

SUSTAINABLE REPORTING FOR A RESILIENT, RESPONSIBLE AND RELIABLE FUTURE: CASE OF INFOSYS

Dr. Bindu Achamma Koshy*

Associate Professor Jain (Deemed to be university) Email id: binduakoshy@gmail.com

Muthulakshmi R

Research Scholar CUSAT Faculty Associate Amrita School of arts and science Kochi
Email id: smuthulakshmiraman@gmail.com

Rameena K A

Assistant Professor Research and PG Department of Commerce MES Keveeyam College
Valanchery, Malappuram Email id: rameena09@gmail.com

Sinija A S

Assistant professor Research and PG Department of Commerce MES Keveeyam College,
Valanchery Email id: Sinijashihas@gmail.com

***Corresponding Author:** - Dr. Bindu Achamma Koshy

Abstract

The most severe risks on a global scale over the next 10 years include climate action failure, extreme weather, biodiversity loss, human environmental damage, natural resource crises (Environmental) and social cohesion erosion, livelihood crises, infectious diseases (Societal) (The Global Risks Report -17th addition, 2022). Businesses today as well as the society as a whole cannot overlook these risks as they have an impact on sustainability. Sustainability reporting has become popular, particularly in the last decade, emerging as a result of the evolution of environmental and corporate social responsibility reports (Kuzey & Uyar, 2017) when global sustainability standard setters such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC or), Climate Development Project (CDP), etc. developed structured frameworks, topics and metrics to help companies report material sustainability information to their stakeholders (Partners, 2022). This paper aims to study ESG initiatives and effectiveness resulting responsible actions by all social factors through an assessment based on national ranking system for ESG disclosures and sustainability in Indian context. Infosys has been chosen to study as it has been aligning its initiatives with regulations on ESG and such investments made by the company attracts socially conscious investors and create value within their portfolio. On comparing Infosys performance with top ten companies highlights that Infosys has to go a long way in terms of social performance. ESG structures will serve Infosys as a potential benchmark to the Indian corporate sector and emerging world towards spreading awareness and achievement of sustainable development goals.

Keywords: ESG, SDGs, Sustainability JEL Classification E

1. Introduction

The most severe risks on a global scale over the next 10 years include climate action failure, extreme weather, biodiversity loss, human environmental damage, natural resource crises (Environmental) and social cohesion erosion, livelihood crises, infectious diseases (Societal) (The Global Risks Report -17th addition, 2022). Businesses today as well as the society as a whole cannot overlook these risks as they have an impact on sustainability. The concept of Business sustainability has become popular since the evolution of stakeholder theory (Freeman, 1983). This is based on the definition of “Sustainable Development” by World Commission of Environment and Development (World Commission on Environment and Development Centre for Our Common Future Burndtland report,, 1987) which led to the concept of Corporate Social Responsibility (CSR). CSR aims at providing solutions towards guaranteeing equilibrium between economic and social performance for more than four decades offering vital implications for policy makers, business practitioners, academic scholars and community at large (Brooks & Oikonomou, 2018). But the global risks like climate change, global warming and environmental degradation urged for concerted thought and action on the minimisation of the detrimental effects on environment caused by reckless use of natural resources (Pivo, 2008). (Pavelin, 2006) states that corporate disclosures are made with the purpose of morphing the minds of stakeholders for exacerbating the possible profitability of the firm rather than putting in honest efforts to minimise environmental or social damage. Hence attention has been placed onto extending the base of CSR to incorporate environmental, social and governance (ESG) dimensions separately alongside the investment decision process as per definition of Modern Index Strategy Indexes (MSCI) (Singhania & Saini, 2022). The diverse set of stakeholders (e.g., employees, customers, suppliers, creditors, advocate groups, public authorities) pursuing different economic, environmental, and social interests expected greater corporate transparency and better information disclosures from businesses (Joshi & Hyderabad, 2018). The businesses have been called by these stakeholders to pay back to the society in which they operate. (Hahn & Michael Kühnen, 2013). The policymakers and the communities are pushing corporations to comply with sustainable business rules and regulations because of its ever-growing importance. (Nayak & Kayarkatte, 2020).

Sustainability reporting has become popular, particularly in the last decade, emerging as a result of the evolution of environmental and corporate social responsibility reports (Kuzey & Uyar, 2017) when global sustainability standard setters such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC or), Climate Development Project (CDP), etc. developed structured frameworks, topics and metrics to help companies report material sustainability information to their stakeholders (Partners, 2022). Sustainability reporting is a kind of value reporting for communicating the economic, social, environmental performance to its stakeholders and it provides reasonable information regarding the organisation's performance towards sustainability, both positive and

negative aspects (Garg, Impact of sustainability reporting on firm performance of companies in India., 2015). It helps in improving transparency, organization legitimacy, build brand value, mitigate information asymmetry and meets the expectations of all the stakeholders (Kumar K. , 2022). Such reporting helps in developing a healthy relationship with stakeholders, which is very crucial for long-term survival and success (Cortez & Cudia, 2011) (Maji, 2015). With increasing expectations on sustainability, it makes good business sense to focus on high quality sustainability reporting rooted in consistent, comparable and trusted sustainability information (PWC, 2022). Today, more than 95% of the world's largest 250 companies publish standalone sustainability reports. The companies report sustainability to enhance stakeholder confidence (Garg, 2015). (Hahn & Michael Kühnen, 2013) stressed that sustainability reporting helps the companies to legitimize the environmental and social impacts of their products and services. Financial viability of a company is usually determined by considering environmental, social, and governance (ESG) considerations (Kumar, Baag, & V, 2021).

