Making a Measurable Difference 2015 Corporate Citizenship Report



Strategy | Consulting | Digital | Technology | Operations



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On the cover:

Ntombifuthi Dhlamini is a single mother of two young children in Johannesburg, South Africa, and was unemployed due to a disability that made it painful to work at a physically demanding job. The Leonard Cheshire Livelihood Resource Centre assessed her abilities and strengths, and provided her with the training to secure an administrative position at a freight logistics company. Ntombifuthi can now support her family and has renovated her home. With support from Accenture's **Skills to Succeed** initiative, Leonard Cheshire Disability's Access to Livelihoods program has helped more than 8,000 people secure employment in sectors including information technology and business process outsourcing.

LETTER FROM OUR LEADERS

Pierre Nanterme and Jill Huntley

Against the backdrop of economic, political and social transformation, one thing remains constant: the responsibilities of corporate leaders to sustainability. At the same time, digital transformation is everywhere happening at scale and speed—and it allows us to tackle challenges that were previously well beyond our reach.

At Accenture, we see this as an important opportunity to make a difference in the communities where we work and live—from closing employment gaps to advancing client sustainability to accelerating gender equality in the workforce.

Our approximately 373,000* people, who serve clients in 120 countries, strive to improve the environment and society through their leadership, knowledge and skills. But we cannot do it alone. With our core values—particularly Stewardship—at the heart of our efforts, we collaborate with a range of partners to deliver long-lasting, measurable solutions.

We are proud to share details about our corporate citizenship efforts and celebrate the people who drive them. These efforts include:

- Our **Skills to Succeed** initiative, which has equipped more than 1.2 million people around the world with the skills to find a job or build a business—more than four times the impact we set out to achieve. Together with our strategic partners, we will leverage technology and digital solutions to expand this to more than 3 million people by the end of fiscal 2020; sharpen our focus on the transition from skill-building programs to sustainable jobs and businesses; and bring together organizations across sectors to create large-scale, lasting solutions aimed at closing global employment gaps.
- Our commitment to **reducing environmental impacts**—including carbon, waste and water—from our offices and operations and to fostering sustainable growth among all our stakeholders. By the end of fiscal 2020, we will reduce our carbon emissions to an average of two metric tons per employee—representing a more than 50 percent reduction from our 2007 baseline—and we will begin to measure and report the impact of our work

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with clients and suppliers in key areas of sustainability. Leveraging the power of our people and the digital world is key to achieving our environmental goals for 2020 and ensuring a better future for our planet.

• Inclusion and diversity, which are key to innovation and essential for a highperforming organization. We offer an inclusive environment across ethnicity, religion, gender, sexual orientation, age and disability. Our commitment to diversity, which starts at the top, makes us stronger, smarter and more innovative. Our Board of Directors includes 11 independent directors, four of whom are women, including our lead director. Across our organization, our more than 130,000 women currently comprise more than a third of our workforce, and by the end of 2017, we will grow the number of women new hires to at least 40 percent.

Although we have created strong momentum, we know that there is still much to do. We also know that cross-sector collaboration, as well as the power of digital technologies, will be key to realizing opportunities as we tackle the complex sustainability issues and changes ahead.

We look forward to continued partnership with you on this ongoing journey.





Pierre Nanterme Chairman & CEO

Jill Huntley Managing Director—Global Corporate Citizenship

*As of February 29, 2016

ACCENTURE AT A GLANCE

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Accenture is a global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. We work at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders.

We operate at the heart of our clients' businesses, helping address their most complex, mission-critical issues. Our clients span the full range of industries across more than 120 countries and include more than 80 percent of the FORTUNE Global 500 and 94 of the FORTUNE Global 100. We are proud that 97 of our top 100 clients have been clients for at least 10 years. At Accenture, corporate citizenship is central to our vision to improve the way the world works and lives, and it reflects our <u>core values</u>. Everything we do to execute our strategy and deliver our vision comes to life through our approximately 373,000* people. Our people represent a wide variety of cultures, ethnicities, religious beliefs and languages. This rich diversity makes our company stronger, smarter and more innovative, which helps us better serve our clients and our communities.

From our **Skills to Succeed** initiative to our efforts to drive sustainable economic growth with our people, clients and suppliers, we take thoughtful actions to bring positive change, for today and for the future. This includes playing a vital role in convening people and organizations to create longterm value for our communities, strengthen our business and enhance our contribution to society.



GOALS & PROGRESS

GOAL: AWARENESS BUILDING

Following the fiscal 2014 launch of Conduct Counts, we will strive for employee awareness levels of our five global behavioral standards to be at least 90 percent each year.

GOAL: ETHICS TRAINING

We will strive to maintain employee completion rates in the high 90th percentile for our Ethics & Compliance training each year.

PROGRESS:

In fiscal 2015, we achieved more than 90 percent employee awareness of our five global behavioral standards.

PROGRESS:

In fiscal 2015, we maintained employee completion rates in the high 90th percentile for our Ethics & Compliance training.

Together with our strategic partners, we are pursuing the following targets by the end of fiscal 2020:

GOAL: DEMAND-LED SKILLING

Equip more than 3 million people with the skills to get a job or build a business.

GOAL: EMPLOYMENT AND ENTREPRENEURSHIP OUTCOMES

Increase our focus on the successful transition from skill-building programs to sustainable jobs and businesses, and improve our collective ability to measure and report on these outcomes.

GOAL: COLLABORATION FOR SYSTEMIC CHANGE

Bring together organizations across sectors to create large-scale, lasting solutions aimed at closing global employment gaps.

PROGRESS:

To date, we have equipped more than 1.2 million people with workplace and entrepreneurial skills.

PROGRESS:

We instituted new criteria for our largest global foundation grants that require all new grants to be able to measure outcomes toward transitioning to jobs and businesses. We will use this information to continue to evaluate what works to transition skilled people into sustainable jobs and businesses and recalibrate our programs accordingly.

PROGRESS:

We continue to evolve our role as a collaborator, convener and thought leader, and and to deliver research and insights on what works to help drive systemic change. As part of our role in the global Solutions for Youth Employment coalition, we helped to launch a new report that identifies solutions to the challenges of getting all youth into productive work. Additionally, we initiated a new collective impact initiative in France, and continue to support ongoing initiatives in the United Kingdom and Spain to help drive systemic change.

We are pursuing the following targets by the end of fiscal 2020:

GOAL: RUNNING EFFICIENT OPERATIONS

Reduce our carbon emissions to an average of two metric tons per employee—representing a more than 50 percent reduction against our 2007 baseline.

GOAL: ENABLING CLIENT & SUPPLIER SUSTAINABILITY

Begin to measure and report the impact of our work with clients and suppliers in key areas of sustainability.

NEW: RUNNING EFFICIENT OPERATIONS

Improve our energy efficiency by 30 percent against our 2007 baseline.

NEW: ENABLING SUPPLIER SUSTAINABILITY

Expand to 75 percent the percentage of our key suppliers who disclose their targets and actions toward emissions reduction.

PROGRESS:

By the end of fiscal 2015, we achieved a 47 percent reduction from baseline, reducing our carbon emissions from an average of 4.04 metric tons of CO₂ per employee in fiscal 2007 to 2.14 in fiscal 2015.

PROGRESS:

In fiscal 2015, we piloted methodologies that start to measure the impact of our services with clients.

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GOAL: INCLUSION & DIVERSITY

By the end of 2017, we will increase the diversity of our workforce by growing our percentage of women new hires to at least 40 percent.

GOAL: TALENT DEVELOPMENT

By the end of fiscal 2017, we will expand the Accenture Future Technology Leaders Program to include more than 1,600 highperforming science, technology, engineering and math (STEM) student participants.

GOAL: TALENT DEVELOPMENT

By the end of fiscal 2016, we will enhance the way our people interact and learn by building a global network of 100 connected classrooms that combine interactive technologies with innovative content design.

GOAL: TALENT DEVELOPMENT

By the end of fiscal 2018, we will grow the percentage of Accenture Consulting professionals who have certified industry skills or are aligned with a specific industry to 90 percent.

GOAL: SUPPLIER SUSTAINABILITY

By the end of fiscal 2016, all of our geographic Procurement teams will include environmental, social and governance (ESG) performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact (IT, travel, and workplace and facilities).

GOAL: SUPPLIER INCLUSION AND DIVERSITY

By the end of fiscal 2016, we aim to expand our Supplier Inclusion & Diversity program to include a minimum of 20 countries.

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GOAL: SUPPLIER INCLUSION AND DIVERSITY

By the end of fiscal 2016, we will develop a total of 170 small, medium and diverse suppliers through our Diverse Supplier Development Program.

NEW: ENABLING SUPPLIER SUSTAINABILITY

By end of fiscal 2020, we will expand to 75 percent the percentage of our key suppliers who disclose their targets and actions toward emissions reduction.

PROGRESS:

In 2015, our 100,000 new hires comprised approximately 38 percent women. We now have more than 130,000 women in our workforce.

PROGRESS:

In fiscal 2015, the program included 13 countries and more than doubled in size to reach more than 500 STEM undergraduate students.

PROGRESS:

In fiscal 2015, we expanded our network of connected classrooms to 51, with new locations in 16 countries, including Brazil, Japan and South Africa.

ACHIEVED:

Today more than 95 percent of our Accenture Consulting professionals have certified industry skills or are aligned with a specific industry.

PROGRESS:

By the end of fiscal 2015, two-thirds of our geographic Procurement teams included ESG performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact and expanded in additional categories as well.

PROGRESS:

Through the end of fiscal 2015, we expanded our Supplier Inclusion & Diversity program to include 16 countries. As part of our ongoing assessment of our program, we are shifting our approach to focus more on strengthening our supplier I&D relationships in the existing countries of operation and less on broader geographic expansion.

PROGRESS:

Through fiscal 2015, we developed a total of 101 small, medium and diverse suppliers through our Diverse Supplier Development Program (DSDP). We have two additional DSDP classes under way with plans to add more in the future.

UPDATED:

We will continue to monitor opportunities to expand our supplier I&D program and report on progress in future reports. However, we will no longer track these results as one of our Supply Chain goals.

UPDATED:

We are shifting our strategic approach to not only increase the quantity but also ensure the relevance of suppliers to our business and client needs. Therefore, our new goal is to develop a total of 170 small, medium and diverse suppliers through DSDP by the end of fiscal 2020.

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Interns attending our 25th annual Student Leadership Conference help illustrate how our shared company-wide commitment to ethical behavior begins on day one with Accenture.

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The way we innovate, collaborate, operate and deliver value-for our clients and our shareholders-is grounded in our core values and shared business ethics. Our core values-Client Value Creation, One **Global Network**, Respect for the Individual, Best People, Integrity and Stewardship-shape the culture and define the character of our company. They serve as a foundation for how we act and make decisions.

A FEW HIGHLIGHTS SINCE OUR LAST REPORT:



Collaborated for at least **10 YEARS** with **97** of our **TOP 100 CLIENTS**



Celebrated **9 YEARS** on Ethisphere's **WORLD'S MOST** ETHICAL COMPANIES list



Maintained completion rate in **90th+ PERCENTILE** for **ETHICS & COMPLIANCE EMPLOYEE TRAINING**

Led

Led the way with **36% WOMEN** on our external **BOARD**



Averaged 7.3 YEARS of BOARD TENURE

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OUR STRATEGY AND APPROACH

Strong <u>corporate governance</u>, ethics and compliance are key elements of Accenture's business strategy. They are essential to our ability to grow, differentiate ourselves from our competitors, and protect our people, brand and financial performance. They also help make us a highperformance business, and help us build trust with our clients, our people and other stakeholders. Much of our business is built on long-term relationships—all of our top 100 clients have been clients for at least five years and 97 have been clients for at least 10 years—which require trust. Our efforts to maintain and shape an ethical culture, including our Ethics & Compliance program, help Accenture remain one of the world's most ethical companies.

SHAPING AN ETHICAL CULTURE

Five main elements frame our Ethics & Compliance program: leadership; risk assessment; standards and controls; training and communication; and monitoring, auditing and response. The program covers Accenture people, those who work on Accenture's behalf as contractors and other third parties.

As a global organization, our ongoing challenge in this area is twofold: first to ensure that all of our approximately 373,000* people consistently model the ethical behaviors we expect through regular communication and training; and second, to continue to identify local legal requirements quickly. To do this, we conduct compliance risk assessments for our global compliance program areas—Anticorruption, Anti-Money Laundering, Competition Law, Data Privacy and Trade Compliance. Each of these takes into account the facts and circumstances of all the countries where we operate.



Accenture leaders in India share experiences on Accenture's ethical culture at a town hall meeting.

In 2014, we launched Conduct Counts, a program that creates global standards of behavior for employee conduct that are culturally sensitive and locally relevant. In 2015, Conduct Counts continued to build on our ethical culture by promoting the following five global standard behaviors, which further bring to life our core values and <u>Code of Business Ethics</u>:

- 1. We speak up about concerns knowing Accenture never tolerates retaliation.
- 2. We treat each other with respect.
- 3. We are proud to be ambassadors of Accenture, and we act accordingly.
- 4. We apply our principle of meritocracy when we make decisions about our people.
- 5. We ensure our personal interests and relationships don't create conflicts for Accenture.

*As of February 29, 2016

GOAL

ETHICS TRAINING:

Following the fiscal 2014 launch of Conduct Counts, we will strive for employee awareness levels of our five global behavioral standards to be at least 90 percent each year.

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PROGRESS

In fiscal 2015, we achieved more than 90 percent employee awareness of our five global behavioral standards. We continue to monitor our peoples' understanding of these behaviors by conducting periodic standard Conduct Counts surveys in all eligible countries where we have a sufficient number of people to preserve anonymity. This allows us to ask our people to anonymously provide their candid viewpoint on topics related to ethical behavior at Accenture, which in turn provides critical input for improvement of our business and employment practices. In fiscal 2015, we achieved more than 90 percent awareness of our five global behavioral standards and we will continue to strive for at least 90 percent each year.

Accenture leadership responsibilities

We expect all leaders at Accenture—including our <u>Board of Directors; Chairman & CEO; General</u> <u>Counsel & Chief Compliance Officer;</u> and <u>Global</u> <u>Management Committee</u> (GMC) members, who are our 19 most senior leaders—to advocate for ethics and compliance and serve as role models of the highest ethical standards.

Our Chairman & CEO sets the tone for integrity and ethics by communicating on ethics and compliance topics, such as: we have zero tolerance for violations of law and for retaliation against employees reporting issues; and a strong Ethics & Compliance program is an essential part of being a high-performance company and in reaching our goals as a company. Accenture's Board of Directors oversees our Ethics & Compliance program, which is managed by our General Counsel & Chief Compliance Officer. Members of senior management sponsor and are accountable for implementing corporate policies applicable to their respective areas. Our GMC plays an important role in our Ethics & Compliance program. It generally meets in person four times a year and at least two of the four meetings include a compliance topic. The members of the committee frequently co-sponsor various Ethics & Compliance communications and programs in partnership with our Chief Compliance Officer. The GMC also helps communicate about new training across all aspects of Accenture's business, helping us navigate the ever-changing legal landscapes of the more than 120 countries in which we serve clients. For more information, see <u>Corporate</u> <u>Governance</u>.

Code of Business Ethics

One of our most important written standards is our Code of Business Ethics (COBE). It establishes an ethical framework of expected behaviors in everything we do, from serving our clients and running our business, to further enhancing our brand, reputation and transparency. Our COBE reiterates that we have zero tolerance for corruption in any form. We encourage our people to speak up if they have a good faith concern about disrespectful or inappropriate conduct, or unethical or illegal behavior of any kind. We also stress that Accenture has zero tolerance for retaliation against anyone who speaks up in good faith. We update our COBE regularly to account for internal and external factors, changes in the regulatory environment, and business priorities and strategies. We have additional standards for suppliers (Supplier Standards of Conduct)

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and for our people who work with the US federal government (<u>Standards of Federal Business Ethics</u> and Conduct).

Our efforts to promote ethical behavior continue to be recognized by others: 2016 marks our ninth consecutive year on Ethisphere's "<u>World's Most Ethical Companies</u>" list, recognizing our commitment to ethical leadership, compliance practices and corporate citizenship.

2016 marks our ninth consecutive year on Ethisphere's "World's Most Ethical Companies" list.

We require all employees to complete at least one hour of required Ethics & Compliance training on COBE and Information Security annually. We also target our training to an employee's role and provide specific scenarios and examples that are relevant to Accenture's business and risks. For example, in fiscal 2015, we required Anticorruption, Anti-Money Laundering, Competition Law, Visa & Immigration and Trade Compliance training for a large subset of our people based on level, geography and role. We also require new joiners to take required training on these topics as well as on insider trading, social media, data privacy and protecting and respecting confidential information and intellectual property of Accenture and others.

Our annual required Ethics & Compliance training program tracks results and tests knowledge by requiring employees to pass a quiz at the end of each course. Completion rates continue to be in the high 90th percentile, which is an indicator of program success. We consider our required Ethics & Compliance training to be so essential that failure to complete it each year is factored into annual compensation-related decisions (as permitted by law).

Each year, our training evolves to keep up with changing laws, policies and business needs. In fiscal 2015, for example, we concentrated the COBE training on zero tolerance for retaliation, speaking up, respecting the individual, conflicts of interest and meritocracy.

Raising and responding to concerns

Monitoring and enforcement are integral to our Ethics & Compliance program. We actively encourage our people to raise all ethical and legal concerns. and we make multiple channels available for them to do so-by name or anonymously. These channels include direct supervisors and career counselors, a 24/7 Business Ethics Line and website, Legal, Human Resources and any member of Accenture Leadership. We have zero tolerance for retaliation against those who raise good faith concerns, which helps our people feel comfortable speaking up. We continue to look closely at the issues being reported so we can understand frequency and identify types of misconduct. Our Conduct Counts initiative has supported and enhanced our people's willingness to speak up to identify disrespectful or inappropriate conduct.

We take every concern that is raised seriously—all ethical and legal concerns that are raised are reviewed by appropriate teams at Accenture. Depending on the

GOAL

ETHICS TRAINING:

We will strive to maintain employee completion rates in the high 90th percentile for our Ethics & Compliance training each year.



PROGRESS

In fiscal 2015, we maintained employee completion rates in the high 90th percentile for our Ethics & Compliance training.

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nature of the concern, our Corporate Investigations team, part of our Legal group, may undertake an independent, objective review and recommend appropriate remedial measures if necessary. Resolution may include additional training and awareness, improvements in internal processes and controls and/or disciplinary measures, up to and including termination of employment in the most severe cases. While we often handle investigations in house, we will at times involve third parties (such as law enforcement), where appropriate. Our standard escalation protocol for significant Code of Business Ethics matters involves members of Accenture Leadership, Legal and Human Resources, as appropriate, and calls for regular reporting to Internal Audit, our external auditors and our Audit Committee of our Board of Directors.

Our annual employee surveys include questions about our ethical culture and ask whether our people believe they can raise concerns without retaliation. We use these results to help drive our Ethics & Compliance program and measure its effectiveness. Responses have been consistently positive over the years and have shown an upward trend.

CYBER SECURITY AND DATA PRIVACY

Protecting privacy and the security of personal and business data—for our clients and for ourselves—is essential to maintain the trust of clients and our people. It is also a core element of our commitment to uphold human rights, to behave appropriately when we access clients' strategic and other key corporate data, and to ensure our employees' data is safe and secure. Today, information security has risen to the top of the agenda for most C-suite executives and boards of directors. Rapidly evolving security threats pose an ongoing, central challenge as companies and governments face an increasingly sophisticated threat environment. In response, we help our clients protect data through strategic digital-, cloud- and securityrelated services, all enabled by new and innovative technologies. Additionally, in fiscal 2015, we acquired a strategic acquisition of FusionX to enhance our cyber security capabilities.

We continue to strengthen our Client Data Protection program, which dictates how we protect our clients' sensitive information and comply with regulatory requirements. In fiscal 2015, the program received the ISO 27001:2013 certification from the British Standards Institution (BSI). The scope of the certification, among the most complex that BSI conducts, covers Accenture's client work from inception to completion around the world. BSI has confirmed that Accenture is the largest and most complex ISO 27001 certification it manages at this time.

We continue to enhance our Data Privacy program to further strengthen our robust protection of our employees' and clients' privacy, and to comply with globally recognized privacy principles. For example, we take steps to protect medical information and we provide employees with training, tools, guidance, support and guidelines that they must follow when handling data subject to privacy rules, policies and requirements.

HELPING CLIENTS SOLVE CYBER SECRUITY CHALLENGES

We also bring insights to clients on how they can solve challenges in cyber security. For example, we partnered with Ponemon Institute over two years to explore the success factors of companies that demonstrated measurable improvement in security effectiveness. The resulting study, "The Cyber Security Leap: From Laggard to Leader," found organizations that were able to leapfrog from a low to high level of security efficiency (average net change of 53 percent), compared with companies whose security performance remained static, were more effective in addressing security across three key areas: strategy, technology and governance. More key findings can be found in the full report.

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CASE STUDY: INSIGHTS TO BETTER SERVE REFUGEES

CLIENT'S CHALLENGE: A fundamental component to ethical business conduct is supporting human rights and we also empower clients with resources to help them further human rights. Working with the Office of the United Nations High Commissioner for Refugees (UNHCR), Accenture leveraged our Unique Identity Service Platform to deploy a breakthrough biometrics system to meet three objectives: 1) rapidly determine what benefits and services a person needs; 2) secure identities; and 3) improve documentation to help longtime refugees find permanent solutions.

