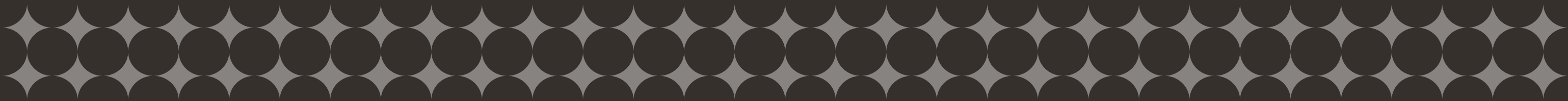


SUSTAINABILITY MANAGEMENT

# Climate transition plan

Version 1.0

|                         |                                                                                                                                                                                                                                |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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# Introduction

Virtusa was founded on our core values of passion, innovation, respect, and leadership (PIRL).

Virtusa's Engineering First philosophy anchored on our PIRL values—passion, innovation, respect, and leadership—has led us to adopt a purpose-driven approach to future-proof our businesses and supply chain while ensuring transparency and holding ourselves accountable for our sustainability footprint.

We do so by enabling all our stakeholders—customers, suppliers, investors, and teams—to have a purpose, with a passion for people and the planet.

This document details Virtusa’s plans and targets to transition towards net zero, in line with the ambition of the Paris Agreement to limit the increase in global average temperature to 1.5oC, against pre-industrial levels. It is not intended to be an update on progress made so far. Progress against this transition plan will be detailed in our annual sustainability report at [www.virtusa.com/about/sustainability](http://www.virtusa.com/about/sustainability).

- Our GHG emission reduction targets are validated by SBTi.
- GHG emissions data are:
  - Annually third-party assured in accordance with ISAE 3410 and ISAE 3000 (Revised)
  - Reported in accordance to the Greenhouse Gas (GHG) protocol accounting standards for operational control

## Commitment to achieving net zero

### Net zero commitment

Virtusa’s net zero ambitions are supported by targets approved by the Science Based Targets Initiative (SBTi). These targets align with the Paris Agreement and 1.5°C pathway.

Virtusa’s net zero commitment includes the following key targets for GHG emissions reduction:

| Target/KPI type                                     | Scope       | Type of target | Baseline year | Target                                                                                                            | Target year |
|-----------------------------------------------------|-------------|----------------|---------------|-------------------------------------------------------------------------------------------------------------------|-------------|
| <a href="#">SBTi near-term GHG emissions target</a> | Scope 1, 2  | Absolute       | FY2020        | Reduce emissions by 75%                                                                                           | 2030        |
| <a href="#">SBTi near-term GHG emissions target</a> | Scope 3     | Absolute       | FY2020        | Reduce emissions by 42% from purchased goods and services, capital goods, business travel, and employee commuting | 2030        |
| <a href="#">SBTi long-term GHG emissions target</a> | Scope 1,2,3 | Net zero       | FY2020        | Reach net zero                                                                                                    | 2040        |
| Renewable energy                                    | Scope 2     | Absolute       | FY2024        | Reach 100%                                                                                                        | 2030        |



## Strategy to deliver on our goals - Key decarbonization levers

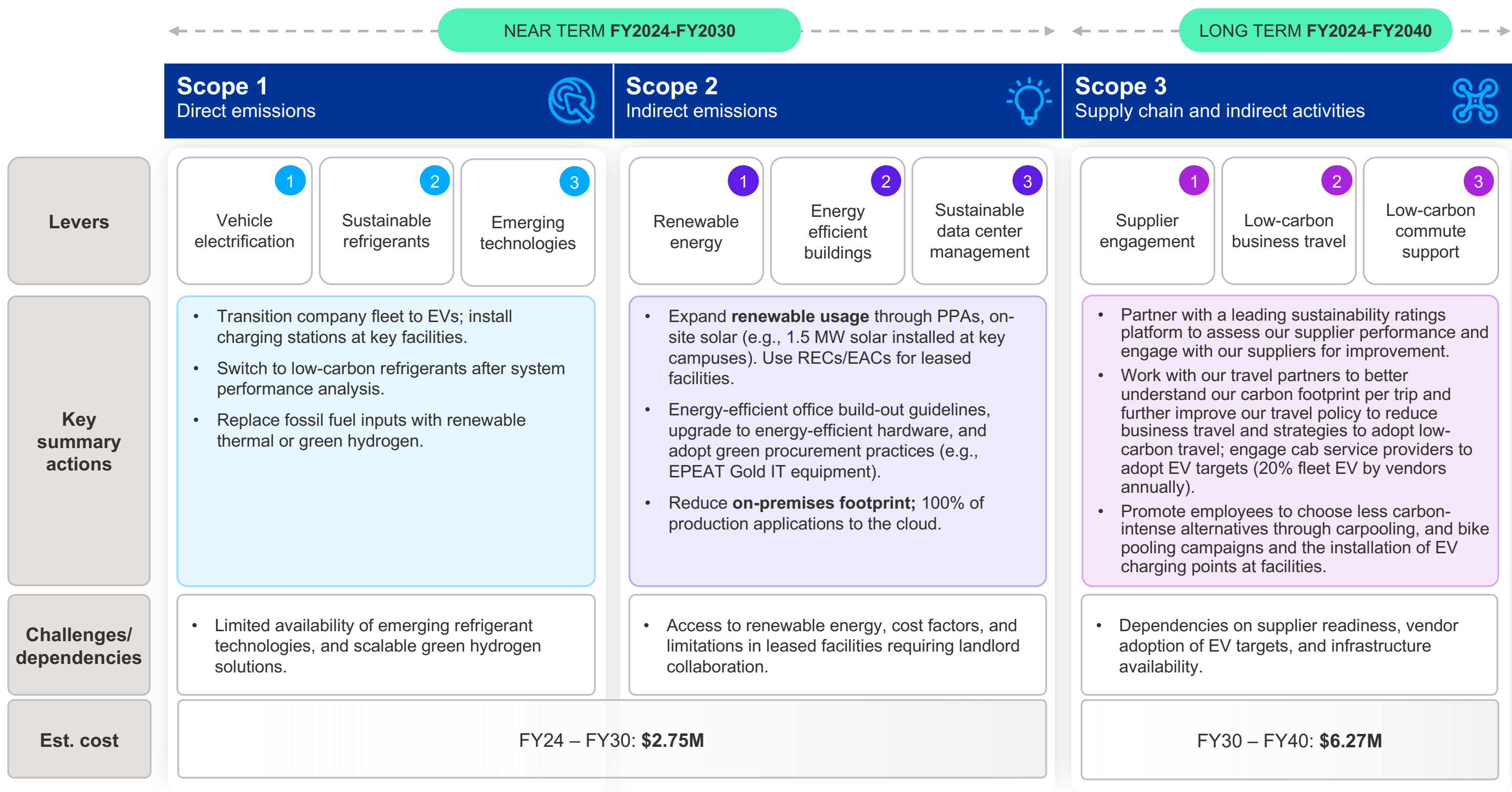
We will prioritize strategies to reduce Scope 2 emissions from electricity usage in our offices and Scope 3 emissions from purchased goods and services, employee commutes, and business travel, as these are the most significant aspects of our environmental footprint.

### Progress against science-based target (SBT)



Please see our latest sustainability report at [Sustainability | Virtusa](#) for further details and updates on the current progress made towards these initiatives.

