570+
*Customers**

104,000+
*Employees**

496,000+
*Shareholders**

240,000+
*Social beneficiaries**

3,500+
*Vendor partners**

One Infosys

Enhancing Trust

Infosys®

POWERED BY INTELLECT
DRIVEN BY VALUES

* As on March 31, 2009

"I believe that we have all at some time eaten the fruit from trees that we did not plant. In the fullness of time, when it is our turn to give, it behooves us in turn to plant gardens that we may never eat the fruit of, which will largely benefit generations to come. This is a sacred responsibility, one that Infosys has shouldered since its inception. We built this company on values, adopting the finest practices in governance and community practices."

N. R. Narayana Murthy
Chairman and Chief Mentor

Enhancing Trust

At a time when corporations around the world are concerned about unstable market conditions and the effect of a weak economy on their business, it is easy to disregard sustainability and its importance for a company's long-term business success.

We believe that economic performance and sustainability are inherently linked. Our key stakeholders trust us to contribute to strengthening the economy, preserving the environment and developing the society in which we function. By ensuring sound governance practices, we minimize risk and improve performance. This in turn enhances our stakeholders' trust in us and secures our own viable future.

For us, sustainability is an integral part of our business strategy.

"A sustainable corporation that nurtures its employees, which cares for its community, and strives to minimize its environmental impact, will be the one which retains the trust of society and be successful in the long term."

Nandan M. Nilekani
Co-Chairman

Letter from the Co-Chairman

It has been a year since we published our first Sustainability Report. The first report was important for us to know where we stood in this journey. We have travelled a little further, achieving some progress, gaining some enlightenment and facing many new challenges. We had set ourselves some ambitious goals last year – some of which we accomplished, while we continue to progress on others.

In the past 12 months, the world itself has undergone dramatic changes. The current global economic crisis, regarded as the worst since the Great Depression, has brought the focus squarely on the issue of sustainability. For many companies facing weak demand, lower prices and a liquidity crunch, it has seemed sensible to jettison all talk of sustainability as they fight for survival. In fact, in emerging markets, sustainability measures are particularly susceptible to cuts and are the first to go. These are after all new, have yet to take root within the company, and are rarely backed by legal regulations.

But the truth is that our economic and sustainability crises are complementary ones, which companies will have to tackle in tandem. The common note in these two crises has been that the real price of the risks taken is not conspicuous, but hidden. The trading in toxic assets that led to the economic crisis did not reflect the risks of such perilous practices. Similarly, companies have used up and polluted natural resources – air, water, soil – at a cost and

a risk assessment much lower than the true value. They have also underestimated the need to manage long-term risks by not ensuring lifetime employee value, stakeholder satisfaction, and investing in community development, philanthropy and welfare.

The same compulsion has driven both our economic and sustainability challenges – the desire to defer the risks and the final reckoning of our actions as much as possible. This in turn, has ensured that the eventual collapse will be both massive and brutal. And the consequence of such risk accounting is that the entire business is built on weak foundations. When the balance sheet of a company does not capture the true costs of its activities and the company is too big to fail, we end up with their privatizing gains and socializing losses, forcing taxpayers to take the impact.

There is a popular notion now that the steps we need to take, to avert a sustainability crisis, put too large a burden on both companies and consumers. But, we have already seen the spiraling costs that ensue if we allow a crisis to form. If the financial industry had priced risk into their operations more effectively, the eventual burden to taxpayers would have been far less.

The tendency of corporations to accept risk only when it is favorable to them is also destroying something that is fundamental to their survival – public trust.

The financial crisis has tarnished the image of global business organizations. It is a lesson for corporations around the world, and a warning for entrepreneurs, regulators and governments that we need to consider the various long-term risks we face seriously, and build a sustainable business model that accounts for their dangers.

As the world grapples with the worst excesses of free market capitalism, the role of corporations and markets is being questioned. A sustainable corporation that nurtures its employees, which cares for its community, and strives to minimize its environmental impact, will be the one which retains the trust of society and be successful in the long term. The need for sustainability has never been stronger, or more urgent.

We understand the implications our business has on the economy, environment and society. We also realize that there is much to learn and engage with all our stakeholders to improve our performance in all areas.

This report, which follows the GRI framework, is a summary of our activities across the company in the past year and reflects our commitment to move towards a sustainable world.

It is this generation's responsibility to ensure that the world moves along a path that addresses the challenges of climate change, environmental degradation and the inequities that arise as a result of rapid economic growth. Towards this effect, our leadership is involved in activities beyond business to influence public policy, create thought leadership and reinforce our commitment to create an equitable and sustainable world.

We are a signatory to the UN Global Compact (UNGC) and its 10 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.

The journey for the coming year will be an interesting one. The global meltdown and the subsequent responses have created an air of uncertainty on business forecasts. This is a time to strengthen the strategy of economic success and continuity. At the same time, it is important not to lose the momentum of our focus on social and environmental issues which are equally fundamental to our existence in the long term. We intend to take a more holistic view of our sustainability by setting up a framework and governance structure. We have extensive experience in deploying policies and processes across the company and we hope to increase the sensitivity, awareness and participation of all our stakeholders in this journey. We will strive to meet more stringent short term goals while defining a roadmap to become a carbon neutral, water sustainable and socially meaningful business.

We also look forward to your ideas and feedback that would help us do better.

Write to us at sustainability@infosys.com

Bangalore
May 25, 2009

Nandan M. Nilekani
Co-Chairman

Contents

Organization profile

Our vision is to be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people.

Infosys Technologies Ltd. (NASDAQ : INFY) was started in 1981 by seven professionals with US $250. Today, we are a global leader in the "next generation" of IT and consulting with revenues of over US $4.6 billion.

We define, design and deliver technology-enabled business solutions that help Global 2000 companies win in a Flat World. For more information on Flat World, refer to www.infosys.com/flat-world/business/default.asp. We also provide a complete range 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 have 104,850 employees and a large global presence with over 54 Global Development Centers (DCs) in India, China, Australia, the Czech Republic, Poland, the UK, Canada and Japan.

Values

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, constantly improve ourselves, our teams, our services and products to become the best

Committed to nurturing talent

Fortune magazine recognized us as one of the top companies that "inspire, nurture and empower a new generation of global leaders." We are committed to remain among the industry's leading employers.

Innovation, speed and excellence in execution

We were one of the first companies to develop and deploy a global delivery model and attain SEI-CMMI Level 5 certification for our offshore and onsite operations. We manage growth by investing in infrastructure and by rapidly recruiting, training and deploying new professionals.

Industry leadership

Our history is marked by a series of firsts. We were the first Indian company to be listed on a US stock exchange and the first Indian company to do a Public Offering Without Listing (POWL) in Japan. In December 2006, we were the first Indian company on the NASDAQ-100 index and the only Indian company to be part of any of the major global indices. We were recently listed on The Global Dow and also ranked No. 14 among the most respected companies in the world by Reputation Institute's Global Pulse 2008. This year we were listed on Forbes' Asian Fabulous 50 for the fourth consecutive year. We are a five-time Global MAKE Winner and one of only two Indian companies amongst global leaders to have won the award in 2008.

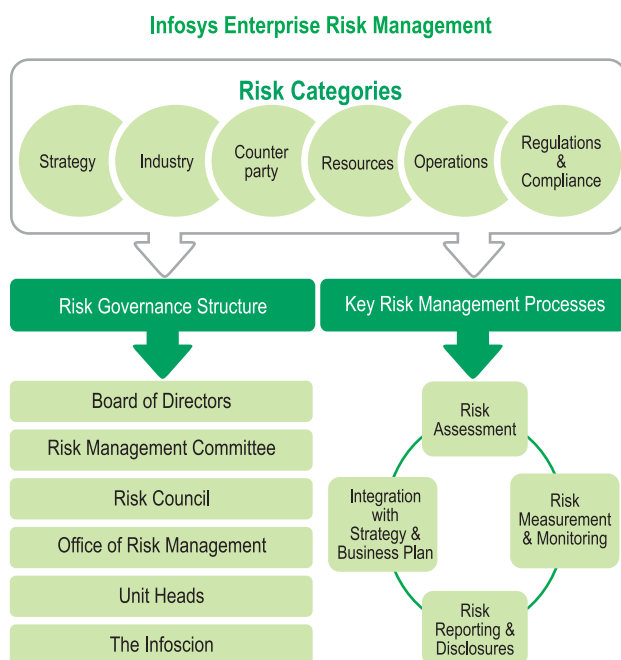|	
Customers	579*
Market capitalization	US $14,952 million*
Revenue	US $4,663 million**
Net income	US $1,281 million**
Global presence	63 cities across 26 countries
Employees	104,850*
Company	Started in 1981, with seven founders, US $250, and a dream

*   As of March 31, 2009
**   FY 2008-09

"Our commitment to a sustainable future is stronger than ever. Innovative solutions and practices are necessary to solve the ongoing economic and environmental crises, and give hope for a better future for us all."

S. Gopalakrishnan
Chief Executive Officer and Managing Director

Sustainability at Infosys

In this Sustainability Report, we present the progress we have made in 2008-09 and also our charter for the future. The sea change in the world's economic scenario has highlighted the importance of, and sharpened our focus on sustainability initiatives. These measures have been conceptualized and implemented keeping in mind our responsibilities towards key stakeholders, our role in the economy and society, and our impact on the environment.

Infosys Enterprise Risk Management

Risk Categories

Strategy · Industry · Counter party · Resources · Operations · Regulations & Compliance

Risk Governance Structure → Board of Directors · Risk Management Committee · Risk Council · Office of Risk Management · Unit Heads · The Infoscion

Key Risk Management Processes → Risk Assessment · Risk Measurement & Monitoring · Risk Reporting & Disclosures · Integration with Strategy & Business Plan

Our Sustainability Report is the primary channel for communicating our sustainability policies, programs and performance to our key stakeholders.

Enterprise Risk Management

Our sustainability strategy focuses on areas that are material to us from a risk and opportunity perspective. Our Enterprise Risk Management (ERM) program seeks to sustain and enhance long-term competitive advantage of the company and thereby enhance value to our stakeholders. Our core values and ethics provide the platform for our risk management practices.

We have also considered inputs from our Enterprise Risk Management (ERM) program for establishing our sustainability goals. For details of our ERM refer page 59 of our Annual Report. This is also available at www.infosys.com/global-sourcing/global-delivery-model/risk-mitigation.asp

Additional information on strategy, governance and financial performance is available in our annual financial statements at www.infosys.com/investors/reports-filings/default.asp

We considered the feedback from our stakeholders and the needs they expressed through formal forums

and existing mechanisms, to understand their expectations. These expectations were mapped against their significance to our business and operations to identify material issues. The following representation is the materiality of the GRI indicators in the context of our business operations :
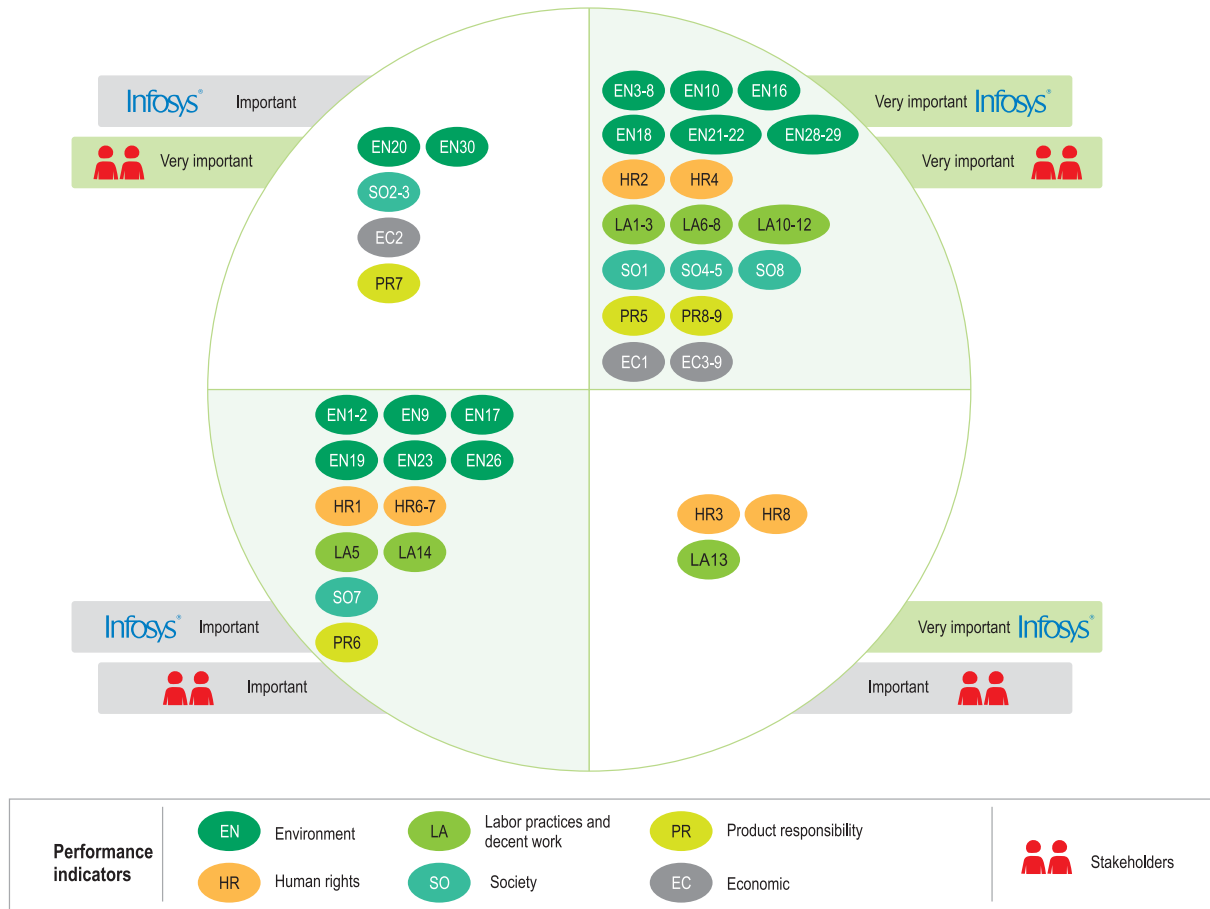
Given the nature of our business and our operations, the following GRI core indicators are either not relevant or have a low significance to our business :

Section	Indicators	Comments
Environment	EN11, EN12	We are primarily a services company and our offices are located in industrial or commercial zones approved by the local governments where we operate.
Labor Practices and Human Rights	LA4, HR5	We provide alternate channels for employees to participate and voice their opinions about the company and employee policies.
Product Responsibility	PR1, PR3, EN27	We are primarily a services company and our product being software, the impact of packaging and product information is significantly low.

Report scope and boundaries

The scope of this year's report is limited to the Global Reporting Initiative (GRI) indicators that are most significant to our business and stakeholders. While there are no significant changes to the scope and boundary pertaining to economic, product, people and community aspects, we have covered all locations in India to report on environmental impact. For more information on the report scope and boundary, refer the *GRI index* section of this report.

Corporate governance

We believe that sound corporate governance is critical to enhance and retain the trust of our stakeholders. Hence, we consistently seek to ensure that we attain our performance goals with integrity.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Over the years, our Board has developed corporate governance guidelines to help fulfill our responsibility to various stakeholders. These guidelines ensure our Board will have the necessary authority and practices in place, to review and evaluate our operations.

Further, these guidelines allow our Board to take decisions that are independent of the Management. Our Board may change these guidelines from time to time to effectively achieve our stated objectives.

For details on our corporate governance, refer page 105 of our Annual Report.

