

**Most Admired Company for the Sixth Time** – *Asia Wall Street Journal*, 2006.

**Most Respected Company** – *Businessworld* Survey, 2006. **Best Outsourcing Partner** – *Waters Readers' Survey*, 2007. **Best Company to Work for in India** – *Business Today-Mercer-TNS* Survey, 2006. **Leader in Global IT Infrastructure Outsourcing** – *Forrester*, 2007. **Among the World's Top 3 IT Services Companies** – *BusinessWeek*, 2004. **Among the Top 10 Companies for Leaders** – *Fortune Magazine*, *Hewitt Associates* and the *RBL Group Survey*, 2007.

**Among the 200 Most Respected Companies in the World** – *The Reputation Institute*, 2007. **NASSCOM - India Today Woman Corporate Award for Excellence in Gender Inclusivity**, 2007. **Global MAKE Award**, 2003-05 and 2007. **Helen Keller Award for Diversity Hiring for Infosys BPO**, 2006-07. **Balanced Scorecard Hall of Fame for Executing Strategy** – *Palladium Group, Inc.*, 2008. **One of the World's Most Innovative Companies in APAC** – *BusinessWeek*, 2006. **CNBC - TV18 Viewers Choice – New Age Employer of Choice Award**, 2007. **One of the World's Most Respected Companies** – *Financial Times-PwC* Survey, 2004.

## Enduring values

“Ethics and values form the protocol for conduct and behavior in a community for each of its members.”

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

## About this report

The Sustainability Report 2007-08 is a first for us, and draws from our experience in making transparent public disclosures such as annual reports.

This report presents an account of economic performance, innovation in solutions, services and products, environmental initiatives, people engagement, and social responsibility, in accordance with the Global Reporting Initiative (GRI) framework. We are also signatories of the UN Global Compact since 2001, and have been regularly communicating on our progress.

The Co-Chairman's message shares the management's perspective and commitment to sustainability. The report addresses issues that are important from the perspective of our stakeholders. It also states the goals that we have defined for the financial year 2008-09.

Additional information on strategy, governance and financial performance is available in the Infosys Annual Report 2007-08 and our website [www.infosys.com](http://www.infosys.com).

## Contents

03	Organization profile
04	Letter from the Co-Chairman
06	Scope and materiality
10	Economic performance
14	Products and services
20	People
26	Social responsibility
32	Environment
38	Summary and goals 2008
39	GRI index and UN Global Compact principles
41	Assurance statement
43	List of abbreviations
43	Glossary
44	Contacts

# Organization profile

Infosys Technologies Limited (NASDAQ: INFY) was started in 1981 by seven founders with US \$250. Today, we have become a global leader in the next generation Information Technology and consulting, with revenues of over US \$4 billion.

We define, design, and deliver technology-enabled business solutions that help Global 2000 companies win in a Flat World\*. We also provide a complete range of services by leveraging the Infosys domain and business expertise, apart from our strategic alliances with leading technology providers.

## Our vision

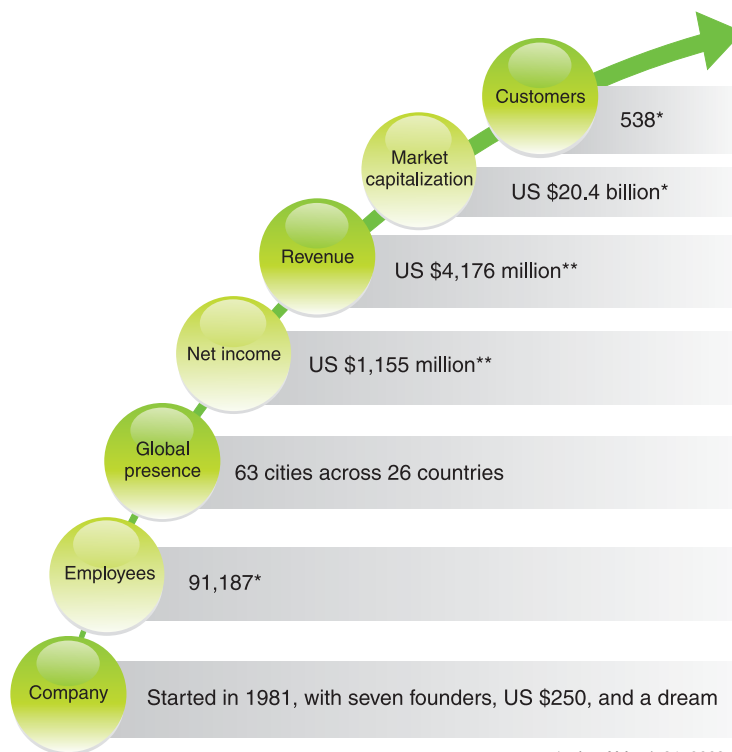
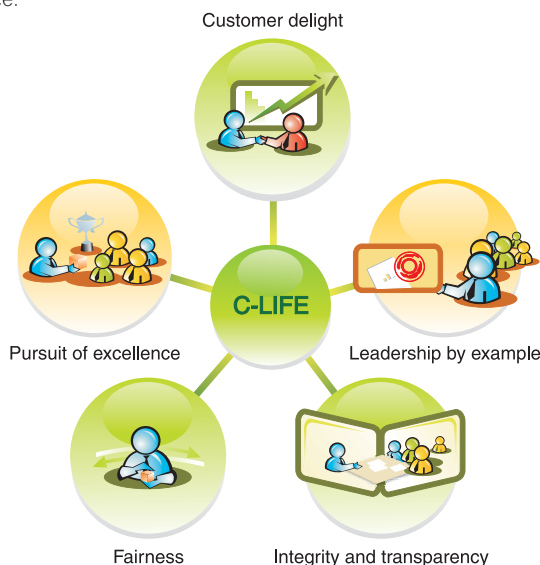
To be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people.

## Our mission statement

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

## Our values

The core value system at Infosys captures five important aspects, termed together as C-LIFE: Customer delight, Leadership by example, Integrity and transparency, Fairness, and Pursuit of excellence.



\* As of March 31, 2008  
\*\* FY 2007-08

“A corporation, which runs on a set of principles, has a greater chance of building a character and lasting longer. We have built our corporation on a sound value system that encompasses openness, leading by example, honesty, transparency, fairness, and excellence in execution.”

– K. Dinesh  
Director and Head – Communication Design Group,  
Information Systems, and Quality & Productivity

\* For more information on Flat World, refer to [www.infosys.com/flat-world/business/default.asp](http://www.infosys.com/flat-world/business/default.asp)



## Letter from the Co-Chairman



Nandan M. Nilekani  
Co-Chairman

“At Infosys, we believe that our future growth will only be viable and prosperous if we look at sustainability in all dimensions – environmental, social, political and economic. We are driven by a passion to be a good corporate citizen, and sustainability is at the core of our operations.”

Economic growth and increased consumption is beginning to have an impact on the ecosystem. Even though our ecosystem is self-sustaining, what is happening today is possibly beyond sustainable limits. The result is degradation in the ecosystem and the reduced ability of our planet to renew itself.

The responsibility of building a sustainable world rests on each one of us. As global enterprises, we increasingly have a larger role to play in achieving sustainable progress. At Infosys, we believe that our future growth will only be viable and prosperous if we look at sustainability in all dimensions – environmental, social, political and economic.

Climate change, changing regulations and globalization are creating new challenges for global corporations. To help our customers meet these challenges, we need to be more innovative and transformational.

Our primary challenges are related to inherent characteristics of our industry, market, customers and changing regulatory frameworks. We address these challenges through our Enterprise-wide Infosys Risk Management (IRM) framework which allows us to address actual and potential

risk events in a systematic manner. The IRM sets the tone for our risk view of the business and the approach we follow, to monitor and mitigate the universe of risks that we face.

During the year, we reached our revenue targets of US\$ 4.176 billion (35% growth over previous year) with a market capitalization of \$20.4 billion. 97% of our business came from our existing customers. This success is based on the core competencies that we have developed over the past 25 years. Our innovative IT solutions and robust Global Delivery Model enable our customers to meet growing challenges. The appreciation of what we do is measured through our annual customer surveys. We aim to maintain and enhance our customer satisfaction levels.

Today, we have 91,187 employees from 70 different nationalities. We have a diverse workforce which brings innovation at work. We strive to provide the best for our employees, be it world-class campuses or an engaging work culture. Our robust people practices continue to win national and international accolades.

To meet challenges of growth and scalability, we have developed a framework,



Development Center, Mysore, India

Infosys Scaling Outstanding Performance (iSOP) that assesses each business unit. Last year, the program had an unprecedented leadership commitment with over 500 senior managers participating in the exercise. Today, iSOP is driving change management within the company.

All our new development centers incorporate green technologies for effective utilization of energy and water. This year, we have begun measuring the carbon footprint for our business and target to reduce our per capita consumption of power and water, as well as carbon emission by 5%. Our long term goal is to become water positive and carbon neutral.

We believe that our goals can be achieved only if our suppliers too have safe, lawful and environmentally progressive operations. We intend to increase their awareness about human rights, safe work environment and ethical business practices.

Our commitment to inclusive growth is clearly an integral part of our business model. We support the growth of Tier II cities to create employment and opportunities for local communities. This year, we added more than 3.72 million sq. ft. of office space in Tier II cities in India.

We have made substantial investment in large programs to make systemic interventions in the educational ecosystem. Two of our programs, Campus Connect and Project Genesis, have focused on increasing the employability of students from 897 engineering and science colleges, primarily from India and select overseas universities. As a regular practice, we conduct campus recruitment in the US, the UK, Australia and China. Our not-for-profit foundation (Infosys Foundation) continues to concentrate

on primary and secondary education through multiple mechanisms – mid-day meal schemes, building libraries and other education-related infrastructure.

We believe that the sustainability of the company, and the society in which it operates, can be enhanced only through the sharing of best practices with key stakeholders, including NGOs and corporate bodies. Members of our Board of Directors serve on various global councils and influence policies relating to corporate governance, education, healthcare, diversity, affirmative action and environment.

We are committed to support the principles of the UN Global Compact, which we believe is an extension of our values. We will continue to support the Global Compact office in their efforts to spread awareness about these principles.

In this Sustainability Report, we have reflected our priorities as a responsible corporation. We have chosen to follow the GRI framework to write this report. We believe that we have the responsibility to not only create profitable products and services, but also support social, economic and environmental objectives of society at large. We are driven by a passion to be a good corporate citizen, and sustainability is at the core of our operations.

We believe this report is a significant step toward strengthening our continued effort and involvement in fostering sustainable growth. We welcome your valuable feedback and comments at [sustainability@infosys.com](mailto:sustainability@infosys.com).

Bangalore  
July 2008

  
Nandan M. Nilekani  
Executive Co-Chairman

“This year, we have begun measuring the carbon footprint for our business and target to reduce our per capita consumption of power and water, as well as carbon emission by 5%. Our long term goal is to become water positive and carbon neutral.”

# Scope and materiality

We face challenges in the business environment from time to time that necessitate continuous evaluation and management of significant risks. The Infosys enterprise-wide Risk Management (IRM) framework aims to evaluate and manage risks holistically, to enable the organization to meet or exceed the expectations of multiple stakeholders. Effective risk management practices at Infosys are geared toward sustaining and enhancing our competitive advantage.

## Establishing materiality from risks and opportunities

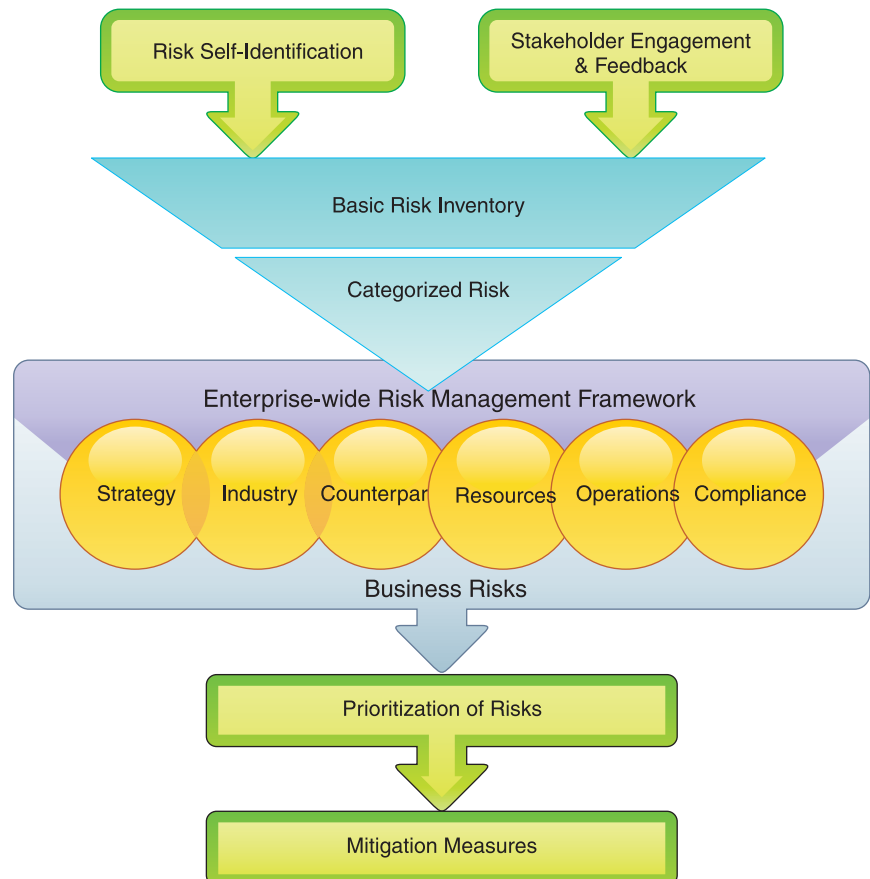
Risk management is embedded into our fundamental business model described as 'Predictable, Sustainable, Profitable, and De-risked' (PSPD). We eschew excessive pursuit of short-term and tactical opportunities. We seek long-term relationships with our customers that allow us to achieve predictable growth and sustainable business opportunities.

Corporate responsibility is interlinked and defined by two factors – risk management process and the opportunities that arise out of interactions with stakeholders.