### Net zero transition plan- Key decarbonization levers

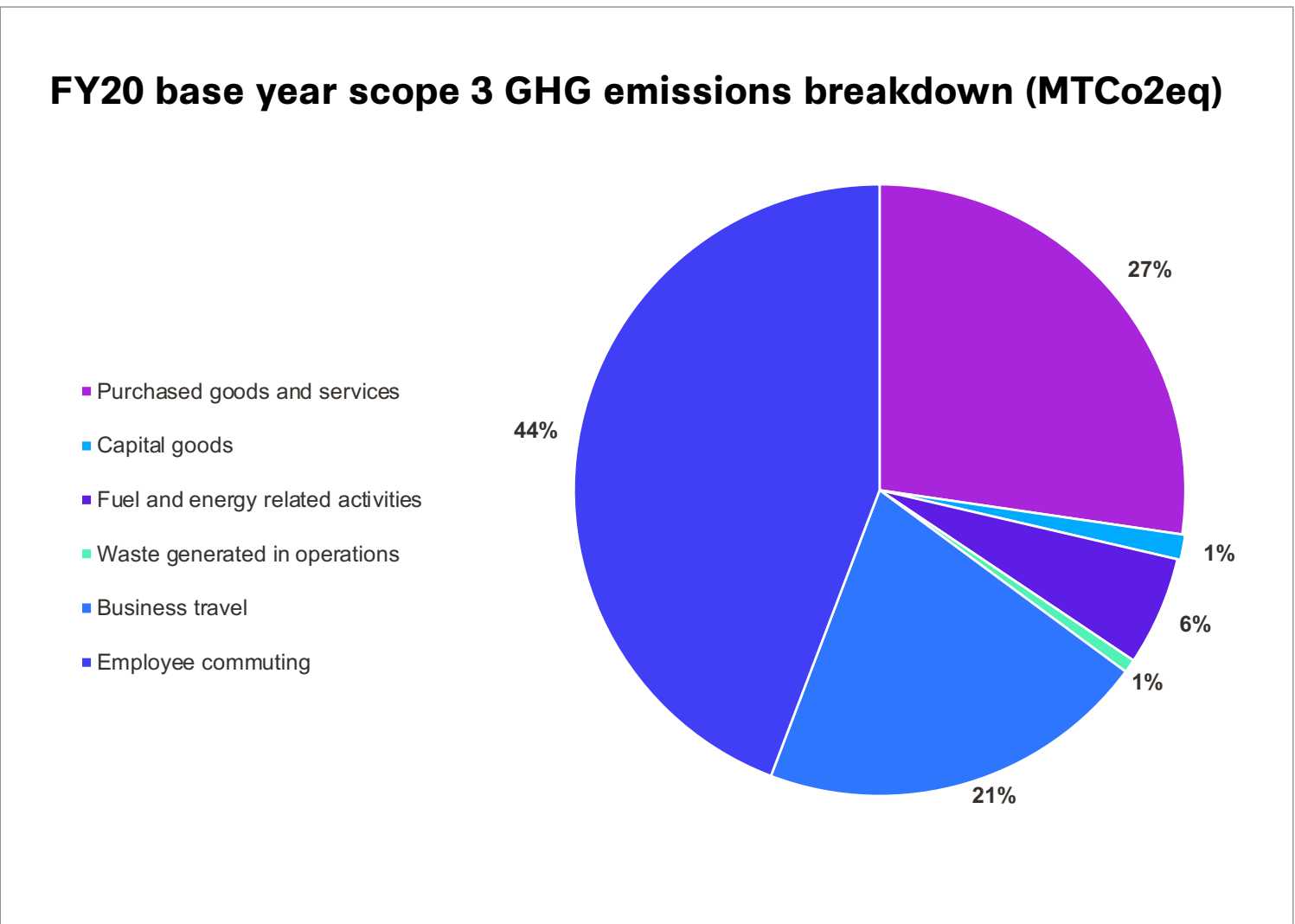
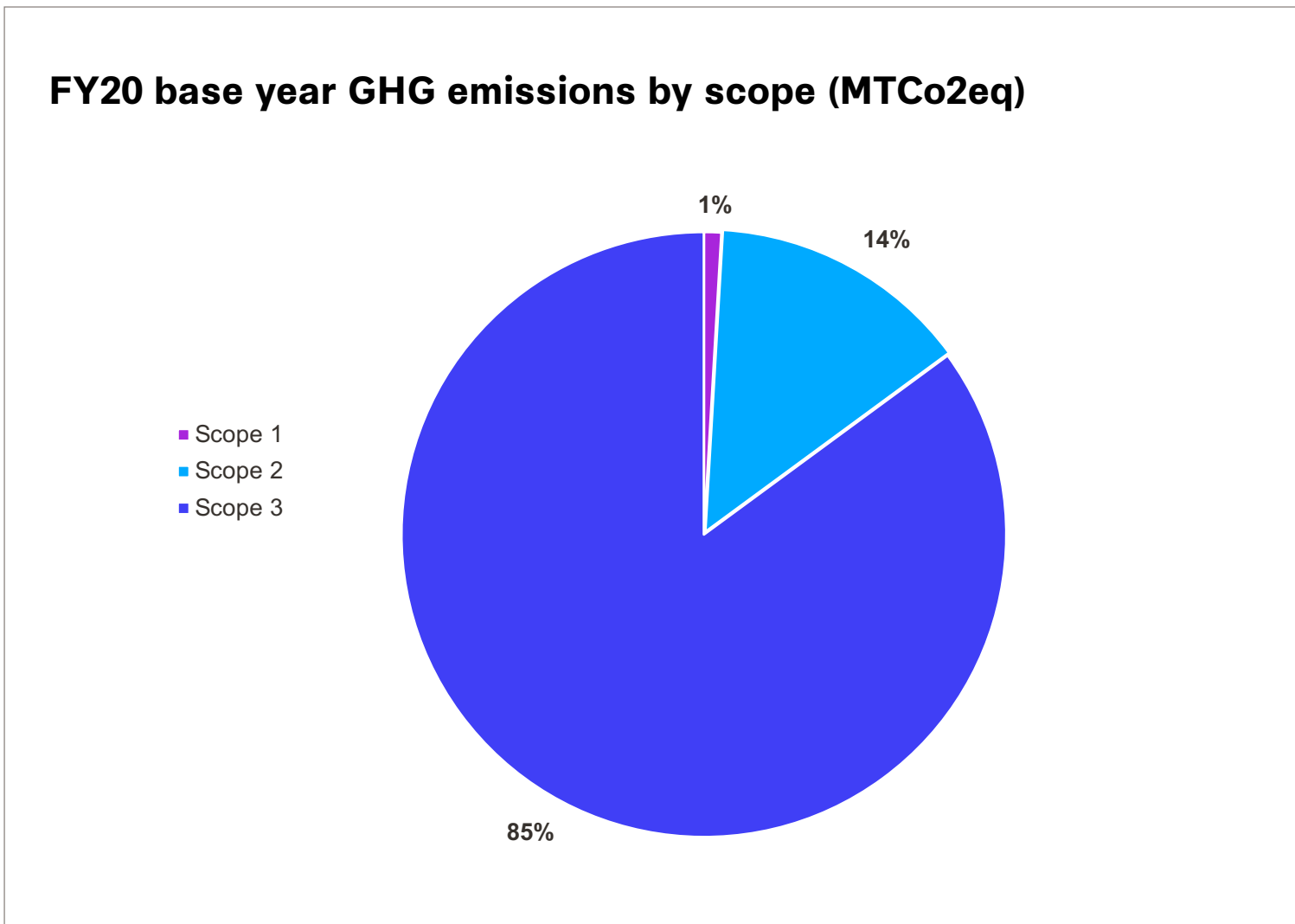


**GHG baseline emissions**

Our environmental management system was initiated in 2008 as our response to climate change. Since then, we have been publicly reporting our emissions inventory annually through the UN Global Compact Communication on Progress (COP) and the CDP Climate Change disclosure.