OUR SOLUTION: UNHCR's **Biometric Identity Management System** (BIMS) rapidly registers, de-duplicates and verifies the identities of refugees, ensuring that the right people receive assistance where and when they need it, all while ensuring their personal identity information is secure and protected. Accenture and UNHCR put an early version BIMS to the test during a four-week pilot at UNHCR's Dzaleka Refugee Camp in Malawi.

THE RESULTS: The Camp's nearly 17,000 refugees were rapidly registered and verified during the pilot. Since then, the BIMS has enrolled 120,000 refugees living in nine camps in Thailand and 100,000 refugees in Chad. More refugees will be enrolled as we roll out the system to more locations. **Read more**

CORPORATE GOVERNANCE Role of the Board of Directors and leadership

The Board is responsible for providing governance and oversight of the strategy, operations and management of Accenture. It also promotes the long-term interests of our stakeholders through accountability throughout our organization and responsible decision making. The Board oversees our senior management, to whom it has delegated the authority to manage the day-to-day operations of the company. Additionally, the Board oversees Accenture's enterprise risk management (ERM) program, both directly and through standing committees. <u>Read more in the Proxy Statement for our 2016 Annual Meeting</u>.

Our <u>Corporate Governance Guidelines</u> and Memorandum and Articles of Association form the Board's governance framework. The Board regularly reviews the Guidelines and other corporate governance documents and revises them from time to time when it believes it serves the interest of Accenture and our stakeholders, and in response to changing regulatory and governance requirements.

The Corporate Governance Guidelines also address the means for communicating concerns to the Board. They specify that our Board should have a majority of independent directors, that those directors must not have any other direct or indirect material relationship with Accenture and that each director's continued independence is verified in an annual review.

Board diversity and tenure

Consistent with our Corporate Governance Guidelines, the Board seeks geographic, age, gender and ethnic/racial diversity among its members. Its members believe that considering diversity is consistent with creating a Board that best serves the needs of the company and the interests of its stakeholders, and diversity is one of the many factors that apply to identifying individuals for Board membership. The Board also believes that diversity of tenure is important for both fresh perspectives and deep experience and knowledge of the company. Therefore, the Board aims to maintain an appropriate balance of tenure across its directors.

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Our current directors reflect those efforts. Of our 11 independent directors, four are women including our lead director, which makes us a leader in board diversity around the world. In addition, our Board averages 7.3 years tenure.

For more information, see our 2015 Proxy Statement.

Of our 11 independent directors, four are women including our lead director, which makes us a leader in board diversity around the world.

Key corporate governance practices

We have a history of strong corporate governance. We are committed to governance policies and practices that serve the interests of the company and its shareholders.

The following summarizes certain highlights of our corporate governance practices and policies:

- Annual election of directors
- Majority voting for all directors in uncontested elections
- Shareholders holding 10 percent or more of our outstanding share capital have the right to convene a special meeting
- 11 of our 12 directors are independent
- Independent lead director
- Annual board evaluations and self-assessments
- Active shareholder engagement
- Independent directors meet without management present
- Diverse and international Board in terms of gender, ethnicity, experience and skills
- Policy on political contributions and lobbying
- Commitment to sustainability and corporate citizenship
- Board takes active role in Board succession planning and Board refreshment

Recent governance action

Actions taken in recent years demonstrate the company's commitment to strong corporate governance. These actions include:

- Declassified Board At our 2012 annual general meeting of shareholders, the Board recommended that our shareholders vote to eliminate the classified structure of the company's Board and provide for the annual election of all directors. Shareholders approved the Board's recommendation. The Board completed the phased-in declassification in February 2015, and our directors are now elected at each annual general meeting of shareholders and hold office for one-year terms.
- Providing transparency into political contributions/lobbying We revised our political contributions and lobbying policy in fiscal 2013 to, among other things, provide additional disclosure regarding lobbying and trade associations, including the amount paid in dues to trade associations over a threshold amount.
- **Proxy access** The Board decided to propose (and our shareholders subsequently adopted) proxy access at our 2016 annual general meeting. Through proxy access, eligible shareholders can submit the names of nominees for election to our Board and have them included in our proxy materials, along with the candidates nominated by the Board.

Corporate citizenship governance

Accountability to advance corporate citizenship at Accenture starts at the top, with our Chairman & CEO, and cascades through our business, including use of performance objectives relating to corporate citizenship. For example, achieving our global carbon target is included in our corporate performance scorecard and is one factor considered in the performance evaluation and pay of our Chief Leadership & Human Resources Officer. <u>Read more about our Corporate Citizenship governance</u>.

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We continue to believe that fostering a culture of respect, fairness and ethical conduct is critical to our business and our people, especially because we operate in countries around the world where laws may differ but where we require the same ethical conduct.

To that end, we have set a high standard of ethical behavior for ourselves and in the marketplace, and expect to continue to drive ethical behavior through Conduct Counts. This year, we have also set two priorities to help us build on the success and momentum of our Conduct Counts program for the future. Firstly, we will drive our country leaders' ownership for the local implementation of Conduct Counts by helping them be its visible ambassadors, equipping them with the tools and materials to be successful as they implement the program locally, and asking them to communicate expected behaviors and encourage others to do the same. Secondly, we will continue to engage our people globally to strengthen our culture. By enhancing the global Conduct Counts survey and supporting supplemental local surveys, we will gain actionable insights into employee conduct. We will also continue to build the momentum of Conduct Counts through global education and communication, with a special focus on our new joiners throughout their first year.

We support and respect human rights throughout our operations as reflected by our longstanding commitment to the Ten Principles of the UN Global Compact. Accenture protects our people's and clients' data privacy to build and maintain trust with our people, clients and stakeholders. We continue to review human rights efforts across our operations, as well as best practices in the marketplace, to understand how we can further strengthen our commitment.

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Accenture in the Future, a Rede Cidadã and Instituto Ser Mais initiative in Brazil, has equipped more than 160 young people with technical skills and more than 100 are now employed full time by Accenture.

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Our Skills to Succeed corporate citizenship initiative advances employment and entrepreneurship opportunities for individuals around the globe, leveraging technology to drive impact at scale. Together with our strategic partners, by the end of fiscal 2020, we will equip more than 3 million people with the skills to get a job or build a business; enable their successful transition to employment; and create large-scale, lasting solutions aimed at closing global employment gaps.

A FEW HIGHLIGHTS SINCE OUR LAST REPORT:



EQUIPPED 1.2M+ PEOPLE WITH SKILLS TO SUCCEED toward our goal of 3M+ by 2020



INVESTED US\$300M+ IN CORPORATE CITIZENSHIP EFFORTS since 2011



8,000+ PEOPLE WITH DISABILITIES GAINED EMPLOYMENT with help from Accenture and Leonard Cheshire Disability

20,000+ DISADVANTAGED YOUTH FOUND DIGITAL AND TECHNICAL JOBS with support from Accenture and Entreculturas

Accenture and Youth Business International will help LAUNCH 10,000 START-UPs and CREATE 16,000 ADDITIONAL JOBS

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OUR STRATEGY AND APPROACH

In today's climate of volatility and constant change, it is more important than ever for individuals to have the right skills to open doors to employment and economic opportunity.

The issues of unemployment and underemployment are enormous in scale and global in breadth. The International Labour Organization reports that more than 2 billion working-age people are not participating in the labor market, including more than 197 million people who are unemployed. Compounding the problem for the next generation, according to the <u>Solutions for Youth Employment</u> coalition, approximately 500 million young people are unemployed, underemployed or in insecure jobs. Chronic and widespread unemployment and underemployment can inflict longlasting damage to the prospects of individuals, families, communities and the broad economy. For young people in particular, delays in starting employment can negatively affect wages for decades and impact their productivity and adaptability.

We launched **Skills to Succeed** to tackle these problems, drawing on two of Accenture's core capabilities: developing talent and convening partnerships to achieve tangible, measurable results. Since we set our first **Skills to Succeed** goal in 2010 to equip 250,000 people with skills to get a job or build a business, Accenture and the Accenture Foundations have invested more than US\$300 million through cash as well as pro bono contributions of time and Accenture people's skills. We have equipped more than 1.2 million people with workplace and entrepreneurial skills. Our Skills to Succeed strategy is focused on three priorities:

- Taking our demand-led skilling programs to scale by leveraging technology and digital solutions.
- Deepening our focus on successful transitions from skilling to sustainable employment and entrepreneurship through outcome and insight-driven investments.
- Collaborating for greater impact by joining or creating cross-sector collaborations to close employment gaps across our global communities.

Our **Skills to Succeed** strategy is powered by our people, who have an impact through participation in programs such as volunteering, mentoring, pro bono projects and supporting hiring opportunities at Accenture. To focus our strategy, we have set out clear 2020 goals against each of the three priorities that we are pursuing with our strategic partners.

Local market relevance

At the heart of our strategy is a focus on defining market-relevant, customized strategies to address national gaps and bridge the divide between unemployed or underemployed individuals and the needs of employers. Our deep relationships with employers across sectors allow us to understand local market needs and then develop targeted programs with our nonprofit delivery partners that align talent supply with workforce demand. In each region, our corporate citizenship teams tailor skilling programs to transition target demographics to in-demand jobs, such as:

• In India, the economy will need to add 119 million skilled workers in 24 key sectors by 2022. We have identified five sectors with the maximum potential for employment—business process outsourcing, hospitality, retail, construction and microenterprise—and are focusing our local **Skills to Succeed** efforts on those areas.

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- In the United Kingdom, the local workforce is experiencing a digital skills gap. More than 900,000 young people—brought up in the age of digital technology—are not employed or engaged in education or training, while 30 percent of small- and medium-sized businesses and charities lack basic digital skills. We are collaborating across sectors to create sustainable employment opportunities, including technology apprenticeships as software engineers and digital marketing professionals, to help close the digital skills gap.
- In the United States, according to Burning Glass Technologies, nearly eight in 10 middle-skill jobs require digital skills, and digitally intensive jobs pay more. We are shaping our programs to prepare target groups including veterans, opportunity youth and immigrants, for jobs that require strong digital and technology skills, whether in the technology sector or in other areas such as retail.
- In South Africa, there is a tremendous skills gap combined with rapid urbanization, particularly in the technology sector. To close this gap, we are focused on upskilling unemployed young people with indemand digital skills in areas such as programming, online user experience and software testing, and then helping them transition to technology jobs.

POWERED BY OUR PEOPLE

Our people consider giving back to their communities a key part of what makes Accenture a great place to grow careers. As one employee from Canada said in response to the announcement of our 2020 corporate citizenship goals, "There are a lot of reasons to stay with Accenture—for me, our commitment to corporate citizenship is pretty close to number one."

In turn, we design our corporate citizenship initiatives to encourage and facilitate our people's involvement. Accenture people play leadership roles in our global, national and local-based nonprofit partnerships.

We help our people maximize the impact of their personal contributions by providing convenient channels to offer time, services and financial assistance to our nonprofit partners. In fiscal 2015, Accenture people donated more than US\$8.7 million to charitable causes through Accenture, and contributed more than 620,000 hours of time to corporate citizenship activities during work hours, including pro bono consulting projects.

Many of our grants to nonprofit partners include pro bono support in addition to funding. This helps our partners build their capacity to better achieve their missions, and gives Accenture people the opportunity to apply their professional skills and expertise in a full-time, paid capacity. For example, in fiscal 2015, we launched an initiative to help Programming for the Future— an Education For Employment initiative—expand its programs and deliver highly

ACCENTURE PEOPLE DELIVER MORE THAN 12,000 HOURS OF CODE IN 196 CITIES



In December 2015, Accenture volunteers delivered more than 12,000 hours of coding education to students in 196 cities in 56 countries through Hour of Code. Thousands of our people from locations around the world helped inspire, develop and grow the next generation of technology talent, and encourage more women and students from diverse backgrounds to pursue careers in technology. We teamed with **Code.org**, a nonprofit organization dedicated to expanding access to computer science.



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GOAL

DEMAND-LED SKILLING:

By the end of fiscal 2020, we will equip more than 3 million people with the skills to get a job or build a business.



PROGRESS

To date, we have equipped more than 1.2 million people with workplace and entrepreneurial skills.

technical programming skills and coaching to 37,000 disadvantaged young people in Spain, Morocco, South Africa, Argentina, Brazil and Tunisia. We also assisted Genesys Works, which places underprivileged high school students in the United States in meaningful internships at major corporations, in developing a new "GW on Demand" model that will enable it to reach more disadvantaged young people per year, and plan for the expansion of their core program to additional US cities.

In fiscal 2015, more than 250 Accenture people also took part in Accenture Development Partnerships (ADP), a "corporate social enterprise" that employs a not-for-profit business model to bring Accenture's skills, insights and capabilities to the international development sector. ADP collaborates with organizations by delivering innovative solutions to address a wide range of complex social issues ranging from health and education to financial inclusion and nutrition. For example, working with MSD for Mothers, a 10-year, US\$500 million initiative to reduce maternal mortality worldwide, an ADP team leveraged leading practices from Accenture Strategy Talent & Organization to create an assessment tool to help expand MSD for Mothers' projects in countries like Tanzania, where every hour, one woman dies from problems linked to pregnancy or childbirth.

Our global online volunteering platform, myCorporateCitizenship, makes it easy to volunteer for Skills to Succeed and other initiatives-thousands of our people used the site to find and register for projects outside work hours. And in the United States, our myGiving website provides a variety of ways for our people to make charitable donations year round.

LEVERAGING TECHNOLOGY FOR DEMAND-LED SKILLING AT SCALE

Our first strategic priority is to take our demand-led skilling programs to scale by leveraging technology and digital solutions. We are optimizing our use of technology to accelerate the reach of our Skills to **Succeed** partners with job seekers and entrepreneurs cost-effectively and, in turn, improve employment and entrepreneurship outcomes. We are seeing positive results with digital learning content and tools to deliver critical skills needed to get a job or start a business. In addition, we expect that enhanced performance management and data analytics will help our partners better monitor and evaluate outcomes.



MEET JOSÉ – Bolivia, Fundación Entreculturas

José was working in construction—a very physical job with no stability. Through Entreculturas, he received training and an internship that led to a full-time job at a company that makes grain silos.

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For example:

- By the end of 2018, together with <u>Fundación</u> <u>Entreculturas</u>, we expect to help 175,000 disadvantaged youth in more than 20 countries across Africa, Latin America and Spain gain job skills. As a result, more than 60,000 will obtain jobs. We are combining Accenture's technology capabilities with the powerful capacity of the Fundación Entreculturas network to create an innovative, market-oriented virtual learning program for young people with limited resources.
- More than 30,000 young people across the United Kingdom have been equipped with employability skills to choose a career and find a job via the Skills to Succeed Academy, an interactive, digital learning program. With practical modules, such as creating a résumé and preparing for a job interview, the Academy aims to change the motivation and behavior of job seekers through high-guality online training, gamification, simulations, virtual coaches, a mobile app, videos and guizzes. The Academy helps young people understand the mechanics of pursuing a career, while equipping them with the soft skills they need to find long-term employment in a broad range of sectors such as retail and information technology. Based on the success of this program in the United Kingdom, we are looking to expand it to other markets.
- Over the past five years, Accenture and <u>Save the</u> <u>Children</u> have partnered to skill more than 38,000 disadvantaged youth in a dozen countries, including Indonesia and the Philippines. Our most recent grant will enable Save the Children to secure jobs and self-employment opportunities for an additional 28,000 youth. We are teaming to develop new web-based and mobile training platforms to deliver e-learning, and to strengthen links between trainers, employers and governments to match more young people to available jobs in growth sectors.



MEET SUMIATI – Indonesia, Save the Children Sumiati had only a few years of primary school education and struggled to support her daughter. Cooking classes and entrepreneurship training through Save the Children gave her the skills to start her own business.

GOAL

EMPLOYMENT AND ENTREPRENEURSHIP OUTCOMES:

By the end of fiscal 2020, we will increase our focus on the successful transition from skill-building programs to sustainable jobs and businesses, and improve our collective ability to measure and report on these outcomes.



PROGRESS

We instituted new criteria for our largest global foundation grants that require all new grants to be able to measure outcomes toward transitioning to jobs and businesses. We will use this information to continue to evaluate what works to transition skilled people into sustainable jobs and businesses and recalibrate our programs accordingly.

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TRANSITIONING FROM SKILLING TO SUSTAINABLE EMPLOYMENT AND ENTREPRENEURSHIP

Our second strategic priority—to deepen our focus on successful transitions through insight- and outcome-driven investing—comes to life in three types of initiatives: Pathways to Employment, Accenture as a **Skills to Succeed** Employer and Enabling Entrepreneurship.

In 2015, we refreshed our **Skills to Succeed** measurement approach to improve our ability to measure outcomes, report results and provide information needed to manage and improve performance for job seekers and entrepreneurs. In addition to tracking the number of people equipped with skills, we ask our strategic partners to demonstrate program impact by reporting progress against key outcomes, such as increasing competitiveness in the job market, building sustainable businesses and enterprises, and creating employment opportunities for others.

As part of our focus on delivering outcomes through our **Skills to Succeed** initiatives, we are investing in research to deepen the shared understanding across our practitioner network of what's working and what's not to drive lasting results. We are harvesting knowledge and experience across our international network, translating this know-how into actionable insights, and driving adoption of best practices through targeted events and publications. For example, we recently published a research report, "<u>How</u> to Design and Scale Digital and Blended Learning Programs to Improve Employment and Entrepreneurship Outcomes," which includes insights from more than 20 members of our Digital Learning Network—a group of **Skills** to **Succeed** practitioners from strategic partners and Accenture executives. The report explores how to effectively leverage digital learning to improve job and business outcomes.

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Pathways to employment

In today's ever-evolving job market, workers often have to redefine themselves and learn new skills. Our skilling programs are designed with job placement and long-term career agility in mind. We team with our strategic partners to offer job-readiness training, mentoring, vocational and technical training and new career programs.

For example:

- Accenture is supporting <u>Plan International</u> in replicating its successful Youth Employment Solutions program and forging strategic partnerships between training organizations and employers with open positions in Latin America, where unemployment for youth is often three times higher than for adults. The program will equip 4,000 highly marginalized young people in Brazil, Colombia and El Salvador with the technical and professional skills demanded by businesses, and will help 3,000 people secure sustainable employment.
- In Canada, we are helping <u>ACCES Employment</u> develop a new digital platform to deliver skills training and professional services to more than 56,000 immigrants seeking employment over the next two years—anticipating that more 12,000 of them will secure jobs in sectors including financial services, sales, and natural and applied sciences. This end-to-end online services platform will help ACCES expand its career-skills training and placement services across Canada to assist immigrants who have already landed, and globally support pre-arrivals looking to apply for the government's new Express Entry program.
- We support <u>Leonard Cheshire Disability</u> in expanding its Access to Livelihoods program, which increases the economic participation of persons with disabilities around the world. To date, the program has helped more than 8,000 people with disabilities across Asia gain employment in several sectors, including IT and BPO. By 2018, the program will bring skills training to an additional 13,000 people in Bangladesh, India, Pakistan, the Philippines, South Africa and Sri Lanka.

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• Since 2012, with the <u>Prince's Trust</u> in the United Kingdom, we have equipped approximately 16,000 young unemployed people with sectorspecific and employability skills. Through the Get Into Tech program, these youth—who were previously not in training or education—have increased their earning potential. Approximately 7,800 secured jobs at some of the UK's leading employers, including Accenture, as well as small- and medium-sized businesses across industries including retail, logistics and health care.



MEET ALEXANDRU – United States, Upwardly Global

Despite IT experience, Alexandru worked as a mover when he came to the United States from Moldova. With support from Upwardly Global, he is using his IT skills again as a software engineer at Accenture.



<u>MEET NTOMBIFUTHI</u> – South Africa, Leonard Cheshire Disability Ntombifuthi was unemployed due to a disability that made physically demanding work painful—Leonard Cheshire Livelihood Resource Centre provided her with training to secure an administrative position at a freight logistics company.

Accenture as a Skills to Succeed employer

We are committed to doing our part to connect newly skilled individuals with sustainable jobs—not just as a funder and strategic partner, but also as an enthusiastic employer of individuals, often from a position of disadvantage, who have been equipped with job readiness and market-relevant skills through **Skills to Succeed**. These hiring programs expand our talent pools to include high-potential individuals and support our ambition to establish Accenture as the most inclusive and diverse organization in the world.

- As a founding partner of <u>Movement to Work</u>, Accenture is collaborating with clients, suppliers and fellow employers to offer young people access to high-quality digital training, work experience and a path to entry-level jobs. To date, Accenture has offered more than 160 in-house apprenticeships, and more than 80 of our trainees have gone on to find full-time employment, 30 of them at Accenture. In addition, we have engaged our UK-based suppliers in pledging approximately 1,000 apprenticeships of their own. Throughout the United Kingdom, more than 30,000 young people have been placed in apprenticeships with participating employers through Movement to Work, and more than 50 percent of those youth have gone on to find permanent employment.
- With Accenture in the Future, a <u>Rede Cidadã</u> and <u>Instituto Ser Mais</u> initiative in Brazil, we are providing technical training to high school graduates from low-income communities, who can potentially be hired by Accenture Technology and Accenture Operations. To date, we have trained more than 160 young people and more than 100 are now employed full time by Accenture.
- Through our Philippine Business for Social Progress initiative, Accenture has equipped more than 110 underprivileged youth with the skills to find employment in the outsourcing industry. Of those, 47 have been hired by Accenture or other business process outsourcing companies. The project continues to provide information on job opportunities and assistance with pre-employment activities.

