



FUTUREPROOF YOURSELF

**Accenture Retirement
Savings Plan (the “Plan”)**

Governance Statement for the scheme
year ending on 31 December 2018

accenture

I am delighted to present our annual governance statement, which includes information about the running of the Plan for you to learn about how the Trustee looks after your retirement savings. (The Trustee is actually a Company, and individuals are appointed as Directors of this Company. We call them "Directors" in here.)

The role of the Trustee is to ensure the Plan is administered and managed to enable the best possible outcomes for you, our members. Your Plan is one of the largest defined contribution schemes in the UK. As the Trustee, our role is to ensure you have access to a range of investments—and provide an investment option for those of you who do not wish to choose, monitoring it to ensure that it performs in line with the objectives and expectations we have set. The charges associated with these investments must also comply within the regulated guidelines and I think you will find they are some of the lowest in the industry.

You now have choices about how you access your pension savings when you retire, so we are working on information packages to help those of you who are approaching retirement age have the right information to make a suitable choice. We are also working with our administrator to better develop digital access to your pension information, and help you plan for the future.

We are committed as a trustee team to ensure your scheme is managed in the best way for you.



A handwritten signature in black ink, appearing to read "Peter George".

Peter George
Chair of Trustee,
Accenture Retirement Savings Plan Limited
July 2019

YOUR TRUSTEE

Your Plan is managed by a Board of nine Trustee Directors; five are appointed by Accenture and four are staff representatives. You can read [here](#) about your Trustee. As well as operating together as a Board, the Directors work as four separate sub-committees—communication, investment, administration and governance—to provide key focus in these areas. In doing so, the Trustee has obtained legal, accounting, investment and consulting advice as and when required during the past year.

To run the Plan for you, the Directors need to have a working knowledge and understanding of the Plan's governing documents, and general things like the law relating to pensions and trusts and the principles of investing. To keep their knowledge up to date, the Directors identify training needs through the course of regular meetings over the year and schedule an annual half day training session.

The last half day training session took place in November 2018. This session was designed to cover the syllabus of the Pension Management Institute's examination in Trusteeship, and covered topics including trustee duties and governance requirements, investment and the current regulatory and tax framework. Individual Directors attend external training events from time to time. New Directors of the Trustee company complete all the Pensions Regulator's online "Trustee Toolkit" training programme, as well as the Plan's own induction training conducted by the Plan's advisers.

As a Board, we are satisfied that our combined knowledge and understanding, together with the advice provided to us, enables us to properly exercise the functions of Trustee of the Plan.



YOUR INVESTMENT OPTIONS

If you haven't selected an investment option, the Trustee has automatically invested your account in the Lifestyle: Drawdown focus. (You can check on [MyPension](#) where you are invested.)

There are also two other Lifestyle options —called Lifestyle: Cash Focus and Lifestyle: Annuity Focus. Lifestyle could be right for you if you don't want to get too involved in how your pension savings are invested.

With Lifestyle, you don't make decisions about what funds you invest in. Instead you tell us how you might want to use your savings when you retire. For example, you might plan to take them all as a lump sum, or you might plan to keep investing them and take an income from them, called drawdown. Over the years, the Plan changes how your savings are invested, to get them ready for you to use. And if your plans change, don't worry. You can switch to a different Lifestyle option, or to the Freestyle option.

LIFESTYLE: DRAWDOWN FOCUS	LIFESTYLE: LUMP SUM FOCUS	LIFESTYLE: ANNUITY FOCUS	FREESTYLE
Might be right for you if you plan to carry on investing your savings after you retire and take an income from them.	Might be right for you if you plan to take all of your savings as a lump sum to spend or invest.	Might be right for you if you plan to buy a regular income for life—an annuity.	Might be right for you if you want to make your own investment choices. Choose from 15 funds that invest in different ways and offer different levels of risk and potential return.



