

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K



Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2022

Commission File Number: 001-34448

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Accenture plc

(Exact name of registrant as specified in its charter)

Ireland

98-0627530

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

1 Grand Canal Square,  
Grand Canal Harbour,  
Dublin 2, Ireland

(Address of principal executive offices)

(353) (1) 646-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value \$0.0000225 per share	ACN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common equity of the registrant held by non-affiliates of the registrant on February 28, 2022 was approximately \$200,173,941,446 based on the closing price of the registrant's Class A ordinary shares, par value \$0.0000225 per share, reported on the New York Stock Exchange on such date of \$316.02 per share and on the par value of the registrant's Class X ordinary shares, par value \$0.0000225 per share.

The number of shares of the registrant's Class A ordinary shares, par value \$0.0000225 per share, outstanding as of September 28, 2022 was 664,783,164 (which number includes 34,703,204 issued shares held by the registrant). The number of shares of the registrant's Class X ordinary shares, par value \$0.0000225 per share, outstanding as of September 28, 2022 was 500,837.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's Annual General Meeting of Shareholders, to be held on February 1, 2023, will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC not later than 120 days after the registrant's fiscal year ended August 31, 2022.

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# Part I

## Disclosure Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “positioned,” “outlook” and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to, the factors discussed below under the section entitled “Risk Factors.” Our forward-looking statements speak only as of the date of this report or as of the date they are made, and we undertake no obligation to update them, notwithstanding any historical practice of doing so. Forward-looking and other statements in this document may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company’s filings with the Securities and Exchange Commission. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

## Available Information

Our website address is [www.accenture.com](http://www.accenture.com). We use our website as a channel of distribution for company information. We make available free of charge on the Investor Relations section of our website (<http://investor.accenture.com>) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(a) or 15(d) of the Exchange Act. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Business Ethics. Financial and other material information regarding us is routinely posted on and accessible at <http://investor.accenture.com> and on the Accenture 360° Value Reporting Experience (<http://www.accenture.com/reportingexperience>). We do not intend for information contained in our website to be part of this Annual Report on Form 10-K.

The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Any materials we file with the SEC are available on such Internet site.

In this Annual Report on Form 10-K, we use the terms “Accenture,” “we,” the “Company,” “our” and “us” to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31.

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# Item 1. Business

## Overview

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation led company with over 721,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Song (formerly Interactive). These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.



We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). Our geographic markets bring together all of our capabilities across our services, industries and functions to deliver value to our clients.

We manage our business through the three geographic markets and go to market by industry, leveraging our deep expertise across our five industry groups—Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. Our integrated service teams meet client needs rapidly and at scale, leveraging our network of more than 100 innovation hubs, our technology expertise and ecosystem relationships, and our global delivery capabilities.

## Fiscal 2022 Highlights

**\$61.6B** in revenues

Our revenues are derived primarily from Forbes Global 2000 companies, governments and government agencies.

We employed more than

**721,000** people

as of August 31, 2022.

We have long-term relationships and have partnered with

**99** of our top **100** clients

for more than **10** years.

## Fiscal 2022 Investments

**\$3.4B**

across 38 strategic acquisitions

**\$1.1B**

in research and development

**\$1.1B**

in learning and professional development

**8,300+**

patents and pending patent applications worldwide at year-end

During fiscal 2022, we continued to make significant investments—in strategic acquisitions, in research and development (R&D) in our assets, platforms and industry and functional solutions, and in attracting, retaining and developing people. These investments help us to further enhance our differentiation and competitiveness in the marketplace. Our disciplined acquisition strategy, which is an engine to fuel organic growth, is focused on scaling our business in high-growth areas; adding skills and capabilities in new areas; and deepening our industry and functional expertise. In fiscal 2022, we invested \$3.4 billion across 38 strategic acquisitions, \$1.1 billion in R&D, and \$1.1 billion in learning and professional development. At year-end, we had more than 8,300 patents and pending patent applications worldwide.

## Our Strategy

The core of our growth strategy is delivering 360° value to our clients, people, shareholders, partners and communities. Our strategy defines the areas in which we will drive growth, build differentiation via 360° value and enable our business to create that value every day. We define 360° value as delivering the financial business case and unique value a client may be seeking, and striving to partner with our clients to achieve greater progress on inclusion and diversity, reskill and upskill our clients' employees, help our clients achieve their sustainability goals, and create meaningful experiences, both with Accenture and for the customers and employees of our clients.

We bring industry specific solutions and services as well as cross industry expertise and leverage our scale and global footprint, innovation capabilities, and strong ecosystem partnerships together with our assets and platforms including MyWizard, MyNav and SynOps to deliver tangible value for our clients.

We help our clients use technology to drive enterprise-wide transformation, which includes:

- **building their digital core**—such as moving them to the cloud, leveraging data and artificial intelligence, and embedding security across the enterprise;
- **optimizing their operations**—such as helping our clients digitize faster, access digital talent and reduce costs as well as through digitizing engineering and manufacturing; and
- **accelerating their revenue growth**—such as through using technology and creativity to create personalized connections, experiences and targeted sales at scale, leveraging data and AI, transforming content supply chains and marketing and commerce models and helping create new digital services and business models.

Our managed services have become increasingly strategic as companies seek to move faster and leverage our digital platforms and talent as well as reduce costs.

We believe our strategy to deliver 360° value makes us an attractive destination for top talent, a trusted partner to our clients and ecosystem, and a respected member of our communities.

We believe that the companies that will lead in the next decade need to harness the five key forces of change we have identified—total enterprise reinvention, talent, sustainability, the metaverse continuum and the ongoing technology revolution. We are investing and co-creating with clients and partners to lead in helping our clients thrive

across these forces, which we expect to have different time horizons. Today, the strong demand we continue to see across our geographic markets, services and industries is being primarily driven by the first two, as companies are in the early stages of harnessing these forces. We have summarized below each of the five key forces as we currently see them evolving.

- **Total enterprise reinvention**, as we believe every part of every business must be transformed by technology, data and AI, with new ways of working and engaging with customers, employees and partners, and new business models, products and services. We are helping clients build their digital core, optimize operations and accelerate growth.
  - **Talent**, as companies must be able to access great talent, be talent creators not just consumers, and unlock the potential of their people—from the ways they organize and work, to their culture, to their employee value proposition.
  - **Sustainability**, as consumers, employees, business partners, regulators and investors are demanding companies move from commitment to action—we believe every business must be a sustainable business.
-

- **The metaverse continuum**, moving seamlessly between virtual and physical, which we believe will provide even greater possibilities in the next waves of digital transformation.
- **The ongoing technology revolution**, from the rich innovation to come in the powerful technologies being used to transform companies today, to the new fields of the future, from quantum computing, to science and space technology.

We believe that helping clients navigate these five key forces of change will, in turn, drive our growth.

#### **Key enablers of our growth strategy include:**

**Our People**—As a talent- and innovation-led organization, across our entire business our people have highly specialized skills that drive our differentiation and competitiveness. We care deeply for our people, and are committed to a culture of shared success, to investing in our people to provide them with boundaryless opportunities to learn and grow in their careers through their work experience and continued development, training and reskilling, and to helping them achieve their aspirations both professionally and personally. We have an unwavering commitment to inclusion and diversity;

**Our Commitment**—We are a purpose-driven company, committed to *delivering on the promise of technology and human ingenuity* by continuously innovating and developing leading-edge ideas and leveraging emerging technologies in anticipation of our clients' needs. Our culture is underpinned by our core values and Code of Business Ethics, which are key drivers of the trust our clients and partners place in us; and

**Our Foundation**—Our Leadership Essentials set the standard for what we expect from our people. Our growth model, which leverages our global sales, client experience and innovation, while organizing around geographic markets and industry groups within those markets, enables us to be close to our clients, people and partners to scale efficiently. Our enduring shareholder value proposition is also a key element of the foundation that enables us to execute on our growth strategy through the financial value it creates.

## **Geographic Markets**

Our geographic markets, North America, Europe and Growth Markets, bring together integrated service teams, which typically consist of industry and functional experts, technology and capability specialists and professionals with local market knowledge and experience, to meet client needs. The geographic markets have primary responsibility for building and sustaining long-term client relationships; bringing together our expertise from around the globe and collaborating across our business to sell and deliver our full range of services and capabilities; ensuring client satisfaction; and achieving revenue and profitability objectives.

While we serve clients in locally relevant ways, our global footprint and scale in every major country give us the ability to leverage our experience and people from around the world to accelerate outcomes for our clients.

Our three geographic markets are our reporting segments. The percent of our revenues represented by each market is shown at right.

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## Services

We bring together skills, capabilities, industry experience and functional expertise to help our clients achieve tangible outcomes and create 360° value.

### Strategy & Consulting

We work with C-suite executives, leaders and boards of the world's leading organizations, helping them formulate their strategy, shape and accelerate their total enterprise reinvention to drive growth, enhance competitiveness, drive operational improvements, reduce costs and deliver sustainable 360° value to their stakeholders. We use our deep industry and functional expertise underpinned by technology, data, analytics, artificial intelligence, innovation, and our change management and talent capabilities, to help reinvent every part of the enterprise.

### Technology

We provide innovative and comprehensive services and solutions that span cloud; systems integration and application management; security; intelligent platform services; infrastructure services; software engineering services; data and artificial intelligence; and global delivery through our Advanced Technology Centers. We continuously innovate our services, capabilities and platforms through early adoption of new technologies such as blockchain, robotics, 5G, edge computing, metaverse and quantum computing. We provide a range of capabilities that addresses the challenges faced by organizations today, including how to manage change and develop new growth opportunities.

We are continuously innovating and investing in R&D for both existing and new forms of technology. Our focus in our Labs includes furthering innovation beyond traditional boundaries, such as science and space technologies. Our innovation hubs around the world help clients innovate at unmatched speed, scope and scale. We have strong relationships with the world's leading technology companies, as well as emerging start-ups, which enable us to enhance our service offerings, augment our capabilities and deliver distinctive business value to our clients. Our strong ecosystem relationships provide a significant competitive advantage, and we are a key partner of a broad range of technology providers, including Adobe, Alibaba, Amazon Web Services, Blue Yonder, Cisco, Dell, Google, HPE, IBM RedHat, Microsoft, Oracle, Pegasystems, Salesforce, SAP, ServiceNow, VMWare, Workday and many others. In addition to our mature partners, we invest in emerging technologies through Accenture Ventures. We push the boundaries of what technology can enable and help clients get the most value and best capabilities out of platforms.

### Operations

We operate business processes on behalf of clients for specific enterprise functions, including finance and accounting, sourcing and procurement, supply chain, marketing and sales, as well as industry-specific services, such as platform trust and safety, banking, insurance and health services. We help organizations to reinvent themselves through intelligent operations, enabled by SynOps, our data-powered, cloud enabled platform that combines our human + machine capabilities. It represents our collection of specialized talent, data and insights, and digital assets that are enabled to deliver business outcomes at speed and scale.

### Industry X

We combine our digital capabilities with deep engineering and manufacturing expertise. By using the combined power of digital and data we help our clients to reimagine the products they make and how they make them. We collaborate closely with our platform and software partners to help our clients achieve compressed transformations by redefining how their products are designed and engineered, sourced and supplied, manufactured, and serviced, returned and renewed. Through the use of data and transformative technologies such as digital twins, AI, IoT, cloud/Edge, 5G, advanced robotics, and metaverse we help our clients embed greater resilience, productivity and sustainability into their core operations. And in doing so, we help them create new, hyper-personalized experiences and intelligent products and services.

## **Song**

We strive to accelerate growth and value for our clients across industries through sustained customer relevance with emerging channels, technologies and models tied to the ever-changing needs and preferences of business-to-business and business-to-consumer customers. Our capabilities span ideation to execution: growth, product and experience design; technology and experience platforms; creative, media and marketing strategy; and campaign, content and channel orchestration. With strong client relationships and deep industry expertise, we help our clients operate at speed through the potential of imagination, technology and intelligence.

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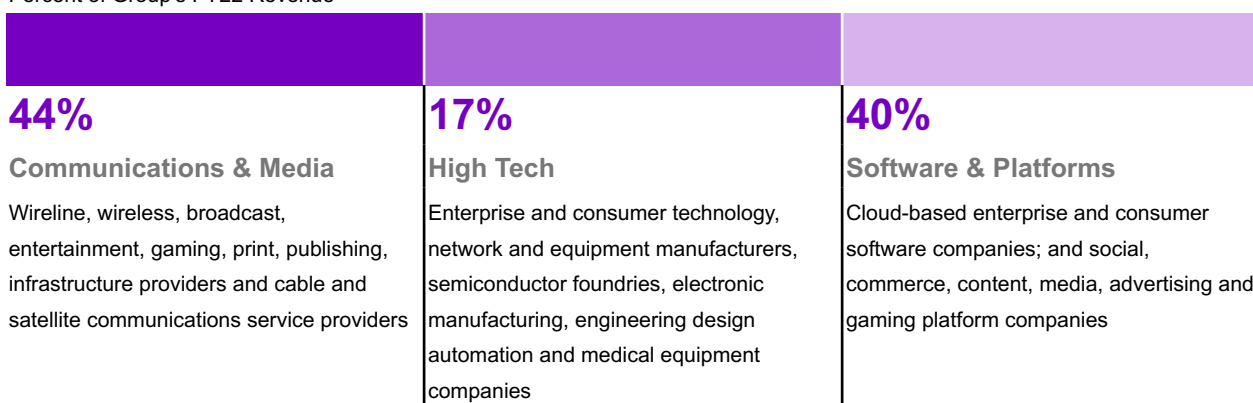
## Industry Groups

We believe the depth and breadth of our industry expertise is a key competitive advantage which allows us to bring client specific industry solutions to our clients to accelerate value creation. Our industry focus gives us an understanding of industry evolution, business issues and new and emerging technologies. The breadth of our industry expertise enables us to create solutions that are informed by cross industry experience. We go to market through the following five industry groups within our geographic markets.

### Communications, Media & Technology

#### FY22 Revenues of \$12.2B

Percent of Group's FY22 Revenue

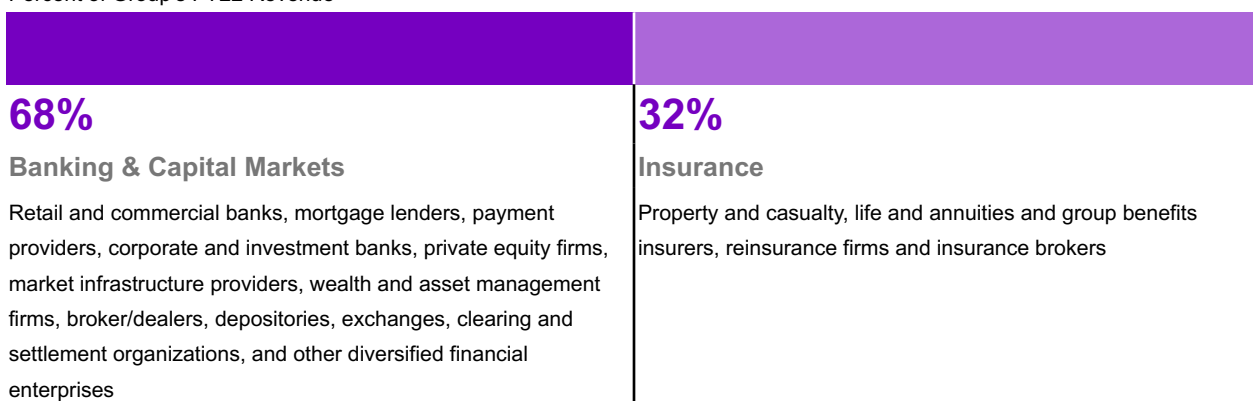


Amounts do not total due to rounding.

### Financial Services

#### FY22 Revenues of \$11.8B

Percent of Group's FY22 Revenue

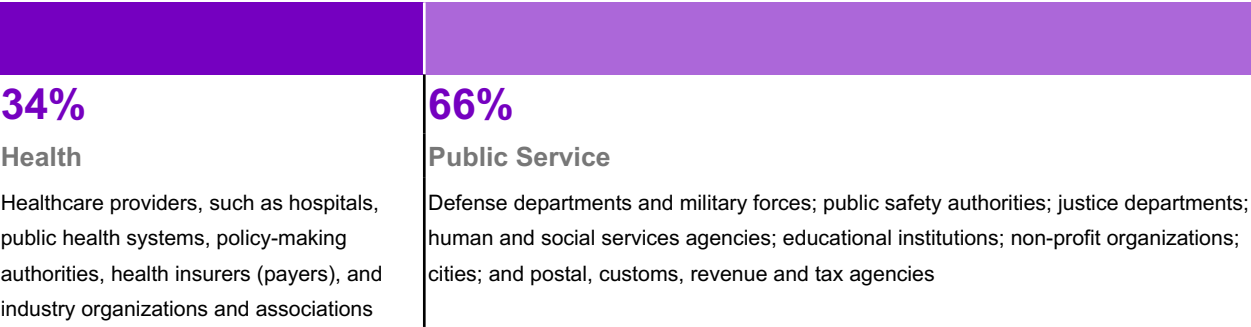




Health & Public Service

FY22 Revenues of \$11.2B

Percent of Group's FY22 Revenue



Health

Healthcare providers, such as hospitals, public health systems, policy-making authorities, health insurers (payers), and industry organizations and associations

Public Service

Defense departments and military forces; public safety authorities; justice departments; human and social services agencies; educational institutions; non-profit organizations; cities; and postal, customs, revenue and tax agencies

Our work with clients in the U.S. federal government is delivered through Accenture Federal Services, a U.S. company and a wholly owned subsidiary of Accenture LLP, and represented approximately 35% of our Health & Public Service industry group's revenues and 13% of our North America revenues in fiscal 2022.

## Products

### FY22 Revenues of \$18.3B

Percent of Group's FY22 Revenue

<b>50%</b>	<b>30%</b>	<b>20%</b>
<b>Consumer Goods, Retail &amp; Travel Services</b>	<b>Industrial</b>	<b>Life Sciences</b>
Food and beverage, household goods, personal care, tobacco, fashion/apparel, agribusiness and consumer health companies; supermarkets, hardline retailers, mass-merchandise discounters, department stores and specialty retailers; aviation; and hospitality and travel services companies	Industrial & electrical equipment manufacturers and industrial suppliers; and construction, heavy equipment, consumer durables, engineering services, real estate, freight & logistics, aerospace & defense <sup>(1)</sup> and automotive and public transportation companies	Biopharmaceutical, medical technology, and biotechnology companies and distributors

- (1) Effective June 1, 2022, we revised the reporting of our industry groups for the movement of Aerospace & Defense from Communications, Media & Technology to Products.