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GOAL COLLABORATION FOR SYSTEMIC CHANGE:

By the end of fiscal 2020, we will bring together organizations across sectors to create large-scale, lasting solutions aimed at closing global employment gaps.



We continue to evolve our role as a collaborator, convener and thought leader, and to deliver research and insights on what works to help drive systemic change. As part of our role in the global Solutions for Youth Employment coalition, we helped launch a new report that identifies solutions to the challenges of getting all youth into productive work. Additionally, we initiated a new collective impact initiative in France, and continue to support ongoing initiatives in the United Kingdom and Spain to help drive systemic change.

 In the United States, <u>Upwardly Global</u> helps eliminate employment barriers and integrates skilled immigrants into the professional workforce. Over the past two years, we have helped the organization expand its online training program and reach job seekers outside its original local markets of Chicago, New York and San Francisco. As a result of Accenture's support, in fiscal 2015, more than 1,600 job seekers participated in online or in-person training, and more than 500 program participants secured professional positions in sectors ranging from finance to engineering to health care. Sixteen Upwardly Global alumni are now employed by Accenture.

Enabling entrepreneurship

Entrepreneurs have a multiplier effect on communities, bringing leadership skills to the marketplace and creating new businesses and jobs for others. Support from non-governmental organizations, nonprofits, governments and large businesses to help entrepreneurs sustain their contribution to economic growth and job creation is critical. When it comes to launching a successful business, training is just the beginning. Our experience shows that effective programs provide ongoing mentoring and other support to address the challenges of starting and growing a business of any size.

• Since 2012, more than 27,000 underprivileged women in rural India received business and livelihoods training with <u>Mann Deshi Foundation</u>. This training is supplemented by support services to maximize their chances for success, which include help with loan applications, access to

supplier and customer markets, and connections to mentors in their industry. More than 18,000 of the women receiving Accenture support have successfully launched or expanded their business ventures.

• We are helping Youth Business International (YBI) increase the capacity and scale of its network, develop a global technology infrastructure and expand from 40 to 65 countries. This will allow YBI to equip 50,000 youth worldwide with entrepreneurial skills, enable those individuals to establish approximately 10,000 start-ups and create 16,000 additional associated jobs. Entrepreneurs around the world are increasingly operating online, and YBI's new network will reflect this shift, embracing digital and driving scalability and efficiency in its support for disadvantaged youth. To date, with Accenture's support, YBI has trained more than 47,000 entrepreneurs whom they estimate have created approximately 140,000 new jobs across the globe.



<u>MEET ANEYSHA</u> – UK, Movement to Work Aneysha could not get a job because she lacked work experience. Movement to Work taught her technical skills, and she is now a technology apprentice at Accenture.

Watch the video

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COLLABORATING FOR GREATER IMPACT

We have learned that no single organization can adequately address the issue of unemployment and diminished prospects that limit quality of life for millions of individuals around the world. Our third strategic priority is to bring together, or join with, organizations across sectors to creating large-scale, lasting solutions aimed at closing global employment gaps.

The successful execution of our strategy hinges on deep relationships with a diverse set of organizations, including our nonprofit partners, clients, government agencies, employers and other funders. These partners bring a broad range of perspectives on complex issues, such as unemployment. As such, it can be a challenge to find common ground and generate consensus on the path forward. However, we believe that such efforts are essential to create large-scale change, and we are uniquely positioned as a collaborator, convener and thought leader to develop shared solutions that help create sustainable economic growth for millions of people worldwide.

• We are proud to be a founding partner of <u>Solutions for Youth</u> <u>Employment (S4YE)</u> alongside International Labour Organization, International Youth Foundation, Plan International, RAND Corporation, the World Bank Group and Youth Business International. S4YE is a global coalition launched in 2014 to mobilize efforts aimed at increasing the number of young people engaged in productive work by 2030. It seeks to develop and enable innovative solutions at scale through practical research and engagement with governments, businesses and civil society. The coalition's inaugural report, "<u>Toward</u> <u>Solutions for Youth Employment: A 2015 Baseline Report</u>," identifies how S4YE can find and advance solutions to the challenges of getting all youth into productive work. For the first time, it offers clear evidence that investments in youth employment pay off and shows that interventions including skills or entrepreneurship training yield positive results on labor market outcomes.

- In Spain, we helped to mobilize the <u>Juntos por el Empleo</u> de los Más Vulnerables, a cross-sector initiative that combines the efforts of more than 1,000 social organizations, businesses and public administrations to design and promote solutions to support employment for the most vulnerable sectors of society. To date, this group has developed more than 20 new ways to help vulnerable individuals find a job or become self-employed, and these are being used in 25 countries around the world. Many of the solutions are digitally focused, including the Employment Observatory, a web portal where NGOs can access information about the employment market, and Emplea +, an application to measure and develop the employability of vulnerable people. We also developed a cloud platform that allows social organizations to access the various solutions free of cost.
- In France, we initiated the French Collective Impact initiative, a group of five organizations that came together to evaluate local employment environments, and then develop or support programs to prepare unemployed or underemployed individuals to fill specific in-demand positions. To date, we have organized more than 35 jobspecific workshops, and more than 30 employers are participating. In 2016, the initiative aims to support 1,000 people and place 200 of them in permanent jobs with participating employers.

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CASE STUDY: PROJECT U-TURN

CLIENT'S CHALLENGE: We worked with the **Philadelphia Youth Network** (PYN), on behalf of **Project U–Turn**, to develop recommendations for employment pathway models for nearly 30,000 out-of-school and out-of-work youth aged 18 to 24 in the Philadelphia region.

OUR SOLUTION: Together, we analyzed local and national research to identify specific workforce challenges and opportunities in Philadelphia and developed possible strategies that PYN could implement and scale. Partnering with **Burning Glass Technologies**, we leveraged detailed employment data to develop recommendations on what programs will provide the most value.

THE RESULTS: The resulting pathway models provide a roadmap to strategies for PYN to set target goals, build partnerships and develop programs to address talent supply gaps.

THE PATH FORWARD

As we look ahead, we are energized by the measurable impact we can create together with our strategic partners. Our path to 2020 is defined by a clear focus on:

- Market-relevant strategies in each geography to close skills gaps and address local market needs.
- Leveraging technology to drive scale.
- Insight- and outcome-driven investments.
- Cross-sector collaboration.
- Extending the impact of our people.

In the coming year, we will refresh our **Skills to Succeed** programming to reach our ambitious goals. For example, we will take a careful look at what technologies and digital solutions are ready to scale to accelerate our ability to skill people for in-demand jobs. We will harvest the knowledge and experience of **Skills to Succeed** practitioners inside and outside Accenture and translate that know-how into actionable insights to collectively to improve our performance for job seekers and entrepreneurs. We will explore how our partnership and funding strategy should evolve to best engage the diverse set of organizations from the public, private and nonprofit sectors we want to work with to make a lasting change in the employment equation.

We see challenges in achieving our 2020 goals that we are seeking new ways to address. While we are progressing well against our first goal to equip more than 3 million people by 2020 with the skills to get a job or build a business—with more than 1.2 million people skilled so far—it can be complex to deliver meaningful demand-led skilling programs at scale. Equipping people with market-relevant skills is not a one-size-fits-all formula. Each individual has his or her unique set of training needs and personal obstacles to overcome, and the skills needed by employers can vary significantly across sectors and regions.

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These considerations push us to be more innovative with our nonprofit partners about how to achieve scale across a global program. We continuously re-examine our approach to ensure that our programs are building on what we have learned and adapting to the growing needs of the increasingly digital workforce.

Our second 2020 goal moves beyond the skill-building stage, focusing our investments and partnerships on measurable outcomes—ensuring the people we skill are able to secure durable employment and launch sustainable businesses. Our intent is to understand what works best in these transitions, but here, too, there are significant barriers. It can be costly to maintain long-term contact with job seekers and entrepreneurs following training interventions. This challenge, which is common for any alumni group, can be exacerbated by difficult economic circumstances. Additionally, many nonprofit organizations lack the resources, technical capabilities or expertise necessary to measure outcomes. In the coming year, we will continue working closely with our nonprofit partners to expand their capabilities, particularly with digital solutions, to improve their understanding of what works best to help job seekers and entrepreneurs get into jobs and move toward economic self-sufficiency.

Our third 2020 goal is focused on collaboration as a means to systemic change. This year we are defining what success looks like in creating collective, large-scale, lasting solutions aimed at closing global employment gaps. Building such collective action takes time and there is no defined standard for such measurement practices, so we seek a pragmatic solution that will work across our diverse programs.

Although **Skills to Succeed** is focused on reaching millions and effecting global change, behind the numbers lies the heart of this initiative: the individuals whose lives are transformed by gaining the skills to get a job or build a business.

SKILLS TO SUCCEED SUPPORTS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS 4, 8 AND 17





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With more than 100 events per month, global live-stream broadcasting bridges the physical distance between Accenture people, clients and communities, while lessening the need for travel and its corresponding carbon emissions.

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EFFICIENT OPERATIONS | CLIEN

CLIENT & SUPPLIER SUSTAINABILITY

POWERED BY OUR PEOPLE

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AT A GLANCE

Fostering sustainable economic growth for our company and our stakeholders is at the heart of our environmental strategy. Leveraging the power of our people and the digital world is key to achieving our environmental goals for 2020 and helping to ensure a better future for our planet.

A FEW HIGHLIGHTS SINCE OUR LAST REPORT:



REDUCED our per employee **CARBON EMISSIONS** by **47%** toward our goal of **50%** by 2020



AVOIDED ENOUGH CO₂ since 2007 TO POWER the electricity usage of **350,000 NORTH AMERICAN** HOMES for one year



Set a goal to IMPROVE ENERGY EFFICENCY by 30% by 2020

Y

Led the CORPORATE RESPONSE to CLIMATE CHANGE on CDP's Climate A List



Earned a spot on CDP's **DISCLOSURE LEADERSHIP INDEX** with a **99/100** on our Climate Change Response

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ETHICS & SKILLS TO GOVERNANCE SUCCEED ENVIRONMENT

OUR PEOPLE SUPPLY CHAIN

OUR STRATEGY AND APPROACH

Accenture has long understood the need to minimize the impact of our operations in an energy- and carbon-constrained world. Since 2007, when we first quantified our carbon footprint, our commitment has continued to evolve and grow. Today, we build and test innovations like cloud computing that inherently reduce environmental impact.

We confront the multifaceted issues of transparency and accountability in achieving our goals. Our environmental strategy focuses on three areas: running efficient operations that reduce emissions and other impacts; enabling client and supplier sustainability; and engaging our people, leaders, partners and other stakeholders.

As a global professional services company, our environmental footprint consists primarily of the carbon emissions that our people generate through air travel and use of electricity. By executing our strategy, we are confident we can attain bold, sustainable outcomes that reduce our carbon footprint and help mitigate the impacts of climate change.

We use digital technology to collaborate, learn and connect with our teams and our clients while reducing the cost, time and necessity of travel and travel-related carbon emissions. We encourage our approximately 373,000* people around the world to share and implement innovative environmental solutions in their daily work. Environmental stewardship is ingrained in our <u>Code</u> of <u>Business Ethics</u> and our <u>core values</u>, specifically Stewardship. These inform our <u>Environmental</u> <u>Responsibility Policy</u>, which our <u>Environment Steering</u> <u>Group (ESG)</u> established in 2007, updated in 2014, and reviews annually.

Accountability for our environmental strategy starts with our <u>Chairman & CEO</u> and cascades to our governance bodies that oversee our environmental policy and corporate objective of fostering environmentally sustainable growth.

RUNNING EFFICIENT OPERATIONS

As a services company, more than 80 percent of our carbon footprint consists of the emissions our people generate from air travel for business purposes and from the use of electricity in our office locations.

To run our operations ever-more efficiently, and to reach our goal of reducing carbon emissions to an average of two metric tons per employee by 2020, we have set three priorities: leveraging technology for direct energy savings; increasing renewable energy sources; and shaping a culture of digital collaboration that lowers the expectation of and need for travel.

Since setting our initial carbon target in fiscal 2008, we have reduced our <u>per employee carbon emissions</u> by more than 47 percent against our fiscal 2007 baseline—an eight-year reduction from an average of 4.04 to 2.14 metric tons of CO_2 per employee. This reduction is equal to avoiding approximately 2.6 million metric tons of CO_2 or the annual electricity usage of about 350,000 North American homes.

GOAL

RUNNING EFFICIENT OPERATIONS:

By the end of fiscal 2020, we will reduce our carbon emissions to an average of two metric tons per employee representing a more than 50 percent reduction against our 2007 baseline.

PROGRESS

By the end of fiscal 2015, we achieved a 47 percent reduction from baseline, reducing our carbon emissions from an average of 4.04 metric tons of CO₂ per employee in fiscal 2007 to 2.14 in fiscal 2015.

NEW GOAL RUNNING EFFICIENT OPERATIONS:

By the end of fiscal 2020, we will improve our energy efficiency by 30 percent against our 2007 baseline.

*As of February 29, 2016

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SKILLS TO SUCCEED

RECOGNIZED ON CDP'S "CLIMATE A LIST"

Every year since 2007, we have reported our environmental performance to CDP (formerly known as the Carbon Disclosure Project). <u>Our response to CDP's</u> <u>Climate Change program</u>

captures our environmental risks, opportunities and methodologies. In 2015, Accenture was included for the second consecutive year on CDP's "<u>Climate A List</u>," which highlights the level of action, as reported by the company, on climate change mitigation and adaptation.

Accenture was also included on CDP's "<u>Climate Disclosure</u> <u>Leadership Index</u>," which represents the top 10 percent of S&P 500 companies based on the completeness and quality of their responses to CDP's annual request for climate disclosures. In 2015, Accenture received a disclosure score of 99 out of 100. Our efforts to invest in virtual collaboration technology, staff locally where possible and maximize use of our <u>Global Delivery Network</u> generated reductions in per employee carbon emissions from air travel of more than 2 percent, compared to fiscal 2014.

Leveraging technology for energy management

Managing our energy use helped make fiscal 2015 the most energy-efficient year in our company's history. Since the outset of our energy management programs in fiscal 2007, the collective electricity efficiency of our offices around the globe has improved more than 28 percent.

These improvements add up over time, helping us cumulatively save an estimated 740,000 megawatthours of electricity and more than 450,000 metric tons of CO_2 since 2007. For perspective, these emissions savings are equivalent to a reduction in oil consumption of more than 1 million barrels. These efficiency gains also saved more than US\$96 million in energy spend over the same time period.

We will improve our energy efficiency by 30 percent against our 2007 baseline by the end of fiscal 2020. We set this target in 2015 to expand our goals and further reduce our environmental footprint. We will achieve the target by continuing to execute our environmental strategy, increasing efficiencies and improving infrastructure, and using energy-monitoring capabilities in new facilities and existing operations. Today, with no physical headquarters that contains all our leadership, Accenture serves clients across more than 120 countries. Although our leadership team meets quarterly in a physical setting, Accenture is run largely on a virtual basis. We do this by design—to allow our leaders to be dispersed throughout the world, closer to our markets, our clients and our people. This shift to digital governance has improved Accenture's efficiency while also reducing our carbon footprint.

Smart metering

Since 2010, Remote Energy Monitoring (REM), or smart metering, has enabled us to make moreinformed decisions about energy consumption through real-time monitoring. By the end of fiscal 2015, we had installed more than 400 smart meters in our facilities worldwide. With significant focus in India and China, we continue to expand our smart meter portfolio, bringing more than 140 new meters online in fiscal 2015. Smart meters provide a number of advantages including increased reliability and improved energy management, which have led to reduced energy costs.

More efficient lighting and cooling

Accenture has identified enormous potential to make a difference in environmental sustainability by maximizing the use of new and digital technologies in our day-to-day operations. For example, Accenture Workplace Services is rolling out the installation of light emitting diode (LED) tubes—sourced through our client Philips—at Accenture locations around the world. In 2014, all Accenture offices in the Philippines

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had converted to LED lighting by installing more than 32,000 LED tubes. Additionally, in China we converted more than 30 percent of our office space to LED lighting for new fit-out or refurbishment projects.

Benefits of LEDs include reduced carbon emissions through lower energy use, reduced environmental impact by eliminating fluorescent tubes and their mercury content and reduced operating costs. In 2015, LEDs helped reduce more than 3 million kilowatt-hours, more than US\$400,000 in related costs and more than 1,500 tons of CO_2 .

Additionally, we replaced traditional single-stage compressors at 10 Accenture locations in the Philippines to provide cooling to our data centers with more efficient, digitally controlled compressors. Instead of running at high speed all the time, the system can now run at lower speeds most of the day, meeting cooling demands with less energy. Potential energy savings across the 10 locations is projected to exceed 600,000 kilowatt-hours annually.

In Brazil, we implemented an ice storage cooling system, which freezes ice overnight—when energy is generated by hydropower and demand is low—and melts ice during the day to help cool our facility, reducing electricity consumption at a time when demand is high.

Ongoing efforts to assess and reduce environmental impact

Accenture is <u>ISO 14001</u> Environmental Management System (EMS)-certified globally. ISO 14001 is an international standard for organizations to minimize their environmental impact. It is a key credential for many of our clients and tangible evidence of our commitment to being an environmentally responsible partner. Additionally, Global ISO 14001 certification sites serve as an incubator for innovations that we can cross-pollinate to other Accenture locations worldwide.

SKILLS TO

SUCCEED



Accenture's office in Sydney is Australia's first building rated 6 Star Green Star, the highest performance rating given by the Green Building Council of Australia.

We seek to responsibly minimize water consumption across our business. Our operations are not water-intensive; however, we recognize the increasing importance of water availability in areas of the world that may become water-stressed due to escalating physical and economic water scarcity. We engage our people to raise awareness of conservation measures. We also continue to work with our building management companies to promote the careful use of water, implementing improvements where practical.

Collaboration technology minimizes our need for travel, yet also poses a challenge: technology upgrades that necessitate disposal of obsolete electronic waste (e-waste). In fiscal 2015, we maintained our strong

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results with responsible disposal of e-waste. More than 99 percent of our total disposed equipment—more than 46,000 laptop and desktop computers weighing 180 metric tons—was disposed of in a method avoiding landfill, primarily through management by supplier reclamation and responsible disposal vendors.

Increasing renewable energy sources

Replacing nonrenewable with renewable energy is part of our supply chain sustainability strategy. In fiscal 2015, use of renewable energy contributed to reductions in per employee carbon emissions—allowing us to avoid more than 57,000 metric tons of CO_2 across our global operations. Additionally, the execution of our strategy to power more offices renewably took a significant step forward in fiscal 2015. We purchased more than 30 percent more renewable kilowatt-hours compared to fiscal 2014.

Renewables in India continue to be an area of success, and challenge, for us. We procure a significant amount of zero-emission, renewable wind electricity for our largest office in Chennai where our status as the building's single tenant encourages our landlord to actively partner with us. We also continue to contract directly with new wind power suppliers to secure an assured renewable power supply for four of our largest Bangalore facilities. Our demand is helping to drive the ongoing development of new renewable sources and to support steps that contribute to closing India's energy supply gap.

Accenture continues to explore cost-practical means to purchase renewable instead of non-renewable grid energy wherever possible. The fact that we do not own our office buildings, however, limits our ability to self-generate renewable energy or enter into contractual agreements with local renewable energy suppliers on our own. We continue to encourage our landlords to pursue cost-feasible, locally available renewable options for tenants, or allow us to pursue them ourselves. Highly regulated markets such as Spain, Brazil and the Philippines present special challenges to procuring renewable energy from sources other than their grid. Our recently acquired partners, EnergyQuote and Procurian, bring new business intelligence to Accenture that will help address the complexities that worldwide renewable markets present.

Improving operational efficiencies with collaboration technology

In 2015, our internal IT organization set forth a bold mission to drive a digital Accenture. We are enabling digital operations within the CIO organization and across Accenture's global enterprise—reducing the carbon emissions, cost, time and necessity of travel. Digital will be key to achieving Accenture's environmental goals for 2020 and beyond.

With a philosophy of moving ideas, not people, we have embedded the expectation of minimizing travel into our culture. We are communicating and connecting in a way that is second nature to our people, the majority of whom are Millennials and digital natives. Further, we are investing heavily in collaborative technologies minimizing the use of hardware where possible in favor of inherently sustainable solutions such as cloud computing.

In 2015, we averaged nearly 9 million videoconferencing minutes per month across multiple videoconferencing tools. In fact, Accenture is one of the largest global users of Skype for Business[®], and we are not alone. More than 500 clients communicate with Accenture people easily and securely over communication platforms such as Skype for Business.

We are launching apps that give our people modular, task-specific tools to do precisely what they need, when they need it. Mobile apps are key to delivering our digital success. Our people are already using these apps to connect with each other, expand their careers, <u>acquire new</u> <u>skills</u> and increase their client service focus.

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ETHICS & GOVERNANCE Global live-stream broadcasting is an everyday reality across Accenture, bridging the physical distance between Accenture employees, company leaders, clients and even the general public. This type of virtual face-to-face interaction lessens and often eliminates the need for travel and its corresponding carbon emissions. In fiscal 2015, Accenture Broadcast averaged more than 100 events per month, which included all-employee webcasts, telepresence conferences and external events.