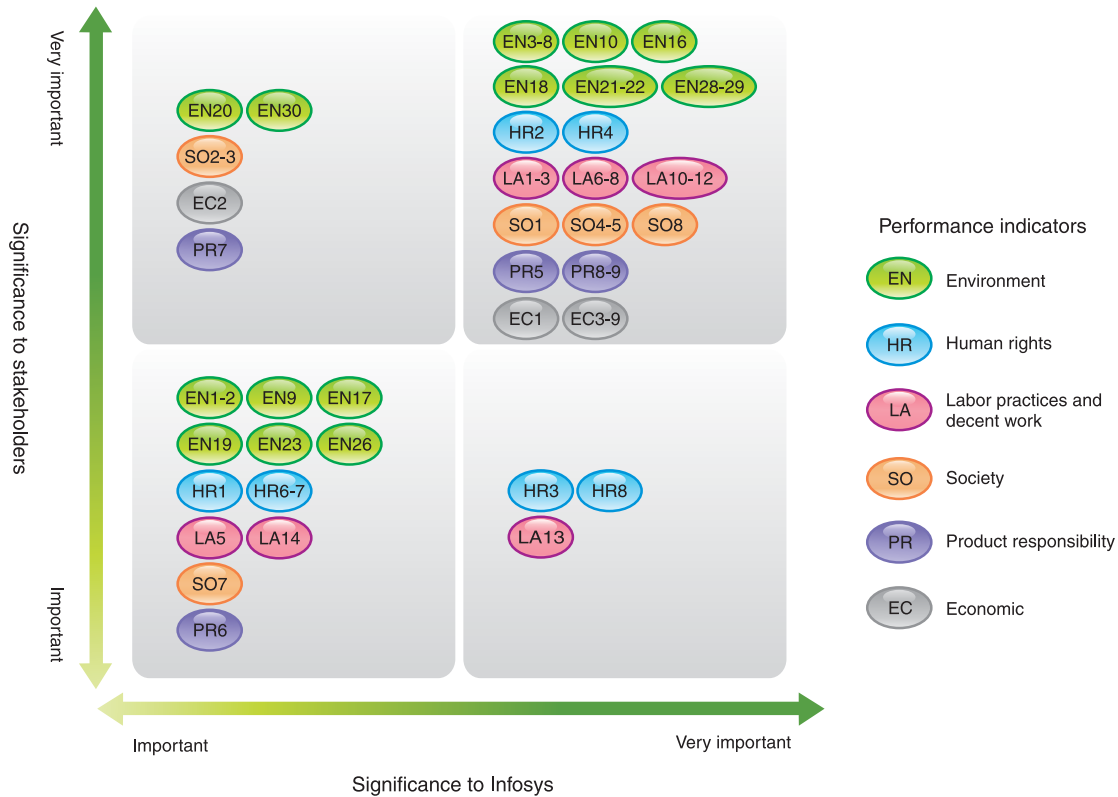
The relevance of these factors, to the stakeholders and the company, form the basis of this report.

To obtain a complete set of risks, we undertook an organization-wide Risk Self-Identification (RSI) exercise. The results of the RSI were then collated and categorized to systematically address actual and potential risk events. The Infosys Risk Management (IRM) sets the tone for identifying our risk views, monitoring process, and mitigation strategies.

The following diagram depicts the risk management cycle as defined by the IRM model:



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 Infosys' business and operations to identify material issues. The following representation is the materiality of the GRI indicators.



The Infosys Sustainability Report 2007-08 covers GRI parameters that are most significant to our business risks and opportunities as well as to our stakeholders. Given the nature of our business and our operational model, the following GRI parameters are either not relevant or have a low significance to our business:

- Environment — EN11, EN12, EN13, EN14, EN15, EN24, EN25, EN27
- Society — SO6
- Labor Practices — LA4, LA9
- Human Rights — HR5, HR9  
*Note: HR5 — Collective bargaining is not prevalent in the industry we operate in.*
- Product Responsibility — PR1, PR2, PR3, PR4  
*Note: PR1, PR3 — We are primarily a services company and our product being software, the impact of packaging and product information is significantly less.*

For a description of GRI parameters, refer pages 39 and 40.

### Scope of the report

This is our first sustainability report. It discloses information on our activities and significant achievements for the financial year 2007-08 in economic, social, and environmental areas, and is reported in accordance with the GRI guidelines. Subsequently, the report will be published annually.

Additional information on strategy, governance, economic, and financial performances, is available in our annual report on [www.infosys.com](http://www.infosys.com).

## Our key stakeholders



Customers



Employees



Investors



Supplier / Vendor partners



Financial analysts



Government / NGOs /  
Trade Associations / Academia



Society / Environment

The following table details the scope of each section:

Area	Scope
Economic performance	Infosys Group*
Environment (including facilities and infrastructure strategy)	Infosys Technologies Limited (both owned and leased facilities in India)
Products	Infosys Group (products and services information)
	Infosys Technologies Limited (R&D and innovation competencies)
People	Infosys Technologies Limited (people practices)
Social Responsibility	Infosys Group

\* Subsidiaries included in Infosys Group are mentioned in the Annual Report 2007-08 available online at [www.infosys.com/investors/reports-filings/annual-report/annual/Infosys-AR-08.pdf](http://www.infosys.com/investors/reports-filings/annual-report/annual/Infosys-AR-08.pdf)

## Governance

We have set up the Infosys Sustainability Executive Council (ISEC) to strategize and implement all social, environmental, and code of ethics practices at Infosys. The members are drawn from finance, environment, infrastructure, diversity, human resources, branding, and internal audit teams. ISEC reports directly to the Co-Chairman, Nandan M. Nilekani.

ISEC has been constituted to:

- Strategize the approach and implement sustainability activities
- Develop effective measures and monitor progress on a quarterly basis
- Design and deploy systems to integrate sustainability activities
- Engage with external and internal stakeholders to understand their needs
- Develop tools to propagate and promote sustainability within the company

ISEC initiated the following activities in 2007-08:

- Joined global sustainability forums
- Streamlined data collection to publish Infosys' first sustainability report
- Consolidated all sustainability efforts under one umbrella
- Created point of view on sustainability
- Developed appropriate frameworks to capture sustainability activities

We are committed to corporate governance. Our corporate governance report is included in the Annual report 2007-08, available online at [www.infosys.com/investors/reports-filings/annual-report/annual/Infosys-AR-08.pdf](http://www.infosys.com/investors/reports-filings/annual-report/annual/Infosys-AR-08.pdf). The evaluation of the performance of the executive members of the Board is covered under this report.

## Stakeholder engagement

We define stakeholders as all individuals and entities who have significant impact on our business or are affected by it. Our key stakeholders are:

- Customers
- Employees
- Investors
- Supplier / vendor partners
- Financial analysts
- Government / NGOs / Trade Associations / Academia
- Society / Environment

We developed our perspective on correlating risks and rewards after considering risk-reward expectations of stakeholders and our ability to manage and monitor risks while creating value.



## Partnerships and associations

Infosys and its executive leadership participate as members / founders / trustees of advisory councils and various Government and non-profit organizations, to drive and influence views and policies on corporate governance, global warming, education and training, social welfare, healthcare, infrastructure management and rural upliftment. Some of the associations include:

- Adhaar Foundation
- Akshaya Patra Foundation
- Asia Pacific Regional Advisory Board — London Business School
- Brand India Committee and National Affirmative Action Council — Confederation of Indian Industry (CII)
- E-Governance Foundation
- InACT Governing Council
- INDO-US CEO Forum
- Institute of Chartered Accountants of India (ICAI)
- International Accounting Standards Committee Foundation
- Narayana Hrudayalaya Cancer Hospital
- National Association of Software Companies (NASSCOM)
- National Knowledge Commission
- New India Foundation
- Reserve Bank of India — High Powered Committee - Tax
- Securities and Exchange Board of India (SEBI) — Accounting Standards Sub Committee
- The Conference Board
- The Indus Entrepreneurs (TiE)
- Tomorrow's Company
- UN Global Compact
- World Business Council for Sustainable Development
- World Economic Forum

## Engagement channels

We regard dialogue and engagement as vital in building a strong and lasting relationship with all our stakeholders. This engagement uses multiple channels and communication frameworks.



### Communication

- Brochures
- Infosys website
- International entities
- Presales kits
- Press releases
- Quarterly town halls
- Sparsh (Infosys intranet)



### Consultation

- Assessments – Internal partnership surveys
- Employee satisfaction survey
- Environment dashboard
- Feedback on health and safety programs
- Internal audit



### Dialogue

- Analyst meets
- Conferences and summits
- Infosys blogs



### Partnerships

- Academia
- Customers
- International organizations (e.g. UN Global Compact, World Business Council for Sustainable Development, and Tomorrow's Company)
- Non-governmental organizations



## Economic performance

**91,187** employees in 2007-08 from 72,241 in the previous year

US **\$7,966 million** brand value in 2007-08 as compared to US \$7,017 million in the previous year

US **\$572 million** EVA<sup>®</sup> in 2007-08 as compared to US \$471 million in the previous year

With the rapid shifts in markets and increased globalization, newer business models are emerging. Outsourcing has become a strategic imperative for corporations and to be successful in this competitive environment, businesses need to be lean, efficient and extremely responsive to the customers and the market. We have always believed in growth with responsibility and have been a leader in corporate governance and financial reporting. We have always believed in creating wealth ethically and legally.



Development Center, Bangalore, India

We have had a successful fiscal 2008 and reported over US \$1 billion in annual net profits. During the year, the Indian Rupee appreciated by 11% on an average, affecting revenues by approximately US \$500 million and net profits by US \$250 million. Despite the challenging currency environment, we were able to maintain margins. This is a testimony of our business model's resilience and durability.

We added 170 customers during the year, taking the total number of active customers to 538.

Revenue growth during the year was up by 35% in US Dollars. Our top 10 customers grew by 38.8% while the rest grew by 33.6%, demonstrating balanced growth across our customer portfolio. Most of our existing customers reaffirmed their confidence in our services, with repeat business accounting for 97% of the revenues.

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

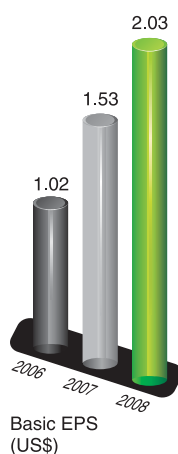
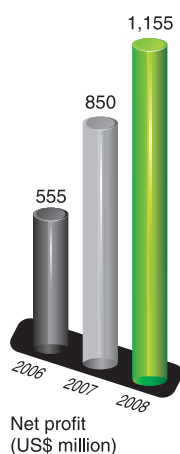
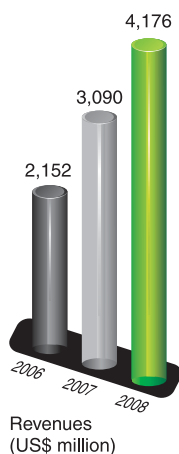
*in US \$ million, except employee and customer data*

Economic performance	2007-08	2006-07	2005-06
Revenues	4,176	3,090	2,152
Net profit	1,155	850	555
Total tax paid	271.27	214.26	112.47
Number of employees	91,187	72,241	52,715
Customer information			
Number of customers	538	500	460
New customers added during the year	170	160	144
Brand value	7,966	7,017	5,183
EVA®	572	471	348
Market capitalization	20,460	28,703	21,455

Scope : Infosys Group

"Since its inception, Infosys is committed to building an organization on values and high ethical standards for long-term operational longevity and global respect. We have demonstrated that conducting business legally and ethically will lead to superior results. We are the first Indian company to emphasize strong corporate governance practices and have expanded our practices significantly beyond the statutory requirements. We were the first to report as per the US GAAP accounting requirements in India, the first to prepare financial reports in compliance with the GAAP requirements of eight countries, and the first to incorporate a number of innovative disclosures in financial reporting including human resource valuation, brand valuation, value added statement and EVA reports."

– V. Balakrishnan  
Chief Financial Officer



Scope: Infosys Technologies Ltd.  
Note: The figures above are based on Consolidated US GAAP financial statements.



## Credit rating

### Standard & Poor's

2007-08	BBB+
2006-07	BBB
2005-06	BBB

### Dun & Bradstreet

2007-08	5A1
2006-07	5A1
2005-06	5A1

## Corporate governance rating

### CRISIL (GVC)

2007-08	Level 1
2006-07	Level 1
2005-06	Level 1

### ICRA

2007-08	CGR 1
2006-07	CGR 1
2005-06	CGR 1

## ESG rating



## Growth path

Our workforce increased to 91,187 in 2007-08 from 72,241 in the previous year. Our brand value increased to US \$7,966 million for 2007-08 as compared to US \$7,017 million in the previous year. The Economic Value Added (EVA®) increased to US \$572 million from US \$471 million in the previous year.

We declared a total dividend for the year of US \$0.792 per share (665% on par value of Rs. 5/- (US \$0.119) per share) which includes an interim dividend of US \$0.143 per share, final dividend of 0.173 per share, and a special dividend of US \$0.476 per share, to acknowledge the US \$1 billion mark in net profits. The dividend payout of US \$476 million is amongst the largest in India.

Key economic ratios	2007-08	2006-07	2005-06
Year-on-year revenue growth (%)	35	44	35
Personnel cost / total revenue (%)	53	51	50
Operating profit / total revenue (%)	28	28	28
Return on average invested capital (%)	66	71	58
ROCE (PBIT / average capital employed) (%) (LTM)	40	41	41
Basic EPS growth (before exceptional items) (%)	33	50	31
Capital output ratio (%)	1	1	1
Price / Earnings at the end of the year (before exceptional items)	18	33	38
Book value (US \$)	7	5	3
Tax / PBT (%)	13	9	11
Value-added to total revenue (%)	86	81	81
IT investment / value added (%)	3	3	2

Scope: Infosys Technologies Ltd.

Note: The figures above are based on Consolidated US GAAP financial statements.

## Financial details

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 given below:

*in US \$ million, except per share data*

	2007-08	2006-07	2005-06
Profit before tax and exceptional items	1,336	943	632
Less: Additional depreciation on duty waived for certain assets	21	17	19
Reduction in other income	15	8	5
Adjusted profit before tax	1,300	918	608
Less: Income tax on the above on full tax basis	460	322	222
Restated profit after tax	840	596	386
Restated basic EPS (\$)	1.48	1.08	0.71

Note: The figures above are based on Consolidated Indian GAAP financial statements, converted into US Dollar by using the average exchange rate for the respective years. However, it may be noted that 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 on this account.

## Growth with responsibility

We believe in conducting business legally and ethically.

We have established robust systems and internal controls to ensure compliance to applicable laws and regulations. Our marketing programs adhere to the laws and standards of the countries we operate in.

We were not subjected to any legal action for anti-competitive behavior, anti-trust, monopoly practices, or non-compliance with laws and regulations in the financial year 2007-08. 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.

We are also evaluating methodologies to connect the financial implications due to climate change with business risk.

## Growth strategy

We continue to assess operating risks proactively and strengthen our position as a leading global technology services company. Our strategy aims to:



- Increase business from existing and new customers by offering end-to-end solutions. We provide software re-engineering, maintenance, infrastructure management, and business process management services, which are long term and require frequent customer contact.



- Enhance efforts to build end-to-end solutions for customers through innovation, continuous improvement in the Global Delivery Model (GDM), developing solution sets that reflect deep industry knowledge, and strengthening the operational competencies of business units.



- Continue investment in people and infrastructure.



- Take steps to expand into new geographies and to strengthen our presence in China, Czech Republic, Australia and Latin America.



