

A STUDY OF CORPORATE SOCIAL RESPONSIBILITY: INFOSYS LIMITED

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ABSTRACT

Customers contribute to the brand equity of a socially responsible business by increasing its future profits and reputation. Consequently, CSR initiatives serve as methods for businesses to enhance their reputation, thereby influencing brand equity as an outcome. Corporate social responsibility (CSR) is an internal business strategy that allows a company to maintain its social accountability to itself, its stakeholders, and the community. Through engaging in corporate social responsibility, often referred to as corporate citizenship, businesses can be aware of the influence they exert on various facets of society, encompassing economic, social, and environmental dimensions. During the Covid-19 era, numerous businesses have engaged in CSR efforts by promoting awareness of physical distancing within the community. Numerous companies have implemented actions as a tactic to address and fight the deadly virus. Infosys Limited was among the first to embrace corporate social responsibility. Infosys created a foundation in 1996 to implement its CSR efforts. It aims to eliminate malnutrition, enhance health care infrastructure, safeguard Indian art and culture, support primary education, offer rehabilitation, assist underprivileged women and children, and more. The organization is committed to continuously fostering sustainable development for society and the environment, striving to make Earth a better place for future generations. This research investigates the evolution of CSR and seeks to analyze how one of India's prominent companies, Infosys, perceives and implements its CSR initiatives. It has evaluated the CSR funding over three years across various projects and also strives to uncover the motivations behind the actions taken by Infosys.

Keywords: Corporate social responsibility, CSR initiatives, Covid-19, society, Community Involvement, Human Resources, Environmental Contribution.

INTRODUCTION

The name Infosys is synonymous with Corporate Ethics in the Indian business landscape. Infosys is the leading company of India's powerful ITES (Information Technology Enabled Services) industry. In addition to maintaining strong financial results, the company was among the first to embrace Corporate Social Responsibility initiatives. Infosys tackles several of India's urgent development issues in the fields of Education, Rural Development, Gender Equality and Women Empowerment, Environmental Sustainability, Preserving National Heritage and Culture, Hunger, Poverty, Malnutrition, and Health. Before the requirement for Indian companies to allocate 2% of their net profits to Corporate Social Responsibility activities, Infosys Foundation was already investing in development projects through its CSR initiatives. Corporate social responsibility (CSR) describes the actions and policies implemented by companies aimed at creating a beneficial impact on society. The central concept of CSR is to aim for additional pro-social goals alongside maximizing profits. The shift towards CSR has influenced multiple areas. Common CSR goals encompass environmental management, eco-efficiency, ethical sourcing, stakeholder involvement, labor standards and workplace conditions, employee and community relations, social equity,

gender equality, human rights, effective governance, and anti-corruption initiatives. Corporate social responsibility is an extensive idea that can manifest in various ways based on the organization and sector.

By engaging in CSR initiatives, charitable contributions, and volunteer activities, companies can enhance societal welfare while improving their brand image. CSR is just as valuable for a company as it is essential for the community. An effectively executed CSR strategy can yield numerous competitive benefits, including better access to funding and markets, higher sales and profits, reduced operational costs, improved productivity and quality, an efficient workforce, a stronger brand image and reputation, greater customer loyalty, and enhanced decision-making and risk management. In 2010, the International Organization for Standardization (ISO) published a series of voluntary standards designed to assist businesses in adopting corporate social responsibility. In contrast to other ISO standards, ISO 26000 offers guidance instead of mandatory requirements, as the essence of CSR is more qualitative than quantitative, and its standards are not subject to certification. Rather, ISO 26000 defines social responsibility and aids organizations in converting CSR principles into actionable steps. The standard targets every type of organization, irrespective of its size, activity, or geographical location. Due to the contributions of numerous key stakeholders globally, ISO 26000 achieved worldwide consensus.

COMPANY PROFILE

Infosys Mission Statement

"To achieve our objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society"

Infosys Vision Statement

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

Infosys Tagline

"Powered by Intellect, Driven by Values"

Headquarters of the Company

Bangalore, Karnataka, India

Infosys Products and Services Offered

Infosys provides software development and its maintenance services to a wide array of companies from different fields such as insurance, finance, manufacturing etc. Some of the important work-related platforms used in Infosys are

1. **Mana** which is now called NIA - Next Generation Integrated AI Platform.
2. Edge Verve Systems which include **Finacle**, a banking solution with various modules related to corporate & retail banking.
3. Infosys' own analytics platform called as **Infosys Information Platform**.
4. Infosys consulting is a global management consulting service.