(a) Listen to an Accenture Broadcast

Watch the Accenture 2016 IT Report video

Smart Work program

Smart Work helps our people explore alternative travel arrangements, such as working one or more weeks a month from local or home offices or client sites, as appropriate. It also encourages making smart decisions about travel spend and taking advantage of tools and technologies that help to reduce the need for travel and commuting. Besides advancing environmental stewardship, Smart Work helps enhance work/life integration, the morale of our people and the quality of service we deliver to our clients.

In North America, all significant client projects have the collaboration tools, resources and ability to implement Smart Work, and many have already implemented one or more components to facilitate strong connections between team members when they are working virtually. Driving employee engagement is just as important as driving carbon reductions; client teams as well have seen increases in employee engagement from these programs.

Travel Smart Challenge

We conducted our fourth annual Travel Smart Challenge in fiscal 2015. A six-week competition that ran from Earth Day to World Environment Day encouraged Accenture people to think creatively about how they can minimize flights and road travel and reduce their travel-related carbon footprint. Over the past four years, participants from around the world avoided more than 11,000 flights, which translates to a reduction of more than US\$9 million in travel spend. Additionally, approximately 1.8 million ground transportation miles were avoided, which contributed to an estimated overall reduction of more than 6,500 metric tons of CO_2 .



At Accenture Technology Labs in San Jose, California, resident "Labbers" and the rest of our Digital Experiences team park their chosen mode of transport.

GOAL ENABLING CLIENT & SUPPLIER SUSTAINABILITY:

By the end of fiscal 2020, we will begin to measure and report the impact of our work with clients and suppliers in key areas of sustainability.



PROGRESS

In fiscal 2015, we piloted methodologies that start to measure the impact of our services with clients.

NEW GOAL ENABLING SUPPLIER SUSTAINABILITY:

By the end of fiscal 2020, we will expand to 75 percent the percentage of our key suppliers who disclose their targets and actions toward emissions reduction.

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CASE STUDY: KERALA KNOWLEDGE CITY

CLIENT'S CHALLENGE: The concept of sustainable smart cities integrating smart people, smart environment, smart government, smart living and smart mobility—is becoming a reality. Kerala, which is India's 12th-largest state with a population of 34.8 million, undertook a bold new initiative in 2015 called "Kerala Knowledge City." It aims to transform the state by developing a world-leading knowledge center for the digital economy.

OUR SOLUTION: Accenture drew on our expertise in complex feasibility studies for the development of a smart city plan. We also utilized our vast pool of global experts and partners in all major fields from architecture and engineering to education, town planning, construction, macroeconomics, renewable energy, business strategy and information technology.

THE RESULTS: By establishing close collaboration with Kerala's major academic and research institutions, we recommended a high-performance model for an intelligent city offering state-of-the-art security, a smart transportation system, and sustainable energy generation such as solar-powered public lighting and waste removal systems. Our solution is expected to greatly benefit Kerala by reviving the state's economy and creating up to 1 million new jobs over the next decade.

Read more

CASE STUDY: NESTLÉ: DEFINING THE COMMERCIAL BENEFITS OF SHARED VALUE CREATION

CLIENT'S CHALLENGE: Nestlé S.A. is a multinational food and beverage company headquartered in Vevey, Switzerland. Nestlé's ambition is to become known as the world's leading health, nutrition and wellness company. Its Creating Shared Value (CSV) initiative signifies the company's approach to sustainable business. Priority focus areas include nutrition, rural development, responsible sourcing and water, as well as climate change, human rights and food safety. While the societal impacts of the associated initiatives are well documented and measured, the commercial value derived from them had not yet been clearly assessed nor expressed.

OUR SOLUTION: Accenture Strategy conducted a series of internal interviews and a workshop, and supported Nestlé's materiality process to prioritize various CSV issues in light of their importance for both external stakeholders and the business.

THE RESULTS: This analysis helped clarify the links between sustainability issues and key commercial success drivers such as premium pricing capabilities, sales volumes, security of supplies, value chain integrity and intangibles, as well as efficiencies and costs of capital. The client described the work as very valuable in enhancing Nestlé's understanding of the synergies between societal interest and shareholder expectations and the business benefits of its sustainability efforts.

Read more

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COP21 CLIMATE SUMMIT

At the 21st session of the Conference of the Parties (COP21) in Paris in December 2015, Accenture played a key role in contributing to the debate on the climate challenges being addressed. Together with partners such as CDP, the World Economic Forum, We Mean Business and SE4All, we hosted the "Accenture Solutions COP21 Forum" to highlight valuecreation opportunities with emphasis on circular economy business models and digital climate disruptors.

Additionally, Accenture hosted the private sector session of SE4All's Thematic Action day within the official negotiations zone on Energy– focusing on renewables, efficiency and access–and invited client CEOs to showcase their COP21 contributions.

ENABLING CLIENT AND SUPPLIER SUSTAINABILITY

Accenture's solutions and services help businesses and public sector organizations identify, develop and implement sustainability strategies in an era of digital disruption. These strategies drive performance, address clients' most pressing needs and also help them create positive environmental and social impact.

Our 2020 environmental goals drive us to report progress on the impact of our initiatives to enable client sustainability. To that end, in fiscal 2015 we began to build, test and deploy new methodologies to measure the emissions our clients avoid when Accenture delivers targeted solutions and services for them. Through fiscal 2016, we will identify key client services with the highest carbon abatement potential; pilot measurement approaches with client projects; and begin to industrialize our approach.

In 2015, we identified the opportunity to add relevant new capabilities such as climate adaptation consulting and services. Under development are capabilities along three themes: resource effectiveness and circular economy, where growth does not depend upon the use of scarce natural resources; trust, transparency and traceability; and sustainable value management.

We have also expanded our environmental goals to include a new supplier transparency and action target: by the end of fiscal 2020, 75 percent of our key suppliers will disclose their targets and actions toward emissions reduction. We believe disclosure is an important first step for our suppliers in managing their sustainability performance. By the end of fiscal 2016, we will invite 100 percent of our key suppliers to disclose their actions on emissions reduction.

Convening partners and clients for climate solutions

As Accenture strives to contribute to the global environmental and climate agenda, a key role we take on is that of collaborator, convener and thought leader. We team with other businesses and organizations to gain insight into issues and solutions that will help make the world a better place. We invest in research and development each year to help create, commercialize and disseminate innovative business strategies and technology solutions, including those that help our clients and suppliers improve their sustainability performance. Some highlights from 2015 include:

United Nations initiatives

Since 2011, we have played an ongoing leadership role in the <u>United Nations Secretary General's Initiative</u>, <u>Sustainable Energy for All (SE4AII)</u>. A unique multistakeholder partnership backed by the United Nations and World Bank to catalyze action for universal access to sustainable energy, SE4AII aims to double the rate of improvement in energy efficiency by 2030—one of its three objectives and a target under the UN's Sustainable Development Goal 7 on energy.

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OUR PEOPLE SUPPLY CHAIN

In fiscal 2015, Accenture and SE4All published a joint report "<u>Sustainable Energy for All, We Commit</u>." Accenture led the effort to guide private sector engagement under SE4All's 100/100/100 campaign. The report details the results: a range of energy efficiency ramp-ups and investment commitments from 775 companies, more than 130 national, regional and local governments, and more than 100 financial institutions—thus contributing to both economic growth and reducing climate change impacts.

Additionally, in fiscal 2015, we partnered with the UN Global Compact (UNGC) and Caring for Climate on a "<u>Special Edition CEO Study: A Call to Climate</u> <u>Action</u>." The study focuses on the business opportunity in innovating new technologies and solutions to the climate challenge. This represented a continuation of our long-standing relationship with the UNGC.

World Economic Forum initiatives

Through our pro bono work, Accenture supports the World Economic Forum's global project to design and deliver public-private partnerships that produce tangible climate results through 2020 and beyond. Specifically, we are engaging CEO-level business leaders to deliver innovative and concrete emissions reduction efforts; reduce exposure of global financial systems to climate and carbon risks through disclosure, stress tests and policy; and increase specific, collaborative projects across value chains to scale up climate-friendly innovations across diverse industrial sectors. Our Chairman & CEO Pierre Nanterme is also a member of the World Economic Forum-facilitated CEO Climate Leadership Group, representing more than 75 CEOs of global companies with operations in more than 150 countries and territories. In fiscal 2015, the group signed <u>a statement</u> urging concrete, business-led climate solutions; set out their climate commitments; and extended an open offer to work with global leaders to co-design climate solutions relevant to their jurisdictions and industry sectors.

CDP initiatives

In 2015, as part of our ongoing partnership with CDP, Accenture published a new report, "Low Carbon, <u>High Stakes</u>." The report examines how utility companies should invest to help achieve the critical goal of limiting the average global temperature rise to 2 degrees Celsius (2°C) while yielding new revenue, as well as what governments can do to facilitate this through policies and regulation. We found that the shift to an efficient and low-carbon energy system could create between €245 billion and €380 billion in new annual value for the global electric utilities industry by 2030.

Waste to Wealth: Creating Advantage in a Circular Economy

In 2015, Peter Lacy and Jakob Rutqvist, from our Accenture Strategy Sustainability practice, published the book "<u>Waste to Wealth: Creating Advantage in</u> <u>a Circular Economy</u>." They explore how the circular economy–decoupling growth from the use of natural

PRODUCING THE CIRCULARS

In January 2015, the Young Global Leaders (YGL) of the World Economic Forum, in collaboration with Accenture, hosted the inaugural Circular Economy Awards at the World Economic Forum Annual Meeting in Davos. The awards program provides recognition to individuals and organizations that have made a notable contribution to driving circular economy principleswhere growth does not depend upon the use of scarce natural resources. Award winners were selected from nearly 200 entries across five categories.

We also co-chair the YGL task force, an initiative of private, government and academic members whose vision is to create a socially and environmentally prosperous world where profitable businesses provide smart goods and services within the resource limits of the planet.



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resources and powered by advances in digital—may be the biggest business transformation in the last 250 years. According to Accenture research, US\$4.5 trillion of economic growth could be unlocked by 2030 through circular business models. The authors present disruptive yet practical strategies that include five circular economy business models and case studies of leading companies across industries.



Global e-Sustainability Initiative

Accenture worked with the Global e-Sustainability Initiative (GeSI) to research and publish a new report in 2015. "<u>SMARTer2030: ICT</u> <u>Solutions for 21st Century Challenges</u>" highlights the business case for low-carbon growth and energy-efficiency gains through information and communication technologies (ICT) and materials. As smart phones, networked sensors, smart grids and other ICT devices become faster, cheaper and more globally accessible, they have the potential to deliver profound environmental, economic and social benefits. These include a 20 percent reduction in global carbon emissions by 2030; more than US\$11 trillion in new economic benefits; the ability to extend e-healthcare to an additional 1.6 billion people worldwide; and an estimated 30 percent increase in agriculture yields.

Watch the video

National Business Initiative

Accenture and the National Business Initiative (NBI) partnered with African and global business leaders in 2015 to develop a joint report, "<u>Reimagining Africa's Future: The \$350 Billion Opportunity for</u> <u>Sustainable Business</u>." Based on consultations with CEOs of some of Africa's leading companies, the report suggests that scaling innovations in four categories—new markets, collaborative operating model, resource efficiency and trust—can improve competitiveness and better address changing customer needs and the wider needs of society. By following a blueprint for unlocking high-value opportunities, African businesses have the opportunity to create around US\$350 billion a year in value from new opportunities that address socio-economic and environmental challenges.



Climate change adaptation initiatives

Historically, measuring the impact of climate efforts—from rainstorms to drought—has been difficult. From an organizational standpoint, it has been nearly impossible to manage. Digital is changing the landscape by making it possible to prepare for and adapt to environmental change through climate resilience strategies.

Accenture has spent the last several years developing a growing body of practical resources to help companies take action on climate change adaptation. We recently published the report, "<u>Climate Resilience Goes</u> <u>Digital: Using digital strategies to manage risk</u>," which explores how digital technology can help enable a cross-functional organizational resilience strategy and also provide a strong return on investment.

In 2015, Accenture and several other companies collaborated in producing a report sponsored by the Future Leaders Program of the World Business Council for Sustainable Development (WBCSD), where we maintain active membership. "<u>Climate resilience: A guide for the CEO</u>" proposes a simple and actionable three-step process and framework to help CEOs build a climate-resilient business model.

Additionally, Accenture partnered with GlaxoSmithKline and the University of Oxford to produce the study, "<u>Climate Change and Health: Framing</u> <u>the Issue</u>." The study underscores the importance of understanding the impact that climate change could have on human health for future disease control, health infrastructure planning, and preparedness of industries and governments to effectively respond and adapt.

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POWERED BY OUR PEOPLE

The success of our environmental programs is the result of energizing, equipping and inspiring our people to advance our sustainability goals. Moreover, this enhances our ability to attract and retain the next generation of talent—high performers who have told us in surveys and on social media that they want meaningful work that serves the organization, clients, society and the environment.

Our leaders have made our environmental goals public and articulated a set of environmental principles that guide our business and help to instill the same values in our people. Local environment leads implement programs to reduce our energy consumption. They work to achieve annual improvement targets in terms of kilowatt-hours per metersquared of office space. Our people constantly invent ways to execute our environmental strategy in their daily work and through awarenessbuilding, education and behavior-change initiatives that help foster positive sustainability attitudes and habits.

As an example, our people in the Philippines devised and ran an energy contest in which our people were given direct access to smart energy meters. Each floor in the office building competed against the others in an attempt to reduce energy consumption from the previous month's baseline by the highest percentage. Our people have a huge impact when we give them the right tools.

Eco Champions and eco volunteers

Our Eco Champion networks develop innovative approaches to eco-smart work practices and support our efforts to drive their adoption around the world. Today, we have Eco teams, including more than 5,600 volunteers, across all geographies. Additionally, eco enthusiasts in local offices contribute to environmental efforts by participating in shared-interest group activities in their communities and spearheading training and other office events on an ad hoc basis.



Accenture people in the United States and their families worked side-by-side with community members to plant 100 trees in a local disadvantaged neighborhood.

Throughout the year, we sponsor market-relevant eco engagement campaigns across Accenture to drive awareness and action in support of environmentally responsible behaviors. In fiscal 2015, an employee-led Eco Summit drew more than 260 participants across 25 countries to discuss topics such as waste, eco volunteering and energy savings through live chats and our online Eco Engagement Circle.

Our people also spearheaded local efforts such as addressing office waste and emissions, promoting telecommuting and alternative travel options, and organizing <u>Earth Day</u> and United Nations World Environment Day events. Some examples of their work engaging colleagues in 2015 include:

- In the United Kingdom, Accenture Eco Champions celebrated World Water Day, a United Nations-designated day to reflect on those who suffer from water-related issues and how we prepare to manage water in the future. The group created a guide to inform colleagues about water and ways to conserve it while saving energy and money at the same time.
- In Canada, Accenture people worked with the Toronto Renewable Energy Cooperative to equip more than 400 low-income secondary school students with the skills and experiences to pursue "green collar" careers.

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THE PATH FORWARD

With the signing of the historic agreement at the United Nations climate change conference in Paris in December 2015, government and business leaders have a renewed focus on the sustainability agenda. Yet, there is also the reality of the complex politics and work required by all stakeholders to ensure the agreement will do right by our planet and future generations who will inhabit it.

Accenture is committed to working together with other businesses and governments to turn policy into actions that deliver concrete climate solutions and sustainable outcomes. We will continue to explore climate change as a business continuity risk, including assessing the relevance and implications of carbon pricing given the global focus with COP21.

Additionally, we continue to see our response to climate change as an opportunity to create shared value. By maximizing the impact of sustainability policies and practices, we will enhance our company's competitiveness while advancing the social and economic conditions in which we operate.

We will look downstream to assess the impact of our solutions and services on our clients' sustainability efforts further advancing our environmental stewardship beyond our four walls. We are developing relevant offerings such as climate change adaptation consulting and services—particularly in areas where there is high climate risk.

Upstream, we understand that emissions in the supply chain are a substantial part of a company's footprint. We will continue to measure and report the impact of our work with suppliers in key areas of sustainability, and we are well positioned to deliver on our own supplier transparency and action goal, which encourages our key suppliers to disclose their targets and actions toward emissions reduction.

There is no shortage of innovation and technology to address climate change; there is, however, a greater need to apply digital solutions at massive scale to have a meaningful impact. Accenture has a critical role to play—working with businesses and governments to leverage the power of the digital world to help drive tangible results from the Paris agreement and beyond and ensure a better future for our planet.

OUR ENVIRONMENTAL STRATEGY SUPPORTS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS 7 AND 13



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Accenture people in Dublin show their pride and celebrate Accenture's recognition as Employer of the Year by the GALAS LGBT Awards Ireland.

Strategy | Consulting | Digital | Technology | Operations

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OUR PEOPLE

STRATEGY & APPROACH

ATTRACTING & |

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INCLUSION & DIVERSITY

EMPLOYEE EXPERIENCE

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AT A GLANCE

As a talent-led organization, our people's extraordinary contributions fuel our clients' and our own business results. In pursuit of our vision of improving the way the world works and lives, we start by changing the way our people work and live. This means going beyond current industry workplace best practices and creating the next practices in learning and development, inclusion and diversity and the employee experience.

A FEW HIGHLIGHTS SINCE OUR LAST REPORT:



Increased the number of **WOMEN NEW HIRES** to **38%** toward our goal of **40%** by 2017



Invested **\$841M** in employee **TRAINING AND DEVELOPMENT**



EXPANDED PARENTAL BENEFITS in 6 countries



Said GOODBYE to annual PERFORMANCE REVIEWS



Celebrated **8 CONSECUTIVE YEARS** on **FORTUNE's 100 BEST COMPANIES TO WORK FOR LIST**

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OUR STRATEGY AND APPROACH

Our talent ambition is to be the best place for the most highly specialized talent in the world, and our people are our largest and most important investment.

Accenture's talent strategy focuses on being a top employer of choice for top talent and developing our people, advancing an inclusive and diverse environment, and supporting an engaging employee experience. Ultimately, our aim is to create rich and rewarding careers that are unmatched in the industry, while staying ahead of our clients' needs with next-horizon skills.

ATTRACTING AND DEVELOPING TALENT

We focus on attracting the best talent and in fiscal 2015, we received approximately 3 million résumés and hired more than 100,000 people, many of whom were referred by our current employees.

To help Accenture people thrive in their careers, we expanded our Careers Marketplace digital platform to all our people, providing them with instant and transparent access to relevant career opportunities at Accenture. We also promoted a record number of new managing directors and senior managing directors, with women accounting for 28 percent of promotions—up from 21 percent in 2014. Additionally, we used robust analytics tools to improve the quality of new joiners, proactively retain high performers, drive diversity and predict workforce trends.

We also promoted a record number of new managing directors and senior managing directors.

Attracting diverse talent

While we focus on developing and inspiring our existing talent base, we also strive to attract more of the best people to help grow our business. We offer an inclusive environment regardless of race, ethnicity, religion, gender, sexual orientation, age or disability, and this rich diversity makes our company stronger, smarter and more innovative.

In fiscal 2015, we specifically focused on building the overall STEM talent pipeline to help address the existing skills gap in the global marketplace. Highlights include:

 We collaborated with Girls Who Code in the United States to help close the gender gap in technology by equipping young women with computing and professional skills to pursue technology careers. We contributed US\$500,000 in funding and the time and skills of our people to help Girls Who Code deliver their core programming, further expand across the United States and establish a new online community for their alumnae. In 2015, we also hosted clubs for girls to connect and learn from each other as well as Girls Who Code Summer Immersion Programs in New York and Chicago, which offered instruction in robotics, web design and mobile development.

Watch the video



We support Girls Who Code's efforts to close the gender gap in technology and inspire, educate and equip young women with computing and professional skills that enable them to pursue technology careers.

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GOAL TALENT DEVELOPMENT:

By the end of fiscal 2017, we will expand the Accenture Future Technology Leaders Program to include more than 1,600 high-performing science, technology, engineering and math (STEM) student participants.

PROGRESS

In fiscal 2015, the program included 13 countries and more than doubled in size to reach more than 500 STEM undergraduate students. We expanded our Accenture Future Technology Leaders Program from nine to 13 countries in fiscal 2015 and reached more than 500 students—more than 175 of whom joined in India and the Philippines. The first class of program participants—42 percent women—will graduate during fiscal 2016. Launched in fiscal 2014, the program includes live webinars with STEM executives; networking, mentoring and social collaboration via LinkedIn with Accenture Technology professionals; and workshops featuring cutting-edge technology, a focus on leadership and professional development topics. We anticipate 1,600 participants by year four.

We also host events and initiatives in various regions to build diverse talent in our own talent pipeline. Highlights from fiscal 2015 include the following:

- In Indonesia, women university students were matched with Accenture women executives to learn from their experiences and gain insights and tips on how to build a successful career.
- In Australia, in an effort to identify mid- to upperlevel talented women with digital skills, we invited candidates to hear about Accenture's work firsthand from local executives and clients.
- In the United Kingdom, local Accenture Women, LGBT and African-Caribbean networks hosted events that promoted careers in Consulting at Accenture.
- In the United States, we took part in recruiting events including the Out for Undergraduate Business Conference, ROMBA MBA and Out and Equal.

Accelerating specialized and differentiated skills

In fiscal 2015, we invested US\$841 million an average of 46 hours per person—in <u>training</u> and development for our people, including top designers, experienced digital architects, marketers, technologists, analytics experts and other highly skilled professionals, at the point of need. With a focus on digital, we have reinvented our approach to learning, enabling our people to unleash ideas, drive innovation and develop the highly specialized skills needed to serve our clients and communities.

