company received ₹ 1,218 crore of dividend from its subsidiary, which is reflected in the *Standalone financial statements*.

Interest income in fiscal 2022 has declined as compared to fiscal 2021 primarily due to a decrease in yield on investments and decrease in investable base. We use foreign exchange

forward and options contracts to hedge our exposure against movements in foreign exchange rates. Finance cost is on account of leases. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

4. Provision for tax

We have provided for our tax liability both in India and overseas. The applicable Indian corporate statutory tax rate for both the years ended March 31, 2022, and March 31, 2021 is 34.94%.

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Income tax expense (in ₹ crore)	7,260	6,429	7,964	7,205
Effective tax rate (in %)	25.5	26.3	26.4	27.1

Effective tax rate is generally influenced by various factors, including differential tax rates, non-deductible expenses, exempt non-operating income, overseas taxes, benefits from SEZ units, tax reversals and provisions pertaining to prior periods primarily on account of adjudication of certain disputed matters in favor of the Company and upon filing of tax return across various jurisdictions and other tax deductions.

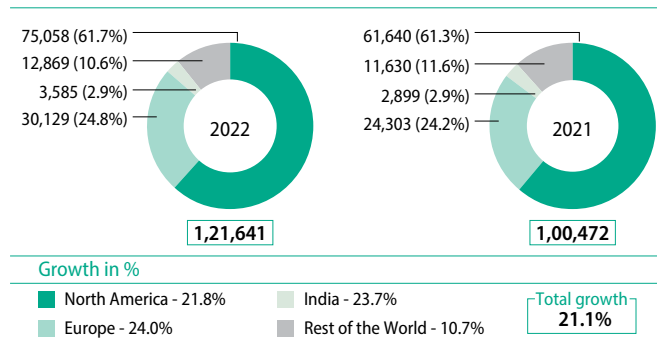
5. Segmental profitability

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance performance of their business. Business segments of the Company are primarily enterprises in Financial Services and Insurance; enterprises in Manufacturing; enterprises in Retail, Consumer Packaged Goods and Logistics; enterprises in the Energy, Utilities, Resources and Services; enterprises in Communication, Telecom OEM and Media; enterprises in Hi-Tech; enterprises in Life Sciences and Healthcare; and all other segments. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services and other enterprises in public services. This is discussed in detail in Note 2.26 to the *Consolidated financial statements* in this Integrated Annual Report.

Business segments – Consolidated

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	in ₹ crore	
									Total	
Segmental revenues										
2022	38,902	17,734	15,182	14,484	13,336	10,036	8,517	3,450	1,21,641	
2021	32,583	14,745	12,628	12,539	9,447	8,560	6,870	3,100	1,00,472	
Growth %	19.4	20.3	20.2	15.5	41.2	17.2	24.0	11.3	21.1	
Segmental operating income										
2022	10,314	6,130	3,372	4,225	2,408	2,495	2,308	167	31,491	
2021	8,946	5,117	2,795	3,552	2,563	2,454	2,156	306	27,889	
Growth %	15.3	19.8	20.6	18.9	(6.0)	1.7	10.4	(45.4)	12.9	
Segmental operating margin (%)										
2022	26.5	34.6	22.2	29.2	18.1	24.9	27.9	4.8	25.9	
2021	27.5	34.7	22.1	28.3	27.1	28.7	31.4	9.9	27.8	

The following graph sets forth our revenue by geography:



Overall segment profitability has decreased primarily on account of increase in employee compensation, higher cost of technical sub-contractors and third-party items bought for service delivery to clients, drop in realization partially offset by increase in utilization, benefit on account of cost optimization initiatives, scale benefits and currency fluctuations.

6. Liquidity

Our principal source of liquidity are cash and cash equivalents and cash flow that we generate from operations. We have no outstanding borrowings. We believe our working capital is sufficient for our requirements.

Our growth has been financed largely through cash generated from operations.

Our cash flows are robust and our operating cash flows have increased in fiscal 2022 as compared to fiscal 2021 mainly on account of increase in net profit adjusted for non-cash items partially offset by higher income tax payments.

Consolidated cash and investments of ₹ 37,419 crore comprise cash and cash equivalents, current and non-current investments excluding investments in unquoted equity and preference shares, compulsorily convertible debentures and others.

Capital Allocation Policy

Refer to the *Board's report* in this Integrated Annual Report for details on our Capital Allocation Policy reviewed and approved on July 12, 2019.

7. Related party transactions

These have been discussed in detail in Note 2.24 to the *Standalone financial statements* in this Integrated Annual Report.

8. Events occurring after Balance Sheet date

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in 'Material changes and commitments affecting financial position between the end of the fiscal and date of the report' in the *Board's report*.

9. Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Market capitalization to revenues (times)	NA	NA	6.6	5.8
Price / Earnings (times)	NA	NA	36.3	30.0
Days sales outstanding ⁽¹⁾	-	-	67	71
Cash and investment ⁽²⁾ as a % of total assets	30.1	32.7	31.7	35.7
Revenue growth (%)	20.9	8.7	21.1	10.7
Operating margin (%)	24.4	25.8	23.0	24.5
Net profit margin (%)	20.4	21.0	18.2	19.3
Basic EPS (₹)	50.27	42.37	52.52	45.61

⁽¹⁾ The Company does not track DSO at a standalone level.

⁽²⁾ Includes cash and cash equivalents and investments, excluding investments in unquoted equity, preference shares, compulsorily convertible debentures and others.

Ratios where there has been a significant change from fiscal 2021 to fiscal 2022

Revenue growth has been explained in the relevant sections above.

The details of return on net worth at standalone and consolidated levels are as follows:

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Return on net worth (%)	30.2	27.0	29.1	27.3

Net profit has increased from ₹ 19,351 crore to ₹ 22,110 crore on a consolidated basis and from ₹ 18,048 crore to ₹ 21,235 crore on a standalone basis which has resulted in increase in the return on net worth. Average net worth hasn't increased at the same rate as increase in net profits due to better Balance Sheet management resulting from shareholder payouts like buyback and dividend.