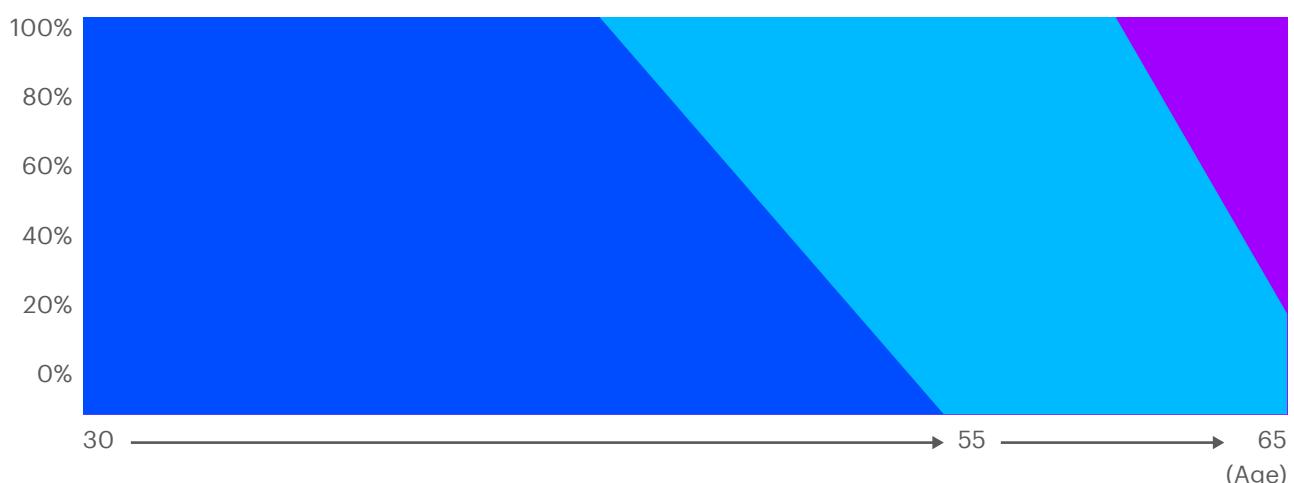
HOW THE THREE LIFESTYLE OPTIONS WORK

	DRAWDOWN FOCUS	LUMP SUM FOCUS	ANNUITY FOCUS
What you plan to do when you retire	Continue to invest your pension savings in a drawdown plan. You can then take an income from it.	Take all your pension savings as a lump sum to spend or invest.	Buy a regular income for life—an annuity.
How it helps you do that	Aims to grow your savings right up to the day you plan to retire, but moves them to lower risk funds as you get closer to retiring.	Aims to grow your savings to begin with and then starts to protect them as you get closer to retiring.	Aims to grow your savings to begin with and then protect them against changes in annuity rates as you get closer to retiring.
How you can take up to 25% as tax-free cash	As a lump sum when you retire or, if you don't take it then, as part of each income payment.	As a lump sum when you retire.	As a lump sum when you retire.
How it starts out	If you're more than 20 years from retiring, the focus is on growing your savings. So they're invested in the Global Equity Tracker Fund. This fund aims for strong long-term growth and is willing to take a higher level of risk to achieve this.		
20 years before you retire	Your savings gradually move into the Diversified Growth Tracker Fund. This spreads your savings across a wider range of investments and aims for steadier, lower growth but with less risk too.		
5-10 years before you retire	Five years out, a small amount of your pension savings will start moving into the Cash Fund. This aims to protect your savings rather than grow them.	Five years out, most of your pension savings will start moving into the Cash Fund. This aims to protect your savings rather than grow them.	Ten years out, your pension savings will start to move into the Fixed Annuity Bond Fund. Five years out, some will start moving into the Cash Fund. This aims to protect your savings rather than grow them.
When you retire	90% will be invested in the Diversified Growth Fund and 10% in the Cash Fund.	75% will be invested in the Cash Fund and 25% in the Diversified Growth Fund.	75% will be invested in the Fixed Annuity Bond Fund and 25% in the Cash Fund.