We emphasize direct-experience learning, which includes experiential training and real-time coaching, feedback, apprenticeship and collaboration. To help our people deepen their skills, Accenture Connected Learning offers a blend of classroom-based training and a digital learning environment that links our people to professional content and world-class experts from inside and outside Accenture.

Accenture Connected Learning is the centerpiece of our investment and makes learning continuous, flexible and increasingly democratized through thousands of existing online courses, virtual classrooms and other key learning resources accessible via a mobile app. For example:

• **Digital learning boards** help Accenture people find the best information and trending topics from world-class subject matter experts who curate the content. Learning boards are a unique way to build awareness—across industry, technology

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GOAL

TALENT DEVELOPMENT:

By the end of fiscal 2016, we will enhance the way our people interact and learn by building a global network of 100 connected classrooms that combine interactive technologies with innovative content design.

PROGRESS

In fiscal 2015, we expanded our network of connected classrooms to 51, with new locations in 16 countries, including Brazil, Japan and South Africa.

GOAL

TALENT DEVELOPMENT:

By the end of fiscal 2018, we will grow the percentage of Accenture Consulting professionals who have certified industry skills or are aligned with a specific industry to 90 percent.



Today more than 95 percent of our Accenture Consulting professionals have certified industry skills or are aligned with a specific industry. and function—and understand new concepts at scale and at speed, so we can meet new and changing business requirements faster than ever before. More than 120,000 people follow our learning boards today.

- **Connected classrooms** enable Accenture people from multiple locations—sometimes thousands of miles apart and across cultures—to participate in interactive, collaborative sessions. In fiscal 2015, we grew the number of connected classrooms to 51, doubling the number of in-service classrooms from the prior year while reducing travel and building specialized skills at scale. We anticipate 100 connected classrooms by the end of fiscal 2016.
- Professional communities bring together Accenture colleagues around the world who do similar work, such as software engineering, or who specialize in a specific industry, such as banking. Through more than 100 professional communities, the newest learning environment within Accenture Connected Learning, our people can harness the power of Accenture's global network for answers, ideas, collaboration, innovation, lessons learned, industry insight and more—whether for ongoing professional development or a point-in-time need.

In addition to developing specialized skills through communities, we organize our company and people strategically and responsively to changes and opportunities in the market. For example, over the course of fiscal 2015, we refocused thousands of our people into our industry groups. Today, more than 95 percent of our Accenture Consulting professionals are aligned with a specific industry. Steeped in industry expertise, these nearly 40,000 Accenture Consulting professionals around the globe have industry insights and industry capabilities that drive business transformation for clients every day.

Additionally, we created initiatives that help us to pivot quickly and reskill our people. Highlights include the launch of:

- A groundbreaking internal MOOC (massive, open, online course) for Accenture Strategy, through our partnership with INSEAD, a leading graduate business school.
- A 12-month global Accenture Technology Executive Program developed and taught by MIT Sloan Executive Education for our high-potential technology managers to help them understand how new innovations can help our clients grow and stay competitive.
- A DigitalWorld program in which participants collaborated with peers, heard from compelling guest speakers and brainstormed creative digital solutions to some of today's biggest global issues, such as education and the environment.

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CASE STUDY: ENABLING LEARNING WITH OUR CLIENTS

Our training expertise extends beyond our own people to helping clients develop their people as well.

CLIENT'S CHALLENGE: Bunge Limited is a leading agribusiness and food company with more than 35,000 employees in approximately 40 countries. The company launched its Excelerate initiative to rapidly increase its global talent capabilities across finance. Bunge found they hired excellent people across various finance functions but these specialists had a limited understanding of other finance areas.

OUR SOLUTION: To help increase agility and provide greater opportunity for people to move between finance functions, Accenture Academy—our professional learning and skills development offering for clients—set up a training curriculum for each of Bunge's finance functions. As a component of Bunge's Finance School, these included foundational courses and workshops co-authored by Accenture and Bunge and delivered by Bunge's senior staff.

THE RESULTS: Employee engagement in the learning program exceeded Bunge's goals—people took courses beyond the recommended curriculum, encouraged their colleagues to participate in the program, and reported being able to apply their new skills to their current jobs. It validated that providing opportunities for employees to learn outside of their current expertise would benefit the entire organization.

Read more

Introducing Performance Achievement

Training is just one part of the overall investment Accenture makes to help our people succeed professionally as well as personally. To strengthen how we develop and grow our people, in fiscal 2015 we began shifting from an annual performance-management process to one that includes real-time, forward-looking conversations about setting priorities, growing strengths and creating rewarding career opportunities.

Highly personalized and future-focused, Performance Achievement is a revolutionary change. It does away with annual performance reviews and moves to an approach that allows us to better understand our people's performance, skills, abilities and aspirations throughout the year so we can help navigate what's next in their careers at Accenture. Doing this builds our talent internally to meet growing client needs and delivers on our strategy to develop and inspire our people.

Early adopters included 16,000 of our people across Accenture and, in fiscal 2016, we will introduce Performance Achievement more broadly, subject to requirements to comply with local laws and engage with works councils in some countries. It will take time to roll this out to all of our approximately 373,000* people, but we are in the transformation business at Accenture and are willing to take on the challenge to make this work for our people and for our business.

Developing leaders at all levels

Our leadership-development programs concentrated on building a stronger pipeline of key client leaders in fiscal 2015, with a focus on emerging markets and on fostering leaders at all levels. Notable initiatives included:

- **Performance Achievement Early Adopter Training** Focused on helping leaders at all levels, including HR professionals, career counselors and others, understand the what, why and how of Performance Achievement, our new performance-management process, to ensure our people embrace and succeed in the new model.
- Growth Markets High Potential Leader Program A multi-month program that identifies and develops next-generation leaders in our most strategic geographies

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*As of February 29, 2016

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and high-growth markets. Ranging from in-person to digital learning experiences, the curriculum has reached approximately 800 people, and more than 25 percent of the program's graduates already have been promoted to Accenture Leadership.

- Women's Executive Leadership Development Program – A multi-year program launched in fiscal 2012 to identify and develop women with the potential to join Accenture's most-senior leadership. Since the inaugural session, more than 79 percent of participants have moved into roles with significantly increased responsibility and greater impact—a 7 percent increase over fiscal 2014.
- Senior Manager Leadership Development Program – An intense multi-month global program delivered through in-person and digital-learning experiences designed to develop leadership capabilities in high-potential talent for the managing-director pipeline. In the decade since the inception of the program, 80 percent of the program's graduates have been promoted.



Accenture women in Brussels celebrate International Women's Day and our 2015 theme: Listen, Learn, Lead.

ADVANCING AN INCLUSIVE, DIVERSE ENVIRONMENT

Our diversity makes Accenture smarter and more innovative. The varied backgrounds and experiences of our people lead to greater diversity of thought and ultimately more creative solutions for our clients.

Advancing our culture of diversity aligns with our core values and is a business imperative. Our leaders around the world, including members of our Global Management Committee who sit on the <u>Accenture</u> <u>Diversity Council</u>, have helped shape our five Inclusion & Diversity global priorities: women; lesbian, gay, bisexual and transgender (LGBT); persons with disabilities; cross-cultural diversity; and ethnic diversity.

Women at Accenture

Gender diversity and equality are essential for a highperforming organization, and we have sharpened our focus on attracting, inspiring and advancing women, which is critical to our future. Women hold many key leadership positions in the company, including leading some of our largest client accounts as well as the company's business in China, India, the Philippines and the United States—with these countries representing more than two-thirds of our employee population.

We are proud of our continued progress yet recognize we must continue improving. By the end of 2015, as a result of our efforts, women accounted for:

• 36 percent of Accenture's Board of Directors, including our lead director—making us a global leader in board diversity.

ACCENTURE INSIGHTS: INSURE WOMEN TO BETTER PROTECT ALL

According to a new report from the International Finance Corporation, AXA and Accenture. as increasing numbers of women in developing countries enter the workforce, obtain degrees and start businesses, insurance to protect their families and their livelihoods becomes an essential part of their lives. From a market of nearly US\$800 billion in 2013, the women's insurance market globally is expected to grow to between US\$1.45 trillion and US\$1.7 trillion by 2030. The report, entitled "SheforShield: Insure Women to Better Protect All," explores the experiences and attitudes of women in 10 emerging markets and provides recommendations for insurers hoping to engage with women as customers, as employees and as leaders in their communities. Read more

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GOAL

INCLUSION & DIVERSITY:

By the end of 2017, we will increase the diversity of our workforce by growing our percentage of women new hires to at least 40 percent.

 \checkmark

PROGRESS

In 2015, our 100,000 new hires comprised approximately 38 percent women. We now have more than 130,000 women in our workforce.

- 28 percent of Accenture Executives, which comprises senior managers, managing directors, senior managing directors and members of the Global Management Committee.
- Approximately 38 percent of our global workforce and 38 percent of new hires.

We have pledged to grow the percentage of women new hires to at least 40 percent by the end of 2017 and have made steady progress toward this goal through personalized outreach, targeted events with students and experienced professionals, virtual career fairs and Google Hangouts, university partnerships and referral and mentoring programs especially for women. We also share best practices and foster collaboration through quarterly and monthly touch points with our recruiting teams across the globe.

As we build the talent pipeline, grow our workforce and promote our people, we empower them to lead, of which empowering women is a key part. In 2015, we promoted a record 42,000 people—36 percent women—to new career levels across different parts of our business.

Our commitment to gender equality extends to pay. We strive to ensure that our people—women and men alike—are compensated fairly and equitably from the moment we hire them through the milestones of their careers at Accenture. We have rigorous processes to identify potential pay discrepancies, looking carefully at specific roles. We are proactive at all stages of an individual's career. If we find issues, we take appropriate steps to address them. Each March, we punctuate our commitment to gender equality by celebrating International Women's Day. In 2015, our events brought together Accenture people, clients, alumni and recruits in more than 260 locations in 44 countries for networking and learning opportunities. We also debuted an International Women's Day <u>virtual environment</u>, an interactive digital platform featuring minute-by-minute coverage of live events and on-demand replays.

Our annual celebration of International Women's Day includes sharing valuable insights we have gained through research. Our 2015 global research study, "<u>#ListenLearnLead</u>," explored the role of technology in the workplace and found that listening is becoming more difficult in today's digital workplace.

Building off Women's Equality Day in the United States, we also launched a global Women's Equality Week celebration to create awareness and broaden the conversation about gender diversity. Videos from dozens of Accenture leaders who shared their thoughts on gender equality helped bring to life our theme, "Equal Makes Us Greater Than." Additionally, Chief Leadership & Human Resources Officer Ellyn Shook hosted a live Twitter chat that reached 3 million people, in which she focused on the importance of inclusion and diversity in the workplace, provided news about our expanded parental policies in North America and answered live questions. Our Chief Technology Officer Paul Daugherty shared his perspective in a video for the occasion.

Watch the video

Lesbian, gay, bisexual, transgender equality

We support a workplace of fairness and equal treatment for our lesbian, gay, bisexual and transgender (LGBT) employees. Here, our people can feel comfortable, be themselves and, as a result, be inspired. Our commitment to our LGBT employees extends to our policies and benefits.

While individual countries may have laws affecting the LGBT community, we work to ensure that our global policies and practices are inclusive in all the geographies in which we operate. We aim to provide identical employee benefits to same-sex and oppositesex partners in all the countries in which we operate and where permitted by law, and we continue to work with each country to explore opportunities to implement our global policies. For example, in fiscal 2015, we introduced and validated new global eligibility criteria for domestic partners in Japan and the Philippines.

Our commitment also extends to the broader LGBT community. In 2015, we joined 11 other companies as founding members of the Human Rights Campaign's (HRC) global coalition to advance LGBT workplace equality around the world. As a founding member, Accenture will share best practices, support summits and help to amplify the business case for LGBT equality in the workplace.

Accenture also received a perfect score (100 out of 100) on HRC's Corporate Equality Index 2015 for the ninth consecutive year and received HRC's Corporate Equality Award, which recognizes our commitment to equality for the LGBT community.

Persons with disabilities

As part of our ongoing effort to build awareness of and educate our workforce on enablement for persons with disabilities, including hidden disabilities, we have implemented accessibility updates, trainings, events and internal communications.

Our priority has been to make Accenture's key global information and reporting tools, such as time and expense reporting, accessible to persons with disabilities. We have made our online training system fully accessible and other tools are being evaluated and remediated. By the end of 2017, we aim to reach 100 percent accessibility across these key tools and will design all future tools with accessibility in mind.

In 2015, we added new training, including a "Valuing Persons with Disabilities" course, which is required training in some Accenture locations. Additionally, our global Persons with Disabilities Mentoring Program is active in 45 countries, with participation from more than 90 mentors and mentees who continue to build a workplace culture of advocacy, support and inclusion.

Accenture became one of 11 major international companies to sign the newly created International Labour Organization (ILO) Global Business and Disability Network Charter in an October 2015 <u>ceremony</u> held at ILO headquarters in Geneva. The Charter expresses our commitment to promoting and including persons with disabilities throughout our operations.

ADVANCING THE CONVERSATION AT DAVOS

"For companies looking to adopt a strong LGBT agenda—be it a consumer goods company or a hospitality company—you need to reflect the diversity of your customers to best serve them. A diverse workforce will serve you better if your employees are comfortable in the workplace."

Sander van 't Noordende, Group
 Chief Executive of Accenture's
 Products operating group

At the January 2015 World Economic Forum in Davos, Sander also participated in a panel discussion, "Improving the State of the LGBT Workforce," with other business leaders about the importance of diversity and supporting LGBT people in the workplace.



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SUPPORTING PERSONS WITH DISABILITIES IN THE UNITED KINGDOM

In the United Kingdom, all Accenture people are welcome to join Accent on Enablement UK, a network that aims to increase disability awareness and understanding at work, spread the word about the type of support available for persons with disabilities at Accenture and provide support and advice. Additionally, we have launched a "Managing Mental and Physical Health Conversation Guide" and video on a learning board, and we continue to expand our Mental Health Allies Program to destigmatize mental health by increasing our peoples' knowledge and awareness. This voluntary program involves a three-hour interactive training workshop co-hosted by Accenture and MIND, a nonprofit dedicated to providing support for mental health.

We also look for ways to remove barriers to employment for persons with disabilities outside Accenture—both by working with organizations who empower persons with disabilities with job and skills training, such as Leonard Cheshire Disability, and through initiatives to recruit persons with disabilities at many of our offices around the world.

Cross-cultural diversity

Our workforce comprises highly motivated people who reflect the ethnic origins, cultures and diversity of more than 50 countries and speak more than 60 languages. Since we serve clients across the globe, we must understand how to work in a cross-cultural environment and value the diversity of different cultures. We equip our people with the resources and information they need to work effectively across cultures, either virtually or face to face.

Each May, our offices around the world celebrate United Nations' World Day for Cultural Diversity for Dialogue and Development. In 2015, Accenture people in more than 50 countries shared in cross-cultural activities, local celebrations and awareness-building campaigns, including an inaugural global webcast featuring our people and an external cross-cultural expert.

New in fiscal 2015, the Language Buddy Program pairs colleagues from across the globe who once were strangers to learn language from each other using digital collaboration tools. In its first round, native English speaker "buddies" helped more than 470 Accenture colleagues in Japan become more comfortable with spoken English. In turn, the native English speakers strengthened their peopledevelopment skills and learned more about Japan's business environment and culture through weekly half-hour conversations.



Language "Buddies" cultivate professional relationships and shared interests in one another's cultures during weekly video calls.

Ethnic diversity

As an equal opportunity employer, Accenture makes no distinction based on ethnicity or race in hiring or promotion decisions. Our <u>policies</u> promote a discrimination-free and harassment-free work environment for all of our people globally.

A key component of our inclusion and diversity strategy is to strengthen the diversity and talent within our leadership level. To do so, we conduct regular and rigorous reviews to ensure we are nurturing diverse talent and providing our people the right level of exposure to senior leaders and opportunities to advance their careers.

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BRINGING PEOPLE TOGETHER

Employee resource groups offer a vital avenue for people to get involved, make decisions and offer insights into how things can change. These networks include members from across the globe who are bound by a similar passion, interest or identification, such as race, ethnicity, religion, different abilities or gender. Employee resource groups are designed to improve Accenture overall and to focus on the needs of each group's constituency through sponsorship of networking events, career development workshops, mentoring opportunities, and recruiting and community service activities. Today, employee resource groups for different ethnicities exist in South Africa, the United Kingdom and the United States.

In the United States, our African American and Hispanic American employee resource groups (ERGs) host annual leadership summits that foster opportunities to network, discuss career progressions and explore various professional development topics. In fiscal 2015, approximately 800 members participated in these summits, where Accenture leaders served as workshop faculty, delivered keynotes and led panel discussions. From its grassroots beginning in 2012, led by the Texas African American ERG, these summits expanded this year to five locations: Atlanta, Chicago, Houston, San Francisco and Washington, D.C.

Inclusion & Diversity training

Our <u>Inclusion & Diversity training</u> helps Accenture people develop a greater sensitivity to the opportunities and challenges of working in an increasingly dynamic, global and diverse organization. Our training is aimed at all levels, including executives, and we have trained thousands of our people across a broad spectrum of customized learning and development programs, including:

• Developing Our Women program – In fiscal 2015, we used a new virtual platform to deliver this program to more than 1,500 high-performing women and rolled out our Developing Executive Women Series in Australia, Canada, India and Japan. Overall, our women-focused training programs helped us reach more than 30,000 women through formal professional development opportunities that help them learn from Accenture leaders, develop their networks and advance their careers.

Our women-focused training programs helped us reach more than 30,000 women last year.

- Trailblazer program Launched in fiscal 2015, this program is designed to create a more-inclusive work environment for our women in India. Targeting nearly 2,300 women, it helps participants hone their skills and leadership styles, build a personal brand and expand their professional networks. Faculty sponsors engage with participants through internal social collaboration tools, and the supplemental Trailblazer Learning Board provides a one-stop shop for resources available to our women employees.
- Leading a Diverse Workforce This course helps Accenture executives understand and address unconscious bias and learn strategies to successfully lead and manage diverse project teams. To date, more than 15,000 people have participated in the training program since its inception in 2005.
- Driving Stronger Performance and Excelling in High Performance – These two multi-month courses convene ethnically diverse employees to discuss how to grow successful careers and excel as leaders at Accenture. For example, in South Africa, our twoday "Excelling in High Performance" course shares tips on how to navigate an Accenture career, while understanding the cultural impact of how background and experiences shape individual journeys.

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FOCUSING ON VETERAN INITIATIVES IN THE US

The lessons that military men and women learn throughout their service are highly applicable to our client work. Veterans have proven their success in challenging and demanding environments and exemplify our core values of Stewardship and Integrity. Hiring veterans is a top priority, as demonstrated by our commitment to hire 5,000 US veterans and military spouses by 2020.

We also look for new opportunities to help veterans transition into the workplace, both by equipping them with the technical skills needed to gain entry-level employment at Accenture and by partnering with a leading online university to offer them free training in Java programming. As a result, military applications in fiscal 2015 increased more than 50 percent over the previous year, and we hired more than 500 veterans and military spouses.

"It's an honor to work for a company that was willing to take the kind of chance on me that my first captain took on me when I reported for duty to his ship."

- Marty Pendleton, Management Consultant

BEST-IN-CLASS PARENTAL LEAVE POLICIES

To further help our people be successful at work and at home, in fiscal 2015 we expanded statutory parental benefits in many of our key markets, including Argentina, India, the Philippines, the United Kingdom, the United States and Canada.

ARGENTINA: We extended paid maternity leave for full- and part-time employees to five months, paying full compensation two months beyond the three-month national statutory requirement. This is important to the women who comprise more than 40 percent of Accenture people in Argentina, including nearly half of the leadership team.

INDIA: We increased maternity leave benefits for our full- and part-time women to 22 weeks of paid leave, up significantly from the current statutory requirement of 12 weeks.

PHILIPPINES: We increased maternity leave benefits to 120 calendar days of paid leave, from the statutory requirement of 60 days.

UNITED KINGDOM: In anticipation of local regulatory changes, we proactively provided equal opportunity for our mothers and fathers to take time off to care for their child after a birth or adoption. We now provide up to 30 weeks (on full pay and benefits), plus two weeks' standard paternity leave (and an additional 13 weeks of unpaid leave). The policy also allows staff to split the leave—for example, take leave for four weeks, go back to work for five weeks and then take the rest of the year on leave.

UNITED STATES/CANADA: For our US full- and part-time women employees, we doubled our maternity leave benefits by offering up to 16 weeks of paid leave and up to eight weeks of paid parental leave after the birth or adoption of a new child for other primary caregivers. We also doubled the time for back-up dependent care for children, spouses or elderly family members from 40 to 80 hours and provided an additional 40 hours of back-up dependent care within the first year of children's birth or adoption. Finally, we created a new program for primary caregivers to work locally for the first year after returning from parental leave, rather than traveling to out-of-town assignments. Should a new mother wish to keep traveling during that year, we will pay for her to ship her breast milk home.

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SUPPORTING ENGAGING EMPLOYEE EXPERIENCES

Our culture significantly affects how our people work, and how they work affects how they live, so we create a culture that cares about all aspects of our people, including their lives outside of Accenture.

Some of the ways we do this include enabling work/life integration, fostering well-being and listening to our people to understand their feedback, find out what matters to them and capture their best ideas.