Corporate governance ratings

CRISIL

CRISIL assigned us their highest rating, " CRISIL GVC Level 1". This Governance and Value Creation (GVC) rating indicates our capability to create wealth for all our stakeholders while adopting sound corporate governance practices.

ICRA

ICRA assigned " CGR 1" rating to our corporate governance practices. The rating is the highest on ICRA's Corporate Governance Rating (CGR) scale of CGR 1 to CGR 6. We are the first company in India to be assigned the highest CGR by ICRA. The rating reflects our transparent shareholding pattern, sound Board practices, interactive decision-making process, high level of transparency and disclosures encompassing all important aspects of our operations, and our track record in investor servicing. A notable feature of our corporate governance practices is the emphasis on " substance" over " form," besides our transparent approach to following such practices.

Driving sustainability at Infosys

Our Infosys Sustainability Executive Council (ISEC) oversees the strategic implementation of our business, social, environmental and code of ethics practices. The members are drawn from branding, business, diversity, environment, finance, human resources, infrastructure, and internal audit teams. The ISEC members collaborated with various internal departments as well as external bodies on the following activities in 2008-09 :

Responsibility	Highlights of activities (2008-09)
Conceptualizing sustainability strategies	We worked with a number of external forums such as : • World Business Council for Sustainable Development (WBCSD) on Vision 2050 • Global Reporting Initiative (GRI) on gender diversity • National Association of Software Companies (NASSCOM) India, on green infrastructure and diversity practices • Bureau of Energy Efficiency (BEE), India, for benchmarking energy intensity for commercial buildings • Indian Green Building Council
Monitoring progress of sustainability activities	We created and implemented internal CSR and environment dashboards to track sustainability activities
Designing and deploying systems to integrate various sustainability initiatives	We developed and implemented an application based on the .NET platform to capture information based on GRI indicators as a pilot. Going forward, our various functional departments plan to share their data and activities periodically using this application.
Stakeholder engagement	• Our Green Initiatives team collaborated with multiple stakeholders and devised appropriate interventions for reducing carbon footprint, energy and resource consumption • Our Green Initiatives team established Eco Clubs at all our DCs to understand employee and community expectations • Our Human Resources team has drafted the CSR guidelines for employee voluntary groups. These guidelines will assist our employees to monitor and report CSR activities in a systematic manner.
Promoting sustainability within the company	• We raised awareness about sustainability through periodic campaigns • We published information on green initiatives on the Health Safety Environment (HSE) portal on our intranet, Sparsh • We published our points of view on sustainability on the "Beyond Business" section of our website, www.infosys.com/beyond-business/default.asp • We provided basic training on sustainability to senior management and heads of DCs

"Transparent and up to date communication is key to winning and keeping the trust of our stakeholders. Our willingness to listen to feedback – both good and bad – and act on it helps us improve performance in all areas."

Ashok Vemuri
Senior Vice President and Member – Executive Council

Engaging stakeholders

Recent global events have shown that sincere two-way dialog is vital for any business organization to win and keep the trust of its stakeholders. We have always ensured that our communication channels with customers, employees, investors, vendors and society are open and collaborative. Their valuable feedback influences the business decisions we take and the sustainability strategies that we implement.

In 2008-09 we engaged with our key stakeholders through various programs and communication initiatives :

Intensive customer interaction

As an IT services company, our commitment to exceed customer expectations is one of our defined values. CSAT, our annual Customer Satisfaction Survey, is an important tool through which we gauge the satisfaction of our customers globally. This survey rates us on key parameters, including comparison with other global IT service companies. We analyze the feedback and identify important areas for improvement – business strategy, delivered solutions and services, people capabilities and innovation. In 2008-09, we sustained high levels of customer satisfaction. Around 81% of our global customers were satisfied with our services. Approximately 82% of our global customers said that they would engage us for providing services and developing products and solutions in the future.

Confluence, our annual customer leadership summit, was held in September 2008 for customers in Europe and the Middle East, and in November 2008 for customers in the Americas. Select senior executives from global organizations shared their ideas and best practices in the areas of business, innovation, leadership and other sustainability aspects.

Facilitating employee – employer dialog

We regard our employees as our greatest asset and value their opinion and feedback to improve our performance as an employer. We believe that constant and transparent communication with our employees is critical in propagating employee satisfaction. Infoscions across all our office locations can express their opinions and participate in organization-specific policy and process definition exercises through multiple channels including :

* Employee Satisfaction Survey (ESAT) : We understand the impact of employee engagement activities,

policies and processes through ESAT every year. This year, we partnered with Gallup, the world leader in employee engagement surveys, to conduct the survey. The results of the survey indicated workplace strengths and weaknesses and examined the drivers of our organization's workplace culture. This helped us in benchmarking our workplace quality against other organizations.

This year, 78% of our global workforce participated in the survey. On a scale of 1-5, the Overall Satisfaction was 3.62, Advocacy was 3.64 and Loyalty scored 3.47.

- Inclusivity Survey : Our large and diverse global workforce necessitates the need for inclusivity programs to promote a sense of belonging. In 2008-09, the annual Inclusivity Survey, used to measure the inclusivity index of our workforce, revealed that both male and female employees feel equally engaged. The survey helped us identify programs related to gender, culture, parental status and work experience.

- Quarterly Town Hall (QTH) : We use these meetings at the organization and unit levels to share our quarterly progress with employees. Corporate strategies and new policies are also communicated by senior management through these meetings.

- Sparsh : Our intranet, Sparsh, is an important mode for communicating key business achievements, policies, operational strategies and messages from senior management. Sparsh helps foster a feeling of community within our 104,000+ strong global workforce.

- InfyTV : India's first corporate TV channel, InfyTV, has created a decentralized, collaborative platform for rich media content. InfyTV has emerged as a compelling communication platform.

- CEO-employee column : The interactive column, Ask Kris, hosted on Sparsh, allows employees to connect directly with our CEO, S. Gopalakrishnan, every month. Any Infoscion can directly share suggestions or raise queries on policies and strategies and receive responses from the CEO. This serves as a platform for employees to approach, interact and communicate with our senior management.

- HRD Blog : The Internal Communications (IC) team maintains the HRD Blog, which enables employees to share their views on our policies, benefits, values and culture. This blog provides employees an opportunity to interact with Nandita Gurjar, SVP and Group Head – HRD.

We take employee grievances and complaints seriously. Hearing Employee and Resolving (HEAR) is a formal mechanism to help employees express unresolved grievances and instances of discrimination. This year HEAR did not receive any discrimination cases based on gender, age or ethnicity.

The Anti Sexual Harassment Initiative (ASHI) allows employees to report sexual harassment in the workplace and cases are heard and resolved by an unbiased group. In 2008-09, there were 11 significant cases heard and resolved by Grievance Redressal Board (GRB).

We encourage our employees to report on corrupt practices or unethical behavior using the Whistleblower Policy. Employees undergo an awareness program on this policy during their induction.

We have established control systems for complying with local laws on anti-corruption in the geographies that we operate. In the financial year 2008-09, we did not record any incident of corrupt practices by any individual or business unit.

N. R. Narayana Murthy, Chairman and Chief Mentor, with the InStep Business Plan competition winners

Employee participation is crucial in strategizing and influencing our business policies and operations. We provide Infoscions at all levels the opportunity to participate in decision making processes through the following channels :

- Strategic and Action Planning meet (STRAP) : Tier leaders participate in this annual meet to strategize on the organization's business plan for the year ahead.

- Voice of Youth (VoY) : Infoscions who have less than five years of work experience and are below 30 years in age, are elected to the VoY team in each DC. These teams act as an important communication channel between senior management and employees to recommend and plan location specific operational issues.

- Infosys Women Inclusivity (IWIN) : IWIN circles have been formed by women employee volunteers across our locations globally to facilitate gender sensitivity. They are peer counsellors who understand local concerns pertaining to gender and share suggestions with the DC management councils. The volunteers are nominated by their respective business units and get appropriate training to handle their counseling needs.

- Management Council (MC) : The MC consists of leaders in every business unit, Business Enabler

Infosys Board of Directors preside over the 27th Annual General Meeting

Functions (BEF) and DCs. Their responsibilities include formulation of unit specific strategies and ensuring units achieve their business goals (financial and non-financial). The MC also proactively highlights risks and provides solutions.

Keeping our investors informed

The Investors portal on our website, www.infosys.com/investors/default.asp is the primary channel of communication with investors. We release earnings reports and financial forecasts every quarter in compliance with domestic and international financial exchange regulations. These are sent by email or posted to investors every quarter. The Annual Report is also sent to all our investors at the end of each fiscal year. Starting fiscal 2010, we intend to send the printed copy of the Annual Report to our shareholders containing details that are statutorily required. We believe this approach will help us reduce paper consumption by approximately 120 tons. As always, the complete Annual Report with all other details will be made available on our website www.infosys.com.

Our Annual General Meeting (AGM) is the most important forum for direct communication with our investors. A report on the company's operations and financials along with select highlights are presented to all shareholders who attend the meeting in person or view it on our website.

We hold three annual Analyst Meets in India, Japan and the US. We communicate the state of our business, operational and financial highlights along with unit specific highlights through these meetings.

Establishing strong vendor partnerships

The strong partnerships we have established with our vendor partners help us run our business in an efficient manner. As with all partnerships, trust is an important factor in our relationships with our vendor partners. We conduct an annual Vendor Satisfaction Survey to understand the expectations of our vendor partners and get feedback on their experience with us. The survey results are used to improve our daily operations. In 2008-09, the survey showed that our vendor partners are willing to participate in green initiatives undertaken by us.

We share our sustainability goals, especially on the environment, during periodic review meetings and awareness sessions with our vendors. This year we launched our first comprehensive sustainable procurement policy to minimize any adverse impact on the environment and society at large.

An Infoscion interacting with women at the transit care center - The Banyan, Chennai, as part of the Community Empathy Policy program

Responsible corporate citizenship

Our global presence and large workforce drive us to make a significant contribution to the development of the communities in which we work. In 2008-09, we instituted a number of initiatives to encourage our employees to participate in CSR activities. The Community Empathy Policy was one such initiative that offered Infoscions in India, the chance to opt for a sabbatical leave to work with NGOs. Employees who have availed this policy are working with various organizations that specialize in diverse issues such as animal welfare, women's issues, leadership development among NGOs and so on.

We also have CSR groups at the DC and Business Unit levels. For details about the activities of these groups in 2008-09 refer the *Striving for a better tomorrow* section of this report. The Human Resource Department at each DC oversees the activities of these groups.

The Corporate Marketing team at Infosys China, worked with Greenpeace – China, on a "Say no to disposable chopsticks" campaign

The Infosys Foundation works with many NGOs in India in the following key areas :

- Affordable health care
- Rehabilitation of destitute women
- Enabling children from rural and under privileged communities
- Nurturing Indian arts and heritage

The Foundation supports these organizations with funds and helps them plan their grants and engagements.

Our concern about the threat of climate change led us to fund the India Youth Climate Network (IYCN) road tour. The event aimed at generating awareness and establishing consensus on India's role in the global climate debate and how it should address the domestic issues of climate justice and adaptation. For more information on our environmental initiatives, refer the *Towards a sustainable environment* section of this report.

Spearheading public policy initiatives

Our senior management in Indian locations play an influential role in community and Information and Communication Technology (ICT)-related initiatives at the local as well as national levels. They participate in conferences organized by trade bodies such as National Association of Software Companies (NASSCOM) and Confederation of Indian Industries (CII), among others. They share the best practices gained in these forums with the management and facilitate deployment.

Our Board members participate in advisory councils, governments and not-for-profit organizations to formulate and impact views and policies, on topics such as corporate governance, healthcare, education, climate change and other key sustainability areas. In 2008-09, our Board members participated in initiatives driven by the following organizations :

Nandan M. Nilekani, Co-Chairman, has focused on influencing public policy in areas of education, urban planning, e-governance, power sector reforms and economic forecasting among many others. He is actively involved in many national and international forums to address these key issues. Some of his major commitments include :

- Member of the National Knowledge Commission, Govt. of India
- Member of the INDO-US CEO Forum
- Member of the National Advisory Group on e-Governance, Govt. of India
- Member of the Prime Minister's review committee of the Jawaharlal Nehru National Urban Renewal Mission
- Member of the Board of the Peter G. Petersen Institute of International Economics
- President of National Council of Applied Economics and Research (NCAER)
- Member of the International Business Advisory Council, London

S. Gopalakrishnan, CEO and MD, is actively involved with several external forums that work towards transformation of higher education to address the needs of the industry and industry coordination to drive fundamental shifts required for sustainable economic growth. He is also involved in forums which focus on innovation and entrepreneurship. Some of his commitments include :

- Chairman of Karnataka State Government's Industry Vision group
- Vice Chairman of Board for Information Technology Education Standards (BITES) Vice Chairman, Southern Regional Council – Confederation of Indian Industry (CII) and Chairman of CII – Innovation Summit

- Chairman of Indian Institute of Information Technology and Management (IIITM) – Kerala

T.V. Mohandas Pai, Director and Head – Administration, Education & Research, Finacle, Human Resources Development and Infosys Leadership Institute, has been actively working with regulators and the Government of India to improve the business ecosystem.

He was a member of the Kelkar Committee constituted by the Ministry of Finance, Government of India, for reforming direct taxes, and a member of the Non-Resident Taxation Committee, the high powered committee on e-commerce and taxation. He is currently on the Board of Securities and Exchange Board of India (SEBI) and also a member of the SEBI Accounting Standards Sub-committee and the Empowered Committee for setting up the Tax Information Network of the Indian Government.

He is also a trustee of the International Accounting Standards Committee Foundation that oversee the International Accounting Standards Board.

Engaging stakeholders through R&D

Our Software Engineering and Technology Labs (SETLabs) is the center for applied technology research in software engineering and enterprise technology. We use a multi-stage process for engaging with various stakeholders including our Business Units (BU), customers and partners in identifying the technology areas for us to focus on research and development.

As shown in the following diagram, we go through a process of visioning and identifying emerging technologies and disruptive business trends and develop multiple scenarios relevant to Infosys stakeholders. We then deliberate on the relevance and impact of these trends and create a technology roadmap that outlines focused interventions. We select the areas that we can impact. We create and protect intellectual assets including tools, frameworks and methodologies that can accelerate the adoption of these technologies in the Infosys ecosystem.

We then look to exploit these technologies by taking to market, solutions and offerings.

This cyclical process is repeated periodically to ensure we are aligned to industry and technology trends.

