

Management's discussion and analysis

Overview

Infosys is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to create and execute strategies for their digital transformation and AI journey.

Our purpose is to amplify human potential and create the next opportunity for people, business and communities. We are guided by our value system which motivates our attitudes and actions. Our core values are Client value, Leadership by example, Integrity and transparency, Fairness, and Excellence (C-LIFE).

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable growth for our investors and contributing to the communities that we operate in. There are numerous risks and challenges affecting our business. These are discussed in the Risk management report section of the Integrated Annual Report.

I. Industry structure and developments

Fiscal 2024 saw the impact of policy tightening and a reduction in inflation in most of the markets we operate in. Global GDP is estimated to have grown at 3.2% in CY 2023, compared to 3.5% in CY 2022⁽¹⁾. Worldwide IT spending on software and IT services was ~US\$2.3 trillion⁽²⁾ in CY2023 while IT services saw an estimated total spending of US\$1.4 trillion. We expect the client spending and investments to move towards Artificial Intelligence (AI) and generative AI (gen AI) in the near term. These investments are expected to be crucial during this period of economic uncertainty.

There is a new wave of dynamism in technologies. The industry is feeling the pressure to build AI strategies and stay ahead. We saw generative AI starting to reshape the industry in fiscal 2024. We continued to witness businesses attempting to reimagine their cost structures, increase business resilience and agility, personalize experiences for customers and employees, and launch new and disruptive products and services, aided by generative AI. With our leadership position in AI, we believe we are well-positioned to take advantage of these market opportunities.

For more information, refer to *Our business context* section of the Integrated Annual Report.

⁽¹⁾ Nasscom, World Economic Outlook, IMF, April 2024

⁽²⁾ Gartner

II. Opportunities and threats

Our strategy

Our clients and prospective clients are faced with transformative business opportunities due to advances in software and computing technology. These organizations are dealing with the challenge of having to reinvent their processes and systems rapidly in the AI era. This needs an understanding of new technologies and new ways of working, and also appreciation of AI landscapes, business processes and practices. Our strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to an AI future.

Our strengths

We believe that we are well-positioned for the principal competitive factors in our business. With more than four decades of experience in managing the systems and workings of global enterprises, we believe we are uniquely positioned to help them steer through their AI transformation as we have built our own AI-first strategy.

Our competition

We see intense competition in traditional services, a rapidly changing marketplace and the emergence of new players in niche technology areas.

We have invested in building proprietary intellectual property in software platforms and products. We have continued to invest in Infosys Cobalt™ – a set of services, solutions and platforms for enterprises to accelerate their cloud journey and Infosys Topaz – a set of AI-first services, solutions and platforms using generative AI technology.

For details, refer to the *Strategy and Our Business Context* sections of the Integrated Annual Report.

III. Financial condition

Refer to the *Standalone and Consolidated financial statements* in this Integrated Annual Report for detailed schedules and notes.

1. Equity share capital

We have one class of shares – equity shares of par value ₹5 each. During the year, the movement in share capital was on account of shares issued on exercise of stock options.

2. Other equity

The movement in retained earnings was on account of profit earned during the year and payment of dividends. The increase in securities premium is on account of the exercise of stock options. The Group has made an irrevocable election to present the subsequent changes in fair value of certain instruments in other comprehensive income.

During the year, an amount has been transferred to the Special Economic Zone Re-investment Reserve out of the profits of eligible SEZ units. The reserve should be utilized for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income-tax Act, 1961, that has been created out of the profits of eligible SEZ units.

3. Property, plant and equipment

Additions to gross block were mainly on computer equipment and infrastructure.

4. Goodwill and other intangible assets

On a consolidated basis, the carrying value of goodwill as on March 31, 2024 is ₹7,303 crore. During the previous year, the carrying value of goodwill was ₹7,248 crore.

On a consolidated basis, the carrying value of intangible assets as on March 31, 2024 is ₹1,397 crore, whereas on March 31, 2023, it was ₹1,749 crore. Refer to Note 2.4.2 of the *Consolidated financial statements* for further details.

5. Financial assets

A. Investments

On a standalone level, during the year, we invested additionally in our subsidiaries, for the purpose of acquisition of entities, operations and expansions.

Refer to *Annexure 1* to the *Board's report* for the statement pursuant to Section 129(3) of the Companies Act, 2013, for the summary of the financial performance of our subsidiaries. The audited financial statements and related information of subsidiaries will be available on our website, at www.infosys.com.

We invest in the startup ecosystem to gain access to innovations that, when combined with our services and solutions, can benefit our clients. These investments are typically minority equity positions in startup companies and / or venture capital funds.

Our investments comprise liquid mutual funds units, target maturity fund units, tax-free bonds, non-convertible debentures, certificates of deposit, commercial paper, government securities (G-secs) and quoted bonds and securities issued by government and quasi-government organizations. Certificates of deposit and commercial papers represent marketable securities of banks, NBFCs and eligible financial institutions for a specified time period with high credit rating by domestic credit rating agencies. G-secs are highly liquid and marketable instruments issued across tenure, backed by the Government of India and carrying a sovereign credit. Investments made in non-convertible debentures represent debt instruments issued by government-aided institutions and financial institutions with high credit rating. The majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. The Company invests after considering counterparty risks based on multiple criteria, including Tier I capital, capital adequacy ratio, credit rating, profitability, NPA levels and deposit base of banks and financial institutions. These risks are monitored regularly as part of our risk management program.