2. Research Methodology

The study is based on a case study methodology and a system approach to examine the ESG framework at Infosys to find out the effectiveness of Indian companies towards sustainability. Past 15 years integrated reports and corporate sustainability reports of Infosys were analysed along with supplementary articles. A systems approach involves formal consideration of select parameters with the objective to measure the whole systems' performance along the environment or fixed constraints, system wide components, inputs to the system and its management, objectives, means and measures of performance, or the organization of various components (and their interactions). (Saini, 2022). This study also intends to find out how Infosys reports its disclosures as per the guidelines laid down by institutions and whether ESG efforts of Infosys results in contributing towards the community at large in a positive manner or not. A system approach analysis is also carried out to know the companies engagement and commitment to ESG. System Inputs, Outputs, Environment, Design Parameters Components, and Criteria for Evaluation is described and identified. Appropriate Item descriptions and Constraints identified in the System identified will be filled.

3. Objectives:

1. To analyse the evolution of ESG disclosure practises in Indian companies.
2. To examine the effectiveness of ESG disclosures and sustainability of Infosys.

4. Review of Literature

Sustainability reporting across different economies

Many studies were conducted on the sustainability and sustainable activities of the business over the past years. Though there were general guidelines for social and environmental reporting, most of the times it was just limited to tick-in-the-box activity as there were no specific guidelines issued regarding the information under sustainable reporting (Frost, G. Loftus, & Van Der Laan,

2005). The formats of reports were diverse, with no uniformity or comparability (Kuzey & Uyar, 2017). Hence a common reporting framework which is in line with accounting standards as well as the sustainability issues which could inform the stakeholders on sustainability were required. According to the GRI, a leading global non-profit organization, sustainability includes an organization's economic, social, and environmental impacts and its initiative to better inform the stakeholders on sustainability matters (Jain & Winner, 2016). Many Research studies indicate that Global Reporting Initiative (GRI) is now the most commonly used framework among companies in many countries (Lujie Chen, 2015) (Giovanna Michelin, 2015). GRI have been taken as the indicators of sustainable reporting to showcase the activities undertaken by the companies for different stakeholders (Frost G. J., 2005). GRI provides for a reporting framework for the companies to ensure significant disclosure of information for the purpose of SR (Goel, Rising standards of sustainability reporting in India - A study of impact of reforms in disclosure norms on corporate performance, 2021). The study of (Kuzey & Uyar, 2017) revealed a growing awareness of Global Reporting Initiative -based sustainability reporting among the investigated corporations, and an improving trend in report quality (Hawaja & Buallay, 2022) observed that there are differences in the impact of sustainability reporting (ESG) on firm's operational performance (ROA), financial performance (ROE) and market performance (TQ) between the seven sectors studied. (Oleiwia, Mohsin, & Yaqoob, 2020) Indicated that all sectors operating on the Iraq Stock Exchange in all sectors suffer from variation and weakness in reporting on sustainable accounting, which indicates its weak contribution to achieving sustainable development. (Geerts & Stas, 2021) investigates, on a global scale, the dynamics of organizational characteristics and contextual factors (institutional environment) that would positively/negatively influence the practice of sustainability reporting by port managing bodies. (Hasan, Hussainey, & Aly, 2022) found that firms with more gender-diverse boards, larger audit committees and higher institutional ownership are more likely to issue sustainability reports. (Orazalin & Mahmood, 2019) reported that determinants such as stand-alone reporting, reporting language, firm profitability, firm size and auditor type substantially influence the extent, nature and quality of sustainability-reporting practices of Kazakhstani companies.

It can be concluded from review of literature that a mixed response has been observed on the impact of sustainable reporting on financial performance. Most of the studies were conducted in developed economies. (Partners, 2022) in their analysis of the Nifty 500 companies observed that only 23 per cent of the companies (40 of 172) reported conducting a proper stakeholder engagement exercise to identify the material sustainability topics that need to be disclosed. More than 90 per cent (157 of 172) of the reporting companies have aligned their sustainability disclosure with internationally accepted standards, as per the analysis. The findings suggest that only one-quarter (125) of the Nifty 500 companies have linked their enterprise mission to sustainability themes, and less than 20 per cent (98 of 500) were committed to time-bound, sustainability-linked goals. Only 4 per cent of firms (22 of 500) disclosed if sustainability-related criteria are incorporated into the board's evaluation process, and only three companies disclosed

specific details of how sustainability indicators are linked to management remuneration. It also revealed that despite the absence of a formal sustainability report, there is some pertinent disclosures-related to environmental and natural capital dimensions. Almost 57 per cent (283 of 500) of the companies disclosed some information on greenhouse gas emissions, 58 per cent (288 of 500) on water consumption, and 63 per cent (313 of 500) on bio-diversity. Almost 75 per cent of companies (373 and 374 respectively out of 500) disclosed information on waste management practices and energy-efficient operations. However, most such disclosures are not grounded in quantifiable metrics, the analysis showed.