V. Outlook, risks and concerns

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Our outlook, risks and concerns are as follows:

Risks related to global COVID-19 health pandemic and post-pandemic resilience:

The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact key geographies that we operate in, with many countries reporting multiple waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, has resulted in significant disruption to people and businesses. While vaccines have been made available, there are increased instances of variants and infections, and consequential stress on the health sector. India, where most of our operations are

located, has experienced multiple waves of infections, including new variants of the COVID-19 virus. There was marked increase in the number of cases across regions where our development centers are located, and a small percentage of our employees or their families were adversely affected. We have initiated several interventions to help our employees and their families, including establishing COVID Care Centers, vaccination centers and providing them medical loans and access to medical care facilities. However, the continued stress on the medical infrastructure and any increase in the cases in India may impact the health and safety of our employees.

The COVID-19 pandemic has impacted, and may further impact, all of our stakeholders – employees, clients, vendors, investors and the communities we operate in. During fiscal 2022, the impact on our revenue due to supply and demand risks we experienced from the COVID-19 pandemic was not significant. COVID-19 pandemic has heightened several other risks that are described in this section:

- Client contractual terms restricting our ability to offer a hybrid working model to our employees, which may lead to increased attrition;
- Restrictions on travel may impact our ability to sell and deliver our services to Clients, thereby impacting our revenue and / or profitability;
- Impact on profitability and cash flows as some clients may ask for price reductions, discounts or longer payment terms;
- Impact on business continuity due to local lockdown in the key geographies in which we operate;
- Additional cost to ensure safety and hygienic workplaces for our employees and to convert them for a hybrid working model;
- Additional costs to procure and deploy hardware assets, technology infrastructure, information security infrastructure and data connectivity charges for remote working;
- Impact on revenue and sub-optimal branding due to localized lockdowns or restrictions on travel, marketing events and in-person client meetings due to future COVID-19 waves;
- Increased penalties or litigation initiated by clients if we fail to meet project quality, productivity and scheduled service level agreements due to our employees working remotely;
- Negative impact on profitability if fixed or committed costs are not reduced in line with reduced demand. Sudden change in demand may change utilization thus impacting profit margin;
- Impact on profitability as clients may refuse to recognize unbilled revenues during COVID-19 pandemic;
- Increased exposure to cyber security and data privacy breach incidents may continue due to a large number of employees working remotely.
- The productivity of our employees may be negatively impacted due to extended remote work, quarantine requirements, negative social sentiment and personal anxiety;
- Impact on fulfilment if any of some of our employees and or their families are impacted by future COVID-19 waves;
- Continued employee preference to work out of remote locations on a long-term basis, together with expectations from clients to return to office, if not managed adequately, may impact attrition, client satisfaction, and our ability to grow profitably;
- We could be subject to lawsuits from our employees alleging they are exposed to health risks as we transition them back to working out of our clients' offices;
- Our ability to procure goods and services may be impacted as some of our suppliers may not be able to operate efficiently during a lockdown;
- Unfavorable currency movements accentuated due to COVID-19 may impact our profitability;
- An increase in insurance premiums may adversely impact our profitable growth or coverage;
- Heightened regional or macro risks, such as an increase in unemployment, protectionism and changing immigration regulations;
- Lack of comprehensive assessment to test the level of skills of students may impact quality of our hiring;
- Reduced value of PSUs / RSUs due to stock price returns being depressed from a prolonged pandemic;
- Prolonged continuation of the COVID-19 pandemic may create breakdown in our Business Continuity Procedures (BCP);
- Potential impairment of acquired entities and investments as a result of prolonged slower economic growth may impact business momentum and synergies that were expected; and
- We may be unable to recoup the investments made in various geographies due to the impact of a prolonged economic downturn.

Some of the other key risks that the Company is facing are as follows:

I. Risks related to the markets in which we and our clients operate

- Spending on technology products and services by our clients and prospective clients fluctuates depending on many factors, including the economic, geo-political, monetary and fiscal policies and regulatory environment in the markets in which they operate.
- An economic slowdown or other factors may affect the economic health of the United States, the United Kingdom, the European Union ("EU"), Australia or those industries where our revenues are concentrated.
- Our clients may operate in sectors which are adversely impacted by climate change which could consequently impact our business and reputation.
- Restrictions on visas, cost increases in obtaining such visas, increases in required minimum wage levels for visa dependent employees, inordinate delays in obtaining visas due to the pandemic and/ or increased enforcement in different countries may affect our ability to compete for, and provide services to clients in work location countries, which could adversely affect our business, results of operations, and financial condition.
- Our clients may be the subject of economic or other sanctions by governments and regulators in key geographies

that we operate in, limiting our ability to grow these relationships and risking increased penalties and exposure of our business to consequential sanctions.

- A large part of our revenues are dependent on our limited number of clients, and the loss of any one of our major clients could significantly impact our business.
- Financial stability of our clients may be affected owing to several factors such as demand and supply challenges, currency fluctuations, regulatory sanctions, geo-political conflicts and other macroeconomic conditions which may adversely impact our ability to recover fees for the services rendered to them.
- We may not be able to provide end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business.
- Intense competition in the market for technology services could affect our win rates and pricing, which could reduce our market share and decrease our revenues and our profits.
- Our engagements with clients are typically singular in nature and do not necessarily provide for subsequent engagements.

II. Risks related to the investments we make for our growth

- Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus.
- We may be unable to recoup investment costs incurred in developing our software products and platforms.
- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful.
- Goodwill that we carry on our balance sheet could give rise to significant impairment charges in the future.

III. Risks related to our cost structure

- Our expenses are difficult to predict and can vary significantly from period to period, which could cause fluctuations to our profitability.
- Any inability to manage our growth could disrupt our business, reduce our profitability and adversely impact our ability to implement our growth strategy.
- Wage pressures in India and the hiring of employees outside India may prevent us from sustaining some of our competitive advantage and may reduce our profit margins.
- We are investing substantial cash in creating physical and technological infrastructure, and our profitability could be reduced if our business does not grow proportionately.
- Currency fluctuations and declining interest rates may affect the results of our operations and yield on cash balances.

IV. Risks related to our employee workforce

- Our success depends largely upon our highly skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel.
- Our success depends in large part upon our management team and key personnel and our ability to attract and retain them.

