

The Accenture Pension Plan

Statement of Investment Principles

Adopted with effect from November 2023

This Statement, prepared in terms of the Pensions Act 1995, as amended by the Pensions Act 2004, and having regard to the Occupational Pension Plan (Investment and disclosure (Amendment)) Regulations 2018, describes the principles governing decisions by the Trustee about the investments of the Accenture Pension Plan (the Plan).

Before preparing this Statement, the Trustee has considered written advice from its Investment Consultant, Towers Watson Limited, and has also consulted the Principal Employer. The Trustee has also considered advice from the Plan's legal adviser, Eversheds Sutherland.

The Trustee will review this Statement at least every three years or without delay after any significant change in investment policy. No change will be made without first consulting the Principal Employer and considering the written advice from the Investment Consultant. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

Since the previous Statement was completed, all of the assets held by the Scheme are now in the form of bulk annuity policies to meet benefits, cash deposits held to meet administrative expenses, or unit linked insurance policies with LGIM held in the Trustee's name on members' behalf in respect of the Member Investment Accounts. Accordingly, the Trustee's view is that the Plan constitutes a "Wholly Insured Scheme" within the meaning of the Occupational Pension Schemes (Investment) Regulations 2005 (see regulation 8).

Choosing investments

In May 2023, the Trustee purchased a second bulk annuity policy (buy-in) with Just Retirement Ltd ("Just"), following a previous buy-in transaction in 2018 covering all the Plan's pensioners at that time. The second buy-in covers all the remaining members of the Defined Benefit sections of the Plan.

Following investment in the two bulk annuity buy-in policies with Just, the majority of the Plan's assets are no longer held as separate investments in pooled funds. The Plan holds some cash in the Trustee bank account and a cash fund with LGIM to meet additional administrative expenses that are expected to be incurred in future ..

Despite recent changes in the Defined Benefit sections of the Plan, the Trustee continues to be responsible for the oversight of the assets invested in the unit linked insurance policies held in the Member Investment Accounts and further details on this are provided at the end of this document.

As permitted by the Pensions Act (see section 34), the Trustee has delegated the responsibility for the selection, retention and realisation of investments through the purchase of the annuity policies.

Environmental, Social and Governance issues

The Trustee recognises that social, environmental or ethical considerations cannot be taken into account in determining the selection, retention and realisation of investments which form part of the underlying investments managed by Just. Accordingly, the Trustee views it as not being appropriate to take active consideration of financial or non-financial matters relating to responsible investment and Environmental Social and Governance (ESG) considerations, including on the exercise of any voting rights or stewardship policies. However, the Trustee believes ESG considerations are important, and the Trustee will continue to engage with Just on a regular basis and ensure that ESG matters are covered as part of the annual oversight meetings.

Rights attaching to investments and engagement activities

The Trustee's view is that the Plan constitutes a "Wholly Insured Scheme" within the meaning of the Occupational Pension Schemes (Investment) Regulations 2005 (see regulation 8), and in any event the Plan does not hold assets which require the exercising of rights and engagement activities.

Investment objectives

The Trustee's primary investment objective is to ensure sufficient cashflow to meet the Plan's defined benefit liabilities, as they fall due.

In May 2023, the Trustee purchased a second bulk annuity policy (buy-in) with Just, following a buy-in transaction in 2018 covering all the Plan's pensioners at the time. The second buy-in covers all the remaining members of the Plan. In purchasing the second bulk annuity (buy-in) with Just, the Trustee provided a more exact match for interest risk and inflation compared to the Plan's previous bond holdings and in addition, it removed the longevity risk in respect of members.

The Trustee, in conjunction with the Investment Consultant and the Scheme Actuary, will monitor the cashflow and funding position of the Plan as well as the financial strength of Just as the buy-in provider.

Risk management

The Trustee recognises that there are risks involved in the investment of the assets of the Plan, which it monitors on a regular basis and seeks to mitigate.