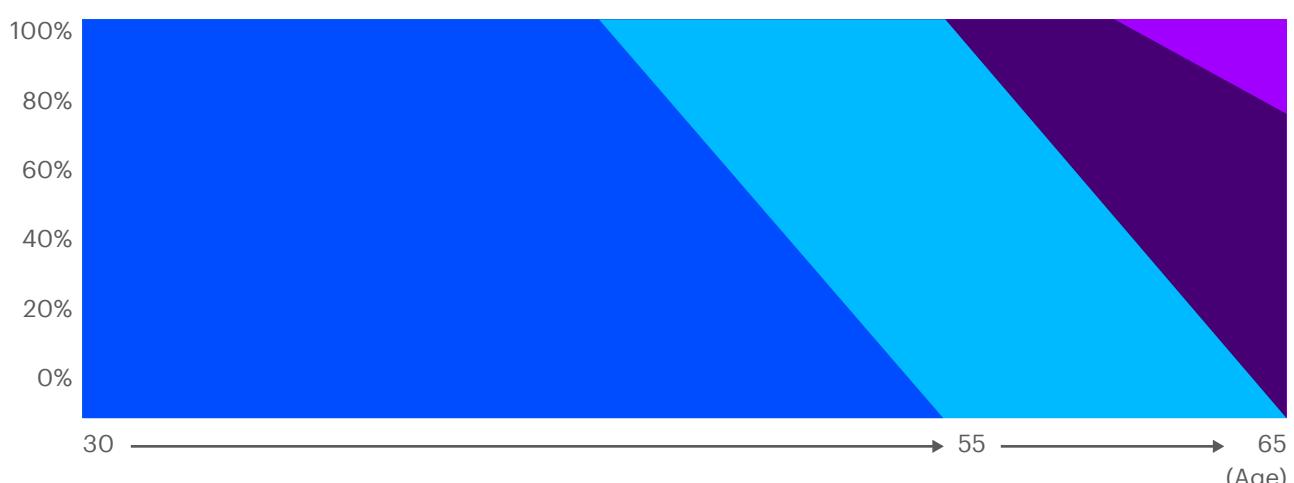
Drawdown Focus



Lump Sum Focus



Annuity Focus



■ Global Equity Tracker Fund

■ Diversified Growth Tracker Fund

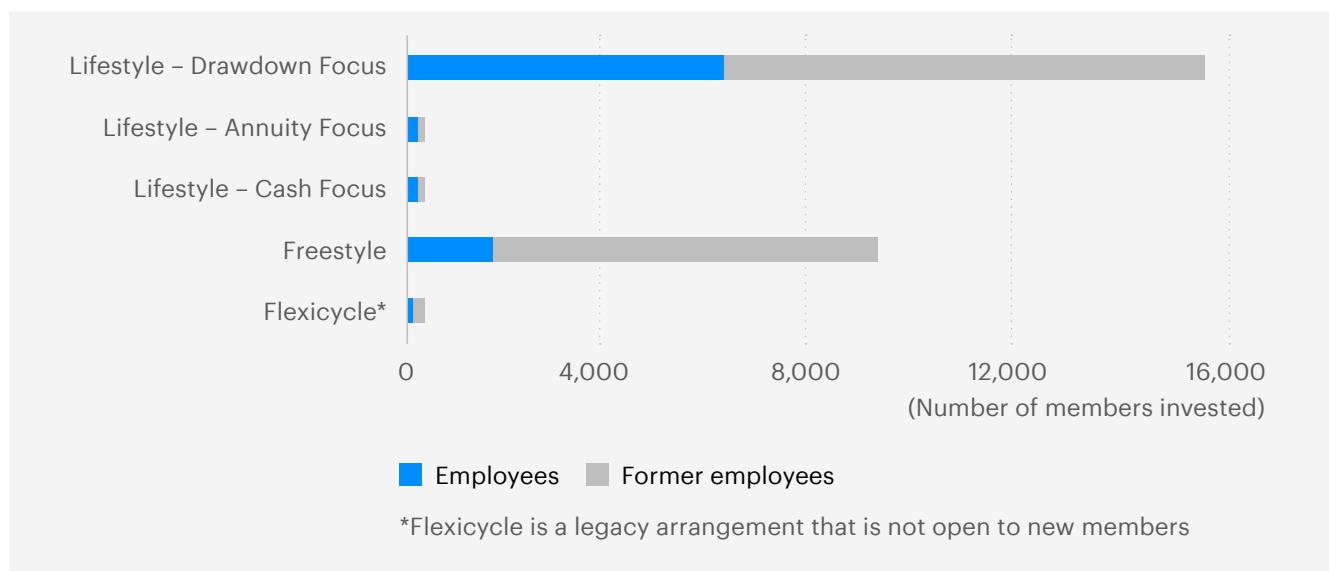
■ Fixed Annuity Bond Fund

■ Cash

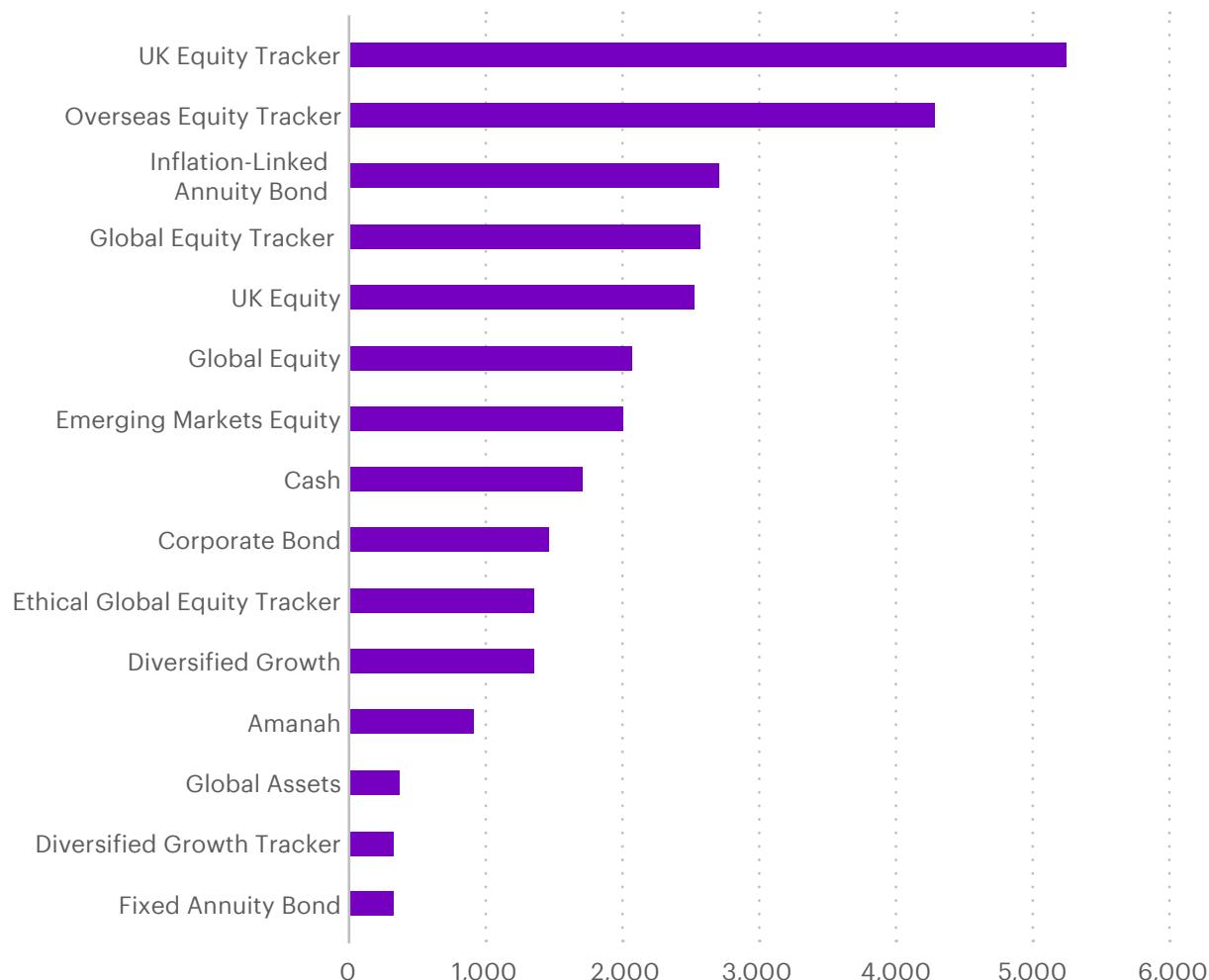
If you want to choose the funds that your pension savings are invested in, Freestyle might be right for you. There are 15 funds that all invest your money in different ways and offer different rates of risk and potential return. You may not be aware that the options include an ethical fund.

