Sustainability Report
2016/17

virtusa®
Accelerating Business Outcomes

Contents

Message from the CEO

At Virtusa, we believe that technology is a key enabler of sustainable development, helping us to create shared value for our clients, our team members, and our communities. Our sustainability strategy focuses on creating value for our clients through digital transformation and innovation; for our team members through diversity and collaboration; and for our communities through technology enablement as well as environmental stewardship.

In FY17, we focused on integrating the operations of Virtusa Corporation and Polaris Consulting & Services Limited into one business entity. Our main goal was to integrate our sustainability initiative into one cohesive program. The result of this effort is highlighted in this sustainability report. As a signatory to the United Nations Global Compact (UNGC), this report also forms our seventh Communication on Progress (COP).

While you will find detailed information on all our sustainability program within this report, I would like to share some specific highlights from FY17.

Client value: Our focus is to help our clients navigate the rapidly changing technology landscape. As such, we have invested in creating innovation centers for new technology areas such as internet of things ("IoT"), artificial intelligence ("AI"), machine learning ("ML"), and robotic process automation ("RPA"). For example, our Skylab innovation center focuses on all these technologies and has delivered award winning solutions to some of our marquee clients in the healthcare, communications, and insurance sectors. Our FinTech Lab focuses on innovation for our financial services clients. These innovations have helped us maintain an average client delight index (CDI) of 8.7 and a net promoter score of 67%, which exceed the set targets of 8.5 for CDI and 60% for NPS.

Compliance and ethics: During the reporting period, we reviewed and revised our Code of Conduct and Anti-Bribery policies and our compliance training to ensure that our team members have a clear understanding of the company's compliance program. Training included FCPA training and certifications aimed at the senior leadership levels at Virtusa, covering over 400 employees in sales, delivery, finance, IT, legal, HR, and management teams.

Environmental stewardship: Our environmental management system, internally branded as Code Green, encompasses measures to manage the significant environmental aspects of our business operations. In FY17, we expanded monitoring of the following indicators to Polaris Consulting technology centers in India: energy usage, water usage, scope 1, 2, and 3 emissions, and paper and e-waste recycling. We continue to report to the Carbon Disclosure Project Climate Change Program and the Supply Chain Program. Our performance band for 2016 was "B" and we also received a "B" for the Supplier Engagement Rating, a new score introduced by CDP in 2016. This score measures an organization's ability to engage with suppliers on climate change.

People value: Our goal is to provide a work environment that values diversity and innovation. As a result, in FY17 we formulated new policies to strengthen our existing policies. This includes the new Equal Employment Opportunity Policy that reinforces our existing Harassment Free Workplace Policy. We also formulated the Privacy Policy and the Anti-Slavery and Human Trafficking Policy.

Social value: Our CSR pillars—Campus Reach, Digital Reach and Tech Reach—focus on creating positive social impact. We have always aimed to use technology to solve social issues. This was the case in point when we developed the 117 app for the Disaster Management Center (DMC) of Sri Lanka to manage flood relief activities in May 2016. The app allowed flood victims to submit requests through a mobile phone or tablet, making it possible for people in remote areas to request aid. The app also facilitated better tracking of aid requests and improved transparency. Detailed information on our CSR initiatives is provided in the section "IT for Good".
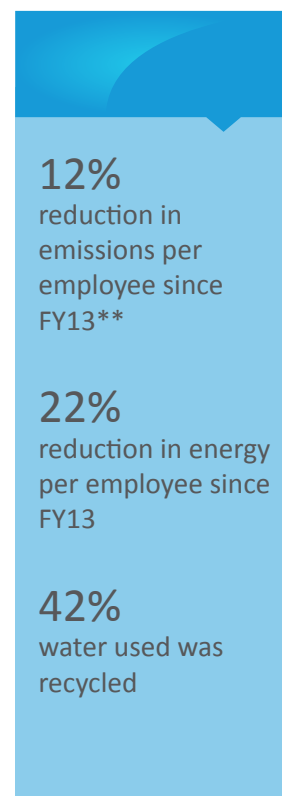
Future Direction

Environmental stewardship: We aim to increase the use of renewable energy in our operations. In FY17, this goal faced a setback due to delays in obtaining state approvals. However, we will continue to seek opportunities for the use of renewable energy.

People value: We aim to strengthen the learning opportunities within the company, strengthen our diversity initiatives, and groom the next level of leadership. To this end, we have implemented multiple leadership programs including the Women in Leadership Program, Future Architect Program, and the Global Leadership Program.

Supply chain: We see increased focus on supply chains and responsible sourcing. Therefore, we seek to engage more with our supply chain on sustainability initiatives and also increase the checks and inspections needed to ensure that suppliers follow internationally accepted standards on human rights, labor, the environment, and business ethics.

Kris Canekeratne
Chairman & CEO

Organizational Profile

17,750
people across the globe*

4,048
new hires

80%
of our workforce are millennials

28%
of workforce are women

$858.7
million in revenue

$11.9
million in net income

43%
increase in revenue

195
perfect 10/10 Client Delight Index (CDI) scorecards

12%
reduction in emissions per employee since FY13**

22%
reduction in energy per employee since FY13

42%
water used was recycled
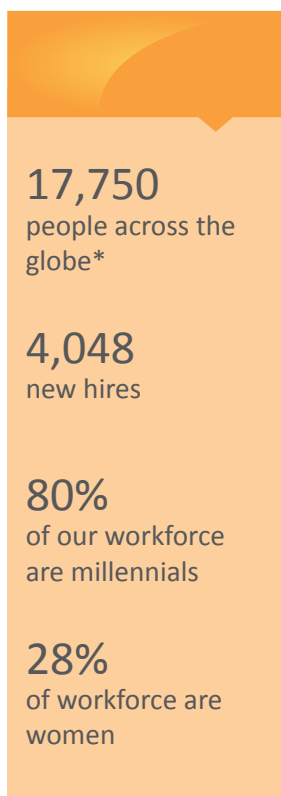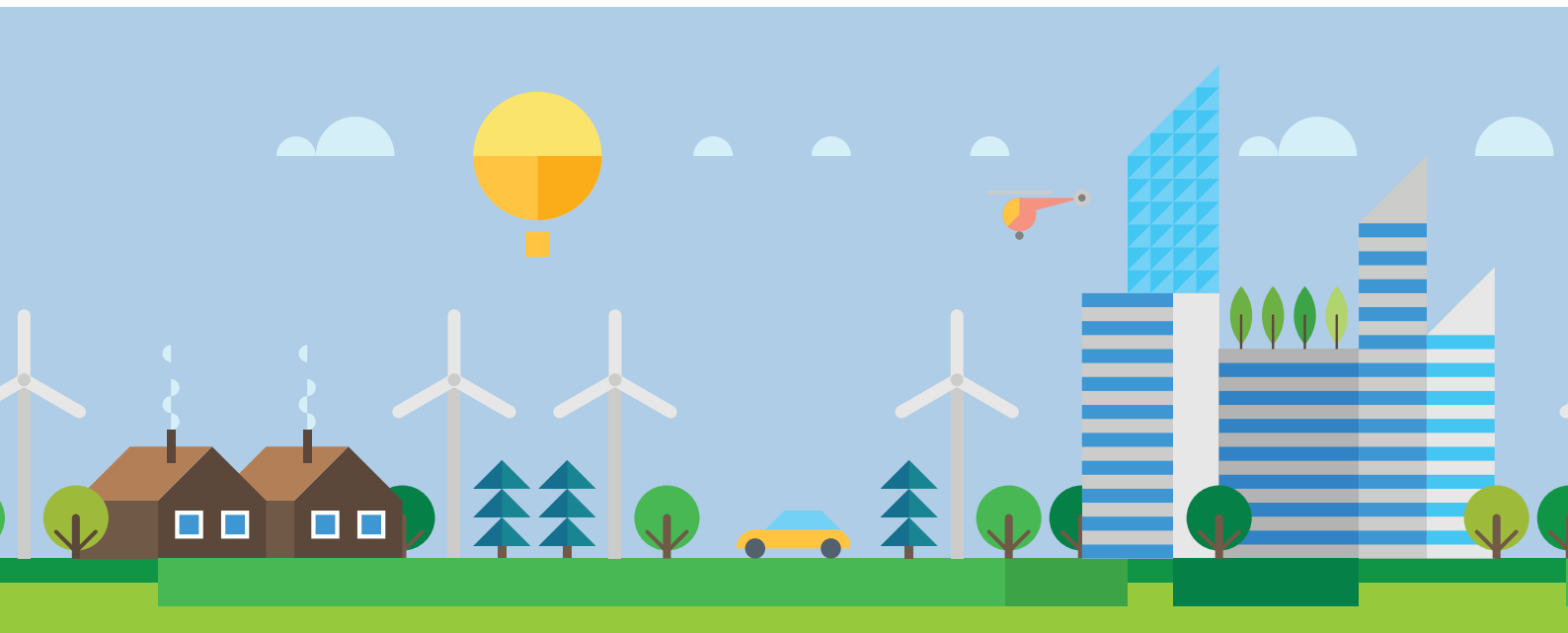
* Does not include contract and outsourced employees.
** Scope 1 and Scope 2 emissions.
*** All data is for FY17 unless indicated.

Virtusa Corporation (NASDAQ: VRTU) is a leading worldwide provider of information technology (IT) consulting and outsourcing services. Headquartered in Massachusetts, we have offices in the United States, Canada, the United Kingdom, the Netherlands, Germany, Switzerland, Sweden, Austria, the United Arab Emirates, Hong Kong, Japan, Australia and New Zealand, with global delivery centers in India, Sri Lanka, Hungary, Singapore and Malaysia, as well as multiple nearshore delivery centers in the United States.

OUR VISION

Apply domain and technology innovation to accelerate business outcomes for our clients.

OUR MISSION

Enable our clients to create a distinctive millennial experience, transform their businesses, and deliver platform efficiencies.

Build a great global firm that attracts, develops, inspires and retains exceptional talent.

OUR VALUES

PASSION: To inspire our global teams to deliver extraordinary results

INNOVATION: Apply intellectual curiosity to reimagine better business outcomes for our clients

RESPECT: Protect our environment, honor our diversity and treat everyone with dignity

LEADERSHIP: Take personal responsibility when things go awry and always ascribe success to the team

About Virtusa

Virtusa is a leading worldwide provider of information technology (IT) consulting and outsourcing services. We help accelerate business outcomes for Global 2000 businesses in banking and financial services, insurance, healthcare, telecommunications and media.

Headquartered in Massachusetts and we have 50 offices across North America, Europe and Asia. We view our operations and manage our business as one operating segment. Our corporate structure also spans multiple jurisdictions, with Virtusa Corporation incorporated in Delaware and its operating subsidiaries organized in India, Sri Lanka, the United Kingdom, Hungary, Germany, Singapore, Austria, Malaysia, Sweden, Switzerland and the Netherlands, as well as Polaris and its operating subsidiaries which are incorporated in Australia, China, the United Arab Emirates, Japan and Canada.

From time to time, we have also supplemented organic revenue growth with acquisitions. These acquisitions have focused on adding domain expertise, expanding our professional services teams and expanding our client base. For instance, for the fiscal year ended March 31, 2016 we completed the acquisition of Polaris, which expands our banking and financial services offerings and domain expertise as described above.

Our Services

We support Forbes Global 2000 clients across large, consumer facing industries like Banking & Financial Services, Insurance, Healthcare, Communications, and Media & Entertainment, as they look to improve their business performance through accelerating revenue growth, delivering compelling consumer experiences, improving operational efficiencies, and lowering overall IT costs. We provide services across the entire spectrum of the IT services lifecycle, from strategy and consulting, to technology and user experience ("UX") design, development of IT applications, systems integration, testing and business assurance, and maintenance and support services, including infrastructure and managed services.

We enable our clients to leverage technology innovations to provide the distinctive millennial customer experiences demanded by digital consumers who are increasingly looking for services that are available 24×7 without interruption, location aware and highly customized to their social likes and dislikes. Our digital transformation and innovation ("DTi") solutions support the business growth imperative by delivering targeted and differentiated solutions that help our clients expand their addressable markets as well as develop go-to-market strategies supporting new revenue streams. Our operational excellence ("OE") basket of solutions enable our clients to improve operational and IT efficiencies through the innovative use of automation, effort compression and IT simplification.

We provide our IT services primarily to enterprises engaged in the following industries: communications and technology ("C&T"); banking, financial services and insurance ("BFSI"); and media and information ("M&I").

Detailed information of our service offerings is available on our website, www.virtusa.com.

Economic Performance

For the fiscal year ended March 31, 2017, we had revenue of $858.7 million and income from operations of $18.4 million. In our fiscal year ended March 31, 2017, our revenue increased by $258.4 million, or 43.0%, to $858.7 million, as compared to $600.3 million in our fiscal year ended March 31, 2016. Our net income decreased from $44.8 million in our fiscal year ended March 31, 2016 to $11.9 million in our fiscal year ended March 31, 2017.