B. Trade receivables

Days Sales Outstanding (DSO) was 71 days for the year ended March 31, 2024, compared to 62 days in the previous year.

C. Cash and cash equivalents

Our cash and cash equivalents comprise deposits with banks with high credit ratings assigned by international and domestic credit rating agencies which can be withdrawn at any point of time without prior notice or penalty on principal. Ratings are monitored periodically.

D. Loans

We provide loans to subsidiaries as per business requirement.

E. Other financial assets

Restricted deposits represent amounts deposited with financial institutions to settle employee-related obligations as and when they arise during the normal course of business. Unbilled revenues are classified as financial assets as right to consideration is unconditional and is due only after passage of time. Foreign currency forward and options contracts are entered into to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

6. Other assets

Unbilled revenues are classified as non-financial asset where the right to consideration is dependent on completion of contractual milestones. Withholding taxes and others represent credits that can be availed against local taxes payable in various countries. Deferred contract cost mainly comprises the cost of obtaining a contract and the cost of fulfilling a contract recorded in accordance with Ind AS 115, *Revenue from Contracts with Customers*.

7. Deferred tax assets / liabilities

Net deferred tax liability comprises of deferred tax liabilities less deferred tax assets. Deferred tax liability is primarily on account of temporary difference in the Special Economic Zone Re-investment Reserve, intangibles from business combination, interest receivable on income tax refund for orders received partially offset by deferred tax asset on property, plant and equipment, post-sales client support, allowances for trade receivables and compensated absences.

8. Income tax assets / liabilities

Our net profit earned from providing software development and other services outside India is subject to tax in the country where we perform the work. Most of our taxes paid in countries other than India can be claimed as credit against our tax liabilities in India.

9. Financial liabilities

Liabilities for accrued compensation to employees include the provision for bonus, accrued salaries, incentives and retention bonus payable to the staff. Financial liability under option arrangements represents redemption liability towards acquisitions to purchase the corresponding minority stake. Accrued expenses represent amounts accrued for other operational expenses. Compensated absences are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Other financial liability includes financing arrangements entered into by the Company with a third party towards deferred contract cost assets.

10. Other liabilities

Withholding and other taxes payable represent local taxes payable in various countries in which we operate. Invoicing in excess of revenues are classified as unearned revenues. We provide for provident fund to eligible employees of Infosys, which is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company operates the defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. These plans are managed by third-party fund managers. We provide for gratuity, a defined benefit retirement plan ("the Gratuity Plan"), covering eligible employees in India. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The plans provide for periodic payouts after retirement and / or a lump-sum payment as set out in rules of each fund and includes death and disability benefits.

11. Provisions

Provision for post-sales client support is towards likely cost for providing client support to fixed-price and fixed-timeframe contracts.

12. Leases

Additions mainly comprise lease of computers and buildings taken on lease in certain locations outside India.

IV. Results of our operations

For details about results of our operations, refer to 'Results of our operations and state of affairs' section in the *Boards' report*.

During fiscal 2024, the Company initiated Project Maximus, a comprehensive margin expansion program structured across 5 pillars – Value-based selling; Efficient pyramid; Lean, automation & gen AI; Improving critical portfolios and Reducing indirect costs.

1. Revenue

The growth in our revenues in fiscal 2024 from fiscal 2023 is as follows:

(In ₹ crore)

Particulars	Standalone			Consolidated		
	2024	2023	% change	2024	2023	% change
Revenue	1,28,933	1,24,014	4.0	1,53,670	1,46,767	4.7

The increase in revenues was primarily attributable to an increase in revenue from software services, large deal wins, and increase in realization including pricing.

Revenue growth in reported terms includes the impact of currency fluctuations. We, therefore, additionally report the revenue growth in constant currency terms, which represents the real growth in revenue, excluding the impact of currency fluctuations. We calculate constant currency growth by comparing current-period revenues in respective local currencies converted to INR using prior-period exchange rates and comparing the same to our prior-period reported revenues. Our revenues in reported currency terms for fiscal 2024 is US\$ 18,562 million, a growth of 1.9%. Our revenues for fiscal 2024 in constant currency grew by 1.4%.

We added 385 new customers (gross) during fiscal 2024 as compared to 458 new customers (gross) during fiscal 2023.

On a consolidated basis, for the year ended March 31, 2024, approximately 97.5% were export revenues whereas 2.5% were domestic revenues, while for the year ended March 31, 2023, 97.4% were export revenues whereas 2.6% were domestic revenues. Refer to the 'Segmental profitability' section in this report for more details on the analysis of segment revenues.

