

eco-groups Infosys Prize industry-academia partnerships  
employee-led CSR initiatives **social contract** Infosys Foundation  
community transport data center efficiency emission-reduction targets  
day light optimization green architecture **resource efficiency**  
cloud computing server consolidation smart grids virtualization  
**green innovation** data analytics InGreen solution

Sustainable tomorrow

*Our vision is to be a responsible, leading global organization working towards the greater common good by setting global benchmarks for a sustainable tomorrow.*

**N. R. Narayana Murthy**  
Chairman and Chief Mentor

## Sustainable tomorrow

*A Sustainable tomorrow* can come about only when we can say with confidence that we do not carry the burden of the past, nor the guilt of the present. It is the ability to say 'Yes'.

Yes, we are sustainable from the economic point of view.

Yes, as a conscientious global organization, we consumed nature's resources only to the extent needed for our operations.

Yes, as an integral part of the community, across geographies, we contributed to its social development.

Yes, we are ready to stand up and be counted.

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## Organization profile

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Infosys Technologies Limited (NASDAQ: INFY) was started in 1981 by seven visionaries with US \$250. Today, we are a global leader in the 'next generation' of IT and consulting with revenues of over US \$4.8 billion (FY 2009-10).

We define, design and deliver technology-enabled business solutions that help Global 2000 companies win in a flat world. We also offer a comprehensive suite of services by leveraging our domain and business expertise and strategic alliances with leading technology providers.

Our offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, re-engineering, independent testing and validation services, IT infrastructure services and business process outsourcing.

We pioneered the Global Delivery Model (GDM), which emerged as a disruptive force in the industry leading to the rise of offshore outsourcing. The GDM is based on the principle of taking work to the location where the best talent is available, where it makes the best economic sense, with the least amount of acceptable risk.

We operate globally from 72 cities spread across 30 countries. Infosys and its subsidiaries have 113,796 employees.

We believe in building strategic long-term client relationships. Over 97% of our revenues come from existing customers.

### Mission

To achieve our objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society at large.

### Values

We believe that the softest pillow is a clear conscience. The values that drive us underscore our commitment to:

**Customer delight:** To surpass customer expectations consistently

**Leadership by example:** To set standards in our business and transactions and be an exemplar for the industry and ourselves

**Integrity and transparency:** To be ethical, sincere and open in all our transactions

**Fairness:** To be objective and transaction-oriented, and thereby earn trust and respect

**Pursuit of excellence:** To strive relentlessly and constantly improve ourselves, our teams, our services and products to become the best.

## Fast facts

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As of March 31, 2010



Total number of employees including subsidiaries: **113,796**



Net Income in last twelve months: **US \$1,313 million**



Market capitalization: **US \$33 billion**



Global presence: **72 cities** spread across **30 countries**



Revenue in last twelve months: **US \$4,804 million**



Total number of clients: **575**

## CEO's message



"I'm fortunate to be able to lead Infosys at a time when it has created a Sustainability Policy and has taken concrete steps to build a *sustainable tomorrow*. I'm personally committed to communicating this message to all stakeholders especially to Infoscions and their families. I walk the talk and lead by example in my personal life too."

I strongly believe that there is a distinct and definite connection between the global economy and the sustainability of an enterprise. FY 2009-10 was a tough year for the IT industry, with a global recession making it challenging for us in all the major markets where we operated. We guided a decline in revenues and profits in US dollar terms for the year, as most of our customers decelerated their businesses. But greater client focus, and a flexible operational and financial model enabled us to surmount these challenges and emerge stronger from the downturn. This helped us end the year with an outstanding quarter that established the return of growth for our clients and for us.

As the global economy went through a low phase, we focused our efforts on gathering the knowledge and capabilities required to build tomorrow's enterprises. And when the financial tide turned, our clients saw value in partnering with us to reach their future goals. The emerging economies are an exciting entity today, fast changing the global business dynamics. Innovation, talent and technology are now being shaped and led by them.

Businesses are always under pressure to maintain their sustainability goals during a downturn, but we stayed committed to growing responsibly. We worked to minimize waste, the consumption of electricity and fresh water and helped preserve our natural habitat. Our Green Initiatives group focused on developing infrastructure to meet our needs, while ensuring sustainable environmental practices. In the last two years, we were able to achieve more than 17% reduction in per capita electricity consumption.

All new buildings in our Indian campuses are being designed to meet the Gold Standard of Leadership in Energy and Environment and Design (LEED).

Our employees across the globe volunteered their personal time in contributing to society, through various Corporate Social Responsibility (CSR) activities. Our Eco groups in our office locations around the world worked assiduously to raise environmental consciousness among Infoscions. We also worked with government policy makers to promote renewable energy at some of our office locations.

The sustainability journey at Infosys has come a long way from the Predictable, Sustainable, Profitable and De-risked (PSPD) model to a consolidated strategy on sustainability in FY 2009-10. A well-defined Sustainability Policy has been formulated this year, which complements other policies in the organization. The policy follows our philosophy of maximizing value to all our stakeholders.

In FY 2009-10, we pursued our goals through a strategic and tactical approach. Our strategic goals included developing processes to integrate our business and sustainability goals seamlessly; creating and implementing a sustainability scorecard to monitor and measure sustainability activities; improving accountability in the business units through the Infosys Scaling Outstanding Performance (iSOP); and achieving a 5% reduction in our electricity and water consumption, and our per capita carbon footprint. We are implementing stringent measures to reduce our water consumption.

I am proud to say that much work has been done in all these areas in FY 2009-10.

As a signatory to the United Nations Global Compact (UNGC) and its ten principles, we continue to engage with the UNGC leadership to ensure the effectiveness and communication of the principles in emerging economies where they are so much more relevant.

This report follows the Global Reporting Initiatives (GRI) framework and is a summary of our activities across the company in the past year and reflects our commitment to move towards a *sustainable tomorrow*. We define *sustainable tomorrow* under the focus areas of Social Contract, Resource Efficiency and Green Innovation.

From creating sustainable solutions that reduce a client's carbon footprint to helping our employees become catalysts for change through volunteer efforts in caring for their community and their environment, we worked towards scripting an enduring success story.

In FY 2010-11, we aim to see our journey to build a *sustainable tomorrow* take a more definite shape.

At Infosys, sustainability is a way of being. It is not something we do beyond business; it is *about* our business. The urgency to build and carry forth a sustainable business model at Infosys is here to stay.

Thank you.



S. Gopalakrishnan

Chief Executive Officer and Managing Director

## Awards and accolades

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We have consistently received global recognitions and awards, in FY 2009-10:

- Rated as 'GVC Level 1' by CRISIL under the 'Governance and Value Creation' category
- Ranked among the best in investor relations in the APAC region
- Received the Gold Award for Investor Relations in Technology in the U.S. in the 'Asset Triple A Corporate Awards'
- Ranked as the most sought-after company in India in the Business Today survey
- Received the award for excellence in inclusivity instituted by the American Society for Training & Development (ASTD)
- Honored with the Oracle Titan Partner Award at the Oracle® Open World 2009 event
- Received the Excellence Award for Diversity Hiring Initiatives for Infosys BPO
- Listed on Forbes Asian Fabulous 50 for the fourth consecutive year
- Recognized as one of 'India's Best Companies to Work For' in a survey conducted by Great Place to Work® Institute
- Listed among Fortune's 100 fastest-growing companies
- Ranked as the Best Outsourcing Partner by the Waters Rankings 2009
- Listed among the best companies for leaders by the Hay Group and Chief Executive magazine
- Featured as a finalist in the 2008 GRI Readers' Choice Awards
- Listed in the NASDAQ OMX CRD Global Sustainability 50 Index for the year 2010
- The sole company from India to be featured in the Top 25 list of Business Week's InfoTech 100
- Received the distinction of having one of the 'Best Ranked Online Annual Reports in Greater China & Asia / Pacific' in the IR Global Rankings 2009

## Sustainability is a business imperative



“As leaders, we need to lead by example and imbibe sustainability in our personal lives such that it becomes part of who we are and what we stand for.”

Businesses reflect the social realities of our times. The biggest societal concern is the sustainability of life and human civilization, in the context of the increasing stress on our planet's finite resources due to unbridled consumption. The consequences of such copious consumption are being seen in large-scale climate change affecting the great majority of people who are innocent victims of such overconsumption. As responsible leaders involved in the creation of wealth through business enterprises, sustainability should become the prime objective of our strategy.

Businesses will need to look at creatively using technology to innovate and provide workable solutions to address global concerns that pose an immense challenge for ordinary people to lead their daily lives. They will also need to look at providing affordable services justly and effectively without impacting their own bottom line. While doing so, businesses will need to look at reducing their own carbon footprint by effectively managing their resources, influencing change among the workforce they employ and the society around them. They will in effect have to look at becoming the change agent in their community.

At Infosys, we recognized that sustainability is a business imperative and chose *Sustainable tomorrow* as a strategic theme to engage with our stakeholders. We further broke this down to key focus areas of Social Contract, Resource Efficiency and Green Innovation.

Adhering to our social contracts in the countries we operate in would mean being ethical, practicing good

corporate governance principles and engaging with all our stakeholders to meet both our and their sustainability goals.

We also look at our role of being part of the ecosystem of the planet seriously and take on the responsibility of leaving future generations a legacy and a lifestyle, much better than what we had when we started.

Working with our clients to create affordable sustainable solutions for them is not only a good-to-have goal, but a need-to-have goal for us.

These three key areas are all-encompassing in their depth and reach and straddle all the sustainability efforts across our organization. We have followed theory with practice, words with action. And these actions speak louder than all the words we can string together.

We share our progress and milestones both in our Annual Report 2009-10 and the Sustainability Report 2009-10.

In a firm commitment to the environment, we will not be printing our Sustainability Report 2009-10. The report will be available in an interactive website and a downloadable PDF version.

*Sustainable tomorrow* is our pledge to build a vibrant, conscientious corporation of the future.

A handwritten signature in black ink that reads "T.V. Mohandas Pai".

**T. V. Mohandas Pai**

Director and Head – Administration, Education & Research, Finacle, Human Resources Development, and Infosys Leadership Institute

# Infosys Sustainability Policy

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We formulated the Infosys Sustainability Policy this year with the objective of being a responsible, leading global organization working towards the greater common good by setting global benchmarks for a *sustainable tomorrow*. The policy will build a diverse, social and ethical workplace, work towards a sustainable ecosystem and create stakeholder value.

This policy will become effective from July 01, 2010.

## Scope

This policy covers all Infosys, our vendor partners and contractual partners across various geographies.

## Background

The sustainability policy works in concert with various other policies in existence and follows our philosophy of maximizing value to our stakeholders — our clients, employees, investors, vendor partners and the society, in their context — while adhering to our values, social contract, upskilling people, ensuring resource efficiency through innovation, and keeping our environment green for a sustainable future.

Our sustainability policy will be driven by:

- Our values
- Our social contract
- Our focus on innovation, while improving resource efficiency and keeping our environment green.

## Eligibility

All Infosys across various job roles from the fresh entrant to the members of the Infosys Board of Directors are included in the policy.

## Policy details

We are aware that while actively handling global challenges, we have to ensure that what we do today has a positive impact on tomorrow for us and the world by enhancing global sustainability practices.

### Making our business sustainable

- We follow the PSPD model of profitability, sustainability, predictability and de-risking our business while ensuring a green planet.
- We have set in place several policies for positive engagement with our employees

### Making our clients' business sustainable

- We want to enhance business value leverage to our clients, from transactions with us, while ensuring sustainability for them by helping them achieve their sustainability goals.

### Making our ecosystem sustainable

- We will work on reducing our per capita consumption of electricity, water and carbon emissions, with a long-term goal to becoming water sustainable and carbon neutral.
- We will invest in green buildings and datacenters to effectively utilize natural resources
- Being a socially conscious organization, we will contribute to society through the Infosys Foundation, Infosys Science Foundation and other such initiatives.
- We will raise community empathy through employee volunteering programs.
- We will encourage our vendors to become more focused on their green initiatives.

### Making our lifestyles sustainable

- We will conduct camps and awareness programs to help the members of the Infosys family to become proactive about their health, wellbeing and reduce their ecological footprint.

## Materiality and our key sustainability drivers

*“Sustainability is not a reaction to our risks. It is our core value”*

S. D. Shibulal, Chief Operating Officer and Director

Sustainability is an integral part of our PSPD model for our business operations. We have been conducting business in the most ethical and transparent manner. We not only believe in abiding by our social contract with our customers but also ensure that it encompasses all our stakeholders.

We subscribe to the principles of the UN Global Compact and the United Nations Development Fund for Women’s Empowerment (UNIFEM). We participated in forums organized by these UN bodies to show support and imbibe their best practices.

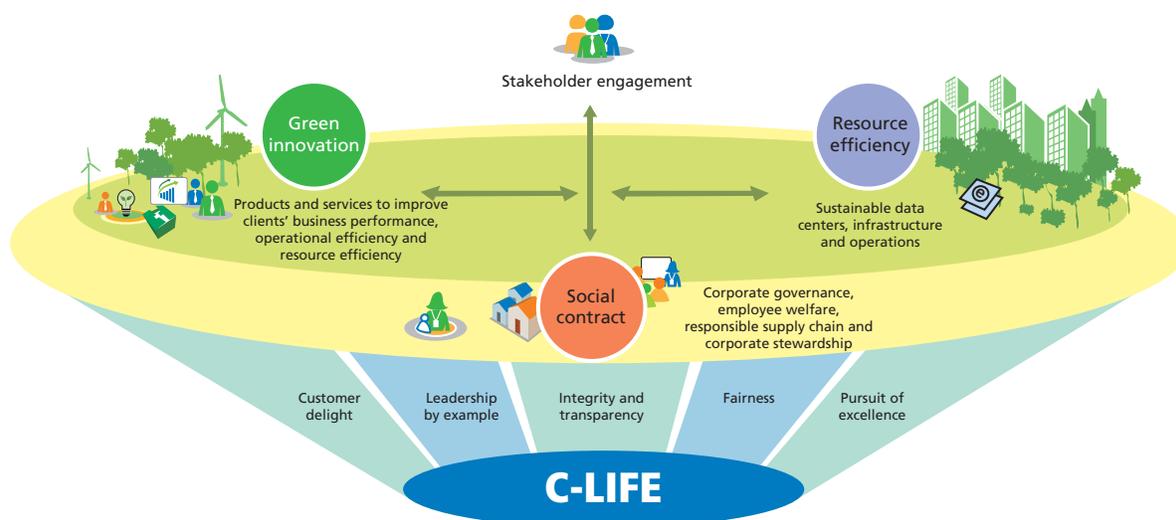
We have formulated our Sustainability Policy this year to aid us in articulating the steps for building a diverse social and ethical workplace, working towards a sustainable ecosystem and improving our stakeholder value. This has helped us focus on our sustainability strategy and vision and align our goals effectively. In FY 2009-10, we identified *Sustainable tomorrow* as one of our strategic themes with Social Contract, Resource Efficiency and Green Innovation as our focus areas.