- Pursue alliances and strategic acquisitions.



## Products and services

**119** patent applications (pending) filed in India and the US. 2 patents granted by USPTO

US **\$47.8 million** invested in R&D in 2008.  
US \$37.1 million in 2007

Finacle™ powers 109 banks to service, 150,000 concurrent users, **160 million** customers, **230 million** accounts

The way organizations procure, develop, and deliver products and services to their customers is undergoing a radical transformation. In this transformation, leveraging technology in every part of an enterprise is essential. We are committed to developing solutions that enable our customers to gain a competitive edge and, in turn, help them to be the preferred choice for their customers. We continue to invest in scaling up our research and development activities and providing innovative business and technology solutions.



Infosys Leadership Institute and Global Education Center, Mysore, India

### What we offer our customers

We are aligned with our customers' business and strategy through offerings in consulting / solutions, services and products.

We provide an extensive portfolio of services to address the varied and complex requirements of our customers. Our comprehensive service model enables customers derive maximum value from their IT spend. The model encompasses application lifecycle, best-of-breed methodologies, Global Delivery Model, structured knowledge management, tools and Intellectual Property developed by our Centers of Excellence. Our services are based on industry-standard frameworks (such as CMM and CMMi) that combine rigorous processes with excellent domain expertise.

We continue to invest resources and time for developing industry specific-solutions that help customers quickly adapt to new regulatory changes. We help them analyze data, gain new insights and optimize processes, to take the leap forward.

In addition, our technology solutions help automate routine processes, especially in a legacy environment where lack of skilled resources and documented information continue to pose a challenge for customers. Our business process outsourcing (BPO) solutions enable customers to redefine their operational

priorities, adapt and compete better. These solutions ensure efficiency of operations and provide greater flexibility to adapt to changing times.

Finacle™, the universal banking solution, is our core product offering. This modular solution addresses core banking, treasury, wealth management, consumer and corporate e-banking, mobile banking, and web-based cash management requirements of universal, retail and corporate banks worldwide.

Finacle™ currently powers 109 banks across 60 countries, helping them serve over 20,000 branches, 160 million customers, 230 million accounts, and 150,000 concurrent users, supporting over 69 million peak banking transactions per day spread across multiple installations. Finacle™ has also emerged as one of the most scalable core banking solutions in the world by achieving an unparalleled performance benchmark of 104 million effective transactions per hour (29,010 ETPS). Finacle™ offers a spectrum of avenues for banks to innovate across the enterprise with its powerful architecture and feature set.

"Sustainability is one of the cornerstones of the Predictability, Sustainability, Profitability, and De-risking (PSPD) framework that exemplifies the operating model at Infosys. We strongly believe that innovation is the key to sustainable development. Innovation is the primary driver of our solutions, services and products, and is one of the fundamental values that we pursue in serving all our key stakeholders – customers, employees, investors, vendor partners, and the society at large. We constantly invest in developing organizational competencies and continuous innovation to help our customers realize higher value."

– S. D. Shibulal  
Chief Operating Officer and Director

SETLabs R&D – Faster innovation through Agile IT



Creating value for our customers

Customers and industry influencers commended the success of our business model and recognized our delivery capabilities during the year. These are some of the awards we received during the financial year 2007-08:

- The inaugural Boeing Performance Excellence Award (BPEA) from the Boeing Company
- Royal Bank of Scotland Group's Best Technology Supplier for 2007
- SAP Award for Customer Excellence 2007
- Global Preferred Vendor for Information Technology from Cummins Inc.
- Supplier Excellence Award from Eastman Chemical for the second consecutive year
- The National Outsourcing Association Award for Innovative Outsourcing Project of the Year 2007, along with our customer, British Telecom
- Partner in Progress Awards from Sears Holdings Corporation
- Daimler Chrysler's IPS Supplier of the Year 2006
- Sainsbury's 2006 IT Supplier of the Year

Innovation and R&D

Our commitment to innovation is supported by Software Engineering and Technology Labs (SETLabs), the center for research and innovation at Infosys.

SETLabs supports Infosys' vision of technology-led business transformation by:

- harnessing innovation and our think tank
- driving market competitiveness through technology thought leadership and business-relevant R&D
- creating compelling reasons for enterprises to invest in technology
- driving greater operational efficiency and profitability

Two examples from Infosys for innovations that create new models of leveraging technology are given below:

Device agnostic innovations to leverage mobile infrastructure

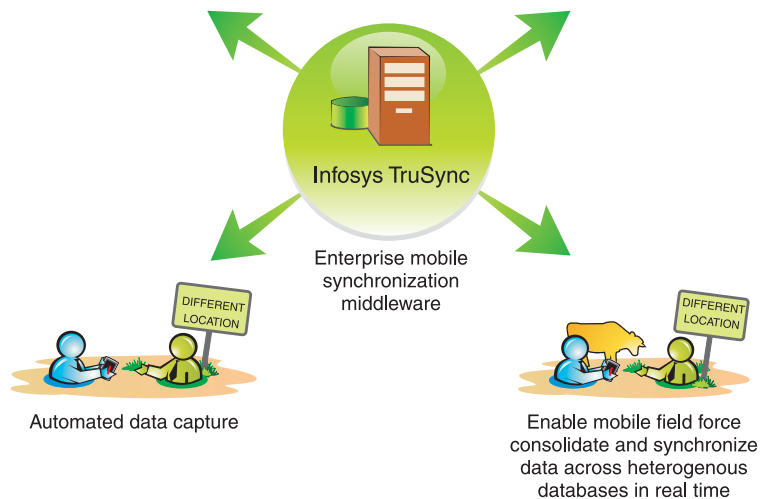
The solutions and offerings are focused on mobility research to enable access to various enterprise applications on a wide variety of mobile devices. Infosys mConnect platform and Infosys TruSync synchronization solution have been instrumental in introducing a change at the grass-roots level by enabling distributed rural teams to access real-time data.



Agents and field force visit farmers and record details of their cattle



After analyzing data, the client provides the appropriate information to the farmers





### Innovation for leveraging existing investments

Infosys GridScape and Infosys GridWorm are intellectual assets that help reduce energy consumption and the overall cost of IT investments. The platform embodies the vision of next-generation data centers based on a batch workflow distributed over a heterogeneous resource environment.

### Intellectual Property

In the year 2007-08, we generated 102 invention disclosures and filed an aggregate of 10 patents in India and the United States. To date, we have filed an aggregate of 119 patent applications (pending) in both countries, and have been granted two patents by the United States Patent and Trademark Office (USPTO).

The Knowledge Engineering research lab of SETLabs has developed Intellectual Property (IP) in rule modeling and execution, knowledge extraction (from text and images), semantic search, knowledge assisted diagnostics, and agent assisted software project management. This IP forms the core of various solutions and is used to improve our knowledge reuse and productivity.

### Publications and research

Infosys' dedicated team of researchers, working at SETLabs and Education & Research (E&R) group, focus on technologies that will be relevant for enterprises in the long-term. SETLabs Briefings and research papers capture our strategic and experiential insights. SETLabs Briefings is a peer-reviewed journal that presents our insights on topics in technology and management. In fiscal 2008, researchers from SETLabs published 92 articles in leading journals, magazines and conferences.

### Thought leadership through Academic Entente (AcE)

The strategic AcE initiative creates an opportunity for our employees to collaborate with faculty from eminent universities such as Harvard, Stanford, and Tuck School of Business. Together, we publish case studies on innovation and consulting. Our employees participate in industry-academia conferences and guest lectures at prestigious forums such as the balanced scorecard Hall of Fame. Student groups and faculty members from these universities also visit our campuses. AcE has positioned the Indian IT industry as a thought leader in areas of strategy and innovation.

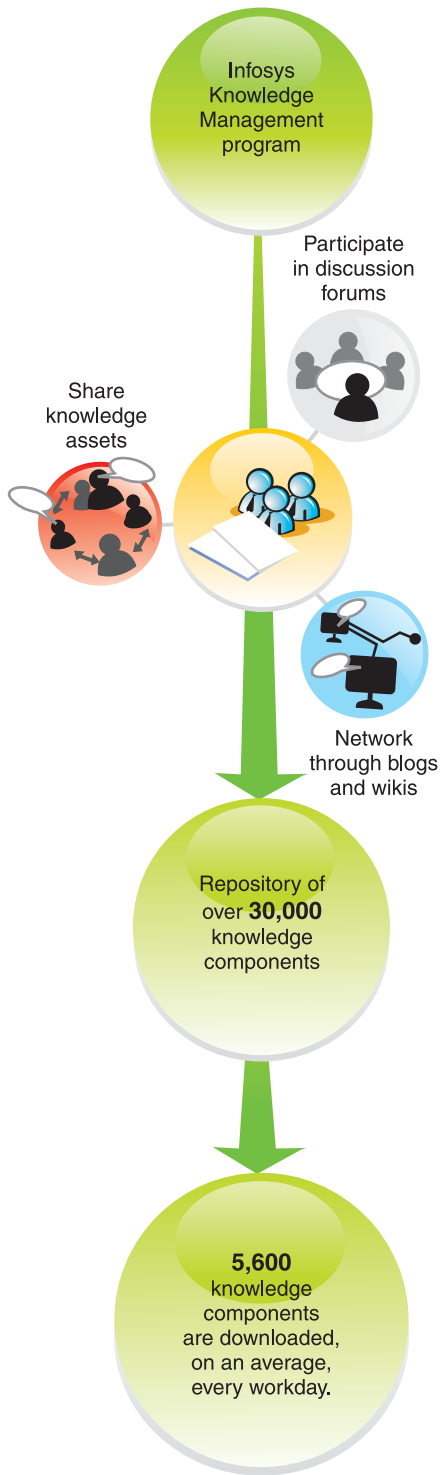
### Building internal competencies

Continuous innovation, business excellence, and world-class quality practices form the foundation for defining our capabilities that help us manage complex customer demands.

We make continuous investment in employee training, skill upgradation and mentoring to keep our employees competent and ready for changing environments across technologies, business, processes and methodologies. We are committed to equipping employees with skills that will help their career and personal growth.



SETLabs Briefings, a peer-reviewed journal that shares strategic and experiential insights on technology management themes



### Knowledge Management (KM)

We believe that providing a platform to share knowledge, collaborate and putting to use the collective wisdom of the workforce can successfully build internal competencies. We have rolled out community platforms like wikis and blogs for collaboration across various internal departments and across the organization. Our consistent endeavor in providing knowledge sharing and adoption across the organization have helped us receive the Indian, Asian and Global Most-Admired Knowledge Enterprise (MAKE) awards consistently for the last four years. These knowledge blogs and customized wiki solutions are rolled out to employee communities to help foster collaborative networks for speedier and smart project execution. We have a repository of over 30,000 knowledge components, of which 5,600 are downloaded, on an average, every workday.

### Business excellence — Infosys Scaling Outstanding Performance (iSOP)

Business excellence is related to the capability of an organization to scale and showcase performance against established benchmarks. Infosys Scaling Outstanding Performance (iSOP), our business excellence benchmarking is based on Malcolm Baldrige National Quality Award (MBNQA) framework and involves senior leadership. The framework assesses each business unit and helps to scale higher platforms of excellence and meet challenges of growth, scalability, and collaboration.

### Quality initiatives for enhancing predictability

We follow a methodology, Business Results Impact at Infosys (BrITe) to enhance predictability, focus on reuse and improve predictability of outcomes. BrITe uses an integrated approach to address the varied service challenges of our organization. 65% service lines have tools and 60% eligible targets use these tools for building solutions. 30% of the development projects

use reusable components, thereby reducing the time to assist customers. 200 employees received their certification under the BrITe program.

The quality team engages the customers through the annual customer satisfaction survey to determine the strengths and gaps on the services offered. The feedback is then shared with business units for deploying necessary actions. Customer Satisfaction Index has remained steady over the last three years on an increasing customer base.

## Next-gen ubiquitous mobile solutions

Ubiquitous mobility is fast gaining ground with enterprises focusing on improving the productivity of their mobile workforce through real-time access to information. Two of our innovative solutions, Infosys mConnect and Infosys TruSync, provide a context-aware and synchronization mobile middleware platform. They enable rapid and seamless mobile transactions across mobility channels (SMS, mobile browser, downloadable mobile customers) and support device diversity without disruptions to the existing back-end applications. These two technologies have been leveraged across business requirements and industries. Given below are three examples where these innovative solutions are implemented:

### Providing secure mobile banking



Infosys mConnect empowers banks to extend their Internet transaction capabilities to the mobile world. The platform is interfaced with Finacle™, our universal banking solution, and integrates mobile transactions between users' devices and the solution. It allows customers to make real-time banking transactions such as paying bills, accessing account statements and transaction history through their handheld devices with the safety and security of an Internet transaction.

### Connecting sports enthusiasts



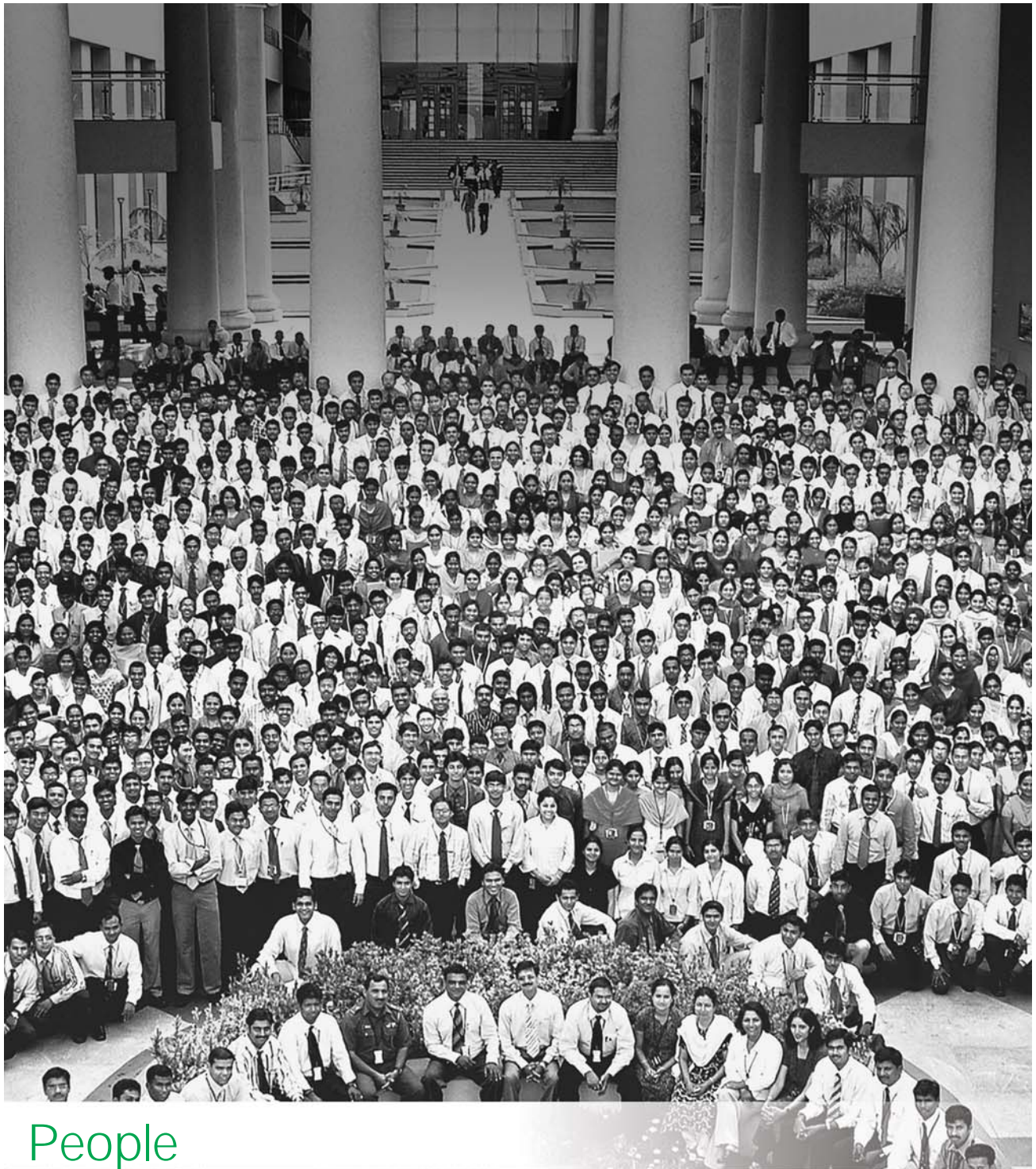
A next-generation sports portal that combines social networking, content and commerce engaged us to mobilize their online community. Infosys mConnect helped improve users' experience by providing updated scores, search, and user-defined sports groups, all on a mobile for the user-selected sporting events.