This transition plan is based on a base year emissions inventory from the financial year of FY2020 (April 2019 through March 2020). The base year selected for FY2020 (2019) aligns with SBTi's Corporate Net-Zero Standard to provide a comprehensive overview of emissions preceding the COVID-19 lockdowns.

Virtusa’s total GHG emissions in FY2020 comprised of 1% scope 1 emissions, 14% scope 2 emissions, and 85% scope 3 emissions. The most significant contributions to scope 3 emissions were from employee commuting (44%), purchased goods and services (27%), and business travel (21%).



Please see our latest sustainability report at [Sustainability | Virtusa](#) for more information on Virtusa's GHG reporting, including the emissions calculation methodology and factors.

| Category                                                                           | Emissions (MtCO2e) | Description                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1                                                                            | 1065.35            | Mobile combustion of diesel and gasoline in fleet vehicles, stationary diesel used for backup generators, natural gas used for building heating, waste treatment, and refrigerants used for building cooling |
| Scope 2 location-based                                                             | 16,771.84          | Electric power used to power buildings.                                                                                                                                                                      |
| Scope 2 market based                                                               | 16,093.40          |                                                                                                                                                                                                              |
| Scope 3 emissions                                                                  |                    |                                                                                                                                                                                                              |
| 1. Purchased goods and services                                                    | 26,722             | Cradle-to-gate emissions from professional services, staff welfare, sales and marketing, etc.                                                                                                                |
| 2. Capital goods                                                                   | 1,293              | Cradle-to-gate emissions from computers and other IT equipment, furniture, and vehicles.                                                                                                                     |
| 3. Fuel and energy-related activities                                              | 5,649              | Well-to-tank emissions from fuel and electric power consumption, upstream transmission & distribution losses for electric power consumption                                                                  |
| 4. Upstream transportation & distribution                                          | N/A                | No upstream transportation & distribution occurred that is not already accounted for within the cost of goods in Category 1                                                                                  |
| 5. Waste generated in operations                                                   | 696                | Estimated + Actuals. Details of actuals available in our FY20 Sustainability report: <a href="https://www.virtusa.com/about/corporate-compliance">https://www.virtusa.com/about/corporate-compliance</a>     |
| 6. Business travel                                                                 | 20,225             | Air, rail, and road travel                                                                                                                                                                                   |
| 7. Employee commuting                                                              | 43,263             | Estimated using average data.                                                                                                                                                                                |
| 8. Upstream leased assets                                                          | N/A                | Virtusa did not lease any facilities that are not already accounted for within the scope 1 and 2 inventory                                                                                                   |
| 9. Downstream transportation & distribution                                        | N/A                | As a professional services company, Virtusa does not sell products that require transportation                                                                                                               |
| 10. Processing of sold products                                                    | N/A                | As a professional services company, Virtusa does not sell products                                                                                                                                           |
| 11. Use of sold products                                                           | N/A                | As a professional services company, Virtusa does not sell products                                                                                                                                           |
| 11. Downstream emissions from fossil fuels distributed but not sold by the company | N/A                | Virtusa does not distribute fossil fuels                                                                                                                                                                     |
| 12. End-of-life treatment of sold products                                         | N/A                | As a professional services company, Virtusa does not sell products                                                                                                                                           |
| 13. Downstream leased assets                                                       | N/A                | Virtusa did not act as a lessor during the base year or most recent year                                                                                                                                     |
| 14. Franchises                                                                     | N/A                | Virtusa does not have any franchises                                                                                                                                                                         |
| 15. Investments                                                                    | N/A                | Virtusa has no subsidiaries, joint ventures, or equity investments that are not accounted for already.                                                                                                       |



## Climate governance

Our Sustainability Committee's purpose is to support Virtusa's sustainability commitments, including our response to climate change. It is responsible for overseeing and managing the embedment of sustainability into our business strategy and approving sustainability-related communications. The committee is the ultimate decision-making body for Virtusa's sustainability programs and policies.

Apart from the sustainability committee, EQT AB -- our parent company -- actively provides guidance on our climate change program and sustainability strategy. For example, one of the annual KPIs EQT AB tracks is whether a portfolio company has a sustainability champion on the board, and training is provided to ensure accountability. In addition, EQT AB collaborates/provides guidance on the following: (1) Purchase of EACs/RECs, (2) Virtusa's OGSM (objective, goals, strategies, and measures) for our sustainability program, (3) Virtusa's sustainability service offerings, (4) Setting SBTi targets in alignment with EQT AB's commitment to ensuring 100% of the EQT AB portfolio companies will have their own SBTs validated by 2030, 10 years faster than required by SBTi.

### Composition of the sustainability committee

Our sustainability committee is overseen by the company's board of directors and includes company officers and corporate leadership. The committee comprises of one board director — the audit committee chairperson; the CEO, and executive team members: namely the chief financial officer, chief people officer, compliance officer and general counsel, and global head of sustainability and facilities.

### How the Sustainability Committee oversees climate change management

- Reviewing and guiding strategy, significant plans of action, risk management policies, annual budgets, and business plans
- Setting performance objectives and monitoring the implementation of performance objectives
- Overseeing major capital expenditures, acquisitions, and divestitures
- Monitoring and overseeing progress against goals and targets for addressing climate-related issues
- Assessing climate-related risks and opportunities
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan

### Feedback mechanism

Quarterly briefings on Virtusa's climate strategy and performance are provided to the Sustainability Committee via consolidated reports and presentations. Our Chief Financial Officer and Global Head of Sustainability and Facilities (both Sustainability Committee members) are responsible for reporting progress against OGSM goals to the board, including climate change, environmental footprint, investment in biodiversity initiatives, and our commitment to setting SBTi-aligned targets. Updates are provided quarterly and more frequently when the need arises. The board reviews annual budgets and monitors performance objectives to ensure efficient resource use – reducing our environmental footprint and operational costs.

## Climate-related dependencies, impacts, risks, and opportunities

Climate-related risks are integrated into Virtusa's enterprise risk management process. The risks impacting our company and the controls that are already in place or proposed are presented to the executive team and board of directors as needed (quarterly, if possible; annually, at a minimum) by the chief financial officer. We use our enterprise risk management and its subcomponent, business continuity management systems (BCMS), to determine which climate-related risks and opportunities could have a substantive strategic or financial impact.

Any climate-related risk that has the potential to have a financial impact of at least 1 million USD on net profit is considered as substantive. In addition, anything that impacts our ability to continue operating as normal is considered as having substantive financial or strategic impact, especially if the risk would affect the following aspects:

1. Employee health and safety
2. Client delivery
3. Infrastructure and operating margins

As a digital engineering company, Virtusa has identified climate-related risks and opportunities to our direct operations that have the potential to have a substantive financial or strategic impact over the following time horizons:

- Short-term: 1-3 years
- Medium-term: 3-10 years
- Long-term: 10-30 years

Climate-related risks are integrated into Virtusa's enterprise risk management process. The risk assessment is managed under our business continuity risk assessment, guided by ISO 22301, and reported to the chief risk officer, who reports to the chief financial officer. Risks impacting our company and the controls in place or proposed are presented to the executive team and the board of directors as needed (quarterly if possible and at a minimum annually).

Virtusa's climate-related risk management system covers all value chain stages and the short-term, medium-term, and long-term time horizons. In FY24, Virtusa also used the Integrated Biodiversity Assessment Tool (IBAT) to assess the proximity of biodiverse and/or protected areas to our offices.

Current regulation, emerging regulation, legal, reputation, acute physical risks, and chronic physical risks are all risk types that are considered relevant to our business and are always included in our climate-related risk assessment. Technology and market risk types are also relevant and are sometimes included in our risk assessment.