While we abide by our social contract with all our stakeholders for achieving sustained growth, we continue to focus on the other two tracks – (i) improving resource efficiency in our operations; as a first step, we monitor electricity at a granular level at all our office locations; (ii) collaborating with our customers on green innovation to offer solutions in areas of smart grid, intelligent infrastructure and datacenters, and helping them achieve

their sustainability goals. SETLabs, our research and innovation lab, continues to focus on developing smart and sustainable solutions to improve the business and operational performance of our customers. For details on the *Sustainable tomorrow* theme and its alignment with our business strategy, read our Annual Report available at <http://www.infosys.com/investors/reports-filings/Pages/index.aspx>

We continue to adopt the Global Reporting Initiative (GRI) framework for our sustainability reporting. In FY 2009-10, we continued to engage with our key stakeholders – clients, employees and analysts in identifying the critical sustainability issues such as demographic shift of the workforce, changing governmental regulations, impact on the environment due to our operations and responsible supply chain. The various committees on health, safety, and environment in our office locations also shared issues that were unique to their locations. We participated in external forums organized by global bodies such as the World Business Council for Sustainable Development (WBCSD), GRI, The Energy and Resources Institute (TERI), Gesellschaft für Technische Zusammenarbeit (GTZ), World Economic Forum (WEF) and UNGC to understand the emerging issues related to sustainability in the IT sector.

These stakeholder conversations have helped us map the issues and concerns around the three focus areas based on our strategy, *Sustainable tomorrow*, and prioritize our goals accordingly.



## Report scope and boundaries

Building a *Sustainable tomorrow* being our strategic theme, we have defined our materiality index based on three focus areas – Social Contract, Resource Efficiency and Green Innovation. The corresponding GRI parameters and its significance are listed below:

Infosys	Social contract	Resource efficiency	Green innovation
Very important			
Important			

For details on the GRI parameters such as EC1, HR1, LA1, etc, see page 11, GRI index and UN Global Compact principles section.

Given the nature of our business and operations, some of the GRI core indicators such as EN11-EN15, EN25, EN27, and PR1-PR4 are either not relevant or have a low impact. We are primarily a services company and our offices are located in industrial or commercial zones approved by the local governments. Our product being software, the impact of packaging and product information is significantly low.

In comparison to our previous report for FY 2008-09, there are no significant changes to the scope and boundary pertaining to our economic, product, people, environment and community indicators. The operational and reporting scope for every indicator is provided in the GRI index for reference. All environment, occupational diseases, supply chain and human rights disclosures made in the report cover our India-based operations. This report covers the sustainability goals that we have achieved in the reporting period FY 2009-10 in the context of the our commitments, strategy, and management approach.

## Stakeholder engagement channels / tools for identifying key materiality issues

Track	Customers	Employees	Local communities	Investors	Suppliers	Government / NGO / others	Academia
Social contract		Employee satisfaction surveys, inclusivity survey, Voice of Youth forum, employee affinity networks, grievance redressal board, HRD blog, InfyWiki, bulletin boards	Site visits, interviews with local NGOs and community representatives	Analyst meet, annual general meeting	Procurement policy and vendor selection process	Membership in global associations, media interactions	Curriculum enhancement programs with academia
Resource efficiency		Eco clubs, employee committees			Vendor satisfaction surveys	Engaging with governments and global forums to usher sustainable policies	Global internship programs, fellowships

Track	Customers	Employees	Local communities	Investors	Suppliers	Government / NGO / others	Academia
Green innovation	Customer satisfaction surveys, annual customer leadership meet	Innovation committees			Vendor review meetings and awareness sessions	Infosys blogs	Joint R&D projects

### Sustainability Council's engagement with stakeholders on materiality issues

The Infosys Sustainability Executive Council (ISEC) looks at the strategic implementation of our business, environmental and social goals and our code of ethics. The members are drawn from branding, business, diversity, environment, finance, human resources, infrastructure, training and quality. The ISEC members worked with various internal departments as well as external bodies on the following activities in FY 2009-10:

Activity	Highlights
<b>Conceptualizing sustainability strategies</b>	<p>The major initiative of the council in FY 2009-10 was to formulate a sustainability policy, which will work in concert with other policies in the organization. The council also worked with the company's strategy team to formulate a one-voice on sustainability. This helped the council to articulate the focus areas – Social Contract, Resource Efficiency and Green Innovation for building a <i>sustainable tomorrow</i>. We also worked with a number of external forums such as:</p> <ul style="list-style-type: none"> <li>• The World Business Council for Sustainable Development (WBCSD) on Vision 2050</li> <li>• The Global Reporting Initiative (GRI) on gender diversity reporting guidelines</li> <li>• The National Association of Software Companies (NASSCOM) India, on green infrastructure and diversity practices; also as part of the Education Council at NASSCOM</li> <li>• The Bureau of Energy Efficiency (BEE), India, for benchmarking energy intensity for commercial buildings</li> <li>• The Indian Green Building Council</li> </ul>
<b>Monitoring progress of sustainability activities</b>	<p>Our sustainability activities are audited internally on a regular basis and progress of each activity is monitored closely. Some of the key activities in FY 2009-10:</p> <ul style="list-style-type: none"> <li>• The green Initiatives team monitored the environmental aspects, consulted the internal stakeholders and improved our resource efficiency</li> <li>• The E&amp;R team reviewed Campus Connect, Spark, Rural Reach and Catch Them Young programs and expanded the reach of these programs</li> </ul>
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>• The Green Initiatives team worked with multiple stakeholders and devised appropriate interventions for reducing carbon footprint, electricity and resource consumption</li> <li>• The eco groups have spread their wings across the globe and collaborated on various environmental activities</li> <li>• The Facilities team launched several awareness campaigns and workshops that addressed issues related to employee health and wellbeing</li> <li>• Diversity champions influenced business stakeholders in their inclusivity efforts</li> </ul>
<b>Promoting sustainability within the company</b>	<ul style="list-style-type: none"> <li>• Raised awareness about sustainability through periodic campaigns</li> <li>• Published information on the Health Safety Environment (HSE) portal on the intranet to ensure easy access</li> <li>• Organized sustainability expert speak series and used multiple mediums such as movies, classroom interventions, our corporate intranet and TV channel to create sustainability awareness</li> </ul>

## GRI index and UN Global Compact principles

This report, with additional information in our Annual Report 2009-10 and on our website, <http://www.infosys.com/investors/reports-filings/Pages/index.aspx>, is aligned with the GRI sustainability reporting guidelines, and we believe we meet the requirements of Application Level A+. The report conforms to the UN Global Compact principles.

### Report application levels

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report Externally Assured				
Optional	GRI Checked							

### Mapping of GRI index, disclosures on management approach and UNGC principles

#### Strategy and analysis

		Section	Page	UNGC	Operational scope
1.1	Statement from the most senior decision maker	SR	4		
1.2	Key impacts, risks and opportunities	SR AR	6, 8, 9 24, 32, 33		

#### Organizational profile

		Section	Page	UNGC	Operational scope
2.1	Name of the organization	SR	3		
2.2	Brands, products and / or services	SR	38, 39 <a href="http://www.infosys.com/offering/products-and-platforms/Pages/index.aspx">www.infosys.com/offering/products-and-platforms/Pages/index.aspx</a>		
2.3	Operational structure	AR SR	13 10		
2.4	Headquarter location	SR	3 <a href="http://www.infosys.com/contact/pages/index.aspx">www.infosys.com/contact/pages/index.aspx</a>		
2.5	Countries in operation	AR	81, 82		
2.6	Nature of ownership	AR	76		
2.7	Markets served	AR	41		
2.8	Scale of the organization	AR	41		
2.9	Significant changes regarding size, structure, or ownership	AR	14, 76		
2.10	Awards received	AR SR	16 5		

#### Report parameters

		Section	Page	UNGC	Operational scope
3.1	Reporting period	SR	9		
3.2	Date of most recent previous report	SR	4		
3.3	Reporting cycle	SR	9		
3.4	Contact point for questions	SR	48		
3.5	Process for defining report content	SR	8		
3.6	Boundary of the report	SR	8, 9		
3.7	Limitations on the scope or boundary of the report	SR	9		
3.8	Joint ventures, subsidiaries, and outsourced operations	AR SR	14 3		
3.9	Data measurement techniques	SR	31		
3.10	Effects of restatement of information provided in earlier reports	SR	13		
3.11	Significant changes in the scope, boundary, or measurement methods	SR	9		
3.12	GRI content index	SR	11-13		
3.13	External assurance	SR	44		

AR: Annual Report 2009-10  
SR: Sustainability Report 2009-10  
UNGC: UN Global Compact Principles

 Global operations

 India operations

## Governance, commitments and engagements

4.	Governance, commitments and engagements	Section	Page	UNGC	Operational scope
4.1	Governance structure	AR	66		G
4.2	Indication whether chairperson is also executive officer	AR	67		G
4.3	Independent members at the board	AR	67		G
4.4	Mechanisms for shareholders and employees to provide recommendations to the board	AR	72		G
4.5	Linkage between executive compensation and organization's performance	AR	68, 69		G
4.6	Processes to avoid conflicts of interest at the board	AR	69, 74		G
4.7	Expertise of board members on sustainability topics	AR	68		G
4.8	Statements of mission, codes of conduct, and principles	SR	3		G
4.9	Procedures for board governance on management of sustainability performance	AR SR	32 10		G
4.10	Processes for evaluation of the board's sustainability performance	AR	32		G
4.11	Precautionary approach	AR	30-31	⑦	G
4.12	External charters, principles, or other initiatives	SR	8, 9		G
4.13	Memberships in associations	SR	5		G
4.14	Stakeholder groups	SR	9		G
4.15	Stakeholder identification and selection	SR	9		G
4.16	Approaches to stakeholder engagement	SR	9		G
4.17	Key topics and concerns raised through stakeholder engagement	SR	16, 23		G

## Economic indicators

	Section	Page	UNGC	Operational scope
	Disclosures on management approach	AR SR	30, 32-33 17	G I
EC1	Direct economic value generated and distributed	AR SR	64 17	G
EC2	Financial implications due to climate change	SR	16	⑦ G
EC3	Coverage of the organization's defined benefit plan	AR	55, 62	G
EC4	Financial government assistance	AR	29	I
EC5	Entry level wage compared to local minimum wage	SR	21	G
EC6	Locally-based suppliers	SR	30	I
EC7	Local hiring	SR	19	⑥ G
EC8	Infrastructure investment and services for public benefit	SR	30, 34	I
EC9	Indirect economic impacts	SR	30, 34	I

## Environment

	Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	4, 6, 29, 30	G I
EN1	Volume of materials used	SR	32	⑧ I
EN2	Recycled materials	SR	30	⑧, ⑨ I
EN3	Direct primary energy consumption	SR	30	⑧, ⑨ I
EN4	Indirect primary energy consumption	SR	30	⑧, ⑨ I
EN5	Energy conservation	SR	31	⑧, ⑨ I
EN6	Initiatives for energy efficiency and renewable energy	SR	31, 34, 35, 39	⑧, ⑨ G
EN7	Initiatives for reducing indirect energy consumption	SR	31	⑧, ⑨ G
EN8	Total water withdrawal	SR	32	⑧ I
EN9	Effect of water withdrawal	SR	32	⑧ I
EN10	Water recycled and reused	SR	32	⑧, ⑨ I
EN11	Land assets in or adjacent to protected areas	Not applicable	SR 32	G
EN12	Impacts on biodiversity	Not applicable	SR 32	Not applicable
EN13	Habitats protected or restored	Not applicable	SR 32	⑧ Not applicable
EN14	Strategies for biodiversity	Not applicable	SR 32	⑨ Not applicable
EN15	Endangered species	Not applicable	SR 32	Not applicable
EN16	Greenhouse gas emissions	SR	31	⑧ I
EN17	Other greenhouse gas emissions	SR	31	⑧ I
EN18	Initiatives to reduce greenhouse gas emissions	SR	30, 31	⑦, ⑧, ⑨ G
EN19	Emissions of ozone depleting substances	SR	31	⑧ I
EN20	NOx, SOx, and other air emissions	SR	31	⑧ I
EN21	Water discharge	SR	32	⑧ I
EN22	Waste by type and disposal method	SR	33	⑧ I
EN23	Significant spills	SR	33	I
EN24	Waste deemed hazardous under the terms of the Basel Convention	Not applicable	SR 33	Not applicable
EN25	Impacts of discharges and runoff on biodiversity	Not applicable	SR 33	I
EN26	Initiatives to mitigate environmental impacts	SR	29, 30	⑧, ⑨ G
EN27	Packaging materials	Not applicable	SR 33	⑧, ⑨ Not applicable
EN28	Sanctions for non-compliance with environmental regulations	SR	30	I
EN29	Environmental impacts of transport	SR	31	I
EN30	Environmental protection expenditures	SR	30	⑧ I

AR: Annual Report 2009-10  
 SR: Sustainability Report 2009-10  
 UNGC: UN Global Compact Principles

G Global operations

I India operations

## Society

		Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	8, 16		G I
S01	Impact on communities	SR	26, 27		G
S02	Corruption risks	AR	33	⑩	G
S03	Anti-corruption training	SR	20	⑩	G
S04	Actions taken in response to incidents of corruption	SR	20	⑩	G
S05	Public policy positions and participation in public policy development	SR	18, 19		G
S06	Donations to political parties and politicians	SR	18		G
S07	Legal actions for anticompetitive behavior	AR SR	73 18		G
S08	Sanctions for non-compliance with laws and regulations	AR SR	73 18		G

## Labor practices and decent work

		Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	8, 19		G I
LA1	Workforce by employment type	SR	19		G
LA2	Employee turnover	SR	19	⑥	G
LA3	Benefits to full-time employees	AR	55, 56		G
LA4	Employees with collective bargaining agreements	SR	20		G
LA5	Minimum notice period(s) regarding operational changes	SR	21	③	G
LA6	Workforce represented in joint health and safety committees	SR	20, 22	①	I
LA7	Occupational diseases, lost days, and number of fatalities	SR	22	①	I
LA8	Training on serious diseases	SR	22	①	I
LA9	Trade union agreements on health and safety	SR (Not applicable)	8		Not applicable
LA10	Training per employee	SR	21		G
LA11	Programs for lifelong learning	SR	21		G
LA12	Regular performance and career development reviews	SR	21		G
LA13	Composition of governance bodies	AR SR	67 20	⑥	G
LA14	Gender pay disparity	SR	21	⑥	G

## Human rights

		Section	Page	UNGC	Operational scope
	Disclosures on Management Approach	SR	8, 20		G I
HR1	Investment agreements	SR	30	① to ⑥	I
HR2	Supplier screening on human rights	SR	34	① to ⑥	I
HR3	Training on human rights	SR	34	① to ⑥	I
HR4	Incidents of discrimination	SR	20	①, ⑥	G
HR5	Freedom of association and collective bargaining	SR	20		G
HR6	Child labor	SR	34	①, ②, ⑤	G
HR7	Forced labor	SR	34	①, ②, ④	G
HR8	Training for security personnel	SR	14	①, ②	I
HR9	Violations of rights of indigenous people	SR (Not applicable)	8		Not applicable

## Product responsibility

		Section	Page	UNGC	Operational scope
	Disclosures on Management Approach	AR SR	6-9 8		G I
PR1	Health and safety impacts along product life cycle	SR (Not applicable)	9		Not applicable
PR2	Non-compliance with health and safety standards	SR (Not applicable)	9		Not applicable
PR3	Product information	SR (Not applicable)	9		Not applicable
PR4	Non-compliance with product information standards	SR (Not applicable)	9		Not applicable
PR5	Customer satisfaction	AR SR	30, 31 18		G
PR6	Marketing communication standards	SR	18		G
PR7	Non-compliance with marketing communication standards	SR	18		G
PR8	Complaints regarding customer privacy	SR	18	①	G
PR9	Sanctions for non-compliance with product and service related regulations	SR	18		G

## Restated indicators

For FY 2009-10, we do not have any restated data points.