2. Expenditure

Cost of sales

The cost of efforts, comprising employee cost and cost of technical sub-contractors, has decreased as a percentage of revenue from 61.6% in fiscal 2023 to 60.2% in fiscal 2024 on a standalone basis, and from 58.0% in fiscal 2023 to 56.4% in fiscal 2024 on a consolidated basis. The cost of efforts has decreased mainly on account of decrease in sub-contractors cost and on account of improved utilization.

Third-party items bought for service delivery to clients include software and hardware, which are integral to our overall service delivery to clients.

Selling and marketing expenses

The selling and marketing expenses on standalone basis and consolidated basis have increased as a percentage of revenue during fiscal 2024 to 4.4% from 4.0% in fiscal 2023, and 4.5% during fiscal 2024 from 4.3% in fiscal 2023, respectively, mainly on account of increase in employee benefit costs and branding and marketing expenses.

General and administration expenses

The general and administration expenses on standalone basis have reduced as a percentage of revenue during fiscal 2024 to 4.2% from 4.3% in fiscal 2023, mainly on account of a decrease in consulting and professional expenses and remained unchanged on consolidated basis during fiscal 2024 at 4.9%.

3. Other income and finance cost

Other income primarily includes income from investments, gain / loss on investments, foreign exchange gain / loss on forward and options contracts, foreign exchange gain / loss on translation of other assets and liabilities and interest on income tax refund. Other income for fiscal 2024 includes interest (pre-tax) on income tax refund of ₹1,933 crore on account of orders received under Sections 250 and 254 of the Income-tax Act, 1961, from the income tax authorities in India for certain assessment years. In fiscal 2024, the Company received ₹2,976 crore of dividend from our subsidiaries, which is reflected in the *Standalone financial statement*.

Interest income in fiscal 2024 has increased as compared to fiscal 2023 primarily due to a increase in yield on investments. We use foreign exchange forward and options contracts to hedge our exposure against movements in foreign exchange rates. Finance cost is on account of leases. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

4. Provision for tax

We have provided for our tax liability both in India and overseas. The applicable Indian corporate statutory tax rate for both the years ended March 31, 2024, and March 31, 2023 is 34.94%.

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Income tax expense (In ₹ crore)	8,719	8,375	9,740	9,214
Effective tax rate (In %)	24.3	26.5	27.1	27.7

Effective tax rate is generally influenced by various factors, including differential tax rates, non-deductible expenses, exempt non-operating income, overseas taxes, benefits from SEZ units, tax reversals and provisions pertaining to prior periods primarily on account of adjudication of certain disputed matters, filing of tax return and completion of assessments, across various jurisdictions.

Provision for tax includes net tax reversal of ₹38 crore on account of orders received under Sections 250 and 254 of the Income-tax Act, 1961, from the income tax authorities in

India for certain assessment years. These orders confirmed the Company's position with respect to tax treatment of certain contentious matters and upon resolution of the disputes, an amount aggregating to ₹1,628 crore has been reduced from contingent liabilities.

5. Segmental profitability

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance performance of their business. Business segments of the Company are primarily enterprises in Financial Services and Insurance; enterprises in Manufacturing; enterprises in Retail, Consumer Packaged Goods and Logistics; enterprises in the Energy, Utilities, Resources and Services; enterprises in Communication, Telecom OEM and Media; enterprises in Hi-Tech; enterprises in Life Sciences and Healthcare; and all other segments. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services and other enterprises in public services. This is discussed in detail in Note 2.26 to the *Consolidated financial statement* in this Integrated Annual Report.

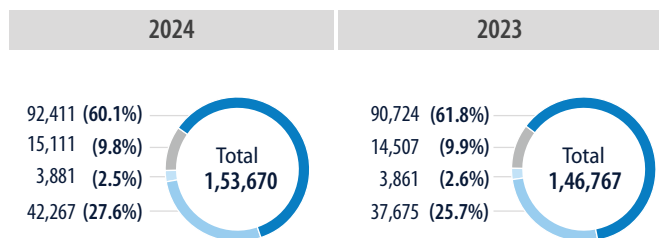
Business segments – Consolidated

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	Total
Segmental revenues									
2024	42,158	22,504	17,991	20,035	22,298	12,411	11,515	4,758	1,53,670
2023	43,763	21,204	18,086	18,539	19,035	11,867	10,085	4,188	1,46,767
Growth (%)	(3.7)	6.1	(0.5)	8.1	17.1	4.6	14.2	13.6	4.7
Segmental operating income									
2024	9,324	6,882	3,688	5,523	4,197	3,153	2,898	760	36,425
2023	10,843	6,396	3,759	5,155	3,113	2,959	2,566	339	35,130
Growth (%)	(14.0)	7.6	(1.9)	7.1	34.8	6.6	12.9	124.2	3.7
Segmental operating margin (%)									
2024	22.1	30.6	20.5	27.6	18.8	25.4	25.2	16.0	23.7
2023	24.8	30.2	20.8	27.8	16.4	24.9	25.4	8.1	23.9

The following graph sets forth our revenue by geography:

(In ₹ crore)



Growth in % in 2024



Total growth 4.7%

Overall segment profitability has decreased primarily on account of the increase in employee compensation, higher cost of third-party items bought for service delivery to clients as part of deals, a one-off impact arising from contract renegotiation / rescoping and cyber impact largely offset by benefit from Project Maximus through improved utilization, decrease in cost of technical sub-contractors etc., and currency benefits.

