

TO ALL STOCK EXCHANGES

**BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
NEW YORK STOCK EXCHANGE**

December 9, 2022

Dear Sir/ Madam,

Sub: Press release

Please find attached the press release titled **"Infosys Research: Nine out of Ten Executives Report ESG Delivers ROI"**.

This will also be hosted on the company's website at www.infosys.com

Thanking You

Yours Sincerely,

For Infosys Limited

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Infosys Research: Nine out of Ten Executives Report ESG Delivers ROI

High-performing companies view ESG as value creator, with senior executive accountability

Bangalore, India, New York and London -- December 8, 2022: Increased ESG investment correlates with higher profits, according to new research from the Infosys Knowledge Institute, the thought leadership and research arm of [Infosys](#) (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting. The report identified actions that companies should take now to achieve ESG goals and generate financial returns across sustainability initiatives.

The **Infosys report, ESG Redefined: From Compliance to Value Creation**, reveals that nearly all (90%) executives said their ESG spending led to moderate or significant financial returns. Most respondents (66%) experienced ESG returns within three years. The report acknowledges that despite ESG's clear link to profit growth, budgets are likely to be an obstacle in the current economy. This is worrisome, as companies need more financial resources and operating model changes to achieve ESG goals and sustain profit growth.

Infosys President Mohit Joshi said, "There is nothing novel about the idea that you have to spend money to make money. However, although 90 percent of respondents in our study say ESG gives ROI, there is still a lag in applying strategy to ESG as it is done for other parts of their businesses. Companies must shift views to recognize ESG as a value creator to reap the financial benefits of ESG investments and to achieve maximum impact in creating a better, more sustainable world."

Strategy alignment and execution will allow businesses to accelerate their ESG initiatives with greater payoff. The Infosys Knowledge Institute revealed several insights to guide companies to accelerate ESG's financial rewards:

- **ESG is a proven moneymaker.** The report found that a 10 percentage point increase in ESG spending correlates with a 1 percentage point increase in profit growth. A company that currently spends 5% of its budget on ESG can expect a one percentage point profit increase if it aligns operating or capital budget to increase ESG spending portion to 15 percent.
- **Overlooking the 'S' and 'G' in ESG reduces profitability.** Many companies focus ESG efforts on the environmental segment with commitments to carbon neutrality, net zero, and reducing

greenhouse gas emissions. However, there are also opportunities to improve financial results through social and governance initiatives. Research data shows social initiatives like board diversity correlate to improved profitability.

- **ESG leadership strategy correlates with a 2 percentage point increase in profit and revenue growth.** Companies perform better financially when they demonstrate all the following: a chief diversity officer (CDO), chief sustainability officer (CSO), ESG committee on the board, and also when the CSO clears capital expenditures for ESG initiatives. However, only about a quarter (27%) of those surveyed say their company has all four components in place. The survey data analysis also found that the C-suite and top executive ranks were the most neglected areas for ESG changes. Only 19% of respondents say their company ties executive compensation to ESG goals, and just 30% say their firms place responsibility for ESG with the C-suite.
- **Supply chain transparency matters.** Research found that almost all companies are interested in aligning their ESG goals with their supply chain, especially as more companies are expected to account for their scope 3 greenhouse gas emissions. However, less than one-third share ESG expectations or requirements for suppliers. Only 16% say they renegotiate contracts based on ESG data from those in the supply chain — indicating a clear need for more leadership in the supply chain and incentives to share ESG data, whether it's meeting new contract requirements or making themselves more appealing to others in the supply chain.

To read the full report, visit ([report link here.](#))

Methodology

Infosys used an anonymous format to conduct an online survey of 2,500 business executives across industries across the US, UK, France, Germany, the Nordics, Australia, New Zealand, China, and India. To gain additional, qualitative insights, the researchers interviewed subject matter experts and business leaders.

About Infosys

Infosys is a global leader in next-generation digital services and consulting. Over 300,000 of our people work to amplify human potential and create the next opportunity for people, businesses and communities. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer clients, in more than 50 countries, as they navigate their digital transformation powered by the cloud. We enable them with an AI-powered core, empower the business with agile digital at scale and drive continuous improvement with always-on learning through the transfer of digital skills, expertise, and ideas from our innovation ecosystem. We are deeply committed to being a well-governed, environmentally sustainable organization where diverse talent thrives in an inclusive workplace.

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Safe Harbor

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking



statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India and the US, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2022. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

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