AR: Annual Report 2009-10  
SR: Sustainability Report 2009-10  
UNGC: UN Global Compact Principles

G Global operations

I India operations

## Summary and goals

We believe a *sustainable tomorrow* can be achieved only if we are able to make a steady progress towards it. Based on our engagement with key stakeholders we have identified goals for the year FY 2010-11. We have shared these goals as well as the progress made last year as follows:

### Strategic level

Focus area	Progress status
We will pursue frameworks to integrate business and sustainability goals.	<ul style="list-style-type: none"> <li>• <i>Sustainable tomorrow</i> has been identified as one of the seven client themes.</li> <li>• Community programs are being disclosed by business units using ISOP framework.</li> <li>• Sustainability policy has been created and will be implemented beginning July 01, 2010.</li> <li>• The procurement policy, covering green and human rights aspects, is being deployed in India-based locations.</li> <li>• The community reach out guidelines have been formulated and deployed for all India-based activities.</li> <li>• All our new buildings in India-based locations are designed to comply with LEED Gold rating.</li> <li>• We continue to work with policy makers in the country to promote renewable energy and talent development.</li> </ul>

### Operational level

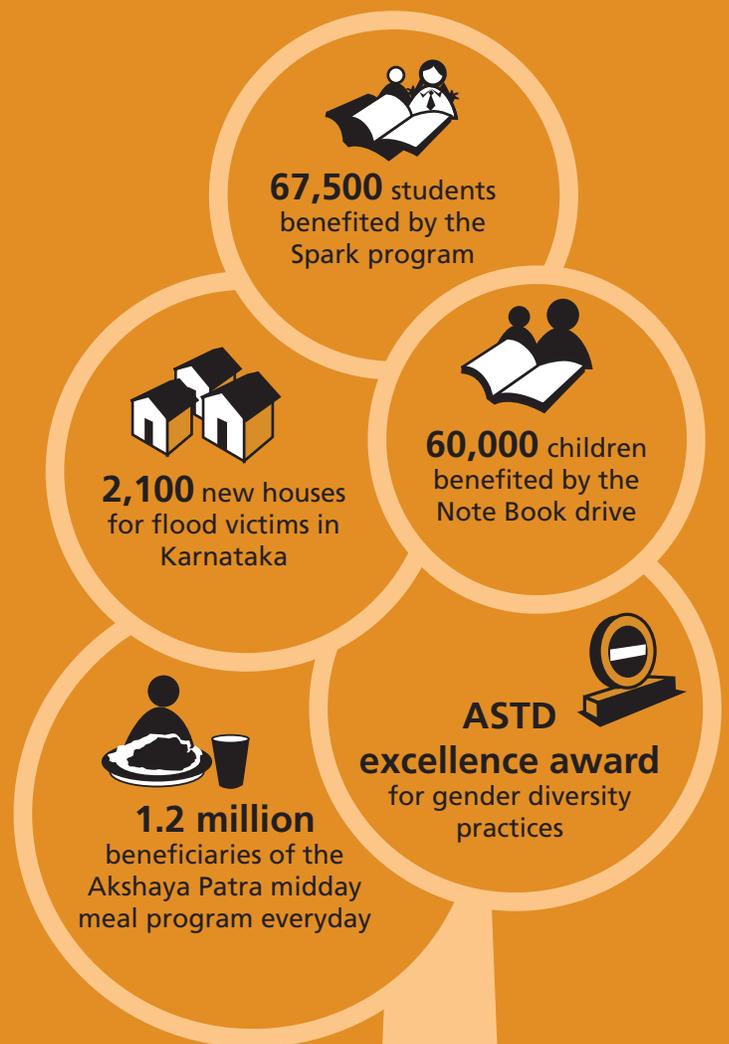
Focus area	Progress status – FY 2009-10	Goals – FY 2010-11
<b>Environment</b>		
Reduce – per capita consumption	We have achieved a total per capita saving of 7.61% in electricity consumption over the last year.	We will improve operational efficiency on electricity, water and GHG emissions by 5%.
Recycle – monitor and measure for effectiveness	We have initiated the process of installation of meters to track recycled water.	We will implement tracking across our office locations through a phased approach.
	We were not able to achieve 5% reduction in our per capita water consumption.	We will improve and monitor the quantity of water recycled at our large office locations to achieve long-term water sustainability.
Reuse – identify resources and create programs for reuse	Reusable envelopes for income tax filing has resulted in saving paper equivalent of around 28 fully-grown trees.	We will continue to implement this practice.
<b>Community and society</b>		
Supply chain	We have educated our vendor partners on our green procurement policy.	We will continue to conduct awareness sessions for all our vendor partners.
	We have conducted wellbeing and life skills programs for housekeeping staff in India-based office locations.	We will continue to focus on conducting life skills training programs.
People	We conducted awareness programs on the human rights of employees as well as security personnel.	Awareness programs on diversity and equal opportunity will be made available for employees.
	We monitored employee health, safety and wellbeing closely and initiated awareness campaigns on safety.	We will continue monitoring and educating employees on safety and wellbeing aspects.

## Social contract

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Our values are envisioned in C-LIFE and it encompasses Customer delight, Leadership by example, Integrity and transparency, Fairness and Pursuit of excellence. C-LIFE is the base on which our social contract actions are built and implemented.

We strive to pursue the highest standards on corporate governance, people wellbeing and corporate stewardship. We do this by engaging with our stakeholders be they customers, employees, vendor partners or society. We believe social contract is central to our efforts in building tomorrow's enterprise.





“The execution of a strategy for sustainability starts with the collection and reporting of metrics, identification of areas for change, and disclosure of the impact of business on society. I work with many government agencies and accounting bodies to create common reporting and disclosure standards to enhance and deepen sustainability initiatives.”

The sluggish elephant that was India is now being referred to as a vibrant tiger unleashing its full potential. The global meltdown that impacted corporations across the world saw several of them crumble, but in India, corporations may have faltered but have not failed.

Indian industry had the imagination to convert the inherent strength of the country's people into an economic model, which has given the power of technology to users, reduced costs, enhanced choice and changed the way the world delivers services.

India is recognized today as the foremost destination for offshore technology services because Indian companies were able to offer sustainable technology solutions to their business partners. The growing number of Indian companies in the space of IT and IT-enabled services (ITES) offer global businesses high-quality delivery, major cost benefits and an abundance of skilled resources.

In a business environment of rapid changes, technology outsourcing had also to adapt to changes in technology, globalization and regulatory measures. Global business is now looking at outsourcing approaches that require their technology service providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

In short, what Indian industry offered had to make not only economic sense, but also sustainable economic sense to survive in the market place.

It is finally the word on the street that can make or break a company's reputation and its brand value, which will in turn affect its wealth creation ability. At Infosys, our brand is one of the most important intangible assets that we own.

Our brand is our intrinsic value.

In FY 2009-10, we honored our commitment to campus offers despite the economic downturn.

This has helped us create trust and enhance our brand value. Reducing our carbon footprint and that of our clients does not just make sound economic sense but also helps us be responsible in preserving our ecosystem and furthering a sustainable future.

We also continued our investment in up skilling our employees, worked with governments to change policies for the greater common good and worked with educational institutions to upgrade the talent pool for the industry. We did these, because it made sustainable economic sense to us.

Long-term sustainability measures cannot be dictated by an organization's good times or bad times. Once sustainability is in-built as part of the organization's business strategy, every step that it takes addresses the economic growth holistically.

This is what we at Infosys have done. For us good times or bad times, it is not just business as usual, but it is sustainable business as usual.

Analysts rate us highly in their reports on our key services and markets and consider us a trendsetter.

We lead to create a sustainable future.

*V. Balakrishnan*

V. Balakrishnan  
Chief Financial Officer

## Sustainable economic growth

The recent downturn has refocused the importance of economic sustainability like never before. Enterprises have come to realize that a sustainable business strategy will help retain the trust and reputation of stakeholders in tough times as well as good times. FY 2009-10 was a tough year for the industry. The economic environment became challenging in all the major markets where we operated. We guided a decline in revenues and profits in US dollar terms for the year as most of our customers decelerated their businesses.

However, our greater client focus and a flexible operational and financial model enabled us to surmount the challenges and emerge stronger from the downturn.

During the tough economic environment, we focused our efforts on gaining the knowledge and capabilities to build tomorrow's enterprises. So, when the financial tide turned, our clients identified with this roadmap and partnered with us to be empowered.

The details of our economic performance are as follows:

*In US \$ million*

Particulars	IFRS			US GAAP
	2009-10	2008-09	2007-08	2007-08
Revenues	4,804	4,663	4,176	4,176
Net profit	1,313	1,281	1,163	1,155
Total tax paid	466.39	*340.04	271.27	271.27
Number of employees	113,796	104,850	91,187	91,187
Employee turnover	0.13	0.11	0.13	0.13
Customer information				
Number of clients	575	579	538	538
New clients added during the year (included in above)	141	156	170	170
Brand value	7,781	6,950	7,966	7,966
EVA (Economic Value Added)	648	766	572	572
Market capitalization (based on ADS prices)	33,747	15,254	20,460	20,580

\* Profession tax, service tax, value added tax (VAT) pending

The key economic ratios are as follows:

Particulars	IFRS			US GAAP
	2009-10	2008-09	2007-08	2007-08
Year-on-year revenue growth (%)	3%	12%	–	35%
Personnel cost / total revenue (%)	53%	53%	53%	53%
Operating profit / total revenue (%)	30%	29%	28%	28%
Return on average capital Invested	55%	67%	66%	66%
ROCE (PBIT / average capital employed) (%) (LTM)	37%	38%	40%	40%
Basic EPS growth (before exceptional items) (%)	2%	10%	–	33%
Capital output ratio	1	1	1	1
Price / earnings at the end of the year	26	12	18	18
Book value	9	7	7	7
Tax / PBT (%)	21%	13%	13%	13%
Value-added to total revenue	88%	85%	86%	86%
Revenue / invested capital	2	3	3	3
IT investment / revenue (%)	2.41%	2.93%	2.66%	–

The details of our post-tax profit information are as follows:

In US \$ million, except per share data

	2009-10	2008-09	2007-08
Profit before tax and exceptional items	1,669	1,475	1,334
Less: Additional depreciation on duty waived for certain assets	15	19	21
Reduction in other income	10	15	15
Adjusted profit before tax	1,644	1,441	1,298
Less: Income tax on the above on full tax basis	582	457	459
Restated profit after tax	1,062	984	839
Restated basic EPS (\$)	1.86	1.73	1.48
Basic number of shares	570,475,923	569,656,611	568,564,740
EPS	1.86	1.73	1.48

Scope: Infosys group, global operations

Note: We have transitioned to International Financial Reporting Standards (IFRS) from US GAAP effective March 31, 2009 with a one-year comparative amounts on IFRS.

For details, refer to our Annual Report 2009-10 on our website, <http://www.infosys.com/investors/reports-filings/Pages/index.aspx>

In FY 2009-10, around 89% of our global clients were satisfied with our services, as compared to 81% in FY 2008-09. Approximately 87% of our global clients said that they would engage us for providing services, developing products and solutions in the future, as compared to 82% in FY 2009-10.

During FY 2009-10, we were not subjected to any significant material legal actions for anti-competitive behavior, antitrust, monopoly practices or non-compliance with laws and regulations. We did not record any substantiated complaints regarding breaches of customer privacy, loss of customer data, and non compliance with laws and regulations concerning the usage of our products or services. Our marketing programs adhere to legal regulations of the countries we operate in. We have established robust systems and internal controls to ensure compliance to applicable laws and regulations. We have not made any donations during FY 2009-10 to political parties or politicians.

Natural disasters such as floods, cyclones or earthquakes have the potential to disrupt our business operations. We have deployed elaborate disaster recovery mechanisms and business continuity measures to mitigate such exigencies and is a key component of our risk management. PHOENIX, our business continuity management system is our comprehensive framework for disaster management and business continuity.

## Corporate governance and stewardship

Members of the Board work with various stakeholders on public policy development as well as matters related to corporate governance and stewardship. Each of our Board members have committed to one personal cause on World Environment Day, June 5, 2009 and also followed this up

with their own personal commitment to sustainability. These and other leadership videos on sustainability are available on our website <http://www.infosys.com/sustainability/pages/index.aspx>

The following section provides details on our Board members' individual association with governments, policy councils, industries, academia, companies and forums:

**N. R. Narayana Murthy**, Chairman of the Board of Directors and Chief Mentor, has led key corporate governance initiatives in India and is an IT advisor to several countries. He serves on the boards of HSBC, Ford Foundation and the UN Foundation. He served as a member of the Unilever board between 2007 and 2010. He also serves on the boards of Cornell University, Wharton School, Singapore Management University, Indian School of Business, Hyderabad, Indian Institute of Management Technology, Bangalore and INSEAD.

**S. Gopalakrishnan**, Chief Executive Officer and Managing Director, is the Chairman of the Confederation of Indian Industries (CII) Southern Regional Council and on the Board of Governors at the Indian Institute of Management (IIM), Bangalore. He is also the Chairman of the Indian Institute of Information Technology and Management (IIITM), Kerala, and Vice Chairman of the Information Technology Education Standards Board (ITES) set up by the Karnataka government. He is a member of Association for Computing Machinery (ACM), Institute of Electrical and Electronics Engineers (IEEE) and IEEE Computer Society.

**S.D. Shibulal**, member of the Board and one of the cofounders, is also a member of several international forums, namely, the International Board of Foundation, Globethics net; the Global Corporate Governance Forum's Private

Sector Advisory Group and the Metropolitan College Dean's Advisory Board, Boston University.

**K. Dinesh** is a cofounder and a member of the Board and Head of Quality, Information Systems and the Communication Design Group. He is also the Chairman of Infosys Technologies Australia Pty Ltd., an Infosys subsidiary, and serves as a Director of Narayana Hrudayalaya Private Limited, one of the largest integrated healthcare providers in the country.

**T. V. Mohandas Pai** is member of the Board and Director and Head – Administration, Education & Research, Finacle, Human Resources Development, and Infosys Leadership Institute. He has been actively working with regulatory bodies to improve the business ecosystem. He was also a member of the Kelkar Committee, constituted by the Ministry of Finance, Government of India (GOI) for reforming direct taxes, the Non-Resident Taxation Committee, the High Powered Committee on e-Commerce and Taxation. He is currently a member of the Securities and Exchange Board of India (SEBI) Accounting Standards Sub-committee and the Empowered Committee for setting up the Tax Information Network of the Government of India.

He is also a Trustee of the International Accounting Standards Committee Foundation, the body that oversees the International Accounting Standards Board.

He works with the union and state governments of India in the fields of education, IT and business. He has been working with decision-makers to improve the quality of education and availability of skilled manpower. He is a founder member of The Akshaya Patra Foundation, Bangalore. The Foundation is involved in providing midday meal program for school children. Today the midday meal program feeds over 1,200,000 (1.2 million) children every day in 7,669 government schools across seven states in India.

**Srinath Batni** is a member of the Board and is responsible for delivery excellence across the company. He is also a Director on the Board of Infosys Technologies (China) Co. Ltd. and Infosys Australia Pty Ltd., an Infosys subsidiary.

He is a member of the Infosys Foundation Trust and the Employees' Welfare Trust. He is also an Executive Member of NASSCOM.

## Engaging with governments and forums

Since governments are one of our prime stakeholders, we have channelized our resources and efforts to engage with various government agencies in order to create a more sustainable business environment for us and for our clients.

We have succeeded with this initiative in the southern Indian state of Karnataka, where surcharge has been waived on open access transactions. We have started a trial run of utilizing a small percentage of our electricity requirements through renewable sources in Mysore. We are working with various other state utilities to introduce 'Voluntary Green Tariff' in the country so that the high cost of renewable energy can be shared with responsible consumers on a voluntary basis, thereby acting as an incentive for state utilities to adopt renewable sources of energy. We are also working with various regulatory bodies in India to frame laws that will promote 'Green Utilities' as a viable alternative.