Engaging stakeholders through R&D activities
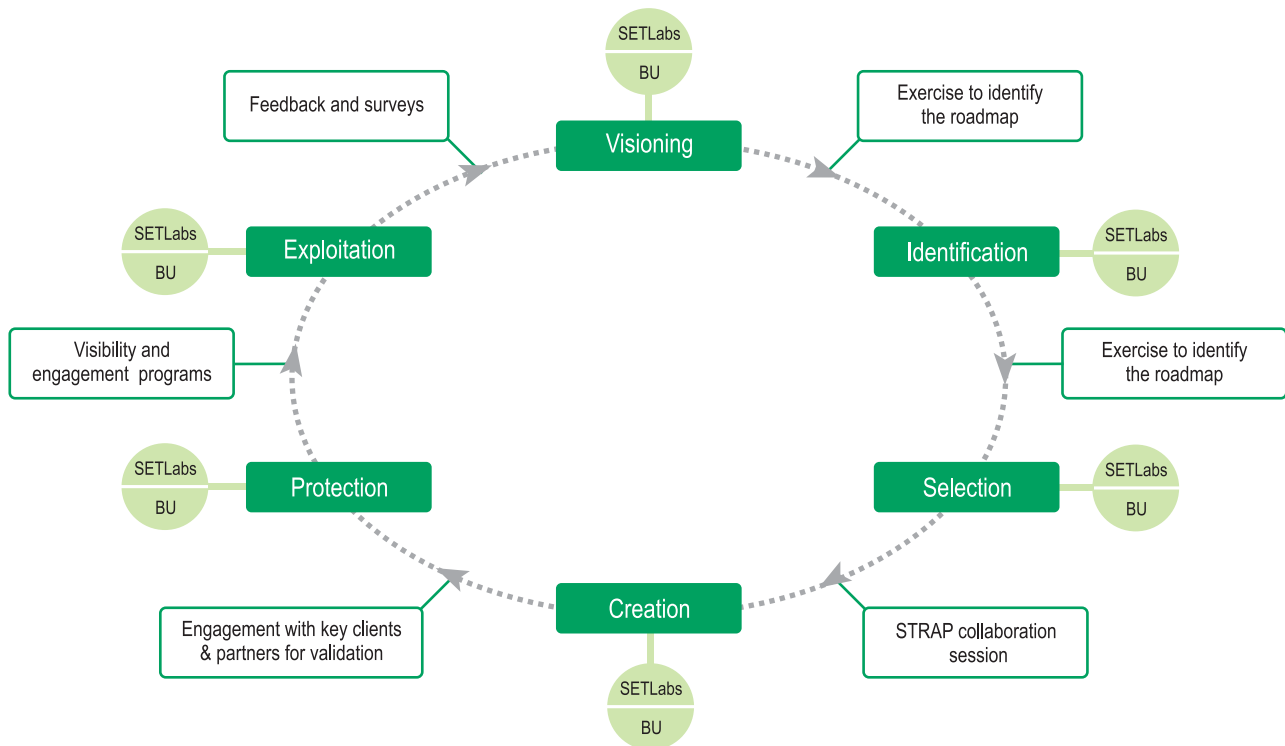
Reference : The above diagram is adapted from Proceedings of the Institution of Mechanical Engineers, Part B : Journal of Engineering Manufacture 1989-1996 (vols 203-210)

Communication channels for internal and external stakeholders :

Stakeholders	Channels
Customers	Customer Satisfaction surveys Annual customer leadership meet
Employees	Employee Satisfaction surveys Inclusivity survey Management Councils Voice of Youth Infosys Women Inclusivity (IWIN) circles Eco Clubs Quarterly Town Halls CEO-employee column Annual Strategic and Action Planning meet (STRAP) HRD Blog Knowledge Management (KM) survey Sparsh InfyTV Grievance Redressal Board
Local communities	Site visits Interviews with local NGOs and community representatives
Investors	Analyst meets
Suppliers	Vendor satisfaction survey Vendor review meetings and awareness sessions
Government / NGO / Others	Membership in key public / government / trade councils and federations Media interactions Infosys Blogs
Learning and Research Institutes	InStep - Infosys' Global Internship Program Fellowships Joint R&D projects Curriculum Enhancement Programs

"The true test of an organization's future sustainability and viability comes not in periods of growth and prosperity, but in times of financial and economic stress. Since its inception, almost three decades ago, Infosys has time and again shown an ability to scale and adapt to dynamic shifts in the global economy."

V. Balakrishnan
Chief Financial Officer

Targeting sustainable economic growth

In volatile economic circumstances, customers who are facing business challenges themselves demand more flexibility and greater value from their partners. We have developed new and improved service delivery models in conjunction with a flexible cost structure to ensure that our relationships with customers remain sustainable in the long run. We are also focusing on new and emerging markets to broaden our customer base and minimize risks while increasing our growth and returns.

156 *new customers added in 2008-09*

US **$1,281** *million net profit this year as compared to US $1, 163 million in 2007-08*

US **$711** *million EVA® this year as compared to US $546 million in 2007-08*

In 2008-09, the global economic crisis impacted the growth of our business. We added 156 new customers, taking the total number of active customers to 579. Revenue growth during the year was up by US $487 million. Our top 10 customers grew by 1.8% while the rest grew by 15.9%. Our annual profits stood at US $1,281 million and we maintained operating margins at 29%.

Growth

Our employee strength increased to 104,850 in 2008-09 as compared to 91,200 last year.

Our brand value decreased from US $7,207 million for 2008-09 as compared to US $8,562 million in the previous year. The Economic Value Added (EVA®) increased to US $711 million from US $546 million in the previous year.

Key economic ratios	IFRS *	US GAAP	
	2008-09	2007-08	2006-07
Year-on-year revenue growth (%)	12	35	44
Employee cost / total revenue (%)	53	53	51
Operating profit / total revenue (%)	29	28	28
Return on average invested capital (%)	67	66	71
ROCE (PBIT / average capital employed) (%)	38	40	41
Basic EPS Growth (before exceptional items) (%)	10	33	50
Capital output ratio	1	1	1
Price / earning at the end of the year	12	18	33
Book Value ($)	7	7	5
Tax / PBT (%)	13	13	9
Value-added to total revenue (%)	85	86	81
Technology investment / Total revenue (%)	3	3	3

Scope : Infosys Group
* We have transitioned to International Financial Reporting Standards (IFRS) from US GAAP effective March 31, 2009 with one year comparative amounts in IFRS

Key performance indicators

The following table captures key performance indicators for the last three financial years :

In US $ million, except employee and customer data

Economic Performance	IFRS *	US GAAP	
	2008-09	2007-08	2006-07
Revenues	4,663	4,176	3,090
Net profit	1,281	1,163	850
Total Tax paid	342	284	218
Number of employees	104,850	91,200	72,200
Number of customers	579	538	500
New customers added during the year (included in the above)	156	170	160
Brand value	7,207	8,562	7,604
EVA®	711	546	427
Market capitalization	14,952	20,580	26,753

Scope : Infosys Group
* We have transitioned to International Financial Reporting Standards (IFRS) from US GAAP effective March 31, 2009 with one year comparative amounts in IFRS

Post-tax profit information

We currently benefit from certain significant tax incentives provided to the software industry under the Indian tax laws. There is no assurance that the Government of India will continue to provide these incentives. Hence, on a full-tax-paid basis, without any duty concessions on equipment, hardware and software, our post-tax profits for the relevant years are estimated as follows :

In US $ million, except per share data

	2008-09	2007-08	2006-07
Profit before tax and exceptional items	1,475	1,334	936
Less : Additional depreciation on duty waived for certain assets	19	21	17
Reduction in other income	15	15	8
Adjusted profit before tax	1,441	1,298	911
Less : Income tax on the above on full tax basis	457	459	320
Restated profit after tax	984	839	591
Restated basic EPS ($)	1.73	1.48	1.07

Note : The figures above for 2008-09 and 2007-08 are based on IFRS financial statements and 2006-07 is based on US GAAP financial statement, converted to US Dollar by using the average exchange rate for the respective years. It may be noted this is only an academic exercise. We have provided for income tax in full in the respective years and there is no carried-forward liability.

Economic challenges for the fiscal year 2009-10 and our growth strategy

The issues we might face in the new fiscal year are many. The volatile currency markets are also adding to the uncertainty in stating a clear guidance for revenue growth in fiscal 2010. Most of our customers have indicated that there will be reductions in their IT budgets. We foresee a decline in revenue on a constant currency basis for fiscal 2010. We expect the operating margins to reduce by about 300 basis points based on pricing forecasts for fiscal 2010.

In order to face the challenges that lie ahead, we have multiple cost-related levers such as utilization, onsite-offshore engagement model, pricing and scale benefits. Our flexible cost structure will ensure minimal impact on margins. Our strategy is to shift from pricing to value-based conversations and provide new engagement models such as solution-based offerings, platform-based BPO, and Software as a Service (SaaS) platform.

We will continue to concentrate on building our presence in emerging markets. We expect our Mexico subsidiary in Latin American market to be fast growing. Our second center in Monterrey, Mexico will be operational this year.

Conducting business ethically

We have established robust systems and internal controls to ensure compliance to applicable laws and regulations. Our marketing programs adhere to the legal regulations of the countries we operate in. We were not subjected to any material legal actions for anti-competitive behavior, anti-trust, monopoly practices or non-compliance with laws and regulations in the fiscal 2009. 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 and services.

"ICT solutions will play a critical role in tackling the climate change crisis by driving energy efficiency of infrastructure and industries and development of innovative alternative energy technologies. Infosys with its strong IT capabilities will be a strategic global player in providing solutions for managing the impact of climate change."

Subhash B. Dhar
Senior Vice President and Member – Executive Council

Cutting edge business solutions

In 2008-09, we developed many innovative solutions aimed at helping customers achieve their environmental and community commitments in a world where change is the only constant. Our continuing investment in research and development of these solutions, along with our comprehensive risk management capabilities, has bolstered the trust customers have in us to develop sustainable products and services.

200 *patent applications filed in India and the US*

114 *banks enabled by Finacle™ across 62 countries*

39,464 *knowledge assets available in our central knowledge repository*

We generate trust and goodwill among our customers by ensuring the creation, development and delivery of reliable products and services. The "Predictable, Sustainable, Profitable and De-risked (PSPD)" operational framework of our business boosts customer confidence. We continue to serve our customers using the Global Delivery Model (GDM) following rigorous industry quality standards such as CMM and CMMi.

Innovative solutions

Our sustainable solutions portfolio caters to the healthcare, banking, power, energy and utilities, retail and logistics sectors. In 2008-09, the newest additions to our innovative solution portfolio included :

- Infosys iProwe : Our first web accessibility evaluation tool for the visual and hearing impaired, and users with motor or cognitive disabilities.
- ShoppingTrip360™ : This platform enables a suite of managed-information services to create a 360-degree view of real-time in-store shopper and shelf activity.

- **Infosys Sustainability Solution :** Infosys Sustainability Solution helps organizations to rapidly deploy a sustainability reporting framework. The solution helps data capture, data aggregation, analysis and reporting of different data types such as energy accounting, water accounting, product performance data, human resource and labor performance data, economic performance data and safety performance data.
- **Digital Convergence Platform :** This platform currently powers the Digital TV service for a leading mobile carrier
- **LogO :** LogO, our Logistics Optimization solution, helps companies reduce the carbon footprint created through their logistics operations

Infosys mConnect and Infosys TruSync, our innovative sustainability solutions that we had developed for the communications industry in 2007-08, continue to be deployed by our global customers.

Our new India Business Unit (IBU) enables customers based out of India, specifically state-owned utility customers, create a technology roadmap. It provides solutions to reduce Aggregate Technical & Commercial (AT&C) losses, and move towards smart grid technology and green IT. We also work with the public sector companies in India to improve the delivery of their services using IT.

De-risking our services

Our Disaster Recovery and Business Continuity Plan (DRBCP) is robust and ensures the safety of our employees and continued business operations during any crisis. We have a team that actively and continuously identify potential risks and develop possible solutions. Our Information Security Management System (ISMS) facilitate secure operations, creates security awareness, conducts periodic audits to identify gaps and proactively address security risks.

For details on enterprise-wide risk management aspects, refer the *Risk Management Report* on page 59 of our Annual Report.

Propelling innovation through R&D

We have invested in research and development activities to provide innovative solutions to our customers.

Centers of Excellence

Our Centers of Excellence (CoE) are units that focus on extending our delivery competence around specific and focused technology areas. These include :

- **Wireless CoE :** Initiates R&D projects focusing on mobile platforms and technologies that enable wireless access to information services
- **Contact Center CoE :** Provides innovative contact center solutions for various industry verticals in tune with changing business dynamics

- **Maintenance CoE of SETLabs :** Continues to leverage its platform-based, knowledge-centric, collaborative process to significantly differentiate our maintenance offering. The Mantra platform continues to add to our competitive advantage helping us win large deals. Two patent applications have been filed for the Mantra platform this year.
- **CRM Practice CoE :** Aims at developing solutions, tools / accelerators and methodologies to enhance the effectiveness of package implementation

Other CoEs focus on technology domains like product testing, IP multimedia, datacom, digital media, network solutions and technology platforms such as .NET, J2EE, C++, GIS and Java. We have also established CoEs that specialize in industry verticals such as retail and logistics, banking and manufacturing.

Product Incubation and Engineering

Our Product Incubation and Engineering (PIE) unit develops products working in close cooperation with the other business units. The mandate for the PIE unit is to ideate, build, and monetize on new ideas and potential business models through the following process :

- Identify and filter ideas to incubate and qualify as a corporate-funded product / platform
- Engineer the idea into products and platforms by running them through clearly demarcated delivery milestones and check points. Each check point is a candidate for internal venture capital funding.
- Monetize these products and platforms

The products and platforms benefit customers by providing packaged industry knowledge, helping them reduce their learning curve and time-to-market. Customers also get long-term support and commitment on upgrades, which help them in aligning their business roadmap with the product roadmap and vice versa.

SETLabs

Our Software Engineering and Technology Labs (SETLabs) is the center for applied technology research in software engineering and enterprise technology. SETLabs leverages emerging technologies for improving engineering effectiveness and developing customer-focused business solutions. During the year, SETLabs built several products, solutions, frameworks, tools and methodologies in the areas of software engineering, high performance and grid computing, cloud computing, convergence technologies, knowledge driven information systems and Web 2.0 technologies.

SETLabs is organized into various research hubs based on the areas of technology focus :

- **Software Engineering Lab** focusing on delivering the next generation software engineering solutions
- **Convergence Lab** focusing on the convergence of services, networks and applications

- **Centre for Knowledge Driven Information Systems (C-KDIS)** focusing on the areas of Text Analytics, Machine Learning, Symbolic and Quantitative approaches to Reasoning and Decision Making, and Task Oriented Knowledge Management Systems
- **High Performance and Grid Computing Lab** focusing on virtualization, grid models for computing efficiencies and cloud computing

- **Security & Privacy Lab** focusing on the security needs in our customers' context
- **Innovation Lab** focusing on leveraging ICT to innovate and co-create with our customers

SETLabs research hubs and their areas of focus :

Research Hub	Areas of focus
Software Engineering Lab	The Software Engineering Lab enables realization of an evolved software engineering framework for leveraging : • Collaboration • Automation • Assembly based models • Simulation
Convergence Lab	The Convergence Lab is conducting advanced research and development in the area of seamlessly blending three screens : TV, Mobile and Web / PC to provide an immersive user experience. It has developed a platform that enables application developers to write 3-screen applications once instead of three times, for each of the three screens – TV, Mobile and Web / PC, thereby eliminating duplication of effort and accelerating time to market. The lab has developed a wireless sensor networking platform called Infosys Elixir. A number of solutions are being developed around the platform to support a greener, smarter enterprise.
Centre for Knowledge Driven Information Systems	The Centre for Knowledge Driven Information Systems (C-KDIS) has developed Intellectual Property (IP) in rule modeling and execution, sentiment analysis, optimization techniques such as demand driven scheduling, predictive analytics such as customer behavior prediction, knowledge extraction, knowledge assisted diagnostics, and decision making. This research has strengthened the Holistic Information Management Infrastructure (HIMI) platform.
High Performance and Grid Computing Lab	The High Performance and Grid Computing Lab has developed a product called Infosys Gradient in the Enterprise Information Integration space. The Infosys GridScape platform which embodies the vision of a next-generation data center is being leveraged by a leading data centre services provider to create their next generation data centre offering.
Security and Privacy Lab	The Security and Privacy Lab in collaboration with our Banking and Capital Markets business unit has developed TrustedADM. This is a secure development life cycle methodology used to ensure that all applications designed, developed and maintained by us for our customers or internally, are secure. Additionally, this Lab has also created the Infosys MaskIT (Data Masking solution) that helps protect privacy of customer information while off-shoring application development and testing.
Innovation Lab	Innovation Lab has been conceived and incubated in SETLabs to address our emerging critical business needs to systematically promote and manage innovations within our company and help position us as a " Partner in Innovation".

