

Sustainability Practices at Infosys

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Abstract

Businesses in today's times can sustain only if they are able to come up to the expectations of the extended set of stakeholders. Keeping this in mind, corporate giants like Infosys have a very well defined sustainability policy in place. This case highlights the major strategic aspects of Infosys Sustainability Practice. The company has committed leadership that defines the sustainability framework to be put in action. This framework talks about three social pillars of Infosys Sustainability Framework i.e., Social Contract, Resource Intensity and Green Innovation. The social contract talks about community empowerment, industry-academia partnership and employee engagement. The resource intensity takes care of responsible consumption, conservation and replenishment and green profits. Green innovation offers some latest innovative offerings for the clients to put in to practice and enhance their sustainability. The last part of the case summarises the strategy put in action to achieve the Triple Bottom Line strategy.

Key Words: Infosys, Sustainability, Social Contract, Resource Intensity, Green Innovation

Growth Story of Infosys:

Today, Infosys is a NYSE listed global consulting and IT services company with more than 155,000 employees. Its growth story started 30 years back in 1981. Infosys was co-founded by N. R. Narayana Murthy, Nandan Nilekani, N. S. Raghavan, S. Gopalakrishnan, S. D. Shibulal, K. Dinesh and Ashok Arora. The company was incorporated as "Infosys Consultants Pvt Ltd.". Since then, Infosys has never looked back (Infosys Sustainability Report 2011-12).

Organisation Profile	
	Information
Type of Organisation	Technology (IT)
Revenue	US \$ 6,994 M
Market Capitalisation	US \$ 32,349 M
Net Income	US \$ 1,716 M
No. Of Employees	1,49,994
Global Presence	32 Countries
Number of Clients	694
<i>Global Workforce comprising employees from 89 Nationalities</i>	

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Key milestones:

1983: Relocates corporate headquarters to Bangalore

1987: Opens first international office in Boston, US

1995: Opens first European office in the UK and global development centers at Toronto and Mangalore. Sets up e-Business practice

1997: Opens an office in Toronto, Canada

1998: Starts Enterprise Solutions (packaged applications) practice

1999: Touches revenues of US\$ 100 million. Listed on NASDAQ, Opens offices in Germany, Sweden, Belgium, Australia, and two development centers in the US , Infosys Business Consulting Services is launched

2000: Touches revenues of US\$ 200 million, Opens offices in France and Hong Kong, a global development center in Canada and UK, and three development centers in the US

2001: Touches revenues of US\$ 400 million. Opens offices in UAE and Argentina, and a development center in Japan

2002: Touches revenues of US\$ 500 million, Nandan M. Nilekani takes over as CEO from N.R. Narayana Murthy, Opens offices in the Netherlands, Singapore and Switzerland

2004: Revenues reach US\$ 1 billion, Infosys Consulting Inc. is launched.

2006: Infosys celebrates 25 years. Revenues cross US\$ 2 billion. Employees grow to 50,000+

2007: Kris Gopalakrishnan, COO, takes over as CEO. Nandan M. Nilekani is appointed Co-Chairman of the Board of Directors

2010: Infosys crosses the US\$ 5 billion revenue mark

2012: Listed on the NYSE market , Infosys acquires Lodestone Holding AG, a leading management consultancy based in Switzerland, Forbes ranks Infosys among the world's most innovative companies, Infosys among top 25 performers in Caring for Climate Initiative, Infosys crosses the US\$ 7 billion revenue mark

Sustainability at Infosys

Businesses are the life blood of any economy and can continue to operate only if economies sustain. Economies in turn need stable society; and stability and sustainability if societies are dependent on the health and sustainability of environment hence businesses have to be ecologically 'responsible' to be actually sustainable. Sustainability, apart from being the need of the hour, is also a source of exclusive opportunity to business: opportunity for innovation, differentiation, brand building and to earn confidence and trust of all sections of stakeholders. Today, sustainability is thus the highest priority agenda on corporate strategy charts.

Working on the same lines, the sustainability policies of Infosys also focuses on making their business, clients business, the ecosystem and the life style of each and every individual sustainable. The business objectives of Infosys are spread across four dimensions of performance- finance, clients and market, operational excellence, global talent and leadership. Infosys follows the Global Reporting Initiative (GRI) 3.1 framework to report sustainability that allows it to maintain transparency in disclosures. Infosys has signed the United Nations Global Compact (UNGC) and self declared the application level at A+, that is approved by Det Norske Veritas (DNV) the external auditor. The company participated in the Dow Jones Sustainability Index (DJSI) and also submitted the carbon disclosures through Carbon Disclosure Project (CDP) 2012. A sustainable enterprise undisputably contributes to sustainability by achieving the triple bottom line and Infosys does the same



Leadership commitment is a significant element to promote the pledges of an organisation towards the culture, society and the environment as a whole. The leaders guide the organisational **framework** towards society's expectations and institutional mechanisms and put **strategies into action**. The organisation's commitment to sustainability is possible not only when leadership supports it but actually when there is congruence between employee concerns and organisational values i.e., when lower levels of the organization engage in implementation of sustainability strategy (Infosys Sustainability Report 2011-12).