These efforts will help us realize our vision of sourcing our electricity through renewable sources. As a continuation of our efforts, we hosted the Climate Roadmap Sub-national Workshop (South region) on Indian Cities' Perspective on Post-2012 Climate Agreement and Actions. This was done in collaboration with the International Council for Local Environmental Initiatives (ICLEI) association of international government for sustainability in June 2009 at Mysore office. Senior government officials like mayors and commissioners of south Indian cities were invited and the best practices adopted at Infosys in managing the environment were shared with the participants.

## Engaging with our employees

Employees are our biggest asset and we foster a work environment that is equitable and participative. We anticipate employees to progress through different phases in their engagement with the company, from compliance and diligence, to knowledge and intellect, to initiative, creativity, and ultimately, passion.

We added 27,639 employees this year on a gross basis (net 8,946) from 28,231 (net 13,663) as compared to the previous year. Our employee strength comprises people from 59 nationalities as of March 31, 2010. Attrition was 13.4% for this year as compared to 11.1% in the previous year (excluding subsidiaries).

The employee statistics for the last three financial years are as follows:

HR data	2009-10	2008-09	2007-08
Women employees	32.4%	32%	31%
Senior locals hired*	69%	83.4%	75.2%

Scope: Infosys group, global operations

\* Local hires refer to both non-Indian nationals hired outside India and Indian nationals who are permanent residents or visa holders. Senior management maps to the two top bands of the role hierarchy.

## Employee strength by location

Region	2009-10	2008-09	2007-08
Americas	12,382	10,965	10,689
Europe	3,233	3,699	3,715
India	75,183	69,516	57,701
APAC and Middle East	1,890	1,671	1,385
Total	92,688	85,851	73,490

Scope: Infosys Technologies Limited, global operations

## Employee resource groups

At Infosys, participatory leadership is encouraged and recognized. Our employees participate in strategic and operational decision making process, and also help in deployment of actions emerging from these decisions. There are multiple committees, affinity networks, and communication channels through which employees can share their perspectives and help us formulate new policies, programs and processes.

Employee committees that have cross functional / level volunteers analyze and solve various operational issues at our India based office locations. The focus areas include transport, food, health, leisure, safety, and facilities management. Every operational location has a Management Council and Voice of Youth team to oversee employee welfare as well as act as a think tank for strategic decisions at the organization level. The business units also have their own Management Councils and 12% of these councils comprises of women.

Our Family Matters network provides a platform for Infoscion parents to connect with one another. It also provides 24/7 online counseling, parenting workshops, referrals to schools, day-care facilities, summer camps and relocation assistance among other programs. Expert speakers and life coaches were invited to facilitate workshops for parents across India locations in FY 2009-10. Some of the topics covered were 'The ABCs of discipline', 'Making relationships work' and 'Rediscovering parenting'. The workshops reached out to over 500 Infoscion parents and their spouses.

The Infosys Women's Inclusivity Network (IWIN) is an initiative that has influenced our vision to create a gender sensitive culture. IWIN has supported our policy makers to create specific policies for supporting gender sensitivity and inclusivity. IWIN has also facilitated a fair and transparent work environment where women are offered the same opportunities to contribute, develop and succeed at the workplace. The IWIN Circle helps women succeed personally and professionally through various programs such as peer coaching, counseling, mentoring and also provide referrals for child and home care. All Infosys locations in India have

daycare centers within a 4 km radius. In addition, life coaches helps women find answers to queries on parenting matters. In all, eighty-eight per cent of our women employees returned to work after maternity, and 96% of the part-time jobs were taken up by women. Women make up 40.3% of entry-level workers, 24.2% of mid-level managers, 6.5% of senior managers, and 6.2% of top-tier leaders, nearly double the number six years ago.

Some of the key inclusive policies are as follows:

- Paid maternity and extended maternity leave
- One-year child care sabbaticals
- Paternity leave
- Adoption leave
- Option for part-time, flexi-hours and selective telecommuting
- Sabbaticals for volunteer work and higher education

Scope: Infosys Technologies Limited, India operations

## Forums for employee redress

Hearing Employees and Resolving (HEAR) is a formal mechanism to help employees express their grievances and instances of discrimination. This year, HEAR received six discrimination cases based on gender, age and ethnicity.

The Grievance Redressal Body (GRB) has been set up to address our employees' concerns related to discrimination, retaliation or harassment. The Anti Sexual Harassment Initiative (ASHI) allows employees to report sexual harassment in the work place and cases are heard and resolved by an unbiased group. In FY 2009-10, there were seven significant cases heard and resolved by GRB.

## Employee communication channels

Communication being the key to an effective employee engagement strategy, we have created multiple channels to address the multifarious communication requirements of our employees.

The company realizes the value of transparency and accountability in its administrative and management practices. Our whistle-blower policy encourages our employees to report corrupt practices and unethical behavior. Employees undergo an awareness program on the policy during their induction. All employees abide by the organization's code of conduct and periodically affirm their compliance.

LITMUS (Let's Interact on Themes that Matter to Us) is an annual employee survey that has been designed to capture employee feedback and suggestions. After the survey is completed by HR in partnership with the business units, the feedback is interpreted and analyzed to create action items.

The data analysis for LITMUS 2009-10 identified managerial engagement as a strategic track to be implemented.

Apart from our intranet and corporate TV, we also have other channels to collect employee feedback. For example, the CEO holds quarterly forums, the head of HR hosts a monthly blog and the business unit heads conduct monthly / quarterly chat forums. Managers provide feedback through a manager's portal. This internal portal serves as a communication platform for managers worldwide to share, assimilate, and analyze relevant business information. The business units host open house forums to collect employee feedback regularly.

Capitalizing on the explosion of flash videos and the popularity of social networks, we have created our own channel on YouTube ([www.youtube.com/InfosysTechnologies](http://www.youtube.com/InfosysTechnologies)). InfyWiki is an active online knowledge-sharing community. The Infosys K-Shop is an online innovation forum that helps encourage and capture innovative ideas, share and reuse knowledge.

### Employee career development and support

Employees receive a customized path to ensure that they are fully engaged with the Infosys Role and Career Enhancement (IRACE) policy that maps their career progression path. All employees undergo regular appraisals to receive feedback on their performance as well as for promotions. Our performance culture is based on meritocracy and a balanced scorecard of performance measures.

Pay-for-performance is a key tenet of our performance management. Our Annual Awards for Excellence are aimed at recognizing and rewarding our employees' achievements. Our rewards system is based on the values of customer delight, leadership by example, integrity and transparency, fairness and the pursuit of excellence.

The entry level wage ratio for men versus women is 1:1 and we comply with local norms for the minimum notice period regarding operational changes. Our human resources department helps employees to relocate and resume work at new locations through various interventions. We have a formal process to help employee requests for relocations.

We have designed customized programs for leadership development and to ensure business continuity. Our leadership development strategy identifies potential leaders and provides opportunities for honing their leadership skills. This is done by our Board of Directors and the Infosys Leadership Institute. Each high-potential leader has a personal development plan, which includes action learning, assigned mentors and coaches.

All other training needs of our employees are met by the Education and Research (E&R) unit. The interventions start right from training new hires, to meeting employee aspirations through competency development.

The statistics related to the number of employees trained through E&R programs are as follows:

Program	2009-10	2008-09	2007-08
<b>Employees trained</b>			
Technical	163,971	117,869	33,937
Soft skills	55,528	109,017	–
Project management	2,754	4,642	–
<b>Participation details in person-days</b>			
Technical	329,617	203,541	40,791
Soft skills	37,270	98,817	–
Project management	3,679	5,784	–

Scope: Infosys Technologies Limited, global operations

Average training days per employee FY 2009-10 is 1.66 as compared to 1.33 in FY 2008-09.

At our BPO, we focus on strengthening soft skills of employees in order to serve our global customers. We provided 14,150 person days of soft skills training through ongoing training programs for entry level employees in FY 2009-10. For the same period, 4,089.5 person days of management training were carried out.

Program	2009-10	2008-09	2007-08
<b>Number of employees trained</b>			
Continuous training	21,457	40,052	48,064
Foundation training	4,024	3,639	3,417
Leadership development training	3,849	6,369	3,350
<b>Participation details in person-days</b>			
Continuous training	14,150	34,491	41,541
Foundation training	59,499	72,249	50,137
Leadership development training	5,751	7,881	6,934

Scope: Infosys BPO, global operations

Benchmarking E&R services is accomplished through (i) comparison with competitive intelligence inputs through formal and informal sources and (ii) regular benchmarking with external competitors or organizations.

This is done by proactive interventions such as auditing our services by external assessors. Also, E&R proactively participates in the American Society for Training and Development (ASTD) benchmarking exercise. In addition to external assessments, we onboard InStep interns and college teachers on sabbaticals who bring in their lateral inputs for such exercises.

Competitive intelligence inputs are gathered through planned formal surveys. Here is a sample list of key benchmarking exercises:

Focus area	Aspects of the program	Mode of benchmarking, Year
Trends in workplace learning and performance in benchmarked organizations	<ul style="list-style-type: none"> <li>Benchmarking key indicators such as direct expenditure per full time employee (FTE), delivery methods, average learning hours</li> </ul>	Independent ASTD study, 2009
Knowledge management	<ul style="list-style-type: none"> <li>Benchmark study to identify those organizations which are leaders in the new knowledge economy.</li> </ul> <p><b>Awards received:</b></p> <ul style="list-style-type: none"> <li>First Indian Company to be inducted into the Global MAKE Hall of Fame consistently since 2005</li> <li>Winner of Global MAKE 2009, Asian MAKE 2009 and Indian MAKE 2009</li> </ul>	Affiliated with MAKE – Most Admired Knowledge Enterprise since 2005

## Employee wellbeing

Employee safety and security are of prime importance to us. Disaster recovery and safety drills are conducted periodically to ensure readiness in case of emergencies. Emergency contact numbers are shared with all employees on the Intranet and through mailers and campaigns.

In FY 2008-09, we had committed to increase the scope of our employee safety to include the risks involving the commute to and from office locations as per the Occupational Health & Safety Advisory Services (OHSAS) 18001 guidelines. In pursuance of this commitment, we have created awareness campaigns related to safe travel practices. There were 639 incidents recorded during FY 2009-10. Ten fatalities were recorded due to road accidents. We have strengthened our processes across locations to prevent such incidents in the future through awareness sessions and safe travel guidelines.

The incident and frequency rate recorded for the year are as follows:

Incident rate per 100 employees = (No. of incidents x 100) / Total no. of employees	0.802
Frequency rate = (No. of incidents x 10 <sup>5</sup> ) / Total person-hours worked	0.352
Severity rate = Total number of loss days / Total number of incidents	2.880

Scope: Infosys group, India operations.

The frequency rate is for 100,000 working hours.

## Health assessment and lifestyle

Health assessment and lifestyle enrichment (HALE) was conceived with the objective of enabling Infosys and their families to take a more proactive approach to their health. Under its broad umbrella, HALE has niche areas of focus like HALE tool, HALE hotline, Health week, Safety week and Leisure. HALE strives to improve organizational productivity by promoting a healthy lifestyle among Infosys.

The HALE tool helps our employees evaluate their physical and psychological wellbeing. Also, a simple quiz tool helps them assess their stress levels. Based on the quiz scores, employees are guided to the hotline or the HALE tool.

About 4,400 employees accessed the tool and 3,839 opted to interact with experts on health matters. Around 3,500 employees accessed the tool to assess their stress levels through the online quiz tool. The HALE hotline is free of cost, available 24 hours a day, 365 days a year, and provides counseling by tying up with consultants to provide counseling. The counselor in every location receives around two to three calls every day.

We conducted the annual HALE health week to increase the awareness on wellbeing issues among employees. During the health week 2,574 employees availed of medical checkups and around 8,000 employees consulted specialist doctors at our office premises. Our corporate TV broadcasted special sessions to address problems such as backache, diabetes and women's health issues.

The HALE safety week is launched every year to reiterate safety awareness and emergency preparedness of our employees and is aimed at creating awareness on preventive measures. In FY 2009-10, about 10,000 employees participated in various safety related events. Many competitions, plays, demonstrations and sessions were conducted on the theme of safety to encourage participation from Infosys. In FY 2009-10, the HALE team collaborated with Voice of Youth, transport committees, bus drivers working for our transport vendors and shared safety best practices on multiple channels, including our intranet and corporate TV.

The HALE hobby week was an initiative to introduce various hobbies to Infosys across locations. In FY 2009-10, hobby sessions featuring dancing, language classes and clay modeling attracted participation from around 17,000 employees in 80 events conducted across our offices.

## Engaging with our clients and community



“I come from a background which is strongly connected to Mother Nature. I am trained as a farmer, and farming deals every day with keeping the soil fertile, keeping animals healthy and taking care of the environment.”

Any sustainability effort of an organization needs to come from within individual employees. We take pride in the many ways we volunteer selflessly our personal time to make a difference. This brings our individual social responsibility to the fore.

I am sure that there are many definitions of individual social responsibility, but to me it is to be driven by our individual conscience. We have to be conscious every day about the impact we make, the decisions we take, the thinking that we do and the challenges that we set for ourselves and for our teams. It is also important to be conscious about nature and about the electricity that we use as individuals.

When I think of corporate social responsibility in the context of my role as the Infosys' Country Head of Germany, I see it in three dimensions – the first dimension is Social Contract, the second Resource Efficiency and the third Green Innovation.

As a part of our social commitment, my team in Germany plans to take patronage and sponsorship of an institution in Bangalore, India, that is working with the Infosys Foundation.

We want to take our responsibility as a team to bring our skills to Bangalore and it will be part of the contribution we make. This is something close to our heart.

We are planning to offer all our new entrants, the opportunity to spend the last day of their induction working on the projects of the Infosys Foundation in Bangalore.

This will give our employees a new perspective when they come from Germany and join Infosys. They learn that

Infosys is not only about client services but also about corporate social responsibility.

Resource efficiency is the second dimension we are looking at. In Germany, we have just selected a new office building. Amongst the main selection criteria was the application of green technology and resource efficiency in our future office. This will be among the first offices in Germany that is acquiring the Leadership in Energy and Environmental Design (LEED) Gold Standard. It will be part of our culture in Germany to make sure that we work very consciously with our environment.

Another idea which came from the German team is to reduce our travel time and increase the use of video conferences. In addition, when we have to travel, we have a very good rail network in Germany, and this rail network is used instead of private cars, so that we can reduce our carbon footprint.

I see green innovation in using technology as a differentiator and innovating to help our clients in their sustainability journey. In Germany, we are committed to working with our clients in the financial, automobile and manufacturing sectors to help them assess their resource efficiency and set up processes to reduce their carbon footprint, minimize their impact on the environment and set up best practices on sustainability.

A handwritten signature in black ink, appearing to read 'F.-J. Schuermann'.

Franz-Josef Schuermann  
Country Head, Infosys Germany

## Engaging with our community

We are committed to contributing towards building an equitable society. Our corporate social responsibility covers five key aspects - healthcare, education, art and culture, rural uplift and rehabilitation, and targeted inclusive growth (HEART). Starting from the members of the board, to the Infosys Foundation, the Infosys Science Foundation and volunteer efforts of Infoscions at our office locations across the globe, we have been working for the betterment of society. In FY 2009-10, our CSR initiatives covered several drives such as donating clothes, conducting inspirational programs for students, providing midday meals, donating money for cancer research, contributing to flood relief and working towards the promotion of art and culture.