Through SETLabs, we applied for an aggregate of 81 patents in the US and India this year. With this, we now have a total of 200 patent pending applications in both countries and have been granted two patents by the United States Patent and Trademark Office.

Research across borders

SETLabs and Infosys Australia are working jointly in the Smart Services Cooperative Research Center (CRC) program that explores business process innovation and Service Orientated Architecture (SOA) through research projects. This program brings together the best technology minds from industry, six Australian universities and the

Australian Government to develop an ambitious R&D program aimed at creating IP of value to Australia's services market. Over the course of the program, this IP will be engineered and commercialized by CRC participants resulting in new technology products and services that will increase the competitiveness of Australia's IT industry and make the services market more innovative.

Infosys R&D – Awards and leadership recognition

We continue to innovate and co-create with our customers. In 2008-09, British Telecom (BT) signed a memorandum of understanding (MoU) with us to collaborate on research and innovation. BT Innovate and

Signing of the MoU for collaborative research ventures between N. R. Narayana Murthy, Chairman and Chief Mentor and Professor Alison Richard, Vice Chancellor, University of Cambridge

SETLabs collaborated to utilize their respective intellectual properties to develop and market the product – Real-time Business Intelligence Plus (RTBI Plus).

Nomura Securities partnered with us to address performance and scalability issues in its Interest Rate Risk Analysis application. We implemented our High Performance Computing Solutions and Grid Application Migration Framework to enhance the scalability of the application by supporting a greater number of products.

Our thought leadership journal, *SETLabs Briefings*, received the "Best of Show" and "Distinguished Technical Communication" Awards in the Technical Publications competition organized by the Society for Technical Communication (STC), India Chapter.

Collaborating with academia for R&D

We are currently pursuing joint research with the following institutes :

- We signed an agreement to undertake joint research in unstructured data analytics, inference and diagnostics tools and the development of next-generation business intelligence tools with the International Institute of Information Technology, Hyderabad (IIIT-H)
- We signed an agreement with Purdue University for joint research in various technology areas
- We have an agreement with the Indian Institute of Science, Bangalore for joint research in various technology areas
- We signed an MoU with the University of Cambridge for collaborative research ventures with a focus on engineering, management and business, architecture and pharma

- We have set up a research hub, Center for Advanced Software Technologies (CAST), at the Viterbi School of Engineering, University of Southern California (USC) to aid joint research and education

We continue to seek new sources of business and technological research through our interns. InStep, our global internship program, has attracted 4,000 applicants for 175 positions so far.

Prof. Manindra Agrawal, from the Indian Institute of Technology (IIT) Kanpur receives the first Infosys Prize for Mathematics

Nurturing research beyond business

We believe in promoting research in pure and social sciences outside business which has a long-term impact on society. This year we set up a not-for-profit trust, the Infosys Science Foundation, to promote research in sciences in India. The Foundation will award prizes worth US $107,435 (Rs. 50 lakh) each to five Indian scientists in

recognition of their contributions and achievements across various scientific streams.

The Foundation is being funded by a corpus of US $4,619,682 (Rs. 21.5 crore) contributed by our founders and executive board members. Infosys also granted US $3,591,000 (Rs. 18 crore) to the Foundation in its first year. From this year onwards, we will grant US $1,000,000 (Rs. 4.7 crore) towards the ISF program. The winners will be announced in five categories and will be chosen by five different jury panels comprising renowned international experts in the respective fields.

Prof. Manindra Agrawal, from the Indian Institute of Technology (IIT) Kanpur, is the first recipient of the Infosys Prize for Mathematics.

We also encourage contemporary innovation that have impacted the computing field, by recognizing young scientists through the Association for Computing Machinery (ACM)-Infosys Foundation Award. Jon Kleinberg of Cornell University won the 2008 ACM-Infosys Foundation Award for his contributions to the science of networks.

Operational excellence

As we focus on building innovative solutions for our customers, we continue to invest in building internal competencies to strengthen our operational excellence. The following are the key initiatives that enable our business to respond to the changing needs of our customers :

Knowledge Management (KM)

KM continues to keep our employees well informed on technology and innovation, and allows them to share their knowledge and experience. As part of our continuous efforts to extend the reach of seamless knowledge exchange across our units, a customized KM initiative was launched at Infosys China this year.

- 39,464 knowledge assets are available in our central knowledge repository
- 100,000 knowledge interactions are hosted on our KM systems and archived for enabling and providing customers with better solutions

Enhancing capabilities

We have invested substantially in enhancing the capability of our business units. Over the past year, the Infosys Scaling Outstanding Performance (iSOP) framework has helped us design and conduct self-assessment workshops for all business units that have resulted in understanding businesses, priorities, gaps and in setting goals for enhancing capabilities.

Improving quality of service

The quality of our services is reflected through Business results Impact at Infosys Technologies (BrITe), an initiative to facilitate identification, analysis and optimization of critical cost levers such as onsite offshore effort mix, optimal role ratios in service delivery and non-effort based pricing in our business models. BrITe ensures better operating margins and Service Level Agreement (SLA) management with customers. BrITe services are also offered to customers on a need-basis.

Currently, the tools standardization approach under BrITe covers 75% of our services while 66% of our total projects use reusable assets. This reduces the effort and improves quality and time-to-market to assist customers.

Awards and recognition

Some of the awards we received in 2008-09 are :

- Outsourcing Institute and Vantage Partners' first ever customer relationship management award
- Most Admired Knowledge Enterprise (MAKE) award for excellence in knowledge management through content sharing, collaboration and professional networking
- Royal Bank of Scotland (RBS) Supplier Excellence Award for Global Contribution
- Hitachi Data Systems Diamond Award for "Best Virtualization Strategy" and the Platinum award for "Best Green Strategy for a Data Center"
- The Banker Technology Awards from The Banker
- A Certificate of Recognition award from a power equipment and transportation major
- Distinguished category award from the Society for Technical Communication (STC) India Chapter for *SETLabs Briefings*

Recognition we received included :

- Sears Holdings Corporation chose us as a "Partner in Progress" for the second consecutive year
- The International Association of Outsourcing Professionals (IAOP) ranked us as number three in their "2008 Global Outsourcing 100" list
- An aviation major recognized us as its "Supplier of the Year"

# Innovative products with a social focus

We strive to develop and deploy innovative products to help our customers increase their business productivity. As part of our social focus initiative, we work towards providing healthcare services to more sections of society and aid business in becoming more eco friendly.

Jeff Smith, Group Executive & CIO of Suncorp, in discussions with our team
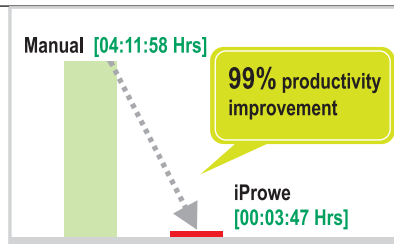
Average time taken for web accessibility assessment of a sample web page
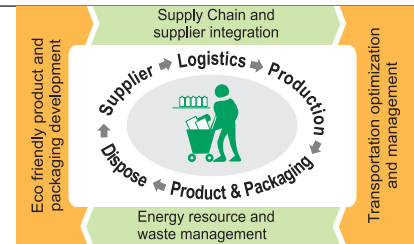
Workflow of the LogO application

Improving business productivity

We applied Agile delivery principles that are commonly used in software development, in a major infrastructure integration program for Suncorp, one of Australia's leading financial services companies.

The program which resulted in significant business productivity for the customer, was deployed across 400+ locations and 19,000 employees within the Suncorp group across Australia and New Zealand.

Agile solutions like these empower financial services institutions to maximize their opportunities for growth while minimizing the risks that come with large-scale business transformation.

Facilitating community healthcare

One of our endeavors has been to improve community healthcare facilities. As part of Project Extension for Community Healthcare Outcomes (ECHO), we collaborated with the University of New Mexico to design and implement a web application that facilitates real-time flow and access of clinical data among participating health providers.

This tool is expected to train, educate and facilitate rural doctors. It also provides a platform for physicians to stay connected with patients throughout their treatment.

This software will allow Project ECHO to expand and cover multiple chronic diseases and health conditions such as AIDS, cardiac-related, mental health disorders, diabetes, autism and substance-abuse disorders among others. Since the application is delivered via a Software as a Service (SaaS) model, it reduces potential technology barriers that previously existed in rural health clinics.

Enhancing web accessibility

Web accessibility is a challenge to those who have physical and cognitive disabilities. This limitation can be overcome if websites implement an effective accessibility design. In 2008-09, we launched our first web accessibility evaluation tool, Infosys iProwe, a patent-pending solution that can :

- Assess accessibility of websites for users with physical and cognitive disabilities and

recommend remedial measures to make them accessible
- Reduce the time, cost and effort as well as errors involved in assessing and fixing web accessibility issues
- Facilitate enterprises that are planning their web accessibility strategy.

Green IT solutions

LogO, our Logistics Optimization solution, was piloted for a confectionary company in Europe to reduce the carbon footprint created through their logistics operations. Based on the observed shipment data, LogO helped the customer with temporal consolidation and reduction of about 3,803,363 miles and thereby reduction of GHG emissions.

LogO has also uncovered opportunities for reduction in transportation cost between 2.42% to 8.61% of the annual Less Than Truckload (LTL) spend at two large US grocery and general merchandise retailers. This translates to around US $1to 4 million in direct annual cost savings.

"As an organization that believes employees are our greatest asset, we ensure that employee engagement remains our priority and communication is honest and transparent. Our competitive edge is the spirit of our people and together we achieve our corporate goals and our personal aspirations."

Nandita Gurjar
Senior Vice President and Group Head – HRD

Fostering talent for a sustainable future

In a fast growing organization such as ours, attracting and retaining the best talent is the most critical sustainability issue. Our employees also need to trust us and feel a sense of belonging in such a large company. To achieve this, we have established transparent and proactive employee engagement programs. We empower our employees by implementing measures to maximize productivity and quality, giving ample opportunities for career growth and providing job satisfaction.

104,850 *employees in 2008-09 from 91, 187 in the previous year*

33.4% *of the global workforce are women*

1,383,146 *person days of entry level training for new hires*

In 2008-09, we crossed a major milestone : our employee strength crossed 100,000 for the first time. This increase reflects our reputation as a successful and trustworthy employer. The needs of a rapidly growing global workforce has also demanded better and more efficient employee engagement and inclusivity programs. Some of the innovative new programs we introduced last year include LEAD INFY, Family Matters Network, and WithInfy.

A growing global workforce

As of March 31, 2009, we have 104,850 employees globally. Around 76 nationalities make up our workforce. Women comprise 33.4% of our employees.

Local hires refer to both non Indian nationals and Indians hired outside India who are permanent residents or visa holders. During 2008-09, 83.4% of senior hires recruited overseas are local hires.

Employees by location (including employees deputed to customer locations)

Region	2008-09	2007-08	2006-07
APAC	3,756	2,666	2,170
EURP	5,067	4,889	3,336
India	84,690	72,523	57,144
Middle East & Africa	151	92	34
Americas	11,186	11,017	9,557
Grand total	104,850	91,187	72,241

Scope : Infosys Group

Creating an equitable and inclusive work environment

In 2008-09, we were recognized for our efforts to promote a more inclusive work environment. We won the Corporate Award for Excellence in Gender Inclusivity instituted by the National Association for Software Companies (NASSCOM), India, for the second consecutive year. We also received the Helen Keller award, instituted by the National Centre for Promotion of Employment for Disabled People, for the third consecutive year. We also won the ASTD Excellence in Practice Award for diversity training.

To measure inclusivity levels across the organization, we developed our own patent-pending inclusivity index in 2007. The index helps us track our progress in promoting inclusivity within the company. Diversity dashboards, which were developed in 2007 and deployed across the organization on a quarterly basis, act as ready-reckoners for sensitizing and deciding policy changes.

We believe that our inclusivity efforts have to be continuously monitored and improved for effectiveness. Over the past year, we sensitized the senior management at all our business units on diversity matters through diversity campaigns and training. Our employees are sensitized to follow our core value system, C-LIFE. We regularly organize training programs for our employees on cross-cultural sensitivities. These programs help instill respect and to appreciate the differences in cultures that arise out of having a diverse global workforce.

The Head – HRD, is the custodian of equal employment opportunity. The Diversity Office and the HR department are responsible for coordinating efforts in implementing and disseminating information regarding the company's diversity agenda.

Being an IT services company, we do not have any business identified as having risk for incidents of forced or compulsory or child labor. We foresee risk of child labor in our supply chain in India, and hence control it through the vendor selection process.

To foster inclusivity, we encourage employees to participate and contribute their views through focus-based affinity networks. Some of the active networks include :

Infosys Women's Inclusivity Network (IWIN) : Launched in 2003 to create a gender sensitive and inclusive work environment, this network continues to address the work-life balance and developmental needs of our women employees. A special mentoring program, The Infosys Women's Inclusivity Initiative's Mentoring Program (IWINTOR), was launched in 2008. Approximately 1,000 women have enrolled in and are benefiting from this program.

We believe in supporting and recognizing employee volunteerism. This year, we celebrated International Women's Day by recognizing around twenty of our women achievers with the "Women as Catalysts for Social Change" award.

We continue to partner with major gender networks and forums across the globe to benchmark our practices in inclusivity and also publish research papers.

Infyability : Since 2006, it has been our conscious effort to support employees with physical disabilities through the Equal Opportunities team. We have established a platform to help employees come together and benefit by sharing experiences and knowledge, leading to skill enhancements. We deploy focused interventions such as training, campaigns and celebrate World Disability Day to sensitize employees on disability and allow them to share their thoughts on creating an inclusive work environment.

This year, we conducted an accessibility audit for our India-based facilities in Bangalore, Chennai and Hyderabad and recommended appropriate measures to promote disability-friendly facilities.

Family Matters Network : This network was launched in 2008 to help employees with parenting and work-life balance issues. Employees are given online expert counseling and provided referral services on daycare, information on schools for their children and family healthcare. An estimated 14,000 employees are benefiting from this program.

Parenting workshops, online counseling and forum discussions are regularly organized by the Diversity Office. Recently the program has been tailored to suit the needs of our employees in North America. Apart from the benefits and support that is offered under the Family Matters Network India, parents at our North American offices can also avail corporate discounts on various educational services and day care facilities and gain access to a counselor 24/7, free of charge.

Participants at a Spark Guru event

The annual Petit Infoscion Day recognizes children of employees who have achieved excellence in the areas of academia and extracurricular activities. On this day, a large number of employees and their extended families participate in carnivals, contests, and theme parties organized at our campuses.

Global Buddy : The Global Buddy program, started in 2007, aims at assisting our new hires understand our culture and value system. As a buddy, the Infoscion becomes a brand ambassador, meets new people, and acquires insights into new cultures and nationalities.

Ensuring equal opportunities

Job openings across the organization are announced on the following platforms :

- WithInfy : Internal portal on which internal job openings are published
- ConnectInfy : Internal portal on which job openings for all other recruitment categories are announced
- Our website, www.infosys.com
- Media
- Other relevant recruitment channels

Our compensation and benefits are inclusive. Notice periods and minimum wage policies for our employees are in compliance with local laws and regulations.

Our Annual Excellence Awards recognizes our employees' effort and contribution towards achieving our business goals and pursuit of excellence. The awards are instituted at the corporate, regional and business unit levels to ensure due coverage of efforts and accomplishments at all levels. All employees are encouraged to apply or nominate projects through a transparent process.

Performance appraisals are conducted for all eligible employees to facilitate career planning and progression. Our promotion and career opportunities are based on merit and competencies of individuals. During the year 2008-09, we did not record any substantiated cases of discrimination based on gender, age or ethnicity.