Infosys Awards and Recognition

1. Infosys won the **Platinum Award** at the Asset Corporate awards.

2. At the 13th Indo-American Corporate Excellence Awards 2017, Infosys won the Responsible Business and the Indo-U.S. Trade Driver of the Year Awards.
3. Infosys tax team won the “Asia’s best in-house tax team” award for the year 2017 awarded by Euromoney.
4. Infosys won the Golden Peacock Environment Management award for the year 2017.
5. Infosys won the awards for Best CEO, Best CFO and Best Investor Relations for the year 2017 in All Asia Executive Team Rankings by Institutional Investor magazine in the field of Technology/IT Services.
6. Infosys won the **Best Company in India** at the 20th Finance Asia Platinum Awards for the year 2016.

OBJECTIVES OF THE STUDY

1. To study the overview of corporate social responsibility of INFOSYS Ltd.
2. To analyse the CSR funding for three years in different projects.
3. To study contribution of INFOSYS Ltd CSR during covid times.
4. To focus on the challenges faced by Infosys its activities in India.
5. To offer useful suggestions in the light of findings

REVIEW OF LITERATURE

Some studies examine important research in CSR literature and identify critical research gaps (Carroll 1999; Garriga and Mele 2006; Lee 2008; Secchi 2007). A recent International Journal of Management Reviews article argues that conceptualizations of and research on CSR have evolved along two avenues (Lee 2008):

In terms of the level of analysis, researchers have moved from a discussion of the macro social effects to an organizational level. In terms of the theoretical orientation of this field, researchers have shifted from explicitly normative and ethics-oriented arguments to implicitly normative and performance-oriented managerial studies. The high ranking of corporate social responsibility (CSR) on research agendas (Greenfield 2004; Maignan and Ralston 2002; McWilliams et al. 2006; Pearce and Doh 2005) appears reflected in theoretical and managerial discussions that argue “not only is doing good the right thing to do, but it also leads to doing better”

(Bhattacharya and Sen 2004: 9; see also Dunphy et al. 2003; Kotler and Lee 2005). As a result, CSR has moved from ideology to reality, and many consider it necessary for organizations to define their roles in society and apply social and ethical standards to their businesses (Lichtenstein et al. 2004). Although organizations increasingly adhere and demonstrate their commitment to CSR (Pinkston and Carroll 1994), many struggle in this effort (Lindgreen et al. 2009).

Andrew Crane, Abigail McWilliams and Dirk Matten (2009) have pointed out that business schools, the media, the corporate sector, governments, and nongovernmental organizations have all begun to pay more attention to issues of Corporate Social Responsibility in recent years. These issues encompass broad questions about the changing relationship between business, society and government, environmental issues, corporate governance, the social and ethical dimensions of management, globalisation, stakeholder debates, shareholder and consumer activism, changing political systems and values, and the ways in which

corporations can respond to new social imperatives. Said (2009) examined the relationship between corporate governance characteristics, namely the board size, board independence, duality, audit committee, ten largest shareholders, managerial ownership, foreign ownership and government ownership and the extent of CSR.

The content analysis was used to extract the CSR items from annual report and companies web sites. CSR index was constructed after combining CSR disclosure items disclosed both in annual reports and in companies' web sites. Hierarchical regression analysis was used to examine the relationship between the corporate social disclosures index and the independent variables. Full regression models indicated that only two variables were associated with the extent of disclosures, namely government ownership and audit committee. Government ownership and audit committees are positively and significantly correlated with the level of corporate social responsibility disclosure.

The most significant variable that influences the level of CSR disclosure is government ownership. Dragomir (2010) raised recent issues like whether the natural environment is a stakeholder of the firm? And whether a business case exists for achieving sustainability? A sample of 60 of the largest European Union industrial business groups, extracted from the FTS EuroFirst 300, and an environmental disclosure index inspired by the Global Reporting Initiative Guidelines, form the basis for the content analysis of the most recent sustainability reports published before the end of 2008.

A significant association was found between contemporary environmental performance and disclosure. The bigger polluters tended to disclose more on their activities, but only to a moderate statistical effect. However, no association is found between 34 environmental performance and financial performance, as well as between environmental disclosure and contemporaneous firm performance.

C. B. Bhattacharya, Sankar Sen and Dr. Daniel Korschun (2011) wrote that the corporate social and environmental responsibility movement, known more generally as Corporate Responsibility (CR), shows little sign of waning. Almost all large corporations now run some form of corporate responsibility program.