5. Sustainability reporting in India

The reporting scenario in India has been showing positive signs with recent reforms initiated by government of India. Globally economic considerations, innovation, employee motivation and cost savings are some of key business drivers for companies to adopt sustainability; in India it has been observed that strengthening reputation and brand and ethical considerations prompt companies to embrace this concept (Kumar & Devi, 2015) But many organisations do not prioritize SR in India due to lack of time and skill for gathering and reporting the indicators (Kumar & Devi, 2015). (Aggarwal. & Singh., 2019) observed that there is no conclusive relationship between SR and profitability. (Jain & Winner, 2016) found that overall, the CSR/Sustainable climate in India is showing signs of positive reform. (Laskar, 2019) examined the relationship between corporate sustainability reporting and firms profitability of Indian and South Korean companies and observed that the relative impact of sustainability reporting is found to be significantly more in South Korea as compared with India. (Kumar K. , Emerging phenomenon of corporate sustainability reporting:Evidence from top 100 NSE listed companies in India, 2022) reported that there is no significant difference in sustainability reporting practices of government-owned corporations and private companies. (Prakash, 2019) opined that banks in India are much slower in adopting sustainability reporting practices and the environmental consideration indicators are relatively unaddressed by most of the banks in India. (Kumar, Kumari, & Kumar, Factors influencing corporate sustainability disclosure practices: empirical evidence from Indian National Stock Exchange, 2021)evaluated the nature and extent of sustainability disclosure practices of publicly listed companies in India and found that environmental reporting, social reporting and governance disclosure has increased and that the government owned companies have better sustainability reporting than private sector companies in India. (Kumar, Kumari, & Kumar, Factors influencing corporate sustainability disclosure practices: empirical evidence from Indian National Stock Exchange, 2021)suggested that variables, such as firm size, market capitalization, and a standalone sustainability reporting, are positively associated with the sustainability information disclosure of companies. The study of (Kumari, Makhija, Sharma, & Behl, 2022) reported that specialized sustainability committees and frequent board meetings develop a dedicated culture of environmental sensitivity across the firms and accelerate critical decision-making processes and dissemination of information to various stakeholders. (Saha & Roy, 2015) conducted a case study on TCS and Wipro and observed that Wipro is

underperforming TCS in terms of sustainable performance and reporting sustainability issues. (Chouhan, Sharma, & Goswami, 2021) analysed the current sustainability of Accounting Practices in Indian Cement Companies and found that there is a critical difference in the reporting of financial and non-financial sustainability factors by Indian cement companies. (Saini, 2022) observed that Reliance Industry has to go a long way in terms of environmental performance when compared to top ten companies. (Goel, Rising standards of sustainability reporting in India - A study of impact of reforms in disclosure norms on corporate performance, 2021) suggested that Sustainability reporting is a significant predictor of financial parameters of return on sales, return on equity and Tobin's Q in pre-reform period, but in the post-reform period, no significant impact was found on financial performance. (Delmas, 2015) (Saini, 2022) reported that even though the companies maintain their ESG performance, they may still add substantial pollution to environment. (Saini, 2022) suggested that it is imperative to analyse the motivation behind a company's ESG investments in environmental, social and governance factors.

CRISIL's Environmental, social, and governance (ESG) risk assessment of 586 Indian companies across 53 sectors revealed only one-fifth of the companies have published their sustainability report ;Of the 53 sectors covered, service companies including IT, lending, and auto OEMs are the leaders in terms of ESG disclosures, whereas chemicals, mining, construction EPC, and transport infrastructure are not good with disclosures (Singhal, 2022). The survey among 163 executives in India (Deloitte, Deloitte 2022 CxO Sustainability Report-The disconnect between ambition and impact | India, 2022) states that Indian companies are feeling more pressure to act on climate from regulators/government and board members/management than the global average; Indian organizations are 5% more likely to have undertaken the development of new climate-friendly products or services and 4% more likely to have incorporated climate considerations into lobbying/political donations compared to the global average; while Indian CxOs listed brand recognition and reputation, customer satisfaction, addressing climate change as the top three benefits of their adaptations towards sustainability efforts and the bottom three benefits were asset values, employee recruitment and retention, and revenue from new businesses. (Partners, 2022) in their analysis of the top Nifty 500 companies observed that only less than 35% (172) follow a structured approach to report sustainability-related information, backed by coherent data and narratives and more than 90% of the reporting companies (157 of 172) align their sustainability disclosure with internationally accepted standards such as Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC) framework, Task Force on Climate Related Financial Disclosures (TCFD) or others. While differences exist by industry, the top five topics that companies identify as material are Health and Safety, Climate Change, Waste Management, Supply Chain and Human Rights.

This study aims to focus on the concept of environmental process and outcome approach to examine the ESG framework at Infosys. Process includes firms' initiative to address sustainability

issues, whereas the outcome captures the firms' impact on economic and natural environment (Misani & Stefano Pogutz, 2015).

6. Theoretical background of sustainability reporting practices in India:

Over the last two decades India has witnessed a tremendous change in the corporate sustainability and reporting of sustainable practices. Post Covid, the Indian entities are equipped to chart an economic growth path that could be both sustainable and resilient. Disclosure of environmental and social performance has become an integral part of the company's overall business strategy (Ghosh, 2017). Dwarakanath Former Non-Executive Chairman, GSK Consumer Healthcare India quotes that India's journey towards a US\$10 trillion economy goal will fructify when businesses can solve pressing challenges such as financial inclusion, climate change, waste management, water scarcity among others, while also generating financial returns for themselves (Partners, 2022). Disclosure requirements have leapfrogged globally in the last decade, holding companies accountable for their identification of Environment, Social and Governance (ESG) responsibilities and their transparent incorporation in annual disclosures (Deloitte, 2021).

