

Accenture Pension Plan

Annual Implementation Statement for year ending 5 April 2023

Overview

This document is the Annual Implementation Statement (the “statement”) prepared by the Trustee of the Accenture Pension Plan (the “Plan”) covering the scheme year to 5 April 2023 (“the year”).

The purpose of this statement is to:

- set out how, and the extent to which, in the opinion of the Trustee, the Plan’s engagement policy in the Statement of Investment Principles (“SIP”) has been followed during the year
- describe the voting behaviour (including “most significant” votes) by, or on behalf of, the Trustee and state any use of services of a proxy voter during that year.

A copy of this statement will be made available on the following website alongside the most recent SIP.

[Link for Implementation Statement](#)

No formal review of the SIP was carried out during the Plan year relevant to this document, as there was no significant change in investment policy.

Following the year end, the Trustee completed a full buy-in with Just Retirement Ltd and the majority of the Plan’s assets are no longer held as separate investments in pooled funds for the DB section. The Plan holds some cash in the Trustee bank account and a cash fund with LGIM. The SIP is currently being reviewed to reflect these changes.

Engagement policy

The Trustee’s policies in relation to engagement are set out in the SIP and are as follows:

- Where Trustee engagement with investment managers is required, this shall be carried out by the Investment Consultant on the Trustee’s behalf.
- The Trustee’s policy is to invest the majority of Plan assets passively and favours a policy of engagement.
- The Trustee’s policy is to implement its rights attaching to investments and engagement activities through the delegation of engagement activities to the Plan’s investment managers, noting the limitations associated with investing in pooled funds. The managers are expected to exercise these rights and engage with companies in the best interests of the Trustee, taking into account its policies from time to time. In particular, the Trustee expects its rights to be exercised in an appropriate manner by reference to the Financial Reporting Council’s UK Stewardship Code.
- The Trustee also expects the investment managers to engage with companies (and other relevant persons including, but not limited to, other investment managers, other stakeholders, and issuers/other holders of debt and equity) on relevant matters including, but not limited to, their performance and strategy, the capital structure of investee companies, management of actual and potential conflicts of interests, other stakeholders, risks and ESG impact of underlying holdings. The Trustee expects the investment managers to make decisions based on an assessment of medium to long term financial performance, invest with a medium to long time horizon, and to use their engagement activity where applicable to drive improved performance over these periods.

To incentivise its investment managers to maintain alignment of investment strategy and decisions with the Policies, managers are provided with the most recent version of the Plan's SIP and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.

Should the Trustee's monitoring process reveal that a manager's portfolio is not aligned with the Trustee's policies, the Investment Consultant will, on behalf of the Trustee, engage with the manager further to encourage alignment.

A Sustainable Investment report is produced annually by the Investment Consultant and considered in detail by the Investment Sub Committee (ISC) and enables the Trustee to monitor the Plan's Investment Managers.

Furthermore, the Investment Consultant and their manager research team engage with the Plan's managers on behalf of the Trustee on an ongoing basis. This report contains a traffic light rating for the investment managers' assessment on integration, as well as data on voting and engagement, where applicable.

The Sustainable Investment report prepared by the Investment Consultant as at 30 November 2022 assisted the Trustee in reviewing ESG integration by some of the Plan's investment managers. Most of the Plan's managers are viewed overall as having strong ESG integration, with one manager improving from the previous assessment. This improvement from 'Acceptable' to 'Strength' was due to the firm making positive changes to how ESG is integrated into their investment process. One manager scored poorly across ESG integration, as there had been some concerns over leadership of the firm's Responsible Investment team. The Trustee's Investment Consultant is continuing to engage with these managers and monitor changes at the managers.

As part of producing this annual report, the Investment Consultant requests that each equity fund manager complete a questionnaire to evidence how their investment approach aligns with the 12 key principles of the Stewardship Code, which was updated with effect from 1 January 2020. The manager responses are collated and used to assign a traffic light rating for the equity manager's adherence to the Stewardship Code. Overall, the Trustee is satisfied that the majority of managers align their investment process with the Stewardship Code.

After the end of the Plan year, the Fund began a Buy-in process resulting in the investment in two bulk annuity buy-in policies with Just Retirement Ltd ("Just") leading to cash held in a trustee bank account and one cash fund with LGIM instead of separate investments in pooled funds.

The Trustee also agreed to undertake a full review of the fund range of the Member Investment Account next year.

Through its monitoring processes, the Trustee has not identified any significant non-adherence to the policies outlined in the SIP, and therefore no remedial actions have been required in the year. In the opinion of the Trustee, its policies in relation to undertaking engagement activities in respect of Plan investments, and its policies in relation to the exercise of the rights (including voting rights) attaching to the investments held were followed during the Plan year.