V. Risks related to our contractual obligations

- Our failure to complete fixed-price (including maintenance) and fixed-timeframe contracts, or transaction-based pricing contracts, within budget and on time, may negatively affect our profitability.
- Our client contracts can typically be terminated without cause, which could negatively impact our revenues and profitability.
- Our client contracts are often conditional upon our performance, which, if unsatisfactory, could result in lower revenues than previously anticipated.
- Some of our long-term client contracts contain benchmarking provisions which, if triggered, could result in lower future revenues and profitability under the contract.
- Our work with governmental agencies may expose us to additional risks.
- Inability to execute contracts and / or amendments with clients on a timely basis can impact our revenue & profit, causing fluctuations in our reported results

VI. Risks related to our operations

- Our reputation could be at risk and we may be liable to our clients or to regulators for damages caused by inadvertent disclosure of confidential information and sensitive data.
- Our reputation could be at risk and we may be liable to our clients for damages caused by cyber security incidents.
- Our reputation may be impacted and we may incur financial liabilities if privacy breaches and incidents under General Data Protection Regulation ("GDPR") adopted by the European Union ("EU") or other data privacy regulations across the globe are attributed to us or if we are not able to take necessary steps to report such breaches and incidents to regulators and data subjects, wherever applicable, within the stipulated time. Further, any claim from our clients for losses suffered by them due to privacy breaches caused by our employees may impact us financially and affect our reputation.
- We may be the subject of litigation which, if adversely determined, could harm our business and operating results.
- Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, which could adversely affect our business.
- The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis, storms, pandemics and other natural and manmade disasters.
- The safety of our employees, assets and infrastructure may be affected by untoward incidents beyond our control, impacting business continuity or reputation.
- Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.
- Climate change risks are increasingly manifesting in our business as strategic risks, physical risks and transitional (market and compliance) risks, which if not managed adequately, can affect our operations and profitability.
- Our reputation, access to capital and longer-term financial stability could be at risk if we are unable to meet our stated goals under our 2030 Environmental, Social and Governance (ESG) vision.

- Negative media coverage and public scrutiny may divert the time and attention of our board and management and adversely affect our reputation and the prices of our equity shares and ADSs.

VII. Risks related to legislation and regulatory compliance

- Initially, the COVID-19 pandemic led to substantial increases in unemployment rates across certain countries in which we operate, including the United States, United Kingdom, EU and Australia. A key risk at that time was widespread enactment of restrictive legislation and regulations which would limit companies in those countries from outsourcing work to us or could inhibit our ability to staff client projects in a timely manner thereby impacting our revenue and profitability.
- New and changing regulatory compliance, corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.
- The intellectual property laws of India do not give sufficient protection to software and the related intellectual property rights to the same extent as those in the United States. We may be unsuccessful in protecting our intellectual property rights. We may also be subject to third party claims of intellectual property infringement.
- Our net income would decrease if the government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire, reduce or terminate.
- In the event that the government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.
- We operate in jurisdictions that impose transfer pricing and other tax-related regulations on us, and any failure to comply could materially and adversely affect our profitability.
- Changes in the policies of the government of India or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects.
- Attempts to fully address concerns of activist shareholders may divert the time and attention of our management and Board of Directors and may impact the prices of our equity shares and ADSs.
- Our international expansion plans subject us to risks inherent to doing business internationally.
- Our ability to acquire companies organized outside India may depend on the approval of the Reserve Bank of India and the government of India and failure to obtain this approval could negatively impact our business.
- Indian laws limit our ability to raise capital outside India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.

VIII. Risks related to the ADSs

- Historically, our ADSs have traded at a significant premium to the trading prices of our underlying equity shares. Currently, they do not do so, and they may not continue to do so in the future.

- Sales of our equity shares may adversely affect the prices of our equity shares and ADSs.
- The price of our ADSs and the U.S. dollar value of any dividends we declare may be negatively affected by fluctuations in the U.S. dollar to Indian rupee exchange rate.
- An investor in our ADSs may not be able to exercise pre-emptive rights for additional shares and may thereby suffer dilution of such investor's equity interest in us.
- ADS holders may be restricted in their ability to exercise voting rights.
- ADS holders may be restricted in their ability to participate in a buy-back of shares offered by us.
- It may be difficult for holders of our ADSs to enforce any judgment obtained in the United States against us.
- Holders of ADSs are subject to the Securities and Exchange Board of India's Takeover Code with respect to their acquisitions of ADSs or the underlying equity shares, and this may impose requirements on such holders with respect to disclosure and offers to purchase additional ADSs or equity shares.
- The reintroduction of dividend distribution tax rate or introduction of new forms of taxes on distribution of profits or changes to the basis of application of these taxes could adversely affect the returns to our shareholders.

VI. Internal control systems and their adequacy

The CEO and CFO certification provided in the *CEO and CFO Certification* section of the Integrated Annual Report discusses the adequacy of our internal control systems and procedures.

VII. Material developments in human resources / industrial relations, including number of people employed

Our culture and reputation as a leader in consulting, technology, outsourcing and next-generation digital services enable us to attract and retain some of the best talent.

Human resources management

Infosys is not a technology company full of people, but a people company that understands the immense potential of technology. Our people, with a little 'digital' help, move our clients forward and in turn, the world. Thus, it is our constant endeavor to make Infosys a place where people can be their best selves.

Careers don't stand still at Infosys and talent transformation is an important focus area. It begins with sensing employee needs and responding with a value proposition that delivers meaning, purpose and value for them. It builds synergy between how we look to differentiate ourselves as a Company and deliver on the expectations of our employees.

We have a three-pronged strategy to deliver value to our employees:

- Inspire our people with meaningful work and passionate teams, enabling them to find purpose and make an indelible impact.

- Ensure that our people are continuously learning and progressing in their careers, and shaping our collective future.
- Create opportunities for every employee to navigate further, powered by our culture and partnered by other Infoscions with shared aspirations.

Here are the key initiatives of this year:

