

### Case Study -3

#### Infosys' Water Risk Mitigation Strategy in India

**Introduction**

Infosys, a company providing IT and business services, has been taking steps to reduce the risks related to water supply at its facilities for over 15 years. They are mainly concerned about water scarcity in India, where they have many large campuses, as the country faces increasing demand for water due to its growing population.

#### **The Water Scarcity Risk**

With 40 major development centres in India and over 200,000 employees, Infosys relies on water for various purposes, such as cooking, cleaning, bathrooms, and drinking, as well as for

landscaping and cooling systems. Water shortages during dry periods can disrupt their operations, impacting their ability to meet customer contracts and performance goals.

**Infosys' Response to Water Risks**

1. **Collaboration:** Infosys encourages cooperation between its risk management and sustainability teams.
2. **Assessing Risks:** They assess risks at both the individual facility and corporate levels.
3. **Risk Reduction Process:** They follow a step-by-step process, beginning with identifying the inherent risk and then taking measures to control it.
4. **Types of Responses:** They choose from five risk response options, including accepting, avoiding, pursuing, reducing and sharing. In cases of high water scarcity risk, they aim to "reduce" the risk.
5. **Action Plans:** Infosys uses water risk assessments and root cause analyses to create action plans to lower risks to "low" or "moderate" levels. If necessary, they may temporarily move operations or reduce their presence in high-risk areas.
6. **Root Cause Analysis:** They focus on addressing the underlying causes of water scarcity, not just the symptoms.
7. **Mitigation Measures:** Measures include water conservation, aquifer recharge, rainwater harvesting, and construction of underground reservoirs to ensure a seven-day water supply in extreme shortages.
8. **Monitoring:** Sustainability and risk management teams work together to monitor water scarcity using data like rainfall patterns, water tables, storage capacity, water tanker availability, and freshwater sources.

**Business Outcomes**

Infosys' approach to managing water risk has provided several benefits:

1. **Operational Flexibility:** They can open new campuses in locations where competitors may struggle due to water shortages.
2. **Continuity:** By having stored water during shortages, Infosys can maintain operations, ensuring customer confidence and profitability.

Infosys' success in managing water risks is attributed to its organizational structure, which allows them to tackle water challenges both locally and at the enterprise level.