### Enterprise risk assessment

Our risk management team conducts enterprise risk assessments at a company-wide level annually to obtain a good understanding of the company's associated risks. They evaluate potential impacts, the likelihood of occurrence, and the effectiveness of the existing risk mitigation strategy. Along with the relevant functional team, they develop plans to monitor, manage, and mitigate these risks.

### Business continuity risk assessment

Our business continuity management system (BCMS) is certified for ISO 22301. Once risks have been identified, the business continuity management team carries out risk assessments at both the company-level and asset-level for direct, upstream, and downstream operations. Climate-related risks and opportunities are assessed based on their magnitude, likelihood, and exposure to determine if they have the potential to have a substantive financial or strategic impact on our operations. In addition, assessments are carried out frequently (more than once a year) through engagements, such as:

1. Clients and other external audits
2. Business continuity internal audit exercises
3. Risk inputs received from business continuity forums and other industry sources.

Once risks have been assessed and determined to have a substantive financial or strategic impact on Virtusa's operations, one of the following routes is taken to manage the identified risks:

### Company level

The BCMS plans to define how to recover operations disrupted by physical climate risks, such as extreme weather events. This risk is considered at the company level, but we also undertake significant advanced planning at the contract, asset, and geographic location levels as we have operations in multiple geographies.

### Asset level

We conduct site-specific assessments using the risk management framework. Every risk has an owner who is accountable for mitigation plans. Climate change has consistently emerged as a substantial environmental aspect in our assessments per Section 6.1.2 of the ISO 14001 standard.

## Climate scenarios

In FY2019, we took the first steps towards using climate-related scenario analysis. Since then, we have gained a preliminary understanding of the scenario and the risks and opportunities it poses to Virtusa. We plan to assess in more depth to see how the scenario could affect our business operations in the long term.

The scenario analysis was conducted on our primary regions of operations, including APAC, North America, and Europe, using public scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Authority (IEA). We utilized two climate scenarios that aggregate transition and physical variables: the Representative Concentration Pathway (RCP) scenarios and Shared Socioeconomic Pathways (SSPs) from the IPCC, along with the IEA scenarios for transition risks.

The IPCC scenarios were selected due to their comprehensive and scientifically rigorous approach to modeling future climate conditions. The RCP scenarios provide a range of greenhouse gas concentration trajectories, allowing us to assess potential physical impacts under different levels of climate change. The SSPs complement this by incorporating socioeconomic factors, enabling a more holistic understanding of how societal changes might influence climate outcomes.

The IEA scenarios were chosen for their detailed analysis of energy transition pathways and associated risks. These scenarios offer insights into how different policy and technological developments could shape the energy landscape, helping us to evaluate transition risks and opportunities in our strategic planning.

The impact of this analysis on our strategic planning is detailed in the climate-related risks and opportunities that follow. It is important to note that there are uncertainties—for instance, knowing precisely how consumer preferences will evolve and what this will mean for demand across different services. Hence, we will continue to engage with customers and stakeholders to monitor and adjust our strategy accordingly.



| Time frame<br>2030-2050                                                                                                                                                                                          | Transitional scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Physical scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div><div><div>Taking the green road<br/>(1.5 0C)</div><div></div></div><div>IEA NZE 2050 + RCP 1.9 with SSP 1-1.9</div></div>  | <ul style="list-style-type: none"><li>• Global energy sector reaches net zero CO2 emissions by 2050 by deploying a wide portfolio of clean energy technologies, without offsets from land-use measures</li><li>• Advanced economies take the lead and reach net zero emissions earlier than emerging market and developing economies</li><li>• Meets key energy-related Sustainable Development Goals (SDGs), in particular universal energy access by 2030</li><li>• Development and adoption of ambitious policies, drives down clean technology costs, and scales up diverse and resilient global supply chains for critical minerals and clean energy technologies</li></ul> | <ul style="list-style-type: none"><li>• Paris agreement is met and temperature is limited to 1.50C</li><li>• Very strong and immediate reductions in greenhouse gas emissions, leading to net-zero CO2 emissions</li><li>• Lower rate of sea level rise compared although some rise is still inevitable due to past emissions</li><li>• Enhanced efforts to achieve sustainable development goals</li><li>• Adoption of clean energy technologies and sustainable practices.</li><li>• Implementation of policies to support low-carbon development</li><li>• Shift from economic growth to broader human well-being.</li><li>• Investments in education and health to accelerate demographic transitions</li></ul> | <p>We selected IEA NZE and RCP 1.9 with SSP1-1.9 as it focuses on limiting warming to below 1.5C and aligns with the goal of the Paris Agreement. This aligns most closely with our business strategy, as we have committed to the SBTi with two targets: a near-term target and net-zero target. In addition, we feel that aligning our business strategy to these scenarios will provide the best outcomes to formulate business strategy and develop our low carbon transition plan, given the fuel price increases seen in recent years.</p>                                                                                                                                                                      |
| <div><div><div>Business-as-usual<br/>(3.2°C - 5.4°C)</div><div></div></div><div>IEA STEPS + RCP 8.5 with SSP3 7.0</div></div> | <ul style="list-style-type: none"><li>• Paris agreement is not met</li><li>• Global energy demand continues to grow, driven by economic and population growth, particularly in emerging markets</li><li>• Moderate progress in the deployment of renewable energy sources and energy-efficient technologies</li><li>• Announced policies are generally complied but fail to achieve all announced goals</li></ul>                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"><li>• Acute and chronic physical risks increases substantially, causing high costs for adaptation to extreme weather events and other climate impacts</li><li>• Increased reliance on fossil fuels and slow adoption of clean technologies</li><li>• Significant environmental degradation due to limited efforts in sustainable practices</li><li>• Increased costs associated with climate impacts and resource competition</li></ul>                                                                                                                                                                                                                                           | <p>STEPS provides a conservative benchmark, highlighting the gap between current policy trajectories and the more ambitious goals needed to achieve net zero emissions by 2050. We chose to assess RCP8.5 with SSP3-7.0 as they both depict a future with high emissions and significant socio-economic challenges, providing a coherent and realistic scenario for understanding the potential impacts of climate change in a fragmented world. RCP 8.5 is the highest baseline emissions scenario in which emissions continue to rise throughout the twenty-first century. Also known as "Regional Rivalry - A Rocky Road," SSP3-7.0 represents a world with high challenges to both mitigation and adaptation.</p> |

### Climate-related risks

This chapter provides only a high-level view of our risk assessment. For a more comprehensive understanding of our risks and opportunities, please refer to our latest CDP Climate Change Disclosure at [2024 Virtusa CDP Climate Change Response](#).