We serve clients across North America, Europe and Asia, and with the Polaris acquisition, added operations in Hong Kong, the United Arab Emirates, New Zealand, Japan, Australia and Canada. During the fiscal year ended March 31, 2017, 65% of our revenue was generated in North America, 23% in Europe and 12% in rest of the world.

Our Advanced Technology Centers in India and Sri Lanka help contribute to the economic development of these countries through job creation. The Polaris acquisition added eight locations to our Indian operations, increasing our footprint in India. In Sri Lanka, we are the largest IT service company and contribute to the development of the IT industry which is one of the top five export revenue earners for the country. In fact, we have been recognized as the highest foreign exchange revenue earner in the IT sector for Sri Lanka, having won the gold award for 'Export of Business & Professional Services Sector' in the 'extra-large' category at the National Chamber of Exporters Awards for four consecutive years from 2012 to 2015.

We provide indirect economic benefits in two areas. Through our Campus Reach program, we collaborate with the academia to advance IT education in India and Sri Lanka. Through our Tech Reach program, we develop software applications for social good at zero cost to stakeholders. These programs are described in detail in the section "IT for Good" along with details of community investments made during the reporting period. We do not make any political donations as per our corporate policy.

Financial Data

	2017	2016	2015	2014	2013	2012
Revenue	858,731	600,302	478,986	396,933	333,175	277,771
Costs of revenue	620,950	389,310	304,422	250,533	215,866	177,434
Gross profit	237,781	210,992	174,564	146,400	117,309	100,337
Operating expenses	219,410	165,672	121,996	103,988	84,450	76,438
Income from operations	18,371	45,320	52,568	42,412	32,859	23,899
Other income	447	12,349	4,832	3,512	3,000	2,547
Income before income tax expense	18,818	57,669	57,400	45,924	35,859	26,446
Income tax expense	2,561	12,649	14,954	11,549	7,461	6,411
Net income	16,257	45,020	42,446	34,375	28,398	20,035
Less: Net income attributable to the non-controlling interest	4,399	218	-	-	-	-
Net income attributable to Virtusa common stockholders	11,858	44,802	42,446	34,375	28,398	20,035
Basic earnings per share	0.40	1.53	1.48	1.32	1.14	0.81
Diluted earnings per share	0.39	1.49	1.44	1.27	1.11	0.79
Weighted average number of common shares outstanding						
Basic	29,650,026	29,233,861	28,753,102	26,116,516	24,937,162	24,643,063
Diluted	30,215,171	30,004,982	29,555,624	26,973,001	25,638,839	25,383,650

Table: Consolidated Statements of Income Data (in US$)

	2017	2016	2015	2014	2013	2012
Customer Revenue						
North America	554,437	421,215	319,285	278,318	251,219	215,723
Europe	196,516	134,639	129,904	97,178	65,863	49,839
Other	107,778	44,448	29,797	21,437	16,093	12,209
Consolidated revenue	858,731	600,302	478,986	396,933	333,175	277,771

Table: Revenue Breakdown According to Geographic Locations (in US$)

	2017	2016	2015
Revenue by Industry Group			
BFSI	64%	54%	58%
Communications and Tech	26%	35%	34%
Media & Information and Other	10%	11%	8%
Revenue by Product Type			
Time & Materials	57%	61%	63%
Fixed Bid	43%	39%	37%
Revenue by Service Offering			
Application Outsourcing	59%	54%	55%
Consulting	41%	46%	45%

Table: Breakdown of Services Provided

Our Sustainability Program

OHSAS 18001:2007
certified occupational health and safety system

ISO 14001:2004
certified environmental management system

35%
office space LEED certified

B
Carbon Disclosure Project Performance Band

B
Carbon Disclosure Project Supplier Engagement Rating

* All data is for FY17 unless indicated.

Our Sustainability Program

Our aim is "to reduce our environmental footprint, with ethical maturity, respect and dignity to all". Premised on our core corporate values of Passion, Innovation, Respect and Leadership (PIRL), we believe in doing more, and better, with less. Accordingly, we leverage unique and industry leading tools to increase "right first time" and reduce "cycle time" by aggressively measuring and improving quality and reuse at the source. By doing so, we effectively reduce the environmental footprint of the products and services offered to clients.

Our sustainability program is based on the following core elements.

Area	Framework	Current Status
Health and Safety	• OHSAS 18001:2007	Eleven technology centers in India and Sri Lanka are certified.
Environment (Code Green)	• ISO 14001:2004 (EMS) • ISO 50001:2011 Guidance (Energy) • ISO 14064 Guidance (Climate Change) • Greenhouse Gas (GHG) Protocol	Eleven technology centers in India and Sri Lanka are certified for ISO 14001. Encompasses climate change, emissions, energy, water and waste management. We report GHG emissions to the Carbon Disclosure Project.
Business Continuity Management	• ISO 22301:2012	Nine technology centers in India, Sri Lanka, UK, USA and Hungary are certified.
Information Security	• ISO27001:2013	Seventeen technology centers in India, Sri Lanka, UK, USA, Singapore and Hungary are certified.
Labor Standards	• SA 8000 Guidance • Modern Slavery Act 2015 (UK) • Equality Act 2010 (UK) • United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)	Policies formulated under SA 8000 guidance since July 2016.
Anti-Bribery and Corruption	• Foreign Corrupt Practices Act 1977 • Bribery Act 2010 (UK)	Policies signed in line with framework.
Management Engagement, Social Impact & Diversity	• ISO 26000 Guidance • Companies Act 2013 section 135 (India)	We create social impact through the following: • Digital Reach – Creating a digitally inclusive society. • Campus Reach – Supporting the next generation of IT professionals to be workforce ready. • Tech Reach – Using technology for good. CSR Operating Committee for pan India formed in 2015.

Our Chief Operating Officer, reporting to the Board, has responsibility for all aspects of sustainability. Cross-functional teams at each geographic location oversee and implement components of the sustainability strategy that are specific to their operations.

Update for FY17

In FY17, we did an overall review of our sustainability program and incorporated best practices from Polaris Consulting in the sustainability program. Our Sustainability Policy and its sub-policies (Energy Policy, Climate Change Policy, Waste Policy, Water Policy, and Social Responsibility Policy) were reviewed and updated as part of this process.
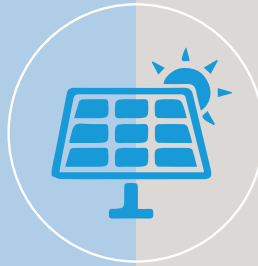
In FY17, we also took the first step to mapping the UN Sustainable Development Goals (SDGs) with our sustainability framework and identified the SDGs supported by the three pillars of our corporate social responsibility focus: Campus Reach, Tech Reach and Digital Reach. We hope to map other aspects of our sustainability framework to the SDGs in future.

FY16/FY17 Goals and Performance

GOAL		PERFORMANCE
10% of energy to be obtained from renewable sources by 2020		**14%** of energy obtained from renewable sources in FY17
75% Target to groom leaders from within		**65%** Revised target
60% Target Net Promotor Score		**67%** Average Net Promotor Score for FY17
8.5 Target Client Delight Index		**8.7** Average Client Delight Index for FY17
>75% Target Employee Delight Index		**68%** Average Employee Delight Index for FY17

● Achieved   ● Partially Achieved

About this Report

We have used the Global Reporting Initiative (GRI) G4 Guidelines as the foundation for our sustainability reporting, and this report is prepared in accordance with the Core option. This report also forms our seventh Communication on Progress (COP) to the United Nations Global Compact and documents our progress in implementing the UNGC Principles in our operations.

Materiality and Reporting Boundary

A complete list of subsidiaries that comprise our reporting boundary is provided on page 162 of our 2017 Form 10K (Exhibit 21.1: Subsidiaries of Virtusa Corporation), available in the SEC Filings section of our website. Since we manage our business as one operating segment, aspects related to economic, labor practices, human rights, governance and ethics, and customer privacy are reported for all entities. Environmental data is reported only for our technology centers in India and Sri Lanka including technology centers from Polaris Consulting. Corporate social responsibility activities are reported from all entities except InSource Holdings and TradeTech Consulting.

Material Aspects	Virtusa Corp.	Indianapolis Innovation Center	InSource Holdings	TradeTech Consulting	Polaris Consulting
Economic	■	■	■	■	■
Environment	■	■	■	■	■
Labor Practices and Decent Work	■	■	■	■	■
Human Rights	■	■	■	■	■
Governance and Ethics	■	■	■	■	■
Customer Privacy	■	■	■	■	■
Social Responsibility	■	■	■	■	■

■ Material and fully reported   ■ Reported with constraints   ■ Not significant

Note: Optimus Global Services Limited is a shell company without any physical presence or ongoing business. As a result, it has been removed from the reporting boundary.

Stakeholder Engagement

The stakeholder groups with which we engage include clients, investors, employees, academia, suppliers, governments, NGOs and local communities. Of the listed stakeholders, clients, investors and employees have the greatest impact on our operations. Stakeholder engagement is an important aspect of our sustainability program as it provides inputs on the topics that are important for our stakeholders. The following table lists the channels of engagement we use with each of our stakeholders as well as the key concerns for each stakeholder group.

Stakeholder	Engagement Mode	Key Concerns
Clients	• Request for proposal • Client visits and meetings • Client Delight Index (CDI) • Net Promoter Score (NPS) • Client initiated surveys and audits • Sustainability report • Media interactions	• Business value • Business continuity • Corporate governance and ethics • Labor and human rights • Environmental responsibility
Investors	• Annual general meeting • Media interactions	• Revenue growth • Profit margins • Corporate governance and ethics • Transparency
Employees	• Internal Support Group Framework • Open Door Policy • Social media • Internal Service Group Survey • On-boarding Survey • 5th Month Survey and 18th Month Survey • Exit Survey	• Career growth • Compensation • Learning and development • Work/life balance • Safe work environment • Transparency
Academia	• Curriculum development and advice • Internship program • Career guidance and awareness • Mentoring for final year projects • Industrial visits • Career fairs • Social media • Media interactions	• Internship opportunities for students • Curriculum advice
Suppliers	• Supplier Survey • Supplier Guidelines • Supplier awareness sessions • Media interactions	• Business opportunities • Ethical business practices
Governments	• Membership in sustainability associations • Collaborations with government bodies on sustainability • Media interactions	• Corporate governance and ethics • Environmental responsibility • Development of IT industry in India/Sri Lanka
NGOs and Local Communities	• Media interactions • Conferences and public forums on sustainability • Membership in sustainability associations	• Ethical business practices • Responsible corporate citizenship • Job opportunities • Community development

We did not undertake an engagement process specifically for the preparation of the report but have utilized the existing mechanisms.

In order to determine the report content, we used the matrix below to identify the issues and aspects most material to us and our stakeholders. While most aspects have remained the same, we have seen increased focus on human rights, labor standards, and modern slavery and human traficking through requests for proposals. As a result, these aspects were given more weightage when developing the matrix.
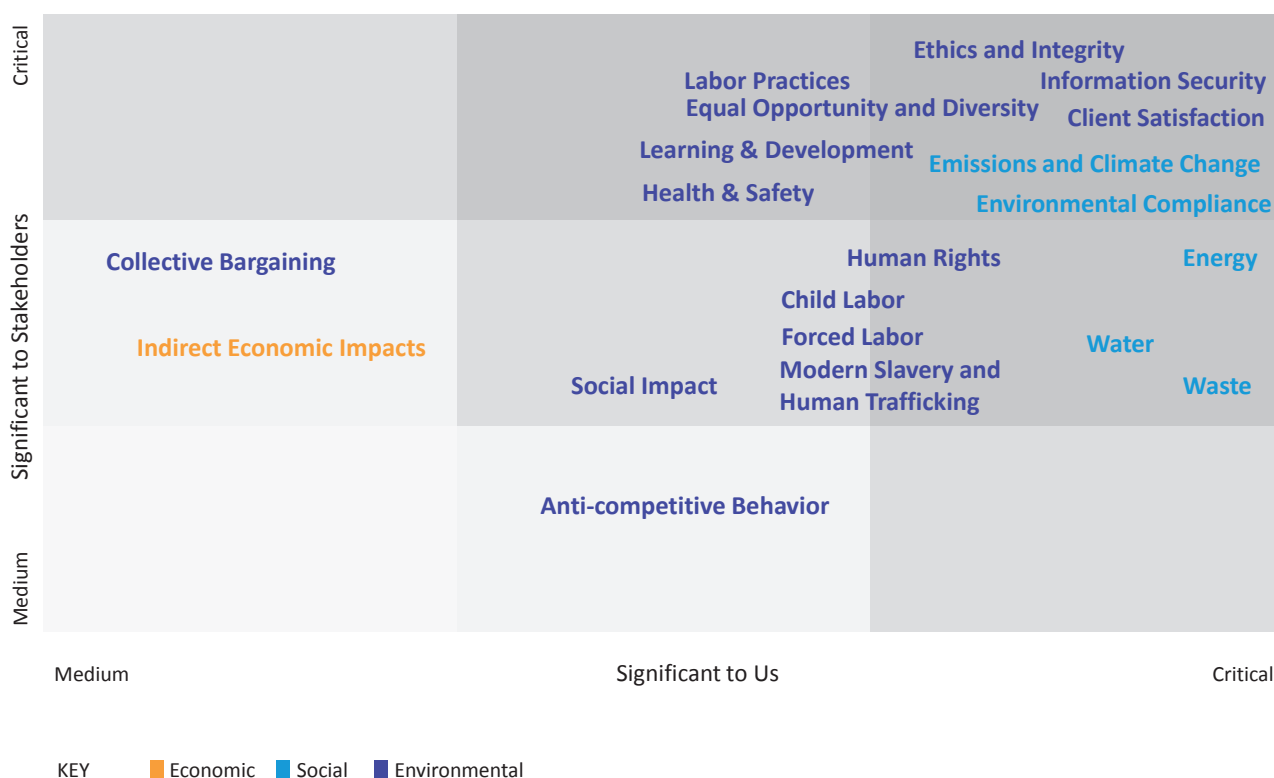
We have made every effort to submit a comprehensive report with regard to dimensions of scope and boundary for the reporting period. Our goal is to improve our reporting as well as work towards obtaining external assurance.