It is passively invested only in shares around the globe which meet the criteria to be included in the “FTSE 4Good Developed Index”—you can find out about it [here](#).

You might be interested to see how the Plan members have invested their money as shown in the following charts.



How members choose to invest if they use Freestyle



TRUSTEE'S INVESTMENT PRINCIPLES

The Trustee has documented formally in a "statement of investment principles" its approach to governing decisions about investments. A copy of the latest statement is attached as Appendix 2. It sets out:

The Trustee's aims and objectives in relation to the investments.

In particular, for the Lifestyle: Drawdown Focus (which is where you are invested if you have not made a choice), the aim is to achieve capital growth ahead of inflation over the long term, reducing the absolute volatility of returns as you get closer to retirement. In the years prior to retirement, it aims to reduce the volatility of your pension pot by investing in a diversified portfolio that aims to provide a balance between risk and return.

The Trustee's policy with regard to managing and monitoring risk. This includes:

- The risks that the investment returns over members' working lives are not adequate relative to inflation, and that relative market movements in the years just prior to retirement could impact your benefit. The design of the Lifestyle: Drawdown Focus aims to manage this.
- The risk that the chosen investment manager underperforms the benchmark against which they are assessed. The use of passive managers reduces the risk associated with poor manager performance.
- Other risks the Trustee takes into account are currency risk, liquidity risk and credit risk.

The Trustee's policy with regard to voting rights

As the responsibility for buying and selling investments has been delegated to the investment managers, the day to day application of voting rights will be carried out by the investment managers.

The Trustee's policy with regard to social, environmental and ethical considerations

The nature of the pooled funds in which the Plan invests limits direct intervention in the choice of individual stocks. Passive management, in particular, involves investing in a wide range of companies as they represent the market index within the investment markets. As such, the investments are subject to the investment managers' own policies on socially responsible investment. (The Trustee does provide two options with the specific intention of satisfying the ethical or religious requirements of the members.)

REVIEWING THE LIFESTYLE: DRAWDOWN OPTION

On a quarterly basis, the Trustee reviews the investment performance of the Lifestyle: Drawdown Focus, focusing on the extent to which the return on investments is consistent with the Trustee's aims and objectives, as well as the performance of the Plan's other investment options.

The Lifestyle: Drawdown Focus was introduced in 2016 for anyone who doesn't choose their investment. The Trustee considers the needs of its members and how they are likely to use their benefit at retirement. Following analysis of the membership, and having taken expert advice, the Trustee believes the majority of members will transfer their benefit to an income drawdown provider at retirement.

The Trustee closely monitors the suitability of this fund. There was no review during the year to 31 December 2018. The last review before that date was done on 21 December 2016. You may recall we told you of some changes made in 2017 to the currency and international exposure of the Global Equity Tracker Fund, and the Cash Fund as a result of this review.

On 29 March 2019, there was a further review and the Trustee concluded that the strategy remains appropriate since:

- There have been no significant changes to the age profile of the Plan's membership since 2016.
- Targeting income drawdown at retirement continues to be appropriate for members.
- Investment performance of the Lifestyle: Drawdown Focus has been consistent with the aims and objectives in the statement of investment principles.



INVESTMENT CHARGES AND TRANSACTION COSTS YOU INCUR

As a member of the Accenture Retirement Savings Plan, the charges for investing your money are the only costs you incur. Accenture currently pays all other costs associated with the running of the Plan such as administration.

To help you in assessing your investment, the Trustee has listed in the table below for each of the investment funds, the two types of costs you incur:

Annual management charge

This is what you pay the investment manager for selecting which assets to buy, sell or hold. For example, in the UK Equity Fund, the investment manager will actively research and visit many companies as they make those decisions.

Transactions costs

These are expenses incurred as a result of the buying, selling or lending of investments. They include things like stockbroker commissions and taxes. The transactions costs detailed on the following page have been prepared following statutory guidelines on how to calculate them.

Whether your investment represents “good value” is not capable of being precisely defined, however the Trustee considers that the level of cost you incur represents “good value” when compared to other options available in the market. To assess whether the investment charges and transaction costs under the Plan represent “good value”, the Trustee asked their investment adviser, Willis Towers Watson investment consulting, to obtain benchmarking data regarding levels of charges and transaction costs in other schemes of a broadly equivalent size. Willis Towers Watson believes the fees charged to members are low compared to similar pension arrangements.

Fund	Investment aim	Asset class	Region	Actively or passively managed	Annual management charge as at 31 Dec 2018	Estimated transaction costs p.a. for the year ending 31 Dec 2018	Risk
Cash Fund		Money	UK	Active	0.09%	-0.02% ³	Low
Inflation-Linked Annuity Bond Fund	Protection	Fixed Income	UK	Active	0.07%	0.01%	Med/Low
Fixed Annuity Bond Fund			UK	Active	0.075%	0.02%	Med/Low
Corporate Bond Tracker Fund	Growth		UK	Passive	0.09%	-0.04% ³	Med/Low
Diversified Growth Tracker Fund	Diversified	Global	Passive	0.15%	0.05%	Med	
Diversified Growth Fund		Active	0.65%	0.26% ²		Med	
Global Assets Fund ¹		Active	0.41%	0.15%		Med/High	
Amanah Fund	Equities	Global (Islamic)	Passive	0.375%	0.03%	High	
Ethical Global Equity Tracker Fund		Global (Ethical)	Passive	0.06%	0.01%	High	
Global Equity Tracker Fund		Global	Passive	0.12%	0.04%	High	
Global Equity Fund		Active	0.60%	0.10% ²		High	
Overseas Equity Tracker Fund		Overseas (Developed)	Passive	0.11%	0.04%	High	
UK Equity Tracker Fund		UK	Passive	0.04%	-0.01% ³	High	
UK Equity Fund		UK	Active	0.65%	0.14% ²	High	
Emerging Markets Equity Fund		Emerging Markets	Active	0.72%	0.45%	Very High	

¹. You'll need to have joined the Plan before 7th January 2016 to invest in the Global Assets Fund.