## Resources

### FY22 Revenues of \$8.1B

Percent of Group's FY22 Revenue

<b>31%</b>	<b>24%</b>	<b>45%</b>
<b>Chemicals &amp; Natural Resources</b>	<b>Energy</b>	<b>Utilities</b>
Petrochemicals, specialty chemicals, polymers and plastics, gases and agricultural chemicals companies, as well as the metals, mining, forest products and building materials industries	Companies in the oil and gas industry, including upstream, midstream, downstream, oilfield services, clean energy and energy trading companies	Power generators and developers, electric and gas transmission and distribution operators, energy and energy service retailers; water, waste and recycling service providers

# People

## Overview

We are a talent- and innovation-led organization with over 721,000 people as of August 31, 2022, whose skills and specialization are a significant source of competitive differentiation. We serve clients at any given time in more than 120 countries, with offices and operations in 49 countries. The majority of our people are in India, the Philippines and the U.S. We have a culture of shared success, which is defined as success for our clients, our people, our shareholders, our partners and our communities. That culture is built upon four tangible building blocks—our beliefs, our behaviors, the way we develop and reward our people and the way we do business.

## Our Beliefs and Behaviors

- **always do the right thing**, in every decision and action;
- **lead with excellence, confidence and humility**, demonstrated by being a learner, building great teams and being naturally collaborative;
- **exemplify client-centricity** and a commitment to client value creation;
- **act as a true partner**, to each other, our clients, our ecosystem and our communities—committed to shared success;
- **care deeply for all our people** to help them achieve their aspirations professionally and personally;

Our leadership essentials set the standard for what we expect of all our people: Listening to the voices of our people provides the input to ensure that they have the tools and resources to do their jobs and the right learning opportunities, and that they experience a positive, respectful and inclusive work environment. We do this on an ongoing basis across various channels, including surveys and forums. One of our surveys indicates that 83% of global

respondents feel comfortable being themselves at work.

Our commitment to inclusion and diversity unleashes innovation and we believe creates an environment where all of our people have an opportunity to feel they belong, advance and thrive. In connection with our priorities around inclusion and diversity, we set goals, share them publicly, collect data to continuously improve and hold our leaders accountable. We are now 47% women, demonstrating continued progress on our gender parity goal by 2025. And, we are currently 28% women managing directors, which is tracking well against our goal of 30% by 2025. We are also making progress against our total workforce 2025 race and ethnicity goals in the U.S., the U.K, and South Africa, which we announced in 2020, as follows:

- In the U.S., we achieved our 2025 goal with African American and Black colleagues representing 12% of our workforce. Additionally, Hispanic American and Latinx colleagues represent 11% of our workforce, which is tracking well against our goal of 13%.
- In the U.K., we are making progress with Black colleagues representing 4.5% of our workforce compared with our 2025 goal of 7%.
- In South Africa, we are demonstrating continued progress with African Black colleagues representing 48% of our workforce compared with our 2025 goal of 68%. Coloured colleagues represent 7% of our workforce compared with our 2025 goal of 10%.

Through the entire talent lifecycle, we are committed to being inclusive and diverse—from discovering, to hiring, to developing and advancing our people. This commitment extends to equal pay. Pay equity at Accenture means that our people receive pay that is fair and consistent when considering similarity of work, location and tenure at career level. We conduct an annual pay equity review, and our last review was conducted in November 2021. As of November 5, 2021, we had dollar-for-dollar, 100% pay equity for women compared to men in every country where we operate (certain subsidiaries, including recent acquisitions, and countries with de minimis headcount were excluded from the analysis). By race and ethnicity, we likewise had dollar-for-dollar, 100% pay equity in countries where we collect this data (the U.S., the U.K. and South Africa).

We are now

**47%**

**Women**

on track to achieve  
our goal of 50% by  
2025

We are now

**28%**

**Women  
managing  
directors**

on track to achieve  
our goal of 30% by  
2025

## The Way We Develop and Reward Our People

Our focus is to create talent and unlock the potential of our people, to create strong leaders, and to help them achieve their professional and personal aspirations, while continuously pivoting to meet new client demands. During fiscal 2022, we invested \$1.1 billion in continuous learning and development so our people remain highly relevant. With our digital learning platform, we delivered over 40 million training hours, an increase of 27% compared with fiscal 2021, with an average of approximately 61 hours of training per person. We have skills data for our people, enabling us to flexibly respond to shifting client needs while also recommending skill-specific training based on an individual's interests. We are also focused on rigorous, job-specific training through key industry certifications and partnerships with leading universities around the globe. We also train our people in inclusion and diversity.

We promoted approximately 157,000 people in fiscal 2022, demonstrating our continued commitment to creating vibrant careers and opportunities for our people.

We balance our supply of skills with changes in client demand. We do this through adjusting levels of new hiring and managing our attrition (both voluntary and involuntary). We believe people are drawn to our strong purpose, values and reputation. During fiscal 2022, we experienced a competitive labor market with high demand for the skills our people have, which contributed to elevated levels of voluntary attrition. For fiscal 2022, attrition, excluding involuntary terminations, was 19%, up from 14% in fiscal 2021. For the fourth quarter of fiscal 2022, annualized attrition, excluding involuntary terminations, was 20%, flat with 20% in the third quarter of fiscal 2022. In fiscal 2022, we increased our workforce by approximately 100,000 people.

Accenture's total rewards consist of cash compensation, equity and a wide range of benefits. Our total rewards program is designed to recognize our people's skills, contributions and career progression. Base salary, bonus and equity are tailored to the market where our people work and live. Certain rewards, like equity and bonuses, are opportunities for our people to share in the overall success of our company. As our people advance in their careers, they have greater opportunities to be rewarded. Accenture's equitable rewards go beyond financial rewards and include health and well-being programs that care for our people.

## The Way We Do Business

At Accenture, our people care deeply about doing the right thing. Together, we have proven that we can succeed—providing value to our clients and shareholders and opportunities for our people—while being a powerful force for good. Our shared commitment to operating with the highest ethical standards and making a positive difference in everything we do is what we believe differentiates Accenture. We believe in transparency, that transparency builds trust, and that we must earn the trust of our clients, our people, our partners and our communities each and every day.

Our Code of Business Ethics is organized into six fundamental behaviors: Make Your Conduct Count; Comply with Laws; Deliver for Our Clients; Protect People, Information and Our Business; Run Our Business Responsibly; and Be a Good Corporate Citizen. It applies to all our people—regardless of their title or location. With our Code of Business Ethics, we want to help our people make ethical behavior a natural part of what we do every day—with each other, our clients, our partners and our communities.

Accenture's commitment to and focus on our people and culture has generated significant recognition, including No. 1 on the Refinitiv Diversity & Inclusion Index for the third time in five years; Ethisphere's World's Most Ethical Companies for 15 consecutive years; and being named a Top 10 Great Place to Work® for 2022 in nine countries, representing 76% of our people.

## Our Health, Safety and Well-Being

We are committed to creating a place where people can be successful both professionally and personally. We take a holistic view of well-being—including physical, mental, emotional and financial well-being—providing specially defined programs and practices to meet our people's fundamental human needs. During fiscal 2022, our people have

embraced omni-connected ways of working. According to a survey, 85% of our global respondents feel empowered to work flexibly within their teams.

We also continued to elevate our support for the well-being of our people with digital tools and initiatives to help them cope and to strengthen their mental resilience. Those programs include access to in-person and virtual counseling and support, to digital tools like Calm and Wysa, to our Mental Health Ally program and to our many Thrive Global programs, which collectively bring science-based solutions to lower stress, enhance well-being and productivity, and build resilience and belonging. Specifically relating to COVID-19, our people continue to benefit from the robust support established since the beginning of the pandemic.

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## Environmental Sustainability

We help our clients—the world's leading businesses, governments and other organizations—together with our ecosystem partners, to define, measure and achieve their environmental, social and governance goals by connecting sustainability with their digital transformation agendas across their strategy and operations to make their value chains more sustainable.

We have a strong commitment to sustainability in the way we operate our business, and we hold ourselves accountable to clear and measurable objectives, including reaching net-zero emissions by 2025 with 100% renewable electricity by 2023, moving towards zero-waste including eliminating e-waste by 2025, and planning for water risk by 2025.

For more than a decade, we have continually set challenging environmental goals for ourselves, innovating our approach to environmental sustainability, and making strategic investments. In 2020, we signed the UN Global Compact's Business Ambition and joined leading companies in pledging to do our part to keep global warming below 1.5° Celsius, in alignment with the Paris Agreement and the criteria and recommendations of the Science Based Targets initiative.

### Net-Zero Emissions by 2025

To meet these commitments, we set a goal to achieve net-zero emissions by 2025 by first focusing on actual reductions across our Scope 1, 2 and 3 emissions and then removing any remaining emissions through nature-based carbon removal offsets.

### Carbon Reduction

The most significant aspects of our environmental footprint are the greenhouse gas emissions related to electricity used in our locations, as well as travel and purchased goods and services.

- **Renewable electricity.** We are increasing the use of renewable electricity in our offices as part of our participation in RE100, a global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity. As we do not own our office buildings and procure most of our energy from the grid, we increase our renewable electricity through renewable electricity contracts (purchased from the grid or local renewable energy markets). We strive to purchase renewable electricity equivalent to the amount of electricity we use to power our global operations on an annual basis, which reduces our reported carbon emissions from electricity usage. As we purchase more renewable electricity, we also support the generation of more renewable sources of electricity. Our goal is to achieve 100% renewable electricity in our offices globally by 2023. In September 2022, we announced that we exceeded 85% renewable electricity in fiscal year 2022;

Exceeded

**85%**  
renewable  
electricity

toward our goal of  
100% by 2023

- **Climate smart travel decisions.** We are equipping our people to make climate smart travel decisions. Our people have access to an aviation carbon calculator, which highlights actual emissions differences between flights to inform decisions at the time of booking. When travel is necessary, we promote more carbon efficient alternatives, such as high-speed train in certain geographies. We continue to use technology to facilitate more cost and carbon-efficient delivery for our clients and our business and have implemented an internal carbon price on air travel to encourage climate smart travel decisions; and
- **Engaging our suppliers.** We are working with our suppliers to reduce our Scope 3 emissions. Our goal is that 90% of our key suppliers disclose their environmental targets and actions being taken to reduce emissions by 2025. We are making progress, with approximately 60% reporting both as of December 2021. Additionally, our recently deployed Supplier Sustainable Procurement Hub will provide greater transparency about direct supplier ESG performance and practices at the point of buyer selection and onboarding, also giving us greater opportunity for engagement.

## Carbon Removal

- **Nature-based carbon removal.** To offset our remaining emissions, we are investing in nature-based carbon removal solutions to directly remove over 13 million metric tons of carbon from the atmosphere from 2025 to 2041.

In addition to our goal to achieve net zero emissions, we have made further environmental commitments to reduce waste and plan for water risk.

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## Moving Towards Zero Waste

To move towards zero waste, we have committed to:

- Reuse or recycle 100% of our e-waste, such as computers and servers, as well as all our office furniture, by 2025. During fiscal 2022, we reused or recycled 99% of our e-waste relating to computers and workstations. We continue our efforts to reuse or recycle other e-waste such as monitors and servers; and
- Eliminate single-use plastics in our locations. During fiscal 2022, we began pivoting to the purchase of durable and/or biodegradable reusable items in our office locations around the world.

## Planning for Water Risk

Although Accenture is not a water-intensive company, we minimize our use of water wherever feasible, including responsible use, reuse, management, and discharge across our office portfolio. We are particularly conscious of our locations in water-stressed areas. To plan for water risk, we are developing plans to reduce the impact of flooding, drought and water scarcity on our business and our people in high-risk areas. In addition to developing water resiliency plans, we now measure, and report water use in these locations.

## Global Delivery Capability

A key differentiator is our global delivery capability, powered by one of the world's largest networks of Advanced Technology and Intelligent Operations Centers. This allows us to bring the right people at the right time to our clients from anywhere in the world—both in physical and virtual working environments—a capability that is particularly crucial as business needs and conditions change rapidly. Our global approach provides scalable innovation; standardized processes, methods and tools; automation and artificial intelligence; industry expertise and specialized capabilities; cost advantages; foreign language fluency; proximity to clients; and time zone advantages—to deliver high-quality solutions. Emphasizing quality, productivity, reduced risk, speed to market and predictability, our global delivery model supports all parts of our business to provide clients with price-competitive services and solutions.

## Innovation and Intellectual Property

We are committed to developing leading-edge ideas and leveraging emerging technologies and we see innovation as a source of competitive advantage. We use our investment in R&D—on which we spent \$1.1 billion, \$1.1 billion and \$871 million in fiscal 2022, 2021 and 2020, respectively—to help clients address new realities in the marketplace and to face the future with confidence.

Our innovation experts work with clients across the world to imagine their future, build and co-create innovative business strategies and technology solutions, and then scale those solutions to sustain innovation. We harness our unique intellectual property to deliver these innovation services.

We leverage patent, trade secret and copyright laws as well as contractual arrangements and confidentiality procedures to protect the intellectual property in our innovative services and solutions. These include our proprietary platforms, software, reusable knowledge capital, and other innovations. We also have policies to respect the intellectual property rights of third parties, such as our clients, partners, vendors and others. As of August 31, 2022, we had a portfolio of more than 8,300 patents and pending patent applications worldwide.

We believe our combination of people, assets and capabilities, including our global network of more than 100 innovation hubs, makes Accenture one of the leading strategic innovation partners for our clients. We have deep expertise in innovation consulting including strategy, culture change and building new business models through to long-term technology innovation, which creates the products and markets of the future.

This is all supported by our innovation approach, which includes Accenture Research, Accenture Ventures and Accenture Labs as well as our Studios, Innovation Centers and Delivery Centers. Our research and thought leadership teams help identify market, technology and industry trends. Accenture Ventures partners with and invests in growth-stage companies that create innovative enterprise technologies. Accenture Labs incubate and prototype new concepts through applied research and development projects. Within this, the Technology Incubation Group incubates and applies emerging technology innovation to business architectures, including blockchain, metaverse, extended reality and quantum.

To protect Accenture's brands, we rely on intellectual property laws and trademark registrations held around the world. Trademarks appearing in this report are the trademarks or registered trademarks of Accenture Global Services Limited, Accenture Global Solutions Limited, or third parties, as applicable.

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## Competition

Accenture operates in a highly competitive and rapidly changing global marketplace. We compete with a variety of organizations that offer services and solutions competitive with those we offer—but we believe no other company offers the full range of services at scale that Accenture does, which uniquely positions us in a highly competitive market. Our clients typically retain us on a non-exclusive basis.

Our competitors include large multinational IT service providers, including the services arms of large global technology providers; off-shore IT service providers in lower-cost locations, particularly in India; accounting firms and consultancies that provide consulting and other IT services and solutions; solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agency holding companies, engineering services providers and technology start-ups; and in-house IT departments of large corporations that use their own resources rather than engage an outside firm.

We believe Accenture competes successfully in the marketplace because:

- **We are focused on delivering 360° value**, which we define as the financial business case and unique value a client may be seeking, and striving to partner with our clients to achieve greater progress on inclusion and diversity, reskill and upskill our clients' employees, help our clients achieve their sustainability goals, and create meaningful experiences, both with Accenture and for the customers and employees of our clients;
  - **We are a trusted partner** with long-term client relationships and a proven track record for delivering from strategy to execution, on large, complex programs at speed that drive outcomes and tangible value;
  - **We provide a broad range of services bringing together our capabilities at scale** and have a significant presence in every major geographic market, enabling us to leverage our global expertise in a local context to deliver the best solutions, and our managed services help companies move faster by leveraging our digital platform and talent and reduce costs;
  - **The breadth and scale of our technology capabilities**, combined with our strong relationships with our technology ecosystem partners, enable us to help clients transform and re-platform in a sustainable way at speed;
  - **We have deep industry and cross-industry expertise**, which enable us to accelerate value as clients transform their products, customer experiences and optimize their operations;
  - **We continuously invest in advanced tools, methods and platforms, and the highly specialized skills of our people**, to create repeatable industry and cross industry solutions and assets, that can scale at speed, leveraging our deep experience, knowledge and insights across industries, functions and services, often with our ecosystem partners;
  - **Our industry-leading innovation approach**—including Accenture Research, Accenture Ventures and Accenture Labs as well as our Studios, Innovation Centers and Delivery Centers—reflects our commitment to continuous innovation and enables us to rapidly identify, incubate, and scale emerging technology solutions for our clients;
  - **Our goal is to recruit the most talented people** in our markets, and we have an unwavering commitment to inclusion and diversity, which creates an environment that unleashes innovation, and a world-class learning organization that helps us continuously invest in the development of our people; and
  - **We believe our strategy to deliver 360° value** makes us an attractive destination for top talent, a trusted partner to our clients and ecosystem, and a respected member of our communities.
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## Information About Our Executive Officers

Our executive officers as of October 12, 2022 are as follows:

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**Melissa Burgum**, 50, became our chief accounting officer in September 2022 and has served as our corporate controller since September 2021. Prior to that, Ms. Burgum served as our assistant corporate controller from December 2016 to September 2021 and as controller for Accenture Federal Services from May 2013 to December 2016. Prior to joining Accenture, Ms. Burgum held controllership roles at two public companies and was previously an auditor and consultant for Arthur Andersen. Ms. Burgum has been with Accenture for 9 years.

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**Jimmy Etheredge**, 59, became our chief executive officer—North America in September 2019. From December 2016 to September 2019, Mr. Etheredge served as senior managing director—U.S. Southeast, responsible for our business in 10 states, including the key markets of Atlanta, Charlotte and Washington, D.C. Previously, he served as senior managing director—Products in North America from 2011 until December 2016. Mr. Etheredge has been with Accenture for 37 years.

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**Leo Framil**, 53, became our chief executive officer—Growth Markets in September 2022. From January 2016 to September 2022, Mr. Framil served as our market unit lead in Latin America. Prior to January 2016, Mr. Framil led Financial Services in Latin America. Mr. Framil was with Accenture from March 1992 until March 1997 before rejoining in October 1998.

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**KC McClure**, 57, became our chief financial officer in January 2019. From June 2018 to January 2019, she served as managing director—Finance Operations, where she led our finance operations across the entirety of our businesses. From December 2016 to May 2018, she served as our finance director—Communications, Media & Technology. Prior to assuming that role, she served as our head of investor relations from September 2010 to November 2016, and from March 2002 to August 2010, she served as our finance director—Health & Public Service. Ms. McClure has been with Accenture for 34 years.

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**Jean-Marc Ollagnier**, 60, became our chief executive officer—Europe in March 2020. From March 2011 to March 2020, Mr. Ollagnier served as our group chief executive—Resources. From September 2006 to March 2011, Mr. Ollagnier led Resources in Europe, Latin America, the Middle East and Africa. Previously, he served as our global managing director—Financial Services Solutions group and as our geographic unit managing director—Gallia. Mr. Ollagnier has been with Accenture for 36 years.

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**Manish Sharma**, 54, became our chief operating officer in March 2022. From March 2020 to March 2022, Mr. Sharma served as our group chief executive—Operations. From September 2016 to March 2020, Mr. Sharma served as the group operating officer for Operations. From

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**Ellyn J. Shook**, 59, became our chief leadership officer in December 2015 and has also served as our chief human resources officer since March 2014. From 2012 to March 2014, Ms. Shook was our senior managing director—Human Resources and head of our Human Resources Centers of Expertise. From 2004 to 2011, she served as the global human resources lead for career management, performance management, total rewards, employee engagement and mergers and acquisitions. Ms. Shook has been with Accenture for 34 years. Since January 2022, Ms. Shook has served as a director of BRP Group, Inc.