### Empowering marginal farmers



We have built an innovative supply chain solution based on Infosys TruSync. The solution connects small and marginal farmers in the remotest part of India with the supply chain of large organized retailers. It provides them quick access to region-specific information, such as daily sales volumes and average prices.





## People

**32.4%** of Infosys employees are women

**70** nationalities comprise our global talent

**964,205** person days of technical training for entry level employees



We believe that learnability is critical to our success. We define learnability as the ability to extract generic inferences from specific instances and to use them in new, unstructured situations. Thus, an organization's ability to continually identify, recruit, empower and motivate its employees in an increasingly competitive and global marketplace is a critical success factor.



Development Center, Pune, India

### Creating an equal opportunity environment

We have an equal opportunity ecosystem. In 2007-08, we recruited 33,177 employees across geographies. We currently have 91,187 employees comprising 70 nationalities. Women constitute 32.4% of our employee strength.

Our recruitment policy is based on meritocracy and employees are recruited based on their ability to learn, adapt, and assimilate change. We ensure equal opportunity for gender, ethnicity, or nationality for hiring, pay and career advancement. We follow a local hiring strategy, based on our business needs and local government policies.

We comply with the local laws and regulations for determining the compensation, employee notice period and other requirements.

At Infosys Technologies, 75.2% of our overseas hires for senior positions are hired locally. These senior managers also make up 37% of our local hires.

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

### Employee data

Distribution of employees across geographies:

“We believe in ensuring respect for each individual and creating a sense of ownership among employees across the globe. Encouraging diversity of talent, cultures and ideas by creating an inclusive work environment is critical to our success. Our experience has demonstrated that Infosysians regard, respect and dignity, a challenging work place and a promising career growth path to be more important motivators than just compensation. They want to be a part of a defining moment that transforms society and the world. Their emotional energy is an invaluable asset to us.”

– T. V. Mohandas Pai

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

Region	2007-08	2006-07	2005-06
Americas (North & South America)	11,017	9,557	7,556
Europe	4,889	3,336	2,119
India	72,523	57,144	41,377
APAC	2,666	2,170	1,662
Middle East / Africa	92	34	1
<b>Total</b>	<b>91,187</b>	<b>72,241</b>	<b>52,715</b>

Scope: Infosys Group

The following table provides details on the proportion of senior management hired from the local community:

	2007-08	2006-07	2005-06
% of senior local hires in total local hires	37%	31%	30%
% of senior local hires in total senior overseas hires	75.2%	85%	77%

Scope: Infosys Technologies Ltd.



### Optimas Award

Infosys won the 2007 Optima's Award, given by Workforce Management, in the Global Outlook category. The award acknowledges our focus on talent and our ability to attract, engage, and retain the best people in the face of ever-increasing competition.

### Global Buddy Program



The program assists new hires in understanding Infosys as a company and its organizational culture. Every new employee is paired with a local buddy who assists him/her in understanding:

- Infosys culture
- Policies and processes
- Unit and location specific information

In the last quarter of the year 2007-08, there were approximately 1,500 buddies who helped 64% of the new hires get seamlessly absorbed into the mainstream.

### Petit Infoscion Day



An annual carnival to which children and families of our employees are invited. Key highlights include scholarships for children and subsidized healthcare for families.

Employees are recognized and rewarded based on performance rather than experience and hierarchy. Our transparent performance management systems and processes provide every employee a platform for free and equitable discussion and feedback. We believe in the philosophy of sharing wealth, and our employees are entitled to variable pay, linked to the individual, group, and company performance.

Healthcare plans that include dependents, gratuity and savings schemes, allow employees to take control of healthcare management and savings.

### Creating an inclusive environment

Work environment must respect differences and promote fair play by embracing people, irrespective of gender, language, religion and orientation. The diversity office at Infosys nurtures and supports employee networks for women, new hires, the disabled, working mothers and people belonging to different nationalities.

One of the most visible and active employee networks is the Infosys Women Inclusivity Network (IWIN). This network facilitates gender inclusion and assists women in participating, contributing, and developing equitably. The network promotes mentoring potential women managers and encourages them to take on challenging assignments. IWIN helps women stay connected during maternity and extended sabbatical leave.

We encourage the participation of young leaders in formulating company strategy. Budding leaders below the age of 30 are part of the Management Council (MC) of the various business units. The Management Councils are constituted in business units and in business enabling departments. The MC reviews and ensures that the unit achieves its business goals (financial and non-financial). Their responsibility also includes proactively highlighting risks and solutions.

We have two strong grievance redressal channels for our employees:

- Hearing Employees And Resolving (HEAR) is a formal mechanism to help employees table unresolved grievances and cases of discrimination
- Anti Sexual Harassment Initiative (ASHI) allows employees to report any harassment in the work place and be heard by a unbiased group

Our policies reflect our commitment to employee inclusivity. Some of our family-friendly policies include paid maternity leave, paid paternity leave, satellite offices for new mothers, telecommuting, flexible work hours, and one-year sabbatical. To create an inclusive work environment, we provide day care arrangements at all our development centers in India. We also provide scholarships for employees' children.

In the year 2007-08, effective measures such as Diversity Dashboards and Inclusivity surveys were introduced to promote awareness on diversity and inclusion among employees. During this period, we did not record any substantiated case of discrimination.

### Creating an enabling environment

We believe that focused training is required for sustaining and scaling our talent pool to solve emerging business challenges. To deliver better solutions to customers, it is necessary that our employees are competent in the latest technological and managerial tools. Our training model enables our employees to excel in meeting their requirements. Further, the training helps enhance their productivity and puts them on track toward a fulfilling career.

Technical and domain competencies of employees are seen as enablers for delivering value to customers through our services.

An important learning incentive at Infosys is a unique certification program that prepares employees to undertake greater responsibilities and meet customer needs. There are mandatory and voluntary certifications that are available to employees to enhance their competencies. More than 27,604 employees were awarded technical certifications this fiscal year.

The Infosys Leadership Institute (LI) provides training in behavioral, management, and leadership skills. Through LI, we have developed a robust three-tier mentoring model to groom middle and senior level managers and equip them in their leadership development journey.

A summary of the learning initiatives is listed below:

Level	Key initiatives	2007-08	2006-07	2005-06
Foundation	At entry-level, employees undergo a 14-16 week Foundation Program to enhance their technical competencies and soft skills at Infosys' Global Education Center in Mysore, India.			
	Employees	15,741	15,176	13,978
	Technical training (in person days)	964,205	958,554	790,000
	Soft skills training (in person days)	173,393	77,610	62,951
Middle	At Infosys, training at the middle and senior levels is based on roles. Employees use classrooms as well as virtual training sessions on technical and project management skills.			
	The Project Management Center of Excellence (PMCoE) helps employees enhance project management competencies through multiple interventions. PMCoE has to date trained over 2,800 managers in professional project management.			
	Our Enterprise Solutions Academy trained 1,400 management graduates (functional consultants) in technology, project management, quality processes, and leadership. The Academy also provides technical and domain certifications that are benchmarked with world-class academic certifications. About 16,000 employees have been certified by the Academy since 2005.			
	Our unique certification program prepares employees to undertake greater responsibilities and meet customer needs. More than 27,604 employees were awarded technical certifications this fiscal year.			
	We fund higher education programs for employees who wish to pursue degrees such as MBA, MCA, MS, and CFA. Since 2005, we have sponsored about 280 employees.			
Senior	The ILI mentorship intervention with senior managers currently has over 500 beneficiaries.			

Scope: Infosys Technologies Ltd.

We piloted an internship program for final-year computer science students in India this year. 243 interns from 33 premier colleges participated in the program. These students were given an opportunity to work on industry-standard projects.

### Building a transparent work culture

Building trust and confidence requires an environment of open communication. At Infosys, we have made it our policy to share the challenges and risks we face on a regular basis. Our employee communication model ensures that senior management shares thoughts and beliefs with employees, and accepts their feedback.

Infosys uses two categories of media to communicate internally and encourage debate around our policies. The first is the high-touch category, where members of the senior management meet in person with employees across all levels. We organize live chats with senior management, town halls / open houses, and lunch meetings. The second is the high-tech category where technology is used to reach employees spread across various locations and time zones. These include regular messages from the Members of the Board / Heads of Business Units, thus ensuring the involvement of every employee in the progress and growth of the organization.

Sparsh, our intranet, keeps employees connected and updated on day-to-day happenings.

This is the primary channel for employees to access information and applications. On an average, Sparsh publishes 110 articles every month from teams across Infosys. InfyTV, our internal corporate television channel, broadcasts programs on news, learning and entertainment.

We also have an electronic Bulletin Board (BB) for employees to discuss issues, offer suggestions and post remarks. The BB has different discussion folders to cater to specific interest groups.

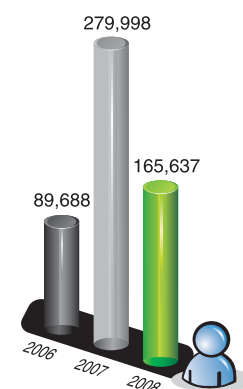
We have built a robust survey mechanism to capture employee satisfaction feedback. The employee participation has remained steady over the last three years, on an increasing employee base.

We encourage our employees to use the whistleblower policy to report any concerns about our corporate ethics or financial transactions. We educate employees on policies regarding code of conduct, grievance mechanisms, and reporting procedures during their induction program.

### Ensuring health and safety

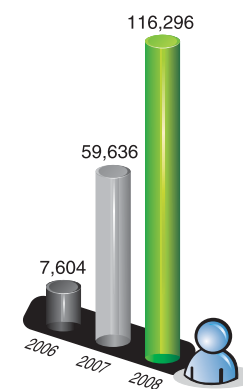
To encourage a healthy lifestyle, we have built facilities such as gymnasiums, swimming pools, and sports complexes in our development centers across India. Additionally, we provide employees with health tips and arrange expert sessions on exercise, weight management, nutrition and stress management to help them lead healthier lifestyles.

### Certifications and training



Soft skill training (in person days)

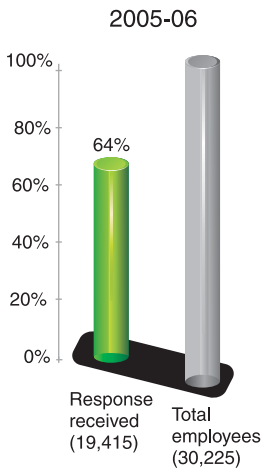
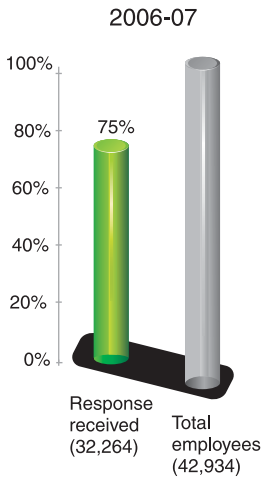
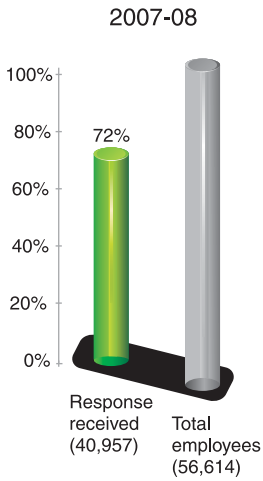
Scope: Infosys Technologies Ltd.



Certifications (technical and domain)

Scope: Infosys Technologies Ltd.

## Employee engagement index



Scope: Infosys Technologies Ltd.

We have also provided infrastructure and trainers for aerobics, yoga and meditation.

Our Health Assessment and Lifestyle Enrichment (HALE) initiative focuses on:

- A comprehensive health and wellness plan that consists of offerings such as preventive healthcare options for employees and families, health checks, expert-speak from medical professionals, consultations, fitness-related interventions, and health awareness campaigns. We conducted 55 health-related events in the year 2007-08, covering 13,200 employees.
- Annual medical camps at various development centers. A master health check and stress relief campaign called the "HALE Health Week" was organized in March 2008. Over 6,000 employees underwent medical check-ups and specialist consultations across our development centers.
- Sessions with experts on diet and exercise.
- 24/7 counseling support to help manage stress.
- Workshops and lectures by experts on first aid and trauma handling during emergencies. In the year 2007-08, over 12,000 employees benefited by these workshops.
- Avenues to manage stress and aid life enrichment through hobby sessions, team games, and movie screenings.
- Leisure activities and workshops for employees such as painting, music, arts and crafts, yoga and Tai Chi. Leisure clubs across Infosys allow employees to network informally.

We have set up an Occupational Health and Safety Committee (OH&S) at each development center. The committee comprises top leadership including heads of development centers, facilities, human resources and employee representatives. The committee makes recommendations on issues related to OH&S. It provides employees an opportunity to voice concerns related to hazards at the workplace. The following table provides the number of employees who have availed the health and fitness facilities at our campuses:

Activity	2007-08	2006-07	2005-06
Health club	12,912	6,440	5,715
Physiotherapy center	5,968	—	—
Health week annual medical checkup	6,000	5,300	3,000

Scope: Infosys Technologies Ltd.