Portfolio turnover

The Trustee's policy in relation to portfolio turnover set out in the SIP is as follows:

- The Trustee, with the help of the Investment Consultant, reviews the costs incurred in managing the Plan's assets annually, which includes the costs associated with portfolio turnover (which are the costs incurred as a result of buying, selling, lending or borrowing assets/investments). The Trustee recognises the way that turnover is defined can vary by mandate type, and as part of the monitoring process, the definition and expected turnover ranges will be defined for each mandate in the portfolio. In assessing the appropriateness of the portfolio turnover costs at an individual manager mandate level the Trustee expects the turnover range not to be excessive.

The Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that mandate.

The Trustee has no broad targeted portfolio turnover but monitors the level of turnover on an annual basis with the Plan's investment consultant.

Over the Plan year the Trustee has reviewed the level of portfolio turnover for each mandate and considered this in the context of the investment mandates and expected turnover levels where relevant. No concerns were noted by the Trustee.

Voting and Engagement (and significant votes)

The Plan's equity holdings are held within pooled investment vehicles and as such the Trustee has no direct voting rights in respect of the securities held within these vehicles. All voting is conducted by the underlying managers. On the Trustee's behalf, WTW engages managers on areas for development, not least around resourcing, and improving the breadth and depth of corporate engagements. Currently the Trustee has not prepared an "expression of wish" as to how they would prefer the investment managers to vote on particular areas, although this may be something it will consider in the future, as it continues to develop its policies in this area and its stewardship priorities.

Further information on the voting and engagement activities of those managers with equity investments (including the most significant votes) is provided in the summary table below.

Some of the Plan's underlying investment strategies, such as fixed income holdings, do not have any voting rights attached and have been excluded from the table below. These include the Fixed Annuity Bond Fund, Inflation-Linked Annuity Bond Fund and Corporate Bond Tracker Fund.

The Trustee is satisfied with how the managers voted during the Plan year. A supplementary document containing information on the managers' key voting activities is included as an appendix to this Statement and published separately on the Plan's website.

The below table sets out the voting activity of the Plan's equity managers, on behalf of the Trustee, over the year. This includes names of some of the companies for which the managers exercised the most significant votes. There is no legal definition of what constitutes a "significant" vote, however the Trustee considers votes in connection with the following ESG themes to be significant:

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- **E:** Matters that may give rise to climate change risks or opportunities (for example the alignment of a company to the 2015 Paris Agreement and the path to net zero);
- **S:** Matters that are pertinent to a company's workforce policies (for example the alignment of a company to the 2015 Modern Slavery Act); and
- **G:** Matters that may impact on the efficiency of a company's governance structure (for example the diversity of its Board of Directors).

Where managers provided multiple examples of votes on the above issues, the top two by size of each fund's holding as at the date of the vote have been shown below. Further detail of the significant votes, including details of the resolutions voted on, and how the manager voted (and why) are given in the Supplementary Voting Information included in the Appendix to this Statement.

[Link for Supplementary Voting Activity](#)

Fund	Underlying equity fund(s) [% holding]	Voting activity	Most significant votes	Use of proxy voting
LGIM All World Equity Index Fund	LGIM All World Equity Index Fund [100%]	Number of votes cast: 68,320 Percentage of eligible votes cast: 99.9% Percentage of votes with management: 79.1% Percentage of votes against management: 19.7% Percentage of votes abstained from: 1.2%	Alphabet Inc Exxon Mobil Corporation	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with our position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
LGIM APP Global Equity Index Fund	LGIM UK Equity Index [30%]	Number of votes cast: 75,770 Percentage of eligible votes cast: 99.8%	BP Plc Barclays Plc	
	LGIM APP Overseas Equity Index Fund [60%]	Percentage of votes with management: 80.7% Percentage of votes against management: 18.2%		
	LGIM Emerging Markets Equity Index [10%]	Percentage of votes abstained from: 1%		
LGIM APP UK Equity Index Fund	LGIM UK Equity Index [100%]	Number of votes cast: 10,870 Percentage of eligible votes cast: 99.9% Percentage of votes with management: 94.5% Percentage of votes against management: 5.5% Percentage of votes abstained from: 0%	Rio Tinto Plc BP Plc	
LGIM APP Overseas	LGIM North American Equity Index (hedged) [30%]	Number of votes cast: 28,736	Total Energies SE	

Equity Index Fund	LGIM Europe ex UK Equity Index (hedged) [40%]	Percentage of eligible votes cast: 99.8%	Alphabet Inc.	
LGIM Japan Equity Index (hedged) [15%]	Percentage of votes with management: 76.8%	Percentage of votes against management: 23%		
LGIM AP ex Japan Equity Index (hedged) [15%]	Percentage of votes abstained from: <1%			
LGIM APP Global Ethical Fund	LGIM Global Ethical Equity Index [100%]	Number of votes cast: 16,618 Percentage of eligible votes cast: 99.8% Percentage of votes with management: 81.9% Percentage of votes against management: 17.8% Percentage of votes abstained from: <1%	Rio Tinto Plc Alphabet Inc.	
APP Global Equity Fund	Veritas Global Focus [50%]	Number of votes cast: 408 Percentage of eligible votes cast: 100% Percentage of votes with management: 88% Percentage of votes against management: 11% Percentage of votes abstained from: 0%	Amazon.com, Inc. Charter Communications, Inc.	VAM LLP use Institutional Shareholder Services ("ISS"), for vote execution and policy application.