Despite this widespread belief that CR can simultaneously improve societal welfare and corporate performance, most companies are largely in the dark when it comes to understanding how their stakeholders think and feel about these programs. They argue that all companies must understand how and why stakeholders react to such information about companies and their actions. It examines the two most important stakeholder groups to companies- consumers and employees- to comprehend why, when and how they react to CR. Armed with this insight, it shows how companies can maximize the value of their CR initiatives by fostering strong stakeholder relationships to develop, implement and evaluate compelling social responsibility programs that generate value for both the company and its stakeholders.

Prasenjit Maiti (2011) in his paper entitled "It is Politics or Profits or even Compassion? Unravelling the Motivation for Corporate Citizenship" tried to analyse theoretically the motives of corporations before their CSR initiatives. The study found that CSR is related to profits, power plays, politico-legal equation, situation of market flux, responsible images, humane concerns and other ethical dynamics. 42 Monika Hartman (2011) in her article "CSR in the food sector" analysed the importance of CSR in the food sector, particularly those companies which have high brands. The study found that SME's is less capable of discharging their obligation towards society. Further the study revealed that the food sector

always tries to improve the controlling and discharging its services towards consumers. It was also found that consumers show preference for those brands or food sectors that give importance to CSR activities.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled “Emerging trends of CSR in India” analysed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing, FMCG, Oil & Gas, Cipla etc. The study concluded that the companies today are working not only to earn profit but have also realised the importance of being social friendly. Social Responsibility today has started taking a turn in the new direction.

NEED FOR THE STUDY

Infosys Limited (‘Infosys’ or ‘the Company’) established Infosys Foundation in 1996 as a not- for-profit nodal body aimed at providing a dedicated approach to community development and also to fulfil CSR commitments is headed by Sudha Murthy.

FOCUS AREAS

- Hunger, poverty, malnutrition and healthcare
- Education
- Rural Development projects
- Gender Equality and Empowerment of Women
- Environmental Sustainability
- National Heritage Art & Culture

SCOPE OF THE STUDY

Corporate Social Responsibility (CSR) is viewed as a comprehensive set of policies and programmes that are integrated into business operations, supply chains and decision-making processes throughout the company. The case deals with CSR initiatives of Indian IT major-Infosys Technologies Ltd. The company is actively involved in the areas of community involvement, human resource development, environmental contribution, product contribution and customer relations, rural development, and shareholders relations.

RESEARCH METHODOLOGY

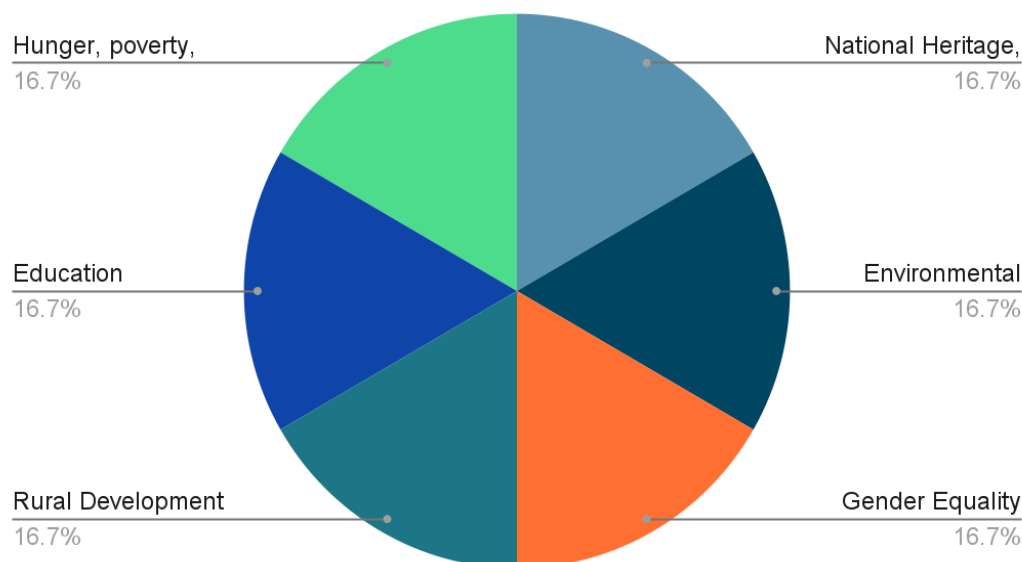
The study is based on secondary data. The data has been extracted from various sources like research articles, publications, INFOSYS official website and other various authenticated websites.