Restatements

Optimus Global Consulting has been removed from the reporting boundery as it is a shell company without any physical presence or ongoing business. In FY16, we revised the methodology used to calculate energy intensity and emissions intensity from per full time employee to per employee as this provides more accurate data.

External Commitments

United Nations Global Compact

We have 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.

We have been on the Steering Committee of the Sri Lankan Network since 2010. A representative from Virtusa is on the Board of Directors of the Network and we have supported and encouraged the activation of both the Network and the UNGC principles in Sri Lanka. We also support the Network to organize conferences and training sessions, thus enabling the dissemination of sustainability training to corporates in Sri Lanka.

UNGC Business for Peace (B4P)

We are also a member of the UNGC Business for Peace (B4P) initiative. In 2013, we were featured as a case study in the UNGC's Responsible Business Advancing Peace publication for our contribution to national reconstruction in post-war Sri Lanka. The case study highlights activities carried out through our Digital Reach and Tech Reach initiatives where we helped to build a digital learning center in the North of Sri Lanka to be used to provide IT training to war rehabilitees.

Carbon Disclosure Project

We respond to the Carbon Disclosure Project (CDP) Climate Change Program as well as the Supply Chain Program. In 2016, our performance band was "B" and we also received a "B" for the Supplier Engagement Rating, a new score introduced by CDP in 2016. This score measures an organization's ability to engage with suppliers on climate change.

Central Environmental Authority of Sri Lanka E-waste Management Program

We are one of the first of 14 companies to sign an MOU with the Central Environmental Authority of Sri Lanka to properly and effectively manage e-waste. With the increase in use of electronic devices, proper disposal of e-waste is a growing problem in Sri Lanka as the country does not have mechanisms for recycling e-waste. This initiative has set up an island wide network for the collection of the e-waste from individuals and organizations in order to avoid such waste ending up in landfill and causing pollution.

Supply Chain Management

As an information technology services provider, our operations do not consume significant amounts of raw materials, nor do we sell products that require packaging and shipping. We have a large supplier base that provides goods and services to support our operations across the following categories: workplace and facilities, transport, IT and telecom, food service providers and security services. Accountability for the execution of our procurement strategy begins with our local and regional procurement teams and ultimately resides with our Chief Financial Officer.

Our policy is to depend on local suppliers at all locations of operations unless to do so would be a cost disadvantage. In order to incorporate responsible business practices in our supply chain, we utliize the initiatives described below.

Supplier Sustainability Survey

Our Supplier Sustainability Survey was created in 2010 to review supplier sustainability practices. In 2016, the survey was updated to include a scoring mechanism to enable us to grade our suppliers in terms of sustainable business practices.

Supplier Guidelines

The Supplier Guidelines was formulated in 2013. The guidelines set out the standards and practices that suppliers are required to uphold in the areas of human rights, labor, environment and business ethics. These include complying with all applicable laws and regulations, ensuring that they are not complicit in human rights abuses, ensuring that child labor and forced or compulsory labor are not used in any operations and providing safe working conditions for employees. In addition, suppliers are expected to ensure the protection of the environment and follow ethical business practices. In 2016, we updated the supplier guidelines to include the prohibition of slavery and human trafficking.

Supply Chain Sustainability Awareness Session

This event is held annually for our Tier 1 suppliers. The intention is to share sustainability best practices and to create awareness on current sustainability issues. The session has been held at our Sri Lanka facilities since 2013, and we intend to expand the practice to other locations. We have conducted road safety awareness sessions in collaboration with the police for transport providers in several geographies.

Procurement Process

We have implemented a robust approval process for procurement, which includes evaluations not only on cost and quality aspects but also aspects such as user safety and climate change impact where relevant. We also include risk management aspects in the procurement process.

Checks and Inspections

We strive to ensure that our suppliers operate responsibly. Suppliers are required to ensure that any employees performing work on behalf of us use the correct health and safety equipment and procedures. Transport providers are required to undergo vehicle inspections, and drivers are required to provide police reports. Food service providers are required to submit themselves for inspections conducted by the Public Health Inspector (PHI).

We are in the process of developing a mechanism whereby suppliers are required to confirm compliance with aspects of the Supplier Guidelines and FCPA in order to proceed with business.

Our Clients

191
clients

59%
of revenue from application outsourcing

$228.9
million increase in revenue from existing clients

17
net new clients

41%
of revenue from consulting services.

$29.5
million revenue from new clients was

86%
of revenue from repeat business

195
perfect 10/10 client delight scorecards

* All data is for FY17 unless indicated.

Our Strategy and Approach

A majority of our revenue for the reporting period was generated from Forbes Global 2000 firms or their subsidiaries. Our expertise in core technology services allows us to help our clients lower total cost of ownership of their overall IT investments. We also combine industry specialization with our core services to deliver high-impact solutions in critical business functions that help our clients transform their business performance and gain competitive advantage in the markets in which they operate.

Our solutions provide our clients with the consultative and high-value services associated with large consulting and systems integration firms, the cost-effectiveness associated with offshore IT outsourcing firms, and the ongoing benefits of our innovative platforming approach.

We believe that our regular, direct interaction with client senior executives, the breadth of our client relationships and our reputation within these clients as a thought leader differentiate us from our competitors. The strength of our relationships has resulted in significant recurring revenue from existing clients. During the fiscal year ended March 31, 2016, 85% of our revenue came from clients to whom we had been providing services for at least one year.

Strategic Alliances

We have strategic alliances with software companies, some of which are also our clients, to provide services to their customers. We believe these alliances differentiate us from our competition. Our extensive engineering, quality assurance, technology implementation and support services to software companies enable us to compete more effectively for the technology implementation and support services required by their customers. In addition, our strategic alliances with software companies allow us to share sales leads, develop joint account plans, and engage in joint marketing activities.

Client Engagement

Account Management

Our experienced account managers build and regularly update detailed account development plans for each of our clients. These managers are responsible for developing strong working relationships across the client organization, working day-to-day with the client and our service delivery teams to understand and address the client's needs. Our account managers work closely with our clients to develop a detailed understanding of their business objectives and technology environments.

We also seek regular informal and formal client feedback. Our global leadership and executive team regularly interact with client leadership, and each client is typically given a formal feedback survey on a quarterly basis. Client feedback is qualitatively and quantitatively analyzed and forms an important component of our teams' performance assessments and our continual improvement plans.

Client Delight Index

Measuring and ensuring high client satisfaction is an integral part of our delivery process. The Client Delight Index (CDI) is a key performance measure that has board level visibility. Client feedback is collected each quarter from stakeholders identified for each account and a consolidated report is published for each Advanced Technology Center. The CDI helps us to identify areas of client engagement that may need attention. Internally, all negative responses require action plans from our staff, ensuring that any problems are corrected. The survey can be customized depending on the project or project phase. In FY17, we received 125 perfect 10/10 Client Delight Index (CDI) scorecards.
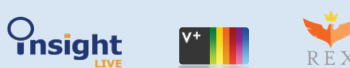
Net Promoter Score

Along with the CDI, we also gather information on the Net Promoter Score (NPS). This metric is also reviewed at board level on a quarterly basis. The average NPS for FY17 was 67%.

Technology and Innovation

New advances in areas like internet of things ("IoT"), artificial intelligence ("AI"), machine learning ("ML"), and robotic process automation ("RPA") are now pushing the boundaries of how technology can disrupt traditional business models and deliver significant value in several areas, including delivering new products and services, enhancing consumer experience and improving operational efficiencies of the business. We have invested in developing deep capabilities in these new areas, fostering a strong partner ecosystem and building a rich platform for nurturing innovation and rapidly constructing prototypes that use IoT, AI and/or RPA to solve specific business problems for our clients. We have created innovation centers focused on certain technologies. Virtusa's Skylab innovation center focuses on technologies like IoT, AI, and ML, and has created a robust ecosystem for clients to participate and innovate in creating new solutions to their business challenges. Skylab has delivered award winning solutions to some of our marquee clients in healthcare, communications and insurance sectors. Virtusa's FinTech Lab focuses on innovation for our financial services clients. Over the past year, we have augmented investments into our FinTech Lab and are currently helping some of the most innovative banking and financial services clients develop and implement solutions around blockchain and open banking API platforms. We have also replicated the success of our FinTech Lab across other industries by creating innovation labs supporting the insurance and healthcare industries.

We continue to invest in our award winning developer engagement and gamification platform and are extending gamification across the software delivery lifecycle and across all roles involved in the software delivery process. We are working with several clients on adopting enterprise-wide gamification strategies. Our RPA platform, Accello, has been successfully deployed at several client sites during the year. In fact, Virtusa won the Silver Stevie for the Most Innovative Tech Company in 2016 on the strength of its innovations in these areas.

Our Engineering Strategy		
Extreme Automation Create efficiencies across the SDLC	**Engagement** Scale our engineering culture through engagement	**Innovation** To be thought leaders to our clients
• **Shift left** on defect detection and prevention • **Compress effort** by abstraction, simplification and code-generation • **Reduce surprises** in production with **CICD** • **Increase operational efficiencies** through RPA	• Improve **Transparency** and use **Gamification** and **Social Collaboration** to create a high performance culture for our millennial+ workforce	• Help create engineering teams that are **aligned to customer needs and objectives** • Help Virtusa incubate future tech (AI, IoT, RPA) • **Help our clients innovate** with new technology thought leadership
ACCELLO EVTAF OSCAr, Centroid TEMPO	insight LIVE V+ REX	V+ REX Kry10

Recognition for Technology and Innovation

🏆 Finalist at the European Software Testing Awards (TESTA) under multiple categories including retail, finance, and functional testing

🏆 Won the Silver Stevie American Business Award for the Most Innovative Tech Company of the Year in 2016

🏆 Our Global Technology Office won the Silver Stevie International Business Award for IT Team of the Year for developing novel solutions to fulfill its mandate of driving engineering excellence and innovation

🏆 Our proprietary insurance risk advisor, SARA won the Silver Stevie award for the Best New Product or Service of the Year in 2016

Global Innovation Process

Our enhanced global delivery model is built around our proprietary GIP, which is a software lifecycle methodology that combines our experience in building platform-based solutions for global clients with leading industry standards such as rational unified process, eXtreme programming, capability maturity model and product line engineering. By leveraging GIP templates, tools and artifacts across diverse disciplines such as requirements management, architecture, design, construction, testing, application outsourcing and production support, each team member is able to leverage software engineering and platforming best practices and extend these benefits to clients.

During the initial process-tailoring phase of an engagement, we work with the client to define the specific approach and tools that will be used for the engagement. This process-tailoring takes into consideration the client's business objectives, technology environment and currently-established development approach.

A dedicated process group provides three important functions: they continually monitor, test and incorporate new approaches, techniques, tools and frameworks into GIP; they advise project teams, particularly during the process-tailoring phase; and they monitor and audit projects to ensure compliance. New and innovative ideas and approaches are broadly shared throughout the organization, selectively incorporated into GIP and deployed through training. Clients also contribute to innovation and improvement as their ideas and experiences are incorporated into our body of knowledge.

All of our major delivery centers, located in Hyderabad, Chennai, Mumbai, Pune, Gurugram and Bangalore in India and Colombo in Sri Lanka, have been reassessed at CMMI Level 5 maturity. During our fiscal year ended March 31, 2017, as part of the CMMI re-assessment process (every 3 years), the Hyderabad (first assessed during the fiscal year 2011) and Bangalore (first assessed during the fiscal year 2014) delivery centers completed the reassessment successfully and maintained their CMMI Level 5 rating. CMMI is a process improvement model used to improve a company's ability to manage project deliveries to ensure predictable results. CMMI's process levels are regarded as the standard in the industry for evolutionary paths in software and systems development and management.