Employee records for occupational diseases, sickness and work-related injuries are maintained based on the data from medical and physiotherapy centers in our development centers. During the financial year 2007-08, our employees did not meet with any fatal incidents at the workplace.

Work related incident rate for all operational sites in India (including employees, contractors and vendors working inside our campuses) is 0.0378 for every 100 persons per year. This evolves to a frequency rate of 4.732 for every 100,000 hours worked.

We extend our health and safety practices to our contractual workers. During 2007-08, 2,580 contractual employees underwent subsidized health checks. We ensure that we do not employ child or forced labor, and have enforced this policy on all our suppliers / vendor partners who operate out of our campuses.

## Infosys Code of Conduct

Infosys Code of Business Conduct and Ethics guides our transactions with colleagues, customers, communities, governments, investors, regulators, and society. The essence of this code is based on C-LIFE (Customer delight, Leadership by example, Integrity & Transparency, Fairness, and Pursuit of Excellence), our core value system. Infosys Code of Business Conduct and Ethics and the list of key policies including the code of ethics for principle executives, work place harassment, safety, conduct in customer locations, and compliance to local regulations, maintaining confidentiality, and code related to corrupt practices are available on our website, [www.infosys.com](http://www.infosys.com).

We operate across geographies and encourage our employees to report on corrupt practices or unethical behavior under the whistleblower policy. We have established control systems for complying with local laws on corruption in the geographies that we operate. In the financial year 2007-08, we did not record any incident on corrupt practices by any individual or business unit.

# Celebrating diversity

At Infosys, we foster diversity and an inclusive environment for all our employees to realize their full potential. Here are two innovative people practices that helped us create a diverse work environment.



Amitabh Chaudhry, Chief Executive Officer and Managing Director, Infosys BPO Limited, receiving the Helen Keller award for the most disabled-friendly employer for the year 2007



The walkathon participants from Infosys BPO organized as part of The World Disability Day commemoration, Dec 2007

## IWIN circle

Women comprise 32.4 % of employees at Infosys. Being an equal opportunity employer, we have created forums such as the Infosys Women's Inclusivity Network (IWIN) to help and support women employees throughout their career life cycle. Started in the year 2003, IWIN has several programs that connect women employees across roles and geographies. One such success story is IWIN circle, a non-hierarchical affinity group.

The IWIN circle members are equipped to act as counselors and career coaches to help other women employees cope with issues such as managing:

- Work-life balance
- Career progression
- Interpersonal issues
- Self-development
- Conflict management

The IWIN circle members are selected across all DCs. This ensures that women employees seeking support across DCs can connect personally with the local circle members. The contact details of the IWIN circle members are published on the intranet.

IWIN circle members also collate and analyze data related to equal opportunity issues and share the same with the Management.

## Fostering inclusion

Infosys has created an inclusive workplace for the disabled employees through a multi-pronged approach:

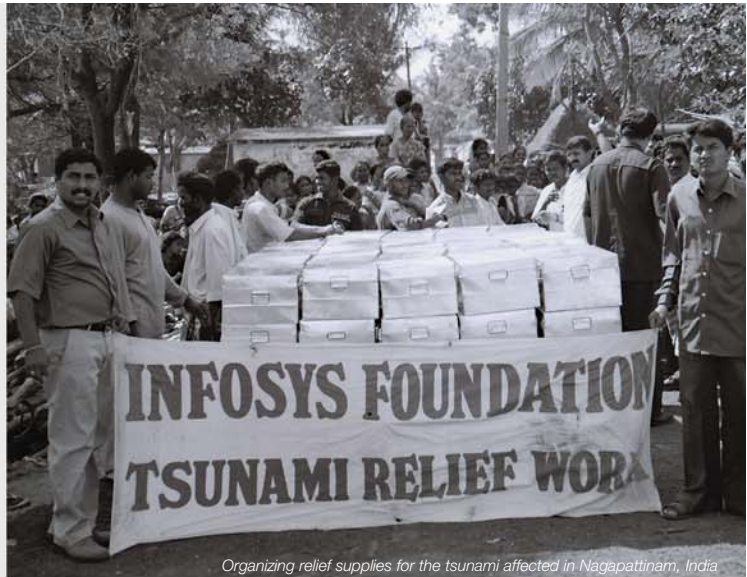
- Our facilities and infrastructure are disabled-friendly. We conduct regular accessibility audits to identify physical barriers that are not conducive for inclusivity. We ensure that sign language interpreters are present at all important events.
- Our recruiting process includes disability-friendly interviews and selection processes. These policies encourage disabled persons to apply for roles / positions with us, and support them with the right tools and environment.
- We sensitize our managers about the need to create an inclusive work culture by conducting training programs. Special training programs for disabled employees are held to enhance their competencies and skills.
- Events and programs are organized to provide a platform for disabled employees to showcase their talent. For example, week-long events were organized on World Disability Day.

- In recognition of our efforts, we received the Helen Keller award for the most disabled-friendly employer for two consecutive years, 2006 and 2007.

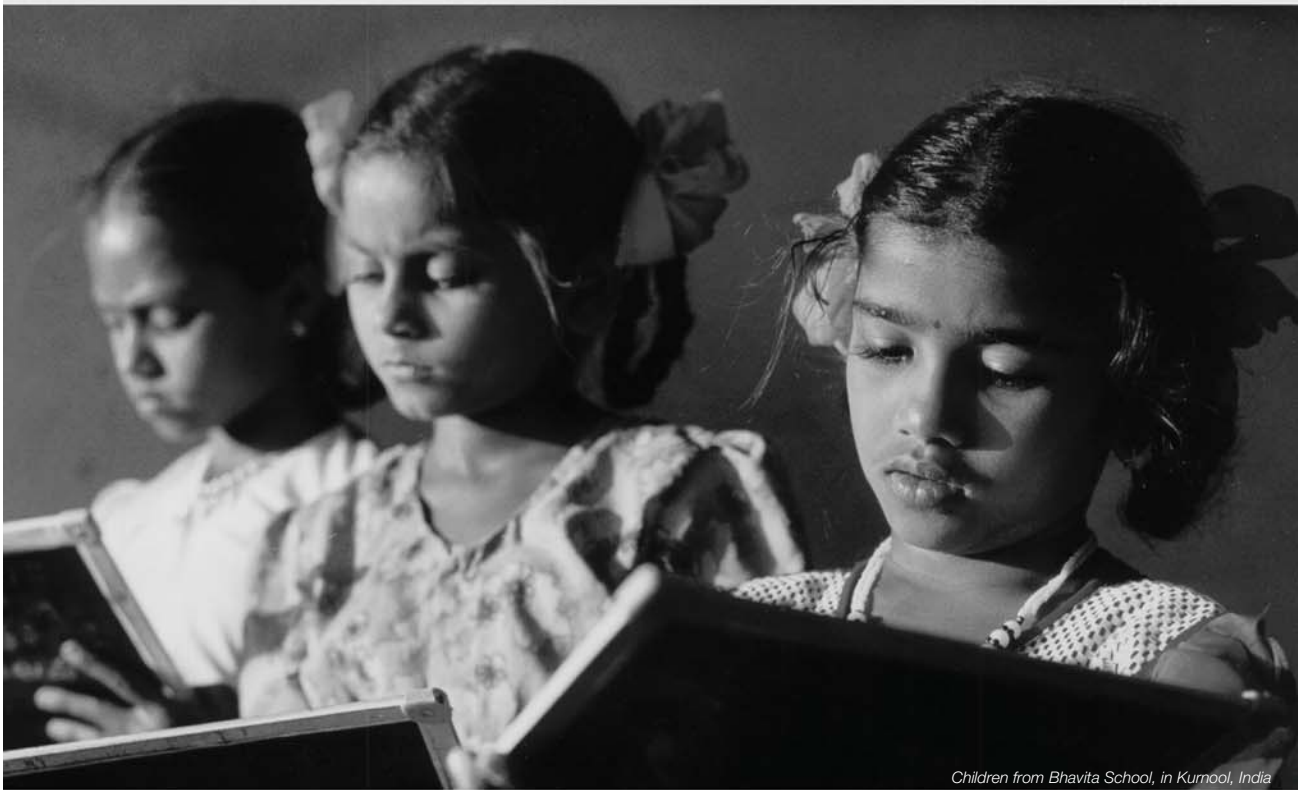




Book bank at Dharwad, India



Organizing relief supplies for the tsunami affected in Nagapattinam, India



Children from Bhavita School, in Kumool, India

## Corporate social responsibility

**15,000** libraries established in schools across India since 2006

**3.72** million sq. ft. of office space in Tier II cities across India in the year 2007-08

**830,000** government school children benefitted by free mid-day meal initiative

We believe that corporations must reach out to society at large to achieve longevity. There is a responsibility to create multiple frameworks involving corporate governance, education, infrastructure and inclusive growth. This belief drives our commitment to be fair and transparent with all our stakeholders – a commitment to help individuals and communities enhance their living conditions, and to improve the quality of education and healthcare in India through various community development programs.



Development Center, Chennai, India

Corporate Social Responsibility (CSR) is firmly rooted in our DNA. We share our CSR values with employees and encourage them to nurture the trait of working for the betterment of society. We have instituted special awards as a part of our employee rewards and recognition model to recognize those individuals who make exceptional contribution to social initiatives.

Our CSR budget is based on grants, managed by a dedicated four-member team at Infosys Foundation and 26 full-time members at Infosys. The details of the grants are provided below:

At the Infosys Foundation level, Ms. Sudha Murty, Trustee and Chairperson, manages a dedicated team to reach out to the underprivileged and enrich their lives. At the Board level, members lead by example by participating in the advisory councils of NGOs and civil bodies, and donating their time, money and effort to various causes. At the employee level, CSR teams at various DCs work on initiatives that benefit local communities.

Tracking and streamlining ongoing CSR activities is a very important intervention to ensure efficacy.

“For benefits of globalization and technology to reach the underprivileged, the private sector, philanthropic institutions, and committed individuals should cooperate and establish partnership with government institutions. This would lift millions of our people out of poverty, provide them with opportunities, and make them participate in the process and progress of globalization.”

– S. Gopalakrishnan  
Chief Executive Officer and Managing Director

*in US \$ million*

	2007-08	2006-07	2005-06
Grants to Infosys Foundation	5	4	3
Grants to other CSR activities	3	4	2
<b>Total</b>	<b>8</b>	<b>8</b>	<b>5</b>

*Note: The actual expenses mentioned are exclusive of the philanthropic activities undertaken by the board members in their individual capacities.*

The details of the contribution by Infosys Foundation in the year 2007-08 for its activities are provided below:

Category	Activities	(%)
Art and culture	Donations, sponsorships	0.87
Education	Scholarships, construction of school blocks, book banks	48.36
Healthcare	Construction of hospital and speciality blocks, medical assistance, equipment	38.60
Rural upliftment	Rehabilitation, infrastructure development	12.17

**HEART of Infosys**

Our CSR policy focuses on five aspects of community development and is recognized by the acronym HEART: Healthcare, Education, Art and culture, Rural upliftment, and Targeted inclusive growth.

We collaborate with groups and beneficiaries who are identified based on credibility, performance, and alignment with our CSR vision and values.

We track progress on a quarterly basis through feedback from participants, program beneficiaries, program anchors and committee members.

**Healthcare**

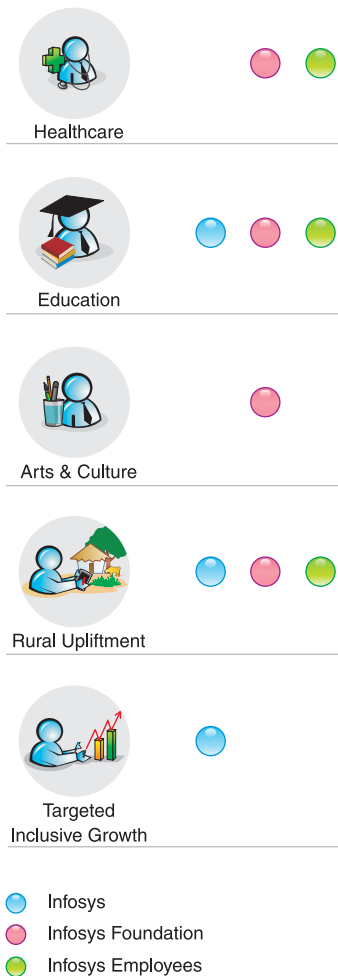
Our healthcare initiatives are aimed at benefiting the rural and underprivileged communities in India. We partner with healthcare providers and community-based organizations.



Our CSR engagement is holistic and is carried out at four different levels:



CSR focus areas in India:



Our activities in healthcare involve donating hi-tech surgical equipment, organizing health camps, and distributing free medication. The Foundation has assisted local communities across India in constructing hospitals. These include the Infosis Super-speciality Hospital at Pune, a pediatric hospital in Bhubaneswar, an advanced pediatric facility at Wenlock Hospital in Mangalore, Community Eye Center within the premises of the Shankar Nethralaya hospital in Bangalore, a pediatric hospital in Nilofur Hospital campus in Hyderabad, and a general hospital for the tribal community in H. D. Kote, Karnataka.

We sponsor and support free medical check-ups and health awareness camps. We help the needy get the benefits of health insurance and fund hospitalization charges in case of surgeries.

Our employee CSR groups are involved in various healthcare activities. Regular blood donation camps are organized in our development centers. The groups also work with HIV and leprosy patients and help in rehabilitation.

Mamta, an employee CSR group from Hyderabad, was instrumental in organizing a blood stem cell donation camp in association with Matchpia, a voluntary organization. Around 300 Infosis registered for the blood stem cell donor registry during the camp held in May 2007. We have partnered with SEARCH, an NGO, to implement a low-cost, home-based healthcare system in rural Karnataka to address primary neonatal care, and thus reduce infant mortality.

Education

Education has the power to create a more egalitarian society and enhance opportunities. We are committed to funding and supporting the education life cycle, at primary, secondary, and tertiary levels.

At the primary education level, we are the key sponsor of an initiative called Akshaya Patra. The initiative provides unlimited free mid-day meals daily for over 830,000 school children in government schools across India. After the implementation of Akshaya Patra, the student enrolment and attendance have shown improvement and the dropouts have reduced.

At the secondary education level, we have established more than 15,000 libraries in schools across India since 2006. We are also actively involved in constructing and renovating school buildings, conducting

career counseling, and providing scholarships to students. Through our initiative called Catch Them Young (CTY), we encourage school children to pursue a career in the IT industry. CTY allows students to undergo a two-week training in computer languages at our DCs. Since 2005, the program has trained 1,022 students.