| Category     | Risk                    | Description                                                                                                                                                                                                                                                                                                                             | Likelihood      | Magnitude   | Time horizon of impact | Mitigation strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical     | Physical – chronic risk | <p>Water scarcity, high water prices, and water and air pollution may impact associated health and well-being, leading to loss of business continuity (attendance).</p> <p>Changes in sea level rise, precipitation patterns, and air pollution will affect assets and compromise operations, eventually making an economic impact.</p> | Somewhat likely | Medium-high | Medium-term            | <ul style="list-style-type: none"><li>• Our Business Continuity Management System (BCMS) effectively manages these physical risks by adapting and strengthening measures to mitigate resource shortages in such events.</li><li>• Employee well-being and health are managed through Our comprehensive occupational health and safety (OHS) management system which is certified to ISO 45001:2018. It encompasses all operational aspects, including delivery of services, employee welfare, and contractor well-being. This scope remains consistent across work conducted remotely or within the office premises.</li><li>• In FY22, we conducted a Water Stress Analysis and implemented water efficiency measures in our Sri Lanka and India facilities. We updated the Analysis information in FY24, adding new locations for the Water Stress Analysis and re-evaluating some analysis inputs. One of our targets is to reduce per-employee water usage by 40% by 2035 from our base year of 2017. Currently, 51% of our water used is recycled. We seek to be responsible for our water consumption since 73% of our operations are in locations of water stress. Our operations do not affect water sources significantly, as the sources are neither in designated protected areas nor have high biodiversity value.</li></ul> |
| Physical     | Physical – chronic risk | Extreme weather can impact operations, interrupt power and tele-communications infrastructure, and affect the well-being of our team members, network, and server infrastructure.                                                                                                                                                       | Somewhat likely | Medium-high | Medium-term            | <ul style="list-style-type: none"><li>• We actively participate in water stewardship forums and initiatives, including the UNGC Water Stewardship Group and engaging in the UNGC Sri Lanka, and in FY24, Virtusa joined the CEO Water Mandate. This engagement aims to address water-related challenges and achieve sustainable water management. As members of the working group, we focus on operationalizing six commitment areas, including conducting a water footprint assessment and reporting outcomes in the UN Global Compact Communication on Progress (COP) in 2024 to demonstrate transparency and accountability in water-related initiatives.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Transitional | Technology risk         | Increased energy costs and setbacks in sourcing renewable energy leading to greater operating costs as we transition to lower emissions technology.                                                                                                                                                                                     | Somewhat likely | Medium-high | Medium-term            | <ul style="list-style-type: none"><li>• Increased support for remote working over the past 3 years and have invested in providing all employees with laptops and other work-from-home equipment.</li><li>• Reduced our data center footprint by migrating on-premises applications and services to the cloud, significantly lowering our energy consumption and associated emissions.</li><li>• Reduced hardware footprint by digitalizing server and network infrastructure, achieving 100% virtualization of server infrastructure to reduce our physical footprint.</li><li>• We continuously focus on replacing EOS/EOL devices, including servers and HVAC units, across data centers. As a result, we have modernized 95% of legacy systems. We are under constant governance monitoring to ensure compliance with our internal controls, policies, and procedures.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Category     | Risk                  | Description                                                                            | Likelihood    | Magnitude   | Time horizon of impact | Mitigation strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------|-----------------------|----------------------------------------------------------------------------------------|---------------|-------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transitional | Reputational risk     | Increased partner and stakeholder concern or negative partner and stakeholder feedback | Highly likely | Medium-high | Medium-term            | <ul style="list-style-type: none"><li>• Our Sustainability OGSM, which was developed in 2021 and updated in 2024, sets out our sustainability strategy for 2021-2030.</li><li>• In 2023, we committed to the SBTi and submitted two targets: a Near-term and a Net Zero target.</li><li>• To achieve our target of obtaining 100% of our energy from renewable sources by 2030, we have increased our renewable energy consumption from 1,768.43 MWh in FY23 to 5,306.35 MWh in FY24 through investments in solar, RECs, and green tariffs for our offices. This has resulted in a 15% reduction in our Scope 1 and Scope 2 market-based emissions.</li><li>• As we work to comply with environmental laws and regulations in all areas of operation, Virtusa tracks our compliance requirements through our ISO 14001 management process.</li><li>• In FY23, we introduced a new line of sustainability service offerings targeted at supporting the transition to a low-carbon economy through innovative technology.</li><li>• Communication on Progress (COP) in 2024 to demonstrate transparency and accountability in water-related initiatives.</li></ul>                   |
| Transitional | Policy and legal risk | Emerging regulations, i.e., disclosures, energy efficiency, carbon tax                 | Highly likely | Medium-high | Medium-term            | <ul style="list-style-type: none"><li>• To ensure compliance, we monitor the impact of emerging regulations on our operations. This is done through our environmental management system, the ISO14001 certification process, and by staying updated on industry trends.</li><li>• Risks associated with the supply chain are managed by conducting thorough due diligence and ensuring they comply with relevant regulations. Risk assessment is built into multiple touchpoints in the vendor relationship, starting from the vendor assessment stage. For example, while on-site audits are limited due to the nature of our business, in some geographies, such as India, applicable suppliers are required to undergo audits on labor practices to ensure compliance with legal requirements.</li><li>• We also conduct an annual Supplier sustainability survey, which analyses the sustainability and environmental performance of our tier 1 suppliers. This survey helps inform our sourcing decisions and identify areas of improvement. It considers environmental certification, energy and water management, resource consumption, and emissions management.</li></ul> |



Climate-related opportunities

| Category              | Description                                                        | Magnitude  | Where the opportunity occurs | Time horizon of impact | Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|--------------------------------------------------------------------|------------|------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resource efficiency   | Move to more energy/resource efficient buildings                   | High       | Direct operations            | Short-term             | <ul style="list-style-type: none"><li>Implemented energy savings processes as part of the resource efficiency strategy (since 2008). (1) Virtusa’s build-out guide mandates standards for resource efficiency. We adopted LED as our standard lighting, with around 99% of lighting facilities in India and Sri Lanka now using LED. We also made improvements to our HVAC systems.</li><li>Reduced the energy footprint of our IT infrastructure and data centers through the following measures: Virtusa was an early adopter of cloud strategy, and we have migrated 100% of applications (production) and 75% of core workloads to the cloud. Cloud usage reports estimate that this has helped to reduce emissions to 105 MtCO2e. In FY24, we reduced data center real estate by 60%.</li><li>We focus on replacing EOS/EOL devices across data centers, including servers and HVAC units. As a result, we have modernized 95% of legacy systems.</li><li>We continue to reduce the hardware footprint by digitalizing both server and network infrastructure. We have achieved 100% virtualization of server infrastructure to reduce our physical footprint.</li><li>We have partnered with Schneider Electric for efficient E2E power management.</li><li>We are under continuous governance monitoring to ensure compliance with our internal controls, policies, and procedures.</li><li>To achieve our target of obtaining 100% of our energy from renewable sources by 2030, we have increased our renewable energy consumption from 1,768.43 MWh in FY23 to 5,306.35 MWh in FY24 through investments in solar, RECs, and green tariffs for our offices. This has resulted in a 15% reduction in our Scope 1 and Scope 2 market-based emissions.</li><li>In Sri Lanka, we engaged with SLASSCOM to help employees obtain solar panels at concessionary rates to overcome the country's energy crisis.</li></ul> |
| Products and services | Development of new products or services through R&D and innovation | Medium-low | Direct operations            | Medium-term            | <ul style="list-style-type: none"><li>In FY23, we introduced a new line of sustainability service offerings targeted at supporting the transition to a low-carbon economy through innovative technology. As we progressed towards FY24, we have further enhanced our offerings, focusing on four main areas: regulatory &amp; compliance reporting, decarbonization, climate &amp; nature risk, and sustainability interventions in products and services. These offerings are based on our winning partnerships within ESG/sustainability, cloud, and data domains and draw from our deep expertise in digital engineering, data, analytics, and regulatory reporting. We help our clients meet their sustainability goals and assess and measure critical KPIs through digital transformation and modernization of their platforms, data, and analytics.</li><li>In FY23, we launched HIVE, Virtusa's solution innovation factory, as a part of our tech transformation initiative. HIVE focuses on researching and developing reusable IPs, solutions, and accelerators aimed at driving optimizations. With a singular agenda of reducing effort, time, and cost, these assets repurpose human power towards strategic business initiatives and assist in redefining business process orchestrations. Hence, Virtusa's assets and accelerators cater to the imperatives of green and sustainability paradigms by keeping resource consumption under check.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Biodiversity-related dependencies, impacts, risks, and opportunities

Although our business operations have little to no direct impact on our business operations, we recognize its essential role in maintaining the balance of natural ecosystems and are committed to acting responsibly.