Platforming Approach
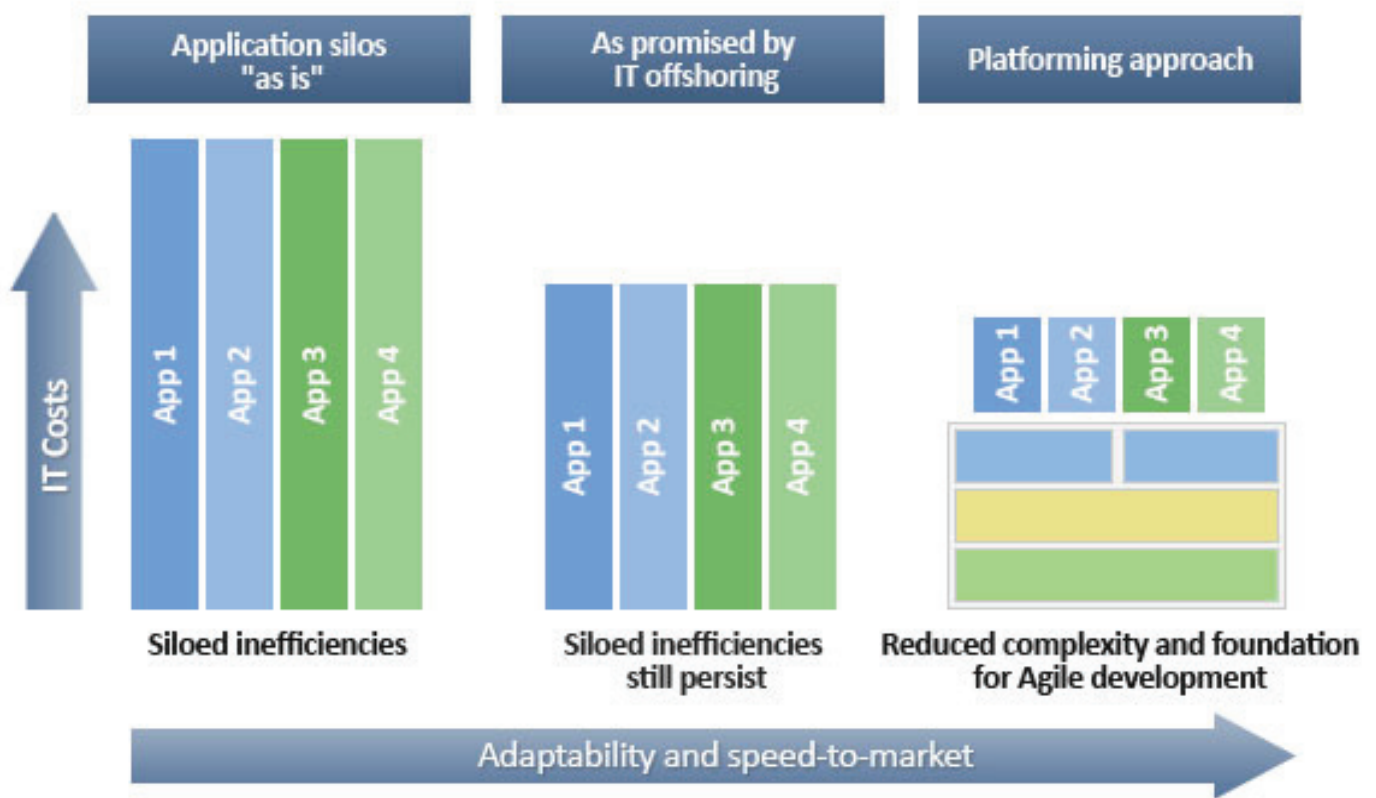
We apply our innovative platforming approach across our business and IT consulting, technology implementation and application outsourcing services to rationalize IT application portfolios and reduce costs, increase productivity and improve the efficiency and effectiveness of our clients' IT application environments. Platforming is a structured approach to software development that organizes discrete software components into related functions in a layered architecture of common services. This enables development teams to write code once and utilize it multiple times.

Unlike in traditional enterprise application development where different applications remain isolated, replicating business logic, technology frameworks and enterprise data, platforming helps to combine common business processes and rules, technology frameworks and data into reusable application platforms that can be leveraged across the enterprise.

Through platforming our clients are able to continually improve their software platforms and applications in response to changing business needs and evolving technologies while also improving business agility and realizing long-term and ongoing cost savings.

Governance and Ethics

4
standing committees of the board of directors

7
independent members in the board of directors

ISO 27001:2013
certified information security management system

ISO 22301:2012
certified business continuity management system

400
senior employees trained in compliance and ethics

* All data is for FY17 unless indicated.

Our Strategy and Approach

Our core values – Passion, Innovation, Respect and Leadership (PIRL) – are the guiding principles in all our interactions. Sound governance along with strong policies have helped to maintain a reputation of corporate excellence.

Instilling our business ethics and culture in our employees forms an important part of people development. All employees are educated on the PIRL values and corporate policies through several mediums from the on-boarding program to awareness mailers. All corporate policies are also available on our V+ platform for easy reference.

As a responsible corporate citizen, we adhere to the laws and regulations relevant to our operations. During the reporting period, there were no instances of monetary or non-monetary sanctions for non-compliance with laws and regulations related to any aspects of our business operations including the provision of services, anti-competitive behavior and environmental regulations.

POLICIES

- Code of Business Conduct and Ethics
- Anti-Bribery Policy
- FCPA Policy
- Whistleblower Policy
- Business Continuity Management Policy
- Information Security Management Policy
- Intellectual Property Policy
- Equal Employment Opportunity Policy
- Harassment Free Workplace Policies
- Anti Slavery and Human Trafficking Policy
- Modern Slavery and Human Trafficking Statement
- Privacy Policy
- Prevention of Alcohol, Drugs and Substance Abuse Policy
- Sustainability Policy
- Environment, Health and Safety Policy
- Energy Policy
- Climate Change Policy
- Waste Policy
- Water Policy
- Social Responsibility Policy

CERTIFICATION

- CMMI Level 5
- ISO 22301:2012
- BS OHSAS 18001:2007
- ISO/IEC 27001:2013
- BS EN ISO 14001:2004

Corporate Governance

Board of Directors

Name	Age	Position	Committee Membership
Inside Directors			
Kris Canekeratne	*51*	*Chairman and Chief Executive Officer and Class III Director*	
Outside Directors			
Izhar Armony	*53*	*Class II Director*	👤👤
Joseph Doody	*64*	*Class I Director*	👤👤
Rowland T. Moriarty	*70*	*Class II Director*	👤
Barry R. Nearhos	*59*	*Class III Director*	👤👤🖩
William K. O'Brien	*72*	*Class I Director*	👤👤🖩
Vikram S. Pandit	*60*	*Series A Director*	👤👤
Al-Noor Ramji	*63*	*Class I Director*	👤

👤 Member of the Nominating and Corporate Governance Committee

👤 Member of the Audit Committee

👤 Member of the Compensation Committee

👤 Member of the Finance Committee

👤👤👤👤 Chairperson

🖩 Financial Expert

Board Structure

Our Corporate Governance Guidelines set out the qualification standards for directors, their responsibilities, their access to management and independent advisors, and their compensation and training. The guidelines also describe the board structure, management succession plans, annual performance evaluation of the board and its committees, and the security holder communication with the board.

Mr. Kris Canekeratne, a founder of our company, serves as our chief executive officer and chairman of the board. The board of directors believes that having our executive officer as chairman of the board facilitates the board of directors' decision-making process because Mr. Canekeratne has first-hand knowledge of our operations and the major issues facing us, and is most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. This also enables Mr. Canekeratne to act as the key link between the board of directors and other members of management.

Independence of Members of the Board of Directors

Seven members of the board of directors are independent within the meaning of the director independence standards of The NASDAQ Stock Market, Inc., or NASDAQ, and the Securities and Exchange Commission, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Furthermore, the board of directors has determined that each member of each of the committees of the board of directors is independent within the meaning of the director independence standards of NASDAQ and the Securities and Exchange Commission.

To maintain effective independent oversight, the board of directors annually appoints a lead independent director. The board of directors believes the combined role of chief executive officer and chairman, together with a lead independent director is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management. Mr. Rowland Moriarty currently serves as the lead independent director. In this role, Mr. Moriarty serves as chairperson of the independent director sessions and assists the board in assuring effective corporate governance.

Committees of the Board of Directors

The board of directors has the following standing committees: audit committee; compensation committee; nominating and corporate governance committee; and finance committee. The finance committee was formed and approved by our board on June 29, 2017. Each committee operates pursuant to a separate charter that has been approved by the board of directors. A current copy of each charter is available at the Corporate Governance section of our website at: http://www.virtusa.com/investors/corporate-governance/.

Audit Committee

- Oversees our accounting and financial reporting processes, internal controls and audit functions.

- Focuses on risks and issues related to accounting, internal controls, and financial and tax reporting.

- Assesses economic and business risks and monitors compliance with ethical standards and applicable regulations.

Compensation Committee

- Responsible for developing executive compensation policies and advising the board of directors with respect to such policies and administering the Company's cash incentive, stock option and equity incentive plans.

- Identifies and oversees risks and issues associated with our executive compensation policies and practices.

Nominating and Corporate Governance Committee
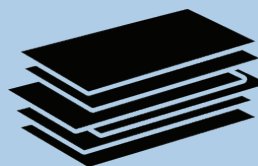
- Developing and recommending to the board criteria for board and committee membership.

- Administers enterprise risk management program.

- Identifies and oversees risks and issues associated with director independence, related party transactions and the implementation of corporate governance policies and our code of ethics.

Finance Committee
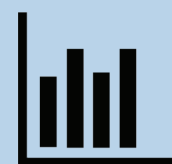
- Advises the board and the company's management regarding potential corporate transactions, including strategic investments, mergers, acquisitions and divestitures, the company's debt or equity financings, credit arrangements, investments, capital structure and capital policies.

Role in Risk Oversight by the Board of Directors

The board of directors' role in overseeing the management of the company's risks is primarily accomplished through management's reporting processes, including receiving regular reports from members of senior management on areas of material risk to the company, including operational, financial, legal and regulatory, and strategic and reputational risk and assessments and prioritization of such risks. The standing committees of our board of directors, pursuant to the respective charters, represent a key element of enterprise risk management.

The nominating and corporate governance committee of our board of directors has been initially appointed by our board of directors to administer the enterprise risk management process as the enterprise risk management committee. The enterprise risk management committee provides oversight of the recommendations of management and associated timeline to identify and assess the severity of enterprise risks, the prioritization of such risks and development of any action plans to mitigate such risks.

Our audit committee focuses on risks and issues related to accounting, internal controls and financial and tax reporting. The audit committee also monitors compliance with ethical standards, including conflicts of interest, related party transactions and adherence to standards of ethical conduct.

The compensation committee identifies and oversees risks and issues associated with our executive compensation policies and practices, and the nominating and corporate governance committee identifies and oversees risks and issues associated with director independence, related party transactions and the implementation of corporate governance policies and our code of ethics.

Oversight of particular risks may also be delegated to other committees of the board, such as the finance committee, as appropriate, based upon the nature of any particular risk. All of these committees are ultimately subject to oversight and direction of the full board of directors and report directly to the board of directors on these matters.

Communications with the Board of Directors

Our stockholders who wish to communicate directly with the board of directors or an individual member of the board may do so by sending such communication by mail (including courier or expedited delivery service).

Attention To:
- Chairman of the Board (as a representative of the entire board of directors);

- OR to the individual director or directors.

U.S. Mailing Address:
    c/o Secretary
    Virtusa Corporation
    2000 West Park Drive
    Westborough, Massachusetts 01581
    USA

Board of Directors' Evaluation Program

The board of directors performs annual self-evaluations of its composition and performance, including evaluations of its standing committees and individual evaluations for each director. In addition, each of the standing committees of the board of directors conducts its own self-evaluation, which is reported to the board of directors. The board of directors retains the authority to engage its own advisors and consultants.

Additional Information

Detailed information on corporate governance is available in the Proxy Filings on our website http://www.virtusa.com/investors/annual-report-and-proxy-statement/.

Information on the members of the board of directors and executive officers is available at: http://www.virtusa.com/investors/corporate-governance/management-and-board/.

Ethics and Compliance

Our Ethics and Compliance program is enforced through the Code of Business Conduct and Ethics, Anti-Bribery and Corruption Program, and the Whistleblower Policy. These policies are applicable to all our employees in all locations and are supported by ongoing training programs and annual certification requirements for employees.

Overall responsibility for administering our Ethics and Compliance Program rests with our Compliance Officer who is also the General Counsel.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics provides the ethical and business standards all directors and employees of the company are expected to adhere to. The Code covers areas such as conflict of interest, confidentiality, fair dealing, money laundering and illicit finance, and anti-bribery. A current copy of the Code is available at: http://www.virtusa.com/compliance/policies/.