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**Julie Sweet**, 55, became chair of our Board of Directors in September 2021 and has served as our chief executive officer since September 2019. From June 2015 to September 2019, she served as our chief executive officer—North America. From March 2010 to June 2015, she served as our general counsel, secretary and chief compliance officer. Prior to joining Accenture in 2010, Ms. Sweet was a partner for 10 years in the law firm Cravath, Swaine & Moore LLP, which she joined as an associate in 1992. Ms. Sweet has been with Accenture for 12 years and has served as a director since September 2019.

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**Joel Unruch**, 44, became our general counsel in September 2019 and has served as our corporate secretary since June 2015. Mr. Unruch also served as our chief compliance officer from September 2019 to January 2020. Mr. Unruch joined Accenture in 2011 as our assistant general counsel and assistant secretary and also oversaw ventures & acquisitions and alliances & ecosystems practices for our legal group. Prior to joining Accenture, Mr. Unruch was corporate counsel at Amazon.com and previously an associate in the corporate department of the law firm Cravath, Swaine & Moore LLP. Mr. Unruch has been with Accenture for 11 years.

## Organizational Structure

Accenture plc was incorporated in Ireland on June 10, 2009 as a public limited company. We operate our business through subsidiaries of Accenture plc.



The Consolidated Financial Statements reflect the ownership interests in Accenture Canada Holdings Inc. held by certain current and former members of Accenture Leadership as noncontrolling interests. The noncontrolling ownership interests were less than 1% as of August 31, 2022. “Accenture Leadership” is comprised of members of our global management committee (our primary management and leadership team, which consists of approximately 55 of our most senior leaders), senior managing directors and managing directors.

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## Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability) and/or stock price. Our business is also subject to general risks and uncertainties that may broadly affect companies, including us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could materially adversely affect our business, financial condition, results of operations and/or stock price. Risks in this section are grouped in the following categories: (1) Business Risks; (2) Financial Risks; (3) Operational Risks; and (4) Legal and Regulatory Risks. Many risks affect more than one category, and the risks are not in order of significance or probability of occurrence because they have been grouped by categories.

### Business Risks

**Our results of operations have been, and may in the future be, adversely affected by volatile, negative or uncertain economic and political conditions and the effects of these conditions on our clients' businesses and levels of business activity.**

Global macroeconomic and geopolitical conditions affect us, our clients' businesses and the markets they serve. Volatile, negative and uncertain economic and political conditions have in the past undermined and could in the future undermine business confidence in our significant markets and other markets, which are increasingly interdependent, causing our clients to reduce or defer their spending on new initiatives and technologies, and resulting in clients reducing, delaying or eliminating spending under existing contracts with us, which negatively affects our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time. Because we operate globally and have significant businesses in many markets, an economic slowdown in any of those markets could adversely affect our results of operations.

Ongoing economic and political volatility and uncertainty and changing demand patterns affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans, particularly in consulting. Economic and political volatility and uncertainty is particularly challenging because it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest themselves in our business and results of operations. Changing demand patterns from economic and political volatility and uncertainty, including as a result of increasing geopolitical tensions, inflation, economic downturns, changes in global trade policies, global health emergencies and their impact on us, our clients and the industries we serve, could have a significant negative impact on our results of operations.

**Our business depends on generating and maintaining client demand for our services and solutions, including through the adaptation and expansion of our services and solutions in response to ongoing changes in technology and offerings, and a significant reduction in such demand or an inability to respond to the evolving technological environment could materially affect our results of operations.**

Our financial results depend in part on the demand for our services and solutions, which could be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. As described above,

volatile, negative or uncertain global economic and political conditions and lower growth or contraction in the markets we serve have adversely affected and could in the future adversely affect client demand for our services and solutions. Our success depends, in part, on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and offerings to serve the evolving needs of our clients. Examples of areas of significant change include digital-, cloud- and security-related offerings, which are continually evolving, as well as developments in areas such as artificial intelligence, augmented and virtual reality, automation, blockchain, Internet of Things, quantum and edge computing, infrastructure and network engineering, intelligent connected products, digital engineering and manufacturing, and robotics solutions. As we expand our services and solutions into these new areas, we may be exposed to operational, legal, regulatory, ethical, technological and other risks specific to such new areas, which may negatively affect our reputation and demand for our services and solutions.

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Technological developments may materially affect the cost and use of technology by our clients and, in the case of cloud and as-a-service solutions, could affect the nature of how we generate revenue. Some of these technological developments have reduced and replaced some of our historical services and solutions and may continue to do so in the future. This has caused, and may in the future cause, clients to delay spending under existing contracts and engagements and to delay entering into new contracts while they evaluate new technologies. Such technological developments and spending delays can negatively impact our results of operations if we are unable to introduce new pricing or commercial models that reflect the value of these technological developments or if the pace and level of spending on new technologies are not sufficient to make up any shortfall.

Developments in the industries we serve, which may be rapid, also could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries we serve, our clients demand new services and solutions, we may be less competitive in these new areas or need to make significant investment to meet that demand. Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. If we do not sufficiently invest in new technology and adapt to industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and to execute on our growth strategy could be adversely affected.

In a particular geographic market, service or industry group, a small number of clients have contributed, or may, in the future contribute, a significant portion of the revenues of such geographic market, service or industry group, and any decision by such a client to delay, reduce, or eliminate spending on our services and solutions could have a disproportionate impact on the results of operations in the relevant geographic market, service or industry group.

Many of our consulting contracts are less than 12 months in duration, and these contracts typically permit a client to terminate the agreement with as little as 30 days' notice. Longer-term, larger and more complex contracts, such as the majority of our outsourcing contracts, generally require a longer notice period for termination and often include an early termination charge to be paid to us, but this charge might not be sufficient to cover our costs or make up for anticipated ongoing revenues and profits lost upon termination of the contract. Many of our contracts allow clients to terminate, delay, reduce or eliminate spending on the services and solutions we provide. Additionally, a client could choose not to retain us for additional stages of a project, try to renegotiate the terms of its contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the level of revenues lost. Consequently, our results of operations in subsequent periods could be materially lower than expected. The specific business or financial condition of a client, changes in management and changes in a client's strategy are also all factors that can result in terminations, cancellations or delays.

**If we are unable to match people and their skills with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected.**

Our success is dependent, in large part, on our ability to keep our people with market-leading skills and capabilities in balance with client demand around the world and our ability to attract and retain people with the knowledge and skills to lead our business globally. We must hire or reskill, retain and inspire appropriate numbers of talented people with diverse skills in order to serve clients across the globe, respond quickly to rapid and ongoing changes in demand, technology, industry and the macroeconomic environment, and continuously innovate to grow our business. For example, if we are unable to hire or retrain our employees to keep pace with the rapid and continuous changes in technology and the industries we serve, we may not be able to innovate and deliver new services and solutions to fulfill client demand. There is competition for scarce talent with market-leading skills and capabilities in new

technologies, and our people have been directly targeted because of their highly sought-after skills and this will likely continue.

There is a risk that at certain points in time, we may have more people than we need in certain skill sets or geographies or at compensation levels that are not aligned with skill sets. In these situations, we have engaged, and may in the future engage, in actions to rebalance our workforce, including reducing the rate of new hires and increasing involuntary terminations as a means to keep our supply of people and skills in balance with client demand. At certain times and in certain geographical regions, we will find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and/or future demand. In these cases, we might need to redeploy existing people or increase our reliance on subcontractors to fill certain labor needs. If we are not successful in these initiatives, our results of operations could be adversely affected.

If our utilization rate is too high or too low, it could have an adverse effect on employee engagement and attrition, the quality of the work performed as well as our ability to staff projects.

We are particularly dependent on retaining members of Accenture Leadership with critical capabilities. If we are unable to do so, our ability to innovate, generate new business opportunities and effectively lead large and complex transformations and client relationships could be jeopardized. We depend on identifying, developing and retaining top talent to innovate and lead

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our businesses. This includes developing talent and leadership capabilities in markets where the depth of skilled employees may be limited. Our ability to expand in our key markets depends, in large part, on our ability to attract, develop, retain and integrate both leaders for the local business and people with critical capabilities.

Our equity-based incentive compensation plans are designed to reward high-performing individuals for their contributions and provide incentives for them to remain with us. If the anticipated value of such incentives does not materialize because of volatility or lack of positive performance in our stock price, or if our total compensation package is not viewed as being competitive, our ability to attract and retain the people we need could be adversely affected. In addition, if we do not obtain the shareholder approval needed to continue granting equity awards under our share plans in the amounts we believe are necessary, our ability to attract and retain people could be negatively affected.

**We face legal, reputational and financial risks from any failure to protect client and/or Accenture data from security incidents or cyberattacks.**

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations around the world and with our people, clients, ecosystem partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud-based services, and as more of our employees continue to work remotely, the risk of security incidents and cyberattacks has increased. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our clients, ecosystem partners and vendors, and unauthorized disclosure of sensitive or confidential information, including personal data and proprietary business information. In the past, we have experienced, and in the future, we may again experience, data security incidents resulting from unauthorized access to our and our service providers' systems and unauthorized acquisition of our data and our clients' data including: inadvertent disclosure, misconfiguration of systems, phishing ransomware or malware attacks. In addition, our clients have experienced, and may in the future experience, breaches of systems and cloud-based services enabled by or provided by us. To date these incidents have not had a material impact on our or our clients' operations; however, there is no assurance that such impacts will not be material in the future, and such incidents have in the past and may in the future have the impacts discussed below.

In providing services and solutions to clients, we often manage, utilize and store sensitive or confidential client, Accenture or other third-party data, including personal data and proprietary information, and we expect these activities to increase, including through the use of artificial intelligence, the Internet of Things and analytics. Unauthorized disclosure or use of, denial of access to, or other incidents involving sensitive or confidential client, vendor, ecosystem partner or Accenture data, whether through systems failure, employee negligence, fraud, misappropriation, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could damage our reputation and our competitive positioning in the marketplace, disrupt our or our clients' business, cause us to lose clients and result in significant financial exposure and legal liability. Similarly, unauthorized access to or through, denial of access to, or other incidents involving, our software and IT supply chain or software-as-a-service providers, our or our service providers' information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and/or state-sponsored organizations, who continuously develop and deploy viruses, ransomware, malware or other malicious software programs or social engineering attacks, has and could in the future result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations — see risk factor below entitled “Our business could be materially adversely affected if we incur legal liability.” Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols.

We are subject to numerous laws and regulations designed to protect this information, such as the European Union's General Data Protection Regulation (“GDPR”), the United Kingdom's GDPR, the California Consumer Privacy Act (and its successor the California Privacy Rights Act that will go into effect on January 1, 2023), as well as various

other U.S. federal and state laws governing the protection of privacy, health or other personally identifiable information and data privacy and cybersecurity laws in other regions. These laws and regulations continue to evolve, are increasing in complexity and number and increasingly conflict among the various countries in which we operate, which has resulted in greater compliance risk and cost for us. Various privacy laws impose compliance obligations regarding the handling of personal data, including the cross-border transfer of data, and significant financial penalties for noncompliance. For example, failure to comply with the GDPR may lead to regulatory enforcement actions, which can result in monetary penalties of up to 4% of worldwide revenue, orders to discontinue certain data processing operations, civil lawsuits, or reputational damage. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client, third-party or Accenture data, or otherwise mismanages or misappropriates that data, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. These monetary damages might not be subject to a contractual limit of liability or an exclusion of consequential or indirect damages and could be significant. In addition, our liability insurance, which includes cyber insurance, might not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents.

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**The markets in which we operate are highly competitive, and we might not be able to compete effectively.**

The markets in which we offer our services and solutions are highly competitive. Our competitors include:

- large multinational IT service providers, including the services arms of large global technology providers;
- off-shore IT service providers in lower-cost locations, particularly in India;
- accounting firms and consultancies that provide consulting and other IT services and solutions;
- solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agency holding companies, engineering services providers and technology start-ups and other companies that can scale rapidly to focus on or disrupt certain markets and provide new or alternative products, services or delivery models; and
- in-house IT departments of large corporations that use their own resources, rather than engage an outside firm.

Some competitors may have greater financial, marketing or other resources than we do and, therefore, may be better able to compete for new work and skilled professionals, may be able to innovate and provide new services and solutions faster than we can or may be able to anticipate the need for services and solutions before we do. Our competitors may also team together to create competing offerings.

Even if we have potential offerings that address marketplace or client needs, competitors may be more successful at selling similar services they offer, including to companies that are our clients. Some competitors are more established in certain markets, and may make executing our growth strategy to expand in these markets more challenging. Additionally, competitors may also offer more aggressive pricing or contractual terms, which may affect our ability to win work. Our future performance is largely dependent on our ability to compete successfully and expand in the markets we currently serve. If we are unable to compete successfully, we could lose market share and clients to competitors, which could materially adversely affect our results of operations.

In addition, we may face greater competition due to consolidation of companies in the technology sector through strategic mergers, acquisitions or teaming arrangements. Consolidation activity may result in new competitors with greater scale, a broader footprint or offerings that are more attractive than ours. New services or technologies offered by competitors, ecosystem partners or new entrants may make our offerings less differentiated or less competitive when compared to other alternatives, which may adversely affect our results of operations. The technology companies described above, including many of our ecosystem partners, are increasingly able to offer services related to their software, platform, cloud migration and other solutions, or are developing software, platform, cloud migration and other solutions that require integration services to a lesser extent or replace them in their entirety. These more integrated services and solutions may represent more attractive alternatives to clients than some of our services and solutions, which may materially adversely affect our competitive position and our results of operations.

**Our ability to attract and retain business and employees may depend on our reputation in the marketplace.**

We believe the Accenture brand name and our reputation are important corporate assets that help distinguish our services and solutions from those of competitors and also contribute to our efforts to recruit and retain talented employees. However, our corporate reputation is susceptible to material damage by events such as disputes with clients or competitors, cybersecurity incidents or service outages, internal control deficiencies, delivery failures, compliance violations, government investigations or legal proceedings. We may also experience reputational damage from employees, advocacy groups, regulators, investors and other stakeholders that disagree with the services and solutions that we offer, or the clients that we serve. Similarly, our reputation could be damaged by actions or statements of current or former clients, directors, employees, competitors, vendors, ecosystem partners, joint venture



partners, adversaries in legal proceedings, legislators or government regulators, as well as members of the investment community or the media, including social media influencers and advocacy groups.

There is a risk that negative or inaccurate information about Accenture, even if based on rumor or misunderstanding, could adversely affect our business. Damage to our reputation could be difficult, expensive and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements or could negatively impact our relationships with ecosystem partners, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of the Accenture brand name and could reduce investor confidence in us, materially adversely affecting our share price.

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**Our environmental, social and governance (ESG) commitments and disclosures may expose us to reputational risks and legal liability.**

Our brand and reputation are also associated with our public commitments to various corporate environmental, social and governance (ESG) initiatives, including our goals relating to sustainability (e.g., our commitment to achieve net-zero emissions by 2025) and inclusion and diversity. Our disclosures on these matters and any failure or perceived failure to achieve or accurately report on our commitments, could harm our reputation and adversely affect our client relationships or our recruitment and retention efforts, as well as expose us to potential legal liability. In addition, positions we take or do not take on social issues may be unpopular with some of our employees, our clients or potential clients, governments or advocacy groups, which may impact our ability to attract or retain employees or the demand for our services. We also may choose not to conduct business with potential clients or discontinue or not expand business with existing clients due to these positions.

Increasing focus on ESG matters has resulted in, and is expected to continue to result in, the adoption of legal and regulatory requirements designed to mitigate the effects of climate change on the environment, as well as legal and regulatory requirements requiring climate, human rights and supply chain-related disclosures. If new laws or regulations are more stringent than current legal or regulatory requirements, we may experience increased compliance burdens and costs to meet such obligations. In addition, our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or may not meet the expectations of investors or other stakeholders. Our ability to achieve our ESG commitments, including our goals relating to sustainability (e.g. our commitment to achieve net-zero emissions by 2025) and inclusion and diversity, is subject to numerous risks, many of which are outside of our control. Examples of such risks include: (1) the availability and cost of low- or non-carbon-based energy sources and technologies; (2) evolving regulatory requirements affecting ESG standards or disclosures; (3) the availability of suppliers that can meet our sustainability, diversity and other standards; and (4) our ability to recruit, develop, and retain diverse talent. In addition, standards for tracking and reporting on ESG matters, including climate change and human rights related matters, have not been harmonized and continue to evolve. Methodologies for reporting ESG data may be updated and previously reported ESG data may be adjusted to reflect improvement in availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations and other changes in circumstances. Our processes and controls for reporting ESG matters across our operations and supply chain are evolving along with multiple disparate standards for identifying, measuring, and reporting ESG metrics, including ESG-related disclosures that may be required by the SEC, European and other regulators, and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future.

**If we do not successfully manage and develop our relationships with key ecosystem partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected.**

We have alliances with companies whose capabilities complement our own. A very significant portion of our revenue and services and solutions are based on technology or software provided by a few major ecosystem partners. See “Business—Services.”

The business that we conduct through these alliances could decrease or fail to grow for a variety of reasons. The priorities and objectives of our ecosystem partners may differ from ours. They offer services and solutions that compete with some of our services and solutions. They may also form closer or preferred arrangements with our competitors.

Some of our ecosystem partners are also large clients or suppliers of technology to us. The decisions we make vis-à-vis an ecosystem partner may impact our ongoing alliance relationships with other members of our ecosystem.

Our ecosystem partners may at times be impacted by global events, the changing macroeconomic environment and supply chain disruptions, as well as rapid increases in demand for their products and services, any of which may impact their ability to provide their products and services within our expected timeframes or at anticipated prices. In addition, our ecosystem partners may also experience reduced demand for their technology or software, including, for example, in response to changes in technology, which could lessen related demand for our services and solutions.

We must anticipate and respond to continuous changes in technology and develop alliance relationships with new providers of relevant technology and services. We must secure meaningful alliances with these providers early in their life cycle so that we can develop the right number of certified people with skills in new technologies. If we are unable to maintain our relationships with current partners and identify new and emerging providers of relevant technology to expand our network of ecosystem partners, we may not be able to differentiate our services or compete effectively in the market.

If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, and our results of operations could be adversely affected.

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## Financial Risks

**Our profitability could materially suffer if we are unable to obtain favorable pricing for our services and solutions, if we are unable to remain competitive, if our cost-management strategies are unsuccessful or if we experience delivery inefficiencies or fail to satisfy certain agreed-upon targets or specific service levels.**

Our profitability is highly dependent on a variety of factors and could be materially impacted by any of the following:

**Our results of operations could materially suffer if we are not able to obtain sufficient pricing to meet our profitability expectations.** If we are not able to obtain favorable pricing for our services and solutions, our revenues and profitability could materially suffer. The rates we are able to charge for our services and solutions are affected by a number of factors, including:

- general economic and political conditions;
- our clients' desire to reduce their costs;
- the competitive environment in our industry;
- our ability to accurately estimate our service delivery costs, upon which our pricing is sometimes determined, including our ability to estimate the impact of inflation and foreign exchange on our service delivery costs over long-term contracts; and
- the procurement practices of clients and their use of third-party advisors.