The Six foundational elements of sustainability reporting are given in figure 1

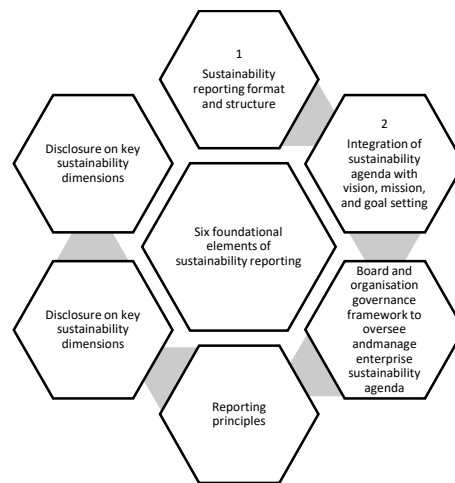


Figure 1 - Six foundational elements of sustainability reporting

UNGC of 2001 paved the way for sustainability reporting in India, when few top Indian corporations started publishing their sustainability reports. The United Nations 2030 agenda calls for a concerted effort from all countries and stakeholders to implement 17 sustainable development goals (SDGs) and 169 interlinked targets; it requires immense effort not only from the government but also from corporate entities (Prakash, 2019). Figure 2 gives the trajectory of the evolution of ESG Reporting in India.

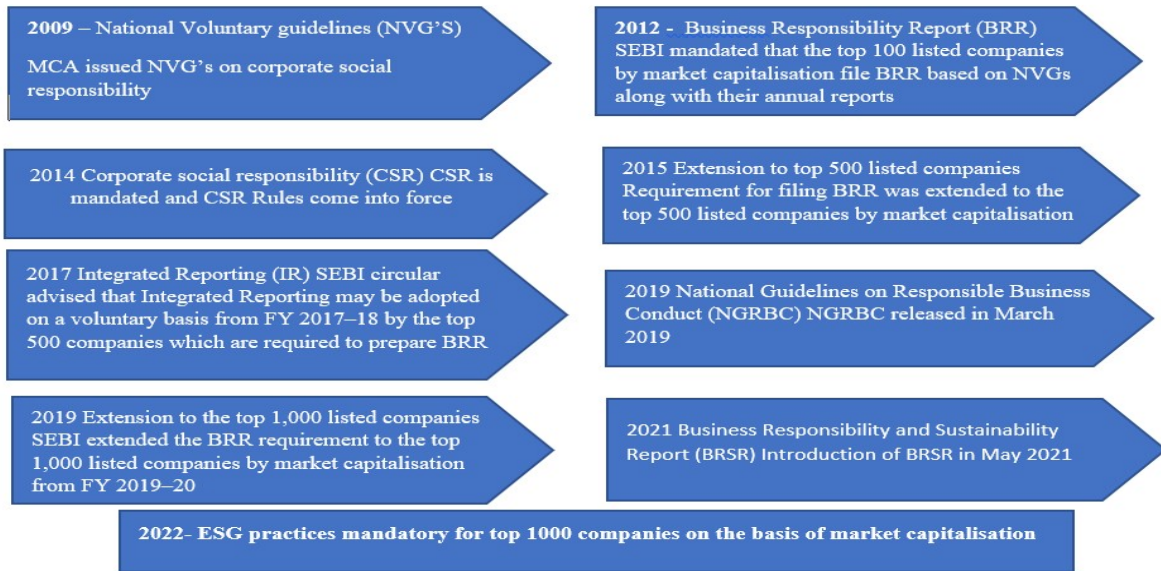


Figure 2 - Roadmap of ESG Reporting in India (PWC, Business Responsibility and Sustainability Reporting - An attempt to mainstream ESG , 2021)

Though the progress on sustainability reporting in India has been tepid over the last few decades , it is set to change as the securities regulator in India have made it mandatory to publish detailed sustainability information from FY 2022-23 ; Boards, Chief Financial Officers (CFOs) and Chief Sustainability Officers (CSOs) need to therefore step up to the plate and establish relevant metrics and narratives to report firm sustainability performance in an objective, accurate and intuitive way (Partners, 2022). (Deloitte, Deloitte 2022 CxO Sustainability Report-The disconnect between ambition and impact | India, 2022)reports that Indian companies are feeling more pressure to act on climate from regulators/government and board members/management than the global average; Indian organizations are 5% more likely to have undertaken the development of new climate-friendly products or services and 4% more likely to have incorporated climate considerations into lobbying/political donations compared to the global average. In India only less than 35 % of top Nifty 500 companies report sustainability-related information, backed by coherent data and narratives and more than 90% of the reporting companies align their sustainability disclosure with internationally accepted standards such as Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC) framework, Task Force on Climate Related Financial Disclosures (TCFD) or others (Partners, 2022) . The CRISL’s Survey reported that the service companies including IT, lending, and auto OEMs are the leaders in terms of ESG disclosures, whereas chemicals, mining, construction EPC, and transport infrastructure are not good with disclosures (Singhal, 2022).The top benefits towards adapting to sustainability efforts are brand recognition and reputation, customer satisfaction, addressing climate change, asset values, employee recruitment and retention, and revenue from new businesses (Deloitte, Deloitte 2022 CxO Sustainability Report-The disconnect between ambition and impact | India, 2022). The disclosure eco system in India is evolving with new disclosure frameworks as the investors and

all stakeholders expect the companies to report the sustainability information with same structure and rigour as they do for financial results.