For more information about our employee engagement initiatives, refer the *Engaging stakeholders* section of this report.

Creating dynamic work-life policies

Our work-life policies reflect local requirements and regulations. Our employees based in India are eligible for paid maternity leave and paternity leave. We have satellite offices for new mothers, telecommuting for employees on need basis, adoption leave, flexible work hours, part-time work policy, one-year childcare sabbatical policy and near-site daycare facilities. Employees can apply for scholarships for their children who have excelled in academics, arts and culture. Infoscions can also apply for extended family healthcare coverage.

Nurturing talent and competencies

Customer delight and the pursuit of excellence are key drivers for equipping our employees with competencies and skills to stay ahead of the competition. Our Education and Research (E&R) department is responsible for enabling employees with the required skills. At the entry level, all trainees undergo a rigorous three month foundation skills program and are evaluated before being absorbed into the workforce. In 2008-09, we provided 1,383,146 person days of training at the foundation level for new hires.

As employees progress in their careers, they can choose the required technical and soft skill development programs. For example, E&R department offers 483 courses round-the-year, of which 338 are instructor-led and 145 are web based programs. This year, 51,501 technical certifications and 59,013 domain and process certifications were awarded by the department.

Training and certification are also offered by our Centers of Excellence (CoEs) and academies :

- The Project Management Center of Excellence (PMCoE) assists our employees to enhance their project management competencies. Around 3,080 project managers were enabled and benefited by the PMCoE programs. An additional 318 project managers got certified as Project Management Professionals in 2008-09.

- The Business Analysts Center of Excellence (BACoE) was launched in 2008 to provide a development and knowledge framework for business analysts and professionals

- The Enterprise Solutions (ES) Academy provides academic certifications on technical and domain related subjects. This year, the Academy awarded 14,208 certificates.

At our BPO we focus on strengthening the soft skills of the employees in order to serve our global customers. We provided 34,499 person days of continuous learning program, and 23,208 person days of management training.

Developing leaders

The Infosys Leadership Institute (ILI) equips employees with managerial and leadership skills through regular classroom interventions, knowledge tests, group development workshops and seminars. In 2008-09, ILI provided 456,685 person days of training to employees. ILI has established a leadership framework that clearly articulates the leadership dimensions focused on adding value to the organization. The framework is made robust through constant validation against ground realities. The last review and change to the framework was done in 2005. All initiatives that are related to leadership are anchored in these leadership dimensions. The leadership selection process is broken up into a three Tier program (Tier 1 being at the top of the pyramid). The Tier Leadership is considered as the corporate pool. The number in each tier is based on an assessment of organizational needs for senior leadership positions. This is a self-nomination process which allows any potential leader to apply and the selection process is transparent.

The tier leaders in the company get the opportunity to create their own personal development plans, receive counseling and benefit from one-to-one mentoring by a senior colleague.

We have instituted many other forums which have turned out to be excellent training ground for future leaders. One such initiative is LEAD INFY which was launched in February 2009 to identify potential leaders for managing large organization-wide initiatives.

Besides these formal programs, there are many volunteer networks to deploy organizational initiatives such as productivity and quality enhancements, training and development, informal coaching and counseling that allow employees to develop leadership capabilities.

Drawing competition organized for children of Infoscions as part of Petit Infoscion Day celebrations

A safety awareness and accident prevention session organized during the HALE Safety Week

Promoting employee health and wellness

The Health Assessment and Lifestyle Enrichment (HALE) program supports our healthcare policies at a global level. In Australia we have a unique practice of having a specialist available on call for ergonomics assessment in the work area. We also provide annual health checkups for all employees at our India-based locations.

HALE's activities include :

- HALE Tool : The survey tool helps employees gauge their physical and psychological well-being. After using the tool, employees receive personalized feedback from a professional health counselor. About 3,727 employees participated in the survey in 2008-09.

- **HALE Hotline :** Balancing professional and personal relationships can be very stressful for several employees and the HALE Hotline is a means to avail professional advice. We partner with experts and consultants to provide counseling for our employees throughout the year. Nearly 2,500 employees benefited this year.

- **HALE Health Week :** Our employees and their family members can seek expert medical advice and checkups at our office premises and through hospital tie-ups. Over 10,000 employees this year underwent Master health, Well Women and the Basic health check-ups. Feedback forms were monitored by the service providers. During Health Week this year, over 5,000 employees participated in online interventions such as the online health crossword and online health quiz programs. The Chat with the Doc program on InfyTV, our corporate TV channel, allowed employees to interact with specialists in the areas of dermatology, ophthalmology, fitness and nutrition.
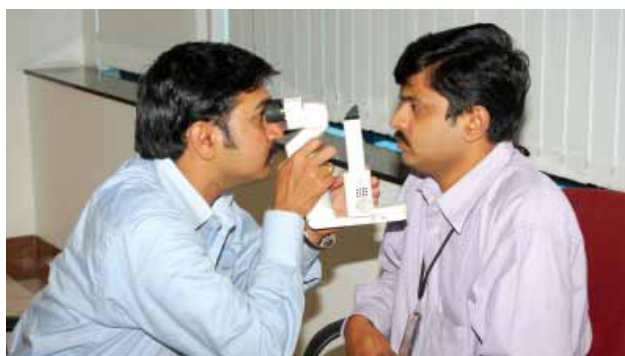
Eye checkup held for employees during the HALE Health Week

- **HALE Safety Week :** Encouraging and bringing awareness about adhering to safety norms help employees handle emergency situations effectively. Safety awareness and accident prevention were showcased on InfyTV and our intranet, Sparsh, along with competitions, live demonstrations and street plays.

- **HALE leisure and fun events :** In 2008-09, HALE organized events in partnership with hobby clubs and networks internally to encourage employees to discover their hidden talent and pursue areas of interest. These events promote a healthy lifestyle and ensure holistic development of our employees.

We provide health club and sports facilities for employees in India. This year, around 14,784 employees enrolled as members of our Health Clubs.

Employee safety and security is 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. The HALE Safety Week was organized across all DCs in India during January 2009. This year the focus was on road, home and personal safety.

The incident and frequency rate recorded for the past two years are as follows :

	2008-2009	2007-2008
Incident Rate / 100 employees	0.504	0.454
Frequency Rate	0.241	0.248

Scope : Infosys India operations

Note : The Frequency Rate is for 100,000 hours worked. The incident rate and frequency rate for 2007-2008 has been recomputed and restated.

Our Occupational Health and Safety Committee (OH&S) representing all our employees based out of India ensures that the overall health and safety measures are addressed at all our campuses and provides recommendations and improvement plans on the interventions provided. Employees provide feedback on the campus facilities through the Internal Partnership Satisfaction (IPSAT) survey.

Appropriate facilities and platforms are provided for employees to pursue their hobbies and interests. Hobby clubs, culture clubs, health and fitness, sports, reading, quizzing and other leisure activities are promoted and nurtured. A number of cultural and sports events are regularly conducted to help employees showcase their talent.

A sense of belonging and compassion

Keeping our workforce happy and satisfied through the promotion of caring and inclusive policies not only increase productivity but ensures that we remain the most attractive employer for the best talent available.

Our employee volunteers at a Spark event

Sign language story-telling competition held on World Disability Day

N. R. Narayana Murthy, Chairman and Chief Mentor, presenting an award as part of International Women's Day

Lighting a Spark for volunteerism

We provide platforms for employees to demonstrate their communication and interpersonal skills.

Spark, a program launched this year, aims at instilling career inspirations among school and college students in India as well as equipping them with an understanding of the ICT industry. Students participate in sessions on problem solving and the entrepreneurial mindset. This program was conceived, coordinated and managed completely by Infoscions. Over 2,300 employee volunteers across Indian offices reached out to over 35,000 urban and rural students this year. The key skills that the volunteers acquired through conducting this program included communication skills, leadership, team work, problem solving, creativity and interpersonal effectiveness. The program acted as a networking zone for like-minded employees within the company.

Creating a sensitive work environment

As part of creating awareness about our diversity practices, two innovative events were organized on World Disability Day this year – the first-ever story-telling contest in sign language in the corporate sector and the launch of the web accessibility evaluation tool, Infosys iProwe. The Equal Opportunities Team from Infosys BPO provides necessary support, guidance and resolution of issues for these employees. The team also performs accessibility audits to ensure that facilities at our campuses comply with the accessibility guidelines for buildings and infrastructure.

This year, we collaborated with Confederation of Indian Industry (CII) to publish guidelines for managing employees with disabilities. This manual, titled "A values route to business success : The why and how of employing persons with disabilities", is meant for the corporate sector to guide them on best practices of hiring, recruiting and retaining employees with disabilities.

Recognizing women role models in the company

To mark International Women's Day this year, we recognized our women employees who were catalysts for social change. We called for nominations in two major categories – those who are social transformers and those who have used our platform to reach out to communities. Around 20 women, selected for these honors by a team of external panellists, were also featured in a coffee table book released on International Women's Day.

The week long celebrations comprised events including panel discussions on empowering women, women as social transformers and work-life balance. A new e-learning tool for women in leadership called "Labyrinth" was launched. Spark Guru program, one of our community activities for this year to educate the teachers from rural areas, was also launched. Events at our offices around the globe were organized and conducted by the Infosys Women Inclusivity Circles.

"In the race to achieve business goals in these turbulent times, it is easy for a business organization to lose sight of its responsibilities towards society. Our vision to enable communities is an integral part of our business philosophy. We not only involve ourselves in community development directly, but also encourage employees to make a difference."

Chandra Shekar Kakal
Senior Vice President and Member – Executive Council

Striving for a better tomorrow

As a socially responsible corporate with sound business practices, the level of trust that society has in us is a crucial measure of our success. We have always aimed at improving and enabling the communities in which we function. We believe in developing sustainable solutions for society in partnership with our stakeholders and encouraging employees to contribute to social development. These measures help foster an environment that has a beneficial impact on society in the long run.

32,120 *children provided essential stationery kits through the Notebook Donation Drive*

102,190 *children across India benefited by mid-day meal initiative*

81.3% *students trained under the Special Training Program gained employment*

Our CSR theme HEART (Healthcare, Education, Art and culture, Rural upliftment and Targeted inclusive growth) has been adopted at various internal stakeholder levels including the Board of Directors, the Infosys Foundation, Infosys Group and Infoscions.

In 2008-09, these stakeholders implemented a number of large community programs. Our employee CSR groups in India, in association with the Infosys Foundation, launched the Notebook Donation Drive to equip schools in rural India with essential stationery kits. Our employees contributed and raised donations to sponsor 32,120 children from 274 schools. We provided flood relief in the form of rehabilitation kits, food packets and disaster-resistant shelters to victims in Indian states of Orissa and Bihar. This year the Infosys Foundation initiated Jnanavikasa, a program that trains rural women in India in hygiene, health, nutrition, infant care, literacy and vocational skills. The program is estimated to reach 750,000 women in rural India in the next few years.

The community activities performed at each stakeholder level in 2008-09 are given below :

Board of Directors

Our Board members actively participate as founders or trustees of advisory councils, government bodies and not-for-profit organizations to drive and influence views and policies related to issues like global warming, corporate governance, education and training, social welfare, healthcare, infrastructure management and rural upliftment. They also sponsor organizations like the Akshaya Patra Foundation, a mid-day meal initiative that goes beyond providing sustenance and ensures high enrolment and low drop-out rates among urban and semi-urban students. This year, 102,190 children across the country have benefited from this scheme.

Infosys Foundation

The Infosys Foundation was formed in 1996 and comprises a dedicated team who work to support and enrich the underprivileged sections of society. The Foundation is involved in four key areas :

- Facilitating affordable health care
- Rehabilitating destitute women
- Enabling children from rural and underprivileged communities
- Nurturing Indian arts and heritage

We invest in community development programs through the Infosys Foundation. With an Infosys grant amounting to US $4,297,400 (Rs. 20 crore) in 2008-09, the Foundation implemented various community programs benefiting 3,150 schools and approximately 43,680 individuals. This includes the rehabilitation of 920 devadasis, an underprivileged community of women in India, and their children. This project provides vocational training and sponsor academic education to help bring an end to generational poverty.

In 2008-09, the Foundation helped the Sankara Eye Hospital. They also reached out to 27,020 beneficiaries through hospitals and medical centers in Indian states such as Tamil Nadu, Jammu & Kashmir, Maharashtra, Bihar, Kerala and Karnataka by providing free treatment and donating essential equipment and medication. The Foundation, in partnership with the Chirantana Trust, provided aid towards the treatment of cleft lip and palate patients in Orissa.

In partnership with Saathi, an NGO, the Foundation has rehabilitated 910 street children in Delhi, Patna and Kanpur. Through BAIF Development Research Foundation, a self-help group, they have trained 1,560 rural destitute women in Maharashtra to set up small businesses. They also organized rehabilitation programs for 300 Orissa tribals and offered training in agriculture and related life skills.

The Foundation's rural upliftment projects and sponsorships continue to provide a sustainable lifestyle for underprivileged communities through rainwater harvesting facilities and solar-powered lamps. As part of Seva Sahayog – Teach India, the Foundation initiated a project in Ramnagar near Warje (Kothrud), India, targeting children from economically weaker sections of society. The Foundation has begun an experimental project promoting the usage of solar-powered lamps in Raichur, India.

The Foundation also continues to enable meritorious students from rural and underprivileged backgrounds by providing grants, scholarships and donation of books to nearly 4,000 students. They also empowered 150 rural college lecturers and 1,290 students, with a vision to prepare them for the competitive world through similar initiatives.

An eye checkup camp for underprivileged students held at a primary school in Thiruvananthapuram

Infoscions distributing books in a government school in Bangalore as part of Notebook Donation Drive initiative

The Foundation maintained their support of art and culture through various initiatives ranging from sponsoring puppet shows to helping maintain Indian traditional art forms like Tanjore paintings. The Foundation has also partnered with Adima, an organization in Kolar, India, where they train rural artists in folk arts. The Foundation supported their cultural activities and provided aid to 60 child artists this year.

A mid-day meal sponsored by the Akshaya Patra program in progress at a school in Karnataka

Infosys Group

We believe in enhancing human capital through education. Our educational initiatives like Campus Connect, Project Genesis, Industry Academia Partnership (IAP), Special Training Program (STP) and Computers@classroom continue to equip and train academic institutions and students to meet industry standards.

During this year, 103,820 students, 4,880 teachers and 1,300 academic institutions were covered under the Infosys Group's education activities with a budget of US $1,719,083 (Rs. 8 crore).

Through our Computers@classroom initiative, we donated 3,470 computers. The Infosys Group also launched Spark Guru, a program for rural school teachers across India, aimed at gaining a deeper understanding of their work and their responsibility to society. Approximately 500 teachers were covered under this program during March 2009.

Around 449 out of 552 students trained under the Special Training Program (STP) for socially disadvantaged sections have been employed by leading companies in India.

The following table provides details of the various programs conducted by the Infosys Group :

Program	Target audience	2008-09	2007-08	2006-07
Campus Connect	Colleges	430	490	330
	Students	33,100*	13,000	13,000
	Teachers	1,100	1,891	504
Catch Them Young	Students	379	379	364
Industry Academia Partnership	Colleges	123	17	–
	Students	837	714	–
	Teachers	220	41	–
Project Genesis	Colleges	342	389	199
	Students	23,855	22,619	4,985
	Teachers	718	798	394
Rural Reach Program	Students	9,067	7,857	6,268
Spark	Colleges	358		
	Students	36,139		
	Teachers	2,353		
Special Training Program (STP)	Students	552	450	93

Scope : Infosys Group

* Inclusive of soft skills training

Making a difference through employee volunteerism

Our voluntary employee CSR groups participate in initiatives that enable sustainable community development. In 2008-09, they raised US $275,990 internally for various initiatives. These groups reach out to communities directly as well as through NGOs and participate in several activities across locations :

Australia

The CSR group at Infosys Australia partners with organizations that fulfill our CSR criteria and helps them with donations, volunteering and pro bono work. The group also supports citizens in times of natural disasters. In 2008-09, the group joined hands with the Centre for Multicultural Youth (CMY) to support the needs of young people in Australia from migrant and refugee backgrounds.