². Data not yet available for these funds so these transaction fees are estimates based on other similar funds. The Trustee, through their investment consultant, will continue to liaise with the relevant fund managers to obtain details of the transaction costs.

³. Three of the funds have reported a negative transaction cost. (This isn't a typo). It can happen, for example, when more people take their money out of a fund than invest into it and so the manager is not actually required to make market trades and therefore saves on brokerage, commission, etc. It does not mean that transaction costs for the affected funds) will always be negative in future years.

ILLUSTRATIVE EXAMPLES OF CUMULATIVE COSTS AND CHARGES

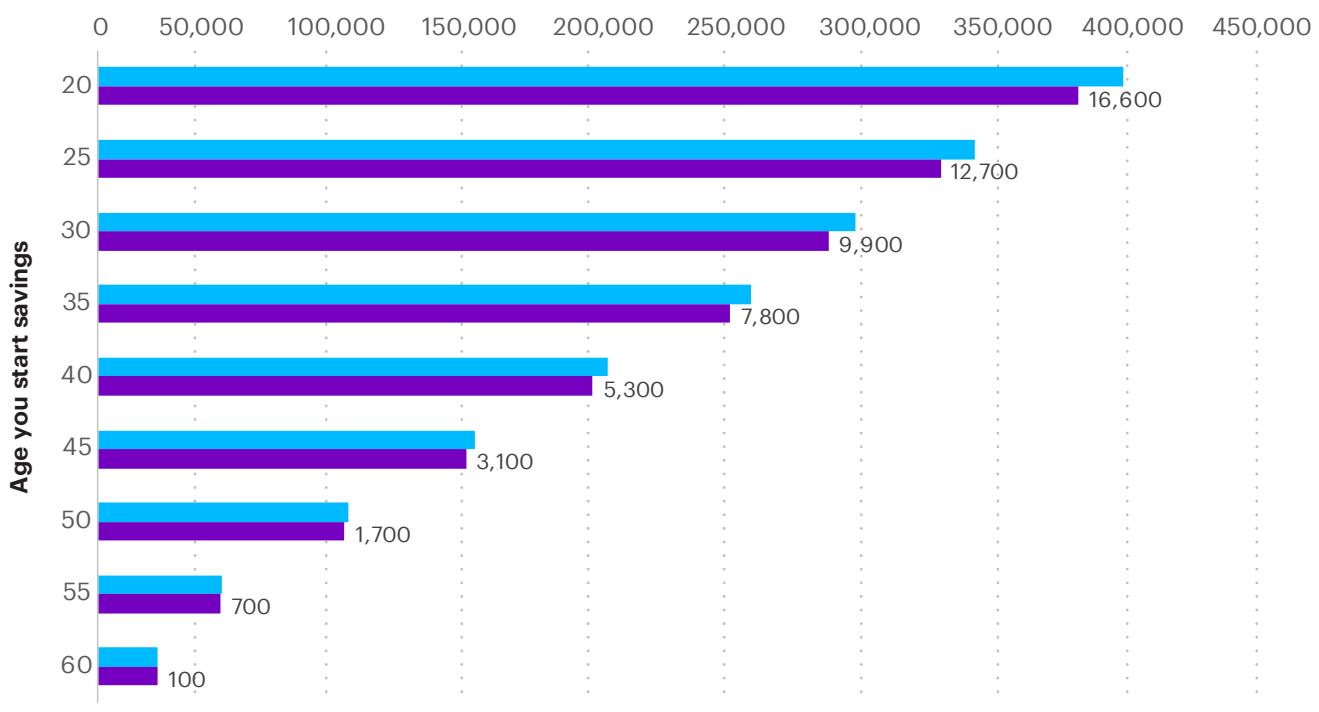
Below are some examples of the cumulative impact for some of the funds in which members invest. The examples are intended to help you see the cumulative impact over time on your benefit from charges and costs. To make these projections, a number of assumptions have been made—you can find these listed in Appendix 1.

The illustrations are for:

- **The Lifestyle: Drawdown Focus,** this is what you are invested in if you have not made a choice.

- **The UK Equity Tracker Fund,** which is the Freestyle option most frequently chosen by members and is also the fund with the lowest annual management charge.
- **The UK Equity Fund,** an active fund to compare to the passively managed UK Equity Tracker.
- **The Cash Fund and the Global Equity Tracker Fund,** these represent the funds which have the lowest and highest expected longer term investment returns.