6. Liquidity

Our principal source of liquidity are cash and cash equivalents and cash flow that we generate from operations. We have no outstanding borrowings. We believe our working capital is sufficient for our requirements.

Our growth has been financed largely through cash generated from operations.

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Our cash flows are robust. Our operating cash flows have increased in fiscal 2024 as compared to fiscal 2023 mainly on account of increase in net profit adjusted for non-cash items partially offset by higher income tax payments.

Consolidated cash and investments of ₹39,005 crore comprise cash and cash equivalents, current and non-current investments excluding investments in equity and preference shares and others.

Capital Allocation Policy

Refer to the *Board's report* in this Integrated Annual Report for details on our Capital Allocation Policy reviewed and approved on April 18, 2024.

7. Related party transactions

These have been discussed in detail in Note 2.24 to the *Standalone financial statements* in this Integrated Annual Report.

8. Events occurring after Balance Sheet date

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in 'Material changes and commitments affecting financial position between the end of the fiscal and date of the report' in the *Board's report* in this Integrated Annual Report.

9. Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Market capitalization to revenues (times)	NA	NA	4.0	4.0
Price / Earnings (times)	NA	NA	23.6	24.8
Days Sales Outstanding (DSO) ⁽¹⁾	–	–	71	62
Cash and investment ⁽²⁾ as a % of total assets	26.6	22.2	28.3	24.9
Revenue growth (%)	4.0	19.3	4.7	20.7
Operating margin (%)	22.3	22.5	20.7	21.1
Net profit margin (%)	21.1	18.8	17.1	16.4
Basic EPS (₹)	65.62	55.48	63.39	57.63

⁽¹⁾ The Company does not track DSO at a standalone level.

⁽²⁾ Includes cash and cash equivalents and investments, excluding investments in equity, preference shares, compulsorily convertible debentures and others.

Ratios where there has been a significant change from fiscal 2023 to fiscal 2024

Revenue growth for fiscal 2024 has come down as compared to revenue growth for fiscal 2023 across all operating segments and segment-level details have been explained in the relevant section above.

- The details of return on net worth at standalone and consolidated levels are as follows:

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Return on net worth (%)	36.6	34.0	32.1	32.0

Return on net worth is computed as net profit by average net worth. Net profit increased from ₹24,095 crore to ₹26,233 crore on a consolidated basis and from ₹23,268 crore to ₹27,234 crore on a standalone basis. Average net worth has increased in line with the net profit increase adjusted for dividends.

V. Outlook, risks and concerns

We have adopted an integrated ERM framework that is implemented across the organization by the risk management office. Our ERM framework is developed by incorporating the best practices based on COSO and ISO 31000 and then tailored to suit our unique business requirements.

We have provided the details of Infosys ERM framework, key and emerging risks along with mitigation in the risk management report section of this integrated annual report. The list of risk factors which we track for our business are covered in our 20-F filing available at <https://www.infosys.com/investors/reports-filings/annual-report/annual-reports.html>.

VI. Internal Financial Control Systems and their adequacy

Infosys has aligned its current systems of internal financial control with the requirement of Companies Act, 2013, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses.

Internal financial control systems include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well conceived and operated, can only provide reasonable assurance that the objectives of the disclosure controls and procedures are met. Based on their evaluation as of the end of the period covered by this Integrated Annual Report, our CEO and CFO have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in filings and submissions, is recorded, processed, summarized, and reported within the time periods specified, and that material information related to us and our consolidated subsidiaries is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Deloitte Haskins & Sells LLP, the statutory auditors of Infosys Limited, has audited the financial statements included in this Integrated Annual Report, and as part of their audit, has issued their report on the company's internal financial controls (as defined in Section 143 of Companies Act, 2013), on the effectiveness of our internal financial controls over consolidated financial statement as at March 31, 2024

Infosys Limited has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the Audit Committee.

The CEO and CFO certification provided in the *CEO and CFO Certification* section of the Integrated Annual Report discusses the adequacy of our internal control systems and procedures.

VII. Material developments in human resources / industrial relations, including number of people employed

Our culture and reputation as a leader in consulting, technology, outsourcing and next-generation digital services enable us to attract and retain some of the best talent.

Human resources management

Infosys is a people company that understands the immense potential of technology and strives to create a world-class employee experience. The company has implemented various initiatives to inspire and enable its employees to find purpose and make an indelible impact through meaningful work and passionate teams, ensure that they continuously learn and grow in their careers and shape the collective future, and create opportunities for every employee to navigate further, powered by the culture and values of Infosys.

This is true at each stage of career for our employees. A strong focus on leadership development has ensured that we have a robust leadership bench at all times, encouraging leaders from within the Company to move up and take on new challenges. While fiscal 2024 saw some leadership exits, it also saw the emergence of a number of internal leaders not only ensuring business continuity, but also helping us close the year with the highest-ever large deal signings of US\$17.7 billion.