In FY 2009-10, ₹34 crore was donated to Infosys Foundation as compared to ₹20 crore for FY 2008-09. In FY 2009-10, ₹23 crore was granted to Infosys Science Foundation as compared to ₹15 crore for FY 2008-09. In both these foundations, certain directors and officers of our organization are trustees.

As part of our engagement with the community, we participate in benchmarking best practices and get involved in formulating guidelines. Some of our significant engagements in FY 2009-10:

- The Global Information Technology Report 2009-2010 from the World Economic Forum featured our article – Metrics on Sustainability. For details, visit <http://www.weforum.org/documents/GITR10/index.html>
- The Project Management Institute published our white paper – Infosys ignites the Spark in Students, under the track Academia and Community Transformation
- Our community empathy sabbatical policy aims at encouraging employees to contribute to community development initiatives which benefit the community.

## The Laureates of the Infosys Prize 2009

Name	Subject	Contribution
<b>Abhijit Vinayak Banerjee</b> Massachusetts Institute of Technology, USA	Social Sciences – Economics	Outstanding contributions to the economic theory of development, and for his pioneering work in the empirical evaluation of public policy.
<b>Upinder Singh</b> University of Delhi	Social Sciences – History	Contributions as an outstanding historian of ancient and early medieval Indian history.
<b>Thanu Padmanabhan</b> Inter-University Centre for Astronomy and Astrophysics, Pune	Physical Sciences	Contribution to a deeper understanding of Einstein's Theory of Gravity in the context of thermodynamics, and for his work on the large-scale structure in cosmology.
<b>Ashoke Sen</b> Harish Chandra Research Institute, Allahabad	Mathematical Sciences	Fundamental contributions to Mathematical Physics, in particular, to String Theory.
<b>K. VijayRaghavan</b> National Centre of Biological Sciences, Bangalore	Life Sciences	Contributions as a developmental geneticist and neurobiologist.

More details are available on [www.infosys-science-foundation.com](http://www.infosys-science-foundation.com).

This policy allows an employee to take a sabbatical for a period of six to twelve months. These employees are paid an allowance by the organization, while undertaking projects with NGOs as decided by a panel. In all, 17 employees were working on a full time basis for community empathy programs in FY 2009-10.

## Infosys Foundation

Through creating opportunities and working towards a more equitable society, the Infosys Foundation, set up in 1996, has made small, but effective strides in the areas of healthcare, education, social rehabilitation and the arts. Promoted by Infosys Technologies Limited, the Foundation offers the promise of a better tomorrow, through its projects across India and makes substantial contributions to the betterment of society through various activities year on year.

The Foundation was involved in several activities in FY 2009-10 in the areas of learning and education, ranging from distributing Kannada and English illustrated story books to 3,158 schools across rural Karnataka to buying and supplying books to schools across Karnataka and Andhra Pradesh benefitting 4,500 poor students, providing scholarships, funding research projects and donating computers to schools.

More highlights of the Foundation's projects are available in the web edition of our Annual Report 2009-10, page 121-122, on our website <http://www.infosys.com/investors/reports-filings/Pages/index.aspx>

## Infosys Science Foundation

We set up the Infosys Science Foundation, a not-for-profit trust in February 2009 with a view to promoting research in pure and applied sciences in India. The Infosys Prize attempts to raise the prestige of scientific research in India and inspire young Indians to choose a career in scientific research.

## Infosys academia programs

### Spark

An organization-wide initiative, Spark is managed by our E&R group. Spark aims at raising the aspirations of students, from high school to non-engineering and engineering colleges. This on-campus event is conducted on Saturdays across ten office locations in India. It exposes students to the best-in-class learning environment, where they are able to assess their industry readiness. In FY 2009-10, we reached out to 67,500 students, 3,372 members of faculty and also created over 2,600 committed volunteers within our organization. Members of the Board and senior management have participated in the Spark program by addressing students across all age groups. The Spark umbrella has expanded to include:

#### Spark Catch Them Young

This program provides two weeks of training in software development for a selected group of high school children during their summer vacation. Each of our nine India office locations select an average of 40 students for this training program. It gives these bright students an early exposure to corporate culture. In FY 2009-10, we coordinated with 3,165 students from 546 schools for the entrance test.

#### Spark Rural Reach Program

Volunteers visit government schools in remote villages on a weekend, once every quarter and introduce students to the effective use of technology. In FY 2009-10, we reached out to 9,157 students from 59 village schools.

#### Campus Connect

Campus Connect is an industry academia interaction program initiated in May 2004 with an objective of enhancing the quality of our IT the resource pool by working closely with selected engineering colleges across India. As of now, around 400 engineering colleges are partnering with us through this program.

In addition to the faculty and student training programs, technical and soft skills seminars / webinars are organized for the college faculty / students. Engaging events like programming contests are conducted at the national level to encourage young minds to develop problem solving abilities.

In order to institutionalize the training programs at colleges, we have started working with autonomous engineering colleges to design industry electives in the areas of technical and soft skills.

The impact of Campus Connect on the faculty and the students is gauged through surveys conducted on the Campus Connect portal.

A summary of the education programs are provided in the table below:

Program	Target audience	2009-10	2008-09	2007-08
Campus Connect	Colleges	395	430	490
	Students	76,446	33,100	13,000
	Teachers	3,091	1,100	1,891
Catch Them Young	Students	361	379	379
Industry Academia Partnership	Colleges	68	123	17
	Students	740	837	714
	Teachers	124	220	41
Rural Reach Program	Students	9,157	9,067	7,857

Scope: Infosys Technologies Limited, global operations

### Project Genesis

Infosys BPO launched Project Genesis in 2005 with a vision to partner with academia and governments to create a continuous, industry-ready talent pool by providing necessary skill training and opportunities to increase employability in rural and semi-urban towns across India. The implementation of this curriculum ensures that the students are exposed to communication skills – written and spoken, different cultures, corporate etiquette, analytical problem solving skills – which make them industry-ready by the time they graduate. We implemented the project in Karnataka, Andhra Pradesh, Orissa, Tamil Nadu, Maharashtra and Rajasthan in India. In FY 2009-10, we trained 316 academicians from 174 colleges who in turn trained 11,442 students. The total number of students covered under Project Genesis since its inception is 68,841.

### InStep

InStep is Infosys' Global Internship Program. Aimed at building brand equity with the best-in-class students from top academic institutes, the InStep program hosted over 112 interns from 35 nationalities in FY 2009-10. Students came from technology, business, and liberal arts backgrounds to participate in project-based internships in Infosys' strategy, research, and corporate functions. With the opening of the Infosys Brazil subsidiary, InStep focused on expanding its footprint in Latin American countries.

## Employee CSR activities

Our employee volunteers are involved in several CSR efforts in our office locations globally. Highlights of some of these programs in FY 2009-10:



Over **4,000** employee volunteers across Infosys continue to work on education, healthcare and rural uplift and rehabilitation projects



Over **2,100** new houses built for flood victims in Karnataka



More than **60,000** children benefited by the Note Book Drive



More than **1.2 million** children benefited by the midday meal program

### Australia

Among some of the initiatives that our employee volunteers took up in Australia were, 'Hot Cross Buns For Hope' fund raiser. The entire proceeds from the initiative was donated to the Red Cross disaster relief efforts in Haiti and Chile.

Volunteers worked with the Salvation Army to distribute Christmas appeal contributions, toys and clothing to those less fortunate over the Christmas and New Year period.

An indigenous scholarship program was launched in partnership with Monash University, sponsoring a disadvantaged Indigenous student through tertiary study. Book drives were organized to collect books, novels and periodicals from employees for schools and libraries affected by the Victorian bush fires.

World Environment day was observed by encouraging employees to think 'eco-friendly' and keep the office plastic bag free.

### Bangalore

Infynite Smiles is the employee volunteer group in Bangalore and works on several areas such as revival of dying arts, blood donation camps and notebook drives. In FY 2009-10, Infynite Smiles was instrumental in driving the following initiatives:

- Arranged sale of tribal handicrafts at the campus to support artisans and promote dying tribal art forms. Over 2,000 Infosians bought these tribal products.
- A training session for 35 NGO staff on office automation tools was conducted.
- The Note Book Drive initiative supported 44,254 children in 302 schools by distributing 151,000 essential stationery kits in remote villages of Maharashtra and Karnataka. ₹10 lakh plus was contributed by employees for the Note Book Drive.

### Bhubaneswar

Akanksha is the employee volunteer group in Bhubaneswar. The volunteers worked on a wide range of activities last year that included conducting relief work in the cyclone hit areas of Orissa, reaching out to various schools to help students with their studies, and providing life and health insurance coverage for all inmates of an orphanage. ₹16,38,729 was spent on various initiatives.

### Chennai

Sneham is the employee volunteer group of our Chennai office. Their main focus includes education and rural uplift. Sneham volunteers spend all their weekends educating rural students in English and computer skills. Also, they work with NGOs to help visually challenged students prepare for their exams. Educare, Pay it forward (in collaboration with IWIN), and Be a Santa are some of the continuous programs run by this group. During FY 2009-10, more than 507 Sneham volunteers worked with employees to raise a fund of ₹30,23,648 covering 14,372 beneficiaries.

### China

Our China office volunteers donated clothes to the organization, River of Hearts (ROH) that worked towards helping orphan children, old persons and the less privileged.



*Clothes collection drive, Shanghai, China*

### Hyderabad

Mamata, the Hyderabad office CSR group, works closely with Pratibha Poshak and Akshaya Patra, two of our CSR partners. In FY 2009-10, ₹5,93,000 was spent towards 10,500 beneficiaries.

### Mangalore

Prerana, the Mangalore office CSR group, awards scholarship for higher education to meritorious students from the less privileged sections of society, besides conducting regular blood donation camps. In FY 2009-10, ₹29,000 was spent on aid programs covering 800 beneficiaries.

## Mysore

The Mysore office CSR group, Social Forum To Enable the Needy (SOFTEN), organized blood donation camps, scholarship funds and health checkups.

## North Karnataka flood relief

The floods of September-October 2009 in North Karnataka and Andhra Pradesh were devastating and affected several districts.

The Karnataka government sought the help of many private companies in rebuilding houses for the affected flood victims. We responded to this request immediately. The company, Infosys Foundation, directors and employees collectively pledged ₹30 crore towards the rebuilding activity.

With this fund, our CSR team is in the process of constructing over 2,100 houses spread across 18 villages in five districts. The team intends to hand over the houses as and when completed to the government. The first set of houses is scheduled to be handed over by the end of May 2010.

For more details of our employee CSR initiatives, visit our website [www.infosys.com](http://www.infosys.com)

## Pune

The focal point of the CSR activities at our Pune office for the last one year has been education and health. The 'Pratibha Poshak' team donated ₹2,14,000 towards scholarships for 30 students in FY 2009-10. A total of 41 full-year scholarships were granted to visually impaired girls. As part of a healthcare initiative called 'Lifeline-100', ₹5,77,000 was donated towards the treatment of 16 critically ill patients.

## Thiruvananthapuram

Sanjeevani, the Thiruvananthapuram office CSR group organized eye check-up camps for the less privileged and supplied notebooks to several schools in FY 2009-10. ₹2,23,520 was donated to benefit 4,700 students.

## United Kingdom

Women employees from our office in Canary Wharf participated in the Race for Life initiative. With an initial target of £1,000, they were successful in raising £1,700 for the Cancer Research program in the UK.

Langdon Park School in Tower Hamlets visited our campus in London. A small team from our London office actively worked with British educational institutions to create awareness related to career opportunities in IT. This visit was part of a program called Go4IT, a government-backed initiative to increase the visibility and appeal of IT careers to secondary school pupils in the UK.



*Race for Life, Canary Wharf – UK*

## United States

Volunteers worked along with Red Cross and supported earthquake affected victims at Haiti in January 2010, with food, medical care and other basic necessities.

## Resource efficiency

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**1,400,000** sq. ft.  
of green buildings  
under construction



Collaborated with  
**government  
bodies**  
in formulating  
environmental  
policies



**3.6** million kWh  
of electricity  
procured from  
renewable sources



**23,714** trees  
planted in our  
India office locations



**18%** reduction in  
per capita electricity  
consumption during  
last two years

We believe resource efficiency is an effective means to reduce our impact on the ecosystem. Following up on our commitment to be a responsible consumer of energy, water and other natural resources, we have invested in green buildings and have launched several initiatives to conserve electricity, reuse paper, recycle water and effectively manage our waste.





“Sustainability is the ability of an organization, society and individuals to benefit and leverage existing resources in a manner and fashion that will ensure they would still be available for future generations. Sustainability cannot be about an initiative, it cannot be about check writing, sustainability has to be part of our DNA.”

At the present rate of consumption, the earth's natural resources are not going to last forever. Unless we conserve, protect and nurture our environment, the ecosystem as we know it will cease to exist. The three 'R's – Reduce, Reuse and Recycle – aims at utilizing resources proficiently and effectively so that there is enough for everyone.

The traditional view of resources is that they come from renewable and non-renewable sources. That definition has changed drastically in today's context. In addition to fast depleting non-renewable resources, we now have to squarely face the challenge of running up against natural limits when even renewable resources are not given enough time to be replenished.

Merely providing a definition for sustainability is not enough, unless we also understand how we are going to act upon it. We have to look at every decision and every action that we take, invoking and involving the concept of sustainability.

With clients in a wide variety of sectors ranging from manufacturing to banking and capital markets, corporations like Infosys are best placed to help other companies bring in efficiency into their operations.

For example, in the two units that I lead – Banking and Capital Markets (BCM) and Strategic Global Sourcing (SGS), we work towards making our organization and clients more productive and efficient. In the datacenters that clients use, we are trying to make them more efficient while consuming less electricity. We have an initiative in SGS, where we help our clients become green, by reducing usage of paper, and relying more on internet transactions and cloud computing. We also support SETLabs and other units within the organization to create these product lines.

However, these actions are incomplete without exploring and eliminating wasteful procedures within our own organization.

A handwritten signature in black ink, appearing to read 'Ashok Vemuri'.

Ashok Vemuri

Senior Vice President – Banking & Capital Markets,  
and Strategic Global Sourcing

## Building sustainable infrastructure

As an IT services and consulting company, our operations are people intensive rather than resource intensive. Furthering our commitment to growing responsibly, we are working on reducing the ecological impact of our operations.

We are committed to minimizing the consumption of electricity and fresh water, preserving natural habitat and reducing waste at our office locations. In FY 2009-10, there have been no incidents of non-compliance to environmental regulation at any of our locations in India and no sanctions have been imposed.

We reiterate our long-term environmental sustainability strategies below:

Focus Areas	Ecological impact of our operations	Long-term goal	Strategy
Electricity and emissions	Leads to climate change due to GHG emissions	To become carbon neutral	Electricity efficiency and sourcing of electricity from renewable sources
Water	Leads to the depletion of fresh water supplies and pollution of water sources	To become water sustainable in our new India-based campuses	Focus on rainwater harvesting, recycling and reducing consumption
Biodiversity	No significant impact	To preserve and promote the natural habitat	Plant one native tree for every new employee across all our campuses
Waste	Potential contamination of landfills and water bodies, if waste is not handled responsibly	To minimize solid waste and continue to improve methods for disposal of e-waste	The three 'Rs' strategy – Reduce, Reuse, Recycle – and improve e-waste management
Material consumption	Depletion of natural resources	To minimize the use of virgin resources	Optimization by design and use of recycled materials

We have established a Green Initiatives team in the organization to focus on reducing the ecological impact of our operations across the globe. Much of our investment decisions are prompted by our commitment to be a responsible consumer of electricity, water and other natural resources.