“As corporate entities in today’s context, we cannot afford to sit on our laurels and concentrate on merely increasing our profit margins. More importantly, we must realize that there is no surer way of future-proofing businesses than embracing sustainable business practices.”

S. Gopalakrishanan

“For Infosys sustainability means that while we add value for our stakeholders – customers, employees, investors, and the society – we also need to be conscious of building a tomorrow that is sustainable.”

S.D. Shibulal

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

Nandan M. Nilekani

“Building a large corporation is easy but building one of the most respected corporations in the world and sustaining it over many years is a big challenge”

V. Balakrishnan

Mission

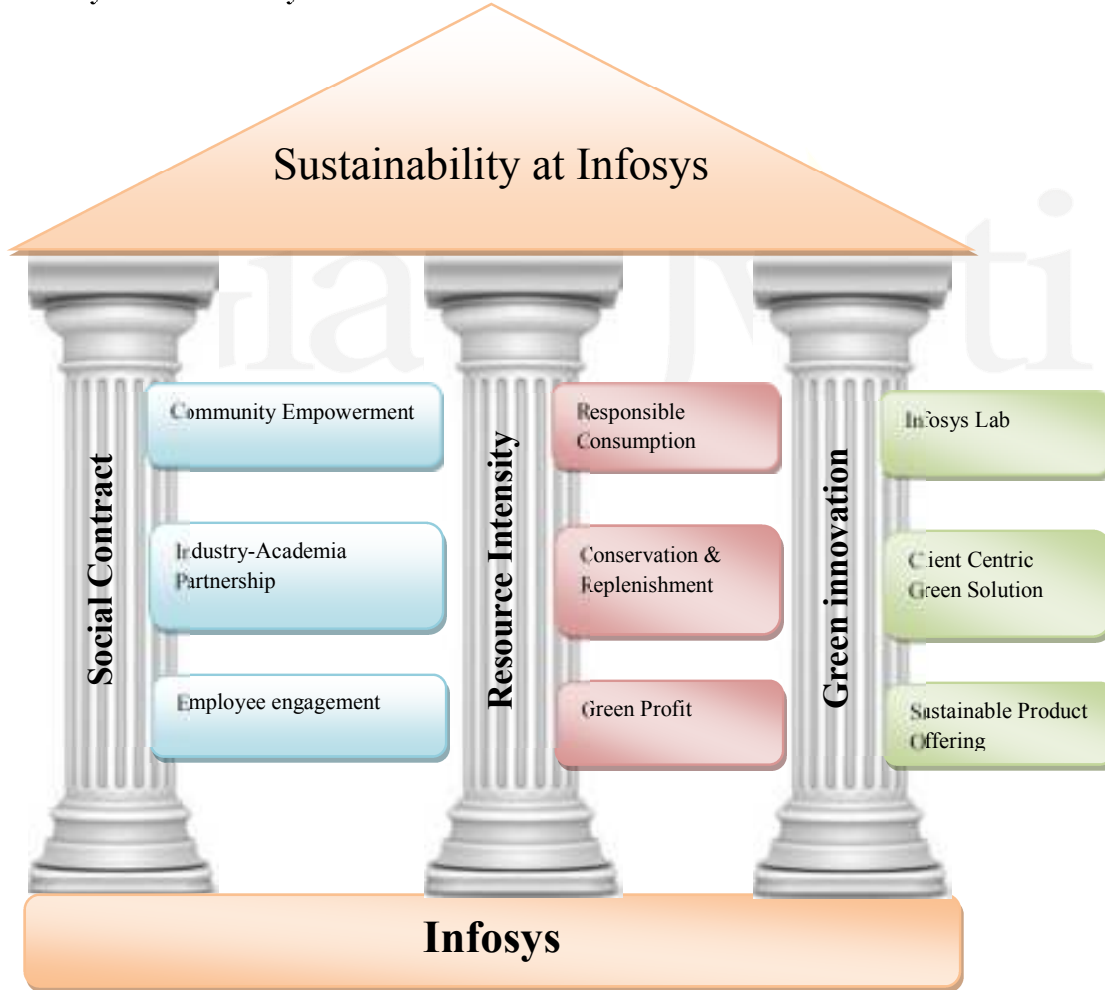
To achieve our objective in an environment of fairness, honesty and courtesy towards our clients, investors, employees, vendors and society.