India is the fifth-largest economy in the world based on nominal GDP. The sheer size and the rapid growth the country is undergoing stand as a challenge to sustainability. SEBI’s new proposed disclosure norm, the Business Responsibility and Sustainability Report (BRSR) is an effort in direction of making the quantifiable data available related to the environment, social, and governance disclosures (Singh & Maurya, 2021)

It has gained attention of companies with the introduction of mandatory CSR norms under the Companies Act, 2013 and disclosure reforms in the year 2015 (Kumar, Kumari, & Kumar, The state of corporate sustainability reporting in India: Evidence from environmentally sensitive industries, 2021)

The reporting scenario in India has been showing positive signs with recent reforms initiated by government of India. Globally economic considerations, innovation, employee motivation and cost savings are some of key business drivers for companies to adopt sustainability; in India it has been observed that strengthening reputation and brand and ethical considerations prompt companies to embrace this concept (Kumar & Devi, 2015).

7. Results

The **initiatives of INFOSYS** are presented in Fig.3.It includes Environmental (initiatives in energy sector

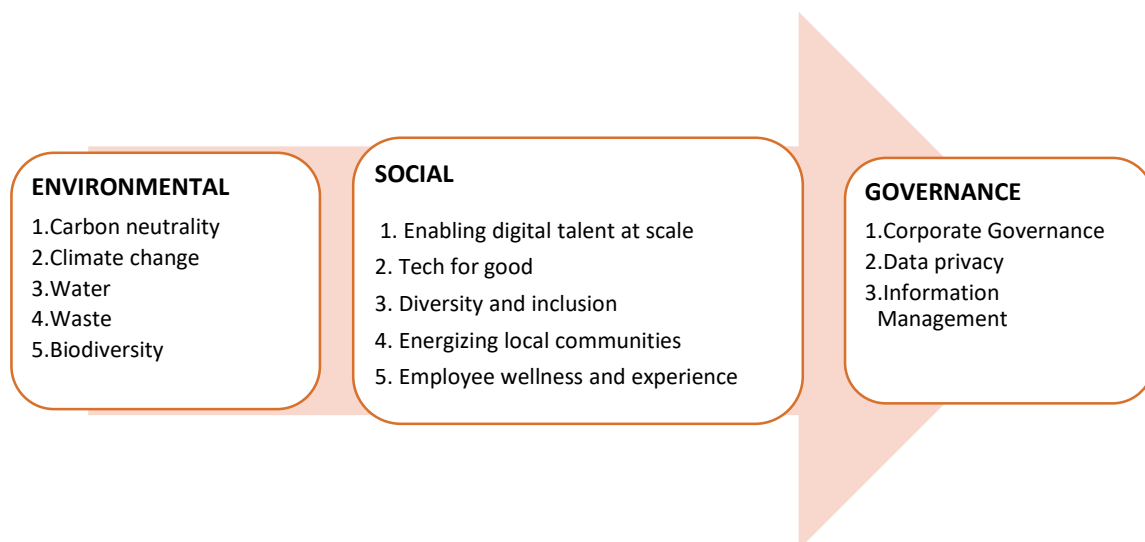


Figure : 3 The areas of initiatives by Infosys

7.1 ESG Governance Framework



Figure 4: ESG GOVERNANCE FRAME WORK INFOSYS

7.2 Infosys ESG vision

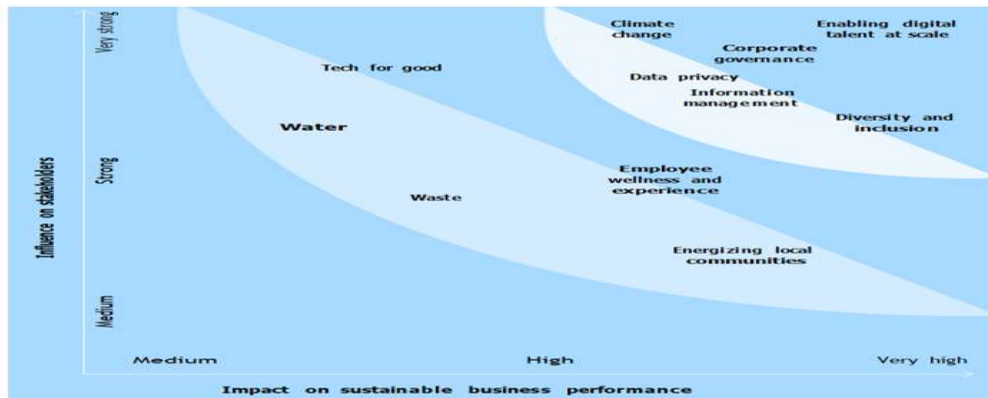


Figure: 5 Infosys ESG VISION

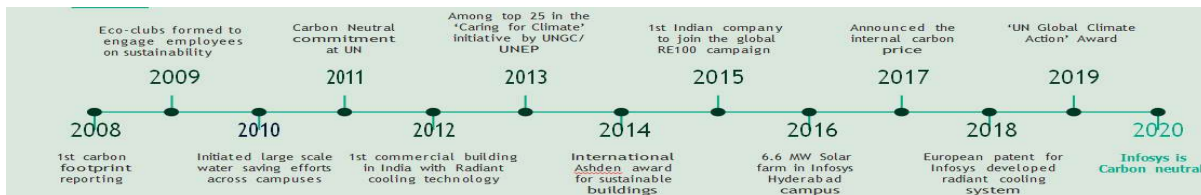
7.3.1 ENVIRONMENT

Vision: Serve the preservation of our planet by shaping and sharing technology solutions

7.3.1.1 Climate change

Climate change is a significant challenge of our time. Unchecked, climate change threatens not only the environment, but also the health and wellness of communities and businesses everywhere.