## Smart buildings

Our goal to become a sustainable organization will be attained only if our infrastructure and our operations are sustainable. This is no mean ambition when one considers that we have 25 million sq. ft. of office space and annually add about 2-3 million sq. ft. of space. The key to reducing our GHG emissions lies in resource efficiency. We set ourselves a goal of achieving 10x resource efficiency. This meant that our existing infrastructure had to be rewired and all new facilities needed to have inbuilt resource efficiency. Efficient design is used to reduce the consumption of building materials. We have carried out peer reviews of the structural design of all new buildings to ensure optimum use of concrete, glass and steel.

Our Green Initiatives team is focused on developing smart infrastructure that will not only cater to our needs but also support the overall ecology. The new projects in our Indian campuses such as Mysore, Thiruvananthapuram, Mangalore and Hyderabad are being designed as per the highest standard of Leadership in Energy and Environmental Design (LEED).

We promote the use of recycled materials such as bagasse based table tops, aluminum for our workstation frames and partitions.

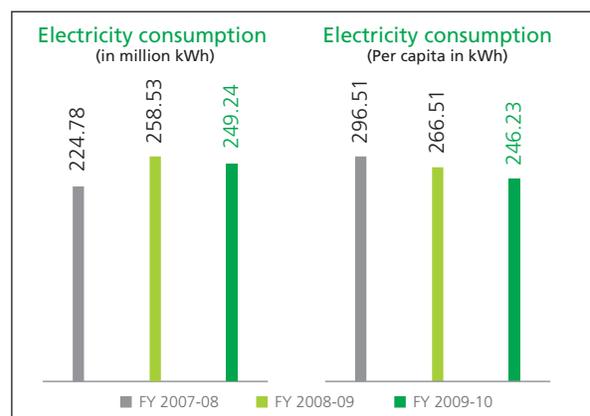
## Electricity efficiency

Electricity alone contributes to 73% of our emissions. Therefore, to meet our objective of carbon neutrality, we focus on efficiency initiatives and source electricity from renewable sources.

In the last two years, we have been able to achieve over 17.6% reduction in per capita electricity consumption. In FY 2009-10, we were able to achieve 7.61% reduction in per capita electricity consumption, while in FY 2008-09, we achieved 10% reduction in per capita electricity consumption.

*Note: Reduction in per capita electricity consumption is reported as 10% in the Annual Report. The figure is restated as 7.61%.*

During FY 2009-10, our total electricity consumption was 249.24 million kWh, which consists of 222.7 million kWh from grid electricity, 26.4 million kWh from



Scope: Infosys group, India operations

captive generation and 3.6 million kWh from renewable sources. The energy consumption for steam generation during the year was 18.18 MJ.

We have achieved 7.61% reduction in our per capita consumption of electricity. This was possible through efforts such as:

Activity	Initiatives
Lighting	<ul style="list-style-type: none"> <li>Installation of occupancy sensors in rest rooms</li> <li>Installation of LED lights in rest rooms</li> </ul>
Air conditioning	<ul style="list-style-type: none"> <li>Introduction of Power Manager in our employee care centers to manage air conditioners effectively during non-occupancy at Mysore, Bangalore and Hyderabad campuses</li> <li>Installation of Variable Frequency Drives in air handling units</li> <li>Chiller efficiency audit</li> <li>Installation of Variable Refrigerant Volume (VRV)</li> </ul>
Electricity monitoring	<ul style="list-style-type: none"> <li>Installation of meters not only at the building level but also at the equipment level which has started giving us intelligent data to help us take informed decisions</li> </ul>
Others	<ul style="list-style-type: none"> <li>Optimize UPS electricity utilization after office hours and during weekends</li> <li>Reduce the number of elevators operating during weekends and holidays</li> </ul>

### Renewable energy

During FY 2009-10, we added 41,000 liter per day (lpd) of solar heating capacity, totaling to 645,700 lpd. This has resulted in a potential electricity saving of 24,965 kWh on a bright sunny day. We are piloting a micro wind turbine each at Mangalore and Pune. We are also conducting feasibility analysis for generating solar electricity at our campuses.

At our office location in Mysore, we have procured 3.6 million units of electricity through a mini hydel plant and are working towards increasing the share of renewable energy in our total consumption.

We continue to engage with the government and regulatory agencies to promote renewable energy. Our leaders engage with global and local initiatives on climate change. For details, refer to page 19, *Engaging with governments and forums* section.

### Sustainable mobility

Employee business travel contributes to 18% of overall GHG emissions. Last year, we increased the focus on encouraging employees to meet and collaborate on virtual platforms like video, audio and web conferencing.

In FY 2009-10, the number of web conferencing requests saw a 30% rise as compared to last year.

To reduce the footprint due to employee commute in our Indian operations, we continue to encourage our employees to use multiple means of mass transport. More than 75% of our employees use mass transport for commuting to office. We encourage our employees to carpool and offer special incentives to car poolers. One of the office locations has also launched a portal that enables employees to use train services.

### Emissions

Secondary emissions from electricity consumption, business travel and employee commute are our main sources of GHG emissions. We are looking at sourcing renewable energy and undertaking offset projects to achieve our goal of carbon neutrality. We were able to achieve 8.97% per capita reduction in emissions in FY 2009-10. Our emissions added up to around 254 KT as compared to 269 KT in FY 2009-10, achieving a reduction of 13 KT. We follow standards and guidelines provided by GHG Protocol available on [www.ghgprotocol.org](http://www.ghgprotocol.org), to monitor, measure and manage GHG emissions.

### NOx and SOx emissions

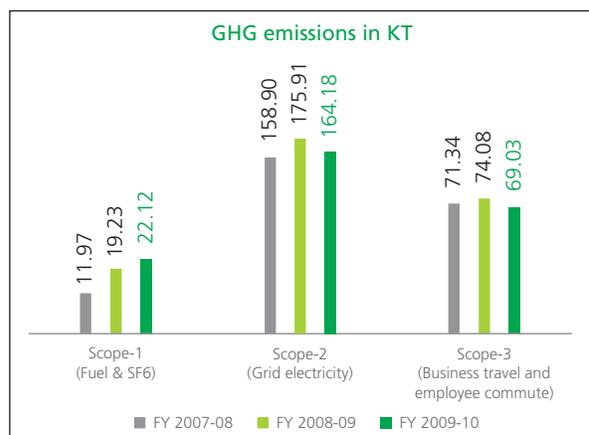
NOx and SOx emissions at our facilities are generated mainly because of the operation of diesel generators. In FY 2009-10, the annual SOx and NOx emissions were 68 and 518 MT respectively.

### Ozone depleting substances

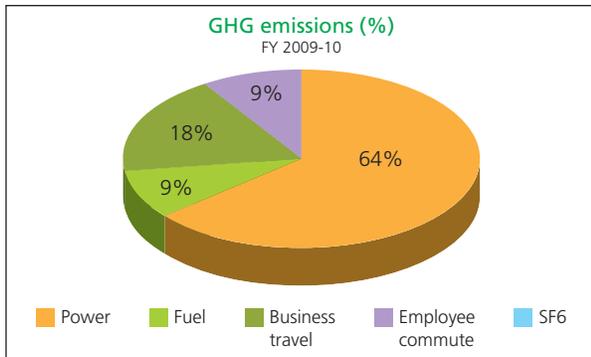
The emissions of ozone depleting substances at our facilities for the last three years are as follows:

Ozone depleting substance	2009-10	2008-09	2007-08
R22 (kg)	2,068	2,347	2,026
R123 (kg)	0	360	148
Total CFC11 equivalent for R22 and R123 (kg)	114	124.5	104.2

Scope: Infosys group, India operations



Scope: Infosys group, India operations

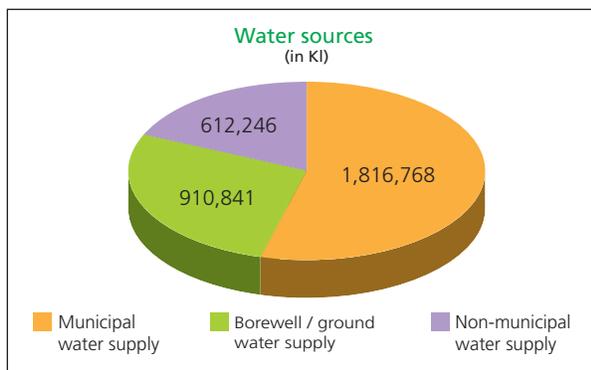
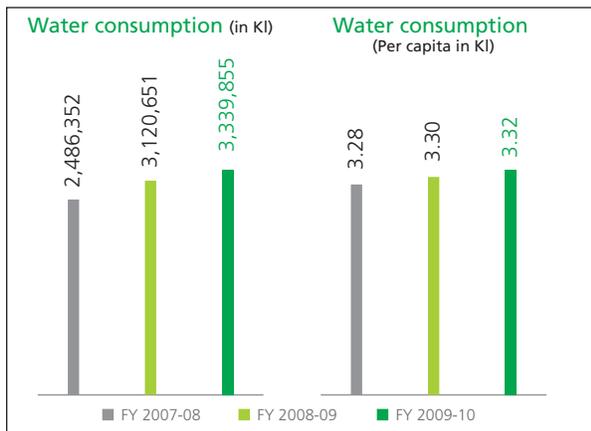


Scope: Infosys group, India operations

## Water resources

We believe that availability of fresh water will be the next challenge facing mankind. Hence our long-term vision is to become water sustainable.

In this regard, we took up several initiatives and campaigns for the optimal use of water across all our campuses. Municipal supplies are the major source for fresh water which is used only for human touch purposes and not for production. Therefore we believe that our operations do not significantly impact water sources. Total water consumption at our campuses increased because of the expansion of infrastructure space. We have our own sewage treatment plants to recycle and reuse waste water generated at our



Scope: Infosys group, India operations

campuses every day. All water consumed at most of our campuses is recycled and utilized for landscape maintenance.

All our new campuses are designed to attain water sustainability. Rain water harvesting structures have been built at the Mysore, Hyderabad and Mangalore campuses. During the year, there was no significant water discharge from our campuses.

## Biodiversity

All our operational sites in India are located outside protected land or habitats. Our activities do not threaten any endangered species of flora or fauna. We have also focused on preserving endangered native tree species. We have over 141,700 trees above the height of 1.5 meters in our campuses. We also endeavor to transplant all trees that have to be unearthed for development.

	2009-10	2008-09	2007-08
Trees on our campuses	141,700	118,000	100,000

Scope: Infosys group, India operations

## Paper usage

During FY 2009-10, a total of 88,493 reams of paper were procured, a reduction of more than 23,000 reams compared to last year.

The following are some of the significant initiatives that were implemented in FY 2009-10 with an aim to reducing paper consumption and wastage.

We took a conscious decision in our library to loan books (instead of issuing permanent hard copies) and providing soft copies of documents in all our training programs:

- Our Global Education Center (GEC) at Mysore uses only 4,000 copies of course materials and loans them to more than 12,000 trainees per year.
- All relevant materials related to competency development are made available in soft copies through the E&R portal.
- Other paper savings include online question paper (saves about 0.96 million pages per year), online attendance (saves about 200,000 pages per year), soft copies of stream course material (saves 20 million pages per year).
- Providing soft copies to 30,000 students in 400 Campus Connect colleges [saves 30 million printed pages per year (30,000 students x 1,000 pages per student)]
- Printing is restricted by implementing secure printing for GEC educators.
- Every trainee in every batch is introduced to the Go Green initiative

Here are some of the measures and initiatives adopted in FY 2009-10 that ensured resource efficiency for us:

Initiative	Implementation process	Resource optimization
Zero Tissue Paper Day	On December 17, 2009, eco groups in India office locations observed the Zero Tissue Paper Day	Awareness created among Infoscions about the importance of adopting a sustainable lifestyle.
Reusable envelopes	Reusable envelopes introduced for Income Tax filings	The equivalent of around 28 fully-grown trees were saved along with an annual saving of about ₹2,50,000 for FY 2009-10.
Income Tax soft-copy submissions	Online submission of Income Tax introduced from FY 2010	Over 3,000 submissions, accounting for about 30-35% of the total volume of submissions were recorded. This resulted in significant monetary and environmental savings.
Infosys Annual Report 2009-10	We have started emailing the annual and quarterly reports to around 200,000 shareholders. Also, from FY 2009-10, we printed the Annual Report containing only statutory details, making the rest of the information available online.	Reduction of about 120 tonnes in our annual paper consumption

Scope: Infosys group, India operations

## Our waste management strategy

Our waste management strategy includes waste reuse, waste reduction at source, recycling, composting and hazardous waste management. For instance, wood waste is used in carpentry. During the year, there were no significant cases of fuel or chemical spills.

### E-waste

E-waste is managed in adherence to all regulatory requirements.

### Food waste

Awareness campaigns to promote the reduction of food waste is carried out regularly in order to sensitize our employees. Vendors at our campuses are urged to take back packaging material and avoid the use of disposable plastics.

### Biogas generation

We are planning to install biogas generation facility at Pune and Mysore. This facility will help us further reduce organic waste and use the generated electricity in our food courts.

The details of hazardous waste generated due to our operations are as follows:

### Hazardous waste

Hazardous waste disposed	2009-10	2008-09	2007-08
Used oil (liters)	30,680	22,130	20,000
Cotton waste (kg)	340	227	638
DG filters (nos.)	708	319	487
E-waste (metric tonnes)	103.8	59	5.4
Batteries (nos.)	2,650	2,888	1,315

Scope: Infosys group, India operations

## Awareness on resource efficiency

With employees spread across various geographies, creating awareness on material issues on sustainability is a huge challenge. But we recognize awareness is the first step towards compliance and we undertook several initiatives to spread awareness amongst Infoscions.

### Sustainability expert speak series

The Sustainability expert speak series is a platform where experts on environmental issues are invited to share their rich knowledge with Infoscions. The objective of these seminars is to increase awareness about our sustainability goals and to inspire Infoscions to take direct action. These series were held at several office locations across the globe via video conferencing to ensure greater participation of Infoscions. The following speakers were invited in FY 2009-10:

Date	Speaker	Topic
January	John Seed	Deep ecology and the conservation of nature
February	Dr. Vandana Shiva	Food security and climate change
March	Dr. Harini Nagendra	Our forests, our future
March	Rohini Nilekani	Water – a looming crisis?

Scope: Infosys group, India operations

These seminars also attracted participation from other organizations.

## Tracking employees' ecological footprint

Our GHG emissions are primarily only the aggregate of individual employees' emissions through travel and commute. In an effort to create awareness about the ecological impact of the Infosys family on the environment and understand how this could be reduced, we came up with the idea of showcasing each employee's personal data related to travel and paper consumption on real time basis. This was made available on each employee's personal information page on the intranet. Every employee will be able to track his or her impact on the environment caused by official travel and paper consumption at work.

## Environmental movies

We collaborated with the British High Commission to showcase environmental movies with our trainees at the Mysore campus. In FY 2009-10, around 2,138 trainees participated in the movie screening.

## Sustainability portal

An internal Sustainability Portal was created to strengthen efforts to increase awareness on sustainability at Infosys. The Sustainability Portal is a one stop shop to address various dimensions of sustainability at Infosys. Over 15,000 employees visited the portal as on March 31, 2010.

## Eco group activities

Many of our employees volunteer their time to create awareness related to protecting the environment and sustaining our planet for the future. Eco groups were formed at several of our office locations to oversee these programs.

Our eco groups have worked tirelessly in instilling a sense of responsibility and accountability to our environment. In FY 2009-10, the focus was on streamlining this effort and ensuring collaboration between various office locations. Apart from volunteering efforts to architect the rain water harvesting systems at work, and conducting massive awareness drives, the Eco groups brought in vendors of Rain Water Harvesting (RWH) systems to the campus for the benefit of employees.