DATA ANALYSIS

CSR activities in FY 2018 – 2019

National Heritage, Art & Culture	INR 17.07 Cr
Environmental Sustainability	INR 133.62 Cr
Gender Equality and Empowerment of Women	INR 32.02 Cr
Rural Development projects	INR 22.88 Cr
Education	INR 102.32 Cr

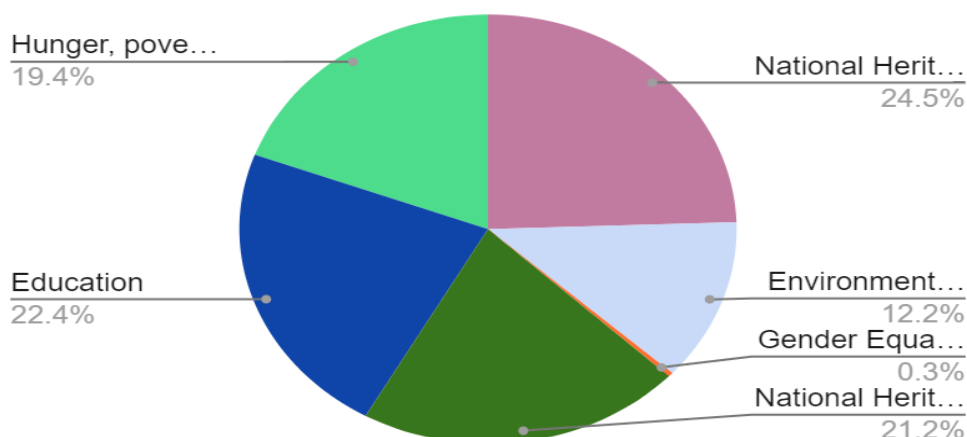
Hunger, poverty, malnutrition and healthcare	INR 33.51 Cr
YEAR	2018-2019
Actual CSR	342.04 Cr
Prescribed CSR	340.35 Cr



CSR activities in FY 2019-20

National Heritage, Art & Culture	INR 88.13 Cr
Environmental Sustainability	INR 44 Cr
Gender Equality and Empowerment of Women	INR 1.14 Cr
Rural Development projects	INR 76.2 Cr
Education	INR 80.77 Cr
Hunger, poverty, malnutrition and healthcare	INR 69.7 Cr
YEAR	2019-2020
Actual CSR	359.94 Cr
Prescribed CSR	359.56 Cr

CSR activities in FY 2019-20

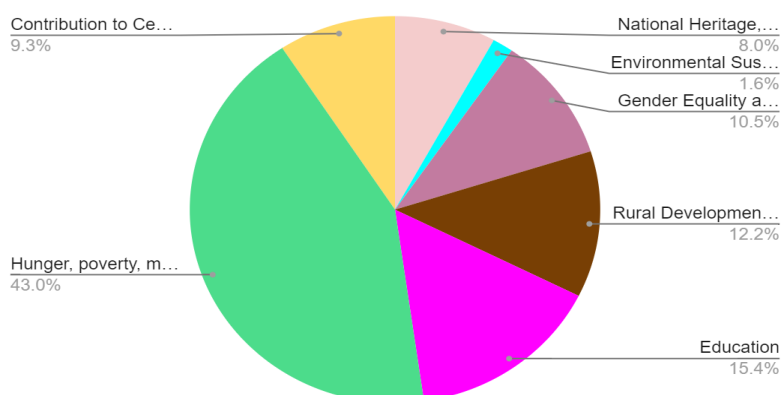


CSR activities in FY 2020 – 2021

National Heritage, Art & Culture	INR 25.90 Cr
Environmental Sustainability	INR 5.27 Cr
Gender Equality and Empowerment of Women	INR 34 Cr
Rural Development projects	INR 39.6 Cr
Education	INR 49.84 Cr
Hunger, poverty, malnutrition and healthcare	INR 139.23 Cr
Contribution to Central Government Fund	INR 30.00 Cr