Anti-Bribery and Corruption Program

Our Anti-Bribery Program is implemented through the US Foreign Corrupt Practices Act Policy and the Virtusa UK Anti-Bribery Act Policy. The policies set a zero tolerance approach to acts of bribery and corruption and reaffirms our commitment to complying with all relevant anti-bribery legislation wherever we do business.

Our Finance and Administrative systems are regulated to ensure that anti-corruption practices are maintained in all transactions performed within.

Whistleblower Policy

Employees and other interested parties can report any behavior that contravenes the Code of Ethics, any accounting irregularities or conduct that undermines the integrity of the company's financial statements or the Anti-Bribery Policy using the Whistleblower Hotline, through a web-based submission tool or in writing. Complaints are forwarded to the Chairman of the Audit Committee as soon as reasonably practicable following receipt of such complaint.

More information on the Whistleblower Hotline is available in the Audit Committee Complaints Procedure at http://media.corporate-ir.net/media_files/irol/21/211246/corp_gov/complaint.pdf.

Protection of Intellectual Property

We have policies in place to protect intellectual property by ensuring that utilized software have proper licenses. In addition, we have non-disclosure and assignment of inventions agreements with all of our employees to ensure the confidentiality of our work product and title to work that we create for us or our clients. We also monitor and have rigorous software engineering standards designed to prevent or detect any use of software or intellectual property not properly owned or licensed to us.

Information Security and Data Privacy

Cyber security has become a priority for businesses due to increasingly sophisticated threats. As a provider of IT consulting and technology services, cyber security is of paramount importance as we have access to sensitive client data in the course of business. As such, the success of our business depends on the protection of our clients' data as well as the protection of our employee data.

Our Chief Information Security Officer is responsible for information security. In addition, the Enterprise Risk Management Team is responsible for taking a 360 degree view on risks that could affect our business operations. The team executes an annual program to monitor the implementation of solutions for those areas deemed high risk for the company.

Our Information Security Management Policy sets out the governance structures, monitoring, and compliance requirements for protecting client data. Our Information Security Management Program is certified for ISO 27001:2013. The Enterprise Security Team ensures that the annual re-certification is performed by a qualified external third party agency. The review examines our information security framework and comments on its strengths and weaknesses. Since the original certification in 2008, the external third party agency has not reported any material or significant observations. The most recent review was performed in August 2017.

We provide guidelines and training to employees on how to handle sensitive client and business data as well as to protect intellectual property. The Chief Information Security Officer's organization monitors and reports any breaches to the senior leadership, the Enterprise Risk Management Team, client representatives, relevant business unit heads, and human resources teams for corrective action. We do not report the total number of complaints as this information is governed by confidentiality agreements with our clients.

External Penetration Program

The Penetration Testing Program is governed by our Global Penetration Testing Policy and is administered by the office of the Chief Information Security Officer. External penetration testing is performed by a selected and qualified service provider once every financial year. Penetration testing service providers are rotated to optimize the program. The program provides assurance that our external infrastructure is hardened to industry standards and safeguards in place are effective.

Data Loss Prevention

Industry accepted Data Loss Prevention (DLP) solutions have been implemented to ensure that business critical information including client information, financial information, personally identifiable information, and personal health information is not disclosed to external parties. The DLP program is jointly administered by the Chief Information Security Officer's office and the Information Technology Team.

Software Compliance

We have a strong Software Compliance framework based on ISO/IEC SAM standard 19770-1. A yearly assessment is carried out by an independent consulting firm for different publishers.

Periodic Auditing

Our Internal Audit Department (IAD) conducts periodic audits of the information technology infrastructure and the information security framework based on risks and request. IAD's reports are provided to the Global Head of Information Technology and the Chief Information Security Officer for review and correction, and updates are provided to the Audit Committee during quarterly meetings.

Risk Management

Our Risk Management Team, headed by the Head of Risk Management, applies risk management frameworks to identify any risks to our operations, including risks related to laws and regulations, reputation, customer behavior and requirements, and weather/climate change. While these risks are considered at the company level, we also undertake significant advanced planning at contract, asset, and geographic location level.

Risks from extreme weather conditions due to climate change such as heatwaves, drought, storms and floods are assessed under our Business Continuity Risk Assessment guided by ISO 22301. For instance, Chennai and Sri Lanka have been affected by floods in the recent past. The severe flooding that occurred in Chennai in December 2015 shut down our facilities and impacted our operations so that business continuity plans were enforced to mitigate the impact to our business and employees. In 2016, Sri Lanka was affected by floods, which did not impact our operations directly, but did impact our employees and their wellbeing.

The results of risks related to climate change and the action plans are presented annually to the executive board and to the audit committee, and conclusions reported to the board of directors. Detailed information on risks and opportunities from climate change are provided in our CDP response, which is available at: https://www.cdp.net/en/responses/20186.

Environmental Stewardship

B
Carbon Disclosure Project Performance Band

12%
reduction in emissions per employee since FY13***

22%
reduction in energy per employee since FY13

14%
energy obtained from renewable sources

42%
water used was recycled

10,269
kilograms of e-waste handed over for recycling

10,184
kilograms of paper handed over for recycling
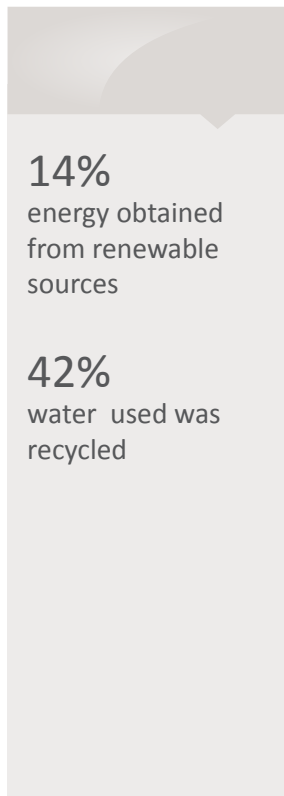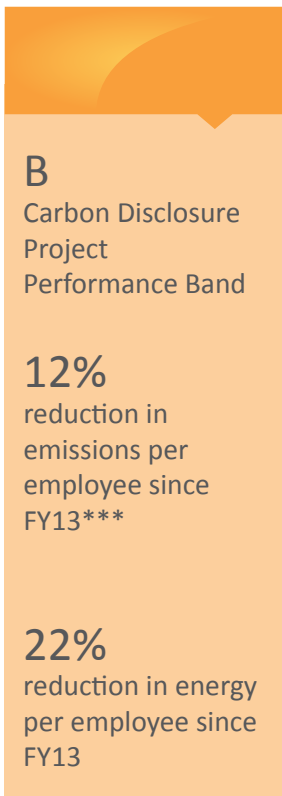
*** All data is for FY17 unless indicated.

Our Strategy and Approach

The significant environmental aspects of our business operations such as emissions, energy and water usage, and disposal of waste material are managed through Code Green, our environmental management system. Since we started monitoring and measuring our environmental footprint in 2008, we have been able to consistently improve our environmental performance. Our commitment to reducing our environmental footprint and adhering to all environmental regulations is set out in the following policies: Environment, Health and Safety Policy, Energy Policy, Climate Change Policy, Waste Policy, and Water Policy. These policies were formulated in 2013 and are reviewed annually.

Our environmental strategy focuses on three areas: operating energy efficient facilities that reduce our environmental footprint, reducing the environmental footprint of software developed for clients and researching on energy improvement technologies. While our Chief Operating Officer is accountable for our overall environmental strategy, the Facilities Management teams in each location manage day to day activities related to environmental management such as tracking emissions, energy and water usage, recycling activities, ISO14001 certification and aspects of environmental reporting.

We seek certification to ensure transparency and adherence to international standards. Our technology centers in India and Sri Lanka, which constitute 85% of our real estate, is certified for ISO 14001 by the British Standards Institute. In addition, 35% of our real estate is certified for Leadership in Energy and Environmental Design (LEED).

Data Computational Methods

Environmental data is only gathered and monitored for our technology centers in India and Sri Lanka, which account for approximately 75% of our total headcount. In FY17, monitoring and reporting on environmental aspects was expanded to six technology centers from Polaris Consulting.

We follow the guidelines set by the Greenhouse Gas Protocol to calculate Scope 1 and Scope 2 emissions. We have used FY13 (April 2013 to March 2014) as our baseline year. Information on employee numbers is based on the employee's current location. This provides a more accurate figure than using the headcount based on the permanent location as it takes into account employees who are working at client sites and who do not contribute to emissions in our offices. For FY17, we used the following emission factors:

Location	Emission Factor	Unit	Reference
India	960	grams CO2/kWh	CEA CO2 Baseline Database for the Indian Power Sector (2016)
Sri Lanka	721	grams CO2/kWh	Sri Lanka Energy Balance 2014

To calculate Scope 3 emissions from air travel and employee commute, we used the World Resources Institute (2015) GHG Protocol tool for mobile combustion version 2.6.

From 2014 onwards, we have received limited assurance under ISAE3000 from Ernst & Young for our Scope 1 and Scope 2 emissions calculations. Since 2016, we have extended external verification to our Scope 3 emissions as well.

Managing Impacts

Emissions

Our main source of emissions is from the usage of purchased electricity, and to a lesser extent from business travel (both air travel and road travel). Emissions from the usage of diesel generators form a minute percentage of our emissions (see Chart: Percentage Breakdown of Emission for FY17).

While we have been able to reduce our Scope 1 and Scope 2 emissions per employee by 12% from our baseline year of FY13, during the reporting period emissions per employee remained unchanged at 1.34 MTCO2eq from FY16. This was due to the inclusion of six facilities from Polaris Consulting as well as increase in emission factors. Emissions factors for India increased from 926 to 960 and emissions factors for Sri Lanka increased from 546 to 720. Emissions per dollar revenue increased by 15%. In order to further reduce our Scope 1 and Scope 2 emissions, future goals include purchasing renewable energy to offset 10% of our total energy consumption.

We have improved the quality and scope of the transport services offered to our employees through improved shuttle services. In addition, air travel for business requirements has increased, especially due to activities related to the acquisition of Polaris Consulting. Both these factors have increased our absolute Scope 3 emissions. Measures to reduce the impact from business air travel include the use of audio and video conferencing. Measures to reduce impact from road travel include the use of an automated system to track and manage shuttle services, the use of optimized transport routes and where possible the use of hybrid vehicles for transporting employees.

Energy

As an IT services company, approximately 70% of our emissions are generated from the use of electricity in our offices. We initiated our energy management program in April 2008. We have optimized our energy usage through space and server consolidation as well as the use of building management systems (BMS) and energy efficient products. In 2012, we implemented an initiative to convert the lighting systems in the technology centers to LED and LED lighting has now been adopted as our standard lighting and will be used for all new spaces. We also have a policy to hibernate or switch-off idle machines wherever possible.

Due to the above measures, we achieved a 22% reduction in per employee energy consumption over our baseline year of FY13. The intensity of energy consumption per employee reduced from 187 kWh in FY13 to 146 kWh in FY17. However, the intensity of energy consumption per employee increased from 140 kWh in FY16 to 146 kWh in FY17 due to expansion in business operations and the inclusion of six faclities from Polaris Consulting.

Water

As a services company, our operations are not water-intensive. Water is used mainly for drinking, hygiene, facility operations and landscaping. However, we seek to be responsible in our water consumption, especially since we have operations in locations that face water stress.

Water is obtained mainly from ground water, private suppliers and the municipal water supply. As such, we believe that our operations do not affect water sources significantly. The water management data provided in this report is for six of our technology centers in India and Sri Lanka and does not include drinking water, which we do not target for reduction.

In FY17, per employee water usage increased by 4.5% to 0.69kl compared to 0.66kl in our baseline year of FY13. Total water used in FY17 amounted to 106,757.00kl. Strategies for water management include more efficient water usage in facilities maintenance and creating awareness among employees about conserving water.

At present, we are able to recycle waste water only at three technology centers. In FY17, 45,218.00kl of water was recycled, which amounted to 42% of our total use. The Hyderabad Campus also has rain water harvesting facilities with two tanks of 50kl and 75kl.

Waste

As an IT services company, e-waste forms a large component of the byproduct of our operations. As a result, we have in place a program to hand over e-waste to a certified vendor for recycling. We are one of 14 companies to sign an MOU with the Central Environmental Authority (CEA) of Sri Lanka to properly and effectively manage e-waste. We were also the first IT company in Sri Lanka to receive a Scheduled Waste Management License from the CEA. In FY17, we also donated CFL bulbs for recycling.

Another source of waste from our operations is paper. We have reduced paper usage through several measures such as duplex printing and purchasing farmed paper. All departments are encouraged to use paperless forms, notifications and reports wherever possible. Waste paper is handed over to a certified vendor for recycling.

Apart from the types of waste mentioned above, no other waste was handed over for recycling during the reporting period.