- **InTap** is our smart sourcing and interview management application to attract and manage candidates and provide best-in-class candidate experience along with an efficient hiring process.
- **Launchpad:** We expanded the coverage of Launchpad to all our entities and across the globe. This mobile app-based, self-service platform provides new hires a guided flow, which is digital, remote and seamless, during the onboarding process. It helps us onboard new hires remotely and make them Day One Ready.
- **Lex:** We created Lex, the anywhere, anytime, any device app, to help Infoscions upskill, cross-skill, and reskill. Lex recommends skills and learning paths based on employee interests, skills, and roles. Employees can even mentor others by uploading their own learning modules. Users can create their own learning goals, and measure the time they spend learning, as well as track their learning history.
- **Infosys Meridian** enables a remote-first workplace that mirrors the offline experience. With its event management platform and breakout sessions capabilities, employees use Meridian to connect at a large scale. Meridian is fast becoming an important engagement platform for employees.
- **InfyMe:** We continued to enrich our InfyMe app with more services that enables teams to operate, connect and collaborate easily and it is particularly effective in the remote working model. More than 200 touchpoints for activities were merged into the single intuitive interface of InfyMe.
- **iCount:** Our performance management framework and application provides continuous and specific measurement of employee performance, and enables transparent sharing of goals with focus on role and career development.
- **iRise** brings our rewards and recognitions philosophy to life. This platform celebrates key achievements of our employees. Managers can create reward categories and nominate employees for these awards.
- **FLUID:** With reskilling gaining momentum, more and more Infoscions are acquiring new skills and capabilities. To better manage this, we created F.L.U.I.D., our internal talent marketplace. It enables Infoscions to constantly move towards acquiring higher skills and experiences.
- **Accelerate:** This platform enables hiring managers to list gig work jobs and internal talent to pick up these jobs for execution. Accelerate also allows skill-based job matches to recommend the right gigs and incentivizes gig workers and hiring managers. The platform helps to provide richer job variety and more immersive learning.
- **Skill Tags:** Skill Tags are skill badges that identify proficiency in different technologies. Employees can select a Skill Tag, and then a variant within it, to specialize in. They can then

take the suggested learning path on Lex, which outlines all the courses required to acquire that skill. After they complete the required courses and gain six months of experience in that technology, they qualify for a Skill Tag.

- **Digital Quotient:** Our Digital Quotient is a comprehensive score that helps Infoscions keep track of their digital capabilities. Using the score, Infoscions can understand how their skills compare to others. Those with a higher Digital Quotient have greater access to new opportunities and interesting projects.
- **iEngage:** We expanded the reach of iEngage across geos and also integrated aspiration management in this platform. We use iEngage to inform, inspire, and build a happier workplace. It helps us drive vertical engagement between employee and unit leadership. Managers can use this to schedule connect events, invite employees and track actions identified during such events. It also captures employee aspirations and provides a platform to track and achieve them.
- **DataVillage:** We're creating this dashboard that provides immediate and relevant insights that allow us to make thoughtful decisions about employees in key areas such as performance management, bonus recommendations, role changes, and more.
- **Intelligent automation:** We are making our systems smarter with: 1) Nudges to managers and employees, which are driving the right behavior and guiding managers to take the right decisions in matters like role change, retention etc., 2) Chatbots that are transforming query management, and 3) Robotic process automation, which is being leveraged by HR to reduce manual work of our teams.
- **Talent Anywhere model:** The future workplace looks headed to a hybrid remote model. Flexibility of location and time will be key to attract and retain talent. Hence, we rolled out the Talent Anywhere model in India that provides flexibility of work location for our new and existing employees. We have kept client and statutory requirements in mind while enabling working from any location within India. We also renewed our flexi-time policy in India that now provides more flexibility to employees to work part time.
- To drive more focus on employee experience, we set up an Employee experience Centre Of Excellence with the mission to create workplace experiences that employees cherish and thrive in. The objectives are: 1) To ensure our processes and systems create memorable moments that matter across an employee's journey at Infosys, 2) To create listening posts to sense employee responses at transaction and process levels, and 3) Reinforce the experience through better communication.
- **Manager Code:** We have designed the Infosys manager enablement framework to equip our leaders with the capabilities to help their teams build technical, business and people skills along with a digital mindset to accelerate their development journeys. Managers also have a behavior code that encourages them to adhere to seven fundamental principles that shape a good manager at Infosys. We've integrated the code into our everyday work lives and measure our managers' performance against it.

- **SALESFLEX:** Our in-house capability development and experience charter for the Sales team has proved to be the cornerstone in our Sales transformation journey. We ushered in SALESFLEX almost two years ago and today, our Sales colleagues are reaping the benefits of a plethora of matured programs which have been a strategic game-changer in enhancing Sales productivity and improving Sales experience. SALESFLEX filled the gap in the people dimension, which is the beating heart of a Sales transformation, by setting a direction and establishing personalized learning platforms, tracking performance, enabling recurring career conversations, incentivizing desired behaviors and helping Sales warriors continuously act to improve outcomes. Today, SALESFLEX is successfully engaging a dynamic globe-trotting, market-facing Sales team of 1,294 employees spread across 24 countries, through nine major programs covering the entire realm of employee experience starting from onboarding, reskilling, career coaching, recognition, nurturing diversity and inclusivity, effective usage of people analytics to mitigate attrition and optimizing work force planning.
- **Employee engagement:** Our employee engagement framework is based on the 5Cs – Connect, Collaborate, Celebrate, Care and Culture. Its main objective is to ensure effective engagement, well-being and sustained motivation levels among employees in the new hybrid model of work.
- **Awards for Excellence (AFE):** The AFE remains our largest rewards and recognition platform for employees. This year marked its 27th anniversary, and we received about a thousand nominations across geographies in over 20 categories.
- **Rewards philosophy:** At Infosys, we look at rewards holistically – what we call total rewards, a mixture of both monetary and non-monetary rewards. It includes an element of fixed pay, supplemented with 'pay at risk' which is based on performance, and could be paid in cash as well as through stock grants. For a global and diverse workforce, it also ensures inclusion of localized benefits plans. In addition to the standard compensation and benefits, we have made rewards available through learning, diverse career experiences and platforms for creative contributions as well. Skill bonuses, for people with niche skills, is a new concept we have introduced. Our key objectives are enabling financial stability and ensuring that our pay is competitive to drive high performance and the right behavior.
- **Culture and values:** Our company values – C-LIFE – define our approach to everything. C-LIFE stands for Client value, Leadership by example, Integrity and transparency, Fairness, and Excellence. The organization culture, driven by our core values, is one of the main levers that drive our business. Employees are regularly reminded about the acceptable standards of conduct through various forums like onboarding, mail communications, town halls, and team meetings.
- **Be the Navigator (BTN):** An empowerment program to encourage purposeful innovation for clients, BTN has been repurposed to build the momentum of our business focus on cloud and digital.

- **Facilitating a positive work environment:** Infosys is committed to providing a positive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of our Code of Conduct to which all employees subscribe. The resolution hubs at Infosys provide fair, neutral, and independent forums for employees to voice their concerns. The Company has also instituted multiple channels to address employee grievances, such as ASHI (Anti-Sexual Harassment Initiative), HEAR (Hearing Employees and Resolving their concerns) platform, the Grievance Redressal Body, the Whistleblower Policy, and iCARE. In the post-pandemic scenario, there is greater focus on providing psychological safety to employees.