Lifestyle Strategy: Drawdown Focus

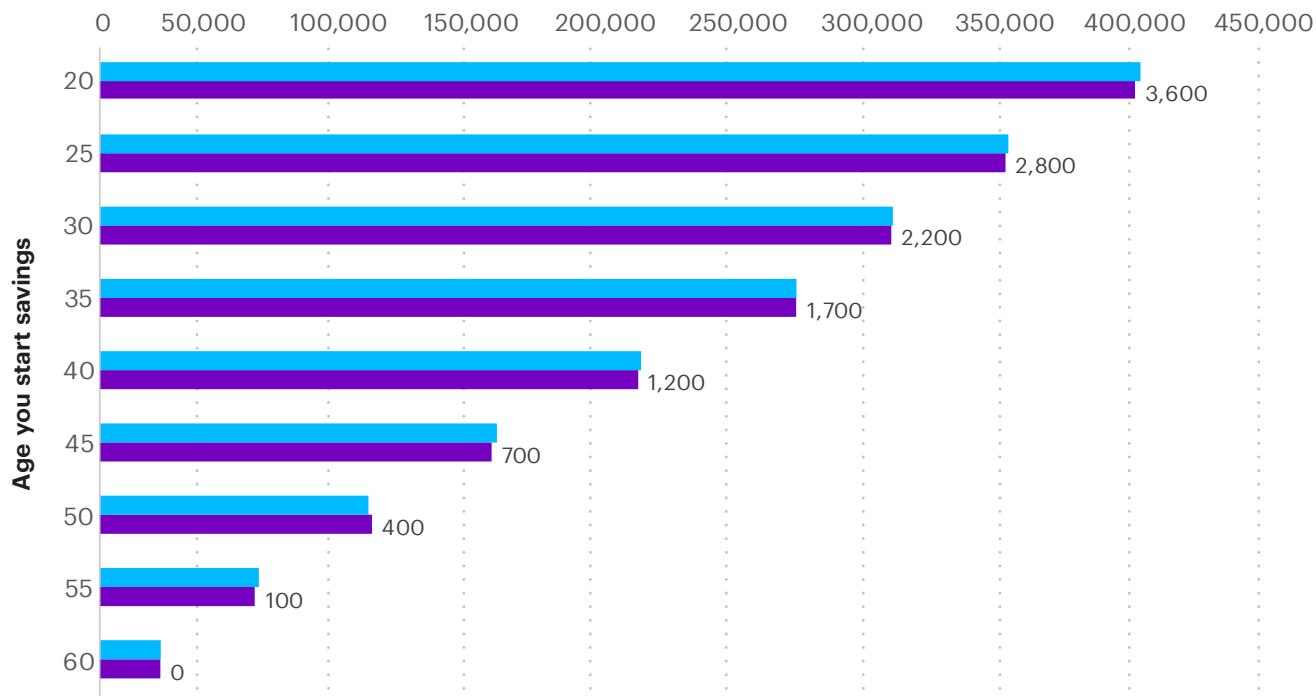


Balance at age 65

20	25	30	35	40	45	50	55	60
397,400	343,000	298,400	261,800	208,000	155,300	112,500	69,300	32,100
380,800	330,300	288,500	254,000	202,700	152,200	110,800	68,600	32,000

■ Before fees ■ After fees

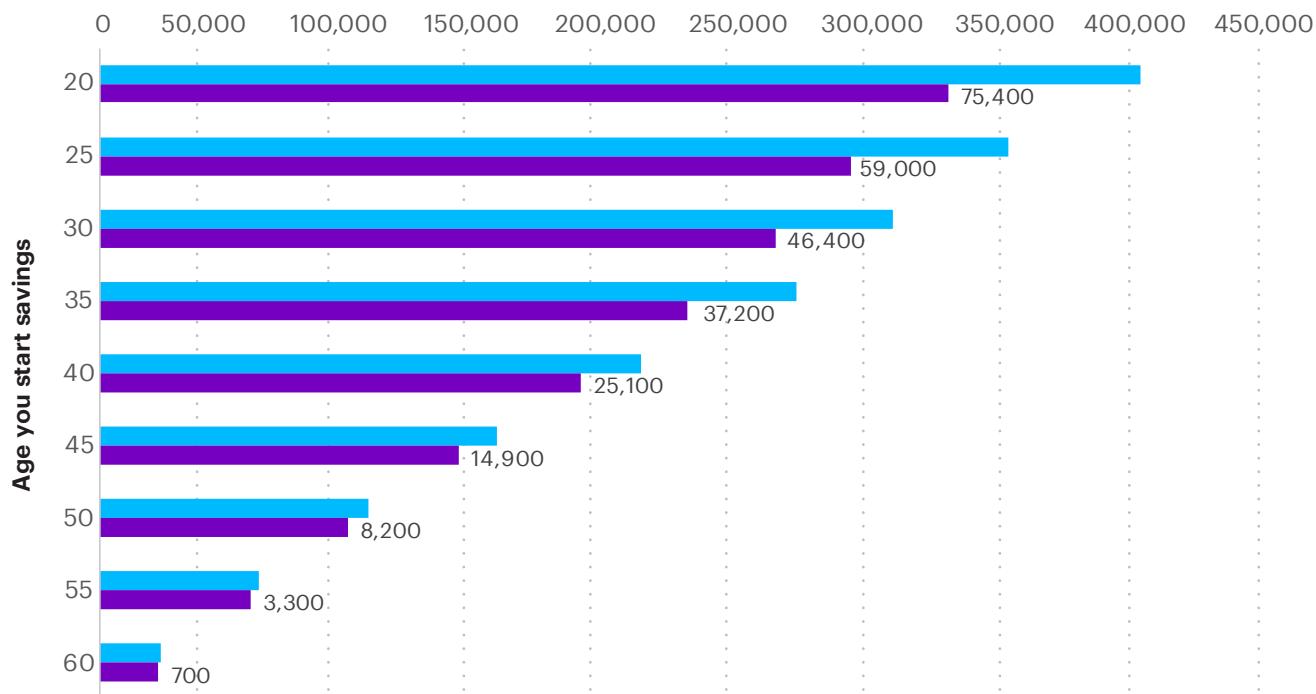
UK Equity Tracker



Balance at age 65

20	25	30	35	40	45	50	55	60
406,300	354,500	310,800	274,200	219,000	163,600	117,800	71,600	32,700
402,700	351,700	308,600	272,500	217,800	162,900	117,400	71,500	32,700