**Our profitability could suffer if we are not able to remain competitive.** The competitive environment in our industry affects our ability to secure new contracts at our target economics in a number of ways, any of which could have a material negative impact on our results of operations. The less we are able to differentiate our services and solutions and/or clearly convey the value of our services and solutions, the more risk we have in winning new work in sufficient volumes and at our target pricing and overall economics. In addition, the introduction of new services or products by competitors could reduce our ability to obtain favorable pricing and impact our overall economics for the services or solutions we offer. Competitors may be willing, at times, to take on more risk or price contracts lower than us in an effort to enter the market or increase market share.

**Our profitability could suffer if our cost-management strategies are unsuccessful, and we may not be able to improve our profitability.** Our ability to improve or maintain our profitability is dependent on our being able to successfully manage our costs, including taking actions to reduce certain costs. Our cost management strategies include maintaining appropriate alignment between the demand for our services and solutions and the workforce needed to deliver them. If we are not effective in managing our operating costs in response to changes in demand or pricing, or if we are unable to cost-effectively hire and retain people with the knowledge and skills necessary to deliver our services and solutions, particularly in areas of new technologies and offerings and in the right geographic locations, we may incur increased costs, which could reduce our ability to continue to invest in our business in an amount necessary to achieve our planned rates of growth and our desired levels of profitability.

**If we do not accurately anticipate the cost, risk and complexity of performing our work or if third parties upon whom we rely do not meet their commitments, then our contracts could have delivery inefficiencies and be less profitable than expected or unprofitable.** Our contract profitability is highly dependent on our forecasts regarding the effort and cost necessary to deliver our services and solutions, which are based on available data and could turn out to be materially inaccurate. If we do not accurately estimate the effort, costs or timing for meeting our contractual commitments and/or completing engagements to a client's satisfaction, our contracts could yield lower profit margins than planned or be unprofitable.

Moreover, many of our contracts include clauses that tie our ultimate compensation to the achievement of agreed-upon performance standards or milestones. If we fail to satisfy these measures, it could significantly reduce or eliminate our fees under the contracts, increase the cost to us of meeting performance standards or milestones, delay expected payments or subject us to potential damage claims under the contract terms, any of which could significantly affect our profitability. We also have a number of contracts in which a portion of our compensation depends on performance measures such as cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. These goals can be complex and may depend on our clients' actual levels of business activity or may be based on assumptions that are later determined not to be achievable or accurate and could negatively impact our profit margins if not achieved. Similarly, if we experience unanticipated delivery difficulties due to our management, the failure of third parties or our clients to meet their commitments, or for any other reason, our contracts could yield lower profit margins than planned or be unprofitable.

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We are increasingly entering into contracts for large, complex client engagements to transform our clients' businesses. These deals may involve transforming a client's business, transitioning it to the cloud and updating their technology, while operating portions of their business, all in a compressed timeframe. The scale and complexity of these compressed transformational projects present risks in execution. In particular, large and complex arrangements often require that we utilize subcontractors or that our services and solutions incorporate or coordinate with the software, systems or infrastructure requirements of other vendors and service providers, including companies with which we have alliances. Our profitability depends on the ability of these subcontractors, vendors and service providers to deliver their products and services in a timely manner, at the anticipated cost, and in accordance with the project requirements, as well as on our effective oversight of their performance. In some cases, these subcontractors are small firms, and they might not have the resources or experience to successfully integrate their services or products with large-scale engagements or enterprises. Some of this work involves new technologies, which may not work as intended or may take more effort to implement than initially predicted. In addition, certain client work requires the use of unique and complex structures and alliances, some of which require us to assume responsibility for the performance of third parties whom we do not control. Any of these factors could adversely affect our ability to perform and subject us to additional liabilities, which could have a material adverse effect on our relationships with clients and on our results of operations.

**Changes in our level of taxes, as well as audits, investigations and tax proceedings, or changes in tax laws or in their interpretation or enforcement, could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.**

We are subject to taxes in numerous jurisdictions. We calculate and provide for taxes in each tax jurisdiction in which we operate. Tax accounting often involves complex matters and requires our judgment to determine our worldwide provision for income taxes and other tax liabilities. We are subject to ongoing audits, investigations and tax proceedings in various jurisdictions. Tax authorities have disagreed, and may in the future disagree, with our judgments, and are taking increasingly aggressive positions opposing the judgments we make, including with respect to our intercompany transactions. We regularly assess the likely outcomes of our audits, investigations and tax proceedings to determine the appropriateness of our tax liabilities. However, our judgments might not be sustained as a result of these audits, investigations and tax proceedings, and the amounts ultimately paid could be materially different from the amounts previously recorded.

In addition, our effective tax rate in the future could be adversely affected by challenges to our intercompany transactions, changes in the valuation of deferred tax assets and liabilities, changes in tax laws or in their interpretation or enforcement, changes in the mix of earnings in countries with differing statutory tax rates and changes in accounting principles, including the U.S. generally accepted accounting principles. Tax rates and policies in the jurisdictions in which we operate may change materially as a result of shifting economic, social and political conditions. In addition, changes in tax laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could materially adversely affect our tax position. A number of countries where we do business, including the United States and many countries in the European Union, have implemented, and are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations.

The overall tax environment remains highly uncertain and increasingly complex. The European Commission has been conducting investigations, focusing on whether local country tax rulings or tax legislation provides preferential tax treatment that violates European Union state aid rules. Countries around the world are also considering changes in their tax laws and regulations. In the U.S., various proposals to raise corporate income taxes are periodically considered. Individual countries across the globe and the European Union have either enacted or plan to enact digital taxes to impose incremental taxes on companies based on where ultimate users are located. The Organization for Economic Co-operation and Development ("OECD"), a global coalition of member countries, proposed a two-pillar

plan to reform international taxation. The OECD proposals aim to prevent the proliferation of separate new digital taxes and to ensure a fairer distribution of profits among countries by creating a new global system to tax income based on the location of users, and to impose a floor on tax competition through the introduction of a global minimum tax. There remains significant uncertainty around whether the various proposals will ultimately be enacted and, if enacted, the extent of their impact. The increased focus of the European Commission and various jurisdictions on investigations and enacting new tax laws could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.

Although we expect to be able to rely on the tax treaty between the United States and Ireland, legislative or diplomatic action could be taken, or the treaty may be amended in such a way, that would prevent us from being able to rely on such treaty. Our inability to rely on the treaty would subject us to increased taxation or significant additional expense. In addition, we could be materially adversely affected by changes in the laws (or in their interpretation or enforcement) around the definition of a U.S. person for U.S. federal income tax purposes and by changes in tax law or policy (or in their interpretation or enforcement) in Ireland or other jurisdictions where we operate, including their treaties with Ireland or the United States.

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**Our results of operations could be materially adversely affected by fluctuations in foreign currency exchange rates.**

Although we report our results of operations in U.S. dollars, a majority of our revenues is denominated in currencies other than the U.S. dollar. Unfavorable fluctuations in foreign currency exchange rates have had an adverse effect, and could in the future have a material adverse effect, on our results of operations.

Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues, expenses and income, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, changes in the value of the U.S. dollar against other currencies will affect our revenues, operating income and the value of balance-sheet items, including intercompany payables and receivables, originally denominated in other currencies. These changes cause our growth stated in U.S. dollars to be higher or lower than our growth in local currency when compared against other periods. Our currency hedging programs, which are designed to partially offset the impact on consolidated earnings related to the changes in value of certain balance sheet items, might not be successful. Additionally, some transactions and balances may be denominated in currencies for which there is no available market to hedge.

As we continue to leverage our global delivery model, more of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as the Indian rupee or Philippine peso, against the currencies in which our revenue is recorded could increase costs for delivery of services at off-shore sites by increasing labor and other costs that are denominated in local currency. Our contractual provisions or cost management efforts might not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, might not be successful. This could result in a decrease in the profitability of our contracts that are utilizing delivery center resources. In addition, our currency hedging activities are themselves subject to risk. These include risks related to counterparty performance under hedging contracts, risks related to ineffective hedges and risks related to currency fluctuations. We also face risks that extreme economic conditions, political instability, or hostilities or disasters of the type described below could impact or perhaps eliminate the underlying exposures that we are hedging. Such an event could lead to losses being recognized on the currency hedges then in place that are not offset by anticipated changes in the underlying hedged exposure.

**Changes to accounting standards or in the estimates and assumptions we make in connection with the preparation of our consolidated financial statements could adversely affect our financial results.**

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. It is possible that changes in accounting standards could have a material adverse effect on our results of operations and financial position. The application of generally accepted accounting principles requires us to make estimates and assumptions about certain items and future events that affect our reported financial condition, and our accompanying disclosure with respect to, among other things, revenue recognition and income taxes. Our most critical accounting estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations under "Critical Accounting Policies and Estimates." We base our estimates on historical experience, contractual commitments and various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. These estimates and assumptions involve the use of judgment and are subject to significant uncertainties, some of which are beyond our control. If our estimates, or the assumptions underlying such estimates, are not correct, actual results may differ materially from our estimates, and we may need to, among other things, adjust revenues or accrue additional costs that could adversely affect our results of operations.

## Operational Risks



**As a result of our geographically diverse operations and our strategy to continue to grow in our key markets around the world, we are more susceptible to certain risks.**

We have offices and operations in more than 200 cities in 49 countries around the world. One aspect of our strategy is to continue to grow in our key markets around the world. Our strategy might not be successful. If we are unable to manage the risks of our global operations and strategy, our results of operations and ability to grow could be materially adversely affected.

Health emergencies or pandemics, including COVID-19; acts of terrorist violence; political, social and civil unrest; regional and international war and other hostilities and international responses to these wars and hostilities; natural disasters, volcanic eruptions, sea level rise, floods, droughts and water scarcity, heat waves, wildfires and storms, occurrences of which may increase in frequency and severity as a result of climate change; or the threat of or perceived potential for these events; and other acts of god have had and could in the future have significantly negative impacts on us. These events could adversely affect our clients' levels of business activity and precipitate sudden and significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to physical facilities and operations around the world, whether the facilities are ours or those of our ecosystem partners, suppliers or clients. By

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disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified people, these types of events impact our ability to deliver our services and solutions to our clients. Extended disruptions of electricity, other public utilities or network or cloud services at our facilities or in the areas where our people are working remotely, as well as physical infrastructure damage to, system failures at, cyberattacks on, or security incidents involving, our facilities or systems, or those of our ecosystem partners, suppliers or clients, could also adversely affect our ability to conduct our business and serve our clients. If any of these circumstances occurs, we have a greater risk that interruptions in communications with our clients and other Accenture locations and people, and any down-time in important processes we operate for clients, could result in a material adverse effect on our results of operations and our reputation in the marketplace. Moreover, the extent to which COVID-19 will continue to impact our business, operations and financial results will depend on numerous evolving factors that are difficult to accurately predict, including: the emergence and virulence of new variants; the availability and effectiveness of vaccines and treatments for COVID-19 globally; government, business and individuals' actions in response to the pandemic; and the effect on the macroeconomic environment and on our clients and their supply chains.

Our business model is dependent on our global delivery capability. While our delivery centers are located throughout the world, we have based large portions of our delivery capability in India and the Philippines, where we have the largest and second largest number of our people located, respectively. In addition, certain of our clients and markets are primarily supported by individual delivery centers. Concentrating our delivery capability in these locations presents a number of operational risks, including those discussed in this risk factor, many of which are beyond our control and which have been and may in the future be exacerbated by increasing geopolitical tensions. While these events have not materially impacted our ability to deliver services to our clients, international conflicts are unpredictable and we might not be as successful in mitigating these operational risks in the future.

We are unable to protect our people, facilities and systems, and those of our ecosystem partners, suppliers and clients, against all such events. Our business continuity and disaster recovery plans may not be effective, particularly if catastrophic events occur where large numbers of our people are located, or simultaneously affect our people in multiple locations around the world. We generally do not have insurance for losses and interruptions caused by terrorist attacks, conflicts and wars. If these disruptions prevent us from effectively serving our clients, our results of operations could be significantly adversely affected.

**If we are unable to manage the organizational challenges associated with our size, we might be unable to achieve our business objectives.**

As of August 31, 2022, we had more than 721,000 employees worldwide. Our size and scale present significant management and organizational challenges. As our organization grows and evolves, it might become increasingly difficult to maintain effective standards across a large enterprise and effectively institutionalize our knowledge or to effectively change the strategy, operations or culture of our Company in a timely manner. It might also become more difficult to maintain our culture, effectively manage and monitor our people and operations, effectively communicate our core values, policies and procedures, strategies and goals, and motivate, engage and retain our people, particularly given our world-wide operations, rate of new hires, and the significant percentage of our employees who have the option to work remotely. The size and scope of our operations increase the possibility that we will have employees who engage in unlawful or fraudulent activity, or otherwise expose us to unacceptable business risks, despite our efforts to train them and maintain internal controls to prevent such instances. For example, employee misconduct could involve the improper use of sensitive or confidential information entrusted to us, or obtained inappropriately, or the failure to comply with legislation or regulations regarding the protection of sensitive or confidential information, including personal data and proprietary information. Furthermore, the inappropriate use of social networking sites by our employees could result in breaches of confidentiality, unauthorized disclosure of non-public company information or damage to our reputation. If we do not continue to develop and implement the right processes and tools to manage our enterprise and instill our culture and core values into all of our employees, our ability to compete successfully and achieve our business objectives could be impaired. In addition, from time to time,

we have made, and may continue to make, changes to our operating model, including how we are organized, as the needs and size of our business change, and if we do not successfully implement the changes, our business and results of operation may be negatively impacted.

**We might not be successful at acquiring, investing in or integrating businesses, entering into joint ventures or divesting businesses.**

We expect to continue pursuing strategic acquisitions, investments and joint ventures to enhance or add to our skills and capabilities or offerings of services and solutions, or to enable us to expand in certain geographic and other markets. We have increased and may again in the future increase the amount of capital invested in such opportunities. These acquisitions and other transactions and investments involve challenges and risks, such as that we may not succeed in completing targeted transactions, including as a result of the market becoming increasingly competitive, or achieve desired results of operations.

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Furthermore, we face risks in successfully integrating any businesses we might acquire, and these risks may be magnified by the size and number of transactions we have executed. Ongoing business may be disrupted, and our management's attention may be diverted by acquisition, investment, transition or integration activities. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. The loss of key executives, employees, customers, suppliers, vendors and other business partners of businesses we acquire may adversely impact the value of the assets, operations or businesses. Furthermore, acquisitions or joint ventures may result in significant costs and expenses, including those related to retention payments, equity compensation, severance pay, early retirement costs, intangible asset amortization and asset impairment charges, enhancing controls, procedures and policies including those related to financial reporting, disclosure, and cyber and information security, assumed litigation and other liabilities, and legal, accounting and financial advisory fees, which could negatively affect our profitability as these costs and expenses grow along with the increased capital invested in such acquisitions and joint ventures. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions.

We might fail to realize the expected benefits or strategic objectives of any acquisition, investment or joint venture we undertake. We might not achieve our expected return on investment or may lose money. We may be adversely impacted by liabilities that we assume from a company we acquire or in which we invest, including from that company's known and unknown obligations, intellectual property or other assets, terminated employees, current or former clients or other third parties. In addition, we may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring, investing in or partnering with a company, including potential exposure to regulatory sanctions or liabilities resulting from an acquisition target's previous activities, or from an acquisition's controls related to financial reporting, disclosure, and cyber and information security environment. The number of transactions we execute annually may increase this risk. If any of these circumstances occurs, they could result in unexpected regulatory or legal exposure, including litigation with new or existing clients, unfavorable accounting treatment, unexpected increases in taxes or other adverse effects on our relationships with clients and our business. In addition, we have a lesser degree of control over the business operations of the joint ventures and businesses in which we have made minority investments or in which we have acquired less than 100% of the equity. This lesser degree of control may expose us to additional reputational, financial, legal, compliance or operational risks. Litigation, indemnification claims and other unforeseen claims and liabilities may arise from the acquisition or operation of acquired businesses. For example, we may face litigation or other claims as a result of certain terms and conditions of the acquisition agreement, such as earnout payments or closing working capital adjustments. Alternatively, shareholder litigation may arise as a result of proposed acquisitions. If we are unable to complete the number and kind of investments for which we plan, or if we are inefficient or unsuccessful at integrating acquired businesses into our operations, we may not be able to achieve our planned rates of growth or improve our market share, profitability or competitive position in specific markets or services.

We also periodically evaluate, and have engaged in, the disposition of assets and businesses. Divestitures could involve difficulties in the separation of operations, services, products and people, the diversion of management's attention, the disruption of our business and the potential loss of key employees. After reaching an agreement with a buyer for the disposition of a business, the transaction may be subject to the satisfaction of pre-closing conditions, including obtaining necessary regulatory and government approvals, which, if not satisfied or obtained, may prevent us from completing the transaction. Divestitures may also involve continued financial involvement in or liability with respect to the divested assets and businesses, such as indemnities or other financial obligations, in which the performance of the divested assets or businesses could impact our results of operations. Any divestiture we undertake could adversely affect our results of operations.

## Legal and Regulatory Risks

**Our business could be materially adversely affected if we incur legal liability.**

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. Our business is subject to the risk of litigation involving current and former employees, clients, ecosystem partners, subcontractors, suppliers, competitors, shareholders, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. Regardless of the merits of the claims, the cost to defend current and future litigation may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages, fines, penalties, debarment or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

We could be subject to significant legal liability and litigation expense if we fail to meet our contractual obligations, contribute to internal control or other deficiencies of a client or otherwise breach obligations to third parties, including clients, ecosystem

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partners, employees and former employees, and other parties with whom we conduct business, or if our subcontractors breach or dispute the terms of our agreements with them and impede our ability to meet our obligations to our clients, or if our services or solutions cause bodily injuries or property damage. For example, by taking over the operation of certain portions of our clients' businesses, including functions and systems that are critical to the core businesses of our clients, by contributing to the design, development and/or engineering of client products, or by providing various operational technology, digital manufacturing and robotics solutions, we may be exposed to additional and evolving operational, regulatory, reputational or other risks specific to these areas, including risks related to data security. A failure of a client's system based on our services or solutions could also subject us to a claim for significant damages that could materially adversely affect our results of operations. In order to remain competitive, we increasingly enter into agreements based on our clients' contract terms after conducting an assessment of the risk of doing so, which may expose us to additional risk. In addition, the contracting practices of competitors, along with the demands of increasingly sophisticated clients, may cause contract terms and conditions that are unfavorable to us to become new standards in the industry. We may commit to providing services or solutions that we are unable to deliver or whose delivery may reduce our profitability or cause us financial loss. If we cannot or do not meet our contractual obligations and if our potential liability is not adequately limited through the terms of our agreements, liability limitations are not enforced or a third party alleges fraud or other wrongdoing to prevent us from relying upon those contractual protections, we might face significant legal liability and litigation expense and our results of operations could be materially adversely affected. Moreover, as we expand our services and solutions into new areas, we may be exposed to additional and evolving risks specific to these new areas.