Infosys is carbon neutral for fiscal 2020 across all emissions. We reduced our energy consumption significantly with our energy efficiency measures, green buildings and use of renewable energy, and implemented carbon offset projects in the community to achieve this goal



Leverage technology to support the transition to a low-carbon world their ambition is to Maintaining carbon neutrality across scope 1, 2 and 3¹ emissions every year, Reducing absolute

scope 1 and 2 greenhouse gas (GHG) emissions by 75%² Reducing absolute scope 3 GHG emissions by 30% Engaging clients on climate actions through our solutions

Actions

- Reducing carbon emissions
- Offering clean technology solutions

Achievements

- Infosys wins UN Climate action Award
- Global leader in corporate climate action, recognized by CDP
- Infosys carbon offset project recognized as best initiative for environmental responsibility
- 102,000+ rural families benefitted from our carbon offset projects
- 25+ million sq ft green building space created across India campuses
- Infosys joined climate pledge

7.3.1.2 Water

Reduce water footprint and enhance water availability in the communities where Infosys operate ambition is to Maintaining 100% wastewater recycling every year

Water being a scarce and invaluable natural resource, we are strongly committed to its conservation through the 3R (Reduce, Reuse, Recycle) approach. Infosys is a signatory to the CEO Water Mandate, since 2014. Infosys is strengthening our water stewardship practices in our operations and extending our efforts to the community

Actions

- Reducing water consumption
- Implementing rainwater harvesting
- Enhancing community water availability

Achievements

- Per capita water consumption reduced by 64%
- 100% Wastewater generated at campuses is recycled
- 35 lakes/ponds constructed rainwater harvesting
- 370 injection well installed at campuses for replenishing groundwater levels

7.3.1.3 Waste

Reduce, reuse and recycle to minimize waste, including e-waste ambition is to Ensure zero waste to landfill Waste disposal is increasingly becoming a concern for governments and leading topolicy changes for its segregation and appropriate treatment. Waste generated at Infosys campuses is segregated and processed using latest technologies

Actions

- Minimizing waste to landfill
- Reducing plastic waste
- Reducing e-waste

Achievements

- 17 biogas and composting plants established within India campuses
- Single-use plastic at campuses reduced by 91% since 2018
- 100% organic waste processing
- Automated solar sludge dryers installed

7.3.2 SOCIAL

Vision: Serve the development of people by shaping a future with meaningful opportunities for all

Serve the development of people by shaping a future with meaningful opportunities for all. “We believe in removing obstacles and working towards creating opportunities for everyone to have a better future. Our reward is the happiness we see on the faces of people.” Sudha Murty Chairperson, Infosys Foundation. We provide solutions and enable those we hire, those we work with and those around us, to not only live better, but also participate in progress for all. Technology is our way of doing well around us. Developing the strengths of people and society is critical.

7.3.2.1 Enabling digital talent at scale

Facilitate skilling to ensure progress for all. Extending digital skills to 10 mn+ people, including employees, client’s workforce, students, teachers and communities (2025) Digital is unequivocally the new way forward and almost all humans will have to adapt to a new way of living and working in the not-too-distant future. A wave of new technologies and solutions is helping reinvent the workplace and enabling performance beyond previous capabilities. As a technology service provider, we are committed to developing talent from within, reskilling employees across our workforce as well as for our clients. We already are a talent developer, for many across the globe. Our efforts over the past several decades have helped us create a thriving workforce and be instrumental in building the nation and positively impacting the society

Actions

- Enhancing employee development
- Empowering students through our learning platform
- Supporting digital literacy in India and the US

Achievements

- 3600+ learning courses available to employees
- 45,000+ client employees engaged

- 700,000+ engineering students enrolled

7.3.2.2 Teach for good

Partner with society to harness the power of technology solutions in their everyday. Empowering 80 mn+ lives via tech for good programs in e-governance, healthcare and education (2025) AI, blockchain, genomics and other emerging digital technologies present innumerable opportunities to resolve some of the world's most defining issues. Being an IT company, we are committed to fostering technology for good in our communities. We are committed to partnering with larger societal stakeholders and helping them harness the power of technology in their daily lives. We have advanced millions of lives in India and globally by leveraging tech for good.

Actions

- Working with government
- Encouraging communities to take the path of innovation and technology

Achievements

- Technology solution developed
- US\$69 million invested
- US\$1.1 million funding

7.3.2.3 Diversity and inclusion

Respecting each other' is a fundamental tenet of the Infosys Code of Conduct and Ethics and informs our inclusion efforts, thus ensuring an equal opportunity workplace free of discrimination or harassment. Celebrating diversity and fostering inclusion helps build a balanced and inspired workforce.