Enabling our people to thrive

We promote a sustainable lifestyle by encouraging healthy behaviors and embracing flexibility. Online tools, including videos, help promote healthy living, and we offer incentives for healthy behaviors that tie into our recognition and awards program. We even sponsor various contests for individuals and teams. Additionally, we build flexibility into schedules and work environments wherever possible, encouraging working from home, non-traditional schedules and leaves of absence.

Our range of <u>flexible work arrangements</u> helps our people achieve their work and life goals, while meeting the demands of our business. Many of our people have used one or more of these flexible work arrangements during the past year, some on a regular basis, and *DiversityInc* has called us a pioneer in creating flexible workplaces.

Our fly-back program, smart work initiative and client-site flexible work arrangements help address the challenges some of our people face, due to professional travel schedules. We also provide innovative communication and collaboration tools to help increase productivity, efficiency and flexibility.

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Following is a sample of the flexible work arrangements we offer. These vary by project, team and location:

- Flex-time schedule: Allows our people to vary their start and finish times around predetermined core hours or to work their standard hours in fewer than five days by varying the length of each work day.
- **Part-time arrangement:** Enables our people to work less than a standard full-time schedule per week, by working fewer hours per day or fewer days per week. Usually the role is designed around a reduced workload, so that job responsibilities match the number of hours worked.
- Job-sharing: Involves dividing the workload of a full-time position between two people (each usually working a part-time schedule). It is a great way for our people to keep on a career track while allowing them more time outside of work.

While our benefits always meet the legal requirements of the countries in which we operate, we strive to be market leading in meeting our peoples' needs at work and in life. For example, in the United States and Philippines, we offer access to medical benefits for life partners as well as same-sex partners and, in Brazil, Costa Rica and Portugal, we provide parental leave for same-sex partners.

Fostering employee well-being

In fiscal 2015, Accenture locations organized team challenges to help our people be mindful of personal wellness, create a community around wellbeing and share best practices globally. For instance, Wellness Champions invited chefs and personal trainers to their local offices to host culinary activities, conducted fitness classes and offered wellness seminars.

We coordinated with the Oprah Winfrey Network and Arianna Huffington to offer a six-week, online course to more than 55,000 Accenture people, providing strategies and practical steps to help define personal success. Video lectures, tracking tools and live sessions all focused on creating a better sense of balance and success. To complement the course, we

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launched an online Thrive Learning Circle, where participants connected with colleagues online and shared stories, tips and reflections. Arianna Huffington was an active participant in the Circle, replying directly to our people.

We also continued to enhance our online portal, with wellness offerings, financial programs and health/life benefits. We piloted a wellness app in the United States called Synched Health, which allows our people to participate in team fitness tracking challenges.

Finally, a key part of well-being is our focus on safety and security. Accenture employs a variety of policies and programs, including emergency and disaster readiness training, and Accenture Alert—an e-mail alert system to communicate about emergencies, such as a natural disaster, to affected employees.

Our Global Asset Protection (GAP) team is responsible for providing business continuity and security—in the form of emergency assistance as needed during the course of our peoples' work or business travel. Together with support from Accenture Corporate Functions, GAP maintains a 24x7 Global Watch program to assist our people with security risks and health advice, and also promotes awareness with our people traveling to higherrisk countries. In fiscal 2015, we added technical tracking resources to enhance our response and focus on the safety of our people during crises.

Giving power to the voice of our people

It is important we receive feedback on the employee experience, so in fiscal 2015, we made sure our people were heard in three ways:

• We gathered employee feedback through crowd-sourced events. In a four-week period, we heard directly from our people and prospective candidates about what it would take to truly delight them, so they could, in turn, delight their clients and the communities we serve.

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Our goal was to give our people—the majority of whom are Millennials accustomed to using technology and social media to engage and give feedback—the power to directly share their thoughts with remarkable speed and ease. Across our businesses, they told us that challenging work is equal to or more important than money. They are motivated by the work they do to change the way the world works and lives—giving them a compelling sense of purpose. People also shared insights about wanting multiple careers within Accenture and taking great pride in our diversity.

With these insights, we are implementing new programs like Performance Achievement, which bring to life the coaching and collaboration our people desire, and using new tools to measure our success including an enhanced employee survey, mobile survey and team satisfaction survey.

- We enhanced our human capital assessment using Accenture's proprietary technology platform to allow for easier interpretation and analysis of results. We were able to tailor questions to people across our five businesses, with the goal of knowing if our people understand the vision and direction of the business and trust their leaders. In one of our businesses, we received more than 12,000 ideas from more than 6,000 of our people—74 percent of whom said the business was on track to high performance. These types of feedback forums allow us to home in on how teams are feeling about engaged leaders, connected communities and our strategic skillset.
- We deployed a new employee pulse survey as part of Performance Achievement. This survey seeks to understand team interaction, such as whether our people know what is expected of them, and it provides a closer view of the business team by team.

THE PATH FORWARD

As our workforce evolves, we want to continue to be known as a top employer of choice in the markets in which we operate. We are responding to the needs of today's changing workforce by defining new talent practices for the 21st century—including hyper-personalization, transparency and listening.

By dramatically and fundamentally altering our performance management process, we hope to transform the way our people work and live, so they, in turn, can bring even higher performance to our clients and communities. By the end of 2016, all our people will take part in Performance Achievement, so they can focus on being their best every day.

We also plan to have 100 connected classrooms, nearly double the number we have today, by the end of fiscal 2016. We will continue to customize our talent development programs that deepen employee specialization and integrate more technology into our leadership development curricula to deliver engaging content, while scaling our programs to reach leaders at all levels.

We know we must do more—more for gender equality and for all of diversity and inclusion so we can be smarter and more innovative. One of the ways we will hold ourselves accountable is by measuring and meeting our goal to have at least 40 percent women new hires by 2017. Additionally, to foster more collaboration and because transparency creates trust, we are reporting, for the first time, the demographics of our US workforce for gender, ethnicity, persons with disabilities and veterans, and we will release updated diversity numbers each year.

Globally, we are furthering the dialogue on diversity and gender equality at Davos and beyond. In 2016 we released <u>new research</u> on the impact of digital skills on narrowing the workplace gender gap. Additionally, we are increasingly focused on gender authenticity and launching a mentoring program for our LGBT people. We will continue to provide other resources, such as mobile applications, to support and engage our diverse employees.

Overall, we want to be uniquely focused on our people holistically—not only on the professional aspects of their lives—because taking care of yourself leads to more productivity at work and that leads to better business results. By putting our people at the center of everything we do, we are better able to serve the needs of our clients and our communities—and realize our vision of improving the way the world works and lives.

OUR TALENT STRATEGY SUPPORTS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOAL 5



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Falguni Jagdishbhai Parmar operating equipment in the Gitanjali Cooperative of the Self-Employed Women's Association, which trains and employs former waste-pickers in India to produce items such as printed note pads and spring files made from recycled paper that are purchased by Accenture and other corporations.

SUPPLY CHAIN

STRATEGY & APPROACH

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OUR STANDARDS | SUPPLIER SUSTAINABILITY

BILITY SUPP

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AT A GLANCE

As a company with a multi-billion dollar global supply chain, Accenture has the opportunity to promote sustainable and inclusive business practices beyond our four walls. More-inclusive and demographically representative supply chains help Accenture and our clients generate services and products that are relevant to the diverse global community we serve.

A FEW HIGHLIGHTS SINCE OUR LAST REPORT:



75% of our key SUPPLIERS will DISCLOSE EMISSIONS REDUCTIONS TARGETS and ACTIONS by 2020



Developed **101** diverse suppliers through our **DIVERSE SUPPLIER DEVELOPMENT PROGRAM** toward our goal of **170** by 2020



Increased **PROCUREMENT SPEND** with **DIVERSE SUPPLIERS** to **30%** in the United States



Accepted a **Top 10 COMPANY FOR SUPPLIER DIVERISTY** award by *DiversityInc*



Celebrated **8 YEARS** on Women's Business Enterprise National Council's **TOP CORPORATIONS** list

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OUR STRATEGY AND APPROACH

Through an emphasis on supplier sustainability and inclusion and diversity, our procurement strategy helps improve social and environmental impacts throughout our supply chain.

We are committed to working with our people, clients, suppliers and business partners toward more sustainable operations and a smaller carbon footprint. Engaging our suppliers in managing and reporting on carbon emissions in our supply chain helps us achieve our vision to improve the way the world works and lives.

At the same time, by helping enable small, medium and diverse companies to better participate in the marketplace—including as suppliers to Accenture—we create a multiplier effect that adds more jobs, more revenue and more vitality in communities across countries.

We have three strategic priorities:

- Maintaining Adherence to Our Supplier Standards of Conduct We embed environmental, social and governance factors into our purchase-decision and supplier relationship management processes.
- Driving Supplier Sustainability We take a collaborative approach to advance sustainability practices in our supplier network across our six primary procurement categories: contractors; HR and professional services; IT and telecom; marketing and communications; travel; and workplace services and facilities.
- Advancing Supplier Inclusion and Diversity Our focus on diversity cascades from our Board of Directors through our company, including our supply chain. We promote the integration of more small, medium and diverse enterprises into our global supply chain and help them develop into sustainable businesses—furthering more inclusive, innovative and high-performing supply chains.

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- Developing Diverse Suppliers Our Diverse Supplier Development Program offers classroom learning experiences and a mentoring program model that pairs senior Accenture executives with small- and medium-sized and diverse suppliers to help them grow their own businesses. Among other potential opportunities, graduates are well positioned to serve as IT, workplace and outsourced suppliers that supplement our client teams.
- Integrating Diverse Suppliers We implement initiatives to diversify our supply chain worldwide by focusing on small, medium and diverse enterprises, and entities and individuals who may experience distance—physical, social or cultural—from the labor market in recruitment and procurement opportunities. These include: minority-, ethnic- and women-owned businesses and persons with disabilities, visible and otherwise; veterans with and without disabilities; refugees; people geographically remote from labor markets; and lesbian, gay, bisexual and transgender (LGBT) persons.

COMPLIANCE WITH OUR STANDARDS

Our leaders, people, clients and partners want to know that we manage our procurement process responsibly, including where and how the goods and services we buy are created or sourced. To address the complex and cross-cutting issues of transparency and traceability, we constantly evolve and maintain compliance with our procurement processes and standards.

Accountability for the execution of our procurement strategy begins with our local and regional procurement teams and ultimately resides with our Chief Operating Officer, who is responsible for leading Accenture's business operations globally and ensuring operational excellence company-wide and across our supply chain.

Supplier Standards of Conduct

We set high standards for the way we conduct business, and we expect our suppliers across all six of our procurement categories (contractors; HR and professional services; IT and telecom; marketing and communications; travel; workplace and facilities) to uphold them. Accenture's Supplier Standards of Conduct are key to securing our suppliers' commitment through our Global Procurement sourcing and contracting process. The Standards, published in 14 languages, include compliance with all applicable laws and regulations; supplement our Code of Business Ethics; and reflect our core values and commitment to the 10 principles of the UN Global Compact to advance human and labor rights. Just as we evolve our Code of Business Ethics to reflect changes in the business world, we update our Standards to align with these revisions.

These Codes and principles specify how suppliers are expected to treat their workforces, the labor standards they must adhere to and the working conditions they must provide. Specifically, they must address child labor; the elimination of discrimination in regard to employment and occupation; freedom of association and collective bargaining; prevention of human trafficking and forced labor; and wages, among others.

For our top 50 strategic suppliers, Accenture evaluates adherence to the Codes through quarterly business reviews, in-person visits and ultimately, the right to audit suppliers to ensure compliance. All new supplier agreements with Accenture must include a signed commitment to uphold our Supplier Standards of Conduct or an equivalent statement.

Business practices vetting and onboarding processes

Through guestions about labor, ethics, business continuity and environmental practices in our Requests for Proposals (RFPs), we strive to confirm that potential and existing suppliers are operating responsibly. We require that every RFP for competitive bid includes a questionnaire on environmental practices, and we weight sustainability factors when making procurement decisions. By the end of fiscal 2015, two-thirds of our geographic Procurement teams included environmental, social and governance performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact (IT, travel, and workplace and facilities). Procurement will continue to include environmental guestionnaires in RFPs for competitive bids by potential and existing suppliers, and use environmental, social and governance factors in determining our purchasing decisions.

Further, we have explicit requirements for suppliers who wish to subcontract any of our work. These specify our awareness of and agreement to the arrangement and the assurance that appropriate terms and conditions are being met by the subcontractor.

Once a supplier has agreed to our <u>Supplier Standards</u> of <u>Conduct</u> and begins work, Procurement performs financial and background checks as part of the

GOAL

SUPPLIER SUSTAINABILITY:

By the end of fiscal 2016, all of our geographic Procurement teams will include environmental, social and governance (ESG) performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact (IT, travel, and workplace and facilities).



PROGRESS

By the end of fiscal 2015, two-thirds of our geographic Procurement teams included ESG performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact and expanded in additional categories as well.

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process for achieving and maintaining status as a preferred or contracted supplier with Accenture. (Other considerations include cost, quality, relevance and innovation of products and services provided, as well as ongoing compliance with our Standards.)

Additionally, through due diligence processes, we pay particular attention to any suppliers who have access to confidential and personal data. We work with our suppliers to resolve any issues that arise during our reviews and will take action, including termination of contracts if necessary, if no acceptable resolution is found.

We continue to require extensive, robust internal approvals before we engage with vendors. As part of our Global Procurement Risk Management Program, in fiscal 2015, we created our Procurement Risk Management Centre of Excellence to ensure that all required controls are correctly embedded into our operational processes and to provide guidance and support to Procurement teams executing risk management controls. We launched a global training program to train all Procurement team members on business intermediary vetting, anti-competition and information security.

All subcontractors and other supplier personnel who need an Accenture e-mail address and identity (ID) credentials must also complete compliance training on information security, data privacy and ethics (except where restricted due to local laws). As part of our ongoing drive to simplify business operations, in fiscal 2015, we established a global capability to improve contractor onboard and exit controls, and in early fiscal 2016, we expanded the Ethics & Compliance training requirements for contractors.

DRIVING SUPPLIER SUSTAINABILITY

Once we have decided to purchase from them, we expect suppliers to share their actions and progress regarding how they have reduced environmental impact while they do business with us. We encourage local and regional teams to discuss sustainable procurement during their regular supplier meetings. By working with our suppliers to systematically monitor, measure and communicate the benefits of sustainable business practices, together we are able to turn supply chain sustainability into a driver of competitive advantage, both for them and for us.

Of our six primary procurement categories, we focus our environmental engagement efforts on those suppliers who create the greatest impact: IT, travel, and workplace and facilities. <u>Read more</u> about the investments we are making in technology to run more energy-efficient operations with the help of our suppliers and our efforts to procure more renewable sources of energy to power our offices around the world.

We aim to achieve a new goal by fiscal 2020: to expand to 75 percent the percentage of our key suppliers who disclose their targets and actions toward emissions reduction. This aligns with our 2020 <u>environmental goal</u> to report the impact of our sustainability initiatives with clients and suppliers, and it formalizes our efforts to date in advancing supplier engagement toward emissions disclosure.

NEW GOAL

ENABLING SUPPLIER SUSTAINABILITY:

By the end of fiscal 2020, we will expand to 75 percent the percentage of our key suppliers who disclose their targets and actions toward emissions reduction.

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We believe disclosure is an important first step for suppliers in managing their sustainability performance, and we are encouraging more of them to advance their transparency, benchmarking and accountability by public disclosure of their targets and actions to reduce emissions or environmental impact of their operations.

To achieve this new goal, we are:

- Incorporating the goal into our supplier relationship management processes and communicating regularly with suppliers to encourage transparency and engagement.
- Developing detailed actions around supplier outreach, supplier rewards and key performance indicators to incentivize emissions reduction efforts.
- Leveraging our partnership with CDP Supply Chain and our Accenture sustainability teams to integrate CDP's best practice examples and incorporate CDP supplier dashboards.

CDP Supply Chain program

As a corporate member of <u>CDP's Supply Chain program</u>, we use its tools to promote engagement and sustainable business practices with our suppliers. This is part of our efforts to begin to measure and report the impact of our work with clients and suppliers in key areas of sustainability. Since 2010, we have invited a targeted group of our suppliers to voluntarily respond to CDP's Supply Chain self-assessment questionnaire each year. By gathering information in a standardized way, we can better evaluate and compare performance as we seek to critically understand our suppliers' environmental practices through this collaborative effort.

In 2015, when we invited our suppliers to participate, 71 percent responded—well above CDP's global average of 51 percent and exceeding our own response rate in 2014 of 64 percent. In addition, the number of our invited suppliers who disclose their CDP responses publicly has more than doubled since 2013, from 25 in fiscal 2013 to 52 in fiscal 2015.

In its report, CDP noted that "Overall, Accenture should be proud to see a 71 percent response rate with an average disclosure score of 82. Much of this success has been due to the supplier webinars and internal dashboards you have initiated, and will only be strengthened and magnified by your ambitious new supplier engagement goal."

Respondents to CDP's questionnaire noted that the process has encouraged them to further reduce emissions and improve their environmental performance by implementing initiatives ranging from long-term environmental strategies to comprehensive environmental, monitoring and management systems. CDP calculates that Accenture's suppliers collectively generated US\$416 million in cost savings from emission reduction activities and reduced their collective footprint by 8.8 million tons CO_2 .

Read about Accenture's own environmental performance and inclusion on <u>CDP's Climate A List</u>.

"Through CDP, companies like Accenture are leveraging their purchasing power to drive collaboration and improve greenhouse gas emissions across their vast supply chains. It's a simple concept with huge potential. By setting targets and tracking their progress through our global platform, these companies are committing to meaningful and scalable climate action."

- Paul Dickinson, Founder and Executive Chairman, CDP

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GOAL

SUPPLIER INCLUSION AND DIVERSITY:

By the end of fiscal 2016, we aim to expand our Supplier Inclusion & Diversity program to include a minimum of 20 countries.

PROGRESS

Through the end of fiscal 2015, we expanded our Supplier Inclusion & Diversity program to include 16 countries. As part of our ongoing assessment of our program, we are shifting our approach to focus more on strengthening our supplier inclusion & diversity (I&D) relationships in the existing countries of operation and less on broader geographic expansion.

UPDATED

We will continue to monitor opportunities to expand our supplier I&D program and report on progress in future reports. However, we will no longer track these results as one of our Supply Chain goals.

ADVANCING SUPPLIER INCLUSION AND DIVERSITY

Accenture promotes a diverse and inclusive work environment that influences how we run our business, and we strive to work with others who embrace our values. We are deeply committed to inclusive procurement practices to create long-term value for our clients and our communities. Our <u>Supplier</u> <u>Inclusion & Diversity program</u>, which now includes 16 countries, generates a broader choice of suppliers, including complementary skill sets from our project contractors and access to the most innovative, responsive and cost-competitive supply solutions for our clients and stakeholders. In fiscal 2015, *DiversityInc* recognized our efforts for the fourth consecutive year by including us on its Top 10 Companies for Supplier Diversity list.

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Developing diverse suppliers

By providing development opportunities for small, medium and diverse businesses, we adopt smarter operations, enabling us to cast a wider net and tap a larger pool of latent talent. Developing diverse suppliers strengthens communities by creating more businesses, more jobs and more economic growth. It helps individuals acquire skills to compete for contracts, promoting increasing levels of self-reliance, socio-economic well-being and innovation. Accenture people contribute training and mentoring support to our development initiatives with diverse suppliers, which helps us empower the marketplace, increase engagement and raise awareness of the value of inclusion and diversity in our business activities.

Diverse Supplier Development Program

Accenture's <u>Diverse Supplier Development Program</u> (DSDP) is a key component of our commitment to developing and expanding relationships with minority, women-owned, persons with disabilities, veterans and other diverse businesses. DSDP represents a strategic sourcing strategy for Accenture and our clients. The formal, 12- to 18-month program pairs senior Accenture executive "mentors" with diverse supplier "protégé" companies to help them grow their own businesses. In turn, we, our clients and our communities benefit from their innovative contributions.

We launched DSDP in the United States in 2006. Our fifth class will celebrate its graduation in October 2016. Through the years, we have expanded the program's geographic footprint as well as the

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GOAL

SUPPLIER INCLUSION AND DIVERSITY:

By the end of fiscal 2016, we will develop a total of 170 small, medium and diverse suppliers through our Diverse Supplier Development Program.



PROGRESS

Through fiscal 2015, we developed a total of 101 small, medium and diverse suppliers through our Diverse Supplier Development Program (DSDP). We have two additional DSDP classes under way with plans to add more in the future.

UPDATED

We are shifting our strategic approach to not only increase the quantity but also ensure the relevance of suppliers to our business and client needs. Therefore, our new goal is to develop a total of 170 small, medium and diverse suppliers through DSDP by the end of fiscal 2020. composition of our protégé classes. For example, the last four classes included protégés from lesbian, gay, bisexual and transgender (LGBT)-owned businesses as well as those owned by veterans, with and without disabilities. By the end of fiscal 2015, 101 diverse suppliers had graduated or were in the process of completing the program, per our goal—70 in the United States, 17 in Canada and 14 in the United Kingdom and Ireland. Our new goal is to graduate 170 diverse suppliers by fiscal 2020. We are actively working to achieve this goal, with the understanding that resource constraints and market realities may inhibit our success.

In fiscal 2015, we enhanced the curriculum to make it both more strategic and more relevant, focusing on building highly sought-after skills, such as digital, and on a smaller selection of diverse suppliers with the greatest potential to integrate into today's supply chains.