Emissions Data
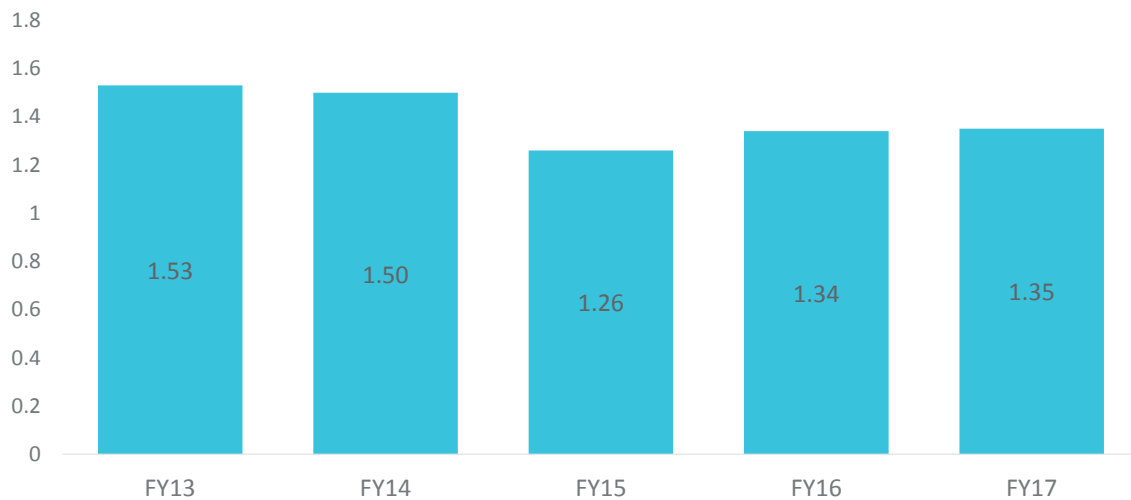
Emissions per Employee (Metric Tonnes CO2e)
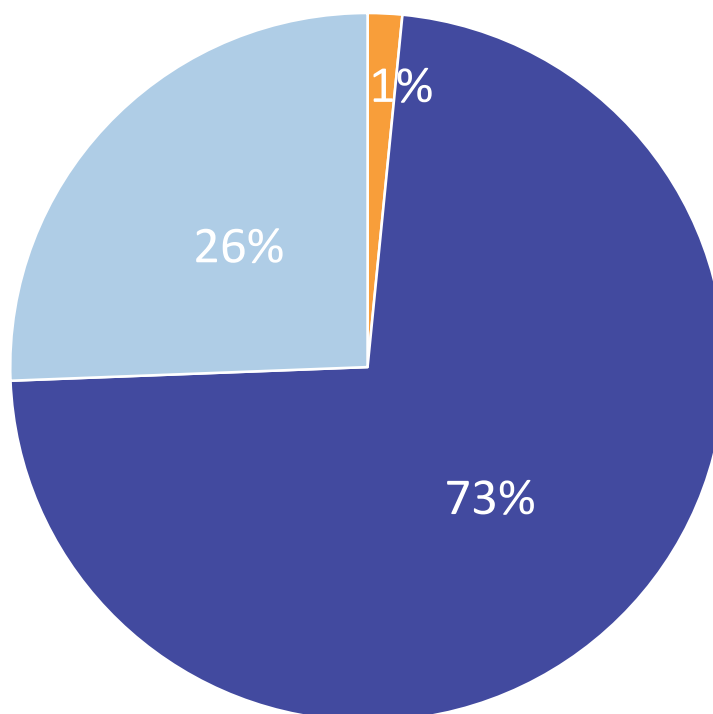
■ Scope 1: Fuel (Diesel) ■ Scope 2: Grid power ■ Scope 3: Business air travel and road travel

Percentage Breakdown of Emissions for FY17 (Metric Tonnes CO2e)

	FY17	FY16	FY15	FY14	FY13
Scope 1: Fuel (Diesel)	412.151	102.981	71.51	44.38	350.12
Scope 2: Grid power	192,82.219	11,830.786	9,487.94	9,341.69	9,317.55
Scope 3: Business air travel and road travel	6,781.382	4,616.684	2,503.73	2,171.01	2,340.24
Total GHG emissions	**26,475.752**	**16,550.451**	**12,063.18**	**11,557.08**	**12,007.91**

Table: Total Direct and Indirect Greenhouse Gas Emissions by Weight (Metric Tonnes CO2e)

	FY17	FY16	FY15	FY14	FY13
Emissions from air travel	2,180.813	3,006.880	1,302.65	1,922.54	2,115.21
Emissions from road travel	4,600.569	1,609.804	1,201.08	248.47	225.03
Total Scope 3 emissions	**6,781.382**	**4,616.684**	**2,503.73**	**2,171.01**	**2,340.24**

Table: Breakdown of Scope 3 Emissions (Metric Tonnes CO2e)

Energy Data
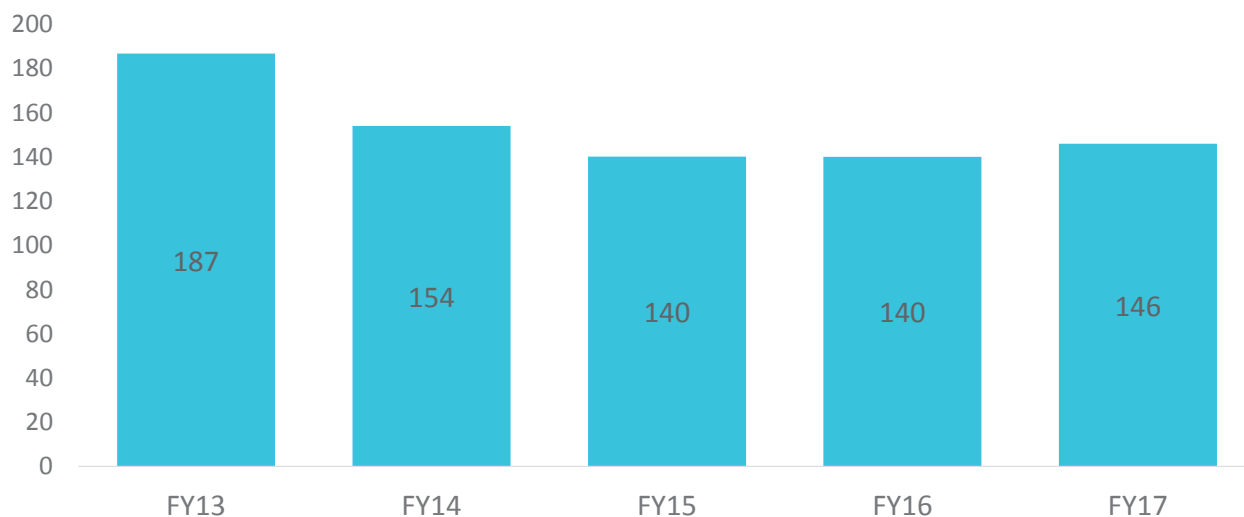
Graph: Energy Consumption (kWh per employee)
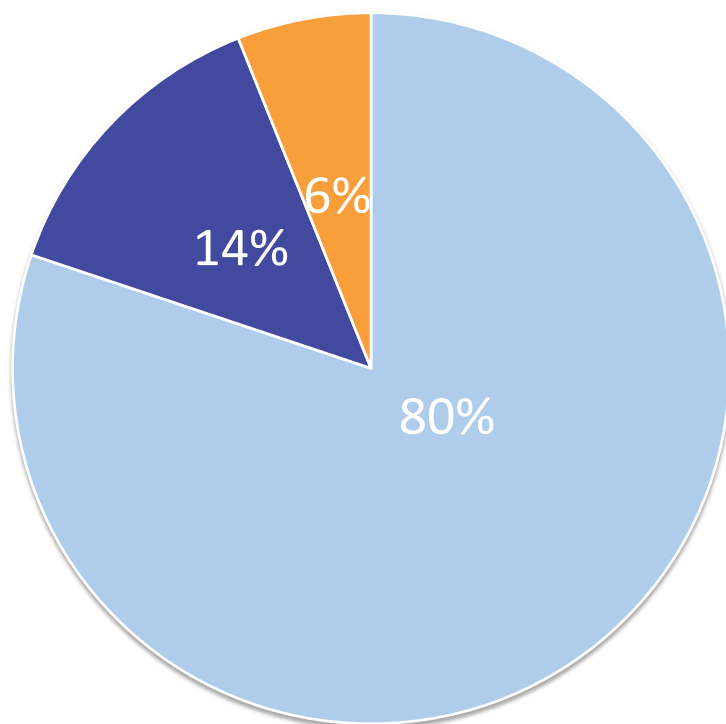
Chart: Percentage Breakdown of Energy for FY17

	FY17	FY16	FY15	FY14	FY13
Fuel consumption from non-renewable sources - diesel fuel	5,562.503	1,389.869	965.106	598.932	4,697.784
Electricity from renewable sources - wind	12,696.167	0.000	0.000	0.000	0.000
Electricity from non-renewable sources	73,807.182	52,392.633	45,066.290	43,493.400	43,580.916
Total energy consumption	**92,065.852**	**53,782.503**	**46,031.396**	**44,092.332**	**48,278.700**

Table: Direct and Indirect Energy Consumption in Gigajoules

Water Data

	FY17	FY16	FY15	FY14	FY13
Total water used	106,757.00	36,024.13	39,279.00	29,929.00	31,414.02
Total water recycled*	45,218	11,113.00	14,284.00	9,173.00	1,528.00

Table: Water Used and Recycled in Kiloliters

Water is recycled only at three technology centers.

E-waste Waste

	FY17	FY16	FY15	FY14	FY13
E-waste	10,269.42	19,520.80	9,561.96	2,314.50	7,519.50

Table: Hazardous Waste Recycled in Kilograms

Paper Data

	FY17	FY16	FY15	FY14	FY13*
Paper used	18,994	15,073	10,033	3,620	4,820
Paper recycled	10,184	10,263	4,476	2,487	4,234
Percentage recycled	54%	68%	44%	69%	88%

Table: Paper Recycled in Kilograms

Spreading the Green Message

Earth Hour

Employees in all locations observe Earth Hour as an annual event. As the official Earth Hour is held on a Saturday, non-essential lights and equipment are switched off for one hour during a working day. Some locations observe Earth Hour at the official time. In 2017, we were able to save 47% of hourly energy used. Many employees also pledged to observe Earth Hour at individual level in their homes and took part in the tree planting campaigns organized at several of our offices.

World Environment Day

World Environment Day (WED) is an annual event that our employees across the globe observe. Activities for WED include tree planting, vehicle emission testing, walkathons, etc.

Cyclothon

A cyclothon was organized by Virtusa Chennai on March 04, 2017. The 40km ride emphasised the theme "Go Green. Ride a Bicycle". More than 100 Virtusans participated in the rally.

Carpooling

In January 2016, we initiated a project to promote carpooling among employees at our Hyderabad Campus. During the reporting period, this was extended to other technology centers in India resulting in a total of 105,286.00 rides helping employees to avoid 48.3 MTCO2eq (53.3 tons).

Our People

BUSINESS PROFITS

17,750
people across the globe*

68%
average employee delight index for FY17

80%
of our workforce are millennials

28%
of workforce are women

889K USD
invested in employee training and development

75%
target of grooming leadership from within

* Does not include contract and outsourced employees.
** All data is for FY17 unless indicated.

Our Strategy and Approach

We seek to maintain a culture of innovation by empowering our team members at all levels of our organization. Our success depends upon our ability to attract, develop, motivate and retain highly-skilled and multi-dimensional team members. As at March 31, 2017, we had a headcount of 17,750 permanent employees as compared with a headcount of 18,226 for the fiscal year ended March 31, 2016.

We are committed to ensuring the protection of human rights and maintaining a harassment free workplace. As such, we strive to maintain a workplace that complies with all applicable laws and regulations and also have in place relevant policies and procedures. Our Equal Employment Opportunity Policy prohibits any form of discrimination based on race, color, religion, creed, national origin, ancestry, sex, age, qualified mental or physical disability, sexual orientation, genetic carrier status, any veteran status, any military service, any application for any military service and other areas protected by law. We also have geo-specific Harassment Free Workplace policies to ensure compliance with legal requirements. In addition, we have implemented a Privacy Policy to protect personal information from being disclosed by our employees.

As a technology services company child labor, forced and bonded labor, slavery and human traficking are not significant risk factors in our operations. However, we are cognizant of these threats and have in place relevant policies and procedures to ensure that our business and supply chain are not complicit in such human rights abuses. As such, our Social Responsibility Policy and Supplier Guidelines prohibits the use of child labor, forced and bonded labor, and modern slavery. In addition, we implemented the Anti-Slavery and Human Trafficking Policy in April 2017 to specifically address the issues of modern slavery and human trafficking.

The Global Head of HR is responsible for all labor practices with location HR leaders reporting to him. Within location HR, separate teams focus on specific areas such as recruitment, training, career development, and compensation and benefits. The HR team is also responsible for investigating any violations related to HR policies and procedures.