Infosys is a signatory to the UN Women's Empowerment Principles (WEP). Our efforts on gender diversity in the organization emphasize the participation of 'women in technology and management'. Our workplace policies and investments in the development of specific interventions for women as they navigate different stages of their personal and professional lives, are key.

Infosys is partnering with NASSCOM in a unique initiative Women Wizards Rule Technology (W2RT) that is designed to skill 10,000 women in the new and emerging technologies for Indian industry.

Some ERGs that span Infosys globally include:

- I. iPRIDE for LGBTQIA+ employees and their allies.
- II. InfyAbility for employees with disabilities and their allies.
- III. Infosys Women's Inclusivity Network (IWIN) for women and their allies.
- IV. Multicultural ERG to celebrate a multicultural workforce.
- V. Family Matters for employees and their families

Some of our regional ERGs include:

- I. YEN – Young Employee Network for the Young & Young at Heart
- II. iBELIEVE (Infosys Black Employees, Leading in Excellence, Vision and Equity)
- III. InfyVets (Military Veterans & Allies)

Action:

- Celebrating gender diversity

Achievements:

- 38% of Infosys' employees are women.
- 144 nationalities are represented in our workforce.
- 22% of the non-executive independent Board are women.
- 379 employees with disability are a part of our workforce.

7.3.2.4 Energizing local communities

Enable opportunities for communities locally, delivering 33% of work by leveraging flexible/remote work options The world over, Infosys is committed to 'going local' to strengthen its profile as an employer of choice for employees and be part of the local culture.

Actions:

- Recruiting locally
- Collaborating with academic institutions

Achievements:

- *92% of employees hired, are persons of local origin:* Infosys continues to hire locally across geographies.
- *Digital innovation centres:* The centres are set up in Indianapolis IN, Richardson TX, Providence RI, Hartford CT, Raleigh NC and Phoenix AZ in the US.
- *Near shore centres:* The centres are set up in Dusseldorf in Germany, Brno in Czech Republic and Bucharest in Romania. We have also set up a strategic Center of Excellence in Baden, Switzerland.
- *Digital design studios:* The Studios are set up in London in the UK, Berlin in Germany, Amsterdam in the Netherlands, Seattle, Los Angeles, New York City in the US and Melbourne, Sydney and Adelaide in Australia.
- *Development centres:* The centres are set up in Indore, Nagpur, Mohali and Hubballi in India, to promote mobility of talent outside Tier 1 cities

7.3.2.5 Employee wellness and experience

Ensure fulfilling careers for our employees Facilitating best-in-class employee experience and being recognized among the best employers in our key operating regions At Infosys, they have

well-defined, measurable milestones along the employee journey to create a great employee experience. Employee experience is one of the key facets of our Employee Value Proposition. We go beyond work and workplace with a plethora of programs aimed at supporting the physical, emotional and digital well-being of our workforce.

Actions:

- Enhancing employee learning and experience
- Encouraging innovation
- Promoting better health and lifestyle

Achievements:

- *InfyMe, our self-service platform:* The platform enables a seamless, high-quality employee experience to access learning content from anywhere, on any device, at any time.
- *Infosys Career Mosaic:* Powered by Future readiness, Agile careers and Always-on learning, the Mosaic is at the heart of our Employee Value Proposition.
- *Top Employer:* Infosys is recognized across Europe, Middle East, Australia, Singapore and Japan by Top Employers Institute in 2020.
- *Great Place to Work:* Infosys USA is certified ‘Great Place to Work’ in 2020. The Great Place to Work® certification recognizes Infosys’ commitment to developing a high-trust company culture through excellent employment practices.

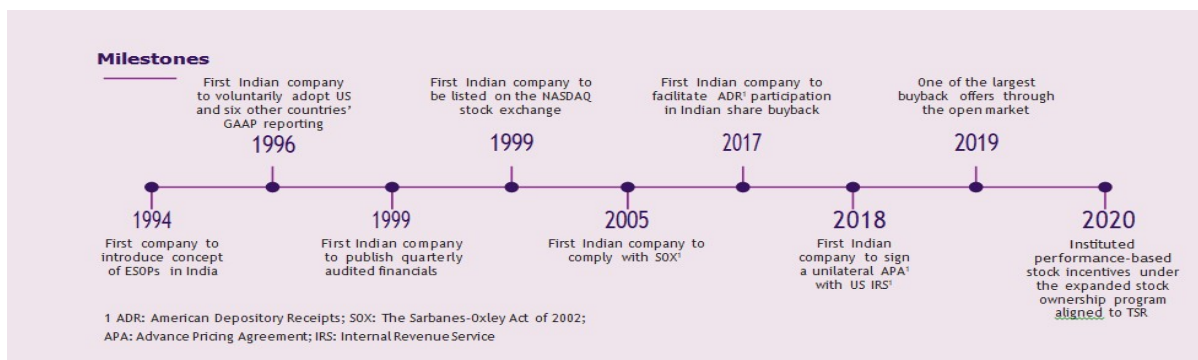
7.3.3 GOVERNANCE

Vision: Serve the interests of all our stakeholders by leading through our core value

7.3.3.1 Corporate governance

Be a leader and get benchmarked for world-class corporate governance. Bringing interests of all stakeholders to the force through our empowered, diverse and inclusive board. Building sustainable and responsible supply chains. Ensuring robust compliance and integrity practices. Engaging with stakeholders through various channels and earning trust through transparent communication. Serve the interests of all our stakeholders by leading through our core values. Infosys corporate governance philosophy “Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders: customers, vendor partners, investors, employees, the government and the society” N. R. Narayana Murthy, Founder, Infosys Limited. We set new standards on how to act right and do more. We lead the way with respect and vigor in our solutions, in our corporate policies, throughout our value chain and across the industry. Governance for Infosys is about being ethical and managing the business with values and accountability. Infosys is committed to defining, following and practicing the highest level of corporate governance across all our business functions. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders.