In addition, we engage in platform trust and safety services on behalf of clients, including content moderation, which could have a negative impact on our employees due to the nature of the materials they review. We have been subject to media coverage regarding our provision of these services as well as litigation related to the provision of these services, which may result in adverse judgments or settlements or government inquiries and investigations.

While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if they prevail, the amount of our recovery.

### **Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.**

We are subject to numerous, and sometimes conflicting, legal regimes on matters as diverse as anticorruption, import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, including ESG regulation and reporting requirements, anti-competition, anti-money-laundering, data privacy and protection, government compliance, wage-and-hour standards, employment and labor relations and human rights. The rapidly evolving sanctions environment has resulted in new sanctions and trade restrictions, which may impair trade with sanctioned individuals and countries, and negative impacts to regional trade ecosystems among our clients, ecosystem partners, and us. For example, as a result of the sanctions imposed in response to the invasion of Ukraine by Russia, we were restricted from offering certain of our services to clients in some locations. The global nature of our operations, including emerging markets where legal systems may be less developed or understood by us, and the diverse nature of our operations across a number of regulated industries, further increase the difficulty of compliance. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, enforcement actions or criminal sanctions against us and/or our employees, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for significant monetary damages, fines, enforcement actions and/or criminal prosecution or sanctions, unfavorable publicity and other reputational damage and restrictions on our ability to effectively carry out our contractual obligations and thereby expose us to potential

claims from our clients. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights.

In particular, in many parts of the world, including countries in which we operate and/or seek to expand, practices in the local business community might not conform to international business standards and could violate anticorruption laws, or regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010. Our employees, subcontractors, vendors, agents, alliance or joint venture partners, the companies we acquire and their employees, subcontractors, vendors and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, including U.S. federal contracting, any of which could materially adversely affect our business, including our results of operations and our reputation.

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Changes in laws and regulations could also mandate significant and costly changes to the way we implement our services and solutions or could impose additional taxes on our services and solutions. For example, changes in laws and regulations to limit using off-shore resources in connection with our work or to penalize companies that use off-shore resources, which have been proposed from time to time in various jurisdictions, could adversely affect our results of operations. Such changes may result in contracts being terminated or work being transferred onshore, resulting in greater costs to us, and could have a negative impact on our ability to obtain future work from government clients. In addition, several jurisdictions where we operate have proposed legislation regulating artificial intelligence and non-personal data that may impose significant requirements on how we design, build and deploy artificial intelligence and handle non-personal data for ourselves and our clients.

### **Our work with government clients exposes us to additional risks inherent in the government contracting environment.**

Our clients include national, provincial, state and local governmental entities. Our government work carries various risks inherent in the government contracting process. These risks include, but are not limited to, the following:

- Government entities, particularly in the United States, often reserve the right to audit our contract costs and conduct inquiries and investigations of our business practices and compliance with government contract requirements. U.S. government agencies, including the Defense Contract Audit Agency, routinely audit our contract costs, including allocated indirect costs, for compliance with the Cost Accounting Standards and the Federal Acquisition Regulation. These agencies also conduct reviews and investigations and make inquiries regarding our accounting, information technology and other systems in connection with our performance and business practices with respect to our government contracts. Negative findings from existing and future audits, investigations or inquiries, or failure to comply with applicable IT security or supply chain requirements, could affect our future sales and profitability by preventing us, by operation of law or in practice, from receiving new government contracts for some period of time. In addition, if the U.S. government concludes that certain costs are not reimbursable, have not been properly determined or are based on outdated estimates of our work, then we will not be allowed to bill for such costs, may have to refund money that has already been paid to us or could be required to retroactively and prospectively adjust previously agreed to billing or pricing rates for our work. Negative findings from existing and future audits of our business systems, including our accounting system, may result in the U.S. government preventing us from billing, at least temporarily, a percentage of our costs. As a result of prior negative findings in connection with audits, investigations and inquiries, we have from time to time experienced some of the adverse consequences described above and may in the future experience further adverse consequences, which could materially adversely affect our future results of operations.
- If a government client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various civil and criminal penalties, including those under the civil U.S. False Claims Act, and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other agencies of that government. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities.
- U.S. government contracting regulations impose strict compliance and heightened disclosure obligations. From time to time we have made disclosures. Disclosure is required if certain company personnel have knowledge of “credible evidence” of a violation of federal criminal laws involving fraud, conflict of interest, bribery or improper gratuity, a violation of the civil U.S. False Claims Act or receipt of a significant overpayment from the government. Failure to make required disclosures could be a basis for suspension and/or debarment from federal government contracting in addition to breach of the specific contract and could also impact contracting beyond the U.S. federal level. Reported matters may also lead to audits or investigations and other civil, criminal or administrative sanctions, including those described above.
- Government contracts are subject to heightened reputational and contractual risks compared to contracts with commercial clients. For example, government contracts and the proceedings surrounding them are often subject



to more extensive scrutiny and publicity. Negative publicity, including an allegation of improper or illegal activity, regardless of its accuracy, may adversely affect our reputation.

- Terms and conditions of government contracts also tend to be more onerous and are often more difficult to negotiate. For example, these contracts often contain high or unlimited liability for breaches and feature less favorable payment terms and sometimes require us to take on liability for the performance of third parties.
  - Government entities typically fund projects through appropriated monies. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding and/or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions or other debt constraints could result in our projects being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination. Furthermore, if insufficient funding is appropriated to the government entity to cover termination costs, we may not be able to fully recover our investments.
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- Political and economic factors such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision makers, revisions to governmental tax or other policies and reduced tax revenues can affect the number and terms of new government contracts signed or the speed at which new contracts are signed, decrease future levels of spending and authorizations for programs that we bid, shift spending priorities to programs in areas for which we do not provide services and/or lead to changes in enforcement or how compliance with relevant rules or laws is assessed.
- Our ability to work for the U.S. government is impacted by the fact that we are an Irish company. We elected to enter into a proxy agreement with the U.S. Department of Defense that enhances the ability of our U.S. federal government contracting subsidiary to perform certain work for the U.S. government. The proxy agreement regulates the management and operation of, and limits the control we can exercise over, this subsidiary. In addition, legislative and executive proposals remain under consideration or could be proposed in the future, which, if enacted, could place additional limitations on or even prohibit our eligibility to be awarded state or federal government contracts in the United States or could include requirements that would otherwise affect our results of operations. Various U.S. federal and state legislative proposals have been introduced and/or enacted in recent years that deny government contracts to certain U.S. companies that reincorporate or have reincorporated outside the United States. While Accenture was not a U.S. company that reincorporated outside the United States, it is possible that these contract bans and other legislative proposals could be applied in a way that negatively affects Accenture.

The occurrences or conditions described above could affect not only our business with the particular government entities involved, but also our business with other entities of the same or other governmental bodies or with certain commercial clients, and could have a material adverse effect on our business or our results of operations.

**If we are unable to protect or enforce our intellectual property rights, or if our services or solutions infringe upon the intellectual property rights of others or we lose our ability to utilize the intellectual property of others, our business could be adversely affected.**

Our success depends, in part, upon our ability to obtain intellectual property protection for our proprietary platforms, methodologies, processes, software and other solutions. Existing laws of the various countries in which we provide services or solutions may offer only limited intellectual property protection of our services or solutions, and the protection in some countries may be very limited. We rely upon a combination of confidentiality policies and procedures, nondisclosure and other contractual arrangements, and patent, trade secret, copyright and trademark laws to protect our intellectual property rights. These laws are subject to change at any time and could further limit our ability to obtain or maintain intellectual property protection. There is uncertainty concerning the scope of patent and other intellectual property protection for software and business methods, which are fields in which we rely on intellectual property laws to protect our rights. Even where we obtain intellectual property protection, our intellectual property rights may not prevent or deter competitors, former employees, or other third parties from reverse engineering our solutions or proprietary methodologies and processes or independently developing services or solutions similar to or duplicative of ours. Further, the steps we take in this regard might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties, and we might not be able to detect unauthorized use of, or take appropriate and timely steps to enforce, our intellectual property rights. Enforcing our rights might also require considerable time, money and oversight, and we may not be successful in enforcing our rights.

In addition, we cannot be sure that our services and solutions, including, for example, our software solutions, or the solutions of others that we offer to our clients, do not infringe on the intellectual property rights of third parties (including competitors as well as non-practicing holders of intellectual property assets), and these third parties could claim that we or our clients are infringing upon their intellectual property rights. Furthermore, although we have established policies and procedures to respect the intellectual property rights of third parties and that prohibit the unauthorized use of intellectual property, we may not be aware if our employees have misappropriated and/or

misused intellectual property, and their actions could result in claims of intellectual property misappropriation and/or infringement from third parties. These claims could harm our reputation, cause us to incur substantial costs or prevent us from offering some services or solutions in the future. Any related proceedings could require us to expend significant resources over an extended period of time. In most of our contracts, we agree to indemnify our clients for expenses and liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities could be greater than the revenues we receive from the client. Any claims or litigation in this area could be time-consuming and costly, damage our reputation and/or require us to incur additional costs to obtain the right to continue to offer a service or solution to our clients. If we cannot secure this right at all or on reasonable terms, or we are unable to implement in a cost-effective manner alternative technology, our results of operations could be materially adversely affected. The risk of infringement claims against us may increase as we expand our industry software solutions and continue to develop and license our software to multiple clients. Any infringement action brought against us or our clients could be costly to defend or lead to an expensive settlement or judgment against us.

Further, we rely on third-party software and other intellectual property in providing some of our services and solutions. If we lose our ability to continue using any such software or intellectual property for any reason, including because it is found to

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infringe the rights of others, we will need to obtain substitutes or seek alternative means of obtaining the technology necessary to continue to provide such services and solutions. Our inability to replace such software or intellectual property effectively or in a timely and cost-effective manner could materially adversely affect our results of operations.

**We are incorporated in Ireland and Irish law differs from the laws in effect in the United States and might afford less protection to our shareholders. We may also be subject to criticism and negative publicity related to our incorporation in Ireland.**

Irish law differs from the laws in effect in the United States and our shareholders could have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws.

As an Irish company, we are governed by the Companies Act. The Companies Act differs in some significant, and possibly material, respects from laws applicable to U.S. corporations and shareholders under various state corporation laws, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Under Irish law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Irish companies do not generally have rights to take action against directors or officers of the company under Irish law, and may only do so in limited circumstances. Directors of an Irish company must, in exercising their powers and performing their duties, act with due care and skill, honestly and in good faith with a view to the best interests of the company. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests might conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of an Irish company is found to have breached his or her duties to that company, he or she could be held personally liable to the company in respect of that breach of duty.

Under Irish law, we must have authority from our shareholders to issue any shares, including shares that are part of the company's authorized but unissued share capital. In addition, unless otherwise authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro-rata basis. If we are unable to obtain these authorizations from our shareholders, or are otherwise limited by the terms of our authorizations, our ability to issue shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.

Some companies that conduct substantial business in the United States but that have a parent domiciled in certain other jurisdictions have been criticized as improperly avoiding U.S. taxes or creating an unfair competitive advantage over U.S. companies. Accenture never conducted business under a U.S. parent company and pays U.S. taxes on all of its U.S. operations. Nonetheless, we could be subject to criticism in connection with our incorporation in Ireland.

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## Item 1B. Unresolved Staff Comments

None.

## Item 2. Properties

We have major offices in the world's leading business centers, including Boston, Chicago, New York, San Francisco, Dublin, Frankfurt, London, Madrid, Milan, Paris, Rome, Bangalore, Beijing, Manila, Mumbai, São Paulo, Shanghai, Singapore, Sydney and Tokyo, among others. In total, we have facilities and operations in more than 200 cities in 49 countries around the world. We do not own any material real property. Substantially all of our facilities are leased under long-term leases with varying expiration dates. We believe that our facilities are adequate to meet our needs in the near future.

## Item 3. Legal Proceedings

The information set forth under "Legal Contingencies" in Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," is incorporated herein by reference.

## Item 4. Mine Safety Disclosures

Not applicable.

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## Part II

### Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Accenture plc Class A ordinary shares are traded on the New York Stock Exchange under the symbol "ACN." The New York Stock Exchange is the principal United States market for these shares. As of September 28, 2022, there were 375 holders of record of Accenture plc Class A ordinary shares.

There is no trading market for Accenture plc Class X ordinary shares. As of September 28, 2022, there were 15 holders of record of Accenture plc Class X ordinary shares.

#### Dividends

For information about our dividend activity during fiscal 2022, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

On September 21, 2022, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$1.12 per share on our Class A ordinary shares for shareholders of record at the close of business on October 13, 2022, payable on November 15, 2022. For the remainder of fiscal 2023, we expect to declare additional quarterly dividends in December 2022 and March and June 2023, to be paid in February, May and August 2023, respectively, subject to the approval of the Board of Directors.

In certain circumstances, as an Irish tax resident company, we may be required to deduct Irish dividend withholding tax ("DWT") (currently at the rate of 25%) from dividends paid to our shareholders. Shareholders resident in "relevant territories" (including countries that are European Union member states (other than Ireland), the United States and other countries with which Ireland has a tax treaty) may be exempted from Irish DWT. However, shareholders residing in other countries will generally be subject to Irish DWT.

#### Recent Sales of Unregistered Securities

None.

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## Purchases of Accenture plc Class A Ordinary Shares

The following table provides information relating to our purchases of Accenture plc Class A ordinary shares during the fourth quarter of fiscal 2022. For year-to-date information on all of our share purchases, redemptions and exchanges and further discussion of our share purchase activity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Purchases and Redemptions."

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
(in millions of U.S. dollars)				
June 1, 2022 — June 30, 2022	691,878	\$ 289.73	653,831	\$ 3,517
July 1, 2022 — July 31, 2022	673,096	280.86	640,686	3,336
August 1, 2022 — August 31, 2022	696,889	308.72	670,095	3,129
<b>Total (4)</b>	<b>2,061,863</b>	<b>\$ 293.25</b>	<b>1,964,612</b>	

- (1) Average price paid per share reflects the total cash outlay for the period, divided by the number of shares acquired, including those acquired by purchase or redemption for cash and any acquired by means of employee forfeiture.
- (2) Since August 2001, the Board of Directors of Accenture plc has authorized and periodically confirmed a publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares. During the fourth quarter of fiscal 2022, we purchased 1,964,612 Accenture plc Class A ordinary shares under this program for an aggregate price of \$576 million. The open-market purchase program does not have an expiration date.
- (3) As of August 31, 2022, our aggregate available authorization for share purchases and redemptions was \$3,129 million, which management has the discretion to use for either our publicly announced open-market share purchase program or our other share purchase programs. Since August 2001 and as of August 31, 2022, the Board of Directors of Accenture plc has authorized an aggregate of \$43.1 billion for share purchases and redemptions by Accenture plc and Accenture Canada Holdings Inc. On September 21, 2022, the Board of Directors of Accenture plc approved \$3,000 million in additional share repurchase authority, bringing Accenture's total outstanding authority to \$6,129 million.
- (4) During the fourth quarter of fiscal 2022, Accenture purchased 97,251 Accenture plc Class A ordinary shares in transactions unrelated to publicly announced share plans or programs. These transactions consisted of acquisitions of Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under our various employee equity share plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and our other share purchase programs.

## Item 6. [Reserved]

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# Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in this Annual Report on Form 10-K.

We use the terms "Accenture," "we," the "Company," "our" and "us" in this report to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to "fiscal 2022" means the 12-month period that ended on August 31, 2022. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

We use the term "in local currency" so that certain financial results may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Financial results "in local currency" are calculated by restating current period activity into U.S. dollars using the comparable prior-year period's foreign currency exchange rates. This approach is used for all results where the functional currency is not the U.S. dollar.

## Overview

Accenture plc is a leading global professional services company, providing a broad range of services and solutions across Strategy & Consulting, Technology, Operations, Industry X and Song. We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). We combine our strength in technology with industry experience, functional expertise and global delivery capability to help the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale.

Our results of operations are affected by economic conditions, including macroeconomic conditions, the overall inflationary environment and levels of business confidence. There continues to be significant economic and geopolitical uncertainty in many markets around the world, which has impacted and may continue to impact our business, particularly with regard to wage inflation and increased volatility in foreign currency exchange rates. During fiscal 2022, we disposed of our business in Russia and recorded a non-operating loss of \$96 million. We do not have a business in Ukraine or Belarus.

## Key Metrics

We saw very strong demand across our business in fiscal 2022 as our clients continue their digital transformations. Key metrics for fiscal 2022 compared to fiscal 2021 included:

- **Revenues of \$61.6 billion**, representing 22% growth in U.S. dollars and 26% growth in local currency;
- **New bookings of \$71.7 billion**, an increase of 21% in U.S. dollars and 25% in local currency;

- **Operating margin of 15.2%**, a 10 basis point expansion;
  - **Diluted earnings per share of \$10.71**, an increase of 16.9% over \$9.16 for fiscal 2021, including a \$0.15 per share or 2% negative impact from the disposition of our business in Russia; and
  - **Cash returned to shareholders of \$6.6 billion**, including share purchases of \$4.1 billion and dividends of \$2.5 billion.
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## Revenues

		Fiscal		Percent Increase (Decrease) U.S. Dollars	Percent Increase (Decrease) Local Currency
		2022	2021		
(in billions of U.S. Dollars)					
<b>Geographic Markets</b>	North America	\$ 29.1	\$ 23.7	23 %	23 %
	Europe	20.3	16.7	21	29
	Growth Markets	12.2	10.1	21	29
	<b>Total Revenues</b>	<b>\$ 61.6</b>	<b>\$ 50.5</b>	<b>22 %</b>	<b>26 %</b>
<b>Industry Groups (1)</b>	Communications, Media & Technology	\$ 12.2	\$ 9.8	24 %	28 %
	Financial Services	11.8	9.9	19	24
	Health & Public Service	11.2	9.5	18	20
	Products	18.3	14.4	27	32
	Resources	8.1	6.9	18	22
	<b>Total Revenues</b>	<b>\$ 61.6</b>	<b>\$ 50.5</b>	<b>22 %</b>	<b>26 %</b>
<b>Type of Work</b>	Consulting	\$ 34.1	\$ 27.3	25 %	29 %
	Outsourcing	27.5	23.2	19	22
	<b>Total Revenues</b>	<b>\$ 61.6</b>	<b>\$ 50.5</b>	<b>22 %</b>	<b>26 %</b>

(1) Effective June 1, 2022, we revised the reporting of our industry groups for the movement of Aerospace & Defense from Communications, Media & Technology to Products. Prior period amounts have been reclassified to conform with the current period presentation.

Revenues for fiscal 2022 increased 22% in U.S. dollars and 26% in local currency compared to fiscal 2021. During fiscal 2022, revenue growth in local currency was very strong across all geographic markets, industry groups and types of work.

In our consulting business, revenues for fiscal 2022 increased 25% in U.S. dollars and 29% in local currency compared to fiscal 2021. Consulting revenue growth in local currency in fiscal 2022 was driven by very strong growth in Europe, Growth Markets and North America. Our consulting revenue continues to be driven by helping our clients accelerate their digital transformation, including moving to the cloud, embedding security across the enterprise and adopting new technologies. In addition, clients continue to be focused on initiatives designed to deliver cost savings and operational efficiency, as well as projects to accelerate growth and improve customer experiences.