Nurturing a Millennial Workforce

More than 80% of our employees are millennials, the generation of people born after 1984, who have grown up in an environment guided by social media and mobility. Managing this "wired" generation of employees has created the need for newer ways of working. As a result, our work environment is characterized by an emphasis on collaboration, learning and innovation. Through our V+ platform, employees can learn, share and co-create with colleagues as well as clients. Learning mechanisms include activity based classroom learning, online learning, gamification, crowd-sourcing, TechTalks, learning circles, use of Yammer, and coaching to ensure a distinctive millennial experience in learning and development.

Each team member has a practice and segment, which identifies the technical skills and domain skills required for the current role. Role based training is available to ensure that any team member can get the required training for the current and future job roles. Role based training runs the gamut of domain-related programs, technical upskilling, and soft skills such as professional and leadership skills.

Our aim is to fulfill 65% of positions from within, and this is supported through the graduate fast tracker programs, leadership trainee programs and internship programs across locations in order to strengthen the internal pipeline with identified high potential individuals.

Programs for Talent Development and Learning

Employee Development Programs	Programs for New Talent	Leadership Grooming

Employee Development Programs

- **Virtusa Frontline Leadership Program (VFL):** The program helps each Practice to develop a leadership pipeline and also help team members to fast track their careers.

- **Frontline Leadership Program:** The program helps to enhance the leadership potential of the second level senior leadership tier of the organization.

- **Future Architect Program:** The program develops a pipeline for technical leadership in the core practice and recognizes participants who bring out the most innovative idea at the final challenge.

- **Global Leadership Program:** The program aims to attract and to hire top talent globally.

- **The GOLD Program:** The program focuses on upskilling senior leadership team members.

- **PM Future Leaders Program:** The program focuses on enhancing the leadership capabilities and maturity of the project management community through learning programs, coaching, individual presentations and weekly delivery reviews.

Programs for New Talent

- **Graduate Fast Track Program (GFP):** The program is designed to identify and attract high potential fresh graduates to the company.

- **International Summer Internship Program:** The program is aimed at students studying abroad and focuses on developing potential leaders for second level leadership positions.
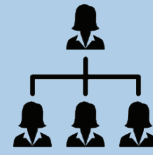
Leadership Grooming

- **Stretch Role:** Team members are required to perform the 'next level job role' for a period of six months while performing at the current role. Role stretch performance is extensively monitored and is a mandatory pre-requisite for promotion.

- **Global Exposure:** Team members are provided with frequent opportunities through secondments, short term assignments and allocation to onsite projects to play a global role across geos.

- **Executive Mentoring:** One-to-one mentoring sessions are conducted with an allocated mentor at senior leadership level. A minimum of six mentoring sessions should be completed by each individual.

- **Leadership Quotient Index (LQI):** LQI is the formal succession planning initiative that focuses on identifying and developing high potential individuals for the next level of leadership.

- **Individual Development Plan (IDP):** Team members who are above Tier 0 and Tier 1 are required to have an Individual Development Plan (IDP) available for themselves and for their respective successor.

To ensure continued employability, we have initiatives for job rotations and track change. Job rotation opportunities are provided to ensure employees have the opportunity to cross skill in numerous job verticals, ensuring the next level of leaders are consistently groomed internally. Any employee has the opportunity to change their track by following the formal track change process.

Employee Engagement and Recognition

Channels of employee engagement range from company-wide updates and town hall sessions to open social media forums such as Yammer. These are supplemented by multiple surveys such as the Internal Service Group Survey that allows employees to provide feedback on all service groups within the company. Employees also have the opportunity to provide their feedback through pulse check surveys conducted periodically during their career (e.g. On-boarding Survey, 5th Month Survey, 18th Month Survey and Exit Survey). The input from these surveys is reviewed to arrive at solutions to create a great place to work.

None of our team members are covered by a collective bargaining agreement or are represented by a labor union. This is partly due to the open communication and cordial relations maintained with employees, which includes an open door policy as well as the transparent and open channels of communication that are encouraged across all levels.

V+ Platform

V+, our proprietary social business platform, has transformed the way employees work, learn, share and connect - ultimately improving business agility, productivity and innovation. V+ creates a millennial work environment by providing a social experience akin to applications like YouTube, Google, Facebook, LinkedIn and Wikipedia. It also uses social practices such as gamification and crowdsourcing to create an engaging platform.

Yammer

V+ provides a vibrant platform for employee engagement through Yammer. Utilizing social media for employee engagement has proved to be a hit where employees, irrespective of role or designation, can share ideas, request for information, share items of interest, and even conduct surveys and publish company announcements. Overall, Yammer provides a transparent channel that enables intra-personal communication, a free-flow of ideas and even a forum for recognition and appreciation.

Keith Modder – November 16, 2015 at 4:01pm from iPhone
This is a another celebrated milestone in our 'Respect for our Environment' journey...

Nicely done Team!

cc: jtd

👍 LIKE   ↩ REPLY   ◁ SHARE   ⋯
Denver De Zylva, Harshaa de Silva, and Chamindra de Silva like this

Kris Canekeratne – November 16, 2015 at 6:05pm from iPhone
Denver and team, congratulations - this is terrific!

👍 LIKE   ↩ REPLY   ◁ SHARE   ⋯
Karthika P, Sakthi Jeganathan, Anush Rajapaksha, and 3 others like this

CHANNELS OF EMPLOYEE ENGAGEMENT

- Company updates
- V+ (Yammer, RAVE)
- On-boarding Survey
- 5th Month Survey and 18 Month Survey
- Internal Service Group Survey
- Exit Survey
- Facebook
- Voice of Europe

RAVE

RAVE is a 360 degree recognition and appreciation portal that allows employees to thank, recognize and reward contributions by their colleagues. RAVE incorporates gamification, badges and leaderboards to enhance employee recognition and morale.

Employee Delight Index

The Employee Delight Index (EDI) is an index of a combination of key metrics that the HR management and the business tracks based on the employee lifecycle. The direct feedback on engagement from an HR management perspective gives a snapshot of how well received the engagement initiatives have been.

A series of structured employee engagement surveys measured on a quarterly basis is incorporated into an index called the Employee Delight Index (EDI). Each geographic location, Strategic Business Unit (SBU) and practice is measured quarterly on the EDI score in order to measure employee engagement. The surveys used to compute the EDI are: Onboarding Survey, Five Month Completion Survey, 18th Month Survey, Exit Survey and Internal Service Excellence Survey (for shared services). The average EDI for FY17 was 68%.

Employee engagement levels are measured through a Net Promoter Score (NPS).

Performance Management

All employees in our permanent cadre have regular performance appraisals, on which career development, compensation and promotions are based. We recruit, develop, measure and reward based on a structured, performance based approach. Our performance philosophy is deeply embedded in the achievement of business goals, competency assessments (behavioral and technical), as well as employee engagement in the case of senior managers. 360 degree assessments are conducted for the leadership (managers and above), and the input supports individual development plans and promotions. All leaders at manager-level and above are also assessed for behavioral indicators using the Harrison Assessment Test.

In addition, we have also created platforms where individual achievement is highlighted, such as the Personal Excellence Program (PEP) for all our engineers to promote engineering excellence and the opportunity to recognize innovations through vInnovate. We also have leaderboards which provide transparent performance scores, visibility and ranking. They drive competition, thereby, improving overall performance and build reputation for agile revenue growth.

Our compensation philosophy rewards performance by linking both variable compensation and salary increases to performance. Benefit plans vary by location, depending on legal requirements. More information on benefit plans is available on page 128 of our 2017 Annual Report (Post-retirement Benefits).

We closely monitor our overall attrition rates and patterns to ensure our people management strategy aligns with our growth objectives. For the last twelve months ended March 31, 2017, our attrition rate reflects voluntary attrition of 14.5% and involuntary attrition of 12.9%, which includes 8.5% related to implementation of certain cost saving and restructuring initiatives. We follow a systemic approach to control attrition and increase retention. We have a robust tool called "Proactive Attrition Warning System" which is rigorously managed by the Business Unit HR teams. This lever enables us to stall attrition and plug it with appropriate customized developmental initiatives. Our amicable exit policy consists of a formal granular exit interview which is more than a retention discussion.

Diversity

We value diversity in nationality, gender and the differently abled. We have in place an Equal Employment Opportunity Policy to ensure a workplace free from discrimination, harassment or any type of abuse.

We aim to have a balanced ratio of men to women in the workforce even though the participation of women is low in the IT industry as a whole. At present, women comprise 28% of our overall global workforce.

Women of Virtusa

The Women of Virtusa (WoV) initiative was launched in March 2012 in an effort to facilitate longer, more fruitful careers for our female team members. WoV objectives are to:

• Increase the gender diversity hiring ratio across levels (Fresher - Middle Management - Leadership)

• Create a platform for women to learn, share, exchange ideas and build leadership skills

• Measure the impact of gender diversity hiring and attrition data (long term strategy)

WoV has a committee at each technology center and offers our female employees an opportunity to network and promotes the success of women within the company and within the IT industry.

Building on the focus area for FY16/FY17, which was a study of salary ratios, promotion ratios, attrition and recruitment analysis for women at Virtusa, the focus for FY18 has been the development of the Women in Leadership Program. This program will focus on leadership skills such as smarter communication, confidence building and emotional intelligence and augment the leadership grooming programs within the company.

We also have a second career initiative where women are offered to initiate a new career after a break (family reasons) of a few years. This has enhanced the retention of women and ensures long careers with us.

Health and Safety

We strive to provide a safe and secure work environment for our employees. Our focus in FY17 was to obtain OHSAS 18001 certification for six additional technology centers in India increasing the total number of certified technology centers to eleven. The HR and Facilities teams in each location are responsible for the health and safety aspects within the organization.

Training on environment, health and safety is provided as part of our on-boarding program, and all employees are assessed on their knowledge of these tools. Basic training on First Aid and Fire Safety is available to employees on a voluntary basis.

Work-Life Balance

We have multiple policies that support work-life balance. These include flexible time and work-from-home policies, paid maternity, extended maternity leave (on a case by case basis), and child adoption leave. Paternity leave is available as sanctioned by the legal requirements of the geo. In India, where we have the largest operational footprint, we provide paid paternity leave. Since paternity leave is sanctioned by law only for government employees in India, this provides our team members with additional time off with their families. In FY17, 282 women utilized maternity leave, while 449 men utlilized paternity leave.

Note: Data on maternity leave is reported only for India, Sri Lanka and the United Kingdom, while data on paternity leave is reported only for India and Sri Lanka. We hope to extend reporting to other locations in future.

Policy Against Alcohol, Drugs and Substance Abuse

The Prevention of Alcohol, Drugs and Substance Abuse Policy was released October 2016. The policy seeks to ensure a safe and healthy work environment for employees, and prohibits the consumption of alcohol or drugs/substances at work or working under the influence of alcohol or drugs (other than for legitimate medical reasons).

Encouraging Talent in Sports

Sports and extra-curricular activities are an important part of employee engagement. Cricket, rugby, football, badminton, table tennis, athletics and chess are all sports where employees take part in mercantile championships.

Table Tennis
- Won the Men's Championship and the Men's Doubles at the Inter IT Company Table Tennis Tournament
- Runners up in the Women's Championship and the Women's Doubles
- Won the Mixed Doubles

Futsal
- Named 'Top Group' at the Mercantile Futsal Tournament

Badminton
- Placed third in the Mercantile Badminton Association Inter-Firm Team Badminton Championships

Chess
- Won Bronze at the Mercantile and Government Service Chess Championship

e-Sports
- Champions at the Mercantile e-Sports Championships

Women's Rugby
- Runners-up in the Mercantile 7s rugby tournament

People Data

Total Workforce

	India		Sri Lanka		US & Europe		US Other		APMEA		ANZ	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Permanent Cadre	8504	3674	1775	890	1822	278	291	50	303	75	75	13
Contract	1	-	138	64	211	18	37	4	15	3	1	-
Outsourced	265	57	33	2	208	37	36	4	21	7	6	-

Table: Total Workforce by Employment Contract, Gender and Region (FY17)

New Hires in FY17

	India		Sri Lanka		US & Europe		US Other		APMEA		ANZ	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	1312	743	180	92	70	21	13	4	24	13	4	2
30–49	801	202	54	15	271	44	34	11	41	15	14	2
Over 50	5	-	1	-	49	3	3	-	3	1	1	-

Table: Total Number of New Hires by Age Group, Gender, and Region (FY17)

EmployeeTurnover in FY17

	India		Sri Lanka		US & Europe		US Other		APMEA		ANZ	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Under 30	665	541	209	118	35	4	44	3	8	-	-	-
30–49	510	117	120	59	134	19	72	10	20	3	-	-
Over 50	5	-	-	1	55	9	7	1	1	-	-	-

Table: Employee Turnover by Age Group, Gender, and Region **(FY17)**

Note: Data on employee turnover is only provided for regular employees and does not include data from Polaris Consulting. We hope to report this data in future.