Employees voluntarily donate through the Salary Sacrifice program to a few designated payroll giving charities / not-for-profit organizations.

Bangalore, India

Our Bangalore employee CSR group, Infynite Smiles, organized the Power of 100,000 to raise funds and provide the necessary classroom infrastructure to accommodate 240 school children. They also organized a planner sale to raise funds for the National Institute for the Blind.

Bhubaneswar, India

In Bhubaneswar, the Akanksha team, in collaboration with the Red Cross, organized a blood donation camp for thalassemia patients and contributed a total of 1,500 blood packets over a span of five years. More than 100 institutions have benefited through this unique initiative, which earned the Akanksha team recognition and felicitation from the Governor of Orissa in 2008. This year, the team introduced a new initiative called Soul Fund, to provide monetary support for accident victims needing critical care and are from economically weaker sections.

Chandigarh, India

The CSR group Prayaas contributed to the construction of a water tank and installation of new blackboards in rural schools in Mahadevpur, India.

Chennai, India

In Chennai, Sneham, the employee CSR group, installed a Reverse Osmosis Water Treatment Plant at a Government Higher Secondary School to eliminate the usage of contaminated water, thus benefiting 2,500 students. Project Educare, an initiative launched this year, focuses on sponsoring children of our support staff. More than 450 children have benefited from this program since its inception.

China

In China, the Spring team provided relief materials to the Sichuan earthquake victims in the form of food, clothing and other essentials. The group collected funds of around US $30,100 (RMB 206,950) from employees and the Company.

Mangalore, India

In Mangalore, the Prerana group raised approximately US $16,110 (Rs. 750,000) through donations and sponsorships for their core program Pratibha Poshak, providing scholarships to nearly 400 rural students. They also organized Gift A Toy, an initiative through which 880 children from 11 Children's Homes across Mangalore were given a gift of their choice.

Mexico

This year, our Mexico office donated money to the victims of the floods in Tabasco, South Mexico. They also organized an Autism campaign to sensitize employees about the needs of those suffering from this disorder.

Children who received toys as part of the Gift A Toy initiative in Mangalore

Free eye checkup camp held in Chandigarh

Mysore, India

Our CSR group in Mysore, Soften, continued to provide financial aid to meritorious students from economically challenged families around Mysore to pursue their education through the Nurture Merit program.

Candidates were selected after a rigorous test and the student's economic situation was verified through home visits. Over 200 students took the test and 57 were identified for aid. Soften raised funds which provided for over 60% of the amount required to support the 57 identified students. The rest of the funds were contributed by the Infosys Foundation.

North America

The employee CSR group in North America has conducted programs in the areas of education, health and humanitarian issues. The Junior Achievements in a Day program enabled volunteers to teach students about financial literacy and design a work-readiness curriculum.

Pune, India

The Pune CSR group, Sparsh – A Healing Touch, assisted Snehankit, an association for the visually challenged, prepare students for examinations. The team also created a website, www.snehankit.org, to increase public awareness about the association's work. Sparsh – A Healing Touch works with the National Association for Helping the Physically Challenged (NAHPC), to ensure employability. Through Prarambh, the team reaches out to underprivileged children and educates them on personal hygiene, social and moral issues. The team also organized Prithvi 2008, a social consciousness week to highlight environmental and social issues.

Thiruvananthapuram, India

In Thiruvananthapuram, the Sanjeevani team organized Florescence, an initiative to spread CSR awareness among other companies in the city through debates, skits and cultural performances. The team also held Theatre, an initiative to spread awareness on various health related topics through street plays. Sanjeevani also initiated Santhwanam, to assist government and public healthcare centers with medical equipment and medication expenses. The Save A Heart program conducted by Sanjeevani provides financial support for treating children with heart ailments.

Mamata – An exemplary volunteer program

Mamata, the employee CSR group in Hyderabad, has organized events, initiated activities and created awareness about community welfare. The group best exemplifies our philosophy of making employees agents of social change.

In the field of education, the team identified more than 100 students from economically challenged families and provided them scholarships through the Pratibha Poshak program.

In the area of health, Mamata conducted a blood donation camp which saw a record 1,504 employees participating. They also organized a No Smoking awareness campaign and organ donation awareness initiatives.

Protecting the environment and raising awareness of green issues is a continuous endeavor for Mamata. This year, in collaboration with the Greater Hyderabad Municipal Corporation, they organized a Sapling Plantation Drive. Around 11,000 saplings were planted and funds amounting to US $1,740 (Rs. 81,000) were raised through employee donations to cover purchase and maintenance expenses.

Mamata conducted a "Say No To Plastics" campaign to spread awareness about the environmental hazards of excessive plastic usage and bring about changes in the lifestyle habits of individuals. A CFL Week was coordinated to create awareness about CFLs and promote their usage among employees.

The group donated US $770 (Rs. 35,000) to Prajwala, an anti-human trafficking organization that empowers victims and rehabilitates them. The team also initiated a Citizen's Rights awareness campaign before by-elections in 18 assembly and four parliamentary constituencies in Andhra Pradesh, India. The campaign was launched to highlight the importance of exercising the right to vote.

Through these myriad initiatives and activities, Mamata is constantly looking for avenues to reach out and assist communities and address developmental issues. Employee CSR groups like Mamata are the voice of our social consciousness.

Investing in social development

We invest time and resources in social development knowing that the changes that result from these initiatives will be instrumental in the establishment of a more inclusive society.

Panel discussion during a Special Training Program (STP) session

An interactive Campus Connect session in progress

Student participants at a Campus Connect event

Promoting inclusive growth

We have initiated the Special Training Program (STP) to partner with state governments and industry groups to build competencies and enhance employability for engineering students from socially disadvantaged sections.

The STP curriculum balances technical training, soft skills training, guest lectures, industry visits and team project work, over a period of six months. Around 449 of the 552 trained students have been placed in established companies and have been recognized as high performers.

Currently, we are partnering with universities in five Indian states to offer STP. These universities include Indian Institute of Information Technology (IIIT), Bangalore, Institute of Electronic Governance, Jawaharlal Nehru Technological University in Hyderabad, Symbiosis Institute in Pune and Malaviya National Institute of Technology, Jaipur.

Connecting beyond India

The Campus Connect program facilitates the building of industry-academia relationships in countries like Malaysia, China, Thailand and Mexico. Country specific events have been designed and implemented to benefit key stakeholders like students, engineering college faculty members and not-for-profit organizations that promote IT education.

Malaysia – We trained nearly 90 students and 10 faculty members from Malaysia in IT at the Global Education Center (GEC) at our Mysore campus. In parallel, the anchoring organization, Multimedia Development Corporation (MDEC), collaborated with advanced institutions within Malaysia to train over 50 faculty members. These faculty members in turn have trained nearly 200 students using the Finishing School model.

China – China has adopted the Campus Connect program to train 20 senior faculty members using the train-the-trainer approach by conducting a two week Faculty Enablement Program (FEP) from July 14-25, 2008.

Singapore – We collaborated with the School of Information Systems at Singapore Management University to design the Enterprise Web

Technology course that focuses on "Learning-by-doing". The subject was offered as an industry elective. Nearly 100 students were trained in 2008. The program proved to be very popular among students.

Mexico – In September 2008, Mexico's IDETI (Instituto de Desarrollo del Talento TI) launched the IT Finishing School program in two reputed universities with an initial batch of 150 students. Our Foundation program courseware was used on an exclusive basis. A delegation from Tech De Monterrey visited our Mysore and Bangalore DCs to interact with leading subject matter experts from E&R and seek industry input regarding revision of IT and Computer Science curricula.

Thailand – We conducted a three-week FEP in April 2008 for 33 engineering college faculty members from nearly 15 universities in Thailand. These faculty members in turn have conducted several short courses and seminars on IT subjects in their respective universities reaching over 2,000 students.

"The world is in the throes of an environmental crisis that has to be overcome by a second green revolution – one that focuses on the elimination of waste and increases the productivity of natural resources."

B. G. Srinivas
Senior Vice President and Member – Executive Council

Towards a sustainable environment

During the first industrial revolution the planet had abundant natural resources so the focus was on economic growth by increasing labor productivity. Since then, businesses have rapidly and extensively altered ecosystems and their capacity to sustain life, human well being and economic and social development. The true cost of which will be borne by future generations unless industries and corporations take responsibility for their actions and focus on minimizing their ecological footprint to sustainable levels.

10% *reduction in per capita electricity consumption in 2008-09*

1,500,000 *Sq. ft. green buildings under construction*

16,000 *saplings of more than 200 species planted in our Mangalore biodiversity park*

Planning for a sustainable environment

As an IT services and consulting company, our operations are people-intensive rather than resource-intensive. Our products and services contribute in developing smart and efficient solutions for the various industries they touch, thereby helping in improving resource productivity and reducing Greenhouse Gas (GHG) emissions on the planet. For more information on these products, refer the *Cutting edge business solutions* section in this report.

The Smart 2020 report published by The Climate Group estimates that the ICT sector can contribute to reduction of GHG equal to five times its own footprint by the year 2020.

All our development centers in India except Jaipur, Gurgaon and Mangalore-Nethra are ISO 14001:2004 and OHSAS 18001:2007 certified. There have been no sanctions for non-compliance of environmental regulation at any of our locations in India.

We have well established management processes and a dedicated team focused on reducing the ecological impact of our operations. Currently we do not track the environment protection expenditures but have integrated the expenses with various initiatives and departments that are engaged in sustainability related activities.

A significant part of our investment decisions are driven by our commitment to be a responsible consumer of energy, water and other resources.

Focus Areas	Ecological impact of our operations	Long-term goal	Strategy
Energy and emissions	Contribution to climate change due to GHG emissions	Become carbon neutral	Energy efficiency and sourcing energy from renewable sources
Water	Contribution to the depletion of fresh water supplies and pollution of water sources	Become water sustainable in our new India-based campuses	Focus on rainwater harvesting, recycling and reducing consumption
Biodiversity	No significant impact	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	Minimize solid waste and continue to improve responsible methods for disposal of e-waste	3R strategy – Reduce, Reuse, Recycle, responsible e-waste management
Material consumption	Depletion of natural resources	Minimize use of virgin resources	Optimization by design and use of recycled materials

Energy and emissions

Electricity alone contributes to 72% of our emissions. Therefore, to meet our objective of carbon neutrality, we are focusing on energy efficiency initiatives and sourcing energy from renewable sources.

Per capita monthly electricity consumption (KwH)

Electricity consumption (KwH)
Grid (Kwh)   Captive (KwH)

296.51   266.51

FY 2007-08   FY 2008-09

23,616,863
14,371,772
210,403,834   234,916,571

FY 2007-08   FY 2008-09
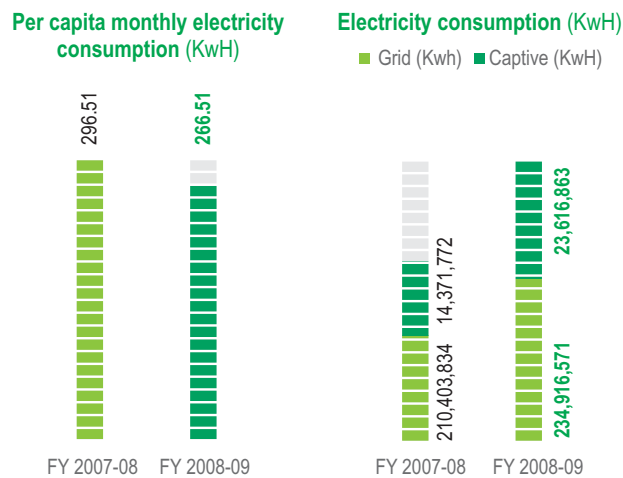
Scope : Infosys India operations

Energy efficiency – Energy saved is energy generated

We resonate with Amory Lovin's remark – " Increasing energy end-use efficiency technologically providing more desired service per unit of delivered energy consumed, is generally the largest, least expensive, most benign, most quickly deployable, least visible, least understood, and most neglected way to provide energy services".

Our buildings are the largest consumers of energy and to resolve this issue, we implemented an aggressive plan last year to design all new buildings as green buildings.

The infrastructure team has spent considerable time in the R&D of building technologies and developing the best practice specifications for our future buildings.

The new projects in our Indian campuses such as Mysore, Thiruvananthapuram, Mangalore and Hyderabad are being designed as per the Leadership in Energy and Environmental Design (LEED) gold standard. To read more about our green building design, refer the *Sustainability through design* section in this report.

Over the last year, we have made conscious efforts to measure and monitor energy consumption data at a more granular level. We have conducted an energy audit at our Bangalore campus and efficiency audits for chiller plants and Uninterrupted Power Supply (UPS) at all our campuses in India. This exercise has given us insights into areas of improvement in operations. Our focused efforts have resulted in a per capita saving of 10% over last year. The energy consumption for steam generation was 16.5 MJ.

Renewable energy

Last year, along with the Center for Study of Science, Technology and Policy (CSTEP), we prepared a report for the Ministry of Power (MoP) in India on the potential of emerging digital technologies to address the challenges and opportunities in India's power distribution sector. Recommendations from this report will go a long way in enabling the infrastructure required to transmit renewable energy in the national grid.

Reserved parking for car poolers at Bangalore DC

We are also working with various regulatory authorities in India to create laws whereby "Green Utilities" can become a viable alternative. These efforts will help us in realizing our vision of sourcing our electricity through renewable sources.

In terms of onsite renewable energy, we are currently amongst the largest users of solar hot water in India. This year, we augmented this capacity by an additional 199,000 liters to reach a total of 604,700 liters per day. This has a potential of saving 23,380 KwH on a bright sunny day.

Mobility

The world consumes a cubic mile of oil each year, amounting to an alarming 85 million barrels of oil per day. Most of this oil is consumed in the transportation sector, which is a major contributor to GHG emissions. To reduce our carbon footprint related to business travel and employee commute, we have undertaken certain long-term initiatives.

We encourage employees to meet and collaborate on virtual platforms like video, audio and web conferencing infrastructure. In 2008-09, this approach led to the average number of video conferences trebling from around 300 per month to 1,000, leading to a reduction in travel and hence carbon footprint.

To reduce the footprint due to employee commute in our Indian operations, we continue to encourage our employees to use multiple means of mass transit.

Around 80% of our employees use mass transport for commuting to office. We have also developed a car pool application for employees who use personal vehicles for commuting, and are providing preferential parking to car poolers. To reduce congestion on roads, we started

a unique program called INSTANT in association with Stanford University. As part of this program, employees in our Bangalore campus were given incentives for travelling during off-peak hours.

Sustainable IT infrastructure

We have a focused strategy to optimize energy consumption and address other IT-related sustainability aspects. Various tracks under the Green IT initiative are formulated with a full lifecycle approach ranging from procurement to e-waste disposal. Energy efficiency has been included in our procurement policy as one of our key parameters along with performance, productivity, scalability, security and availability while evaluating new products.

Deployment of technologies that help improve the energy efficiency of systems is at the core of our Green IT strategy. In 2008-09, we rolled out an optimized power management configuration covering around 50% of desktop computers in our network. As a result of this configuration, desktops enter sleep mode after one hour of inactivity. Considering an average power consumption of 10W per hour by a desktop and a monitor in sleep mode, as against 60W per hour during non-sleep mode, this configuration is expected to bring in a maximum reduction of 18-20% in total power consumption by desktops. We are in the process of monitoring and measuring the actual reduction through these initiatives.