Our eco groups conducted several campaigns to increase awareness and commitment towards the environment on conservation, biodiversity, energy management, sustainable mobility, water management and waste management.

## Earth hour

We reduced close to 3 MW of electrical equipment load during 60 minutes in our campuses at nine office locations in India. Over 1,100 Infoscons registered for the organization-level eco fun contest – My 60 Minutes for Earth. Many more Infoscons signed up their support on the Earth

Hour website and pledged to observe '1 hour switch-off' in their homes and spread it further to their residential communities. Feedback analysis provided the impact details and the effectiveness of such campaigns. It also gave us data on daily electricity consumption patterns.

Outreach to employees happened through effective leverage of in-house communication infrastructure such as our intranet and corporate TV, social media, on-ground info-kiosks, etc.

## Seedball drive

Nearly 110 Infoscons, some accompanied by their families, were involved in the unconventional seedball drive. The final phase of the Green Connect Seedball Drive (SBD) '09, a month-long drive for afforestation, was held on September 5, 2009 with the scattering of seedballs in Devarabetta forest area (Dodaballapur) in Karnataka.

## Project green hands

Our Eco group at the Chennai office conducted a campaign called 'Chennai 2020 & beyond' to create champions for sustainability. One of the key events of the campaign was 'Project Green Hands' where the eco group partnered with ISHA foundation to adopt villages around the campus. The eco-warriors worked with the village panchayat to convince them of the need to maintain a green cover despite rapid deforestation. Over 1,000 saplings were planted across two villages (Thenmelpakkam and Anjiyur) in two phases. In our periodic survey and audit, we found that over 70% of the plants had survived and were thriving.

## Cycle race at the Mysore Dasara Festival 2009

Our Green Connect team tied up with the Mysore Dasara Cycling Committee and Ride a Cycle Foundation to organize a cycling race for people with disabilities and for pre-teens.

## Efficient supply chain

We select vendor partners who follow best practices in green procurement, human rights and ethics in their workplace. We also prefer sourcing raw materials from vendor partners who are available within a 500-mile radius.

Being an IT services company, we do not have any businesses identified with risks of forced labor or child labor. However, we foresee the risk of child labor in our supply chain in India and hence control it through the vendor selection process.

Adherence to government policy legislations such as contract labor, wages, employee state insurance, provident fund and bonus are conducted on a monthly basis and non-compliance is tracked and the findings are shared with our vendors.

Our green procurement policy was formulated in FY 2009-10. We conducted an awareness and appreciation building session for our key vendors at the annual conclave for our partner organizations – Sambandh 2010. While most of our vendor partners are aware of our green procurement policy, this session elaborated on our goals and our roadmap to achieve sustainability through operational and design excellence. We also discussed our design innovation in detail.

The following are the highlights of the policy:

- Reduce consumption of water
- Reduce consumption of electricity
- Make efforts to keep the environment green
- Encourage diversity of talent
- Encourage compliance with human rights conventions
- Adhere to all applicable laws of the land
- Provide clear, accurate and appropriate reporting on all matters of relevance including the above on request.

## Efficient cooling technology

Air conditioning constitutes approximately 50% of our total electricity consumption. So, it was clear that our approach to heating, ventilation and air-conditioning (HVAC) needed to be overhauled. This could only be done if all assumptions were questioned.

With the vast majority of our campuses located in tropical climes, cooling was the operative word in HVAC. Our approach was to first reduce the need for cooling and second to provide the cooling through highly efficient systems and equipment.

From our research, it emerged that the major reasons for heat gain in our buildings were solar heat, lighting, computing equipment and the human body. This insight helped us look at new ways of implementing cooling systems in our buildings.

Buildings are now built with double walls and insulation. The roofs sport an insulation layer above the concrete slab. In collaboration with our suppliers, a spectrally selective high performance double glazing for glass was developed. The glazing allows only the visible spectrum of light and cuts out UV and IR rays. Within the double glazing is sandwiched a layer of Argon gas, a known poor conductor of heat.

Energy efficiency is now factored in our equipment purchase process. T5 and LED lights are deployed instead of CFLs or Fluorescent lamps; these generate much lesser heat in comparison.

Efficient design of HVAC system and high efficiency equipment like cooling towers and chillers, pumps, fans and

motors are employed to minimize the electricity usage in the air conditioning cycle.

Not being content with this we decided to explore innovative cooling technologies.

Elementary science tells us that radiation is the most efficient mode for transferring heat and that liquids are much better conductors of heat than gases. Medieval Indian palaces are built with thick walls and floors and trap heat in their thermal mass, thus achieving cooling. Learning distilled from studying indigenous architecture as well as the latest cooling technologies informed us in our quest to build electricity efficient cooling systems. We are now implementing radiant cooling technology in some of our new buildings. Cooled water is circulated in tiny pipes embedded in the concrete roof slab. The entire surface area of the ceiling is thus available for energy transfer. Experiments are also underway to employ solar electricity to achieve cooling through absorption chillers instead of using electricity.

## Impact

In a building nearing completion where electricity efficient lighting, cooling and equipment is being deployed, standard simulation software models predict an operational cost saving of 45% over a conventional building, and nearly 35% over an American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standards compliant building.

## Awards and recognition

Our BPO building in Pune is being considered for a 5-Star rating by the Bureau of Energy Efficiency (ministry of power, government of India, New Delhi) under the scheme 'Star Rating for BPO Buildings'.

## IT infrastructure

### Desktop power management

Taking the Green Initiative forward, we replaced over 7,000 older desktops with newer power-efficient versions in FY 2009-10. In addition to extending the optimized power management configuration to a total of 68,846 desktops as against 53,710 desktops last year, Terminator, an in-house application, has been developed and rolled out. This application is designed in such a way, that if the user does not shut down the desktop after a reminder, the desktop shuts down automatically at a pre-defined time after working hours. This brought about an estimated 25% reduction in power demand by desktops which is around 0.7 kWh per desktop with power management configuration per day.

Device	Average power demand
Desktop + monitor	110 Wh
Desktop only	60 Wh
Desktop in sleep mode	10 Wh
Total power without sleep mode <sup>(1)</sup>	1,940 Wh (110x10 + 60x14)
Total power with sleep mode enabled for 70% of desktops*	1,450 Wh (110x10) + {(60x0.3 + 10x0.7)x14}
Reduction in demand	25%

\* Average office hours = 10 and after office hours = 14  
Scope: Infosys group (India locations)

### Datacenters and server rooms

Our Computers and Communication Division (CCD) plays a significant role in fulfilling the needs of an ever expanding organization by providing a scalable, robust and secure IT infrastructure. CCD endeavors to leverage cutting-edge technology and optimized processes to streamline our operations.

Continuing our efforts towards restructuring existing datacenters and server rooms, we have remodeled eight large and medium sized server rooms and four dedicated Offshore Development Centers (ODCs). This was done to increase cooling efficiency and effectiveness by using less electricity.

The steps involved consolidation of servers; re-modeling of racks, as per cold and hot aisle designs; replacement of older systems with newer ones; room resizing; and usage of overhead cable trays to ensure better airflow beneath the floor. As a result, a number of air conditioning units were decommissioned to save electricity in each room. Electricity was also saved with the use of newer systems for consolidation.

### Internal enterprise cloud

Leveraging cloud concepts, we have built an internal enterprise cloud called MyCloud this year. It is a platform for software application development and / or concept development, powering project delivery environment.

MyCloud is capable of hosting around 3,000 virtual machines (VMs) and has an easy-to-use 'Self-Service' portal with template-based agile provisioning. We are looking at substituting additional desktops and servers physically installed in our server rooms and labs with these VMs.

In addition to enabling faster provisioning, reduction in build / re-build time and optimal resource utilization, this implementation requires just around 20% of total electricity demand by additional desktops and servers replaced by VMs. This has led to a maximum possible reduction in electricity demand of around 6,480 kWh per day.

Maximum electricity – desktop (Wh)	110
No. of virtual machines	3,000
Total electricity demand	330,000
Total maximum electricity – virtual computing environment (Wh)	60,000
Reduction in electricity demand	82%

Scope: Infosys group, India operations

And this is not all. We have even implemented configurations like PIN based secure printing, duplex printing, sleep mode etc. to reduce paper usage and electricity consumption by printers. We continue to closely monitor video, audio and web conferencing usage and there has been around 30% increase in the usage of these communication platforms in FY 2009-10, as compared to last year.

Green innovation

Many of our business units work with clients in creating sustainable solutions to optimize production and thereby help them reduce their energy consumption. From engineering, telecom, banking to our research wing, our business units have their own stories to tell.



**224 Patent**  
applications filed in  
the US and India



FLYPPT™ wins the  
**Aegis Graham  
Bell Award  
2010**



**SETLabs' InGreen**  
helps clients manage  
their energy  
consumption



**20%** in client's costs  
saved by Finacle™ through  
operating system  
virtualization



**US \$1 million**  
savings implemented  
for a client using  
wireless sensor  
networks





“My son who goes to middle school asked me a question the other day that made me think about our ecology in a different way. He asked me if the food chain is a pyramid, and if humans are on top of that pyramid, then there should be fewer of us than those below us in the food chain for us to sustain our lives.”

The past hundred years of scientific and economic development has accelerated the use of natural resources for our day to day living to the extent that we may be approaching the tipping point of altering the ecological balance of our planet.

Unlike other forms of life on earth, humans are of little or no use to others. That makes us perfect parasites. We have a strong need to use natural resources and other forms of life for our survival while others need nothing from us for theirs. We are also very powerful parasites as we have the power to use and abuse all things natural.

Studies on the evolution of life indicate that most animal and some plant lives had been all but destroyed when there were extreme imbalances in the ecology of our planet. These imbalances were the result of natural phenomena. As we evaluate the danger signs of ecological imbalances that scientists are pointing to today, we have to first understand that it is our lives, not the planet's, which is in greater danger. The planet has a way to heal itself. However, it is life forms that become extinct.

So, viewing sustainable economic development as our generous responsibility towards our planet is not accurate. It should be viewed as a responsibility towards ourselves and our own survival. We have to change our ways if we want to save ourselves from destruction. Otherwise, this planet will shake us out of the equation.

At our organization, 'changing our ways' is the guiding principle for our efforts in sustainability. We are looking at doing things differently and participating in our clients' efforts in changing the way they do their business.

The world now needs radical solutions that question the assumptions behind all unsustainable business practices. For us, it encompasses any product, service or process that is new and displaces traditional ways of doing business. Green innovation aims to be a lever that will help us, in a sense, 'move the world'.

Sustainable living and hence sustainable business, is a must have, rather than a nice to have.

A handwritten signature in black ink, appearing to read 'Subhash B. Dhar'.

**Subhash B. Dhar**

Senior Vice President – Communications, Media & Entertainment, Global Sales, Alliances & Marketing, and Independent Validation Solutions

## Driving innovation

Addressing issues related to environmental sustenance and resource conservation without impacting growth calls for green innovation. Enterprises derive their sustainability goals through IT integration, communication, re-engineering and innovation. We use technology and innovative services and solutions for our clients in the areas of Smart grid, Intelligent building design, Green logistics and Supply chain management by collaborating with our clients, partners and alliances.

## Client experiences

We are witnessing a reverse trend in innovative solutions from emerging economies making an impact on businesses in the advanced markets. Emerging economies now provide global enterprises the opportunity to engage with millions of consumers for new products and services. Enterprises need to re-engineer their business processes and technology platforms for their suitability to build growth momentum in emerging economies. Enterprises need to leverage emerging technologies with the right set of ecosystem partners. Doing so will pay them rich dividends now and in the future.

In these pages, we present some interesting case studies from our business units.

## Enterprise solutions

Our business unit, Enterprise Solutions was engaged by a client based in South-East Asia. The client was an integrated forest resource and wood products company with forest resources, processing facilities and distribution networks situated in various regions around the world. Their reforestation division handled plantation on authorized areas and maintained them for a period of 10-15 years.

The client wanted to ensure higher productivity for their reforestation division in line with their sustainability strategy and to cut down on their carbon footprint. However, a plethora of non integrated IT systems was a roadblock in achieving this business goal.

We provided an integrated Enterprise Resource Planning (ERP) solution by primarily focusing on streamlining and automating business processes and reducing our client's carbon footprint.

## Impact

- Accomplished 60% decrease in cycle time of application processing by automating manual processes.
- Provided data security based on user role and designation as opposed to no data security with erstwhile manual processes.

- Minimized possibility of fraud with significant control (Create, Edit and View access) on financials.
- Improved response time to stock requests both internally and externally by 60%
- Improved control and reporting of the reforestation program status to internal stakeholders and the government
- Reduction in carbon emission due to reduced transportation cost in the handling and archival of manual forms used for operational processes such as approval.
- Reduction in deforestation due to prudent use of paper towards forms, manual approval documents and manual report generation. Before the implementation of ERP, an average of 500 reports were generated and this consumed about 5,000 pages.

## Finacle

Our business unit, Finacle, provides both Indian and global banks with the Finacle universal banking solution and surround services. Finacle™ enables banks to automate their core functions and streamline their processes which directly results in a host of benefits including improved resource utilization, increased operational efficiency and faster time to market to launch innovative products and services.

## Impact

Finacle™ solutions and its surround services have helped our clients reduce their carbon footprint:

- **A tier-1 bank** – During the year, the bank's Internet banking customers increased from 4,000 to 110,000, registering a 27 times growth.
- **A global bank of Indian origin** – Post the implementation of Finacle core banking, around 60% of customers (as per a customer survey conducted by the bank) have noticed a marked improvement in the usefulness and convenience of the features of the new banking system. The bank also migrated 500+ branches in less than six months (four million customers, 2,000+ users) with 0% down time during the entire core banking migration exercise.
- **A leading public sector bank** – Finacle core banking and e-Banking solutions replaced eight other disparate legacy systems across its branches in 18 countries, reducing the bank's operational costs and impacting their bottom line.

## Infosys BPO

At Infosys BPO, our green solutions are completely aligned with adding value to client businesses and making them sustainable.

We have delivered on our sustainability promise with one of our clients in the telecom business with whom we have been the sole business process outsourcing partner since its inception in April 2006. Our partnership spans the entire range of telecom operations – fulfillment, assurance and billing activities.

Projects led by our team covered various aspects of business improvement such as customer contact handling and reduction in SLG payout. We also undertook initiatives to address environment sustainability through a reduction of engineers' visits and reduction in backlog in lead to cash.

Our joint initiatives with the client has led to the sustenance of the environment through the implementation of tools and automation such as the training tool T2S. This was created to reduce paper work.

We initiated a rewards and recognition program with the client in 2008 to ensure recognition of employees for their significant contribution to the business. Our team was also involved in CSR activities like visiting orphanages.

Till date, we have provided this client significant value by going beyond business and foraying into CSR, investing in people development and helping them reduce their carbon footprint.

### Insurance healthcare and life sciences

At one of our business units, insurance healthcare and life sciences (IHL), several sustainable solutions were created for our clients. Some of the solutions we provided were automation of manual processes through technology.

#### Healthcare

The project involved the conversion of daily batch reports to soft copies. Around 500 reports were converted to soft copy leading to a significant saving of paper. Around 1,000 pages were printed per day and had to be sorted, stapled and distributed to the business team. With our solution, the number of printed daily reports came down to around 30 to 40 sheets. This led to a significant saving of paper, time, money and effort. Our solution made it possible to archive the reports indefinitely, something that was not possible with hard copy reports.