Adapting to the changing work environment, Infosys has adopted a hybrid model of work that balances employee flexibility and business requirement. Leveraging technology and automation, it has improved workforce efficiency, engagement, transformation, and innovation. Recognizing and rewarding its employees for their performance, excellence, and leadership, it has fostered a culture of diversity, equity, and inclusion, and ensured a safe and positive work environment for all its employees. Infosys has also received several awards and accolades for its best-in-class HR practices and processes.

For more details on the material developments in human resources / industrial relations, please refer to the link <https://www.infosys.com/sustainability/documents/infosys-esg-report-2023-24.pdf>

Resolution hubs

Infosys is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization envisages an open-door policy and encourages a culture of "speak up". Employees also have access to several forums where they can highlight matters or concerns faced at the workplace for effective remediation. This is achieved through a well-established and robust grievance resolution mechanism comprising resolution hubs. Resolution hubs adhere to the principles of natural justice, confidentiality, sensitivity, non-retaliation and fairness, while addressing concerns. The concerns are handled objectively while ensuring timely action and closure. In matters that entail a detailed investigation, the process ensures fairness for all involved, with an opportunity to be heard, present facts and any material evidence before a neutral panel.

HEAR

Infosys has a robust grievance redressal forum called HEAR (Hearing Employees And Resolving) fostering healthy employee relations and a positive work environment by giving our employees a neutral platform 'to be heard' and building the culture of 'speak up'. Employees can raise a complaint on the HEAR webapp or InfyMe mobile application or write to HEAR@infosys.com. HEAR adopts a decentralized model and addresses employee concerns in a structured manner with appellate forums for workplace grievances that have not been duly heard at the preliminary level by the Managers (or) line HR.

ASHI

The Company's assurance to its employees of providing a harassment-free workplace is reflected in our key initiative, ASHI (Anti-Sexual Harassment Initiative). As per the Prevention of Sexual Harassment Act in India, the Company has constituted Internal Committees (IC) in all the development centers with the ambit of the regulatory jurisdiction, for redressal of sexual harassment matters reported by women employees. We also have a strong governance mechanism in the form of GRB (Grievance Redressal Body) to define, interpret and implement Company's policy on anti-harassment and anti-discrimination at workplace. GRB consists of external members, internal senior members, and the Investigative Council. Here, we follow a gender-neutral approach in redressal of all such complaints. Complaints are taken up for a formal redressal process in line

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with the POSH Act and the Company's policy on anti-harassment as applicable. The reports on ASHI grievances can be shared to GRB@infosys.com and India employees can log reports on the ASHI webapp or InfyMe mobile application.

Extending the initiative to contract staff

Our commitment to a positive and safe working environment is not restricted only to our employees, but also third parties, who provide services in our campuses. We conduct refresher sessions for such third-party employees to reinforce the message. These sessions are covered in nine vernacular languages in India currently. Emergency / safety cards with important contact numbers are also handed over to all Infosys employees and employees of such third parties.

Whistleblower Policy

The Company has formulated the Whistleblower Policy in line with the mandated regulatory requirements – Sarbanes-Oxley Act (SOX), 2002 & Companies Act, 2013 – which mandates listed companies to establish a “vigil mechanism” for reporting genuine concerns.

The forum is predominantly for the receipt, retention and treatment of complaints regarding matters of probable discrepancies in accounting, internal accounting controls or auditing, and also enables anonymous reporting by employees. While the Whistleblower Policy and the forum is administered and managed by the Office of Integrity and Compliance, complaints (anonymous or otherwise) pertaining to deviations in workplace policies / processes involving employees are reviewed in tandem by the Employee Relations Department.

Human rights

Infosys is a signatory to the United Nations Global Compact (UNGC) and supports the protection and elevation of human rights in accordance with the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work (the ILO Declaration). Our Human Rights Statement provides a broad framework to ensure that all employees are treated with respect and dignity and ensure that we do not condone human rights violations or abuses. Our Supplier Code of Conduct helps us manage and address this important aspect of sustainable business in our supply chains.

Our salient human rights issues are:

1. **Workplace diversity:** A key tenet of the Code of Conduct and Ethics is respecting each other through creating an equal opportunity workplace, ensuring equal pay for equal work, free of discrimination and harassment.
2. **Harassment:** The organization envisages an open-door policy. This is achieved through a well-established and robust grievance resolution mechanism comprising resolution hubs.
3. **Freedom of association:** We respect the rights of our employees to associate or not associate through internal employee resource groups and seek representation, to bargain or not bargain collectively, in accordance with local laws.

4. **Health and safety:** These are prerequisites for conducting business responsibly. Ozone, Infosys' Health, Safety and Environmental Management System (HSEMS), has evolved into a robust management system guided by the requirements from multiple stakeholders, including clients, internal customers, vendor partners, law enforcement and regulatory bodies, and the communities in which we operate.
5. **Data privacy:** With the Data Privacy Office (DPO) directly reporting to the Board, Infosys ensures there is no conflict of interest in the DPO playing an effective role to ensure privacy of our employees, candidates, visitors, customers, and other stakeholders, according to applicable data privacy regulations across the globe, including but not limited to GDPR, CCPA, LGPD, both as a data controller and processor.
6. **Sustainable development:** In 2020, we launched our ESG Vision 2030 to shape and share solutions that serve the development of businesses and communities.