Comments on some of the risks are shown below:

Liquidity risk

- This is measured by the level of cash flow required by the Plan over a specified period. It is managed by the Plan's administrators assessing the level of cash held and ensuring that timely payments are received from Just.

Sponsor risk

- The Trustee has considered the risk that the principal employer may be unwilling or unable to make any necessary cash payments in future and has concluded that this risk is acceptable and that no further action is necessary to mitigate this risk.

Counterparty risk

- The credit risk that the insurer (Just) could fall insolvent and not be able to meet the terms of the buy in policies. This is mitigated by industry protections (Financial Services Compensation Scheme) and the due diligence carried out by the Trustee in selecting an appropriate insurer and the ongoing monitoring framework in place.

The Trustee continues to monitor these risks and maintain a register of risks that the Plan faces which is reviewed regularly. However, with the completion of the recent full buy-in policy, the exposure to some of these risks is significantly reduced.

Manager structure

The Trustee's policy in relation to their arrangements with asset managers is as follows:

- i) All of the Plan's assets are invested with Just in two buy-in policies, except for residual cash held in the Trustee bank account and a cash fund with LGIM. The policies in combination cover all members of the Plan.
- ii) The annuity contracts held with Just will be monitored to ensure that they continue to deliver what is expected under the contracts, which is to provide cashflows aligned with the benefits due to the members covered by the policies. The cash fund with LGIM will be monitored to ensure it continues to perform in line with its benchmark.
- iii) The Trustee has appointed Just through the purchase of the annuity contracts with the expectation of a long-term partnership.

Realisation of investments

The contract between the Trustee and Just has provision for novation, if required.

Member Investment Accounts (MIA)

Personal Account

Each Member of the MIA has an individual Personal Account deriving from the accumulated contributions from the Member and the Credits allocated by the Trustee. The Personal Account is used at retirement or earlier death to purchase an annuity and/or to provide lump sum benefits to the Member or appropriate Dependents.

All of the assets in each Member's individual Personal Account are invested in the form of unit linked insurance policies with LGIM held in the Trustee's name on their behalf.

Investment objectives

To facilitate the accumulation of each Member's individual Personal Account in a portfolio of assets of appropriate liquidity via unitised funds selected by the Member. The range of investment options is reviewed by the Trustee periodically to ensure their continued suitability.

A range of active and passive self-select funds are made available to ensure that the Members have sufficient flexibility to invest in a manner that is consistent with their personal circumstances. These funds cover the following asset classes:

- UK equity (passive and active)
- Overseas equity (passive)
- Global equity (passive)
- Emerging market equity (active)
- Corporate bonds (passive)
- Index-Linked Annuity bonds (passive)
- Diversified growth (active)
- Cash

The Trustee has also put in place a Flexicycle option specifically for its current membership. This option automatically switches members between some of the fund options based on their term to retirement, allowing members to be invested in assets that are expected to grow more quickly when they are a long time from retirement, but then gradually transition into less volatile assets as they get closer to retirement.

The Trustee invests via a fund platform to facilitate access to a range of investment managers and to allow members to efficiently switch between fund options.

Information for Members

Detailed information on the fund range is made available on the Plan's website.

Expected return on assets

The Trustee expects that the independent financial advisor will explain the historical and expected rates of return earned on the various classes of asset available for investment, along with the inherent risks, when advising individual Members.

Realisation of investments

The assets of each Member's Personal Account are held in unitised investment funds that can be realised to provide annuity or lump sum benefits on retirement, or earlier if required.

Additional Voluntary Contributions (AVCs)

The Plan members' additional voluntary contributions are invested in the following funds managed by Utmost Life and Pensions:

- Multi-asset Moderate
- Multi-asset Cautious
- Money Market

With the assistance of the Plan's consultants, these arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable and the investment profile of the funds remains appropriate.

This SIP was ratified by the Trustee of the Accenture Pension Plan on November 2023