At the tertiary education level, we collaborate with academic institutions to strengthen the technical curriculum and students' industry-relevant competencies through our initiatives such as Campus Connect, Project Genesis, Industry Academia Partnership, and InStep. Since 2005, we have partnered with 1,256 colleges in India and in countries like Malaysia, training 4,200 teachers and 60,588 students.

- **Campus Connect**, our largest academic initiative, focuses on preparing industry-ready IT professionals by aligning skills of engineering students with industry needs. Currently, more than 490 engineering colleges, primarily from India and select overseas universities in Malaysia and China, are part of the program. We also share our IT experience with academia through a structured Faculty Enabled Program (FEP). To date, the program has benefited 2,580 faculty members and 26,000 students.
- **Project Genesis** aligns the teaching methodology and course curriculum at graduate schools to the requirements of the Business Process Outsourcing (BPO) industry in India. 22,619 students participated in Project Genesis in the year 2007-08.
- **Infosis Fellowship Program**, instituted at 12 premier academic institutions in India, supports research leading to a Ph.D.
- **Industry Academia Partnership (IAP)** provides summer internships to select final year students. Since its inception, 17 colleges have been covered, and has helped 714 students. A knowledge center in Rajasthan is being set up for this purpose.
- **Reaching Out to Other Countries**, bridges cultures, with select students from Thailand, Panama, China, Malaysia, and Mauritius getting trained in IT at our Mysore campus every year.
- **Computers @ Classrooms**, a program under which computers are donated to schools across India to promote computer literacy.

The details of tertiary educational programs are provided below:

Program	Target audience	2007-08	2006-07	2005-06
Campus Connect	Colleges	160	330*	—
	Students	13,000	13,000*	—
	Teachers	1,891	504	185
Catch Them Young	Students	379	364	279
Industry Academia Partnership <sup>‡</sup>	Colleges	17	—	—
	Students	714	—	—
	Teachers	41	—	—
Project Genesis <sup>‡</sup>	Colleges	389	199	161
	Students	22,619	4,985	5,915
	Teachers	798	394	387
Rural Reach Program	Students	7,857	6,268	5,066
Special Training Program (STP)	Students	450**	93	—

Scope: Infosys Technologies Ltd. <sup>‡</sup> Only for Infosys BPO \* Cumulative from 2004-2007 \*\* Currently undergoing training

## Supporting local communities through education

Our employees are engaged in various philanthropic activities to help local communities address educational and developmental issues. The following table lists the voluntary employee groups and their core activities in the year 2007-08:

Employee group activities in India	Core education activity
Akanksha (Bhubaneswar)	Scholarships
Sneham (Chennai)	Donation of school supplies
Prayaas (Chandigarh)	Student counseling
Perna (Mangalore)	Pratibha Poshak – student scholarships
Sparsh (Pune)	School for the children of construction workers
Sanjeevani (Thiruvananthapuram)	Career counseling
Soften (Mysore)	Teaching children in orphanages
Mamta (Hyderabad)	Field trips for underprivileged children
Employee group activities outside India	Core education activity
Spring (China)	Donation of books
Infy - Australia	Education and life chances for disadvantaged Australians

## Art and culture

It is important to conserve and promote the rich and heterogeneous cultural milieu of art forms. Especially, the indigenous forms of art require support and patronage to revive and sustain them.

A case in point is our attempt to preserve and encourage the art of Karana (an ancient Indian dance form). Through NGOs like Perna and Vidya Poshak, we sponsored over 5,000 students to study and document Karana Viniyoga. We also worked toward revival of the fast-dying art of puppetry in rural Karnataka, India.

Additionally, we provide financial support to artists from different fields – writers, painters, poets and musicians – and help them get a platform for showcasing their work.

In 2007, we honored a number of musicians and artisans with physical disabilities. We sponsored classical music concerts by eminent artists across rural Karnataka, making art accessible for the underprivileged communities. We sponsored free events and donated musical instruments to colleges that promote classical and local forms of music in Karnataka.

## Rural upliftment

Our approach to rural upliftment is two-fold: empowerment of the socially and economically underprivileged communities and infrastructure development to remedy the effects of natural calamities.

Through the Rural Reach Program (RRP), we have educated 19,191 school students since 2005. At the college level, we deploy a Special Training Program (STP) that enables engineering graduates from a disadvantaged socioeconomic background to compete on an equal footing in the job market. Currently, 450 students are being trained under STP.

## Educational activities of Infosys Foundation in India



Science workshops for students and teachers



Book banks



Student well being programs



E-Libraries

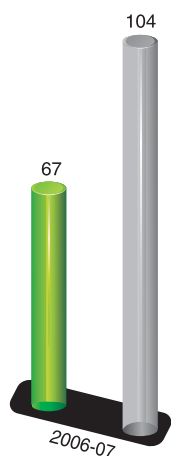
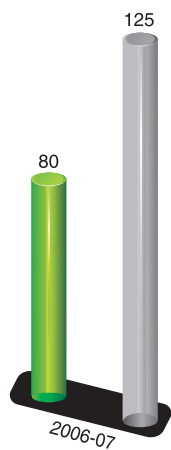
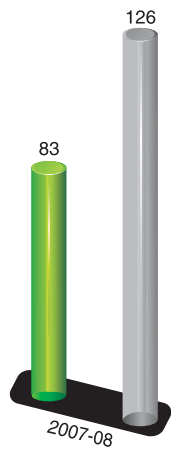


Story book donations



Scholarships

## InStep — Global internship program



- Colleges
- Students

We believe that our involvement and support to marginalized populations is essential in community building and empowerment. We are engaged in providing rehabilitation to the destitute through education and training, education for children from marginalized communities, and training for individuals from rural areas. We partner with NGOs and assist them through providing employment.

During disaster and natural calamities, we help in rehabilitation of the affected communities and offer infrastructural support. We partner with agencies and groups involved in disaster management activities like construction of shelters, bridges, schools and houses.

### Targeted inclusive growth

We believe in providing opportunities for professional and personal development of the disabled. We fund schools that provide support systems to the disabled and mentally challenged. We work with NGOs to set up training centers to equip disabled persons with life skills.

As a knowledge partner of the National Association of Software Companies (NASSCOM), India, we promote gender sensitivity and inclusion in Indian companies.

We reach out to college students through SPARK, a program that aims to instill career aspirations and groom the students as IT professionals. In 2007, more than 1,200 students and teachers from 400 colleges benefited from this program.

In addition to these programs, this year we added 3.72 million square feet of office spaces in Tier II cities across India. This approach has further facilitated local business / employment.

### Extending boundaries

We are committed to supplementing the Indian government's effort in positioning India as the destination for employment, business opportunities and investments in global forums. InStep, our Global Internship Program, attracted 12,000 applicants for 125 positions during the year 2007-08 from premier institutes such as Stanford, Oxford, Cornell, Purdue, Harvard as well as from institutes in Spain, Italy, Denmark, Norway, Chile, Colombia, and Israel.

Over the years, we have partnered with World Economic Forum (WEF) and Confederation of Indian Industry (CII), and have sponsored industry-significant events.

We participate actively in pro bono engagements. Some of our significant associations in this regard are listed below:

- The Reserve Bank of India, to ease exchange control restrictions covering areas such as the issue of dollar-denominated stock options to employees, restrictions on payment of advances for imports, and restrictions on investment in joint ventures and wholly-owned subsidiaries abroad
- Software Technology Parks (STP) of India, in activities such as bringing about changes in bonding procedures and export obligations at the STP units
- The Indian Government, to bring amendments in the income tax laws covering areas like taxability of employee options and venture capital funds and transfer pricing
- Accounting Standards Board committee of the Securities Exchange Board of India (SEBI), to improve accounting and disclosures in India
- The Indian Government, in framing Information Technology policy
- The World Economic Forum's World Electronic Community (WELCOM), a social-networking platform, is an application that was built as a collaborative initiative among Infosys, Microsoft, Adobe, British Telecom, AMD, and Reuters with Infosys as the lead Systems Integration partner
- The ACM-Infosys Foundation Award: Instituted jointly with the Association of Computing Machinery (ACM) recognizes young scientists and system developers whose contemporary innovations have an impact on the computing field
- Mathematics Endowment: We have instituted a US \$250,000 Infosys Mathematics Endowment with the National Institute of Advanced Studies to fund an award for research in mathematics

## Beyond business

The following examples showcase the association of our employees with NGOs and trusts in helping the underprivileged:



*Children of migrant construction workers in classrooms at Infosys Phase II construction site, Pune*

### Providing education for children of migrant workers

Besides adhering to human rights guidelines on construction sites across Infosys development centers, we believe it is important to enable the working community and provide their children with adequate education and care.

Sparsh, the employee CSR team at Pune, India, approached Doorstep School (DSS), an NGO that works toward the education of construction workers' children in India. The Sparsh team partnered with DSS and conducted a survey to identify children who were of school-going age. They obtained age certificates for these children and enrolled them in schools.

They also provided child care for the younger children, while the elder ones went to school. A day care center was set up to look after children between zero to three years. A montessori was set up to provide pre-school education for children between three and six years. The Infosys Pune transport department provided a mini-bus to ferry children to school and back. Subsequently, the team successfully persuaded the builder to take up the responsibility for the program.



*Akanksha members with the under-14 tribal rugby team from Orissa*

### Grooming a winning tribal rugby team

We follow a holistic approach to rural education, and believe that imparting life skills is important to achieve overall personality development.

Akanksha, the employee CSR team at Bhubaneswar, was approached by Kalinga Institute of Social Sciences to help a promising rugby team consisting of members selected from tribal communities. This team was to represent India at the Tour-Aid under 14 Rugby World Championship in the United Kingdom. Not being exposed to any other cultures apart from their own indigenous one, the team had to be introduced to the cultural ethos, communication practices and social etiquette in the United Kingdom. The Akanksha volunteers conducted regular classes for the team to provide adequate exposure and in the process helped them gain self-confidence and poise. This rugby team went on to win the world cup, competing with teams from nine nations.



*Beneficiaries of the Pratibha Poshak initiative of Prerana, the employee CSR group, Mangalore*

### Providing financial support for the needy to pursue education

Millions of underprivileged children in India drop out of school due to lack of economic support.

Prerana, the registered social service trust of employees from Infosys Mangalore, India, partnered with NGOs Vidya Poshak – Dharwad, Dhriti Foundation – Mangalore, Yakshagana Kalaranga – Udupi and Bevinje Sridhar Kakkilaya Prathistana – Kasargod working on providing education for the underprivileged. The result was Pratibha Poshak, an initiative to ensure that students continue their education and do not drop out because of monetary considerations. So far, the initiative has helped in distributing student scholarships worth US \$14,714 to 311 academically brilliant students hailing from extremely low income backgrounds from Mangalore and surrounding regions.





## Environment

**80%** of our employees based in India use public transport and company buses

**5%** reduction in per capita electricity and fresh water consumption in fiscal 2009

**30%** green cover at all our development centers in India

The market-driven economy, while generating unprecedented economic growth, is creating stress on the planet. We are living on ecological credit as there is a significant difference in the rate at which mankind is using the planet's resources, and the rate at which these are being renewed. Dealing with the dangers of global warming, environmental degradation, the loss of biodiversity and the potential for conflict growing out of competition over dwindling natural resources, is the moral, economic and social imperative of our time. These issues transcend borders, requiring concerted and coordinated international action. If we do not act, the true cost of our failure will be borne by succeeding generations, starting with ours.



*Development Center, Bhubaneswar, India*

The environmental impact of our operations is taken seriously and we have set up a dedicated team working toward sustainable infrastructure and environments. All our development centers in India are ISO 14001:2004 and OHSAS 18001:1999 certified.

As our operations are in IT services and consulting, we do not manufacture goods. The goods consumed are only for operations and not for production. There have been no sanctions for non-compliance of environmental regulations at any of our locations in India.

A significant part of our investments (including infrastructure) are driven by our commitment to be a responsible consumer of energy, water and other resources.

### Infosys HSE policy

The Health, Safety and Environmental (HSE) Policy reiterates the company's commitment toward environmental protection, and management of health and safety of employees, contractors and visitors. The policy extends to all our offices globally.

Infosys as a corporate citizen is committed to demonstrate a high standard of environmental protection, sharing best practices and provision for a safe and healthy work place.

To achieve this, we shall work toward:

- Conservation of resources
- Prevention of pollution
- Adherence to all applicable legislations
- Eliminating accidents, occupational illnesses and injuries at work

We will work with various stakeholders toward continual improvement of our environmental, health and safety management system. We shall meet mandated health and safety requirements as a minimum and strive to go beyond regulatory limitations to become a leader in environment, health and safety management.

We have been capturing data on energy and water consumption and CO<sub>2</sub> emissions since 2004. In 2007-08, we refined our processes and methodologies for capturing and calculating metrics and use the global standards mentioned by The Green House Gas Protocol initiative. *For details, refer [www.ghgprotocol.org](http://www.ghgprotocol.org).* Accordingly, financial year 2007-08 is considered as the baseline year and all future goals will be set using the year as the base.

Our environment initiatives under the HSE policy include:

- Increasing awareness on environmental issues among employees and contractors through Ozone, our health, safety and environment initiative
- Setting up a team that will look into designing energy-efficient infrastructure

"We are conscious of the impact a large and global operation has on the environment. We monitor the direct and indirect consequences of our operations and strive for continuous improvement. We believe that being aware is important, but showing positive results is more important. This, to us, is responsible business."

– Srinath Batni

*Director and Head – Delivery Excellence*

**Infosys HSE policy — providing a safe and healthy work place**



Conservation of resources



Prevention of pollution

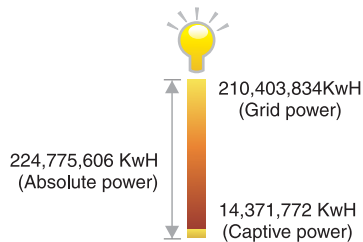


Adherence to all applicable legislations



Eliminating accidents, occupational illnesses and injuries at work

**Electricity consumption**



Per capita	296.51 Kwh per month
Goal for 2008-09	5% reduction in per capita consumption

Financial year: 2007-08  
Scope: Owned and leased facilities of Infosys Technologies Ltd. in India

- Improving data collection and monitoring mechanisms for EHS activities

Our existing environmental initiatives are being streamlined into six focus areas – energy, water, biodiversity, waste management, paper and emissions.

**Energy**

An aggressive plan to improve the performance of buildings across all our campuses is underway. Buildings designed after January 1, 2008 will comply with a minimum of Gold rating as per the Indian Green Building Council – Leadership in Energy and Environmental Design (IGBC LEED) rating system.

We use an integrated design process to ensure that architectural elements and engineering systems work together to maximize energy efficiency. Our energy efficiency measures include:

- Selecting a high performance envelope
- Choosing high energy efficient equipment
- Incorporating building management systems that optimize equipment operations

Apart from electricity, energy is also consumed for generation of steam. The total energy consumed for the year 2007-08 is 14,767 GJ.