In our outsourcing business, which we also refer to as our managed services business, revenues for fiscal 2022 increased 19% in U.S. dollars and 22% in local currency compared to fiscal 2021. Outsourcing revenue growth in local currency in fiscal 2022 was driven by very strong growth in Growth Markets, Europe and North America. We continue to experience growing demand to assist clients with application modernization and maintenance, cloud enablement and managed security services. In addition, clients continue to be focused on transforming their operations through data and analytics, automation and artificial intelligence to drive productivity and operational cost savings.

As we are a global company, our revenues are denominated in multiple currencies and may be significantly affected by currency exchange rate fluctuations. While a significant portion of our revenues are in U.S. dollars, the majority of our revenues are denominated in other currencies, including the Euro, Japanese yen and U.K. pound. There

continues to be volatility in foreign currency exchange rates. Unfavorable fluctuations in foreign currency exchange rates have had and could in the future have a material effect on our financial results. If the U.S. dollar weakens against other currencies, resulting in favorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be higher. If the U.S. dollar strengthens against other currencies, resulting in unfavorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be lower. The U.S. dollar strengthened against various currencies during fiscal 2022, resulting in unfavorable currency translation and U.S. dollar revenue growth that was approximately 4% lower than our revenue growth in local currency for the year. Assuming that exchange rates stay within recent ranges, we estimate that our fiscal 2023 revenue growth in U.S. dollars will be approximately 6% lower than our revenue growth in local currency.

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## People Metrics

### Utilization

**91%**

down from 93% in fiscal 2021

### Workforce

**721,000+**

compared to approximately  
624,000 as of August 31, 2021

### Annualized Voluntary Attrition

**19%**

compared to 14% in fiscal 2021

Utilization for fiscal 2022 was 91%, down from 93% in fiscal 2021. We hire to meet current and projected future demand. We proactively plan and manage the size and composition of our workforce and take actions as needed to address changes in the anticipated demand for our services and solutions, given that compensation costs are the most significant portion of our operating expenses. Our workforce, the majority of which serves our clients, increased to approximately 721,000 as of August 31, 2022, compared to approximately 624,000 as of August 31, 2021. The year-over-year increase in our workforce reflects an overall increase in demand for our services and solutions, as well as people added in connection with acquisitions.

During fiscal 2022, we experienced a competitive labor market with high demand for the skills our people have, which contributed to elevated levels of voluntary attrition. For fiscal 2022, attrition, excluding involuntary terminations, was 19%, up from 14% in fiscal 2021. For the fourth quarter of fiscal 2022, annualized attrition, excluding involuntary terminations, was 20%, flat with 20% in the third quarter of fiscal 2022. We evaluate voluntary attrition, adjust levels of new hiring and use involuntary terminations as means to keep our supply of skills and resources in balance with changes in client demand.

In addition, we adjust compensation in order to attract and retain appropriate numbers of qualified employees. For the majority of our people, compensation increases become effective December 1st of each fiscal year. Given the overall inflationary environment, compensation has been and continues to increase faster than in prior years. In fiscal 2022, we have improved pricing, which we define as the contract profitability or margin on the work that we sell, across our business. While we are increasing pricing, as well as changing the mix of people and utilizing technology to reduce the impact of these compensation increases on our margin, the impact of these actions did not in fiscal 2022, and may not in the future, fully offset the impact of the compensation increases, resulting in lower contract profitability.

Our ability to grow our revenues and maintain or increase our margin could be adversely affected if we are unable to: match people and skills with the types or amounts of services and solutions clients are demanding; recover or offset increases in compensation; deploy our employees globally on a timely basis; manage attrition; and/or effectively assimilate new employees.

## Operating Expenses

The primary categories of operating expenses include Cost of services, Sales and marketing and General and administrative costs. Cost of services is primarily driven by the cost of people serving our clients, which consists mainly of compensation, subcontractor and other payroll costs, and non-payroll costs on outsourcing contracts. Cost of services includes a variety of activities such as: contract delivery; recruiting and training; software development; and integration of acquisitions. Sales and marketing costs are driven primarily by: compensation costs for business development activities; marketing- and advertising-related activities; and certain acquisition-related costs. General and administrative costs primarily include costs for people that are non-client-facing, information systems, office space and certain acquisition-related costs.

Gross margin (Revenues less Cost of services as a percentage of Revenues) for fiscal 2022 was 32.0%, compared with 32.4% for fiscal 2021. The decrease in gross margin for fiscal 2022 was due to higher labor costs, including increased compensation and subcontractor costs, partially offset by a decrease in non-payroll costs.

Sales and marketing and General and administrative costs as a percentage of revenues were 16.8% for fiscal 2022, compared with 17.3% for fiscal 2021. For fiscal 2022 compared to fiscal 2021, Sales and marketing costs decreased 60 basis points primarily due to lower selling and advertising costs as a percentage of revenues. General and administrative costs increased 10 basis points as a percentage of revenues.

Operating margin (Operating income as a percentage of Revenues) for fiscal 2022 was 15.2%, compared with 15.1% for fiscal 2021.

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## Other Income (Expense), net

During fiscal 2021, we recorded gains of \$271 million and tax expense of \$41 million, related to our investment in Duck Creek Technologies. For additional information, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Effective Tax Rate

The effective tax rates for fiscal 2022 and 2021 were 24.0% and 22.8%, respectively. Absent the investment gains and related tax expense, our effective tax rate for fiscal 2021 would have been 23.1%.

## Diluted Earnings Per Share

Diluted earnings per share were \$10.71 for fiscal 2022, including a \$0.15 negative impact from the disposition of our business in Russia, compared with \$9.16 for fiscal 2021. The \$230 million investment gains, net of taxes, increased diluted earnings per share by \$0.36 in fiscal 2021. Excluding the impact of these gains, diluted earnings per share would have been \$8.80 for fiscal 2021.

Our operating income and diluted earnings per share are affected by currency exchange rate fluctuations on revenues and costs. Most of our costs are incurred in the same currency as the related revenues. Where practical, we seek to manage foreign currency exposure for costs not incurred in the same currency as the related revenues, such as the costs associated with our global delivery model, by using currency protection provisions in our customer contracts and through our hedging programs. We seek to manage our costs, taking into consideration the residual positive and negative effects of changes in foreign exchange rates on those costs. For more information on our hedging programs, see Foreign Currency Risk under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" and Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Non-GAAP Financial Measures

We have presented our effective tax rate and diluted earnings per share for fiscal 2021, excluding the impact of the investment gains, as we believe doing so facilitates understanding as to the impact of these items and our performance in comparison to the prior period.

## New Bookings

	Fiscal		Percent Increase (Decrease) U.S. Dollars	Percent Increase (Decrease) Local Currency
	2022	2021		
(in billions of U.S. dollars)				
Consulting	\$ 37.9	\$ 30.6	24 %	28 %
Outsourcing	33.9	28.7	18	23
<b>Total New Bookings</b>	<b>\$ 71.7</b>	<b>\$ 59.3</b>	<b>21 %</b>	<b>25 %</b>

Amounts in table may not total due to rounding.

We provide information regarding our new bookings, which include new contracts, including those acquired through acquisitions, as well as renewals, extensions and changes to existing contracts, because we believe doing so

provides useful trend information regarding changes in the volume of our new business over time. New bookings can vary significantly quarter to quarter depending in part on the timing of the signing of a small number of large outsourcing contracts. The types of services and solutions clients are demanding and the pace and level of their spending may impact the conversion of new bookings to revenues. For example, outsourcing bookings, which are typically for multi-year contracts, generally convert to revenue over a longer period of time compared to consulting bookings.

Information regarding our new bookings is not comparable to, nor should it be substituted for, an analysis of our revenues over time. New bookings involve estimates and judgments. There are no third-party standards or requirements governing the calculation of bookings. We do not update our new bookings for material subsequent terminations or reductions related to bookings originally recorded in prior fiscal years. New bookings are recorded using then-existing foreign currency exchange rates and are not subsequently adjusted for foreign currency exchange rate fluctuations.

The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Only the non-cancelable portion of these contracts is included in our remaining performance obligations disclosed in Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data." Accordingly, a significant portion of what we consider contract bookings is not included in our remaining performance obligations.

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## Critical Accounting Policies and Estimates

The preparation of our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses. We continually evaluate our estimates, judgments and assumptions based on available information and experience. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates. Certain of our accounting policies require higher degrees of judgment than others in their application. These include certain aspects of accounting for revenue recognition and income taxes.

### Revenue Recognition

Determining the method and amount of revenue to recognize requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require contract interpretation to determine the appropriate accounting, including whether promised goods and services specified in an arrangement are distinct performance obligations and should be accounted for separately. Other judgments include determining whether performance obligations are satisfied over time or at a point in time and the selection of the method to measure progress towards completion.

We measure progress towards completion for technology integration consulting services and some non-technology consulting services using costs incurred to date relative to total estimated costs at completion. Revenues, including estimated fees, are recorded proportionally as costs are incurred. The amount of revenue recognized for these contracts in a period is dependent on our ability to estimate total contract costs. We continually evaluate our estimates of total contract costs based on available information and experience.

Additionally, the nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. We conduct reviews prior to signing such contracts to evaluate whether these incentives are reasonably achievable. Our estimates are monitored over the lives of our contracts and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

For additional information, see Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

### Income Taxes

Determining the consolidated provision for income tax expense, income tax liabilities and deferred tax assets and liabilities involves judgment. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. As a global company, we calculate and provide for income taxes in each of the tax jurisdictions in which we operate. This involves estimating current tax exposures in each jurisdiction as well as making judgments regarding the recoverability of deferred tax assets. Tax exposures can involve complex issues and may require an extended period to resolve. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and adjust the valuation allowances accordingly. Factors considered in making this determination include the period of expiration of the tax asset, planned use of the tax asset, tax planning strategies and historical and projected taxable income as well as tax liabilities for the tax jurisdiction in which the tax asset is located. Valuation allowances will be subject to change in each future reporting period as a result of changes in one or more of these factors. Changes in the geographic mix or estimated level of annual income before taxes can affect the overall effective tax rate.

We apply an estimated annual effective tax rate to our quarterly operating results to determine the interim provision for income tax expense. A change in judgment that impacts the measurement of a tax position taken in a prior year is recognized as a discrete item in the interim period in which the change occurs. In the event there is a significant unusual or infrequent item recognized in our quarterly operating results, the tax attributable to that item is recorded in the interim period in which it occurs. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

No taxes have been provided on undistributed foreign earnings that are planned to be indefinitely reinvested. If future events, including material changes in estimates of cash, working capital and long-term investment requirements, necessitate that these earnings be distributed, an additional provision for taxes may apply, which could materially affect our future effective tax rate. We currently do not foresee any event that would require us to distribute these indefinitely reinvested earnings. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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As a matter of course, we are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish tax liabilities or reduce tax assets when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe we may not succeed in realizing the tax benefit of certain positions if challenged. In evaluating a tax position, we determine whether it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Our estimate of the ultimate tax liability contains assumptions based on past experiences, judgments about potential actions by taxing jurisdictions as well as judgments about the likely outcome of issues that have been raised by taxing jurisdictions. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement. We evaluate tax positions each quarter and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

## Revenues by Segment/Geographic Market

Our three reportable operating segments are our geographic markets, North America, Europe and Growth Markets. In addition to reporting revenues by geographic market and industry group, we also report revenues by two types of work: consulting and outsourcing, which represent the services sold by our geographic markets. Consulting revenues, which include strategy, management and technology consulting and technology integration consulting, reflect a finite, distinct project or set of projects with a defined outcome and typically a defined set of specific deliverables. Outsourcing revenues typically reflect ongoing, repeatable services or capabilities provided to transition, run and/or manage operations of client systems or business functions.

From time to time, our geographic markets work together to sell and implement certain contracts. The resulting revenues and costs from these contracts may be apportioned among the participating geographic markets. Generally, operating expenses for each geographic market have similar characteristics and are subject to the same factors, pressures and challenges. However, the economic environment and its effects on the industries served by our geographic markets affect revenues and operating expenses within our geographic markets to differing degrees. The mix between consulting and outsourcing is not uniform among our geographic markets. Local currency fluctuations also tend to affect our geographic markets differently, depending on the geographic concentrations and locations of their businesses.

While we provide discussion about our results of operations below, we cannot measure how much of our revenue growth in a particular period is attributable to changes in price or volume. Management does not track standard measures of unit or rate volume. Instead, our measures of volume and price are extremely complex, as each of our services contracts is unique, reflecting a customized mix of specific services that does not fit into standard comparability measurements. Revenue for our services is a function of the nature of each service to be provided, the skills required and the outcome sought, as well as estimated cost, risk, contract terms and other factors.

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## Results of Operations for Fiscal 2022 Compared to Fiscal 2021

Revenues by geographic market, industry group and type of work are as follows:

					Percent of Total Revenues for Fiscal	
	Fiscal		Percent Increase (Decrease) U.S. Dollars	Percent Increase (Decrease) Local Currency		
(in millions of U.S. dollars)	2022	2021			2022	2021
Geographic Markets						
North America	\$ 29,121	\$ 23,701	23 %	23 %	47 %	47 %
Europe	20,264	16,749	21	29	33	33
Growth Markets	12,209	10,083	21	29	20	20
Total Revenues	\$ 61,594	\$ 50,533	22 %	26 %	100 %	100 %
Industry Groups (1)						
Communications, Media & Technology	\$ 12,200	\$ 9,801	24 %	28 %	20 %	19 %
Financial Services	11,811	9,933	19	24	19	20
Health & Public Service	11,226	9,498	18	20	18	19
Products	18,275	14,439	27	32	30	29
Resources	8,082	6,863	18	22	13	14
Total Revenues	\$ 61,594	\$ 50,533	22 %	26 %	100 %	100 %
Type of Work						
Consulting	\$ 34,076	\$ 27,338	25 %	29 %	55 %	54 %
Outsourcing	27,518	23,196	19	22	45	46
Total Revenues	\$ 61,594	\$ 50,533	22 %	26 %	100 %	100 %

Amounts in table may not total due to rounding.

- (1) Effective June 1, 2022, we revised the reporting of our industry groups for the movement of Aerospace & Defense from Communications, Media & Technology to Products. Prior period amounts have been reclassified to conform with the current period presentation.

### Revenues

The following revenues commentary discusses local currency revenue changes for fiscal 2022 compared to fiscal 2021:

#### Geographic Markets

- North America revenues increased 23% in local currency, led by growth in Public Service, Consumer Goods, Retail & Travel Services and Software & Platforms. Revenue growth was driven by the United States.

- Europe revenues increased 29% in local currency, led by growth in Industrial, Consumer Goods, Retail & Travel Services and Banking & Capital Markets. Revenue growth was driven by Germany, the United Kingdom, France and Italy.
- Growth Markets revenues increased 29% in local currency, led by growth in Consumer Goods, Retail & Travel Services, Banking & Capital Markets and Public Service. Revenue growth was driven by Japan, Australia and Brazil.

## Operating Expenses

Operating expenses for fiscal 2022 increased \$9,315 million, or 22%, over fiscal 2021, and decreased as a percentage of revenues to 84.8% from 84.9% during this period.

Operating expenses by category are as follows:

(in millions of U.S. dollars)	Fiscal				Increase (Decrease)
	2022		2021		
Operating Expenses	\$ 52,227	84.8 %	\$ 42,912	84.9 %	\$ 9,315
Cost of services	41,893	68.0	34,169	67.6	7,724
Sales and marketing	6,108	9.9	5,288	10.5	820
General and administrative costs	4,226	6.9	3,454	6.8	772

Amounts in table may not total due to rounding.

## Cost of Services

Cost of services for fiscal 2022 increased \$7,724 million, or 23%, over fiscal 2021, and increased as a percentage of revenues to 68.0% over 67.6% during this period. Gross margin for fiscal 2022 decreased to 32.0% from 32.4% in fiscal 2021. The decrease in gross margin for fiscal 2022 was primarily due to higher labor costs, including increased compensation and subcontractor costs, partially offset by a decrease in non-payroll costs.

## Sales and Marketing

Sales and marketing expense for fiscal 2022 increased \$820 million, or 16%, over fiscal 2021, and decreased as a percentage of revenues to 9.9% from 10.5% during this period. The decrease was primarily due to lower selling and advertising costs.

## General and Administrative Costs

General and administrative costs for fiscal 2022 increased \$772 million, or 22%, over fiscal 2021, and increased as a percentage of revenues to 6.9% over 6.8% during this period.

## Operating Income and Operating Margin

Operating income for fiscal 2022 increased \$1,746 million, or 23%, over fiscal 2021. Operating margin for fiscal 2022 was 15.2%, compared with 15.1% for fiscal 2021.

Operating income and operating margin for each of the geographic markets are as follows:

(in millions of U.S. dollars)	Fiscal				
	2022		2021		Increase (Decrease)
	Operating Income	Operating Margin	Operating Income	Operating Margin	
North America	\$ 4,977	17 %	\$ 3,908	16 %	\$ 1,069
Europe	2,437	12	2,236	13	201
Growth Markets	1,953	16	1,477	15	476
<b>Total</b>	<b>\$ 9,367</b>	<b>15.2 %</b>	<b>\$ 7,622</b>	<b>15.1 %</b>	<b>\$ 1,746</b>

Amounts in table may not total due to rounding.

We estimate that the aggregate percentage impact of foreign currency exchange rates on our operating income during fiscal 2022 was similar to that disclosed for revenue for each geographic market. The commentary below provides insight into other factors affecting geographic market performance and operating income for fiscal 2022 compared with fiscal 2021:

- North America operating income increased primarily due to revenue growth, partially offset by lower contract profitability.
- Europe operating income increased primarily due to revenue growth, partially offset by lower contract profitability and higher acquisition-related costs.
- Growth Markets operating income increased primarily due to revenue growth, partially offset by lower contract profitability.

## Other Income (Expense), net

Other income (expense), net primarily consists of foreign currency gains and losses, non-operating components of pension expense, as well as gains and losses associated with our investments. During fiscal 2022, Other income (expense) decreased \$238 million from fiscal 2021, primarily due to lower gains on investments. For additional information on investments, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

### **Loss on Disposition of Russia Business**

We recorded a loss from the disposal of our business in Russia of \$96 million during fiscal 2022.

### **Income Tax Expense**

The effective tax rate for fiscal 2022 was 24.0%, compared with 22.8% for fiscal 2021. Absent the \$271 million investment gains and related \$41 million in tax expense, our effective tax rate for fiscal 2021 would have been 23.1%. The higher effective tax rate for fiscal 2022 was primarily due to lower benefits from final determinations of prior year taxes. For

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additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

### Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests reflects the income earned or expense incurred attributable to the equity interest that some current and former members of Accenture Leadership and their permitted transferees have in our Accenture Canada Holdings Inc. subsidiary. See "Business—Organizational Structure." Noncontrolling interests also includes amounts primarily attributable to noncontrolling shareholders in our Avanade Inc. subsidiary. Net income attributable to Accenture plc represents the income attributable to the shareholders of Accenture plc.