Recruitment

As of March 31, 2024, the Group employed 3,17,240 employees, of which 2,99,814 were professionals involved in service delivery to clients, including trainees.

We constantly attract and hire a multi-dimensional workforce across all IT specializations. We have built robust relationships with top institutions globally and recruit students who have consistently shown high levels of achievement. We have been globally recognized once again for our HackWithInfy initiative, an online coding contest, which also helps us attract the best coders. We have continued upscaling our InfyTQ platform, which brings the best of our Mysuru training to the hands of the learners across the country.

Following the COVID-19 pandemic, we evolved from a virtual-only mode to a hybrid model of virtual and in-person recruitment.

We launched the RestartWithInfy program to bring women who have had to drop out of active employment in the IT industry back to the mainstream. Through this successful initiative, we have hired 517 women into the Infosys ecosystem.

During fiscal 2024, we received 24,36,929 employment applications, interviewed 1,94,367 applicants and extended offers of employment to 26,975 applicants. These statistics do not include our subsidiaries.

Education, training and assessment (ETA)

Infosys continues to invest in developing human potential for the organization, and the world at large. We are now experiencing the play of Human + AI in multiple fields, including learning. This technology wave gives us the ability to hyper-personalize learning, at scale, across all our learning offerings. These efforts have helped us garner external accolades from Brandon Hall, ATD Best, and Training Apex.

The Foundation Training Program, anchored across India, Mexico, the US, the UK, Canada, Germany, Australia, Singapore, and Japan, enables newly on-boarded entry-level hires to transform into corporate professionals. Comprising over 50 technology streams, the curriculum has kept pace with the dynamic business requirements and the preferred pedagogical approach of

the current generation of talent. Generative AI and prompt engineering courses have been introduced to ensure freshers are adept in the new skills.

Our Continuous Education Program is aimed at reskilling / upskilling our existing employees with the twin objectives of increasing fulfilment of skilled talents in client projects and enriching their expertise in next-generation digital technologies and methodologies, including gen AI technologies. We provide online self-learning, instructor-led virtual training opportunities along with in-person classroom training opportunities to our employees. Bridge programs help employees with training and internship opportunities to switch to a new career field, while retaining them within the organization.

Lex, our in-house learning platform, offers over 18,000 curated courses, including over 13,000 courses procured from vendor partners both for enterprise consumption and niche communities with specific knowledge requirements. Around 45,000 employees use Lex on weekdays and around 8,500 employees use it on weekends, with an average learning time of 40 minutes.

Infosys Wingspan, our configurable talent transformation platform for clients, is used by several global organizations for their talent transformation programs.

Infosys Springboard aims to empower over 10 million people with digital and life skills by 2025. This program, led by a dedicated team of experts collaborating globally with curriculum partners, non-profits, and a global network of leading educational institutions. More than 14,800 learning resources are available and about 7.9 million learners across the world are actively consuming content on Infosys Springboard.

VIII. Other details

1. Quality

The Quality function at Infosys, in line with the organization's vision and strategy of 'Navigate the Next', has three strategic imperatives:

- Differentiate Infosys' services through superior performance and quality
- Optimize Infosys' client projects as well as internal functions for greater efficiency and agility
- De-risk Infosys' operations by ensuring delivery excellence, compliance and sustainability

Our Quality team continues to scale and evolve our capabilities in Agile, DevSecOps and Site Reliability Engineering, apart from driving the shift from project to product and platform-led ways of working using our product-centric value delivery approach. The Quality team also consults several clients in transforming their ways of working to be faster, better, and efficient.