Infosys HR Team was one among the top three organizations named in SHRM HR Excellence Awards 2021, in the categories

- Excellence in HR Analytics
- Excellence in Diversity & Inclusion
- Excellence in Health and Wellness Initiatives
- Excellence in Managing the Hybrid Workplace – The HR Lens

Employee well-being

At Infosys, employee well-being has taken precedence over the past year and developed into a more substantial model with the help of our program HALE (Health Assessment and Lifestyle Enrichment). With HALE, our endeavor has been to enhance the well-being experience for our employees and their families with an increased focus on pandemic well-being and mental health. All our wellness programs stand on the foundational pillars of physical, social and emotional well-being, and safety.

Our focus over the last few years has been to provide a high-touch and high-tech experience to our employees.

- **Digital well-being:** In an effort to stay ahead of the curve in building digital capabilities, we looked at creating digital touchpoints in the lives of our employees by providing them a holistic wellness platform both on the go and on their laptops. This platform entails a host of offerings like wellness content, expert talks by professionals around the country, self-help tools, availability of HALE counselors 24*7 and much more.
- **Emotional well-being:** Transitioning the handling of mental health-related issues from the physical to the virtual mode of communication had to be done with utmost care. We have wellness coaches supporting our employees 24*7 in times of distress, our peer-to-peer counseling network called Samaritans catering to various segments, weekly webinars and discussions by experts, online self-help tools for employees to assess their emotional health and mindfulness workshops.
- **Physical well-being:** During the pandemic, Infosys tied up with COVID-19 testing labs nationwide, collaborated with emergency ambulance providers in every major city, provided teleconsultation facilities and launched a COVID-19 crisis support helpline for employees. Multiple teams were tasked to consistently check on the well-being of employees who had tested positive. Infosys was one of the first large private organizations to spearhead vaccinations for its employees and dependents. We collaborated with

vaccination providers / manufacturers, local authorities, and administrators to execute this task. There were targeted and consistent messaging and campaigns to bust the myths around COVID-19 and vaccination, such as nominating peers to get vaccinated challenge, featuring employees who emerged stronger post pandemic and sessions by experts.

- **Social well-being:** We create opportunities for work-life balance and help Infosys have a fulfilling and multi-faceted life. We conduct several leisure events to cater to their interests, hobbies, and lifestyle. We have been successfully able to transform the concept of physical communities to virtual communities, and our clubs and groups continue to drive well-being programs.
- HALE won the Bronze Medal for SHRM Excellence Award 2021
- HALE won AFE Gold for Internal Customer Delight 2022

Internal complaints committee

At Infosys, our goal has been to create an open and safe workplace where each and every employee feels empowered to contribute to the best of their abilities, irrespective of gender, sexual preferences or any other classification that has no bearing on the employee's work output. Towards this, the Company has set up the Anti-Sexual Harassment Initiative (ASHI), which proudly completes 22+ years of enabling a positive and safe work environment for our employees. Our ASHI practices have set an industry benchmark as it ranked first among 350+ companies that participated in an external survey on the best anti-sexual harassment initiatives in 2017, 2019, 2020 and 2021.

Infosys has constituted an Internal Committee (IC) in all the development centers of the Company across India to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members from NGOs or with relevant experience. Investigation is conducted and decisions made by the IC at the respective location, and a senior woman employee is the presiding officer over every case. Half of the total members of the IC are women. The details of complaints pertaining to sexual harassment that were filed, disposed of and pending during the financial year are provided in the *Business Responsibility and Sustainability Report* of this Integrated Annual Report.

Recruitment

As of March 31, 2022, the Group employed 3,14,015 employees, of which 2,97,859 were professionals involved in service delivery to the clients, including trainees.

We have built our global talent pool by recruiting freshers from premier universities, colleges and institutes globally. We constantly attract and hire developers, architects, technical leaders and project managers in areas of digital and cloud, and transformation. We have build robust relationships with top institutions in the country and recruit students who have consistently shown high levels of achievement. In addition, we have also scaled up InfyTQ which brings the best of our Mysuru training to the hands of the learners across the country. This has amplified the learning experience of students who actively participate in learning and assessments to get the coveted Infosys Certification.

We also recruit students from campuses in the US, UK, Australia, Singapore, Japan, Germany, Canada, Mexico and China.

We rely on a rigorous selection process involving evaluation of mathematical and logical aptitude, coding ability and in-depth interviews to identify the best applicants. This selection process is continually assessed and refined based upon multiple factors including performance tracking of past recruits. Most interviews in fiscal 2022 were conducted virtually across the globe, using video conferencing platforms, and the end-to-end process was digitalized. The team also implemented an in-house applicant tracking system for India hiring, in place of a third-party software that was used traditionally.

During fiscal 2022, we received 58,66,636 employment applications, interviewed 5,23,385 applicants and extended offers of employment to 2,22,500 applicants. These statistics do not include our subsidiaries. We added 54,396 new employees, net of attrition, during fiscal 2022.

Education, training and assessment

Amplifying human talent through a sustained culture of lifelong learning has always defined Infosys. The Foundation Training Program anchored by the Global Education Center has been grooming fresh graduates into corporate professionals. Comprising over 46 technology streams, the curriculum has kept pace with the dynamic business requirements and the preferred pedagogical approach of the current generation of talent.

With localization as an important strategic pillar, Infosys has invested in a training center, like the Mysuru Global Education Center in Indianapolis in the US to reskill local talent. The Foundation Program for fresh hires caters to fresh graduate hires in Mexico, UK, Germany, Australia, Singapore, and Japan. With the deep adoption of the Infosys Learning Experience platform Lex, the shift from offline classes to online learning, complete with learner engagement components, was seamless and continues to engage the fresh hires in the second year of the pandemic too.

Our Continuous Education program is aimed at reskilling / upskilling our existing employees by instilling a culture of lifelong learning. This program has twin objectives — increasing fulfillment of skilled talent requirements for client projects and enriching the expertise of our global workforce in next-generation digital technologies and methodologies. We continue to invest in and scale our digital reskilling program globally. Lex, the in-house learning platform, offers over 13,700 curated courses, which includes over 10,000 courses procured from vendor partners both for enterprise consumption and niche communities who have specific content requirements. About 30,000 employees use Lex on weekdays with an average learning time of about 40 minutes, and 14,000 employees use Lex on weekends with an average learning time of about 50 minutes. We continue to engage with academia to bring in fresh perspectives while creating learning courses to meet the demands of this accelerated digital adoption. We continue to experiment with industry leading approaches of adaptive learning, learning in virtual classrooms and learning in the metaverse as well.