Green Datacenters

Consolidation of core infrastructure servers like Dynamic Host Configuration Protocol (DHCP) and file servers from more than 250 to less than 100 is expected to reduce

power demand of these servers by around 80%.
The following table illustrates the core infrastructure
server consolidation details :

Power consumption	File servers	Network Attached Storage (NAS)
Maximum power rating (server/day) (KwH)	22.3	664
Estimated utilization	70%	70%
Effective power required at 70% utilization (KwH)	15.6	464.8
Total number of servers	176	–
Total power requirement (KwH)	2,749	464.8
Reduction in power per day	–	83%

Datacenters and server rooms hosting network
equipment, servers and storage devices are a large
consumer of energy in the IT landscape. In 2008-09, we
restructured existing datacenters and server rooms and
made eco-friendly datacenter and server room design
a standard.

Emissions

In 2008-09 our emissions totalled around 269 KT. Our
main sources of emissions are secondary emissions from
electricity consumption, business travel and employee
commutes. We were able to achieve 13% per capita
reduction in emissions.

Other emissions :

Ozone depleting substances

Gas	2008-09		2007-08	
	Kgs	CFC11 equivalent (Kgs)	Kgs	CFC11 equivalent (Kgs)
R22	2,347	117.3	2,026	101.3
R123	360	7.2	148	2.9*
Total	2,707	124.5	2,174	104.2

Previous year CFC 11 equivalent of R123 has been revalued from 8.88 Kgs by using correct conversion factor.

A process has been initiated to measure SOx and NOx
emissions. The annual SOx and NOx emissions from
Diesel Generator (DG) operations at two of our major
campuses Bangalore and Mahindra City, Chennai, is
2.02 metric ton and 3.53 metric ton respectively.

Managing our water resources

The state of the world's fresh water resources remains
fragile. Available supplies are under great stress as
a result of high population growth, unsustainable
consumption patterns, poor management practices,
pollution, inadequate investment in infrastructure and low
efficiency in water usage. The water-supply-demand gap is
likely to grow wider still, threatening economic and social
development and environmental sustainability.

Carbon emissions

- Power
- Fuel
- Business travel
- Employee commute
- SF6
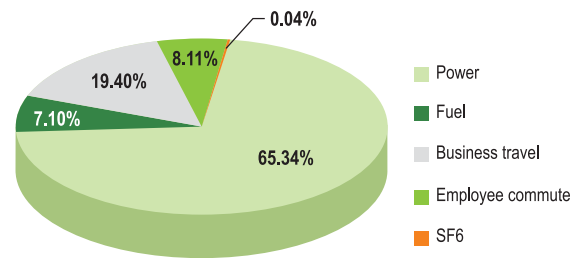
Carbon emissions in KT

■ 2007-08 ■ 2008-09

(Data for this year includes all India operations including subsidiaries)

	Power	Business Travel	Employee Commute	Fuel	SF6
2007-08	158.90	55.03*	16.30	11.94*	0.02
2008-09	175.91	52.24	21.84	19.11	0.12
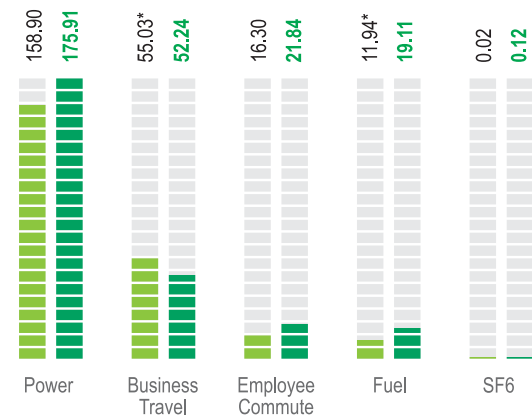
Carbon emissions in Kgs
(per capita/month)

FY 2007-08	FY 2008-09
319.49	277.83

Previous year emissions from fuel and business travel have been revalued from 1.38KT & 36.3KT respectively by using more advanced and accurate data collection mechanisms

Scope : Infosys India operations

Rainwater harvesting area in our Mysore campus

We are implementing an integrated water management approach focused on rain water harvesting, improving the efficiency of water use, and recycling all the human touch water in our waste water treatment plants to meet our long-term goal of becoming water sustainable.

In order to reduce wasteful consumption, we started a number of initiatives this year. These include recalibration of hydro pneumatic pump controls and adding multiple variable frequency drives (VFD), deployment of sensor-based low flow faucets and shower heads and introduction of low flow, dual flush systems in water closets. All water consumed at most of our campuses is recycled and utilized for irrigation. Rainwater harvesting is now the key criteria for designing and planning of all our large campuses. As an IT services company, water is used only for human sustenance and not for any production purpose. Therefore we believe that our operations do not have a significant impact on water sources. The domestic waste water generated in the campus is treated in our waste water treatment plants. The treated water quality is monitored and meets all State Pollution Control Board norms. We need to improve our monitoring systems to quantify the water which is recycled.

Protecting and nurturing our 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 118,000 trees above the height of 1.5 meters in our campuses.

Fresh Water consumption
(Per capita/month in Kl)

3.28 — FY 2007-08
3.30 — FY 2008-09

Fresh water consumption (Kl)

2,486,352 — FY 2007-08
3,120,651 — FY 2008-09

Fresh water sources

- 60% Municipal water (Kl)
- 17% Borewell water (Kl)
- 23% Tankers and local associations (Kl)
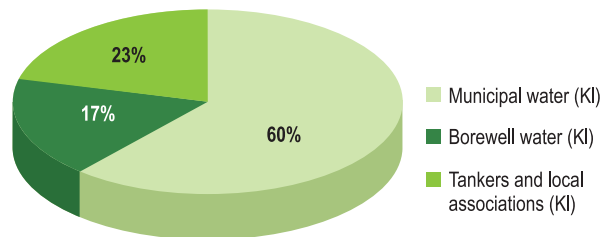
Scope : Infosys India operations

One of our ongoing efforts has been to create a biodiversity park in our Mangalore campus. This year, our Mangalore Facilities team in collaboration with our Eco Clubs has initiated and transformed the landscape of the campus by planting over 16,000 saplings of more than 200 species. A rich collection of endemic plants, especially those that are endangered, have been introduced ensuring that the area continues to support these rare species. We also endeavor to transplant all trees that have to be unearthed for development.

	2008-2009	2007-2008
Trees on our campuses	118,000	100,000

We have been recognized for our landscaping efforts in various campuses by local authorities.

Our Pune DC received 12 Garden Awards from the Pune Municipal Corporation including :

- The Girme Farm Trophy for Greenery
- The Late Shevantabai Krishnaji Thackery Trophy for Landscaping at Organization Level
- The Lions Club of Hill Top Trophy for Tree Plantation, Conservation and Maintenance

Our Bangalore campus won the Special Outstanding Prize Best Ornamental Garden and the Smt. Jayalakshmi Venkatasubbaraju Rolling Cup from the Mysore Horticulture Society, Lalbagh, Bangalore. The Mysore DC was awarded the First Prize in "Best Garden Award – Large Gardens Category" and Third Prize in "Best Garden Award – Hostel Areas" in the Dasara Horticulture Show.

Our waste management strategy

Our operations generate various types of wastes that can be categorized broadly as solid waste and hazardous waste.

Our solid waste management program is based on the 3Rs – Reduce, Reuse and Recycle principle. We have put in place practices of waste segregation at the source. Solid waste is disposed as follows :

- Paper waste, plastic, bottles and steel scrap is sent for recycling
- Food waste is sent to piggeries
- Hazardous waste, including e-waste, is disposed by authorized vendors approved by local and central Pollution Control Board and
- Biomedical waste is sent to vendors authorized by the local Pollution Control Board

Food vendors at our campuses are urged not to use disposable plastic. Suppliers are encouraged to take back packaging material. Innovative ways and means to reuse are explored for waste that is generated. For instance, wood waste is used in carpentry.

During the year, there were no significant cases of fuel or chemical spills. There was no significant water discharge from our campus.

Hazardous waste disposed	2008-09	2007-08
Used Oil (Liters)	22,130	20,000
Cotton Waste (Kgs)	227	638
DG Filters (Numbers)	319	487
E-waste (Metric Tons)	59	5.4
Batteries (Numbers)	2,888	1,315

Paper usage

Last year 111,945 reams of A4 size paper were procured for our operations. We encourage judicious use of paper through the following initiatives :

- enforcing duplex printing
- replacing printed forms with e-forms
- raising usage awareness
- organizing Zero Print Week

The Zero Print Week campaign in Bangalore witnessed a reduction of 37.6% in printouts, a saving of 18,800 sheets of paper.

Biodiversity park in Mangalore DC

Use of natural resources

Most of the natural resources are consumed while developing new infrastructure and maintaining existing facilities. We focus on reducing the consumption of building materials by use of efficient designs. We have carried out peer reviews of the structural design of all new buildings to ensure optimum use of concrete, glass and steel. We promote the use of recycled materials such as bagasse-based table tops, aluminium for our workstation frames and partitions.

Eco Clubs

We believe that it is essential to engage our employees, partner with them in nurturing a sustainable environment and empower them with the knowledge to accomplish

our corporate commitment. This year, the Eco Clubs have undertaken several initiatives working tirelessly towards instilling a sense of responsibility and accountability for the environment.

As a commitment to protecting and developing an eco-friendly environment, the following activities were undertaken in India :

- An inter-collegiate rock fest was organized in Bangalore, India, to nurture a new generation of eco ambassadors and to promote the concept of environmental sustainability among college students. This initiative provided colleges and students an opportunity to display their innovative sustainability solutions.
- A Bus Day was organized on March 13, 2009 at our Bangalore campus to promote the use of mass transit

Our CSR employee group in Mysore, India, launched a three-month eco campaign to educate employees on green issues. Eco Club members ran campaigns to ban plastics at our campuses. They also organized Eco Fairs to promote environmental-friendly products such as LED lamps, cloth and jute bags, and plants. A CFL Fair was held in Hyderabad, India, to encourage the usage of CFL lamps, a small but effective step in countering global warming.

Eco Club members recommended the introduction of online application for new ID cards, which was incorporated and resulted in a no-wastage-of-paper initiative. An Eco Club member won the Intel Involved Environment Research Award for his idea to conserve power by automating the process of shutting down computers when employees swipe out.

Stakeholder engagement :

Stakeholders	Action	Impact
Vendors and Contractors	Procurement policy was modified to incorporate green practices	Resource efficiency and reduced environmental impact of products and services
	Stringent procurement criteria	Greening supply chain
Government and policy makers	Power report : Role of technology in transformation of power distribution	Smart grids with lower losses
	White paper on renewable energy	Greater proportion of clean energy in the electricity grid
Trade Associations	Green Infrastructure committee	Sharing of best practices amongst members
NGO	Funding India Youth Climate Network (IYCN) road tour	Awareness building amongst the Indian youth to influence behavior change

We select vendor partners who are sensitive to green procurement, human rights and are ethical in their work. We prefer sourcing raw materials from vendor partners who are available within a 500 mile radius.

Last year 76% of total space was added in Tier 2 and Tier 3 cities in India, thereby promoting local economic growth and creating indirect employment opportunities for the local community.

Sustainability through design

To offset the adverse impact our operations have on the environment, we realize that sustainable building design is a must. We have implemented these designs in all our new office buildings under construction.

The new Software Development Block at Mysore DC

The new Software Development Block under construction at Hyderabad DC

The new Software Development Block at Thiruvananthapuram DC

Our sustainable design team focused on optimizing the building envelope and equipment with the help of sophisticated simulation software. The team looked at the impact of each building component, individually and collectively, and optimized the overall building performance to achieve a 35% improvement in design over the base-case building as defined by American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE).

The entire process of design optimization is explained in the context of the new Software Development Blocks in Mysore and Hyderabad, India. The design of these buildings have undergone a thorough optimization process and they are currently under construction.

High performance envelope

A detailed sun path analysis was carried out to study the solar heat gain and glare effects on the different faces of the buildings. In order to reduce the solar heat gain, we designed insulated double brick walls and spectrally selective double-glazed windows. The window-to-wall ratio is optimized to 30% and the windows have been shaded to reduce the heat gain from direct radiation. The glazing and wall insulation specifications were identified after simulating the energy performance of the building envelope.

Day lighting

The buildings are designed to provide maximum daylight without glare. The building width is limited to 18 m and light shelves have been provided to increase the penetration of day light and reduce the glare. To maximize the spread of daylight, cabins and conference rooms have been moved to the central zone and workstations to the periphery in the building plan.

Artificial lighting

To achieve a goal of 0.7W / Sq. ft, the team used simulation software to model the optimum position of lighting and have chosen lamps, luminaries and ballasts with the highest efficiency. This measure is projected to achieve 30% more efficiency compared to the recommended ASHRAE standard of 1W / Sq. ft. LED lights have been incorporated in the design for corridors and toilets. Further, day light sensors are also provided in the design to optimize lighting levels and energy consumption.

Plug loads

The IT team has committed to providing the most efficient equipment and which is projected to bring down the plug loads to 1W / Sq. ft.

Cooling technology

These design interventions are projected to reduce heat loads by 130 TR. In order to increase the operational efficiency and achieve our target of 500 Sq. ft / TR of air conditioned area, the team used energy modeling software extensively to choose the most efficient HVAC system. We have adopted a conventional cooling system comprising efficient centrifugal chillers with variable speed drives, high performance cooling towers and efficient pumps. Installation of heat recovery wheels and variable air volume system, along with a very efficient Air Handling Unit (AHU), has added to the efficiency.

Data on both capital and operational cost savings make the business case for high performance buildings stronger than ever.

Summary and goals

Goals achieved in 2008-09

During 2008-09, we focused on implementing processes to monitor and measure various environment parameters. This step helped us achieve our goals on energy and carbon emissions. We could not meet with the targets on water consumption and we understand the need for formulating a better water budgeting process.

Focus area	Goals (2008-09)	What we achieved	Status
Governance, commitments and engagement	Define and implement training module to create awareness about sustainability	Developed and piloted sustainability training for senior managers	🟢
Product responsibility	Sustain customer satisfaction levels in the annual customer survey	The overall satisfaction of customers with Infosys was at 81%	🟢
Environment	Monitor energy consumption and identify methodologies to become energy efficient	Implemented new monitoring mechanisms across all DCs	🟢
	Reduce per capita energy consumption by 5%	Reduced per capita electricity consumption by 10%	🔵
	Design new buildings to be in compliance with IGBC-LEED Gold rating (minimum)	All new building designs in Indian locations comply with IGBC-LEED Gold rating	🟢
	Reduce per capita carbon consumption by 5%	Reduced per capita carbon emission by 13%	🔵
	Reduce per capita water consumption by 5%	Reduced per capita water consumption by 1.8% as compared with last year's scope	🔴
	Plant a tree for every new employee	Planted 16,000 trees in our Mangalore, India campus	🔴
	Develop a comprehensive plan to support biodiversity	Developed a comprehensive plan to support biodiversity and piloted in the Mangalore, India campus	🟢
Human rights	Create a framework for employees, suppliers and vendors to be educated on human rights. Train at least 25 major suppliers and vendors on human rights	a. Developed a basic training module on human rights which will be implemented in 2009-10; b. We created a green and ethical procurement policy and will be educating our vendors this year on aspects of this policy	🔴
	Training on human rights to security personnel and employees in India.		🔴
Employee engagement	Track impact of employee health related activities. Define and measure satisfaction levels	3,727 Infoscions responded to the health survey tool and received personalized feedback from a professional health counsellor. Post the annual health week, those who underwent health checks were asked to give feedback and there were no significant complaints.	🟢
	Implement and monitor inclusion survey	Women in Infosys feel equally inclusive as men in Infosys	🟢
Society	Define and implement metrics for measurement	Developed guidelines and dashboards to measure community work	🟢
	Cover 10,000 students from high school, engineering and non-engineering colleges	Covered more than 35,000 students from school, engineering and other colleges through the initiative Spark	🔵

🔴 *Below target*   🟢 *On target*   🔵 *Above target*

We will focus on specific strategic and operational level goals for 2009-10.