We conducted a city-level assessment using the Integrated Biodiversity Assessment Tool (IBAT) to determine the proximity of biodiverse and/or protected areas to our offices. The assessment found that we do not have any direct operations that intersect with biodiversity. While Colombo is a Ramsar wetland city, we don’t have any offices near wetland parks.

In addition, we looked at the reliance on nature and the impact of our activities on nature using ENCORE, a collaboration between Global Canopy, the UNEP Finance Initiative, and the UN Environment Program World Conservation Monitoring Centre (UNEP-WCMC).

### Dependency materiality ratings

Based on the analysis conducted using ENCORE, given the nature of our business, Virtusa has a very low dependence on nature for given economic activities.

| Ecosystem services                  | Service                                               | Dependency                                                                                                                                                                                                               | Materiality ratings |
|-------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Provisioning Services               | Water supply                                          | Water supply services to ensure sufficient quality and quantity of water for cleaning of offices.                                                                                                                        | Very low            |
| Regulating and maintenance services | Global climate regulation services                    | Global climate regulation by ecosystems to mitigate climate change and reduce the frequency and intensity of major climate events that could damage the building and infrastructure.                                     | Very low            |
|                                     | Rainfall pattern regulation service                   | Availability of water for cleaning and maintenance, and to mitigate the risk of floods and damages at operation sites.                                                                                                   | Very low            |
|                                     | Local (micros and meso) climate regulation services   | Regulate the microclimate in the location of the building. This improves the conditions and reduces the cost of using the building (e.g., stabilizing local temperatures and regulating local humidity levels).          | Low                 |
|                                     | Soil and sediment retention                           | Dependent on soil and sediment retention to provide a stable substrate, erosion control, and landslide mitigation for offices and other infrastructure.                                                                  | Very low            |
|                                     | Water flow regulation services provided by ecosystems | Depend on water flow regulation services provided by ecosystems. The regulation of water flows helps ensure sufficient water supply even during dry periods, which is needed for cleaning and maintenance of the office. | Very low            |
|                                     | Flood mitigation services                             | Flood mitigation ecosystem services to protect the building and infrastructure from flooding.                                                                                                                            | Very low            |
|                                     | Storm mitigation services                             | Storm mitigation ecosystem services to protect the building and infrastructure from the impacts of wind, sand, and other storms.                                                                                         | Very low            |
|                                     | Biological control services                           | Biological control provided by ecosystems to prevent infestation by pests in the office building and avoid damage to equipment (e.g., rodents can damage cables).                                                        | Very low            |



### Impact materiality ratings

The analysis also revealed that Virtusa has very low to medium material impact.

| Impact                                                 | Description                                                                                                                                                                                                                                          | Materiality Ratings | Mitigation Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Disturbances (e.g., noise, light)</b>               | May cause disturbances like noise pollution due to the operation of data centers (e.g., continuous running of servers fans and air conditioning units). This can disrupt or negatively affect species populations and lead to habitat fragmentation. | Medium              | Managed through our data center strategy of elimination, modernization, and consolidation strategy to ensure effective and sustainable data center management. For further details, refer to “Data Center Strategy” in our <a href="#">Sustainability report</a> .                                                                                                                                                                                                                               |
| <b>Emissions of GHG</b>                                | Using an office building that is powered using on-site energy generators can release greenhouse gases emissions from energy used for the heating, fans, cooling, and lighting, the facilities; contributing to air pollution.                        | Very low            | This is managed through our environmental management system, which is ISO 14001:2015 certified. Refer to our <a href="#">Sustainability report</a> for further details.                                                                                                                                                                                                                                                                                                                          |
| <b>Emissions of non-GHG air pollutants</b>             | Office building that is powered using on-site energy generators can produce significant non-GHG emissions as well as emissions associated with cooling, refrigeration, or insulation materials.                                                      | Very low            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Generation and release of solid waste</b>           | Using office buildings generate solid waste, including materials like glass, metal, plastic, paper, cardboard, wood, rubber, among others. Improper disposal of this waste can contribute to habitat degradation and contamination.                  | Very low            | We have processes for managing electronic waste (e-waste), paper, plastic, and organic waste. Refer to our <a href="#">Sustainability report</a> for further details.                                                                                                                                                                                                                                                                                                                            |
| <b>Area of land use</b>                                | Require large areas of land for running their operations.                                                                                                                                                                                            | Medium              | As a digital services company, our space requirements are significantly smaller than those of an IT manufacturer. We manage our space efficiency through facilities right-sizing and site consolidation. Additionally, we transitioned to support remote working in 2020, enabling our teams to work remotely regardless of geographical or social boundaries. In FY24, we saved 6% on our facilities plan by strategic real estate right-sizing, energy management, and hybrid-work enablement. |
| <b>Emissions of toxic pollutants to water and soil</b> | Inadequate waste management practices can result in uncontrolled discharges into the surrounding environment, including water bodies.                                                                                                                | Very low            | We have processes for managing electronic waste (e-waste), paper, plastic, and organic waste. Refer to our <a href="#">Sustainability report</a> for further details.                                                                                                                                                                                                                                                                                                                            |
| <b>Volume of water use</b>                             | Water for a variety of purposes, including cooling data centers, powering servers, and producing printed materials. The water used by these activities can contribute to water stress.                                                               | Very low            | As a digital engineering and consulting company, Virtusa's operations are not water-intensive. We mainly use water for drinking, hygiene, cooling towers, and landscaping. Refer to our <a href="#">Sustainability report</a> for further details.                                                                                                                                                                                                                                               |



## Biodiversity commitments

Given the importance of biodiversity in maintaining a balanced ecosystem, we have invested in multiple biodiversity restoration projects.

| Project                                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Kanneliya-Dediyagala Nakiyadeniya biosphere reserve restoration project</b> | <p>Partnership with Biodiversity Sri Lanka (BSL) to restore 12 hectares of degraded land in the Kanneliya-Dediyagala Nakiyadeniya Biosphere Reserve, which has been designated as a biosphere reserve by UNESCO. Prior to restoration, the site had been cleared for cultivation and then deserted, resulting in the invasion of a fern species (<i>Dicranopteris linearis</i>) and decreased flora and fauna; the baseline biodiversity survey found that the adjacent rainforest harbored 154 floral species, whereas only 34 species were found in the restoration site. As a result of the restoration work, 26 butterfly species, 14 frugivorous birds, and three new reptile species have been recorded at the restoration site. Additionally, the project created employment opportunities for the surrounding communities. In 2023, Virtusa partnered with BSL on Phase III of the project to ensure that the gains made in Phase II are continued.</p> |
| <b>Restoring water bodies</b>                                                  | <p>We have invested in two projects to restore water bodies. The first project is to restore the Ranglal Kunta lake in Hyderabad, India, a vital water source for nearby communities. However, urbanization and encroachments have resulted in degradation. Restoration includes cleaning the lake area, dewatering and desilting the lakebed, stone pitching the central bund and the inlet points, bund formation with pathway, repairs to the weir and sluice, inlet and outlet works, wetland construction, and landscaping and beautification.</p> <p>The second project is to restore the Alli Kulam community-driven pond in Chennai. The pond, which is 0.66 acres and 210 meters, will be restored to increase the percolation rate and groundwater table. Moreover, there are plans to build fences and bunds to prevent encroachment and plant trees to boost greenery and attract birds.</p>                                                        |
| <b>Life to Our Mangroves project</b>                                           | <p>Virtusa has partnered with Biodiversity Sri Lanka (BSL) in the Life to Our Mangroves project, which aims to restore 10 hectares of degraded mangrove forest in the Anavilundawa Ramsar Wetland Sanctuary. Often referred to as “the lungs of the sea,” mangrove ecosystems provide critical services for global biodiversity, including carbon sequestration and coastal protection. Although mangroves account for less than 2% of marine environments, they provide 10% to 15% of global carbon burial services. About 21 real mangrove species and several mangrove-associated floras, representing one-third of the diversity of mangrove species worldwide, are found in Sri Lanka.</p> <p>The restoration is being done with guidance from the Department of Wildlife Conservation (DWC), and all project activities will follow the standards set by the International Union for Conservation of Nature (IUCN) for nature-based solutions.</p>        |
| <b>Solar Harmony borewells initiative</b>                                      | <p>Virtusa's installation of 10 solar-powered borewells in the Amrabad Tiger Reserve is a significant step towards ensuring a reliable water supply for the reserve's wildlife in the deep forest areas. It will also provide water for the local Chenchu tribal community. The reserve, part of the Nallamala Forest track, is renowned for its rich biological diversity and is home to Telangana's largest tiger population.</p> <p>Virtusa donated a baling machine designed to compress plastic bottles left behind by visitors at the tiger reserve. Once the bottles are crushed, the plastic can be sent to a recycling facility for processing.</p>                                                                                                                                                                                                                                                                                                    |
| <b>Miyawaki plantation at leading universities in India</b>                    | <p>Virtusa carried out a large-scale Miyawaki plantation drive at Gandhi Institute of Technology and Management (GITAM) University and Guru Nanak University, planting over 11,500 native saplings. Spread across 3.1 acres of land in Hyderabad, 8,000 saplings at GITAM University and 3,500 at Guru Nanak University were planted through the widely known Miyawaki method. The Miyawaki method, a Japanese afforestation technique, fosters rapid growth, enhances biodiversity, and improves soil stability. The 50 native species selected for this plantation drive are expected to grow over seven feet within two years, creating a dense, self-sustaining ecosystem that will benefit the local environment.</p> <p>Similar plantation drives were conducted at the KPR Institute of Engineering and Technology and K.S.R. College of Engineering in Coimbatore and Tiruchengode, where 5,500 and 4,500 saplings were planted.</p>                    |