Winning with integrity is at the heart of our values-driven culture of governance that ensures we gain and retain the trust of our stakeholders at all times



Actions

- Practicing good governance
- Ensuring transparency and stakeholder engagement
- Strengthening ethics and compliance

Achievements

- 3rd best regarded company in the world in 2020 in the Forbes annual listSustainability rating
- Listed as an index component of the DJSI World and DISI Emerging Markets indices for the third year in a row
- " Rated 'A' on the MSCI ESG Ratings Index
- Recognised by COP (formerly the Carbon Disclosure Project) for leadership on climate action for the fourth year in a row
- Received Gold recognition from EcoVadis for CSR practices, including environment, labor and human rights, ethics and sustainable procurement
- Confirmed as an FTSE4Good Index Series constituent

7.3.3.2 Data privacy

Ensure the safety of stakeholder data. Adopting leading data privacy standards across all global operations Over the last few decades, data privacy has emerged as an extremely important dimension of human rights. Data privacy regulations are being strengthened worldwideto give respect to the choices made by people for their data and privacy. Privacy by design has always been the norm at Infosys. Infosys process personal data ensuring that privacy aspects are incorporated at the design stage itself.

Actions

- Strengthening Personal Information Management System (PIMS)
- Aligning with national and global industry standards Infosys'

Achievements

- ISO 27701 certified
- Member of IAPP advisory board
- Designated expert in the Data Privacy working group of SO's SC27 committee

7.3.3.3 Information management

Uphold the digital trust of our stakeholders. Being recognized as industry leader in our information security practices There are multiple drivers for cyber security, such as a dynamically changing threat landscape, rapid innovations in technology, assurance demands from our clients, greater transparency for compliance to different regulations in the countries where we operate, and the need for employees and business teams to be able to access, process and manage information securely and smoothly on an on-going basis

Actions

- Leading with our cyber security program
- Developing an agile and evolving teamwork

Achievements

- Infosys has a team of 4,500+ cybersecurity experts
- Cyber Defense Centres
- Infosys Cyber Next

8. Conclusion

Now a days ESG is the key tool to boost financial performance and ensure long term sustainability for a company. Big companies like Infosys have been luxuriate in such sustainable activities and been reporting their performance on an annual basis. The firm which periodically evaluates its sustainable performance generate a path for ensuring a long run competitive advantage. Such companies activities cover all dimensions of social and environmental welfare and investments are made in the correct direction to vizualised change . The present ESG reports in India reveals the following:

Table No 1. Top 10 ESG reporting companies

SL. NO	Name of the Company	Sector	E Score	S Score	G Score	ESG Score
1	INFOSYS	IT	86	68	81	79
2	MINDTREE LTD	IT	84	69	76	77
3	TECH MAHINDRA LTD	IT	77	66	78	75
4	TATA CONSULTANCY SERVICES LTD	IT	68	70	83	75
5	WIPRO LTD	IT	75	65	80	75
6	HDFC BANK LTD	Financial	65	69	82	73
7	L&T Finance holdings ltd	Financial	81	56	74	72

8	INDUSIND BANK LTD	Financial	72	69	73	72
9	HDFC LTD	Financial	65	67	81	72
10	MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD	Auto OEM	63	59	78	72

Compiled from CRISIL Report (CRISIL, 2022)

Table No 2: Companies that topped ESG rankings

Top 5 Co's in ESG Ranking							
ESG Scores		E Score		S Score		G Score	
Company	Grade	Company	Grade	Company	Grade	Company	Grade
Infosys	A+	ITC	A+	Adani Transmission	A	Infosys	A+
M&M	A	Adani Ports	A	M&M	A	Info Edge	A+
Tech Mahendra	A	Infosys	A	L&T Infotech	A	HDFC	A+
HDFC	A	M&M	A	Infosys	A	ICICI Lombard	A+
Adani Ports	A	Marico	A	Hindalco	A	M&M	A+

Source: (The Latest ESG Reporting and Framework in India, Sep 20, 2022).

From this case of Infosys, we can safely say that all strategies should be planned and carried out containing the pillars of corporate sustainability so as to take the advantage of synergies. On evaluating the ESG initiatives taken up by Infosys and collating it with the national ranking system proposed by CRISIL(2022), it has been noticed that Infosys ESG score is 79 which is highest among the top 10 companies in India. This depicts that the company is having a high sustainable performance, the degree of clarity for corporate governance and environmental and labour standards are at peak level in comparison with developed markets. For a prospective investor ESG offers a stock selection screen even though it anchor non- financial aspects of business operations. Unlike the earlier form of socially responsible investing, the focus of current investing is based on research techniques that cornerstone on environmental social and governance indicators which is potentially reflected in this study.

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