Diversity

	India		Sri Lanka		US & Europe		US Other		APMEA		ANZ	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Tier 0–Tier 1	86%	14%	86%	14%	89%	11%	89%	11%	85%	15%	100%	0%
Tier 2–Tier 4	66%	34%	64%	36%	82%	18%	81%	19%	79%	21%	77%	23%

Table: Percentage of Employees by Gender and Level **(FY17)**

	India		Sri Lanka		US		Europe		APAC	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Tier 0	1.04	1.00	0.96	1.00	1.10	1.00	1.10	1.00	0.98	1.00
Tier 1	1.08	1.00	1.12	1.00	1.05	1.00	1.05	1.00	0.84	1.00
Tier 2	1.05	1.00	1.18	1.00	1.04	1.00	1.01	1.00	1.04	1.00
Tier 3	1.05	1.00	1.22	1.00	1.06	1.00	1.04	1.00	1.04	1.00
Tier 4	1.11	1.00	1.09	1.00	1.16	1.00	1.06	1.00	1.20	1.00

Table: Ratio of Basic Salary and Remuneration of Women to Men at Significant Locations of Operation **(FY17)***

*Significant locations of operations is defined as locations where headcount is >=300

Training Data

	Sri Lanka	US	Europe
Tier 0	2.0	9.4	3.7
Tier 1	6.0	7.2	3.1
Tier 2	8.0	6.0	4.6
Tier 3	6.0	3.1	5.9
Tier 4	32.0	14.1	3.5
Tier 5	4.0	-	9.7

Table: Average Hours of Training per Year per Employee by Employee Category **(FY17)**

Note: Average training hours per employee in FY17 for India was 21.40 hours. A tier-wise breakdown of training data is not available for India due to the integration of data from Polaris Consulting and Virtusa. We hope to report this data in future.

Legend: Tier 0 - Top Management/Senior Management; Tier 1 - Manager Level; Tier 2 - Middle Management; Tier 3 - Entry Level Middle Management; Tier 4 - Executive/Engineer Level

Awards and Recognition for HR Practices

🏆 Candidate Experience Award 2017 from the Talent Board in recognition for candidate experience excellence in North America

🏆 Named as one of Britain's Top Employers for seven consecutive years by the Top Employers Institute from 2011 to 2017

🏆 Award for Excellence in HR Practices at the SLASSCOM Awards 2016

🏆 National HR Excellence Gold Award at the National HR Conference in Sri Lanka

IT for Good

Social Responsibility Focus
Three Pillars

Making talent future ready

Creating a digitally-inclusive society

Technology for good

Our Strategy and Approach

We believe in using our skills and knowledge to create a digitally-inclusive society. Our strong culture of volunteerism means that many employees offer their time, knowledge and skills to drive our corporate social responsibility projects. Our corporate social responsibility initiatives fall under three pillars: Campus Reach, Tech Reach and Digital Reach.

The Campus Reach initiative is an industry-academia partnership designed to support the next generation of IT professionals to be workforce ready and thereby contribute to the growth of the IT industry. Campus Reach includes support on curriculum development, an internship program, mentoring for final year projects and Academic Excellence Awards.

Through Tech Reach, we use our software development and consulting expertise to contribute to projects of social benefit. Through Tech Reach, we have partnered with government and non-governmental organizations to develop software solutions that range from disaster management to school adminstration.

Through Digital Reach we aim to create a digitally inclusive society by IT-enabling communities. We helped set up a Digital Learning Center (DLC) for war rehabilitees in Sri Lanka, and also set up over 70 IT labs in rural schools in India and Sri Lanka.

In 2015, we set up a CSR Committee to oversee corporate social responsibility activities across our Indian operations. The committee has identified the following Youth For Seva (YFS) projects to support:

- **Support four Abhyasika:** YFS runs 19 Abhyasikas (after school tuition centers) at several slum areas across Hyderabad reaching over 700 children and their families. We provide support for four such Abhyasikas with a student reach of 94.

- **Support for one Computer Center:** YFS Hyderabad runs a Skill Development Center (computer training for now) for unemployed youth at various slums in Hyderabad. An additional center was started in 2016/17 with the support of Virtusa. The center has 126 students and provides courses in C, C++, Microsoft Office, online banking, cashless payments and hardware networking.

- **School Kits:** YFS Hyderabad supports many school children by providing a school kit, which consists of a school bag, year planner, five notebooks, pens/pencils, dictionary, water bottle and a label sheet. The aim of the project is to reduce the rate of school drop-outs by providing students from under-resourced backgrounds with basic stationery. In 2016/17, we sponsored 1200 school kits.

Campus Reach

Supports the SDGs

4 QUALITY EDUCATION

17 PARTNERSHIPS FOR THE GOALS

Campus Reach is an industry-academia partnership designed to support the next generation of IT professionals to be workforce ready.
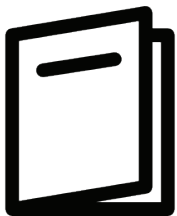
Curriculum development

Teaching, TechTalks and teacher training

Virtusa Academic Excellence Awards

Virtusa Internship Program

Career guidance and mentoring

Placement Engineer Scholarship Program

	2017	2016
Internships	328	233
Career guidance sessions	34	7
TechTalks	30	6
Industrial visits	9	8
Excellence awards	0	1

Digital Reach

Supports the SDGs

4 QUALITY EDUCATION

17 PARTNERSHIPS FOR THE GOALS

Digital Reach aims to create a digitally-inclusive society by IT enabling communities in Sri Lanka and India.

IT labs in rural schools in India and Sri Lanka

Digital Learning Center to train war rehabilitants

Support for Youth for Seva Computer Center
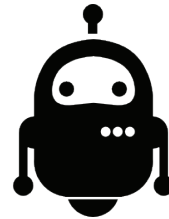
Sponsorship for Elizabeth Moir school in the First Global Robotics Challenge

Audio/visual class room for Rajasinghe Maha Vidyalaya

Support for Computer Shiksha

70+
IT labs for schools

200,000
IT training hours for war rehabilitants

126
Students reached through YFS Computer Center

Tech Reach
Supports the SDGs

Through Tech Reach we utilize our software development and consulting expertise to contribute to projects of social benefit. Tech Reach projects include the following:

SAHANA
SOFTWARE FOUNDATION

Disaster management system developed after the tsunami in 2004. Deployed around the world for disaster management.

Rehabilitation Management System

Solution developed to expedite the re-integration of war rehabilitees in Sri Lanka and manage their vocational training needs.

AKURA

Open source school management system to help schools manage their administrative tasks more efficiently.

117
Disaster Management App

Solution developed to facilitate better tracking and responsiveness to requests for aid during the 2016 floods in Sri Lanka.

Arambaya
Enabling New Beginnings

Phase II of RMS so that it can be re-purposed for substance abuse rehabilitation.

Clean Chennai App

Scalable app for the Clean Chennai initiative developed in collaboration with the SWM and EDP team of Corporation of Chennai.

Community Outreach Projects

Trail 2016 Charity Walk

Team members from Virtusa Sri Lanka took part in the Trail 2016 charity walk. Team members walked a total distance of 41 kilometers over two days. Trail is a 670 km, 28-day long walk from the North of Sri Lanka to the South of Sri Lanka and aims to raise money to build a cancer treatment facility at the Karapitiya Teaching Hospital in Galle.

Project Management Community Outreach

The Project Management Competency Excellence Group (PMCEG) at Virtusa Sri Lanka donated hampers with school supplies to Aranayake Hathgampola Vidyalaya, whose 250+ students were severely affected by the landslides in May 2016. The students from grade 1-5, lost their homes and possessions, due to the landslides which were documented as one of the worst landslides to hit Sri Lanka in the past 24 years.

In October, the PMCEG and well wishers donated medicines to the patients at the National Cancer Hospital in Maharagama.

Indianapolis Innovation Center Team Members Give Back to the Community

Team members from the Indianapolis Innovation Center took part in various volunteer activities in order to give back to the community. At the Lilly Global Day of Service, volunteers cleaned up green spaces and planted trees to improve the city's greenways.

Team members also volunteered at the Gleaners food bank, where they performed multiple jobs that included scanning incoming food donations, sorting and separating 6,000+ pounds of non-food donations, running a pallet jack in the walk-in freezer and breaking down tall pallets of cereal so that they would fit on the racks. Overall, it was a great opportunity to give back to the local community in a way that has a direct impact.

Lilly Global Day of Service

Gleaners Food Bank

In the Spotlight- Virtusans Who Volunteer

The backbone of our CSR initiatives has always been our employees who generously volunteer their time and skills for the betterment of society. Whether it be corporate CSR initiatives or individual commitments, their passion to make a difference shines through. Below are two inspiring individuals from team Virtusa who have been generous with their time.

Michael Picard Cycles for the Pan-Mass Challenge

Michael Picard, Vice President-Client Services, has been cycling for the Pan-Mass Challenge (PMC) for 12 years in support of finding a cure for cancer. The Pan-Mass Challenge is a non-profit event that raises money for life-saving cancer research and treatment at the Dana-Farber Cancer Institute through an annual bike-a-thon. It is the largest athletic fundraiser in the United States and the most charitable dollar raiser single event in the country. In their efforts to fight cancer, the PMC has raised over $547 million since 1980 through the commitment of volunteer riders like Michael. Over his 12 years of riding the PMC, Michael has raised $51,000 dollars and his team, team PowerCure, has raised over $550,000 dollars.

In Michael's words, "I ride for the people I know and the ones I don't but more importantly I train and ride in support of the PMC to do what I can to help find a cure for cancer!"

Left: Michael Picard. Right Gopalkrishnan Subramaniam.

Gopalakrishnan Subramanian Spearheads Sustainability Projects in the Community

Gopalakrishnan Subramanian (Gopal), Head of Risk Management and Center Head - Chennai, is a strong activist for achieving sustainability and has carried out multiple initiatives towards this goal. These include the restoration of a park for public use, as well as raising funds to provide GPS equipment and training to community fishermen. Gopal, together with his neighborhood society, has reduced energy consumption in his area by adopting energy efficient lighting and pumping devices, while conducting awareness sessions on how residents can use more energy efficient solutions.

He is also an avid biker and runner, and participates in cycling tours and marathons and is at the forefront of CSR activities at Virtusa's Chennai technology center. When Chennai was affected by severe floods in 2015, Gopal worked tirelessly to ensure the safety of our team members and spearheaded the flood relief activities at the Chennai technology center.

Awards and Recognition for Corporate Social Responsibility

🏆 Sahana won the Free Software Foundation Award for Projects of Social Benefit (2006)

🏆 Sahana was selected as a finalist in the Secretary of State Award for Corporate Excellence (2008)

🏆 RMS and Vavuniya DLC were nominated in the Computerworld Honors Program Laureate (2011)

🏆 Àkura won the Digital Opportunity Award at the WITSA Global ICT Excellence Awards (2012)

🏆 RMS and Vavuniya DLC were featured as a case study in UN Global Compact Responsible Business Advancing Peace (2013)

🏆 RMS and Vavuniya DLC won the Special Award for Emergency Response at the 18th Annual Japan Sri Lanka Technical and Cultural Association (JASTECA) Awards (2013)

🏆 Virtusa won the Excellence in Capacity Building Award at the SLASSCOM Awards (2016)

Global Compact Principles and GRI Indicator Mapping

Category	UNGC Principle	GRI Indicators	Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Disclosures on Management Approach: Human Rights, Diversity and Equal Opportunity	48, 53
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	G4-12, Disclosures on Management Approach: Human Rights, Diversity and Equal Opportunity	19, 48, 53
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	G4-11	50
	Principle 4: Businesses should uphold the elimination of all forms of forced or compulsory labour;	G4-12, Generic Disclosures on Management Approach: Human Rights, Forced Labor	19, 48
	Principle 5: Businesses should uphold the effective abolition of child labour; and	G4-12, Disclosures on Management Approach: Human Rights, Child Labor	19, 48
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Generic Disclosures on Management Approach: Non-Discrimination	48, 53
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Disclosures on Management Approach: Energy, Water, Emissions, Waste, Transport	38, 39, 40
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility; and	Disclosures on Management Approach: Energy, Water, Emissions, Waste, Transport G4-E3, G4-EN5, G4-EN6, G4-EN8, G4-EN9, G4-EN10, G4-15, G4-EN16, G4-EN17, G4-EN18, G4-EN23, G4-EN30	38-46
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Disclosures on Management Approach: Energy, Water, Emissions, Waste, Transport	39, 40
Anti - Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	G4-56, G4-SO4, Disclosures on Management Approach: Anti-Corruption	28, 34

GRI Reporting Framework G4 (Core): Content Index

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ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	6	
G4-4	Primary brands, products, and services	7	Full description available at: http://www.virtusa.com/
G4-5	Location of the organization's headquarters.	6	
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	6	
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