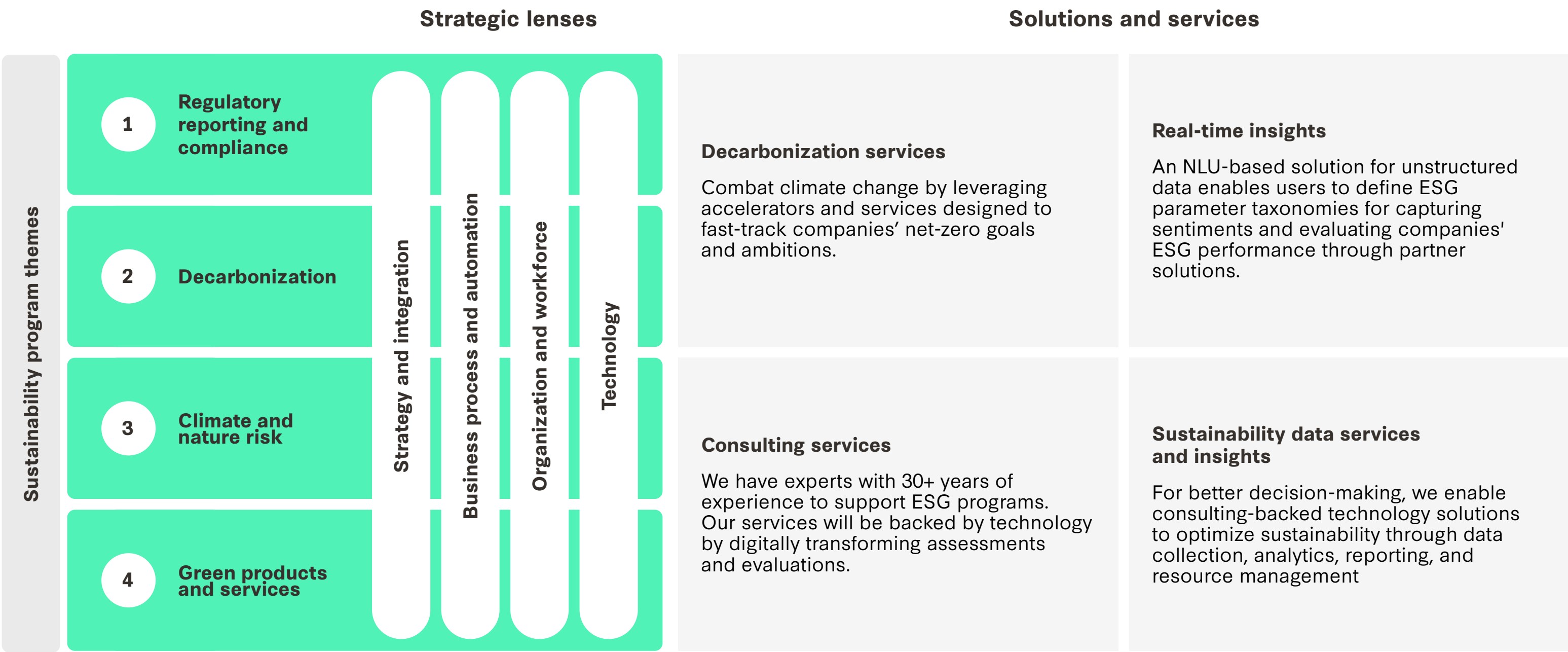
# Green delivery

## Sustainable cloud services

For the past several years, we have been expanding our cloud service offering to assist clients in transitioning to cloud-based services. This allows our clients to migrate from high-intensive on-premises servers to low-carbon cloud alternatives. Our cloud-native partners include AWS, GCP, Azure, Pega, and Salesforce, enabling us to leverage and integrate partner ecosystems throughout the value chains of our clients’ businesses.