Strategic level

- We will develop processes to integrate business and sustainability goals
- We will create and implement a sustainability score card to monitor and measure sustainability activities
- We will improve accountability in the business units through the Infosys Scaling Outstanding Performance (iSOP) framework
- We will strive to meet more stringent short term goals while defining a roadmap to become a carbon neutral, water sustainable and socially meaningful business

Operational level

- Our goals include 5% reduction in energy, water and carbon footprint. We will monitor quantity of water recycled to achieve water sustainability
- We will educate our vendor partners on our green procurement policy, and our security personnel on human rights issues
- We will deploy the governance guidelines for employee groups engaging with local communities
- On health and safety aspects and incidents, we will strengthen the monitoring of safety aspects and track severity rates

GRI index and UN Global Compact principles

This report, with additional information in our Annual report 2008-09 and on our website www.infosys.com, 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

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

1.	Strategy and analysis	Section	Page	UNGC	Operational scope
1.1	Statement from the most senior decision maker	SR	2		G I
1.2	Key impacts, risks and opportunities	SR AR	2, 3, 40 40, 59		G I

2.	Organizational profile	Section	Page	UNGC	Operational scope
2.1	Name of the organization	SR	1		G I
2.2	Brands, products and / or services	SR	14, 15 www.infosys.com/offerings/ products-and-platforms.asp		G I
2.3	Operational structure	AR SR	6 5		G I
2.4	Headquarter location	SR	1 www.infosys.com/contact/ apac.asp#India		G I
2.5	Countries in operation	AR	149		G I
2.6	Nature of ownership	AR	120		G I
2.7	Markets served	AR	127		G I
2.8	Scale of the organization	AR	127		G I
2.9	Significant changes regarding size, structure, or ownership	AR SR	12, 120 38		G I
2.10	Awards received	AR SR	14 18		G I

3.	Report parameters	Section	Page	UNGC	Operational scope
3.1	Reporting period	SR	2		G I
3.2	Date of most recent previous report	SR	2		G I
3.3	Reporting cycle	SR	2		G I
3.4	Contact point for questions	SR	45		G I
3.5	Process for defining report content	SR	3		G I
3.6	Boundary of the report	SR	4, 40		G I
3.7	Limitations on the scope or boundary of the report	SR	3		G I
3.8	Joint ventures, subsidiaries, and outsourced operations	AR SR	12 3		G I
3.9	Data measurement techniques	SR	12-13, 32-38		G I
3.10	Effects of restatement of information provided in earlier reports	SR	44		G I
3.11	Significant changes in the scope, boundary, or measurement methods	SR	4		G I
3.12	GRI content index	SR	41-44		G I
3.13	External assurance	SR	46		G I

AR : Annual Report 2008-09   SR : Sustainability Report 2008-09   UNGC : UN Global Compact Principles

G Global operations   I India operations

4.	Governance, commitments and engagements	Section	Page	UNGC	Operational scope
4.1	Governance structure	AR	105, 118		(G) (I)
4.2	Indication whether chairperson is also executive officer	AR	105		(G) (I)
4.3	Independent members at the board	AR	105		(G) (I)
4.4	Mechanisms for shareholders and employees to provide recommendations to the board	AR	116		(G) (I)
4.5	Linkage between executive compensation and organization's performance	AR	113, 118		(G) (I)
4.6	Processes to avoid conflicts of interest at the board	AR	107, 118		(G) (I)
4.7	Expertise of board members on sustainability topics	AR	107, 114		(G) (I)
4.8	Statements of mission, codes of conduct, and principles	SR	1		(G) (I)
4.9	Procedures for board governance on management of sustainability performance	AR / SR	113 / 5		(G) (I)
4.10	Processes for evaluation of the board's sustainability performance	AR / SR	113, 118 / 5		(G) (I)
4.11	Precautionary approach	SR	2	⑦	(G) (I)
4.12	External charters, principles, or other initiatives	SR	9, 10		(G) (I)
4.13	Memberships in associations	SR	9, 10		(G) (I)
4.14	Stakeholder groups	SR	11		(G) (I)
4.15	Stakeholder identification and selection	SR	6, 8		(G) (I)
4.16	Approaches to stakeholder engagement	SR	6, 8		(G) (I)
4.17	Key topics and concerns raised through stakeholder engagement	SR	6, 8		(G) (I)

Economic indicators		Section	Page	UNGC	Operational scope
	Disclosures on management approach	AR / SR	55, 125, 127, 149 / 12, 32		(G) (I)
EC1	Direct economic value generated and distributed	AR / SR	86 / 13, 27		(G)
EC2	Financial implications due to climate change	SR	9	⑦	(G)
EC3	Coverage of the organization's defined benefit plan	AR	94		(G)
EC4	Financial government assistance	AR	128		(I)
EC5	Entry level wage compared to local minimum wage	SR	22		(G)
EC6	Locally-based suppliers	AR / SR	80, 100 / 38		(I)
EC7	Local hiring	SR	21	⑥	(G)
EC8	Infrastructure investment and services for public benefit	SR	32		(I)
EC9	Indirect economic impacts	SR	32		(I)

Environment		Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	3, 32-39		(G) (I)
EN1	Volume of materials used	SR	37	⑧	(I)
EN2	Recycled materials	SR	37	⑧, ⑨	(I)
EN3	Direct primary energy consumption	SR	33	⑧, ⑨	(I)
EN4	Indirect primary energy consumption	SR	33	⑧, ⑨	(I)
EN5	Energy conservation	SR	33	⑧, ⑨	(I)
EN6	Initiatives for energy efficiency and renewable energy	SR	34	⑧, ⑨	(I)
EN7	Initiatives for reducing indirect energy consumption	SR	34	⑧, ⑨	(I)
EN8	Total water withdrawal	SR	36	⑧	(I)
EN9	Effect of water withdrawal	SR	36	⑧	(I)
EN10	Water recycled and reused	SR	36	⑧, ⑨	(I)
EN11*	Land assets in or adjacent to protected areas	Not applicable	3		(G) (I)
EN12*	Impacts on biodiversity	Not applicable	3		Not applicable
EN13	Habitats protected or restored	Not applicable		⑧	Not applicable
EN14	Strategies for biodiversity	Not applicable		⑨	Not applicable
EN15	Endangered species	Not applicable			Not applicable
EN16	Greenhouse gas emissions	SR	35	⑧	(I)

These indicators are of no or low significance to our business.

Environment		Section	Page	UNGC	Operational scope
EN17	Other greenhouse gas emissions	SR	35	⑧	ⓘ
EN18	Initiatives to reduce greenhouse gas emissions	SR	34, 35	⑦, ⑧, ⑨	ⓘ
EN19	Emissions of ozone depleting substances	SR	35	⑧	ⓘ
EN20	NOx, SOx, and other air emissions	SR	35	⑧	ⓘ
EN21	Water discharge	SR	36	⑧	ⓘ
EN22	Waste by type and disposal method	SR	37	⑧	ⓘ
EN23	Significant spills	SR	37		ⓘ
EN24	Waste deemed hazardous under the terms of the Basel Convention	Not applicable	3		Not applicable
EN25	Impacts of discharges and runoff on biodiversity	SR	37		ⓘ
EN26	Initiatives to mitigate environmental impacts	SR	15, 33	⑧, ⑨	ⓘ
EN27*	Packaging materials	Not applicable	3	⑧, ⑨	Not applicable
EN28	Sanctions for non-compliance with environmental regulations	SR	32		ⓘ
EN29	Environmental impacts of transport	SR	34, 35		ⓘ
EN30	Environmental protection expenditures	SR	33	⑧	ⓘ

Society		Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	3, 7, 22, 26-31		Ⓖ ⓘ
SO1	Impact on communities	SR	26, 27, 28		Ⓖ
SO2	Corruption risks	AR	60	⑩	Ⓖ
SO3	Anti-corruption training	SR	7	⑩	Ⓖ
SO4	Actions taken in response to incidents of corruption	SR	7	⑩	Ⓖ
SO5	Public policy positions and participation in public policy development	SR	9, 10		Ⓖ
SO6*	Donations to political parties and politicians	Not applicable			Not applicable
SO7	Legal actions for anticompetitive behavior	SR	13		Ⓖ
SO8	Sanctions for non-compliance with laws and regulations	SR	13		Ⓖ

Labor practices and decent work		Section	Page	UNGC	Operational scope
	Disclosures on management approach	SR	3, 20-25		Ⓖ ⓘ
LA1	Workforce by employment type	AR SR	125 21		Ⓖ
LA2	Employee turnover	AR	134, 135	⑥	Ⓖ
LA3	Benefits to full-time employees	AR	94, 95		Ⓖ
LA4*	Employees with collective bargaining agreements	Not applicable	3		Not applicable
LA5	Minimum notice period(s) regarding operational changes	SR	22	③	Ⓖ
LA6	Workforce represented in joint health and safety committees	SR	24	①	ⓘ
LA7	Occupational diseases, lost days, and number of fatalities	SR	24	①	ⓘ
LA8	Training on serious diseases	SR	24	①	ⓘ
LA9	Trade union agreements on health and safety	Not applicable			Not applicable
LA10	Training per employee	SR	23		Ⓖ
LA11	Programs for lifelong learning	SR	23		Ⓖ
LA12	Regular performance and career development reviews	SR	22		Ⓖ
LA13	Composition of governance bodies	SR	21, 22	⑥	Ⓖ
LA14**	Gender pay disparity	SR	22	⑥	Ⓖ

Human rights		Section	Page	UNGC	Operational scope
	Disclosures on Management Approach	SR	3, 7, 21, 22		Ⓖ ⓘ
HR1	Investment agreements	SR	32, 38	① - ⑥	ⓘ
HR2	Supplier screening on human rights	SR	38	① - ⑥	ⓘ
HR3	Training on human rights	SR	40, 41	① - ⑥	ⓘ
HR4	Incidents of discrimination	SR	7, 22	①, ⑥	ⓘ
HR5*	Freedom of association and collective bargaining	Not applicable	3		Not applicable
HR6	Child labor	SR	21	①, ②, ⑤	Ⓖ
HR7	Forced labor	SR	21	①, ②, ④	Ⓖ
HR8	Training for security personnel	SR	40	①, ②	ⓘ
HR9	Violations of rights of indigenous people	Not applicable			Not applicable

* These indicators are of no or low significance to our business.
** The ratio of basic salary of men to women is 1.

AR : Annual Report 2008-09 *SR : Sustainability Report 2008-09* *UNGC : UN Global Compact Principles*

Ⓖ *Global operations* ⓘ *India operations*

Product responsibility		Section	Page	UNGC	Operational scope
	Disclosures on Management Approach	SR	3, 14-19		Ⓖ ❶
PR1*	Health and safety impacts along product life cycle	Not applicable	3		Not applicable
PR2	Non-compliance with health and safety standards	Not applicable			Not applicable
PR3*	Product information	Not applicable	3		Not applicable
PR4	Non-compliance with product information standards	Not applicable			Not applicable
PR5	Customer satisfaction	SR	6		Ⓖ
PR6	Marketing communication standards	SR	13		Ⓖ
PR7	Non-compliance with marketing communication standards	SR	13		Ⓖ
PR8	Complaints regarding customer privacy	SR	13	①	Ⓖ
PR9	Sanctions for non-compliance with product and service related regulations	SR	13		Ⓖ

*   *These indicators are of no or low significance to our business.*

Restated indicators

Data Point	2007-08	Restated – 2008-09	Page – (2008-09)
Campus Connect (Number of colleges)	160	390	28
Incident Rate (Per 100 employees)	0.454	0.504	24
Frequency Rate (For 100,000 hours worked)	0.248	0.241	24
R123 (Kg)	8.88	2.96	35
CO2 Emissions (KT)			
Fuel	1.38	11.94	35
Business travel	36.3	55.03	35

AR : Annual Report 2008-09   *SR : Sustainability Report 2008-09*   *UNGC : UN Global Compact Principles*

Ⓖ *Global operations*   ❶ *India operations*

Assurance statement

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 2008-09 ('the Report').

Infosys is responsible for the collection, analysis, aggregation and presentation of information within the Report. Our responsibility in performing this work is to the management of Infosys only and in accordance with terms of reference agreed with the Company. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

Scope of Assurance

The scope of work agreed upon with Infosys includes the following:

- The full Report as well as references made in the Report to the annual report and corporate website;
- Review of the Report against Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.0 (GRI G3) and confirmation of the Application Level;
- Reporting boundary as set out in the Report;
- Visits to the Infosys' head-office in Bangalore and development centres in Mangalore, Pune and Trivandrum, India.

The verification was carried out during May 2009.

Verification Methodology

DNV is a leading provider of sustainability services, including verification of sustainability reports. Our environmental and social assurance specialists work in over 100 countries. Our assurance engagement was planned and carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting.

The Report has been evaluated against the following criteria:

- Adherence to the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality, as set out in the DNV Protocol*, and
- The GRI G3 Application Levels.

As part of the verification DNV has 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 55 representatives (including data owners and decision-makers from different divisions and functions) of the Company;
- Performed sample-based reviews of the mechanisms for implementing the Company's own sustainability-related policies, 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 2008-09 certified consolidated balance sheet.

Conclusions

In DNV's opinion, the Report is a fair representation of the Company's sustainability-related strategies, management systems and performance. 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. The Company's materiality process has not missed out any significant, known material issues, but the process should be validated with more specific inputs for each business area to bring out material issues that reflect short, medium and long term impacts.

Stakeholder Inclusiveness : Good. The Company's engagement process effectively identifies the expectations of stakeholders in several business units through different engagement channels.

Completeness : Acceptable. Within the reporting boundary defined by Infosys, we do not believe that the Report omits relevant information that would influence stakeholder assessments or decisions or that reflect significant economic, environmental and social impacts.

Responsiveness : Acceptable. Within the reporting boundary defined by Infosys, the expectations expressed by stakeholders have generally been addressed through corporate policies and management systems which are reflected in the Report.

Reliability : Acceptable. The Company has developed its own data management system for capturing and reporting its sustainability performance. This has enabled the company to improve the reliability of data resulting in certain re-statements for year 2007-08. Although no systematic errors have been detected, DNV has identified some manual discrepancies on data which have subsequently been corrected.

Neutrality : Good. The Company has reported sustainability-related issues in a balanced manner, in terms of content and tone. Challenges and limitations are presented together with commitments to future improvements.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of Infosys. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place.

- Implementation of systematic quality assurance procedures of internal data management systems will help further improve the reporting process by increasing the reliability of reported data.
- Expanding the boundary of environment, health and safety performance reporting to global operations will provide stakeholders with a fuller picture of Infosys' impact in these areas.
- Best practices in reporting among peer organisations should be used to improve the quality of disclosures.

DNV's Independence

DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV did not provide any services to Infosys during 2008-09 that could conflict with the independence of our work.

DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

For
Det Norske Veritas

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Lead Verifier
Manager: Corporate Responsibility Services
India & Sri Lanka
Det Norske Veritas AS

Bangalore, India
June 01, 2009

Dr Helena Barton
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We welcome your suggestions and feedback at sustainability@infosys.com

Notes

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