UK Equity

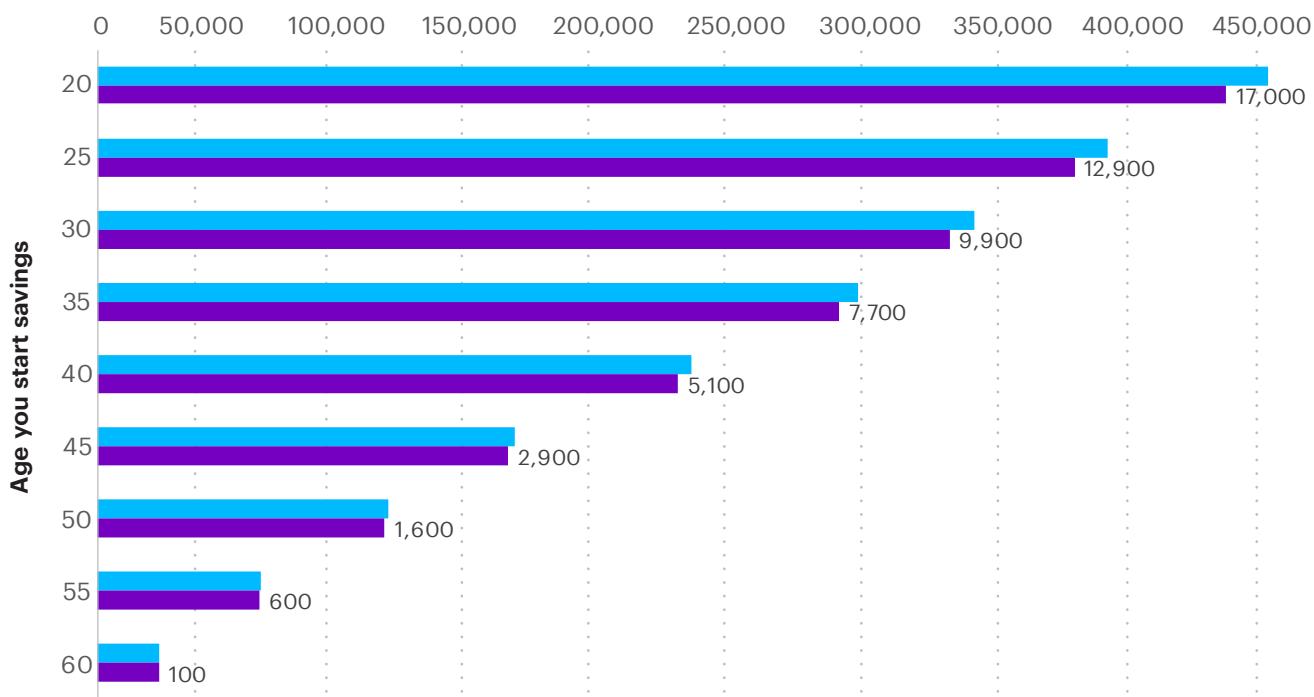


Balance at age 65

20	25	30	35	40	45	50	55	60
406,300	354,500	310,800	274,200	219,000	163,600	117,800	71,600	32,700
330,900	295,500	264,400	237,000	193,900	148,700	109,600	68,300	32,000