## Sustainability service offerings

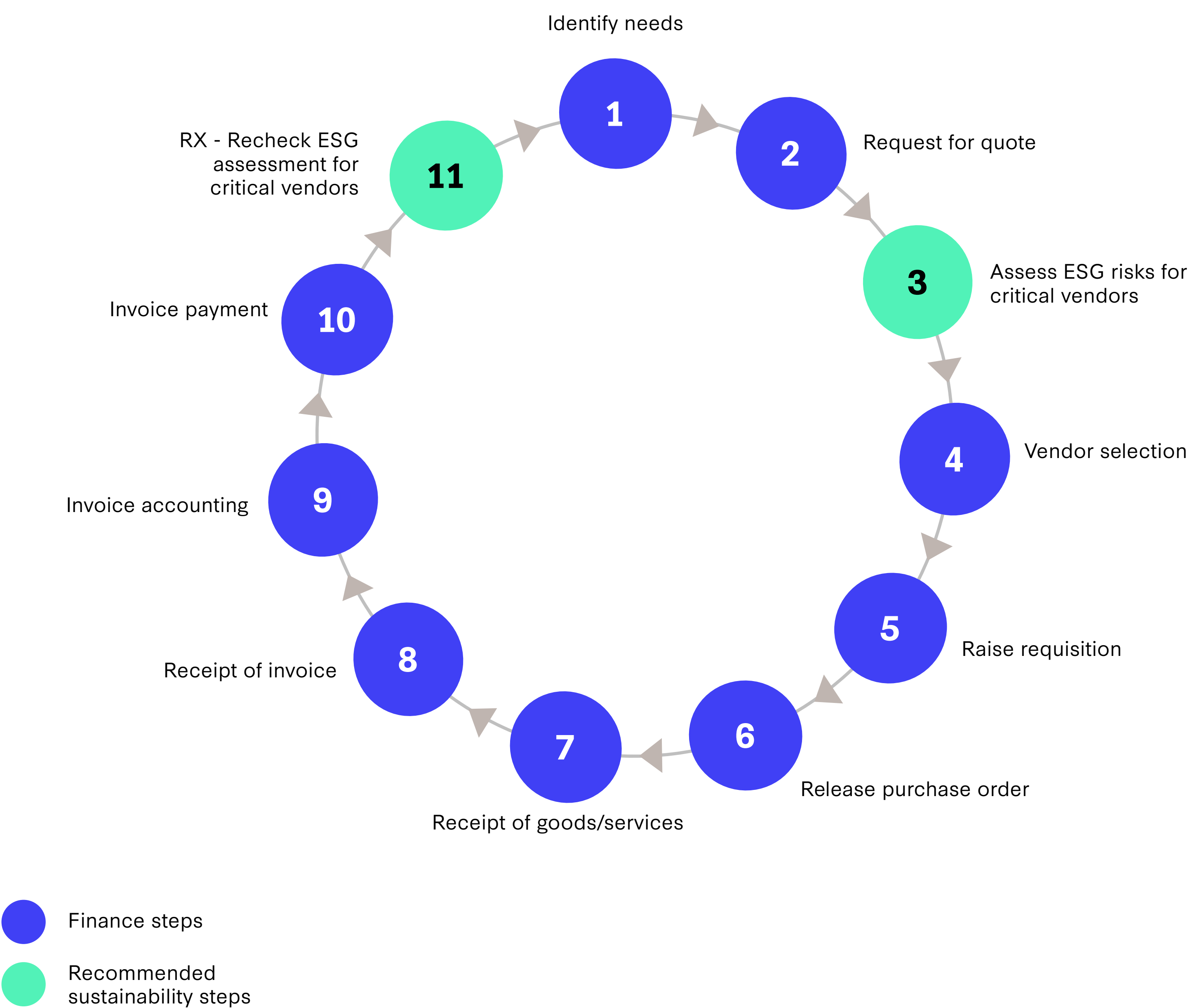
In FY23, we introduced a new line of sustainability service offerings to support the transition to a low-carbon economy through innovative technology. In FY24, we further enhanced our offerings, focusing on four areas: regulatory and compliance reporting, decarbonization, climate and nature risks, and sustainability interventions in products and services.



# Value chain engagement

We welcome suppliers who incorporate leading sustainability practices in their operations and seek suppliers with a continuous product and process improvement mindset. With this in mind, we have implemented policies and processes to minimize sustainability risks in our supply chain.

**Procurement process workflow - Effective FY26**



## Sustainability expectations

The supplier code of conduct outlines the standards that suppliers are required to uphold in the areas of human rights, labor, environment, and business ethics. This includes the commitment to abide by all relevant laws and regulations, avoiding human rights, child labor, and forced or compulsory labor, and ensuring safe working conditions for employees. Additionally, we expect our suppliers to be environmentally conscious and uphold ethical business practices. This includes supporting our SBTi targets by:

- Committing to set SBTi near-term and net zero targets as soon as possible with near-term target years of FY2030 and net zero targets FY2040, respectively
- Getting SBTi validation for near-term and net zero targets
- Having third-party validation of emissions
- Disclosing to CDP and maintaining at least a rating of 'B'

## Onboarding engagement

We engage with our supply chain at onboarding to ensure that all new suppliers meet our sustainability requirements. All new vendors, apart from government entities, tax authorities, and those with approved exceptions, are required to register on our supplier portal at [www.virtusa.com/suppliers](http://www.virtusa.com/suppliers). Suppliers are requested to accept the terms of all relevant policies, including the supplier code of conduct while onboarding through our supplier portal.

## Tracking progress - Supplier sustainability survey

We engage with our suppliers annually through a sustainability survey. Our existing survey covers environmental management, labor, health and safety, business ethics, and supply chain management.

A substantial part of FY24 was spent formulating a strategy to enhance supplier engagement and track supplier contributions to achieving our SBTi targets. We are currently in the process of engaging our top 200 suppliers, which constitute 76% of our total spend, as Phase I of the project. For updates on our progress, please refer to our annual sustainability report.

# Public policy engagement

## UNGC

Virtusa has been a signatory and a member of the United Nations Global Compact (UNGC) since 2008. We embody and practice the 10 Principles through our management approach to sustainability and sustainable business. Read more about the 10 Principles of the UN Global Compact [here](#).

We have been on the Sri Lanka Network Steering Committee since 2010. A member of our leadership represents Virtusa on the network's board of directors, and we continue to support and encourage the uptake of shared best practices in Sri Lanka through the network and the UN Global Compact Principles. We also actively take part in multiple working groups that communicate sustainability principles to corporations in Sri Lanka. These working groups include the Business & Human Rights Working Group, the Climate Emergency Task Force (CETF), and the Gender & Diversity Working Group.

In FY23, we joined the UN Global Compact Sri Lanka water stewardship working group, in which Virtusa currently serves as a board advisor. This engagement aims to address water-related challenges and achieve sustainable water management. As members of the working group, we focus on operationalizing the six commitment areas, including conducting a water footprint assessment and reporting outcomes in the UN. Global Compact Communication on Progress (CoP) to demonstrate transparency and accountability in water-related initiatives.

## **CEO Water Mandate**

In FY24, we joined the CEO Water Mandate, a collaboration between the UN Global Compact and the Pacific Institute. The Mandate commits businesses to improve six areas of water stewardship continuously—direct operations, supply chain and watershed management, collective action, public policy, community engagement, and transparency.

For information on how Virtusa address the six core areas of the water mandate, please see our latest sustainability report at [Sustainability | Virtusa](#).

## **SLASSCOM**

Virtusa is an active participant in SLASSCOM, the Sri Lankan Association of Software and Service Companies. SLASSCOM is the Sri Lankan national chamber for the IT/BPM industry and aims to market Sri Lanka to investors as a 'Green IT destination.' SLASSCOM has been influential in swaying government policy towards removing barriers to sustainable growth, making infrastructure development, labor laws, and tax policies more investor-friendly and equitable for all. For example, SLASSCOM has requested that duty concessions on solar panels be included in the country's budget. SLASSCOM has also been driving the industry towards being 'future ready' and upskilling the workforce to take on niche domains and technologies, creating the environment for business, technology, and the industry to thrive.

## **ESG committee and starter kit**

We have influenced SLASSCOM's ESG policy as members of their ESG committee, which, in turn, helps to influence the Sri Lankan Government on IT industry ESG policies. In 2021, the Sri Lanka Association of Software and Service Companies (SLASSCOM) initiated a program to encourage its member companies to adopt ESG as a business strategy toward making Sri Lanka a green energy information technology/business process management (IT/BPM) destination.

As a member company that is considered to have pioneered sustainability adoption in the Sri Lankan IT industry, we developed an ESG starter kit for leadership teams and employees of software and IT organizations in the SLASSCOM network to initiate their sustainability journey. The starter kit focused on how to drive sustainability in the software industry. In 2021, Sri Lanka's IT industry recorded a revenue of \$1.2 billion, contributing 8% of the country's total exports. This was the highest revenue on record for the industry and demonstrates the potential for leveraging IT to drive exports, employment, and economic growth in a country facing an economic crisis. The ESG starter kit has been rolled out to 310 companies (large, medium, and small enterprises, as well as startups).

## For more information on our climate transition

### Reporting on progress

This Transition Plan is intended to be a lasting document, with any updates to the timelines for goals and targets and the core assumptions used.

The sustainability report will summarize the governance of the Transition Plan and any updates on progress through the year. It will also report the extent to which its climate risk reporting is consistent with the Task Force on Climate-related Financial Disclosures (TCFD) in addition to any updates to frameworks, relevant methodologies on climate-related disclosures, details emissions reporting, etc.

For more information on our global Sustainability activities, visit: [www.virtusa.com/about/sustainability](https://www.virtusa.com/about/sustainability).