Infosys Wingspan, our configurable talent transformation platform for clients, is already live in several global client organizations. Lex, which is powered by Infosys Wingspan,

was repurposed for college students in India under the brand of InfyTQ. Infosys Wingspan has also been leveraged for the flagship ESG initiative, Infosys Springboard. In alignment with the Infosys ESG Vision 2030 to enable digital skills at scale, Infosys Springboard has been identified as the primary digital learning platform to empower people, communities, and society with skills to be successful in the 21st century. This program is led by a dedicated team of experts collaborating globally with the Infosys Education Training and Assessment (ETA) team, curriculum partners, non-profits, and a global network of leading educational institutions. About 3,900 learning resources are available in Springboard and about 1.8 million learners from across India are actively consuming the content on Infosys Springboard platform. We intend to reach 10 million learners by 2025 as part of our Springboard initiative.

VIII. Other details

1. Quality

The Quality function at Infosys, in line with organization's vision and strategy of 'Navigate the Next', has three strategic imperatives:

- Differentiate Infosys' services through superior performance and quality.
- Optimize Infosys client projects as well as internal functions for greater efficiency and agility.
- De-risk Infosys operations by ensuring delivery excellence, compliance and sustainability.

Our Quality team has been driving the org-wide agile transformation to scale our capabilities for agile digital in tune with the Company strategy. This has resulted in a marked improvement in agile capabilities, with HfS rating Infosys No.1 among all agile service providers.

Clients now need to go beyond agile practices and do much more to achieve business agility. Last year, we launched our Product Centric Value Delivery approach to help clients do

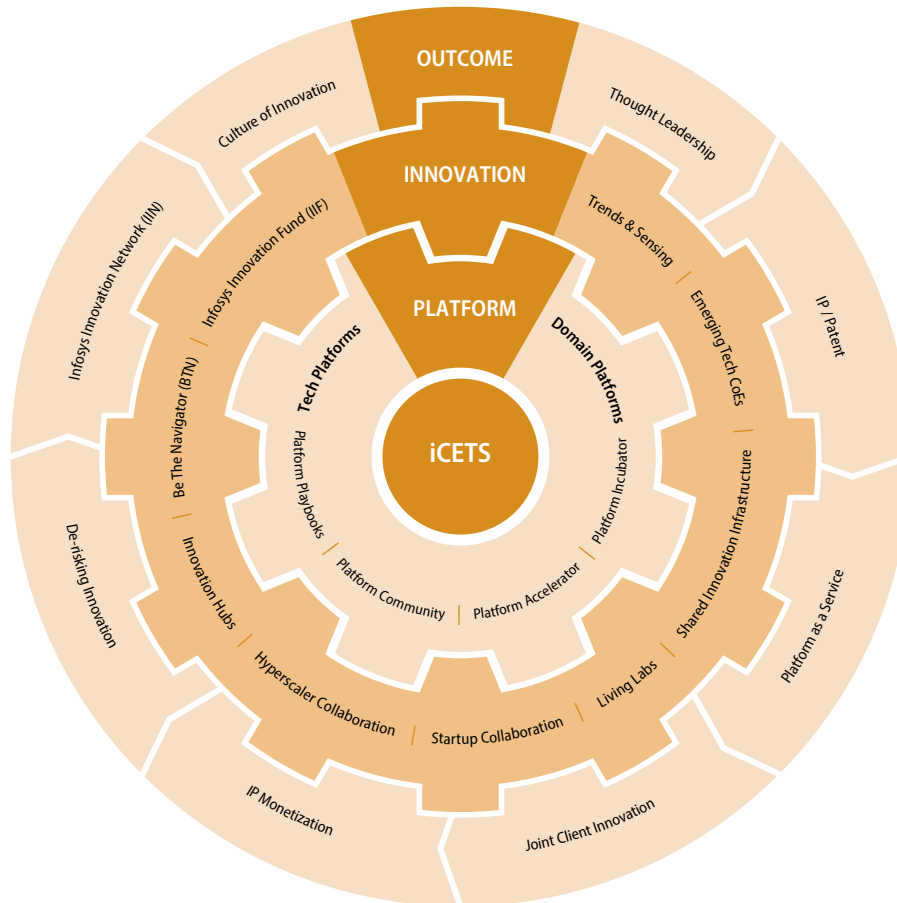
exactly that, through a holistic transformation of the ways of working. The Quality team also consulted with several large clients and helped them drive their agile, DevOps, project to product ways of working shift, and overall workplace transformation.

Quality has been leading the way in driving Lean and automation in the organization to enhance productivity and quality, which has resulted in large optimization in projects. It deployed robust frameworks, tools and platforms across service lines in a collaborative manner to drive hyper-productivity and engineering excellence. Last year, the Quality team also created frameworks to help projects operate with a more optimal resource pyramid and deployed the same across hundreds of projects. The Quality team worked with cross-functional teams to drive enterprise agility by simplifying many enterprise processes, thus reducing cost, improving agility in operations, and enhancing employee experience.

Quality continues to drive best practices and sustenance through structured audits and assessment frameworks, focusing on de-risking the organization, with augmented coverage of services, centers and subsidiaries. We continue to comply with international management system standards and models, viz., ISO 9001, ISO 27001, ISO 14001, ISO 45001, ISO 22 301, ISO 20000, AS 9100 and ISO 27701.

In fiscal 2021, Infosys published its first Environmental, Social and Governance (ESG) report in accordance with GRI standards. Infosys is the first IT company to comply with and get assessed at enterprise level on SSAE18 -SOC 3 report attestation. Infosys successfully completed CMMI 2.0 assessments for onsite locations, rated at L5 maturity. Infosys continued to comply with and get assessed at enterprise level for SSAE 18 SOC 2 type II & ISAE 3402 / SSAE 18 SOC 1 type II including cloud platforms and has received an independent auditors' assurance compliance report.

2. Infosys Center for Emerging Technology Solutions (iCETS)



iCETS is the emerging technology solution incubation partner for Infosys' clients and units. We provide next-generation platforms and innovation-as-a-service to future-proof enterprise businesses. The aim is to envision and evolve New Emerging eXploratory Technology (NEXT) solutions for our clients both organically (driving innovation bottom-up across Infosys) and inorganically via the IIN (partnering with hyperscalers, startups, universities, and large product players). iCETS incubates emerging technologies under different Centers of Excellence (CoE), such as Quantum Computing, Metaverse, Hyperscaler and more. The centers focus on building capability, developing thought leadership, and offering early client validation. The IP development moves on to building of platforms driving a significant part of innovation for our clients and monetization for Infosys.