### Earnings Per Share

Diluted earnings per share were \$10.71 for fiscal 2022, including a \$0.15 negative impact from the disposition of our business in Russia, compared with \$9.16 for fiscal 2021. The \$230 million investment gains, net of taxes, increased diluted earnings per share by \$0.36 in fiscal 2021. Excluding the impact of these gains, diluted earnings per share would have been \$8.80 for fiscal 2021. For information regarding our earnings per share calculations, see Note 3 (Earnings Per Share) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

The increase in diluted earnings per share is due to the following factors:

Earnings Per Share	Fiscal 2022
<b>FY21 As Reported</b>	<b>\$ 9.16</b>
Higher revenue and operating results	2.08
Lower non-operating expense (excluding loss on disposition of Russia business)	0.06
Lower share count	0.05
Higher net income attributable to noncontrolling interests	(0.03)
Higher effective tax rate (excluding loss on disposition of Russia business)	(0.10)
Loss on disposition of Russia business	(0.15)
Lower gains on an investment, net of tax	(0.36)
<b>FY22 As Reported</b>	<b>\$ 10.71</b>

### Results of Operations for Fiscal 2021 Compared to Fiscal 2020

Our Annual Report on Form 10-K for the fiscal year ended August 31, 2021 includes a discussion and analysis of our financial condition and results of operations for the year ended August 31, 2020 in Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations."



## Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, available cash reserves and debt capacity available under various credit facilities. We could raise additional funds through other public or private debt or equity financings. We may use our available or additional funds to, among other things:

- facilitate purchases, redemptions and exchanges of shares and pay dividends;
- acquire complementary businesses or technologies;
- take advantage of opportunities, including more rapid expansion; or
- develop new services and solutions.

As of August 31, 2022, Cash and cash equivalents were \$7.9 billion, compared with \$8.2 billion as of August 31, 2021.

Cash flows from operating, investing and financing activities, as reflected in our Consolidated Cash Flows Statements, are summarized in the following table:

(in millions of U.S. dollars)	Fiscal		Change
	2022	2021	
Net cash provided by (used in):			
Operating activities	\$ 9,541	\$ 8,975	\$ 566
Investing activities	(4,261)	(4,310)	49
Financing activities	(5,311)	(4,926)	(385)
Effect of exchange rate changes on cash and cash equivalents	(248)	14	(262)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ (278)</b>	<b>\$ (247)</b>	<b>\$ (31)</b>

Amounts in table may not total due to rounding.

**Operating activities:** The \$566 million increase in operating cash flows was primarily due to higher net income, partially offset by changes in operating assets and liabilities, including receivables from clients and contract assets.

**Investing activities:** The \$49 million decrease in cash used was primarily due to lower spending on business acquisitions, partially offset by lower proceeds from the sale of businesses and investments and higher spending on purchases of property and equipment. For additional information, see Note 6 (Business Combinations and Dispositions) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

**Financing activities:** The \$385 million increase in cash used was primarily due to an increase in the net purchases of shares as well as an increase in cash dividends paid, partially offset by an increase in net proceeds from share issuances. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

We believe that our current and longer-term working capital, investments and other general corporate funding requirements will be satisfied for the next twelve months and thereafter through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

Substantially all of our cash is held in jurisdictions where there are no regulatory restrictions or material tax effects on the free flow of funds. In addition, domestic cash inflows for our Irish parent, principally dividend distributions from

lower-tier subsidiaries, have been sufficient to meet our historic cash requirements, and we expect this to continue into the future.

## **Share Purchases and Redemptions**

We intend to continue to use a significant portion of cash generated from operations for share repurchases during fiscal 2023. The number of shares ultimately repurchased under our open-market share purchase program may vary depending on numerous factors, including, without limitation, share price and other market conditions, our ongoing capital allocation planning, the levels of cash and debt balances, other demands for cash, such as acquisition activity, general economic and/or business conditions, and board and management discretion. Additionally, as these factors may change over the course of the year, the amount of share repurchase activity during any particular period cannot be predicted and may fluctuate from time to time. Share repurchases may be made from time to time through open-market purchases, in respect of purchases and redemptions of Accenture Canada Holdings Inc. exchangeable shares, through the use of Rule 10b5-1 plans and/or by other means. The repurchase program may be accelerated, suspended, delayed or discontinued at any time, without notice. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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## Subsequent Events

See Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Obligations and Commitments

As of August 31, 2022, we had commitments of \$2.8 billion related to cloud hosting arrangements, software subscriptions, information technology services and other obligations in the ordinary course of business that we cannot cancel or where we would be required to pay a termination fee in the event of cancellation. Payments under these commitments are estimated to be made as follows:

(in millions of U.S. dollars)		Payments (1)
Less than 1 year	\$	774
1-3 years		931
3-5 years		665
More than 5 years		467
<b>Total</b>	<b>\$</b>	<b>2,837</b>

(1) Amounts do not include recourse that we may have to recover termination fees or penalties from clients.

For information about borrowing facilities and leases, see Note 10 (Borrowings and Indebtedness) and Note 8 (Leases) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Off-Balance Sheet Arrangements

In the normal course of business and in conjunction with some client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. To date, we have not been required to make any significant payment under any of these arrangements. For further discussion of these transactions, see Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## New Accounting Pronouncements

See Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

All of our market risk sensitive instruments were entered into for purposes other than trading.

### Foreign Currency Risk

We are exposed to foreign currency risk in the ordinary course of business. We hedge material cash flow exposures when feasible using forward contracts. These instruments are subject to fluctuations in foreign currency exchange rates and credit risk. Credit risk is managed through careful selection and ongoing evaluation of the financial institutions utilized as counterparties.

Certain of these hedge positions are undesignated hedges of balance sheet exposures such as intercompany loans and typically have maturities of less than one year. These hedges, the most significant of which are U.S. dollar/Japanese yen, U.S. dollar/Euro, U.S. dollar/Indian rupee, U.S. dollar/Australian dollar, U.S. dollar/Swiss franc, U.S. dollar/Chinese yuan, U.S. dollar/Philippine peso and U.S. dollar/Singapore dollar, are intended to offset remeasurement of the underlying assets and liabilities. Changes in the fair value of these derivatives are recorded in Other income (expense), net in the Consolidated Income Statements. Additionally, we have hedge positions that are designated cash flow hedges of certain intercompany charges relating to our global delivery model. These hedges, the most significant of which are U.S. dollar/Indian rupee, U.S. dollar/Philippine peso, Euro/Indian rupee and U.K. pound/Indian rupee, typically have maturities not exceeding three years and are intended to partially offset the impact of foreign currency movements on future costs relating to our global delivery resources. For additional information, see Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

For designated cash flow hedges, gains and losses currently recorded in Accumulated other comprehensive loss are expected to be reclassified into earnings at the time when certain anticipated intercompany charges are accrued as Cost of services. As of August 31, 2022, it was anticipated that approximately \$29 million of net gains, net of tax, currently recorded in Accumulated other comprehensive loss will be reclassified into Cost of services within the next 12 months.

We use sensitivity analysis to determine the effects that market foreign currency exchange rate fluctuations may have on the fair value of our hedge portfolio. The sensitivity of the hedge portfolio is computed based on the market value of future cash flows as affected by changes in exchange rates. This sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the offsetting gain or loss on the underlying exposure. A 10% change in the levels of foreign currency exchange rates against the U.S. dollar (or other base currency of the hedge if not a U.S. dollar hedge) with all other variables held constant would have resulted in a change in the fair value of our hedge instruments of approximately \$693 million and \$469 million as of August 31, 2022 and 2021, respectively.

### Interest Rate Risk

The interest rate risk associated with our borrowing and investing activities as of August 31, 2022 is not material in relation to our consolidated financial position, results of operations or cash flows. While we may do so in the future, we have not used derivative financial instruments to alter the interest rate characteristics of our investment holdings or debt instruments.

## Equity Investment Risk

Our non-marketable and marketable equity securities are subject to a wide variety of market-related risks that could substantially reduce or increase the fair value of our investments.

Our non-marketable equity securities are investments in privately held companies which are often in a start-up or development stage, which is inherently risky. The technologies or products these companies have under development are typically in the early stages and may never materialize, which could result in a loss of a substantial part of our investment in these companies. The evaluations of privately held companies are based on information that we request from these companies, which is not subject to the same disclosure regulations as U.S. publicly traded companies, and as such, the basis for these evaluations is subject to the timing and accuracy of the data received from these companies. We have minimal exposure on our long-term investments in privately held companies as these investments were not material in relation to our consolidated financial position, results of operations or cash flows as of August 31, 2022.

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We record our marketable equity securities not accounted for under the equity method at fair value based on readily determinable market values.

The carrying values of our investments accounted for under the equity method generally do not fluctuate based on market price changes; however, these investments could be impaired if the carrying value exceeds the fair value.

## Item 8. Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements and financial statements commencing on page F-1, which are incorporated herein by reference.

## Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on that evaluation, the principal executive officer and the principal financial officer of Accenture plc have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective at the reasonable assurance level.

### Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
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- ii. provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

KPMG LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of their audit, has issued its attestation report, included herein, on the effectiveness of our internal control over financial reporting. See “Report of Independent Registered Public Accounting Firm” on page F-2.

### **Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Item 9B. Other Information**

None.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

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## Part III

### Item 10. Directors, Executive Officers and Corporate Governance

There have been no material changes to the procedures by which security holders may recommend nominees to our Board of Directors from those described in the proxy statement for our 2022 Annual General Meeting of Shareholders filed with the SEC on December 9, 2021.

Information about our executive officers is contained in the discussion entitled “Information about our Executive Officers” in Part I of this Form 10-K. The remaining information called for by Item 10 will be included in the sections captioned “Appointment of Directors,” “Corporate Governance” and “Beneficial Ownership” included in the definitive proxy statement relating to the 2023 Annual General Meeting of Shareholders of Accenture plc to be held on February 1, 2023 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2022 fiscal year covered by this Form 10-K.

### Item 11. Executive Compensation

The information called for by Item 11 will be included in the sections captioned “Executive Compensation” and “Director Compensation” included in the definitive proxy statement relating to the 2023 Annual General Meeting of Shareholders of Accenture plc to be held on February 1, 2023 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2022 fiscal year covered by this Form 10-K.

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## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as of August 31, 2022, certain information related to our compensation plans under which Accenture plc Class A ordinary shares may be issued.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (3)	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in 1st Column)
Equity compensation plans approved by shareholders:			
2001 Share Incentive Plan	11,465 (1)	\$ —	—
Amended and Restated 2010 Share Incentive Plan	14,830,623 (2)	—	27,381,461
Amended and Restated 2010 Employee Share Purchase Plan	—	N/A	16,191,228
Equity compensation plans not approved by shareholders	—	N/A	—
<b>Total</b>	<b>14,842,088</b>		<b>43,572,689</b>

(1) Consists of 11,465 restricted share units.

(2) Consists of 14,830,623 restricted share units, with performance-based awards assuming maximum performance.

(3) Restricted share units have no exercise price.

The remaining information called for by Item 12 will be included in the section captioned “Beneficial Ownership” included in the definitive proxy statement relating to the 2023 Annual General Meeting of Shareholders of Accenture plc to be held on February 1, 2023 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2022 fiscal year covered by this Form 10-K.

## Item 13. Certain Relationships and Related Transactions, and Director Independence

The information called for by Item 13 will be included in the section captioned “Corporate Governance” included in the definitive proxy statement relating to the 2023 Annual General Meeting of Shareholders of Accenture plc to be held on February 1, 2023 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2022 fiscal year covered by this Form 10-K.

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## Item 14. Principal Accountant Fees And Services

The information called for by Item 14 will be included in the section captioned “Audit” included in the definitive proxy statement relating to the 2023 Annual General Meeting of Shareholders of Accenture plc to be held on February 1, 2023 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2022 fiscal year covered by this Form 10-K.

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## Part IV

# Item 15. Exhibits, Financial Statement Schedules

(a) List of documents filed as part of this report:

1. Financial Statements as of August 31, 2022 and August 31, 2021 and for the three years ended August 31, 2022  
—Included in Part II of this Form 10-K:

Consolidated Balance Sheets

Consolidated Income Statements

Consolidated Statements of Comprehensive Income

Consolidated Shareholders' Equity Statements

Consolidated Cash Flows Statements

Notes to Consolidated Financial Statements

2. Financial Statement Schedules:

None

3. Exhibit Index:

**Exhibit  
Number**

**Exhibit**

3.1	Amended and Restated Memorandum and Articles of Association of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.1 to Accenture plc's 8-K filed on February 7, 2018</a> )
3.2	Certificate of Incorporation of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.2 to Accenture plc's 8-K12B filed on September 1, 2009</a> (the "8-K12B"))
4.1	Description of Accenture plc's Securities ( <a href="#">filed herewith</a> )
10.1	Form of Voting Agreement, dated as of April 18, 2001, among Accenture Ltd and the covered persons party thereto as amended and restated as of February 3, 2005 (incorporated by reference to <a href="#">Exhibit 9.1 to the Accenture Ltd February 28, 2005 10-Q</a> (File No. 001-16565))
10.2	Assumption Agreement of the Amended and Restated Voting Agreement, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.4 to the 8-K12B</a> )
10.3*	Form of Non-Competition Agreement, dated as of April 18, 2001, among Accenture Ltd and certain employees (incorporated by reference to <a href="#">Exhibit 10.2 to the Accenture Ltd Registration Statement on Form S-1</a> (File No. 333-59194) filed on April 19, 2001)
10.4	Assumption and General Amendment Agreement between Accenture plc and Accenture Ltd, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.1 to the 8-K12B</a> )
10.5*	2001 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the Accenture Ltd Registration Statement on Form S-1/A</a> (File No. 333-59194) filed on July 12, 2001)
10.6*	Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.1 to Accenture plc's 8-K filed on January 26, 2022</a> )
10.7*	Amended and Restated 2010 Employee Share Purchase Plan (incorporated by reference to <a href="#">Exhibit 10.2 to Accenture plc's 8-K filed on February 3, 2016</a> )
10.8	Form of Support Agreement, dated as of May 23, 2001, between Accenture Ltd and Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.9 to the Accenture Ltd Registration Statement on Form S-1/A</a> (the "July 2, 2001 Form S-1/A"))
10.9	First Supplemental Agreement to Support Agreement among Accenture plc, Accenture Ltd and Accenture Canada Holdings Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.2 to the 8-K12B</a> )
10.10*	Form of Employment Agreement of executive officers in the United States (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2013 10-Q</a> )



10.11*	Form of Employment Agreement of executive officers in Singapore (incorporated by reference to <a href="#">Exhibit 10.17 to the August 31, 2015 10-K</a> )
10.12*	2012 Employment Contract between Accenture SAS and Jean-Marc Ollagnier, together with 2017 and 2022 Addenda ( <a href="#">filed herewith</a> )
10.13	Form of Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.11 to the July 2, 2001 Form S-1/A</a> )
10.14	Articles of Amendment to Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.21 to the August 31, 2013 10-K</a> )
10.15	Form of Exchange Trust Agreement by and between Accenture Ltd and Accenture Canada Holdings Inc. and CIBC Mellon Trust Company, made as of May 23, 2001 (incorporated by reference to <a href="#">Exhibit 10.12 to the July 2, 2001 Form S-1/A</a> )
10.16	First Supplemental Agreement to Exchange Trust Agreement among Accenture plc, Accenture Ltd, Accenture Canada Holdings Inc. and Accenture Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.3 to the 8-K12B</a> )
10.17*	2015 Sub-plan for Restricted Share Units Granted in France, as amended (incorporated by reference to <a href="#">Exhibit 10.1 to the February 28, 2022 10-Q</a> )
10.18*	Form of Director Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 28, 2022 10-Q</a> )
10.19*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 29, 2020 10-Q</a> )
10.20*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 28, 2021 10-Q</a> )
10.21*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporate by reference to <a href="#">Exhibit 10.3 to the February 28, 2022 10-Q</a> )
10.22*	Form of Fiscal 2020 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.4 to the November 30, 2020 10-Q</a> )
10.23*	Form of Fiscal 2021 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.6 to the February 28, 2021 10-Q</a> )
10.24*	Form of Fiscal 2022 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.7 to the February 28, 2022 10-Q</a> )
10.25*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 29, 2020 10-Q</a> )
10.26*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2021 10-Q</a> )
10.27*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 28, 2022 10-Q</a> )
10.28*	Form of Fiscal 2022 Accenture Leadership Performance Equity Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.8 to the February 28, 2022 10-Q</a> )
10.29*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 28, 2021 10-Q</a> )
10.30*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.5 to the February 28, 2022 10-Q</a> )
10.31*	Form of Fiscal 2021 Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.8 to the February 28, 2021 10-Q</a> )
10.32*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.6 to the February 28, 2022 10-Q</a> )
10.33*	Form of Next Generation Leadership Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.6 to the February 29, 2020 10-Q</a> )
10.34*	Form of Next Generation Leadership Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.6 to the November 30, 2020 10-Q</a> )
10.35*	Accenture LLP Leadership Separation Benefits Plan ( <a href="#">filed herewith</a> )
10.36*	Description of Global Annual Bonus Plan (incorporated by reference to <a href="#">Exhibit 10.9 to the February 28, 2022 10-Q</a> )
10.37*	Form of Indemnification Agreement, between Accenture Inc. and the indemnitee party thereto (incorporated by reference to <a href="#">Exhibit 10.28 to the August 31, 2018 10-K</a> )



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23.2	Consent of KPMG LLP related to the Accenture plc 2010 Employee Share Purchase Plan ( <a href="#">filed herewith</a> )
24.1	Power of Attorney (included on the signature page hereto)
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )
99.1	Amended and Restated Accenture plc 2010 Employee Share Purchase Plan Financial Statements ( <a href="#">filed herewith</a> )
101	The following financial information from Accenture plc's Annual Report on Form 10-K for the fiscal year ended August 31, 2022, formatted in Inline XBRL: (i) Consolidated Balance Sheets as of August 31, 2022 and August 31, 2021, (ii) Consolidated Income Statements for the years ended August 31, 2022, 2021 and 2020, (iii) Consolidated Statements of Comprehensive Income for the years ended August 31, 2022, 2021 and 2020, (iv) Consolidated Shareholders' Equity Statements for the years ended August 31, 2022, 2021 and 2020, (v) Consolidated Cash Flows Statements for the years ended August 31, 2022, 2021 and 2020, and (vi) the Notes to Consolidated Financial Statements
104	The cover page from Accenture plc's Annual Report on Form 10-K for the year ended August 31, 2022, formatted in Inline XBRL (included as Exhibit 101)

(\*) Indicates management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

## Item 16. Form 10-K Summary

Not applicable.

## Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf on October 12, 2022 by the undersigned, thereunto duly authorized.