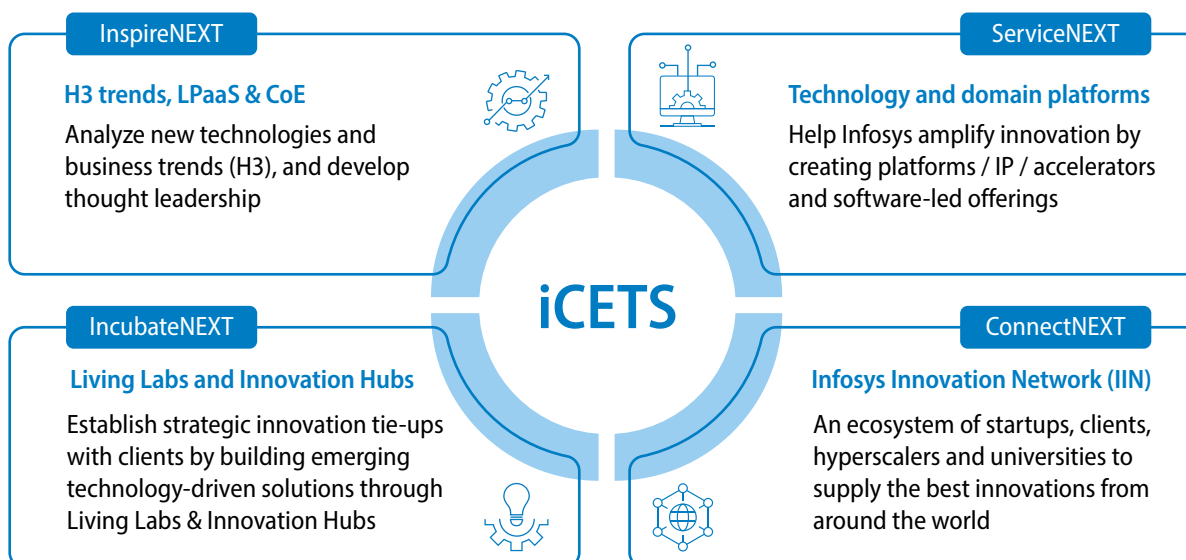
Today, clients are looking at maximizing their return from investments in digital technologies leveraging the power of AI. This requires multiple capabilities across product-based working, user experience design, data, advanced engineering, and digital talent enablement to come together seamlessly in the context of a digital transformation program. The evolved Infosys digital operating model for an AI-first enterprise was released last year, to address this need.

Quality has been leading the way in driving lean and automation in the organization to enhance productivity and quality, which has resulted in large optimization in projects. It deployed robust frameworks, tools and platforms across service lines in a collaborative manner to drive hyper-productivity and engineering excellence. Last year, the Quality team created a holistic automation maturity model to help navigate projects towards increasing automation levels, from point tools towards cognitive and autonomous operations, leveraging AI and Gen AI.

Quality continues to drive best practices and sustenance through structured audits and assessment frameworks, focusing on de-risking the organization, with augmented coverage of services, centers and subsidiaries. We continue to comply with international management system standards and models, viz., ISO 9001, ISO 27001, ISO 14001, ISO 45001, ISO 22301, ISO 20000, AS 9100 and ISO 27701. This includes the Infosys group's transition to the new information security standard ISO 27001 : 2022.

Infosys is the first IT company to comply with and get certified for ISO 42001:2023 standard for AI management systems. The Company continued to comply with and get assessed at the enterprise level for SSAE 18 SOC 2 type II & ISAE 3402 / SSAE 18 SOC 1 type II, including cloud platforms and AI and has received an independent auditors' assurance compliance report. Six of our IT hubs based in the US were certified for the first time for ISO 27001 Information security, ISO 27701 Data Privacy, and ISO 22301 Business continuity management system.

2. Infosys Center for Emerging Technology Solutions (iCETS)



iCETS is the emerging technology solution incubation partner for Infosys' clients and units. It provides next-generation platforms and innovation-as-a-service to help future-proof enterprise businesses, leveraging 'New Emerging and eXploratory Technologies' (NEXT). There are four distinct dimensions across which iCETS delivers innovation.

InspireNext: A set of capabilities and offerings designed to help discover new possibilities of doing business. The Listening Post as a Service (LPaaS) acts as signal catcher of new business and technology trends. We have helped over 50 clients to detect early signals of evolving phenomena from across innovation centres across the world. The insights gathered from our LPaaS program and our clients help us to set up and develop Centers of Excellence (CoE) for technologies such as AI & gen AI, quantum computing, cybersecurity, mixed reality, etc. These CoE experiment with and develop possible and demonstrable solutions for our clients, e.g. an AI benchmarking platform, logistics optimization using quantum technologies, etc.

ServiceNext: Leverages newly-developed capabilities and IP to help differentiate our service offerings or create new offerings for our clients. e.g. LEAP for AI-led maintenance projects, CyberNext for cybersecurity management for our clients, iQE for quality engineering services, IDW for data readiness for AI, etc. Each of these platforms gives Infosys an edge by providing efficient services and helping clients to reduce costs and risks while adopting new solutions. We have over 1,000 client deployments of our IP across our portfolio. Be The Navigator (BTN) is our flagship program for grassroot innovation. It is a structured and scalable program for our clients to leverage our innovation expertise and infrastructure to make improvements each day.

ConnectNext: Brings together innovations from an external ecosystem of hyperscalers, startups and universities. The Infosys Innovation Network (IIN) today nurtures over 300 startups across technologies. Its collaboration with hyperscalers and product players helps to differentiate Infosys' services and platforms, including in AI, data readiness, immersive experiences, space,

semiconductor etc. With these startup-led solutions, we have helped over 700 clients to discover the best innovations from around the world.

IncubateNext: Provides our clients with rapid and agile innovation capabilities. Infosys internal experts, IP and external partnerships like startups bring significant scope for experimentation, scaling of ideas and increased velocity of innovation. Infosys Living Labs has helped over 100 clients in adopting new technologies like AI, gen AI, mixed reality, customer experience, etc. Most of our innovations are also made available for wider learnings via our Innovation Hubs. With over 130 different technology experiences, we get our clients from different industries to understand the potential and apply these innovations to their business opportunities.