Our installed solar water heater capacity until the year 2007-08 stood at 405,700 liters. In the same year, the capacity was increased by 176,000 liters, thus saving about 5.725 million Kwh of electricity from our power system.

**Water**

We pursue an active environmental awareness campaign at all our facilities to ensure optimal and efficient use of water. We are committed to increase the efficiency of water utilization across campuses and use recycled water extensively, for example, landscaping. Fresh water is used only for drinking, office maintenance, dishwashing, and in kitchens.

**Water sources and consumption**

Water is mainly sourced through municipal supplies, bore wells and tankers. The breakup of these sources for the year 2007-08 is listed below:

Water sources	Total (%)	Absolute quantity (m <sup>3</sup> )
Municipal supply	67%	1,658,443
Bore wells (ground water)	10%	256,178
Others	23%	571,731

Scope: Owned and leased facilities of Infosys Technologies Ltd. in India

Our consumption of ground water does not significantly impact water sources. The domestic sewage generated in the campus is treated in our sewage treatment plants. Approximately 1,867,069 m<sup>3</sup> of water, which is 75% of the total fresh water consumption, is recycled. The recycled water is used for landscaping at our campuses. The quality of treated water is monitored through tests as per the State Pollution Control Board norms. The copies of the test reports are also filed with the regional Pollution Control Boards, wherever applicable.

**Water consumption**

The breakup of water consumption for the year 2007-08 is listed below:

Fresh water (m <sup>3</sup> )	2,489,426
Recycled water (m <sup>3</sup> )	1,867,069
Per capita fresh water consumption (m <sup>3</sup> )	3.28 per month
Goal for 2008-09	5% reduction in per capita consumption

Scope: Owned and leased facilities of Infosys Technologies Ltd. in India

**Biodiversity**

All our operational sites are located outside protected land or habitats. Our activities do not threaten any endangered species of flora or fauna.

When developing new facilities, healthy trees are transplanted and new tree species are introduced. We have also focused on preserving endangered native tree species. Besides ornamental trees, we have planted aromatic, aquatic, fruit bearing and medicinal plants. We have over 100,000 trees above the height of 1.5 meters on our campuses.

## Waste management

We are committed to manage waste in a way that does not pose any risk to our workforce, local communities or the environment. Solid waste management is based on the Triple R Principle of Reduce, Reuse and Recycle. To reduce packaging waste, we have partnered with suppliers to increase the use of environment-friendly packaging material. We encourage producer responsibility for waste, ensuring that suppliers collect their packaging material after goods are delivered. Our food courts minimize waste by eliminating the use of plastic, paper and similar disposable items.

We segregate waste at source at all our campuses. Solid waste is disposed as follows:

- Paper and plastic waste is recycled
- Food waste is sent to piggeries
- Hazardous waste, biomedical waste and e-waste are handed over to vendors approved by the Central and State Pollution Control Board in India for safe disposal

During the year 2007-08, there were no significant fuel or chemical spills. There was no significant water discharge from our campuses and hence no adverse impact.

## Paper

Through the Ozone initiative and other employee communication, the need for judicious use of paper is continuously reinforced. We use recycled paper extensively and promote the use of virtual documents, which has helped in paper conservation. For example, the training department has adopted virtual training through e-learning modules and online training systems since 2007.

## Emissions – Carbon dioxide

We are committed to becoming carbon neutral. Our total carbon footprint in the year 2007-08 is 212 KT from our Indian operations comprising:

- Electricity: The bulk of greenhouse gas emissions generated is due to the consumption of electricity supplied from thermal plants. To reduce the footprint, we have adopted a strategy of conserving electricity, improving efficiency of our equipment and buildings.

- Employee commute: Carbon dioxide emissions related to employee commute amounts to 16 KT per annum. Our employees use personal transport, company buses and public transport to commute to work. In order to reduce these emissions, we encourage our employees to use car-pooling and company transport. On an average 80% of our employees based in India, use public transport and company buses.

- Business travel: CO<sub>2</sub> emissions related to employee travel amounts to 36 KT per annum. We encourage our employees to use virtual communication to reduce business travel.

We are also evaluating methodologies to connect the financial implications due to climate change with business risk.

## Emissions / Discharges – Others

We are conscious of emissions and discharges that could potentially arise from our operations.

The quantity of ozone depleting substances released in the year 2007-08 was 2,174 Kg and this comprises of R22 and R123 gases used in existing air conditioning equipment. This amounts to 110.18 Kg CFC11 equivalent.

We are currently developing methodologies to monitor and measure NO<sub>x</sub>, SO<sub>x</sub> and other air emissions. We target to validate the same in the coming fiscal 2009.

## Sustainable infrastructure

Infosys believes that ecosystems and infrastructure development are inter-related. We have a well defined infrastructure strategy to facilitate the following processes:

- Identifying the location to build development centers
- Selecting a suitable builder
- Developing the neighborhood in which we operate

## Hazardous waste disposal in the year 2007-08



Used oil **20,000 ltrs**



E-waste **5.41 MT**



**1,315 Batteries**

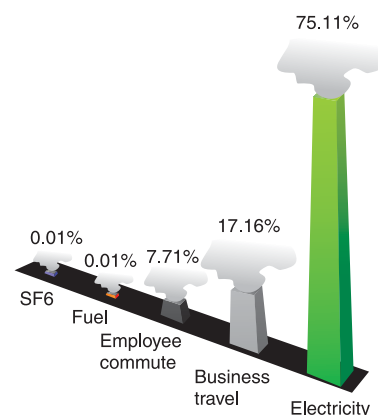


Cotton waste **638 kgs**



DG filters **487 kgs**

## Carbon emissions (%)





## Ozone depleting substances

R22	2,026 Kg - CFC11 equivalent of 101.3 Kg
R123	148 Kg - CFC11 equivalent of 8.88 Kg
<b>Total CFC11 equivalent</b>	<b>110.18 Kg</b>

Financial Year: 2007-08  
 Scope: Owned and leased facilities of Infosys Technologies Ltd. in India

## Sustainable infrastructure



Carbon sinks



Green cover



Regulatory compliance



Water management

The development site is identified based on multiple factors:

- Land requirements –The land to be selected must not be a wetland or land identified by the Government for irrigation.
- Geologically stable - Areas unlikely to experience natural calamities such as floods, drought, lightning, avalanches, earthquakes, tidal waves, tsunamis, or volcanic activity (minimum possibility of natural disaster).
- Infrastructure availability – Connecting roads, proximity to airport / public transport, potable water, electricity, telecommunications, and healthcare facilities.
- Economical and political stability including Government support for our projects.
- Reasonably safe from geopolitical influences, for example, war.
- Employee needs – Safety, accessibility, proximity of habitation for accommodation, food, basic needs and entertainment.

After the land is identified, we conduct an environmental impact assessment exercise to understand the impact of setting up a development center at the location.

While building the infrastructure and development centers, we ensure that the contours of water table is segregated and maintain green cover on 30% of the land. We ensure that provisions for carbon sinks and rain water harvesting are implemented, simulate and adapt means to improve building efficiencies.

We select builders / vendors who are sensitive to green procurement, human rights and are ethical in the work they do. Raw material is sourced from vendors who are available within 500 Km (312 miles) radius. Recycled materials such as recycled sawdust, glass, use of higher percentage of fly ash in the cement are used for construction. We comply with the Indian Government guidelines and policies for infrastructure development.

We follow an internal monitoring methodology with the builders and ensure that they do not use child labor or enforce

work beyond statutory timings. The builders are directed to supply nutrition supplements to laborers and provide potable water.

The local governments of the Tier II and Tier III cities (in India), where we have moved have benefitted from increased revenue (land price and related taxes), and a boost in the local economic activity. At Mysore, a Tier II city in India, we procured land from the local government, and built a development center. This has boosted business and industrial growth in this region and several other industries and services companies have set up their facilities in the same area. The construction activity at this development center has provided employment to about 10,000 local workers.

Infosys facilities and infrastructure growth supports about 23,500 contractual employees. All contractual staff have insurance coverage, and are guided by medical practitioners on various awareness programs like AIDS, smoking, occupational injury and pregnancy related conditions. Contractual employees can avail the annual health camp benefits.

## Green IT

Technology infrastructure has a direct impact on the environment. Our strategy to reduce energy consumption is two-pronged:

- Replacing old hardware with more energy-efficient systems: Globally, we purchase end-user equipment (PCs and laptops) that meet environmental standards
- By reducing energy consumption with the optimal use of equipment

We seek to minimize the impact of disposing used equipment and have partnered with re-processors authorized by the Pollution Control Boards in India. Our technology refresh cycles are planned in such a manner that they are directly associated with tuning system performance and energy efficiency. Globally, we are consolidating systems to reduce the hardware footprint and thus decrease energy consumption due to cooling and power.

## IT infrastructure consolidation

This initiative uses an innovative methodology developed and implemented by Infosys to transform the legacy IT infrastructure to a Green IT infrastructure. The methodology effectively leverages virtualization and blade technology.



*Green cover at the Bangalore development center, India*

The innovative methodology involved the following steps:

### Server consolidation leveraging blade technology:

A concerted plan was made to replace 200+ smaller systems with an equivalent high capacity 'Blade servers' with Quad core CPUs. The plan was executed successfully with just 8 such high-capacity servers. To ensure that the solution is future-proof in terms of technology, products were shortlisted, ensuring that they supported current mature technologies like FC, CIFS, and NFS as well as next-gen technologies IP SAN or iSCSI.

The data repositories from multiple stand-alone servers migrated to high-end servers, which yielded significant AMC cost saving

### Virtualization:

The IT transformation team initiated a pilot to unleash the power of virtualization and realize unprecedented cost savings and manageability benefits while maintaining consistency in performance and delivery.

A key benefit of this initiative is the estimated environmental impact reduction that is equivalent to planting 4,000 trees and removing 244 cars off the road.

The IT infrastructure consolidation initiative won the Best Implementation of the Year 2008 from *PCQuest* (India).




## Summary and goals 2009

Focus area	Objectives	Goals: Financial year 2008-09
Governance, commitments and engagement	Create awareness among employees on sustainability	Define and implement training module to create awareness about sustainability.
Product responsibility	Enhance customer satisfaction levels	Sustain customer satisfaction levels in the annual customer survey.
Environment	To be energy efficient	Monitor energy consumption and identify methodologies to become energy efficient. Reduce per capita energy consumption by 5%
	To be carbon neutral	Design new buildings to be in compliance with IGBC-LEED Gold rating (minimum). Reduce per capita carbon emission by 5%
	To be efficient in water utilization	Reduce per capita water consumption by 5%
	To support biodiversity practices	Plant a tree for every new employee. Develop a comprehensive plan to support biodiversity.
	Human rights	Align suppliers / vendors to our human rights approach
	Educating workforce on human rights	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.
	Enhance diversity and inclusivity awareness among employees	Implement and monitor inclusion survey.
Society	Track impact of community programs	Define and implement metrics for measurement.
	Raise aspirations of students and establish information technology as a dream career	Cover 10,000 students from high school, engineering and non-engineering colleges.

# GRI index and UN Global Compact principles

This report, with additional information on our Annual report 2007-08 and our website [www.infosys.com](http://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

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

## Legend

AR: Annual Report 2007-08	SR: Sustainability Report 2007-08	UNGC: UN Global Compact Principles
---------------------------	-----------------------------------	------------------------------------

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

1.	Strategy and analysis	Section	Page	UNGC
1.1	Statement from the most senior decision maker	SR	4	
1.2	Key impacts, risks and opportunities	AR	14	
2.	Organizational profile	Section	Page	UNGC
2.1	Name of the organization	SR	3	
2.2	Brands, products and/or services	SR	15	
2.3	Operational structure	AR SR	13 8	
2.4	Headquarter location	<a href="http://www.infosys.com/contact/apac.asp#India">www.infosys.com/contact/apac.asp#India</a>		
2.5	Countries in operation	<a href="http://www.infosys.com/contact/default.asp">www.infosys.com/contact/default.asp</a>		
2.6	Nature of ownership	AR	122	
2.7	Markets served	AR	130	
2.8	Scale of the organization	AR	130	
2.9	Significant changes regarding size, structure, or ownership	AR	122	
2.10	Awards received	AR	24	
3.	Report parameters	Section	Page	UNGC
3.1	Reporting period	SR	7	
3.2	Date of most recent previous report	First report		
3.3	Reporting cycle	SR	7	
3.4	Contact point for questions	SR	44	
3.5	Process for defining report content	SR	7	
3.6	Boundary of the report	SR	8	
3.7	Limitations on the scope or boundary of the report	SR	8	
3.8	Joint ventures, subsidiaries, and outsourced operations	AR	22	
3.9	Data measurement techniques	SR	33	
3.10	Effects of re-statement of information provided in earlier reports	First report		
3.11	Significant changes in the scope, boundary, or measurement methods	First report		
3.12	GRI content index	SR	39	
3.13	External assurance	SR	41	

4.	Governance, commitments and engagements	Section	Page	UNGC
4.1	Governance structure	AR	107	
4.2	Indication whether chairperson is also executive officer	AR	107	
4.3	Independent members at the board	AR	107	
4.4	Mechanisms for shareholders and employees to provide recommendations to the board	AR	118	
4.5	Linkage between executive compensation and organization's performance	AR	115	
4.6	Processes to avoid conflicts of interest at the board	AR	120, 109	
4.7	Expertise of board members on sustainability topics	AR	109	
4.8	Statements of mission, codes of conduct, and principles	AR SR	4 3	
4.9	Procedures for board governance on management of sustainability performance	AR SR	115 8	
4.10	Processes for evaluation of the board's sustainability performance	AR SR	115 8	
4.11	Precautionary approach	SR	6	⑦
4.12	External charters, principles, or other initiatives	SR	9	
4.13	Memberships in associations	SR	9	
4.14	Stakeholder groups	SR	8	
4.15	Stakeholder identification and selection	SR	8	
4.16	Approaches to stakeholder engagement	SR	9	
4.17	Key topics and concerns raised through stakeholder engagement	SR	7	