■ Before fees ■ After fees

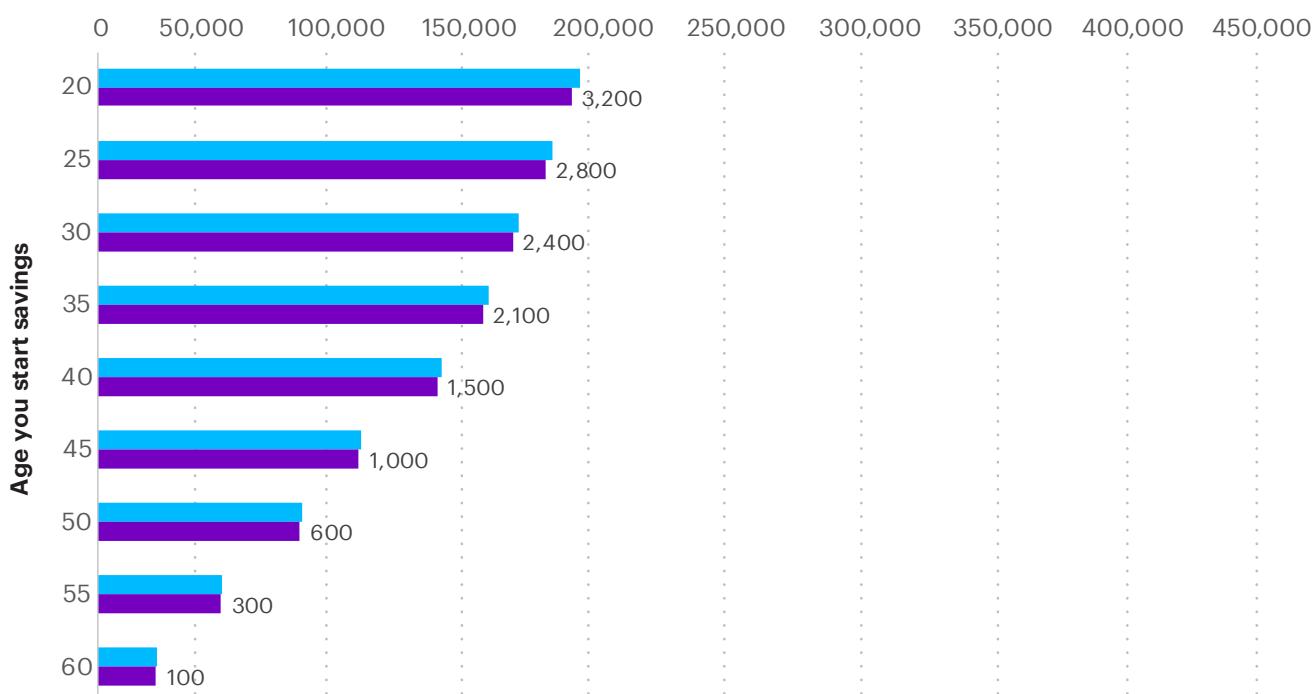
Global Equity Tracker



Balance at age 65

20	25	30	35	40	45	50	55	60
456,000	392,400	340,100	297,200	234,200	172,400	122,500	73,500	33,100
439,000	379,500	330,200	289,500	229,100	169,500	120,900	62,900	33,000

Cash



Balance at age 65

20	25	30	35	40	45	50	55	60
197,900	185,900	173,900	162,000	140,500	115,000	90,000	60,000	30,000
194,700	183,100	171,500	159,900	139,000	114,000	89,400	59,700	29,900

■ Before fees ■ After fees

ENSURING CORE FINANCIAL TRANSACTIONS ARE PROCESSED PROMPTLY AND ACCURATELY

The Trustee is tasked with ensuring that core financial transactions are processed promptly and accurately—these are the investment of contributions, transfers into and out of the Plan, investment switches between different funds and paying benefits to members. They all need to all be dealt with as they should be.

The Plan's administrator, Willis Towers Watson, undertakes these activities. They have processes in place to assist them in meeting the Plan's requirements which include daily monitoring of bank accounts, a separate team dedicated to the processing of contributions and two-person checking of all investment and banking transactions.

The Trustee thinks that the core financial transactions have been processed promptly and accurately in the past Plan year because:

- A service level agreement is in place with Willis Towers Watson. This sets out how quickly they will process core financial transactions. (You can see these service levels in the table below.)
- On a monthly basis, the administration sub-committee of the Trustee reviews a report from the Plan's administrators on their performance against service levels.
- Willis Towers Watson report to the Trustee any errors identified in their administration. Where there are any errors, the Directors seek to understand any changes to the administrator's processes which have been implemented to ensure that there is no repetition of such errors. We are pleased to report that no material issues were identified during the Plan year.

Willis Towers Watson Plan Administration – Service Levels Agreed

Transaction type	Service level
Invest your monthly contribution: <ul style="list-style-type: none">• Load the contribution lists provided by Accenture, and raise any queries with Accenture• Send investment instructions and contributions to investment managers	<ul style="list-style-type: none">• Within 2 days of Accenture providing it to WTW• WTW make investments within 3 working days of Accenture resolving all queries
Switch your pension pot into your new selected investment choice	<ul style="list-style-type: none">• Immediately, if you make the change on myPension• Start the process within 3 days, if you tell us in any other way, and complete by day 4
Transfer out (to another pension scheme)	Make payment to other scheme within 10 days of receipt of all required information
Transfer in (from another pension scheme)	Invest within 5 days of receipt of money

APPENDIX 1: WHAT YOU NEED TO KNOW ABOUT THE PROJECTIONS

Methodology

In order to make a projection about the future, we have to make assumptions about what happens in future. We have followed the legislation which provides guidance about the way of making assumptions about the future for these projections.

The amount of benefit payable to you from the Plan will depend on what actually happens in the future.

Contributions

The projections assume a member starting to save at the age shown, with no pension savings then. The starting salary is assumed as £30,000, no matter what age they start saving in the Plan.

We have assumed contributions continue in line with the current Plan rules. The following rates have been allowed for:

Your Age	Company Pays (%)	You Pay (%)
Up to Age 33	6	2
34	8	3
35-37	10	4
38-39	11	4.5
40-49	12	5
Over Age 50	14	6

These are standard Accenture rates—you may have been advised separately of different rates that you and the Company are paying if you transferred from previous employers or are in the Automatic Enrolment section of the Plan.

Investment Returns

The future investment earnings on your Accenture account are unknown. However, in order to estimate benefits for the illustrations, the following returns (before expenses) have been used in the calculation:

Fund	Assumed future return before fees (% p.a.)
Global Equity Tracker Fund	6.5
UK Equity Fund	6.0
UK Equity Tracker Fund	6.0
Diversified Growth Fund	5.5
Diversified Growth Tracker Fund	5.5
Fixed Annuity Bond Fund	3.0
Cash Fund	2.5

For the Lifestyle: Drawdown Focus, “age-related” investment switches are allowed for in the projection.

Fees

Annual management charges and transaction costs have been deducted as set out on page 11. Where a negative transaction cost is listed, zero has been used in the projection.

Future Inflation

The figure shown is expressed in “today’s prices”, reducing the projected pension amount to remove the impact of forecast inflation over the period to retirement and provide a more relevant indication of value. In order to do so, the legislation requires 2.5% pa future inflation is assumed to reflect future increases in the general cost of living on average in the population.

APPENDIX 2: STATEMENT OF INVESTMENT PRINCIPLES

For the statement of investment principles please click [here](#).

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions — underpinned by the world's largest delivery network — Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 482,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.