	Pzena Global Expanded Value Equity [50%]	<p>Number of votes cast: 979</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 94%</p> <p>Percentage of votes against management: 6%</p> <p>Percentage of votes abstained from: 0%</p>	<p>General Electric Company Plc</p> <p>Halliburton Plc</p>	<p>PIM has engaged Institutional Shareholder Services (“ISS”) to provide a proxy analysis with research and a vote recommendation for each shareholder meeting of the companies in PIM’s client portfolios. ISS also votes, records, and generates a voting activity report for PIM’s clients and assist PIM with recordkeeping and the mechanics of voting. In no circumstance shall ISS have the authority to vote proxies except in accordance with standing or specific instructions given to it by PIM. PIM retains responsibility for instructing ISS how to vote, and PIM will still apply its own Voting Guidelines.</p>
APP UK Equity Fund	R&M UK Equity Alpha [50%]	<p>Number of votes cast: 4,421</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 94.9%</p> <p>Percentage of votes against management: 5.1%</p> <p>Percentage of votes abstained from: <1%</p>	<p>BP Plc</p> <p>Royal Dutch Shell Plc</p>	<p>River and Mercantile use a third party, ISS Corporate Solutions, to implement their voting policy, overriding their recommended action when it differs from R&M’s General Principles on standards for good corporate governance and management of environmental and social issues.</p>
	Lindsell Train UK Equity [50%]	<p>Number of votes cast: 353</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 99.4%</p> <p>Percentage of votes against management: 0%</p> <p>Percentage of votes abstained from: <1%</p>	<p>Mondelez Plc</p> <p>Unilever Plc</p>	<p>Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision-making responsibility, which is based on their detailed knowledge of the companies in which Lindsell Train invest, as this forms an important part of Lindsell Train’s investment process and proactive company engagement strategy.</p>

APP EM Equity Fund	MSIM Emerging Markets Equity [50%]	<p>Number of votes cast: 1,113</p> <p>Percentage of eligible votes cast: 97.5%</p> <p>Percentage of votes with management: 91.4%</p> <p>Percentage of votes against management: 8.4%</p> <p>Percentage of votes abstained from: <1%</p>	<p>Tencent Holdings Limited</p> <p>Star Health & Allied Insurance Co. Ltd.</p>	<p>MSIM has retained Research Providers to analyze proxy issues and to make vote recommendations on those issues. MSIM votes all proxies based on its own proxy voting policies in the best interests of each client. In addition to research, ISS provides vote execution, reporting, and recordkeeping services to MSIM.</p>
	GW&K (formerly Trilogy) Emerging Markets [50%]	<p>Number of votes cast: 1,116</p> <p>Percentage of eligible votes cast: 100%</p> <p>Percentage of votes with management: 86%</p> <p>Percentage of votes against management: 12%</p> <p>Percentage of votes abstained from: 2%</p>	<p>Sands China</p> <p>Reliance Industries</p>	<p>GW&K has adopted proxy voting guidelines developed by Glass Lewis & Co., which provides recommendations on ballot items for securities held in client accounts. GW&K has also retained Broadridge Financial Solutions as proxy voting agent and to provide related proxy voting services.</p>
	BlackRock Diversified Growth [50%]	<p>Number of votes cast: 11,775</p> <p>Percentage of eligible votes cast: 92%</p> <p>Percentage of votes with management: 94%</p> <p>Percentage of votes against management: 5%</p> <p>Percentage of votes abstained from: 1%</p>	<p>Equinor ASA</p> <p>Grupo Financiero Banorte SAB de CV</p>	<p>Oppose giving companies proxy to vote on matters where manager not given the opportunity to review and understand those measure and carry out an appropriate level of shareholder oversight.</p>

<p>APP Diversified Growth Fund</p>	<p>Schroders Diversified Growth [50%]</p>	<p>Number of votes cast: 15,662</p> <p>Percentage of eligible votes cast: 95%</p> <p>Percentage of votes with management: 89%</p> <p>Percentage of votes against management: 10%</p> <p>Percentage of votes abstained from: 0%</p>	<p>Royal Bank of Canada</p> <p>Rio Tinto Plc</p>	<p>Institutional Shareholder Services (ISS) act as Schroders' one service provider for the processing of all proxy votes in all markets. In addition to relying on their policies they will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts</p>
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