Additionally, in fiscal 2015, we strategically expanded the DSDP program to focus on geographies key to enabling our business and that of our clients. We currently have DSDP programs in Canada, the United Kingdom and Ireland, and the United States, and we launched our first DSDP class in South Africa in March 2016.

Celebrating recognition for DSDP protégés

We are pleased that several of our DSDP protégés have been recognized for their efforts, among them:

Social Driver, a former DSDP protégé and the seventh fastest-growing marketing agency in the United

States, which was named National Gay and Lesbian Chamber of Commerce (NGLCC) 2015 Supplier of the Year. NGLCC recognized Accenture for its invaluable support and the program's significant contribution to the company's overall success. Part of that support included an agreement with Accenture to support our recruitment marketing team.

Systel Inc. is a US-based, minority-led global IT solutions and services company founded 16 years ago. It had been growing at industry par when we selected it as a DSDP protégé in 2015. That same year, Systel was awarded Regional Supplier of the Year by the Georgia Minority Supplier Development Council for its outstanding business performance. The company was also recognized in its revenue class as 2015 National Minority Supplier Development Council (NMSDC) Supplier of the Year, the council's highest honor recognizing singular excellence in supply chain execution. Systel publicly recognized Accenture for our guidance, relationship building and overall development support as a major contributor to these significant wins.

"As a protégé company, the program has helped us focus on strategy, growth, target marketing and sound analysis, as well as develop an operational plan that will grow us into the next decade."

- Manish Madan, CEO, Systel Inc.

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Social Driver was named 2015 LGBT Supplier of the Year by the National Gay and Lesbian Chamber of Commerce.

Mentorship and training around the world

Beyond our DSDP program, we strive to help transform the lives of people around the world by offering mentoring programs that engage and help develop their entrepreneurial talent. We also support the development of small, medium and diverse enterprises in a growing number of countries through initiatives such as training programs in collaboration with our clients, as well as <u>WEConnect International</u> and <u>Skills to Succeed</u>.

For example, in 2015, in support of Broad-Based Black Economic Empowerment in South Africa, Accenture developed seven diverse businesses through our Enterprise Development Program; six of these are now Accenture suppliers. We provide beneficiaries with technology enablement, digital solutions, business consulting, training, operational equipment and preferential procurement practices such as early payment to small, medium and micro enterprises dependent on cash flow.

Payal Vasudeva, Managing Director in Accenture Strategy for the United Kingdom, promotes inclusion and diversity as a core part of the People Strategy for Accenture, by serving as part of the Supplier Diversity mentoring program. She has created a recognition program called "Strategy Superstars" as well as a network of champions from all parts of the business to support the People agenda. She has also engaged in pro bono consulting work with Refuge, a UK charity that helps victims of domestic violence. Payal was recognized as a <u>Diversity Champion</u> on The Economist's Global Diversity list.

Connecting and convening to drive diversity

Accenture convenes and participates in marketplace events that promote small, medium and diverse businesses. For instance, in 2015 we held networking events in São Paulo, Brazil and Mexico City, Mexico, where we introduced women-owned businesses to corporate sourcing opportunities. One firm in attendance—DIDCO, a designer and manufacturer of commercial, corporate and traffic signaling—was awarded a contract with Accenture.

In Rotterdam, the Netherlands, a similar event connected more than 100 currently unemployed women entrepreneurs with local city representatives, banks and chambers of commerce to further these entrepreneurs' business prospects. In Nigeria, Accenture co-sponsored the WEConnect International Conference, during which we delivered an "Innovation for Business Growth" workshop for women entrepreneurs to learn how to nurture an innovation culture and best leverage opportunities.

In addition to our own Supplier Inclusion & Diversity program, we encourage our clients and suppliers to adopt inclusive practices. For example, Accenture joined forces with the Aegon Center for Longevity and Retirement and WEConnect to present an International Women's Day workshop on retirement and financial future readiness specifically for women-owned businesses.

Finally, we team with other businesses and organizations to gain insight into issues and solutions that enhance diversity and inclusion in supply chains around the world. In this way, we contribute to the growing body of knowledge about the role of supply chains in making the world a better place to work and live.

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In 2015, in collaboration with the World Economic Forum, we published the report "Beyond Supply Chains, Empowering Responsible Value Chains." The report identifies a comprehensive set of 31 proven practices, underpinned by industry examples that guide companies looking to realize triple advantage improvements—achieving profitability while benefiting society and the environment. We also supported the Wilton Park Conference and Report—Women-Led Businesses: Building a Strong and Sustainable Economy.



Attendees at the Accenture-co-sponsored "Innovation for Business Growth" workshop in Nigeria.

Integrating diverse suppliers

As a leading global organization, Accenture has the opportunity to drive a more inclusive and empowered marketplace. By including diverse businesses in our own supply chain and promoting their access to wider markets, we help grow their representation and influence in our economy and accelerate socioeconomic advancement and innovation for everyone.

One of the challenges in gauging the effectiveness of our Supplier Inclusion & Diversity Program is the

need to adopt robust measurement systems with consistent standards for diversity. We have been able to track our diverse procurement spend most consistently in the United States, where we achieved a rate of 30 percent of total procurement spend with diverse suppliers in fiscal 2015. We are exploring ways to expand the reporting of spend with small, medium and diverse suppliers in other countries.

Integrating women-owned businesses into our supply chain

WEConnect International, which empowers women to succeed in global markets, estimates that, on average, less than one percent of global corporate or government spend is on women-owned businesses in any country. In fact, women's difficulty in achieving economic success is one reason that women comprise 70 percent of the global poor.

One of the challenges we face as an organization is identifying women-owned businesses that have or want to develop the capacity to meet our procurement standards. As a partner of WEConnect International, we tap its training and certification process to help ensure that women entrepreneurs are indeed business-ready.

We co-founded and serve on the board of WEConnect International. In close collaboration, we operate programs for leveling the procurement field and integrating more women-owned enterprises into the supply chain in 13 countries across Asia Pacific, Europe, Africa and Latin America.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

In South Africa, Accenture aligns with the Broad-Based Black Economic Empowerment Act, which aims to drive economic transformation and a more inclusive marketplace. The Act requires organizations to undergo an annual verification process. Based on the outcome of this process, organizations are ranked, with level 1 the highest category and level 8 the lowest. In 2015 Accenture sustained its level 2 ranking, based on how much we spent with black-owned/black women-owned businesses plus our efforts toward small business growth. Our procurement spend with black-owned vendors was 53 percent against the legal target of 12 percent, and our spend with black women-owned vendors was 36 percent against the legal target of 8 percent.

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In India during 2015, we invested a portion of our procurement spend with 23 women-owned suppliers who are WEConnect International-certified; several others also received support to complete their certification.

We seek to help ensure gender equality in all of our practices, including through our supply chain. We promote diversity whenever and wherever possible in our decisions, but our primary focus is on skill sets. We hire women as contractors to help run our business effectively, and who can obtain specialized skills for our clients.

These contractors, for example, provide niche skills for digital development or for large client engagements, as full-time employees ramp up to speed. Our suppliers are also a crucial part of winning the war for talent for our company and with our clients, especially in the United States. Supplier arrangements enhance our ability to be nimble, support our clients and our business and adapt to the changing workforce.

Clinton Global Initiative's "Advancing Women-Owned Businesses in New Markets"

Through our relationship with WEConnect International, we were invited to join the Clinton Global Initiative's commitment to "Advancing Women-Owned Businesses in New Markets," launched in 2013. The goal: have leading organizations including Accenture create a more-efficient, effective channel to identify, develop and scale high-potential women entrepreneurs who could become strong corporate suppliers.

In 2015, the Clinton Global Initiative announced that partners collectively had exceeded both primary objectives of the five-year commitment. The first was to track and measure at least US\$1.5 billion in combined total new money spent by commitment makers on women-owned businesses based outside the United States between 2013 and 2018. The actual total spend at the end of 2014 exceeded US\$3 billion. The second objective was to implement supplier-readiness initiatives, including mentoring, targeting at least 15,000 women-owned businesses based outside the United States between 2013 and 2018. The actual total number of women trained at the end of 2014 exceeded 40,000 women. <u>Read more</u>

As part of our involvement with this initiative, Accenture will contribute data on both spend with women-owned businesses and supplier-readiness initiatives.



Chelsea Clinton of the Clinton Global Initiative recognized Accenture and other corporate partners for their intention to create a more-efficient, effective channel to identify, develop and scale high-potential women entrepreneurs who could become strong corporate suppliers. *Credit: Adam Schultz/Clinton Global Initiative*

2015 highlights: Integrating women-owned businesses

In Turkey, the number of registered and certified WEConnect International women-owned businesses has grown to approximately 140, and international corporate members have increased to 10, as a result of the collaboration between WEConnect and Accenture that began in 2012. Six businesses already have been successful in securing business contracts. One, a women-owned business by the name of Executive English Coaching, was contracted by Accenture to increase our Turkish leaders' impact globally by improving their fluency in English business communications. Business owner Billur Cremer is also offering group courses for single mothers who need English communications skills to enter or re-enter the workforce.

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Shri Gitanjali Mahila SEWA (Self-Employed Women's Association), also known as SEWA Gitanjali, is a cooperative of women stationery producers who were formerly waste-pickers. SEWA manufactures and sells products such as high-quality printed note pads and spring files made from recycled paper to meet the demanding specifications of Accenture and other corporations. Through the **Skills to Succeed** initiative, Accenture partners with other stakeholders to impart crucial production and business skills to SEWA members.

SEWA Gitanjali started in 2010 and in 2015 provided a sustainable income to more than 100 members. The Cooperative plans to engage 5,000 waste recyclers as stationery producers, providing sustainable livelihood and incomes for individuals, families and communities.

Watch the video

Integrating people and enterprises with distance to the labor market

Accenture Procurement collaborates with local initiatives across our geographies, engaging entities and individuals who may experience distance—physical, social or cultural—from the labor market in recruitment and procurement opportunities. These include minority-, ethnic- and women-owned businesses and persons with disabilities, visible and otherwise; veterans with and without disabilities; refugees; people geographically remote from labor markets; and lesbian, gay, bisexual and transgender (LGBT) persons.

A leading example is the business roundtable we established in Amsterdam in 2014. In 2015, the roundtable evolved into a corporate and government initiative called "99 of Amsterdam," which aims to include more persons with a distance to the labor market in the Dutch workforce. Accenture leads a task force of clients, suppliers and businesses to create policies and approaches that engage these individuals in supply chains. The 99 of Amsterdam has now expanded to Rotterdam and Eindhoven, making it a national initiative in the Netherlands.

MEET FALGUNI, Former waste-picker, SEWA Stationery Unit



I am Falguni Jagdishbhai Parma, 25 years old, operating the paper cutter machine in Shri Gitanjali SEWA Stationery Unit. This is how I introduce myself now. But that's not how I used to introduce myself.

I am a second generation of SEWA. My mother is a waste recycler and a member of SEWA. I have studied up to 10th standard. I have two younger brothers and one sister. My father works as a mechanic in the garage. In the earlier days the condition of our family was not good. Therefore I helped my mother in picking up the waste—I had to put my hands in the dirt, so I did not see it as good work.

One day I went to SEWA's meeting with my mother, where the leader talked about different types of training in stationery-making. I got interested. I passed different tests and got selected. I had to undergo much training. But ultimately, I succeeded. Now I have a mastery and I train other women like me.

My income has also tremendously increased. I used to spend it on my family and educating my siblings but now I have started saving. I get pride in my work.

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This <u>video</u> demonstrates our commitment to attracting "unexpected" talent, including refugees, while supporting our clients including Philips and Ahold.

Accenture is increasing its efforts to integrate persons with a distance to the labor market not only through direct recruitment, but also through agreements with our facilities' vendors and collaboration with forprofit and nonprofit organizations. For example, in France, as part of the Accord Handicap, Accenture Procurement aims to increase the number of persons with disabilities-owned security and information technology vendors in our supply chain and expand sourcing opportunities for persons with disabilities entrepreneurs in fiscal 2016.

In Italy in 2015, Accenture created Job Station, a telework center where individuals with mental disabilities can work in a safe environment with the support of a tutor, away from the stress of the usual workplace. We collaborated with several nonprofit organizations to launch this scalable delivery model to help people with mental disabilities acquire desirable business skills and live more independent lives. This initiative also responds to European and Italian legal obligations to increase employment of persons with disabilities. We now employ 16 teleworkers in Milan and are training more, both in that city and in Rome. Accenture has contracted nine of these teleworkers to support client teams. Accenture is proud to be a corporate leader in supporting the LGBT community in our procurement practices. We are committed to raising awareness, about LGBT suppliers, while simultaneously supporting supply chain decisions based on equality.

As an example, Accenture is a Corporate Partner of the National Gay and Lesbian Chamber of Commerce (NGLCC), which organized the world's largest event for LGBT businesses. In 2015, 800 entrepreneurs and professionals attended the International Business & Leadership forum in Fort Lauderdale, Florida. We contributed to the event by speaking at two panel discussions and hosting a breakfast session attended by LGBT-owned businesses, NGLCC leadership, and Accenture clients including Coca-Cola and Cigna.

Accenture Procurement looks to purchase products and services from a diverse range of minority- and Indigenous-owned companies, helping to foster a growing, prosperous and vibrant Indigenous enterprise sector. To that end, in 2015 our Canada Aboriginal Employee Resource Group conducted several activities to increase Aboriginal awareness, and plans to focus on recruitment and education about Aboriginal sourcing channels in 2016.

RECOGNIZING ACCOMPLISHMENTS

Our accomplishments have been recognized by organizations, including by the <u>Women's</u> <u>Business Enterprise National</u> <u>Council</u> in the United States, which in January 2016 named Accenture among its Top Corporations for Women's Business Enterprise for the eighth consecutive year.

In addition, Accenture was named as a <u>2015 Greater</u> <u>Women's Business Council</u> <u>TOP Corporation of the Year</u> for the third consecutive year. For our commitment and passion for engaging, inspiring and empowering womenowned businesses, this honor ultimately reflects the 29 women-owned business enterprises that have graduated from our DSDP program.

In 2015, Accenture was recognized as a Corporate Diversity Leader of the Year in Greater China.

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CASE STUDY: RURAL BPO: THE POWER OF IMPACT SOURCING

THE OPPORTUNITY: Impact sourcing is outsourcing that benefits educated, but disadvantaged, individuals in low-employment areas by providing higher-income employment and access to new income opportunities to individuals who might not otherwise be employed in business process outsourcing (BPO). These individuals receive the same training as traditional workers and deliver services on par with them.

OUR APPROACH: Accenture partners with Rural BPO, small BPO firms based in rural areas that have access to local pools of educated youth. They provide specific skills training, mentoring and project management to employees, and in turn, the employees are certified to deliver operational excellence for the clients served by the centers.

Rural BPO is under way in three locations across India and one in the Philippines. In all areas its core focus is to provide job opportunities to improve people's standard of living and financial independence. Rural BPO successfully bridges the gap between rural communities and urban centers, providing qualified youths with an opportunity that is close to home. The program proposes a sustainable model for driving employment and socioeconomic health in communities—a model that Accenture intends to repeat across South and Central America and South Africa in the coming years.

THE RESULTS: Several benefits have been realized through impact sourcing, including lower attrition, a motivated workforce, reduced rural-to-urban migration among workers hired at these centers and local socioeconomic development. Impact workers have achieved significant increases in their annual income, enabling them to pay off their educations and bank loans, purchase additional amenities for their families and afford a better lifestyle, given stable employment.

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THE PATH FORWARD

As we look to the future, Accenture will continue to drive our procurement strategy across our three key priorities maintaining adherence across our supplier standards of conduct; driving supplier sustainability and advancing supplier inclusion and diversity, expanding across programs to meet both our own goals and to meet and exceed our clients' expectations in this area. Our target is to grow supplier sustainability and diversity significantly over the next five years.

CDP reports that supply chain greenhouse gas emissions can be as much as four times those of a company's direct operations. By looking beyond our four walls and announcing targets to better manage supply chain emissions, Accenture sees our supply chain as one of the areas where we can create a significant positive impact in the future.

Through the actions we will take to achieve our new fiscal 2020 goals, we expect our key suppliers to report additional CO_2 reductions by 2020. Key to our success is ensuring our suppliers are living our values—we will increase our efforts to close the loop with suppliers who demonstrate significant problems in delivering sustainably. We are working diligently each day to reach our goals, and we are inspired by the significant progress our suppliers are making to reduce carbon emissions and invest in emission reduction technologies.

Between fiscal 2016 and 2017, we will explore and build a mechanism and process for facilitating supplier recognition for best practices in GHG emission and risks, as well as to acknowledge, thank and grow relationships with suppliers that already participate in the CDP information request. We will seek to identify collaborative initiatives with our regional Environmental and Sustainability teams wherever applicable, driving more reporting and metrics through scorecards, dashboards and questionnaires. Our aim in this journey is that these actions will result in truly transformational engagement with our suppliers. We understand that small, medium and diverse enterprises today may become major suppliers in the future, and we intend to help those suppliers achieve success.

The activities associated with delivering on our new supplier transparency will greatly enhance our position as we deliver on our procurement sustainability strategy. For instance, in 2016, CDP supply chain outreach will target suppliers most significant to us, and our team will engage directly with suppliers who do not currently report emissions reduction through Accenture, CDP or other events.

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Government demand—and demonstrable measures for engagement and progress—to advance supply chain diversity is increasing. For instance, on a regional basis, we have exceeded requirements set by the Broad-Based Black Economic Empowerment Act in South Africa and are exploring ways to achieve local government requirements in other countries.

While the financial imperative for our business is evident, our vision drives us to ensure our supply chain organizations share and embrace Accenture's own support and respect for human rights. We believe diverse suppliers should have equal opportunities to participate in the procurement sourcing process, and our actions are evidence of the high value we place on diversity in our supply chain.

In the years ahead, our ever-expanding commitment to supply chain innovation includes finding solutions that best meet needs for performance and costs of products and services for our clients, while simultaneously generating positive environmental and societal impacts.

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"This year, we are again renewing our commitment to the Ten Principles of the United Nations Global Compact, which we signed in 2008. We continue to support the organization's efforts to advance corporate citizenship and sustainability. These efforts are well aligned with our core values and our vision to improve the way the world works and lives."

- Pierre Nanterme, Chairman & CEO

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Our 2015 Corporate Citizenship Report, "Making a Measurable Difference," details the impact we made across each of the five pillars of our corporate citizenship reporting strategy: Ethics & Governance, **Skills to Succeed**, Environment, Our People and Supply Chain. The report explores our corporate citizenship goals, progress and performance across our global operations during fiscal 2015 (ended August 31, 2015) unless otherwise noted. Our previous reports are available on <u>accenture.com</u>.

OUR APPROACH

Accountability and transparency—which we believe create trust—are priorities for Accenture. We continually take steps to strengthen our reporting approach through ongoing stakeholder engagement and adherence to global non-financial reporting standards.

We use the <u>Global Reporting Initiative (GRI)</u> G4 Guidelines as a foundation for our reporting approach and this report is prepared in accordance with the Core option.

The report serves as our seventh Communication on Progress to the United Nations Global Compact, which we signed in January 2008, and it documents our progress as a member of <u>Global Compact LEAD</u>, which focuses on raising sustainability performance. As a LEAD member, we are committed to work toward implementing the <u>Blueprint for Corporate</u> <u>Sustainability Leadership</u> and sharing related outcomes and learnings with the broader universe of companies in the Global Compact.

We prioritize transparent reporting of our non-financial performance through our annual Corporate Citizenship Report and our responses to the <u>Dow Jones Sustainability Index</u>, <u>FTSE4Good Index</u> and <u>CDP</u>—specifically, to its Investor Program since 2007 and its Supply Chain Program since 2009. Our most recent CDP report is available on <u>accenture.com</u>. More information about our global corporate citizenship activities, including our comprehensive <u>GRI Index</u> and <u>UNGC Index</u>, is available on <u>accenture.com</u>. Additionally, current financial information about Accenture can be found in our recent 10-K and Proxy Statement on <u>accenture.com</u>.

We welcome your feedback.

PERFORMANCE METRICS

The performance metrics and goals in this report are developed in conjunction with our stakeholder engagement process with key input from several cross-functional Accenture teams. We vet the information through an internal controls process, which includes senior leadership, to ensure it provides an accurate, meaningful and balanced representation of Accenture's non-financial performance.

We disclose our key non-financial metrics in our <u>Performance Data Table</u>, including data from the last five years.

Our reported carbon emissions data is prepared using methods based on the <u>Greenhouse Gas (GHG) Protocol</u>, the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. For the second consecutive year, an independent third party provided a limited assurance review of our corporate GHG emissions inventory in accordance with the ISO 14064-3 International Standard, and issued a positive assurance statement for 100 percent of Accenture's fiscal 2015 Scope 1 and Scope 2 emissions, as well as a small subset of Scope 3 emissions.

Additionally, we utilize performance management systems across our company to consolidate and monitor our non-financial data. These systems provide timely and accurate detail that enable us to analyze and track progress against our corporate citizenship objectives.

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Unless specified, all metrics are global in scope, reported on a fiscal year basis, consistent with previously reported figures and cover those of our consolidated entities.

STAKEHOLDER ENGAGEMENT

Fostering a dialogue with key stakeholders is an important part of our reporting process. It helps us understand and communicate which topics are most important to our stakeholders and to manage our business. We actively engage internal and external stakeholders in discussions regarding our goals, our progress and our performance in an effort to improve our reporting.