One of the key CoEs Infosys unveiled is the Metaverse Foundry. It leverages assets like the Infosys XR platform to build cross-platform AR experiences, Infosys Virtual Living Labs platform to showcase immersive innovations virtually, and Infosys Physical Living Labs platform to offer phygital experiences to our clients. Among numerous client engagements, we are working with one of the leading global manufacturing companies to build 3D CPQ and digital twins. For one of the top American multinational financial services companies, we are creating a virtual branch and formulating crypto transactions.

iCETS enables enterprises to realize their Live Enterprise vision by developing and deploying next-generation offerings – such as the Live Enterprise Application Management Platform (LEAP), which has a platform-centric approach for AMS services making application management agile, intelligent, integrated and business-aligned. As a leader in data privacy, Infosys Enterprise Data Privacy Suite (iEDPS) assists in tackling the complexity and data privacy responsibilities of organizations to achieve compliance and business productivity objectives. To address the increased cyber threats faced by our clients, Infosys has built CyberNext, a holistic security-as-a-service platform. Through Infosys Cortex, an AI-driven cloud-first customer engagement platform, clients can transform digital customer service via purposeful communication and smart decision-making capabilities. Infosys Conversational AI Suite is an end-to-end technology-agnostic platform providing a holistic approach by developing prototypes using a low-code / no-code (LCNC) approach and managing conversational AI solutions (chatbots / virtual assistants). It brings together a collection of tools (prototype, design, test, measure, and evolve), people and processes to strengthen the adoption of conversational AI within an enterprise. The Infosys recruitment platform reduces the time to hire and analyse candidates resume powered by advanced AI, with multi-tenancy in place, the platform keeps the process flows configurable for different tenants with embedded knowledge on domain and geography requirements. The Infosys

CXM is a continuously learning suite of products that aims to bring the best of intelligence into automation, the focus is to prioritize orchestration and personalization of the entire end-to-end customer experience at scale, on any channel, in real time. We are incubating several domain platforms like Helix and EaaS. The Energy-as-a-Service (EaaS) platform is under development by iCETS in collaboration with other units and a lead client, this platform will enable management of renewable energy generation, storage and smart consumption for larger facilities and industries. One of the critical differentiating factors is infusion of startups. Most of our platforms are designed to be Platform-as-a-Service (PaaS) offerings with IP / patent-led differentiation. These platforms have been able to bring in differentiated services while accelerating innovations for our clients.

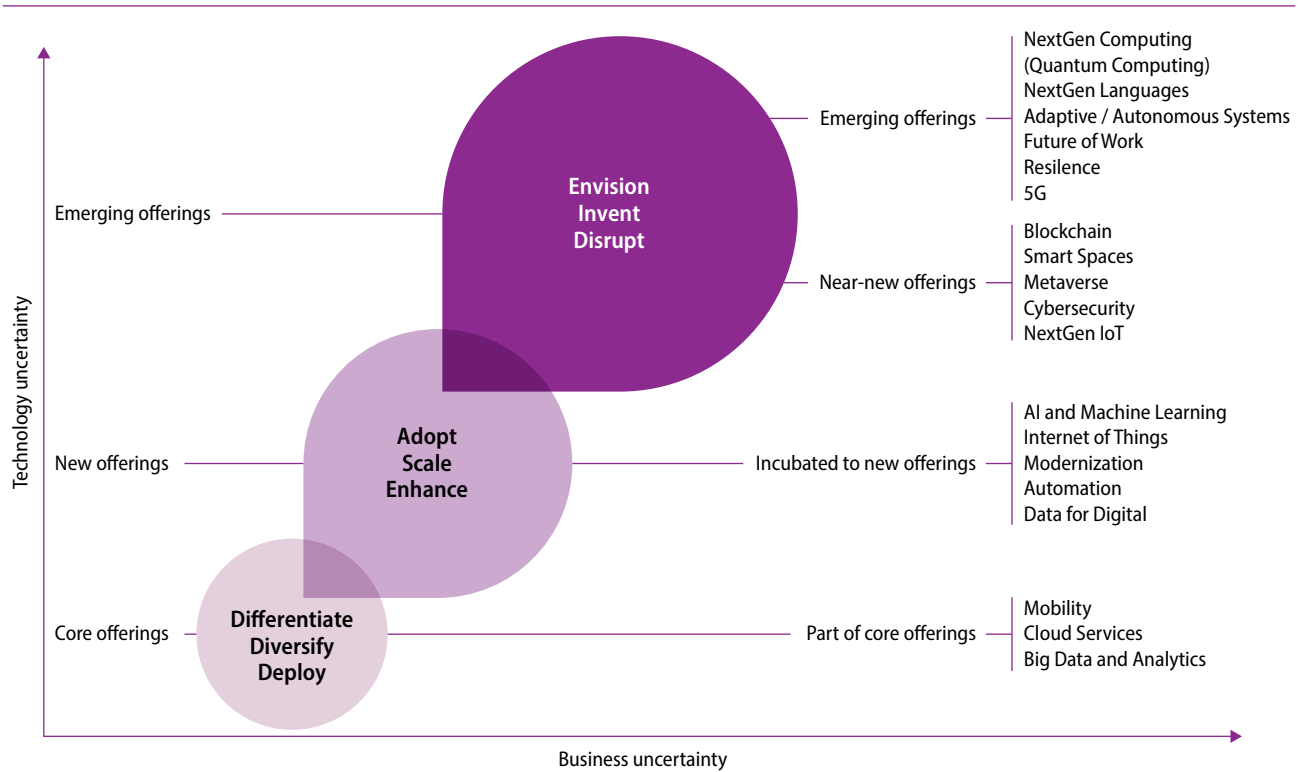
Infosys Living Labs brings our entire innovation ecosystem together to help clients meet their innovation-at-scale needs on multiple dimensions. Here, we proactively expand our services and capabilities to meet growing and dynamic innovation needs of clients with the aid of Joint Innovation Centers, Experience Centers, IIN & Industry Living Labs, Complexity Studio, and more. We also monitor and publish Trend Trees of Horizon 3 technologies and business trends and assist our clients foresee disruptions with Listening-Post-as-a-Service (LPaaS). Jointly working with our clients, we enable rapid prototyping, incubating, and piloting of innovative solutions. Additionally, we instill a culture of innovation with our BTN program across large teams, provide shared innovation infrastructure for collaborations, and ensure a seamless transition from a PoC to

large-scale implementations with our global innovation hubs. Our evolving partner ecosystem, including startups, universities and hyperscalers, plays a critical role in the increased velocity of ideas and solutions for our clients.