Leadership Commitment:

The top level in the organisation has recognised the need and significance of sustainability that has percolated to the last operational level within the organisation. This can be easily understood from the vision and mission statement too. The present actions must be able to produce an impactful positive tomorrow. To convert this vision into reality and to enhance global sustainability Infosys has identified three trails towards sustainability. These are social contract, resource intensity and green innovation. One can clearly make out that Infosys greatly honours the ethical environmental and social expectations

of all the direct as well as indirect stakeholders. It seems Infosys follows the policy of Aristotle who said “We are what we repeatedly do. Excellence, then, is not an act but a habit.” (Infosys Sustainability Reports 2009-10 and 2010-11).

Infosys Sustainability Framework



Infosys envisions a vigorous tomorrow which has a healthy society, rich ecosystem and greener industrial and domestic practices. To transform this vision into a reality the company contemplates the above depicted three pillars or columns. The first pillar is the society.

Various stakeholders comprising of local communities, social organisations, clients, numerous government and non-governmental authorities all have varied expectations from the company which have to be honoured and respected. These social covenants are very fundamental to foster stakeholder trust and ensure business sustainability. The second pillar emphasises upon optimising resource utilisation to decelerate depletion of natural resources. Resource intensity is about doing far more with far less. So it is about looking out for transformational and innovative ways of doing things such that better results can be obtained with fewer resources along with avoidance to wastage. The last, and the third, pillar talks about green innovation in every sphere – operations, product, supply chain, processes, service models, stakeholder engagement and branding.

Social Contract

Traditionally businesses have been operating for financial profits for the business and the investors, but today companies have an extended set of stakeholders- environment, community, authorities that have capacity to influence business prospects.

“Education is the most powerful lever that can reduce social inequity, bring gender parity and bridge the digital divide. It also acts as a catalyst for boosting social and economic progress by improving the livelihoods of individuals and the prospects of future generations” - Srikantan Moorthy

This section of the framework deals with community empathy, industry-academia partnership, employee engagement, client value, etc.

Economic Progress and Social Development both depend upon the employability of working age group. Education is the only means to enhance this employability. But this education has to be clubbed with critical thinking, ethical behaviour and leadership instincts with the desired critical competencies.

Infosys invests in such educational programmes that influence and raise the aspirations of the student community all across the globe. The STEM programme of New York Academy of Sciences and SPARK programme in India do this job of encouraging students to dream big. ‘Spark Rural Reach Programme’ encourages rural children from classes V to VII to pursue science and maths. ‘Catch Them Young’ exposes bright urban youth to the IT world. ‘Spark Guru’ helps teachers augment their knowledge and teaching skills as per the latest industry requirements. Infosys also aims at updating its skilled talent and keeping them ‘relevant’ always. Whether it is re-skilling to meet the requirements of some immediate client or up-skilling to go up a value chain, Infosys organises content as well as classes.

To deploy effective corporate governance practices the company has a strong leadership with independent board that is committed to transparency, fairness and accountability. Infosys is the first company in India to be awarded the highest Corporate Governance Rating (CGR) by ICRA. A well-articulated Code of Conduct and Ethics that delineates anti-bribery provisions has been put in place to be followed by employees. A robust grievance redressal process including a whistle blower policy forms the bedrock of the governance mechanism at Infosys. The company partners with the government to build houses for flood victims under the ‘Aasare’ scheme and are currently working on a project ‘Parishudh’ towards improvement of public health and hygiene in rural areas of North Karnataka. The company does not fund political parties and never uses the services of lobbyists for self-promotion. Ergonomics (the science of doing work) is the greatest occupational hazard for employees in companies like Infosys. So the workstation design and usage is monitored, good posture awareness sessions are organised, exercise for controlling postures and Repetitive Stress Injury are advised.

Resource Intensity

The world is about to reach a tipping point of financial and ecological crisis where we are approaching on peak metals, peak soil, peak oil and peak greenhouse gases. But the irony is that we are just sitting and hoping that our ingenuity against adversity will help us find a solution to cope with the future.

Resource intensity is about harnessing least intensive alternatives to de-intensify and achieve the same or better outcome using much lesser resources. This can be done by sharing resources or through resource pooling. Several innovations are now validating that such concepts are not only sustainable but also very profitable. Numerous methods can be adapted to reduce resource intensity. Digitisation of assets is one such way which immediately brings down the need for physical resources. Localisation in sourcing the material is another way which reduces the carbon foot prints. Actually resource intensity not only reduces the encumbrance on the environment, but also potentially saves costs, lower risks and gain lot many business benefits.