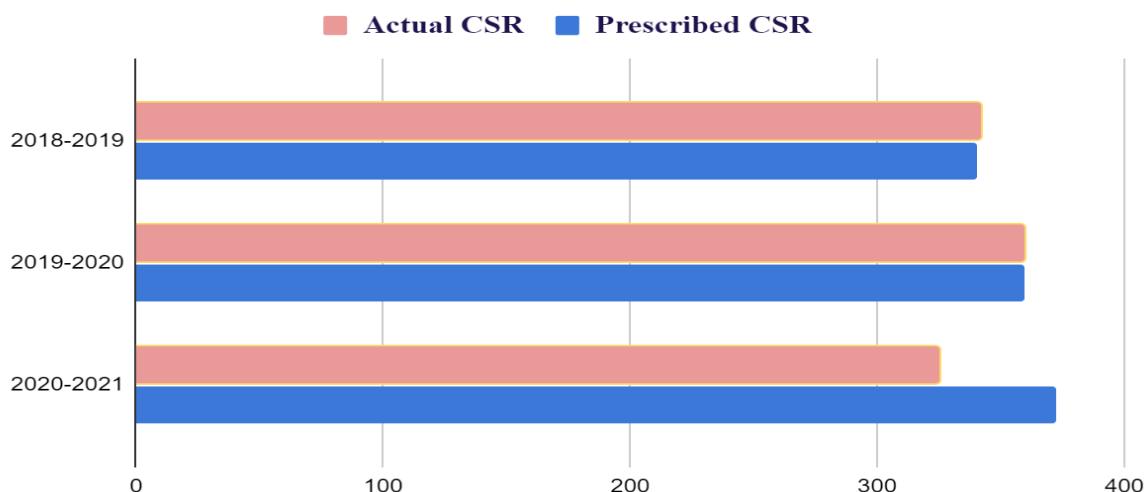
YEAR	2020-2021
Actual CSR	325.32 Cr
Prescribed CSR	372.39 Cr

CSR activities in FY 2020 – 2021



Graph showing the comparison of Actual CSR activities and Prescribed CSR activities in the consecutive fiscal years 2018 – 2021

YEAR 2018 - 2021



Contribution given by INFOSYS Foundation towards COVID-19 Relief Efforts

A contribution of INR 50 crore from this sum has been made to the PM CARES Fund. Infosys Foundation, the philanthropic and CSR arm of Infosys, had announced that it has committed INR 100 crore to support efforts towards fighting COVID-19 in India. The Foundation contributed half of this commitment (INR 50 crore) to the PM CARES Fund.

This sum primarily had been utilized across three broad areas of support that the Foundation had prioritized:

- To expand hospital capacity for treatment and enable hospital stays for COVID-19 patients across India, especially ones belonging to the economically weaker sections of the society
- To provide ventilators, testing kits, and Personal Protective Equipment (PPE) like masks, and other protective gear for frontline healthcare workers
- To ensure better access to food and nutrition for the underprivileged section of the society, that is bearing the adverse economic impact of the current situation.

Infosys Foundation has announced support for creation of an exclusive hospital in Bangalore for COVID-19 patients. It had also enabled the acquisition of medical and PPE equipment for multiple military and government hospitals across the country. The Foundation had also supported various NGOs that provide food and hygiene kits to thousands of people in need. 500 crores to the Prime Minister's Relief Fund to provide ventilators, test kits and Personal Proactive Equipment (PPE) such as masks and other equipment to healthcare workers. Infosys has contributed to prevent Corona and it will be used to make food and nutrition available to the vulnerable sections of the society. Through this, this money will be allocated to overcome the current economic impact.

Help for setting up separate hospital

Infosys had announced help for setting up a separate hospital in Bengaluru for the treatment of Covid-19 patients. Apart from this, it has announced to provide medical and PPE equipment to several military and government hospitals in the country. Apart from this, the foundation is assisting several NGOs to supply food and hygiene kits to thousands of needy

people. Needed help for day laborers continues to work hand in hand with governments, non-profit organizations, and health care organizations fighting against the current global pandemic. all efforts were taken to ensure relief materials would reach all those in need. The Foundation also helped patients who cannot pay for treatment, our health care workers or daily wage laborers who are in serious trouble.

FINDINGS

1. CSR activities undertaken by the Infosys in the Fiscal year 2018-19. In this fiscal year they have spent total INR 340.00 Crores in that they have spent most Bangalore Metro i.e., 143.07 Crores Compare to other activities.
2. CSR activities undertaken by the Infosys in the Fiscal year 2019-20. In This fiscal year they have spent total INR 359.94 crores in that they have spent most on National Heritage, Art & Culture I.e., INR 88.13 crores.
3. CSR activities undertaken by the Infosys in the Fiscal year 2020 – 2021. This fiscal year they have spent total 325.32 Crores in that they have spent most on Hunger, poverty, malnutrition and healthcare I.e., INR 139.23 crores.