3. Branding

Brand Infosys is a key intangible asset for the Company, counted among the world's Top 100 brands, and recognized as the fastest growing IT services brand globally. It is nurtured by over 3,17,000 of our purpose-driven associates seeking to amplify human potential and create the next opportunity for people, businesses, and communities. The brand serves to position Infosys as the next-generation digital-first, cloud-first, and AI-first partner of choice for enterprises navigating their business transformation. It is built around the premise that the experience we have gained, over four decades, in managing the systems and workings of global enterprises enables us uniquely to be navigators for our clients. We do it by enabling them with an AI-first core. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning foundation drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem. Our localization investments in talent and digital centers help accelerate the business transformation agenda. For over four

decades, we have been deeply committed to being a well-governed, environmentally sustainable partner for our clients, where diverse talent, in an inclusive workplace, helps them navigate their next.

Our marketing reach extends globally through digital-first multi-channel campaigns. As the digital innovation partner for the Australian Open, Roland-Garros, ATP and The International Tennis Hall of Fame, we help showcase how brand Infosys is reimagining the tennis ecosystem for a billion fans globally, leveraging data, insights and digital experiences. We are also the official digital innovation partner of Madison Square Garden (MSG) properties including the New York Knicks, New York Rangers and the MSG Arena. Our strategic partnerships with Dow Jones, The Economist Group, Financial Times and Handelsblatt Media Group further accentuate this position. We participate in premier business and industry events around the world, while also organizing our own signature events and CXO roundtables. Confluence, our flagship client event series across the US, Europe and APAC, is rated highly by our clients and industry partners.

4. Client base

Our client-centric approach continues to bring us high levels of client satisfaction. We, along with our subsidiaries, added 385 new clients, including a substantial number of large global corporations. Our total client base at the end of the year stood at 1,882. The client segmentation, based on the last 12 months' revenue for the current and previous years, on a consolidated basis, is as follows:

Clients	2024	2023
100 million dollar +	40	40
50 million dollar +	83	75
10 million dollar +	315	298
1 million dollar +	959	922

5. Infosys Leadership Institute

Continuing its award-winning streak, the Infosys Leadership Institute (ILI) won the prestigious Society of Human Resources (SHRM) Excellence award for Developing Leaders of Tomorrow in fiscal 2024. This was accompanied by the highest internal recognition of Infosys Awards for Excellence for its lamtheFuture program focused on leadership diversity and Constellation program focused on strengthening the leadership succession pool. As a part of the Constellation program, the high-potential leaders continued to work on the organizational strategic projects, bolstered by a certificate program on Organizational Change Leadership from MIT.

In addition to strengthening the succession pool through the Constellation program, there were specific programs designed to augment succession strength across the organization. With technology-led disruption becoming all-pervasive, particularly driven by GenAI, ILI curated a business-oriented certification

program on AI by Kellogg. More than 400 leaders have enrolled in the program and this focus will continue in fiscal 2025. Leadership engagement and development continue to strengthen with about 95% of our leaders completing at least one significant leadership program this year, with more than 70% completing a certification program from an Ivy League institution. Our leaders invested about 10,000 learning days equivalent to strengthen their leadership capabilities.

The third phase of the highly-acclaimed lamtheFuture program commenced in fiscal 2024, with a focus on building higher-order organizational and leadership capabilities, culminating in projects designed for business impact. More than 500 women leaders have completed various phases of this program, earning the ILI-Stanford GSB certificate.

6. Infosys Knowledge Institute

The Infosys Knowledge Institute (IKI) is the business research and thought leadership arm of Infosys. IKI harnesses the intellectual capital of Infosys' subject matter experts to produce unique and fresh content and insights on the business impact that technology can drive for prospects and clients. IKI also develops its proprietary data and insights through multiple large-scale surveys and quantitative analysis. These are published through its flagship Radar maturity assessments, the annual Tech Navigator report on future trends and the ongoing TechCompass tech trends series. IKI has collaborated with over 600 clients and created over 1,200 assets since inception. For more information, visit <https://infosys.com/iki>.

7. ESG vision and ambitions

In October 2020, we launched our ESG Vision 2030 to "shape and share solutions that serve the development of businesses and communities". Our vision continues to reflect how ESG is integral to Infosys' sustainable business performance. We continue to be carbon neutral across Scope 1, 2 and 3 emissions for the fifth year in a row. We have expanded our reskilling initiatives to empower more than 10 million people with digital skills and more than 80 million with Tech for Good programs in e-governance, healthcare and education. Our commitment to nurturing greater inclusivity and strengthening our gender-diverse workforce continues to grow from strength to strength.

An empowered, diverse and inclusive Board continues to sharpen stakeholder focus by bringing their interests to the fore. Our data privacy and information management efforts continue to receive global accolades.

For more information about our ESG Vision and ambitions, read our ESG Vision 2030 document at <https://www.infosys.com/content/dam/infosys-web/en/about/corporate-responsibility/esg-vision-2030/index.html>.

For information on the progress of our ESG ambitions, read the ESG report at <https://www.infosys.com/sustainability/documents/infosys-esg-report-2023-24.pdf>