B4Ukraine

Salil Parekh Chief Executive Officer and Managing Director 44, Hosur Road Electronics City, Bengaluru 560100, Karnataka, India

15/11/2022

CC: Infosys Executive Team and Board of Directors

RE: Infosys's business operations in Russia

Dear Mr. Parekh,

We write to you as <u>B4Ukraine</u>, a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Infosys Limited's (Infosys) stated policies on Russian aggression and human rights more broadly and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We acknowledge Infosys's stated commitment to human rights. According to the company's Human Rights Policy Statement (2021):

As a signatory to the "United Nations Global Compact", Infosys Limited supports the protection and elevation of human rights in accordance with the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights ("UN Guiding Principles") and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work ("ILO Declaration").¹

We also recognize Infosys's commitment to building sustainable and responsible supply chains as stated in the company's latest ESG report:

As a signatory to the United Nations Global Compact (UNGC), Infosys leverages the UNGC principles covering human rights, labor, environment, and anti-corruption as foundational principles for building and improving its sustainable supply chain practices. The Company is committed to providing

¹ Infosys, "Human Rights Policy Statement 2021,"

<u>https://www.infosys.com/sustainability/resources/Documents/human-rights-statement.pdf</u> (accessed November 13, 2022).

opportunities to diverse businesses and integrating the UNGC principles into our supply chain and towards building a positive long -term environmental and social impact.²

As a signatory to the United Nations Global Compact, Infosys is obligated to support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

It has been eight months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 15,000 Ukrainians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

On September 21, President Vladimir Putin escalated the war by announcing a "partial mobilisation" of the Russian population. The accompanying legislation (Article 9 of Federal Law No. 31-FZ) mandates all organisations, including the more than 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.³ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁴

² Infosys Limited, "ESG Report 2021-22,"

https://www.infosys.com/sustainability/documents/infosys-esg-report-2021-22.pdf (accessed November 14, 2022).

³ Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <u>https://base.garant.ru/136945/</u> (accessed November 14, 2022).

⁴ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, "Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward," *Just Security*, September 6, 2021,

https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-swede n-are-poised-to-take-historic-steps-forward/ (accessed November 14, 2022); The Sentry, "Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate," July 1, 2022,

<u>https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-bevera</u> <u>ge-conglomerate/</u> (accessed November 14, 2022); *Rfi*, "French technology firm charged over Libya cyber-spying," July 2, 2022,

https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying (accessed November 14, 2022); Preston Lim, "Canadian Supreme Court Allows Corporate Liability for International Law Violations," *Lawfare*, March 12, 2022,

https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations (accessed November 14, 2022); Sherpa, "Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies," June 2, 2022,

https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-againstfrench-arms-companies (accessed November 14, 2022).

Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁵

In response to this unprovoked and unjustified war⁶ many companies have left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia <u>company tracker</u>, Infosys has taken steps to withdraw from the Russian market. An Infosys representative told *The Guardian* in April that the company is "in the process of urgently closing down its Russian operation" and "relocating staff to other countries."⁷ By June, Infosys clarified that the company did not have any Russian clients and publicly reported that it was transitioning a team of less than 100 people working for global clients with operations in Russia out of the market.⁸

However, eight months after its initial commitment to urgently leave the Russian market and five months after beginning to transition staff outside of the country, Infosys has failed to execute its goals. Recent reporting indicates Infosys still retains "a staffed office and is paying subcontractors in the Russian capital to carry out IT services for a global client."⁹ According to *The Guardian*, Infosys's Moscow office still maintains administrative staff to facilitate the company's move back to India, provides services for a client through Russian subcontractors, and even hangs a company plaque outside the office.¹⁰ In response, an Infosys representative stated the company "does not have any active relationship with local Russian enterprises. The process of transitioning a few remaining partners and administrative staff is under way."¹¹

However, Infosys's lengthy transition out of the Russian market is particularly concerning given the heightened risks associated with President Putin's recent partial mobilisation order. Furthermore, continued activities in Russia risk enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Infosys's human rights commitments. It remains to be seen how directly Infosys will be impacted by the partial mobilisation and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

⁵ Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022,

https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/ (accessed November 14, 2022).

⁶ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

⁷ Rupert Neate, "Infosys to 'urgently' shut Moscow office as pressure grows for Rishi Sunak," *The Guardian*, April 1, 2022,

<u>https://www.theguardian.com/politics/2022/apr/01/infosys-to-urgently-shut-moscow-office-as-pressure-grows</u> <u>-on-rishi-sunak</u> (accessed November 14, 2022).

⁸ PTI, "Infosys has team of less than 100 in Russia, transitioning them outside: CEO Parekh," *Business Today*, June 26, 2022,

<u>https://www.businesstoday.in/latest/corporate/story/infosys-has-team-of-less-than-100-in-russia-transitioning</u> <u>-them-outside-ceo-parekh-339217-2022-06-26</u> (accessed November 14, 2022).

⁹ Daniel Boffey and Andrew Roth, "Infosys still operating from Russia eight months after saying it was pulling out," *The Guardian*, November 4, 2022,

<u>https://www.theguardian.com/world/2022/nov/04/infosys-still-operating-russia-rishi-sunak-akshata-murty</u> (accessed November 14, 2022).

¹⁰ Ibid.

¹¹ Jyoti Mann, "The company that pays Akshata Murthy, wife of British PM Rishi Sunak, £11.5 million a year is still operating in Russia, report says," *Insider*, November 5, 2022

https://www.businessinsider.com/firm-owned-by-pms-father-in-law-still-in-russia-2022-11 (accessed November 14, 2022).

We seek to understand the status of Infosys's exposure to Russia and how Infosys has conducted and continues to conduct heightened human rights due diligence, per its stated policy and the UNGPs concerning due diligence in conflict-affected areas, and how the findings of such a process has resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine's <u>Declaration</u>, we request an urgent dialogue with Infosys's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact Eleanor Nichol at <u>enichol@businessforukraine.info</u> to schedule a call before the 29th November.

Sincerely,

Eleanor Nichol Executive Director The B4Ukraine Coalition