Economic indicators	Section	Page	UNGC
Disclosures on Management Approach	AR	5, 61, 127, 130, 151	
	SR	36	
EC1 Direct economic value generated and distributed	AR	88	
	SR	12	
EC2 Financial implications due to climate change	SR	13	⑦
EC3 Coverage of the organization's defined benefit plan	AR	74	
EC4 Financial government assistance	AR	131	
EC5 Entry level wage compared to local minimum wage	SR	21	
EC6 Locally-based suppliers	AR	82, 101	
	SR	36	
EC7 Local hiring	SR	21	⑥
EC8 Infrastructure investment and services for public benefit	SR	30	
EC9 Indirect economic impacts	SR	36	
Environment	Section	Page	UNGC
Disclosures on Management Approach	SR	33-36	
EN1 Volume of materials used	SR	35	⑧
EN2 Recycled materials	SR	35	⑧⑨
EN3 Direct primary energy consumption	SR	34	⑧⑨
EN4 Indirect primary energy consumption	SR	34	⑧⑨
EN5 Energy conservation	SR	33, 34	⑧⑨
EN6 Initiatives for energy-efficiency and renewable energy	SR	33, 34	⑧⑨
EN7 Initiatives for reducing indirect energy consumption	SR	33, 34	⑧⑨
EN8 Total water withdrawal	SR	34	⑧
EN9 Effect of water withdrawal	SR	34	⑧
EN10 Water recycled and reused	SR	34	⑧⑨
EN11* Land assets in or adjacent to protected areas	SR	34	
EN12* Impacts on biodiversity	SR	34	
EN13* Habitats protected or restored	SR	34	⑧
EN14* Strategies for biodiversity	SR	34	⑨
EN15* Endangered species	SR	34	
EN16 Greenhouse gas emissions	SR	35	⑧
EN17 Other greenhouse gas emissions	SR	35	⑧
EN18 Initiatives to reduce greenhouse gas emissions	SR	35	⑦⑧⑨
EN19 Emissions of ozone-depleting substances	SR	35	⑧
EN20 NO <sub>x</sub> , SO <sub>x</sub> , and other air emissions	SR	35	⑧
EN21 Water discharge	SR	34	⑧
EN22 Waste by type and disposal method	SR	35	⑧
EN23 Significant spills	SR	35	
EN24* Waste deemed hazardous under the terms of the Basel Convention	Not applicable		
EN25* Impacts of discharges and runoff on biodiversity	SR	34	
EN26 Initiatives to mitigate environmental impacts	SR	33, 34	⑧⑨
EN27* Packaging materials	SR	35	⑧⑨
EN28 Sanctions for noncompliance with environmental regulations	SR	33	
EN29 Environmental impacts of transport	SR	35	
EN30 Environmental protection expenditures	SR	33	⑧
Society	Section	Page	UNGC
Disclosures on Management Approach	SR	9, 13, 24, 27	
S01 Impact on communities	SR	27	
S02 Corruption risks	SR	24	⑩
S03 Anti-corruption training	SR	24	⑩
S04 Actions taken in response to incidents of corruption.	SR	24	⑩

Society	Section	Page	UNGC
S05 Public policy positions and participation in public policy development	SR	9	
S06* Donations to political parties and politicians	Not applicable		
S07 Legal actions for anticompetitive behavior	SR	13	
S08 Sanctions for noncompliance with laws and regulations	SR	13	
Labor practices and decent work	Section	Page	UNGC
Disclosures on Management Approach	SR	5, 7, 21-24, 36	
LA1 Workforce by employment type	SR	21	
LA2 Employee turnover	AR	132, 136	⑥
LA3 Benefits to full-time employees	AR	74	
LA4* Employees with collective bargaining agreements	SR	7	
LA5 Minimum notice period(s) regarding operational changes	SR	21	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	SR	7	
LA10 Training per employee	SR	23	
LA11 Programs for lifelong learning	SR	22, 23	
LA12 Regular performance and career development reviews	SR	22	
LA13 Composition of governance bodies	SR	22	⑥
LA14 Gender pay disparity	SR	21	⑥
Human rights	Section	Page	UNGC
Disclosures on Management Approach	SR	5, 7, 21, 22, 24, 36, 38	
HR1 Investment agreements	SR	35, 36	① to ⑥
HR2 Supplier screening on human rights	SR	36	① to ⑥
HR3 Training on human rights	SR	38	① to ⑥
HR4 Incidents of discrimination	SR	22	①⑥
HR5* Freedom of association and collective bargaining	SR	7	
HR6 Child labor	SR	24, 36	①②⑤
HR7 Forced labor	SR	24, 36	①②④
HR8 Training for security personnel	SR	38	①②
HR9* Violations of rights of indigenous people	SR	7	
Product responsibility	Section	Page	UNGC
Disclosures on Management Approach	SR	7, 13	
PR1* Health and safety impacts along product life cycle	SR	7	
PR2* Non-compliance with health and safety standards	SR	7	
PR3* Product information	SR	7	
PR4* Non-compliance with product information standards	SR	7	
PR5 Customer satisfaction	SR	18	
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 noncompliance with product and service related regulations	SR	13	

\* These indicators are of no or low significance to our business. Refer Page 7 of this report for details.



# 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 2007-08 ('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. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based upon this assurance statement.

## 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, 2006 and confirmation of the Application Level;
- Reporting boundary as set out in the Report;
- Visits to the Infosys head-office in Bangalore and two development centers in India.

The verification was carried out between April and July 2008.

## Independence

DNV did not provide any services to Infosys during 2007-08 that could conflict with the independence of our work. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

## Verification Methodology

Our assurance engagement was planned and carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting, which is based both on the GRI Guidelines and the AA1000 Assurance Standard. DNV took a risk-based approach throughout the assurance engagement, concentrating on the issues that we believe are most material for both Infosys and its stakeholders.

As part of the verification we have:

- Challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Examined and reviewed documents, data and other information made available to DNV by Infosys;
- Visited the head-office and two development centers located in Bangalore and Chennai;
- Conducted interviews with 42 representatives (including data owners and decision-makers from different divisions and functions) of Infosys;
- Performed sample-based audits of the mechanisms for implementing the Company's own sustainability-related policies, as described in the Report;
- Performed sample-based review of processes 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 Company's 2007-08 certified consolidated balance sheet.

## Conclusions

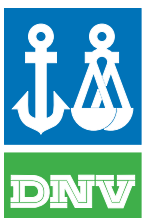
In DNV's opinion, the Infosys Sustainability Report 2007-08 provides a fair representation of the Company's policies, strategies, management systems, initiatives and projects. The Report meets the general content and quality requirements of the GRI Sustainability Reporting Guidelines, 2006, and DNV confirms that the GRI requirements for Application Level 'A+' have been met.

- **Materiality:** Infosys has demonstrated a formal approach to assessing material aspects and indicators for reporting. DNV recommends that Infosys identifies more indicators, other than GRI indicators, representing material issues for the Information Technology (IT) sector, and that they are incorporated in the future sustainability strategy.
- **Completeness:** 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.
- **Accuracy:** DNV has not found material inaccuracies in the data verified or instances where data is presented in a way which significantly affects the comparability of data.
- **Neutrality:** DNV considers that the information contained in the Report is balanced. The emphasis on various topics in the Report is proportionate to their relative materiality.
- **Comparability:** DNV recognises that this is the first Sustainability Report published by Infosys, and we commend the Company for its commitment to reporting accurate and comparable data. The Report clearly states that for many indicators, especially the Environment Health and Safety (EHS) indicators, the reported information will be the baseline.
- **Responsiveness:** Infosys demonstrates an active commitment to dialogue on sustainability issues with stakeholders. The expectations expressed by stakeholders through different engagement channels have generally been addressed in the Report.

## 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.

- An internal verification mechanism should be developed to further improve the reliability of data as well as help improve internal communication on sustainability reporting.
- Systems and processes should be strengthened to better facilitate reporting on global operations.
- The materiality assessment approach should be further developed and refined to identify appropriate indicators for all material issues identified.



**Santhosh Jayaram**

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

Det Norske Veritas  
 Chennai, India  
 25 July 2008

**Dr. Helena Barton**

Service Area Responsible: CR Report Verification  
 Det Norske Veritas AS

## List of abbreviations

Abbreviation	Details
AcE	Academic Entente
ACM	Association of Computing Machinery
ADM	Application Development and Maintenance
AIDS	Acquired Immuno Deficiency Syndrome
AMC	Annual Maintenance Contract
ASHI	Anti Sexual Harassment Initiative
BPO	Business Process Outsourcing
BriTe	Business Results Impact at Infosys
CFA	Chartered Financial Analyst
CFC	Chloro Fluoro Carbons
CIFS	Common Internet File System
CII	Confederation of Indian Industry
CMM	Capability Maturity Model
CMMi	Capability Maturity Model Integration
CO <sub>2</sub>	Carbon Dioxide
CSR	Corporate Social Responsibility
CTY	Catch them Young
DC	Development Center
DG	Diesel Generator
E&R	Education and Research
EPS	Earnings Per Share
ETPS	Effective Transaction Per Hour
EVA	Economic Value Added
GAAP	Generally Accepted Accounting Principles
GDM	Global Delivery Model
GHG Protocol	Greenhouse Gas Protocol
GJ	Giga Joules
GRI	Global Reporting Initiative
HEAR	Hearing Employees And Resolving
HIV	Human Immunodeficiency Virus
HSE	Health, Safety and Environmental policy
ICT	Information and Communication Technology
IGBC LEED	Indian Green Building Council – Leadership in Energy and Environmental Design
ILI	Infosys Leadership Institute
IP	Intellectual Property

Abbreviation	Details
IRM	Infosys Risk Management
iSCSI	Internet Small Computer System Interface
ISEC	Infosys Sustainability Executive Council
iSOP	Infosys Scaling Outstanding Performance
IT	Information Technology
KM	Knowledge Management
Km	Kilo meter
KwH	Kilo Watt Hour
LTM	Last Twelve Months
m <sup>3</sup>	Cubic meter
MAKE	Most-Admired Knowledge Enterprise
MBA	Master of Business Administration
MBQNA	Malcolm Baldrige National Quality Award
MCA	Master of Computer Applications
NASDAQ	National Association of Securities Dealers Automated Quotation System
NASSCOM	National Association of Software Companies
NFS	Network File System
NGO	Non Governmental Organization
NOx	Nitrogen Oxide gas emissions
PBIT	Profit before Interest and Tax
PBT	Profit Before Tax
PMCoE	Project Management Center of Excellence
PSPD	Predictability, Sustainability, Profitability, and De-risking
R&D	Research and Development
ROCE	Return on Capital Employed
RSI	Risk Self Identification
SEBI	Securities Exchange Board of India
SMS	Short Message Services
SOx	Sulphur oxide gas emissions
STP	Software Technology Parks
TIE	The Indus Entrepreneurs
UNGC	UN Global Compact
USPTO	United States Patent and Trademark Office
W3C	World Wide Web Consortium
WEF	World Economic Forum
WELCOM	World Electronic Community

## Glossary

Term	Details
Academic Entente (AcE)	An Infosys program that fosters academic relationships worldwide and build multi-cultural talent.
BriTe	An innovative methodology that uniquely blends IT-specific Six Sigma approach with statistical predictive modeling and Lean principles to address diverse business critical parameters. We have a trademark for this improvement methodology.
Campus Connect	An academic program for the faculty and students from engineering colleges in India. It enables students to be industry-ready.
Carbon footprint	A measure of the impact of human activities on environment in terms of greenhouse gas produced, measured in units of CO <sub>2</sub> .
Carbon sink	Natural sinks that store CO <sub>2</sub> from the atmosphere.
CFC11	Used as refrigerants in large commercial chillers and as a blowing agent for foams and packaging material.
GHG Protocol	A widely used international accounting standard for government and businesses to understand, quantify and manage greenhouse gas emissions. <i>For details, refer <a href="http://www.ghgprotocol.org">www.ghgprotocol.org</a></i>
GRI	A multi-stakeholder, international body whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. <i>For details, refer <a href="http://www.gri.com">www.gri.com</a></i>
HALE	An Infosys initiative to improve organizational productivity through employee health and well-being.
Infosys Foundation	Promoted by Infosys Technologies Limited, the Foundation works toward creating a more equitable society. Its core activities are in the areas of healthcare, education, social rehabilitation and the arts.
INFY	Ticker symbol of Infosys Technologies Limited as listed on NASDAQ
InfyTV	Infosys' intranet-based TV channel, leveraged for deploying internal communication, knowledge, engagements and branding.
Ozone	An Infosys HSE initiative that works toward conservation of resources, prevention of pollution, adherence to applicable legislations, and eliminating accidents, occupational illnesses and injuries at work.
Project Genesis	An Infosys program that aims to enhance the skills of graduate students in B and C towns of India and improve their employability in the IT-enabled Services (ITeS) through rigorous training, support and guidance.
R22 / R123 gas emissions	Ozone-depleting refrigerants belonging to the CFC family.
SF6	Sulphur hexafluoride typically used as an insulator in electrical circuit breakers.
UN Global Compact	A framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in human rights, labor, environment and anti-corruption. <i>For details, refer <a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a></i>

# Contacts

<b>For queries on Sustainability Report</b>	
<b>Geetha Kannan</b> <i>Vice-President and Head – Sustainability Council</i> Tel.: +91 80 2852 0261 Extn.: 67912 Fax: +91 80 2852 0754 E-mail: <a href="mailto:geethak@infosys.com">geethak@infosys.com</a>	
<b>For queries on financial statements</b>	<b>For queries on shares / dividend / compliance</b>
<b>V. Balakrishnan</b> <i>Chief Financial Officer</i> Tel.: +91 80 2852 0440 Fax: +91 80 2852 0754 E-mail: <a href="mailto:balakv@infosys.com">balakv@infosys.com</a>	<b>K. Parvatheesam</b> <i>Company Secretary and Compliance Officer</i> Tel.: +91 80 2852 0261 Extn.: 67750 Fax: +91 80 2852 0754 E-mail: <a href="mailto:parvatheesam_k@infosys.com">parvatheesam_k@infosys.com</a>
<b>For queries on investor correspondence in India</b>	<b>For queries on investor correspondence in the United States</b>
<b>Shekar Narayanan</b> <i>Senior Manager – Investor Relations</i> Tel.: +91 80 2852 0261 Extn.: 67744 Fax: +91 80 2852 0754 E-mail: <a href="mailto:shekarn@infosys.com">shekarn@infosys.com</a>	<b>Sandeep Mahindroo</b> <i>Senior Manager – Investor Relations</i> Tel.: +1 510 739 3407 Fax: +1 510 742 3090 E-mail: <a href="mailto:sandeep_mahindroo@infosys.com">sandeep_mahindroo@infosys.com</a>

We welcome your suggestions and feedback at [sustainability@infosys.com](mailto:sustainability@infosys.com)

This report contains forward-looking statements characterized by the use of words and phrases such as “anticipate”, “project”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “forecast”, “estimate”, “target” and other similar expressions. Our business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Such statements are not to be understood as in any way guaranteeing that the expectations would turn out to be accurate. Readers are also cautioned that the risks outlined in the report are not exhaustive and are for information purposes only. Readers are requested to exercise their own judgment in assessing the risks associated with the Company, and refer to the discussions on risks in Infosys’ Annual Report available on [www.infosys.com](http://www.infosys.com) and the filings with the U.S. Securities and Exchange Commission. Infosys neither plans nor undertakes to update any forward-looking statements in the report.

© 2008 Infosys Technologies Limited, Bangalore, India. Infosys acknowledges the proprietary rights in the trademarks and product names of other companies mentioned in the Sustainability Report.