About four years back the company had made a public commitment to reduce the ecological footprint. Since then they have saved over 290 million units of electricity through a focused effort on efficiency strategies. In other words the electricity savings equal to what is required to enlighten 1, 20,000 urban homes for a year (assuming 200 units per household per month). The water efficiency efforts have saved around 1.36 billion litres of fresh water in the last four years that can suffice the drinking water needs of nearly 1.2 million people. The reduction in carbon emissions was to the tune of 2, 93,454 metric tonnes of CO₂ emissions which is equivalent to the amount of carbon captured by about 2 lakh trees over 30 years. This fiscal year the company used about 48 million units of green power.

- Infosys has largest installed capacity of over 6, 00,000 litres per day of solar hot water systems.
- Solar Photovoltaic Systems with an installed capacity of 250KW in Jaipur and 125KW in Thiruvananthapuram,
- The company is in the process of commissioning five wind turbines for the Mangalore Campus.

Green Innovation

The third pillar “Green Innovation” emphasises over achieving a more sustainable and inclusive growth for the organization and its clients. The organization works with partners and co-creates with clients to bring integrated responses to sustainability challenges. Its Sustainability unit, the internal Green Initiatives group and Infosys Labs are working meticulously on various green innovation initiatives. Research institutes in sustainability have been established to look into emerging economies, pervasive computing technologies and new commerce models within Infosys Labs (Infosys Sustainability Reports 2010-11 and 2011-12).

The focus is on helping partners do sustainable business by uniting innovative thinking with sustainability principles to enhance their competitive advantage. Some of the latest innovative offerings for the clients can prove to be a very inspiring case study for peers and the clients as well.

Fuelling the digital payments economy

Infosys Wallet Edge provides businesses and consumers with a whole new way of conducting financial transactions. It provides an end-to-end platform that enables the financial ecosystem of consumers, merchants, telecom companies, banks, governments and enterprises, to process payments seamlessly and efficiently.

Virtualized private cloud

Infosys delivers an IT infrastructure transformation project for an office and IT solutions provider based in the U.K. with expected results of 85% to 90% reduction in carbon footprint and energy consumption. For this project, the company, along with the client, won the 2012 Green IT Award for 'Best Cloud Virtualization Project of the Year'.

Enabling enterprises to report on sustainability

Infosys works with clients to reduce their carbon footprint by innovating across their product lifecycle. The company has developed green IT solutions for companies across industries. The Enterprise Sustainability Reporting solution provides both high-level view to meet external reporting requirements and a detailed view to manage data and activity at the lowest level possible. The solution captures energy, waste and water usage data at various organizational levels through manual and automated methods. Dashboards provide views for all levels. Canned reports and analytical tools help in easy data reporting.

Enabling energy efficiency in buildings

Building Energy Management solution helps organizations manage their energy consumption through automated data gathering and off-the-shelf smart meters. It acts as a consolidated repository of data, increasing data reliability enabling the organizations to track and report energy-related data at a granular level. The intelligent data analytics and decision-making abilities helps reduce power consumption and carbon emissions in buildings.

Plug Load Management solution

Plug Load Management solution can measure energy consumption of plug-in devices connected to it. It helps building managers understand energy consumption pattern of plug-in devices over a period of time - usage during non-working hours, usage during peak hours, and usage beyond reasonable values. In addition, this solution allows for comparison of energy consumption of plug-in devices against internal limits such as kWh per occupant, or industry benchmarks (Institute of Chartered Accountants in Australia, 2011).

Making organizations paperless through digitization

Enterprise Digitization Initiative covers us against risks of damage as well as contributes to the environment by reducing paper consumption. The initiative provides:

- A single document storage platform for the entire company across geographies
- Upload of scanned documents to repositories.
- Search capability to locate both authored and scanned documents (Petrini and Pozzebon, 2010)

Enabling product compliance and sustainability

Product Compliance & Sustainability (PC&S) solution envisions and co-creates compliance and sustainability strategy with the clients. The solution studies the PC&S aspects of product development at all stages while encapsulating the green and sustainable aspects in it.

Conclusion

The three pillars of sustainability i.e., social contract, resource intensity and green innovation are all a concrete part of the Infosys strategy. The implementation of all these aspects in the corporate life of Infosys may indeed be a challenge but the said strategy has definitely produced results that are imitable by people in all walks of life—personal or business.

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