SUMMARY

Infosys' Corporate Social Responsibility (CSR) Policy intends to:

- Strive for economic development that positively impacts society at large with minimal resource footprint
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities to alleviate hunger, poverty, and malnutrition; to protect the environment; and to support communities, stakeholders, and society
- Focus Areas In accordance with the requirements under the Companies Act, 2013 and the rules / regulations framed thereunder, and circulars / clarifications issued thereunder (collectively, "Applicable Law"), Infosys CSR activities, amongst others, will focus on.
- Improving Quality of Education: Implement online and offline education, Create high-impact sports partnerships, Support research, chairs, scholarships.
- Healthcare and Medical Facilities: Construction of infrastructure such as hospital blocks, equipment and labs, Partnerships with medical centres and hospitals for various programs, Provide quality medical treatment to the underprivileged.
- Environment sustainability projects: Protecting the environment including reduction of GHG emissions, water management and waste reduction contributing to climate change mitigation.
- Women Empowerment: Quality education including scholarships, midday meals and direct school fees, Construction of infrastructure such as girls' hostels, maternity hospitals, Programs targeting healthcare, livelihood and support.
- Destitute Care & Rural Focus: Grants for martyrs' next of kin, Animal welfare including medicines, food and shelter, Development of villages and rural areas
- Art and Culture: Grants for performing arts – online and offline, Livelihood of artists, Documentation of art forms, Construction of infrastructure.

Infosys may also support relief efforts to communities at the time of natural and man-made disasters. Additionally, Infosys may take up any other projects in line with CSR provisions and as approved by the CSR committee from time to time. CSR budget will be fixed in accordance with the provisions of the Companies Act 2013, rules framed thereunder and the CSR policy framed by the Company. Spend on CSR activities would be on projects and programs approved by the CSR committee. The Company will deploy funds on its own or through the Infosys Foundation and will monitor the project and provide periodic updates along with impact assessment reports, as applicable, to the CSR committee.

SUGGESTIONS

We would like to offer a few constructive suggestions to the stakeholders of the company.

The details are as follows:

1. To make the companies employees to become aware of the benefits they can reap from the CSR activities.
2. To allow the public to compare CSR activities and to generate public awareness of outstanding devotion to CSR. This will help to create a win-win situation for the corporates which actively participate in CSR on one side and social environment on the other side.
3. There is little or no knowledge about CSR within the local communities. Therefore, the companies must put serious efforts to spread awareness about CSR.
4. Appropriate steps should be undertaken to address the issue of building effective bridges amongst all important stakeholders for the successful implementation of CSR activities.
5. The companies should provide rural old age homes with food and accommodation facilities.
6. The companies should provide scholarships, educational loans, and some hostel facilities at grass root level.
7. The companies should concentrate further more on safe drinking water and hygiene toilet facilities.
8. The companies should concentrate on organic farming.
9. In Rural development programmes much importance should be given by the companies.
10. Well-equipped veterinary hospitals should be constructed in villages that helps the illiterate farmers to take care of the animals

CONCLUSION

“Man may come and man may go but the company goes on forever” India has a long rich history of close business involvement in social causes for national development. CSR is known from ancient times as social duty or charity, which through different ages is changing its nature in a broader aspect, now generally known as CSR. From the origin of business, which leads towards excess wealth, social and environmental issues have deep roots in the history of business. India has had a long tradition of corporate philanthropy and industrial welfare has been put to practice since the late 1800s. Historically, the philanthropy of

business people in India has resembled western philanthropy in being rooted in religious belief.

Business practices in the 1900s that could be termed socially responsible took different forms: philanthropic donations to charity, service to the community, enhancing employee welfare and promoting religious conduct. Corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy community good will. The ideology of CSR in the 1950s was primarily based on an assumption of the obligation of business to society.

CSR are playing a vital role for the development of the social performance of an organisation. Social performances are equivalent opportunities in the organisation like financial performance, economic performance and social performance and so on. Society includes the domestic people who help directly or indirectly for the development of the society. The organisation revenue not only depends on external players but also the internal players. If the companies are not going to satisfy the society, it has a very tough time for the long run survival. Hence effective CSR must be established in the organisation to take care of Social Responsibilities, when social responsibilities increase organisational performance also increases. The company has created so many social assets for the welfare of the society that have created social benefits for the companies in the form of reputation, value creation, trustworthy and increases in the sale like these many advantages are due to CSR initiative implementation. These companies show the real cause for the development of the society and our economy, and let this good work continue forever.

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