IIN is a well-orchestrated partnership between select startups, universities, hyperscalers, and Infosys to incubate and bring the best of emerging tech innovations from across the globe. The IIN program aims to create lighthouse wins for clients to experiment and implement the art of the possible leveraging our global innovation ecosystem. Infosys de-risks client adoption of technology innovations and solutions by carefully curating these startups, finding the right fit and implementing early pilots. Infosys has also established partnerships with key client Corporate Venture Capital (CVC) firms to bring their portfolio startups onto Infosys' network. Over the past 12 months, we've engaged with numerous startups, universities and hyperscalers across geographies like the US, Finland, Israel, and India, in spaces like AI, fintech, cloud, cybersecurity, InsureTech, HealthTec, and more.

iCETS has supported over 100 innovation programs for clients like American telecom companies, large banking institutions, European national postal service, and more by combining Infosys platforms, innovations, and startup networks. There have been several analyst mentions recognizing us as notable accelerators in Quantum Computing, positioning us as leaders in services like Oracle Cloud, AI, Automation, LEAP, as well as commending the work of Metaverse Foundry and Living Labs. We act as the contextualizers, crucible and orchestrators for our clients to boost their next-generation innovations.

Emerging Technology incubation model



3. Branding

Brand Infosys is a key intangible asset for the Company. It serves to position Infosys as the next-generation digital services partner of choice for enterprises navigating their transformation. It is built around the premise that the experience we have gained, for four decades, in managing the systems and workings of global enterprises enables us uniquely to be navigators for our clients. We do it by enabling them with an AI-powered core. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our Always-on Learning foundation drives their continuous improvement through building and transferring digital skills, expertise and ideas from our innovation ecosystem. Our localization investments in talent and digital centers help accelerate the business transformation agenda. With this, we help every client build their Live Enterprise – an organization that is always navigating its next.

Our marketing reach extends globally through digital-first multi-channel campaigns. As the digital innovation partner for the Australian Open, Roland-Garros and the ATP, we help showcase how brand Infosys is reimagining the tennis ecosystem for a billion fans globally leveraging data, insights and digital experiences. We are also the official digital innovation partner of key MSG properties including the New York Knicks, New York Rangers and the Madison Square Garden Arena. Our strategic partnerships with Dow Jones, Bloomberg Media, The Economist Group and Financial Times further accentuate this position. We participate in premier business and industry events around the world, while also organizing our own signature events and CXO roundtables. Confluence, our flagship client event series across the US, Europe and APAC, is rated highly by our clients and industry partners.

4. Client base

Our client-centric approach continues to bring us high levels of client satisfaction. We, along with our subsidiaries, added 451 new clients, including a substantial number of large global corporations. Our total client base at the end of the year stood at 1,741. The client segmentation, based on the last 12 months' revenue for the current and previous years, on a consolidated basis, is as follows:

Clients	2022	2021
100 million dollar +	38	32
50 million dollar +	64	59
10 million dollar +	275	252
1 million dollar +	853	779

5. Infosys Leadership Institute

The Infosys Leadership Institute (ILI) continued its focus on enabling individual and collective leadership capabilities in fiscal 2022. This was also the year when some of the key leadership programs created organizational impact and won international recognition along the way. The succession planning program, Constellation Program, was awarded the prestigious ATD Award for Excellence in Practice 2022. The first phase of the program concluded with a significant addition to the succession pool and all the organizational strategic projects achieving the desired objectives. Working with a senior leadership panel, ILI has added a few more high potential leaders to the Constellation Program in the second phase commencing fiscal 2023.

The lamtheFuture women in leadership program had 307 women leaders completing the ILI-Stanford GSB certification with a collective effort of attending 40+ development programs, turning in 3,300+ assignments and 2,500+ learning days. The comprehensive talent reviews with the business heads have ensured specific actions to provide the right career and development support for every woman leader as also to gain commitment from the business heads on the representation of women in leadership roles in their organizations. In just the first year, the program has received the Women's Icon Asia D&I Champions Award in the category of Advancing Women.

ILI continued to offer an array of leadership programs, both internal and external, to all senior leaders in the organization. Working with eminent academic institutions, consulting firms and other leadership development organizations, ILI offered 100+ programs with 14,000+ total participants and 5,000+ learning days. Senior leaders, including the CXOs, facilitated a series of Leaders Teach programs to ensure contextualized development for our leaders.

6. Infosys Knowledge Institute

The Infosys Knowledge Institute (IKI) harnesses the intellectual capital of our employees, clients, partners, and academics to develop and share a deeper understanding of the business impact of technology and market trends. Combining surveys, quantitative analysis, and expert interviews, IKI creates perspectives, benchmarks, and diagnostic tools on trends across industries and functions. Current research themes include sustainability, artificial intelligence, data analytics, cloud, modernization, digital commerce, agile methods, and cybersecurity. Major works include the Digital Radar maturity assessment, TechCompass series, Practical Sustainability book and the Tech Navigator for future trends. IKI also publishes regularly in leading business and technology media, and conducts roundtables and seminars. For more information, go to <https://infosys.com/iki>.

7. ESG vision and ambitions

In October 2020, we launched our ESG Vision 2030 to "shape and share solutions that serve the development of businesses and communities". Today, our 2030 vision reflects how ESG will continue to be integral to Infosys' sustainable business performance. We will continue to be carbon-neutral across Scope 1, 2 and 3 emissions every year. We will expand reskilling initiatives to empower more than 10 million people with digital skills and more than 80 million with Tech for Good programs in e-governance, healthcare and education. We commit to nurturing greater inclusivity and strengthening our gender-diverse workforce with at least 45% women employees.

We will grow our stakeholder focus and bring the interests of our stakeholders to the fore through an empowered, diverse and inclusive Board. We will further strengthen data privacy and information security standards across global operations.

For more information about our ESG initiatives, read our ESG Vision 2030 document at <https://www.infosys.com/content/dam/infosys-web/en/about/corporate-responsibility/esg-vision-2030/index.html>.