We pay close attention to input from a variety of stakeholders (see table below) to inform our reporting approach and potential improvements to align more closely with stakeholder expectations. In fiscal 2015, we conducted a broad-based stakeholder engagement effort as we refreshed the prioritization of our non-financial reporting aspects. More information about this process is available in the <u>Reporting Prioritization section</u>.

Stakeholder Group	Examples of Engagement
Clients	Satisfaction surveys, client account leads, quality assurance, conferences and events
Current Accenture People	Surveys, internal memos, internal communication channels, accenture.com, social media, Business Ethics Line
Investors	Quarterly earnings calls, Investor & Analyst Conferences, responses to questionnaires, investor relations team
Suppliers	Supplier relationship management team, CDP's Supply Chain Program, Supplier Standards of Conduct, Diverse Supplier Development Program, workshops, trainings, conferences
Governments & Policy Makers	See Political Contributions and Lobbying Policy, government relations team
Non-profit Partners	Skills to Succeed grant portfolio and relationship management, Skills to Succeed global practitioner network
Potential Recruits, Alumni & Civil Society	Social media, accenture.com, careers blog, alumni forums and events, news releases

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REPORTING PRIORITIZATION

In 2015, we refreshed our non-financial materiality analysis to identify and map the aspects that are most important to both external stakeholders and our business. The process generated valuable insights, which informed this year's disclosures, as well as our future plans for reporting and stakeholder engagement.

We engaged internal and external stakeholder groups (see table in Stakeholder Engagement section) through interviews, surveys, media analysis and peer benchmarking to understand each group's priorities and expectations. We then created a list of relevant aspects based on our stakeholder feedback, and refined the list through a commercial analysis and interviews with multiple senior leaders across business lines and geographies. The result, based on those two views—importance to stakeholders and importance to our business—is represented in the matrix below.

The top two rows of the matrix represent the most important aspects of our non-financial reporting, and serve as the basis for the topics included in our <u>GRI Index</u>. The level of detail discussed on each aspect in this report may vary based on the relevance to our business. Our reporting may also address aspects in the bottom row in order to raise stakeholder awareness of where we are focusing our overall corporate citizenship efforts. Aspects excluded from this matrix are not considered relevant to our non-financial reporting.

A glossary of topics in the matrix below is available on <u>accenture.com</u>.

JIders Very High	 Energy Use Waste, including e-waste Water 	Carbon EmissionsHuman Rights	 Inclusion, Diversity & Equal Opportunity Talent Attraction & Development Employee Well-being
Importance to Stakeholders dium High Very H	 Labor Rights in the Supply Chain Environmentally Sustainable Procurement 	 Community Giving, Engagement & Social Impact Compliance with Environment & Social Regulation Climate Change Adaptation Enabling Client's Sustainability Top-level Governance of Environment & Social Issues 	 Data Privacy & Security/Cyber Security Ethics & Integrity Labor Rights among Employees
Impor Medium	 Supporting Suppliers' Sustainability Indirect Economic Impacts Direct Economic Impacts 	 Alignment with Voluntary Environment & Social Standards Consistency in Public Policy & Advocacy Digital Responsibility 	Supplier Diversity
	Medium	High Importance to Our Business	Very High

UNITED NATIONS GLOBAL COMPACT— OUR COMMITMENT TO THE 10 PRINCIPLES

Our 2015 Corporate Citizenship Report, "Making a Measurable Difference," serves as Accenture's annual Communication on Progress to the UN Global Compact. Our commitment is supported by the actions and initiatives detailed throughout this report. For further detail, reference our <u>UNGC Index</u>.

Human Rights Principles

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2 make sure they are not complicit in human rights abuses.

Our Commitment

Accenture's commitment to supporting and respecting human rights spans how we treat our people, our expectations of our suppliers and how we make a sustainable impact in the communities where we live and work. Our support of human rights is reflected by our core values, especially Respect for the Individual, Best People and Integrity, and our commitment to the Ten Principles of the UN Global Compact. Our commitment is anchored in our Code of Business Ethics; our Supplier Standards of Conduct; and our global policies, including those that address data privacy, social media, harassment and the procurement of goods and services.

We continue to review human rights efforts across our operations, as well as best practices in the marketplace, to understand how we can further strengthen our commitment. More information about our progress and performance in this area is available in the <u>Ethics & Governance</u> and <u>Supply Chain</u> sections.

Labor Standards Principles

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4 the elimination of all forms of forced and compulsory labor;

PRINCIPLE 5

the effective abolition of child labor; and

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation.

Our Commitment

Accenture's ongoing commitment to upholding labor standards—including freedom of association; elimination of forced, compulsory and child labor; and elimination of discrimination—is embedded in how we build relationships with our people and suppliers. This is articulated in our <u>Code of Business Ethics</u> to emphasize, among other things, diversity, corporate citizenship, teamwork and respect. Our commitment is reflected in our core values, especially Respect for the Individual, Best People, Integrity and Stewardship.

As a global professional services company, the topic of labor rights in our operations generally focuses on promoting equality in the workplace and promoting a discrimination-free and harassment-free work environment. We are also committed to protecting the health and safety of our people.

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ETHICS & GOVERNANCE Core components of our commitment to strong labor standards include our <u>Global Meritocracy policy</u> and compliance with local labor laws applicable to our relationship with our people. Additionally, we support the <u>UN Global Compact Women's Empowerment Principles</u>, which help the private sector promote gender equality in the workplace, marketplace and community. More information about our progress and performance to promote equality and eliminate discrimination in the workplace is available in the <u>Our People</u> section.

Protecting the health and safety of our people, contractors and guests represents another important aspect of our commitment to labor rights. In addition to our Global Asset Protection (GAP) team, we have global internal standards for safety and security, and also maintain our <u>OHSAS</u> <u>18001:2007 certification</u>—a standard for occupational health and safety—in Brazil, Ireland, Spain, the United Kingdom and our largest location in Bangalore, India. In light of our continued growth, we focus on continually ensuring global adoption of our safety and security processes.

Finally, we expect that our suppliers also uphold the same high labor standards as we do.

Our <u>Supplier Standards of Conduct</u> and numerous policies (including harassment, procurement of goods and services, and reporting unlawful or unethical activity prohibition against retaliation) also address our commitment to extend our support of labor rights to our supply chain. More information is available in the <u>Supply Chain</u> section.

Environment Principles

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9

encourage the development and diffusion of environmentally friendly technologies.

Our Commitment

At Accenture, fostering sustainable economic growth for our company and our stakeholders is at the heart of our environmental strategy, and it is central to our vision to improve the way the world works and lives. Our environmental strategy focuses on three areas: running efficient operations that reduce carbon and other impacts; enabling client and supplier sustainability; and engaging our people, leaders, partners and other stakeholders—and serves as a compass as we raise our ambition toward 2020 and beyond.

Environmental stewardship is ingrained in our <u>Code of Business</u> <u>Ethics</u> and our <u>core values</u> specifically Stewardship. These inform our <u>Environmental Responsibility Policy</u>, which our <u>Environment Steering</u> <u>Group (ESG)</u> established in 2007, updated in 2014, and reviews annually. Accountability for our environmental strategy starts with our <u>Chairman & CEO</u> and cascades through our business, to our Chief Operating Officer, Chief Strategy Officer, Global Geographic Services Managing Director, Global Corporate Citizenship Managing Director, and to their respective teams across Corporate Citizenship, Workplace Solutions and Environmental Operations.

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We have a clear governance structure to drive performance toward our goals and to articulate roles and responsibilities for our environmental efforts. Our ESG meets quarterly to monitor our <u>environmental performance</u> and identify improvement areas. It also supports a dedicated subcommittee of our <u>Global Management Committee (GMC)</u>—the Accenture Corporate Citizenship Committee (ACCC)—in making strategic recommendations on our sustainability initiatives.

The ACCC, chaired by our Chief Strategy Officer, comprises crossfunctional and geographic leadership. It is responsible for challenging, approving and championing the strategic recommendations of the ESG and driving the objectives through the organization. Examples of topics for discussion and decision include the sign-off of publicly disclosed carbon reduction targets and monitoring our Environmental Responsibility Policy. At the same time, the ACCC, Chief Operating Officer, Chief Strategy Officer and <u>Board of Directors</u>—which includes our Chairman & CEO—are accountable for our corporate objective of fostering environmentally sustainable growth.

More information about our progress and performance to support the Environment principles is available in the <u>Environment</u> section.

Anticorruption Principle

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Our Commitment

Strong ethics and governance are key parts of Accenture's business strategy. They help make us a high-performance business, and are critical to the long-term creation of stakeholder value at Accenture. Our Code of Business Ethics reiterates that we have zero tolerance for corruption in any form. We encourage our people to speak up if they have a good faith concern about disrespectful or inappropriate conduct, or unethical or illegal behavior of any kind. We also ensure our people know that at Accenture, we have a zero tolerance for retaliation against anyone who speaks up in good faith, and we clearly explain what "retaliation" means.

Our Code of Business Ethics and related policies require all of our people, business partners and suppliers to abide by the spirit and letter of all antibribery and anticorruption laws everywhere we do business. These include the U.S. Foreign Corrupt Practices Act, the Organization of Economic Cooperation and Development Convention on Combating Bribery of Public Officials in International Business Transactions, the UN Convention against Corruption the UK Bribery Act and all applicable laws that prohibit bribery and corruption in the countries in which we do business. We conduct annual and periodic risk assessments in all countries where we operate for each of our global compliance programs— Anticorruption, Anti-Money Laundering, Competition Law, Data Privacy and Trade Compliance—to assess emerging areas of risk.

Our global <u>Ethics & Compliance program</u>, which includes our Anticorruption program, requires leaders across our business to collaborate to address the topics that are of highest risk and most relevant to our business. We expect every leader at Accenture—including our <u>Board of Directors; Chairman & CEO; General Counsel & Chief Compliance Officer; and Global Management Committee (GMC) members—to advocate for ethics and compliance and be a role model of the highest ethical standards.</u>

Our Board of Directors has delegated to the <u>Audit Committee</u> the responsibility for overseeing our legal and regulatory compliance, risk assessment and risk management, as well as oversight of our 24/7 Business Ethics Line, one of the channels by which our people are encouraged to report ethics or compliance concerns. Our Ethics & Compliance Program Charter grants our Chief Compliance Officer resources, authority and direct access to the Board (and Audit Committee) to report compliance matters outside the normal reporting schedule. This gives our Ethics & Compliance program a degree of independence from other parts of the business to mitigate any conflicts of interest.

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ETHICS & GOVERNANCE SKILLS TO SUCCEED ENVIRONMENT OUR PEOPLE

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Our Chairman & CEO plays a key role in establishing tone from the top. He visibly and frequently communicates on a number of issues related to Ethics & Compliance, including: we have zero tolerance for violations of law and for retaliation against employees reporting issues; and a strong Ethics & Compliance program is an essential part of being a highperformance company and in reaching our goals as a company.

Additionally, we are members of the <u>World Economic Forum's Partnering</u> <u>Against Corruption Initiative</u>, which brings together companies through a universal commitment to having a zero-tolerance policy toward bribery and to developing, implementing and maintaining broad-based anticorruption programs.

More information about our progress and performance to work against corruption is available in the <u>Ethics & Governance</u> section.

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ACCENTURE CORPORATE CITIZENSHIP PERFORMANCE DATA TABLE

The following table quantifies our progress since fiscal year 2011 on key indicators. Unless specified, all metrics are global in scope, reported on a fiscal year basis, consistent with previously reported figures and cover those of our consolidated entities.

Accenture at a Glance ¹	FY11	FY12	FY13	FY14	FY15
			US \$ thousan	thousands 3,562,810 \$30,002,394 2,224,130 25,701,882 3,338,680 \$4,300,512 275,000 305,000 FY13 FY14 512,000 815,000 thousands \$11,207 18,813 19,698 8,760 9,999 10,728 12,355 \$47,148 \$53,259	
Net Revenues ²	\$25,507,036	\$27,862,330	\$28,562,810	\$30,002,394	\$31,047,931
Operating Expenses excluding reimbursable expenses	22,036,579	23,990,782	24,224,130	25,701,882	26,612,062
Operating Income	\$3,470,457	\$3,871,548	\$4,338,680	\$4,300,512	\$4,435,869
Global Headcount at fiscal year end (rounded) ³	236,000	257,000	275,000	305,000	358,000
Skills to Succeed ¹	FY11	FY12	FY13	FY14	FY15
People Equipped with Skills to Get a Job or Build a Business (cumulative, rounded) ⁴	164,000	327,000	512,000	815,000	1,243,000
Accenture Contributions By Region			US \$ thousand	ds	
North America	\$4,929	\$6,071	\$8,848	\$11,207	\$11,009
Europe	15,788	17,952	18,813	19,698	17,192
Growth Markets	7,216	7,686	8,760	9,999	15,636
Global	9,683	10,175	10,728	12,355	14,934
Total Accenture Contributions	\$37,616	\$41,883	\$47,148	\$53,259	\$58,771
Accenture Contributions By Type			US \$ thousand	ds	
Cash	\$13,516	\$12,862	\$13,917	\$14,833	\$20,452
In-Kind (Accenture Development Partnerships and pro bono consulting)	22,285	26,981	30,616	35,203	35,562
Time (Paid volunteering)	1,815	2,039	2,615	3,223	2,757
Total Accenture Contributions	\$37,616	\$41,883	\$47,148	\$53,259	\$58,771
Accenture Foundations Contributions ⁵	\$6,890	\$11,616	\$12,911	\$15,907	\$16,509
Total Accenture and Accenture Foundations Contributions	\$44,506	\$53,500	\$60,059	\$69,166	\$75,281

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IN

Accenture Contributions: Percentage By Region	Percent of Total				
North America	13%	15%	19%	21%	19%
Europe	42	43	40	37	29
Growth Markets	19	18	18	19	27
Global	26	24	23	23	25
Total	100%	100%	100%	100%	100%

Accenture Contributions: Percentage By Type		Р	ercent of Total		
Cash	36%	31%	29%	28%	35%
In-Kind (Accenture Development Partnerships and pro bono consulting)	59	64	65	66	60
Time (Paid volunteering)	5	5	6	6	5
Total	100%	100%	100%	100%	100%
Hours of Participation in Accenture-sponsored "Time & Skills" Programs ⁶	358,204	476,911	518,202	591,800	629,734
Employees Participating in Accenture-sponsored "Time & Skills" Programs ⁶	3,309	3,963	4,618	6,751	5,292

Environment ¹	FY11	FY12	FY13	FY14	FY15
Total Carbon Emissions per Employee (Metric Tons of CO ₂) ⁷	2.84	2.68	2.58	2.28	2.14
Reduction in Carbon Emissions per Employee compared to FY07 Baseline	30%	34%	36%	44%	47%

Metric Tons of CO ₂			Metric Tons of CO ₂		
348,710	351,883	351,328	333,664	372,594	
64,782	83,361	91,282	100,400	99,694	
204,036	224,615	232,988	224,211	232,953	
10,103	7,436	8,153	7,136	7,528	
627,631	667,295	683,751	665,411	712,769	
	64,782 204,036 10,103	348,710351,88364,78283,361204,036224,61510,1037,436	348,710 351,883 351,328 64,782 83,361 91,282 204,036 224,615 232,988 10,103 7,436 8,153	348,710 351,883 351,328 333,664 64,782 83,361 91,282 100,400 204,036 224,615 232,988 224,211 10,103 7,436 8,153 7,136	

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Carbon Emissions By Region ⁷	Metric Tons of CO ₂				
North America	211,356	218,974	216,403	219,455	231,177
Europe	117,691	125,464	125,255	122,384	130,426
Growth Markets	296,590	320,910	340,882	323,464	351,166
Global	1,995	1,947	1,211	107	0
Total Carbon Emissions	627,631	667,295	683,751	665,411	712,769
Carbon Emissions By Scope ^{7, 8}	Metric Tons of CO ₂				
Scope 1	12,098	9,383	32,155	29,767	26,290
Scope 2 ⁹	204,036	224,615	232,988	228,030	237,239
Scope 3	411,497	433,297	418,608	407,615	449,240
Total Carbon Emissions	627,631	667,295	683,751	665,411	712,769
Carbon Emissions: Percentage By Source		P	ercent of Total		
Air Travel	56%	53%	51%	50%	52%
Other Business Travel	10	12	13	15	14
Office Electricity	33	34	34	34	33
Other Energy (Natural Gas, Diesel)	2	1	1	1	1
Total	100%	100%	100%	100%	100%
Carbon Emissions: Percentage By Region	Percent of Total				
North America	34%	33%	32%	33%	33%
Europe	19	19	18	18	18
Growth Markets	47	48	50	49	49
Global	<1	<1	<1	<1	0
Total	100%	100%	100%	100%	100%

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Carbon Emissions: Percentage By Scope ⁸	Percent of Total				
Scope 1	2%	1%	5%	4%	4%
Scope 2	33	34	34	34	33
Scope 3	66	65	61	61	63
Total	100%	100%	100%	100%	100%
Office Electricity Efficiency (kWh / square meter)	234	223	213	206	201
% Improvement in Electricity Efficiency compared to FY07 Baseline	17%	21%	25%	27%	29%
% Electricity from Renewable Sources	14%	12%	12%	16%	20%
Energy Usage By Source ⁷			MWh		
Electricity	337,773	365,402	377,377	404,334	435,168
Natural Gas	19,610	13,128	16,684	18,034	21,092
Diesel	24,639	19,106	19,243	13,948	13,047
Total Energy Usage	382,022	397,636	413,304	436,317	469,306
Energy Usage: Percentage By Source		Р	ercent of Total		
Electricity	88%	92%	91%	93%	93%
Natural Gas	5	3	4	4	4
Diesel	6	5	5	3	3
Total	100%	100%	100%	100%	100%
Total amount of electronic waste disposed by Accenture (Metric Tons) ¹⁰	173	273	254	266	180
Electronic waste disposed by Accenture that avoided landfill ¹⁰	99%	99%	99%	99%	99%
Total water consumption (cubic meters) ¹¹					1,934,000
Water consumption per employee (cubic meters)					5.81

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Our People	FY11	FY12	FY13	FY14	FY15
Total Training Spend (US\$ thousands)	\$810,387	\$857,574	\$878,108	\$786,517	\$841,440
Average Training Hours per Employee ³	52	52	50	45	46
Employee Donations (US\$ thousands)	\$7,006	\$6,119	\$6,957	\$7,783	\$8,781
Women in Workforce ^{12,13}	35%	36%	36%	36%	38%
Women New Hires ^{12,13}	34%	39%	40%	37%	38%
Women Executives ^{12,13}	27%	28%	28%	28%	28%

Supply Chain ¹	FY11	FY12	FY13	FY14	FY15	
Diverse Procurement Spend By Type (US only)	US \$ thousands					
Minority-Owned Business	\$193,085	\$252,206	\$235,200	\$255,792	\$327,811	
Women-Owned Business	123,597	136,420	143,214	114,939	117,448	
Small Business	62,004	99,998	104,963	75,807	76,573	
Other Type Business ¹⁴	30,043	32,040	38,089	3,571	5,646	
Total Diverse Procurement Spend (US only)	\$408,728	\$520,663	\$521,466	\$450,110	\$527,479	

Diverse Procurement Spend: Percentage of Total Procurement Spend By Type

(US only)	Percent of Total Proc 11% 13% 12%			ent Spend	
Minority-Owned Business	11%	13%	12%	15%	18%
Women-Owned Business	7	7	8	7	7
Small Business	3	5	6	5	4
Other Type Business ¹⁴	2	2	2	< 1%	< 1%
Total (US only)	23%	27%	27%	27%	30%

Footnotes:

1 Some detail numbers may not sum exactly to total number due to rounding.

2 Net revenues excludes reimbursements (for example, travel and out-of-pocket expenses and third-party costs, such as the cost of hardware and software resales).

3 Summarized data is consistent with financial reporting.

4 For the "People Equipped with Skills to Get a Job or Build a Business," we updated figures from fiscal 2011 through fiscal 2014 to include a small number of initiatives not previously reported.

5 Accenture Foundations refers to independent charitable organizations that bear the Accenture name.

6 "Accenture-sponsored 'Time & Skills' Programs" comprise Accenture Development Partnerships, pro bono consulting and paid volunteering projects.

7 Detailed methodology for carbon emissions and energy usage calculations is available in Accenture's response to CDP.

8 Since fiscal 2013, improved data on leased cars allows us to segregate some Scope 1 emissions from the Scope 3 car emissions they had been classified as previously. Starting in fiscal 2014, we classified Natural Gas usage as Scope 2 emissions from the Scope 1 emissions they had been classified as previously.

9 Fiscal 2015 CO₂ emissions classified as "Office Electricity" and "Scope 2" reflect a market-based carbon accounting approach. Adjusting our fiscal 2015 CO₂ emissions to use a location-based approach would be 290,634 tons for office electricity and 294,920 for Scope 2.

10 Electronic waste includes laptops and workstations with disposal method tracked in Accenture's global asset management system.

11 Fiscal 2015 total water consumption is derived from 55% measured data and estimating the remainder based on average per-workstation consumption from measured locations.

12 Does not include information from Avanade, a joint venture between Accenture and Microsoft that is majority-owned by Accenture.

13 All "Women Executives" values and 2015 "Women in Workforce" and "Women New Hires" values reflect our workforce as of December 31. "Women Executives" comprises our women managers, senior managing directors, senior managing directors and members of our Global Management Committee.

14 "Other Type Business" consists of the following subcategories: Service-Disabled Veteran, Veteran, Historically Underutilized and Lesbian/Gay/Bisexual/Transgender.

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ABOUT ACCENTURE

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