Database archival has been done for data which was 4.5 years old. This resulted in system efficiency and reduction of data storage requirement for the client. The benefits achieved were:

-  2 hours saving in daily batch
-  6 hours saving in month end billing batch
-  7% decrease in system database capacity

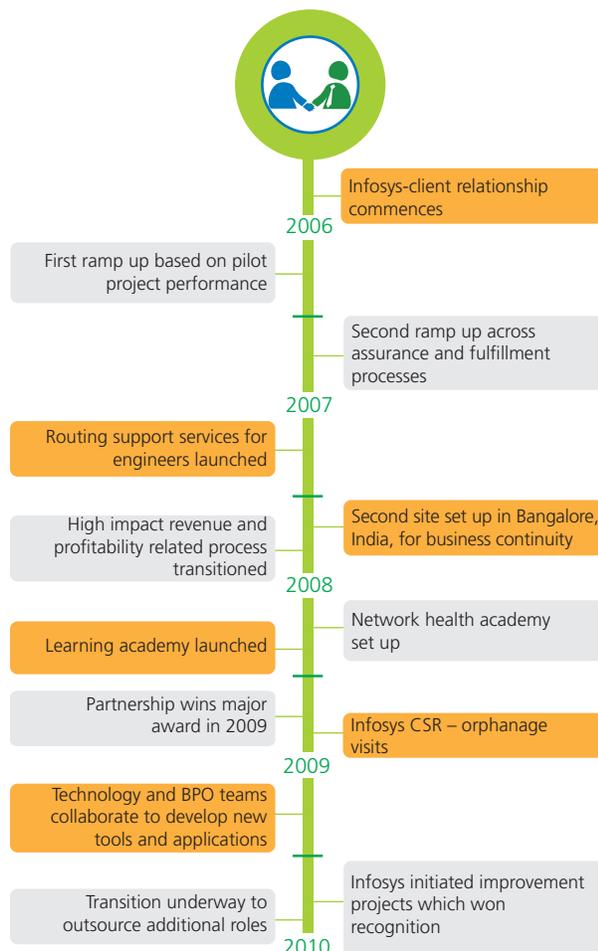
Our re-engineering solution resulted in 99% improvement in response time of Interactive Voice Response (IVR) application for a major client in the US. This resulted in direct cost savings of reduced call duration, improved customer satisfaction, higher productivity at call center as well as other benefits such as the lowering of carbon footprint due to long duration calls.

Another project involved database optimization and performance tuning of clients' enterprise provider system. This resulted in improved up-time of system; reduced utilization of central processing unit (CPU) by 34%, and reduced operating cost by US \$2 million.

#### Insurance

Our business unit, IHL, was engaged by a client to implement a workflow-based document management system to automate the new business and underwriting process for the client. The solution helped transform the business from

### The Infosys-client partnership



an existing paper based model to an automated paperless process implementation. This helped optimization of around 100 paper-based processes impacting over 1,000 end users.

The workflow-based document management system implemented by us helped our client realize an annualized operating savings of US \$2.8 million. Apart from this, the solution reduced the cycle time of the application process to a significant extent, resulting in huge increase in the volume of new business processing and revenue.

In addition, the reduction of other operating costs like office supplies and record storage resulted in an annualized US \$300,000 savings for the client.

### New markets and services

Our business unit, New Markets and Services, was engaged by a leading telecom player in the Asia Pacific region to provide support to a business critical application for managing the field workforce.

This business critical application was used by over 5,000 users with close to 1.5 million transactions per day. The application plays a significant role in optimal scheduling and utilization of the client's field work force – to reduce operational costs, meet end-customer commitments and avoid penalties to be paid to customers.

Prior to the implementation of the upgrade project, the field workforce was supported out of six centers. This has been reduced to just two after the project implementation.

With improved optimization logic and implementation of associated initiatives, the truck rolls to customer premises have been reduced by 50%. Overall, it has resulted in reduced emission of green house gases from the truck rolls to customer premises.

### Product engineering groups

Our engineering services help companies become future-ready – to create the products of the future as well as processes that make these products possible. Environmental sustainability is at the heart of becoming future-ready and engineering plays a vital role in developing products that are smarter, simpler, lighter, safer and greener.

Across the product lifecycle, from product development to realization to sustenance and end of life, our engineering groups had a direct impact on sustainability that covered:

**Green innovation** – We engineer products and processes that minimize environmental impact through innovation in materials and designs (development), operations (realization), and reuse, recycle, disposal (sustenance and end of life).

**Resource efficiency** – We engineer products and processes that reduce resource use and / or operate with higher energy efficiency. For example, reduced material or energy

consumption by products, energy efficient manufacturing processes, and systems and facilities.

Services we provide to clients
• Product development – next generation products and systems
• Product realization – ‘Shop floor to top floor’ visibility and control solutions for energy efficient operations
• Product sustenance support with design for recycling
• Platforms for effective, efficient, safer and smarter use of resources

### Improved fuel efficiency

For a semi-trailer manufacturer, our product engineering groups redesigned the sub-frame assembly resulting in significant weight reduction and improved manufacturing process. By modifying the assembly arrangement and by reusing components across multiple variants, we achieved:

- Reduction in part count by 37%
- Reduction in sub-frame weight by 18%
- Reduction in assembly time by 30%

The above improvements resulted in better manufacturing processes and improved fuel efficiencies during the life of the semi-trailer.

### Product realization

Our product engineering groups worked with a global manufacturer of aluminum. The client was looking to increase the efficiency of their melt furnace operations in the face of financial losses due to loss of energy, molten metal, labor overheads and knowledge retention issues. We helped the company automate and optimize its melt furnace operations and integrated it using wireless sensor networks (WSN) technology resulting in a saving of US \$1 million per furnace per year from reduced energy needs.

Thus our engineering services helped our clients realize direct top and bottom-line business value while positively impacting their sustainability metrics and objectives.

### Green IT solutions

Our Green IT team institutionalized an innovative methodology to transform a ‘Cost Center’ to a ‘Center-of-Excellence in Green IT’ through a unique future proof solution for a ‘Greener Tomorrow’.

The Green IT team in Engineering Services had its own share of challenges to overcome. The constraints were many – zero space availability, end of life servers, multiple single points of failure, high carbon footprint and power consumption with practically no options for automation, scalability and modular growth in a legacy environment.

This prompted the team to look out for an innovative approach that catered to constraints with a future proof, low-cost, energy efficient solution.

The Green IT strategy in this project revolved around four key procedures:

- Server and storage consolidation with virtualization
- Process improvement in line with IT infrastructure library
- Leveraging blade technologies and best practices
- Fostering collaborative digital ecosystem

### Impact

This transformation solution has led to substantial cost and energy savings for our clients and reduced the carbon footprint to a large extent.



Equivalent to planting 6,000 trees



Equivalent to removing 450 cars off the highway



Significant reduction in e-waste



Reduced annual CO<sub>2</sub>e emission by 1,207,835 Kg



Energy cost saving – US \$198,569



Improved productivity by accelerating server provisioning



Improved manageability by centralized management



Reduction in datacenter footprint



Developer productivity improvement



High availability and disaster recovery readiness



Reduce server count by almost 98%



Overall cost saving – US \$2.5 million

### SETLabs

SETLabs leverages emerging technologies for improving engineering effectiveness and developing client-focused business solutions. The InGreen Energy Management application developed by SETLabs enables tracking and reporting of energy-related data ranging from highly aggregated to granular levels. This application helps gain insight into energy consumption patterns and identify opportunities for targeted action. It is also a consolidated repository that serves as a reliable source of data for reporting. The InGreen Energy Management application is being used within the organization to manage energy consumption and carbon emissions at our campuses across India.

### Impact

The application is deployed within the organization and has provided the following benefits:

- Integrated all our facilities in India
- Enabled 10% savings in energy cost year-on-year across our India office locations.
- Streamlined loads by identifying dead and phantom loads.
- Helped identify usage patterns and design flaws that caused energy leakage.
- Business cases for investing in new technological improvements were made possible.
- Reduced manual effort by approximately 80% for activities like consolidation, calculation and data verification.
- Data insight facilitated the organization to bring about behavioral and operational changes to improve energy efficiency.

### Systems integration

Our business unit, Systems Integration (SI), functions on the principle that being a true corporate citizen calls for a sustainable approach to conducting business.

One of SI's significant initiatives was datacenter consolidation and virtualization solution. This aims to:

- Reduce server sprawl
- Decrease the physical footprint of the infrastructure companies leading to optimized space and reduced energy consumption.

### Where SI made a difference

Our client, a global leader in automotive experience based in the US, engaged us for their server consolidation project. Our solution implemented server consolidation through operating system-level virtualization. This led to a significant reduction in their operational costs.

The solution was used for a network of over 1,000 servers with multiple configurations, across multiple datacenters spread across North America, the UK and Germany. Before identifying the potential candidates for virtualization, our team assessed the workload of all the servers based on critical parameters.

We customized Perfmon – an Infosys tool to get the critical utilization parameters. We did an accelerated assessment in four weeks at three locations and finally implemented the solution.

### Impact

- A virtualization ratio of reduction in server footprint – A virtualization ratio of ~12:1 for production and ~16:1 for non-production environments. This directly translates into significant power savings.
- An average cost savings of around 16-23% in operating expenses.
- Infrastructure consolidation and standardization would reduce support calls by 6-8% in the first year and 14-17% year-on-year for the subsequent years.
- Storage consolidation has the potential to save nearly 40% in acquisition costs and over US \$45,000 in power and cooling expenses over a three-year period.
- Thin clients (or virtual desktops) consume much lower power than the traditional ones. A thin client with a 19" LCD monitor powered on an average of 12 hours a day consumes around 90 watts, while a PC consumes around 170 watts, which is almost double.

Based on the above model, we determined the power capabilities in a datacenter and provided the roadmap for optimization.

## Independent assurance statement

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### Introduction

Det Norske Veritas AS (DNV) has been commissioned by the management of Infosys Technologies Limited (Infosys) to carry out an assurance engagement on the Infosys Sustainability Report 2009-10 (the Report). This engagement focused on qualitative and quantitative information provided in the report, and underlying management and reporting processes. It was carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting (VeriSustain)\*.

The intended users of this assurance statement are the readers of the Infosys 2009-2010 Sustainability Report. The Management of Infosys is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting that information. DNV's responsibility regarding this verification is to Infosys only, in accordance with the scope of work carried out. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

### Scope of Assurance

The scope of work agreed upon with Infosys included the verification of the content, focus and quality of the information presented in the report, against the moderate level assurance requirements in VeriSustain, covering the period April 2009 to March 2010. In particular, this assurance engagement included:

- Review of the policies, initiatives and practices described in the Report as well as references made in the Report to the Annual Report and corporate website;
- Review of the Report against Global Reporting Initiative Sustainability Reporting Guidelines Version 3.0 (GRI G3) and confirmation of the Application Level;
- Review of the processes for defining the focus and content of the report;
- Verification of the reliability of information and performance data presented in the Report;
- Visits to the Infosys' head-office in Bangalore and development centres in Bangalore, Mysore and Chennai, India.

### Verification Methodology

This engagement was carried out between August - September 2010 by a multidisciplinary team of qualified and experienced DNV sustainability report assurance professionals. DNV states its independence and impartiality with regards to this engagement. DNV confirms that, throughout the reporting period there were no services provided which could impair our independence and objectivity and also maintained complete impartiality towards people interviewed during the assignment.

The Report has been evaluated against the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality, as set out in VeriSustain, and the GRI G3 Application Levels.

During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts on the issues of high material relevance to Infosys' business and stakeholders. As part of the engagement we have challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- Examined and reviewed documents, data and other information made available to DNV by Infosys;
- Conducted interviews with 3 members of the board including Chairman of the board and Chief Operating Officer;
- Conducted interviews with 39 representatives of the Company (including members of the Infosys Sustainability Council, data owners and representatives from different divisions and functions);
- Performed sample-based reviews of the mechanisms for implementing the Company's own sustainability-related policies and stakeholder engagements as described in the Report, and for determining material issues to be included in the Report;
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report;
- Reviewed the process of acquiring information and economic-financial data from the 2009-10 certified consolidated balance sheet.



\* [www.dnv.com/services/assessment/corporate\\_responsibility/services\\_solutions/sustainabilityreporting/order/](http://www.dnv.com/services/assessment/corporate_responsibility/services_solutions/sustainabilityreporting/order/)

## Conclusions

In our opinion, the Report is an appropriate and reliable representation of the Infosys sustainability-related policies, management systems and performance for the period 2009-10. The Report, along with the referenced information in the Annual Report and on the Company website, meets the general content and quality requirements of the GRI G3, and DNV confirms that the GRI requirements for Application Level 'A+' have been met. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

**Materiality:** Acceptable. Infosys has strengthened the materiality determination process with the identified 3 key focus areas of Social Contract, Resource Efficiency and Green Innovation. But the process needs to be implemented across each division and location with due consideration of short, medium and long-term impacts.

**Stakeholder Inclusiveness:** Good. The Company has established a process of collating inputs from various stakeholders. A multi-stakeholder based, objective oriented engagement approach is also evident in the field of adoption of cleaner energy and higher education.

**Completeness:** Acceptable. The reporting boundary is limited for many parameters (page 9) and does not cover the entirety of Infosys. Infosys shall incrementally improve to aid reporting to reflect the global organization's footprint. But within the reporting boundary defined by Infosys, we do not believe that the Report omits relevant information that would influence stakeholder assessments or decisions.

**Responsiveness:** Acceptable: Infosys has responded to the material issues and to its stakeholders through its policies, management systems and processes. However, this can be improved by expanding the goal setting process to cover more material issues and appropriate performance indicators.

**Reliability:** Good. No systematic or material errors have been detected for data and information verified. The identified minor discrepancies were corrected. However, there is scope for improving the process to reduce potential for errors.

**Neutrality:** Acceptable. The information contained in the Report is presented in a balanced manner, in terms of content and tone. Overall the Report is transparent, but can be further improved by more detailed disclosures in the employee sections.

## Recommendations

In addition to the improvement opportunities stated above, DNV recommends that Infosys:

- Identifies sustainability indicators beyond those available in the GRI, drawing from the materiality process and incorporating them with measurable targets in future reports to remain in line with international practices.
- Formalises the functioning of the Sustainability Council and integrates the same to existing and relating governance mechanisms.

For  
Det Norske Veritas AS



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September 30, 2010



## Acronyms

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ADS	American Depository Shares
APAC	Asia and Pacific
ASTD	American Society for Training & Development
ITES	Information Technology Education Standards
BPO	Business Process Outsourcing
CFC	Chloro Fluoro Carbon
CSR	Corporate Social Responsibility
E&R	Education and Research
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FY	Financial Year
GDM	Global Delivery Model
GEC	Global Education Center
GHG	Greenhouse Gas
GRB	Grievance Redressal Body
GRI	Global Reporting Initiatives

HALE	Health Assessment and Lifestyle Enrichment
HEAR	Hearing Employees and Resolving
HR	Human Resources
HVAC	Heating, Ventilating, and Air Conditioning
IFRS	International Financial Reporting Standards
ISEC	Infosys Sustainability Executive Council
iSOP	Infosys Scaling Outstanding Performance
IWIN	Infosys Women's Inclusivity Network
LEED	Leadership in Energy and Environment and Design
LITMUS	Let's Interact on Themes that Matter to Us
MAKE	Most Admired Knowledge Enterprise
NGO	Non-governmental Organization
PSPD	Predictable, Sustainable, Profitable and De-risked
SETLabs	Software Engineering and Technology Labs
UNGC	United Nations Global Compact

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