ACCENTURE PLC

By: /s/ JULIE SWEET

Name: Julie Sweet

Title: Chief Executive Officer

## Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Julie Sweet, KC McClure and Joel Unruch, and each of them, as his or her true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and resubstitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 2022 (the "Annual Report"), including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his or her capacity as a director or officer of the registrant, to the Annual Report as filed with the U.S. Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on October 12, 2022 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
<div> <div>/s/ JULIE SWEET</div> <div>Julie Sweet</div> </div>	<div>Chief Executive Officer, Chair of the Board and Director</div> <div>(principal executive officer)</div>
<div> <div>/s/ KC McCLURE</div> <div>KC McClure</div> </div>	<div>Chief Financial Officer</div> <div>(principal financial officer)</div>
<div> <div>/s/ MELISSA A. BURGUM</div> <div>Melissa A. Burgum</div> </div>	<div>Chief Accounting Officer</div> <div>(principal accounting officer)</div>
<div> <div>/s/ GILLES C. PÉLISSON</div> <div>Gilles C. Pélisson</div> </div>	<div>Lead Director</div>
<div> <div>/s/ JAIME ARDILA</div> <div>Jaime Ardila</div> </div>	<div>Director</div>

/s/ NANCY MCKINSTRY

Director

**Nancy McKinstry**

/s/ BETH E. MOONEY

Director

**Beth E. Mooney**

/s/ PAULA A. PRICE

Director

**Paula A. Price**

/s/ VENKATA S.M. RENDUCHINTALA

Director

**Venkata S.M. Renduchintala**

/s/ ARUN SARIN

Director

**Arun Sarin**

/s/ FRANK K. TANG

Director

**Frank K. Tang**

/s/ TRACEY T. TRAVIS

Director

**Tracey T. Travis**

## Accenture Plc

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Accenture plc:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Accenture plc and subsidiaries (the Company) as of August 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended August 31, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended August 31, 2022, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2022 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### *Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

##### *Estimated costs to complete certain technology integration consulting services contracts*

As discussed in Notes 1 and 2 to the consolidated financial statements, revenues from contracts for technology integration consulting services where the Company designs, builds, and implements new or enhanced system applications and related processes for its clients are recognized over time since control of the system is transferred continuously to the client. Generally, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying the Company's performance obligations, which typically occurs over time periods ranging from six months to two years.

We identified the evaluation of estimated costs to complete certain technology integration consulting services contracts as a critical audit matter. Subjective auditor judgment was required to evaluate the estimate of costs to complete the contracts.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process for estimating costs to complete technology integration consulting services contracts, including controls over the estimate of costs to complete the contracts. We tested the estimated costs to complete for certain technology integration consulting services contracts by evaluating:

- the scope of the work and timing of delivery for consistency with the underlying contractual terms;
- the estimated costs to complete in relation to progress toward satisfying the Company's performance obligations, based on internal and customer-facing information;
- changes to estimated costs, if any, including the amount and timing of the change based on internal information or contractual changes; and
- actual costs incurred subsequent to the balance sheet date to assess if they were consistent with the estimate for that time period.

We evaluated the Company's ability to estimate costs by comparing estimates developed at contract inception to actual costs ultimately incurred to satisfy the performance obligation.

##### *Unrecognized tax benefits*

As discussed in Note 11 to the consolidated financial statements, the Company has \$1,469 million of unrecognized tax benefits as of August 31, 2022. As discussed in Note 1 to the consolidated financial statements, the Company recognizes tax positions when it believes such positions are more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. The Company uses estimates and assumptions in determining the amount of unrecognized tax benefits.

We identified the evaluation of the Company's unrecognized tax benefits related to transfer pricing and certain other intercompany transactions as a critical audit matter. Complex auditor judgment was required in evaluating the Company's interpretation of tax law and its analysis of the recognition and measurement of its tax positions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unrecognized tax benefits process, including controls over transfer pricing and certain other intercompany transactions. We involved tax and transfer pricing professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company's interpretation of tax laws and income tax consequences of intercompany transactions, including internal restructurings and intra-entity transfers of assets;
-

- assessing transfer pricing studies for compliance with applicable laws and regulations;
- analyzing the Company's tax positions, including the methodology over the measurement of unrecognized tax benefits related to transfer pricing;
- evaluating the Company's determination of unrecognized tax benefits, including the associated effect in other jurisdictions; and
- inspecting settlements with applicable taxing authorities.

In addition, we evaluated the Company's ability to estimate its unrecognized tax benefits by comparing historical unrecognized tax benefits to actual results upon the conclusion of examinations by applicable taxing authorities.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Chicago, Illinois  
October 12, 2022

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## **Consolidated Balance Sheets**

### **August 31, 2022 and 2021**

	August 31, 2022	August 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 7,889,833	\$ 8,168,174
Short-term investments	3,973	4,294
Receivables and contract assets	11,776,775	9,728,212
Other current assets	1,940,290	1,765,831
<b>Total current assets</b>	<b>21,610,871</b>	<b>19,666,511</b>
<b>NON-CURRENT ASSETS:</b>		
Contract assets	46,844	38,334
Investments	317,972	329,526
Property and equipment, net	1,659,140	1,639,105
Lease assets	3,018,535	3,182,519
Goodwill	13,133,293	11,125,861
Deferred contract costs	807,940	731,445
Deferred tax assets	4,001,200	4,007,130
Other non-current assets	2,667,595	2,455,412
<b>Total non-current assets</b>	<b>25,652,519</b>	<b>23,509,332</b>
<b>TOTAL ASSETS</b>	<b>\$ 47,263,390</b>	<b>\$ 43,175,843</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt and bank borrowings	\$ 9,175	\$ 12,080
Accounts payable	2,559,485	2,274,057
Deferred revenues	4,478,048	4,229,177
Accrued payroll and related benefits	7,611,794	6,747,853
Income taxes payable	646,471	423,400
Lease liabilities	707,598	744,164
Other accrued liabilities	1,510,925	1,278,136
<b>Total current liabilities</b>	<b>17,523,496</b>	<b>15,708,867</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term debt	45,893	53,473
Deferred revenues	712,715	700,080
Retirement obligation	1,692,152	2,016,021
Deferred tax liabilities	318,584	243,636
Income taxes payable	1,198,139	1,105,896
Lease liabilities	2,563,090	2,696,917
Other non-current liabilities	462,233	553,839
<b>Total non-current liabilities</b>	<b>6,992,806</b>	<b>7,369,862</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares, par value 1.00 euros per share, 40,000 shares authorized and issued as of August 31, 2022 and August 31, 2021	57	57
Class A ordinary shares, par value \$0.0000225 per share, 20,000,000,000 shares authorized, 664,561,282 and 656,590,625 shares issued as of August 31, 2022 and August 31, 2021, respectively	15	15
Class X ordinary shares, par value \$0.0000225 per share, 1,000,000,000 shares authorized, 500,837 and 512,655 shares issued and outstanding as of August 31, 2022		

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Income Statements

### For the Years Ended August 31, 2022, 2021 and 2020

	2022	2021	2020
<b>REVENUES:</b>			
Revenues	\$ 61,594,305	\$ 50,533,389	\$ 44,327,039
<b>OPERATING EXPENSES:</b>			
Cost of services	41,892,766	34,169,261	30,350,881
Sales and marketing	6,108,401	5,288,237	4,625,929
General and administrative costs	4,225,957	3,454,362	2,836,585
<b>Total operating expenses</b>	<b>52,227,124</b>	<b>42,911,860</b>	<b>37,813,395</b>
<b>OPERATING INCOME</b>	<b>9,367,181</b>	<b>7,621,529</b>	<b>6,513,644</b>
Interest income	45,133	33,365	69,331
Interest expense	(47,320)	(59,492)	(33,071)
Other income (expense), net	(72,533)	165,714	224,427
Loss on disposition of Russia business	(96,294)	—	—
<b>INCOME BEFORE INCOME TAXES</b>	<b>9,196,167</b>	<b>7,761,116</b>	<b>6,774,331</b>
Income tax expense	2,207,207	1,770,571	1,589,018
<b>NET INCOME</b>	<b>6,988,960</b>	<b>5,990,545</b>	<b>5,185,313</b>
Net income attributable to noncontrolling interests in Accenture Canada Holdings Inc.	(7,348)	(6,539)	(6,325)
Net income attributable to noncontrolling interests – other	(104,443)	(77,197)	(71,149)
<b>NET INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 6,877,169</b>	<b>\$ 5,906,809</b>	<b>\$ 5,107,839</b>
<b>Weighted average Class A ordinary shares:</b>			
Basic	632,762,710	634,745,073	636,299,913
Diluted	642,839,181	645,909,042	647,797,003
<b>Earnings per Class A ordinary share:</b>			
Basic	\$ 10.87	\$ 9.31	\$ 8.03
Diluted	\$ 10.71	\$ 9.16	\$ 7.89
Cash dividends per share	\$ 3.88	\$ 3.52	\$ 3.20

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## Consolidated Statements of Comprehensive Income For the Years Ended August 31, 2022, 2021 and 2020

	2022	2021	2020
<b>NET INCOME</b>	<b>\$ 6,988,960</b>	<b>\$ 5,990,545</b>	<b>\$ 5,185,313</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:</b>			
Foreign currency translation	(877,256)	35,215	197,696
Defined benefit plans	211,187	55,265	57,100
Cash flow hedges	(104,776)	51,811	24,721
Investments	—	49	(777)
<b>OTHER COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>(770,845)</b>	<b>142,340</b>	<b>278,740</b>
Other comprehensive income (loss) attributable to noncontrolling interests	(20,186)	1,117	8,243
<b>COMPREHENSIVE INCOME</b>	<b>\$ 6,197,929</b>	<b>\$ 6,134,002</b>	<b>\$ 5,472,296</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 6,106,324</b>	<b>\$ 6,049,149</b>	<b>\$ 5,386,579</b>
Comprehensive income attributable to noncontrolling interests	91,605	84,853	85,717
<b>COMPREHENSIVE INCOME</b>	<b>\$ 6,197,929</b>	<b>\$ 6,134,002</b>	<b>\$ 5,472,296</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.



## **Consolidated Shareholders' Equity Statements**

### **For the Years Ended August 31, 2022, 2021 and 2020**

	Ordinary		Class A		Class X				Treasury Shares				Total	
	Shares		Shares		Shares								Accumulated	
							Restricted		Additional				Other	
	No.		No.		No.		Share		Paid-in		No.		Retained	
	\$ Shares		\$ Shares		\$ Shares		Units		Capital		\$ Shares		Earnings	
													Loss	
													Shareholders' Equity	
													Noncontrolling Interest	
Balance as of August 31, 2019	\$57	40	\$15	654,739	\$—	609	\$1,411,903	\$5,804,448	\$(1,388,376)	(19,005)	\$10,421,538	\$ (1,840,577)	\$ 14,409,008	\$ 418,000
Net income											5,107,839		5,107,839	77,000
Other comprehensive income (loss)												278,740	278,740	8,000
Purchases of Class A shares								3,116	(2,894,253)	(14,730)			(2,891,137)	(3,000)
Cancellation of treasury shares				(5,526)				(108,670)	1,056,145	5,526	(947,475)		—	
Share-based compensation expense							1,118,284	79,522					1,197,806	
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares					(81)			(21,594)					(21,594)	
Issuances of Class A ordinary shares for employee share programs				9,336			(1,022,144)	1,409,627	660,723	3,786	(93,912)		954,294	1,000
Dividends							77,259				(2,112,457)		(2,035,198)	(2,000)
Other, net								778					778	(1,000)
Balance as of August 31, 2020	\$57	40	\$15	658,549	\$—	528	\$1,585,302	\$7,167,227	\$(2,565,761)	(24,423)	\$12,375,533	\$ (1,561,837)	\$ 17,000,536	\$ 498,000

The accompanying Notes are an integral part of these Consolidated Financial Statements.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Shareholders' Equity Statements — (continued)

### For the Years Ended August 31, 2022, 2021 and 2020

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares		Treasury Shares				Accumulated Other Comprehensive Income		Total Accenture plc Shareholders' Noncontrolling Interest	
	No. \$ Shares		No. \$ Shares		No. \$ Shares		Restricted Share Units	Additional Paid-in Capital		No. \$ Shares	Retained Earnings		Shareholders' Equity	Noncontrolling Interest
Net income											6,877,169		6,877,169	1
Other comprehensive income (loss)												(770,845)	(770,845)	(
Purchases of Class A shares								3,954	(4,111,266)	(12,181)			(4,107,312)	
Share-based compensation expense							1,571,059	108,730					1,679,789	
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares						(12)		(5,112)					(5,112)	
Issuances of Class A shares for employee share programs			7,970			(1,333,963)		1,943,912	841,720	3,292	(103,889)		1,347,780	
Dividends							103,502				(2,558,186)		(2,454,684)	
Other, net								9,858					9,858	(
Balance as of August 31, 2022	\$57	40	\$15	664,561	\$—	501	\$2,091,382	\$10,679,180	\$(6,678,037)	(33,434)	\$18,203,842	\$ (2,190,342)	\$22,106,097	\$ 6

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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**Consolidated Cash Flows Statements**  
**For the Years Ended August 31, 2022, 2021 and 2020**

	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 6,988,960	\$ 5,990,545	\$ 5,185,313
Adjustments to reconcile Net income to Net cash provided by (used in) operating activities—			
Depreciation, amortization and other	2,088,216	1,891,242	1,773,124
Share-based compensation expense	1,679,789	1,342,951	1,197,806
Deferred tax expense (benefit)	(213,294)	60,930	170,951
Other, net	(195,975)	(342,849)	(243,867)
Change in assets and liabilities, net of acquisitions—			
Receivables and contract assets, current and non-current	(2,411,735)	(1,471,613)	721,500
Other current and non-current assets	(716,910)	(591,836)	(503,482)
Accounts payable	374,349	825,472	(359,682)
Deferred revenues, current and non-current	648,506	554,830	236,207
Accrued payroll and related benefits	1,271,999	1,445,010	(7,845)
Income taxes payable, current and non-current	473,313	111,795	55,198
Other current and non-current liabilities	(446,089)	(841,329)	(10,071)
<b>Net cash provided by (used in) operating activities</b>	<b>9,541,129</b>	<b>8,975,148</b>	<b>8,215,152</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(717,998)	(580,132)	(599,132)
Purchases of businesses and investments, net of cash acquired	(3,447,552)	(4,171,123)	(1,531,599)
Proceeds from the sale of businesses and investments, net of cash transferred	(107,659)	413,553	230,393
Other investing, net	12,580	27,936	5,819
<b>Net cash provided by (used in) investing activities</b>	<b>(4,260,629)</b>	<b>(4,309,766)</b>	<b>(1,894,519)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of shares	1,349,064	1,065,775	955,308
Purchases of shares	(4,116,378)	(3,703,124)	(2,915,847)
Proceeds from (repayments of) long-term debt, net	(16,453)	(7,798)	(6,719)
Cash dividends paid	(2,457,306)	(2,236,094)	(2,037,733)
Other financing, net	(69,953)	(45,096)	(44,101)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,311,026)</b>	<b>(4,926,337)</b>	<b>(4,049,092)</b>
Effect of exchange rate changes on cash and cash equivalents	(247,815)	13,799	16,936
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(278,341)</b>	<b>(247,156)</b>	<b>2,288,477</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>8,168,174</b>	<b>8,415,330</b>	<b>6,126,853</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$ 7,889,833</b>	<b>\$ 8,168,174</b>	<b>\$ 8,415,330</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid	\$ 45,970	\$ 36,132	\$ 28,493
Income taxes paid, net	\$ 1,778,922	\$ 1,566,753	\$ 1,360,030

The accompanying Notes are an integral part of these Consolidated Financial Statements.



# 1. Summary of Significant Accounting Policies

## Description of Business

Accenture plc is a leading global professional services company, providing a broad range of services and solutions across Strategy & Consulting, Technology, Operations, Industry X and Song. We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). We combine our strength in technology with industry experience, functional expertise and global delivery capability to help the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale.

## Basis of Presentation

The Consolidated Financial Statements include the accounts of Accenture plc, an Irish company, and our controlled subsidiary companies. Accenture plc is an Irish public limited company, which operates its business through its subsidiaries.

The shares of Accenture Canada Holdings Inc. held by persons other than us are treated as noncontrolling interests in the Consolidated Financial Statements. The noncontrolling interests were less than 1% as of August 31, 2022 and 2021, respectively.

All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to “fiscal 2022” means the 12-month period that ended on August 31, 2022. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

The preparation of the Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that we may undertake in the future, actual results may be different from those estimates.

## Revenue Recognition

We account for revenue in accordance with FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

## Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and

recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations. Contract modifications are routine in the performance of our contracts. Contracts are often modified to account for changes in the contract specifications, requirements or duration. If a contract modification results in the addition of performance obligations priced at a standalone selling price or if the post-modification services are distinct from the services provided prior to the modification, the modification is accounted for separately. If the modified services are not distinct, they are accounted for as part of the existing contract.

Our revenues are derived from contracts for outsourcing services, technology integration consulting services and non-technology integration consulting services. These contracts have different terms based on the scope, performance obligations and complexity of the engagement, which frequently require us to make judgments and estimates in recognizing revenues. We have many types of contracts, including time-and-materials contracts, fixed-price contracts, fee-per-transaction contracts and contracts with multiple fee types.

The nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the

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variability in revenues and margins earned on such contracts. These variable amounts generally are awarded or refunded upon achievement of or failure to achieve certain performance metrics, milestones or cost targets and can be based upon client discretion. We include these variable fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee and it is not probable a significant reversal of revenue will occur. These estimates reflect the expected value of the variable fee and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

Our performance obligations are satisfied over time as work progresses or at a point in time. The majority of our revenues are recognized over time based on the extent of progress towards satisfying our performance obligations. The selection of the method to measure progress towards completion requires judgment and is based on the contract and the nature of the services to be provided.

## Outsourcing Contracts

Our outsourcing contracts typically span several years. Revenues are generally recognized on outsourcing contracts over time because our clients benefit from the services as they are performed. Outsourcing contracts require us to provide a series of distinct services each period over the contract term. Revenues from unit-priced contracts are recognized as transactions are processed. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms.

## Technology Integration Consulting Services

Revenues from contracts for technology integration consulting services where we design/redesign, build and implement new or enhanced systems and related processes for our clients are recognized over time as control of the system is transferred continuously to the client. Contracts for technology integration consulting services generally span six months to two years. Generally, revenue, including estimated fees, is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client.

## Non-Technology Integration Consulting Services

Our contracts for non-technology integration consulting services are typically less than one year in duration. Revenues are generally recognized over time as our clients benefit from the services as they are performed, or the contract, for which the related services lack an alternative use, includes termination provisions enabling payment for performance completed to date. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms. Revenues from fixed-price contracts are generally recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. For non-technology integration consulting contracts which do not qualify to recognize revenue over time, we recognize revenues at a point in time when the client obtains control of the promised good or service.

## Contract Estimates

Estimates of total contract revenues and costs are continuously monitored over the lives of our contracts, and recorded revenues and cost estimates are subject to revision as the contract progresses. If at any time the estimate of

contract profitability indicates an anticipated loss on a technology integration consulting contract, we recognize the loss in the quarter it first becomes probable and reasonably estimable.

## **Contract Balances**

The timing of revenue recognition, billings and cash collections results in Receivables, Contract assets, and Deferred revenues (Contract liabilities) on our Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. In limited circumstances, we agree to extend financing to certain clients. The terms vary by contract, but generally payment for services is contractually linked to the achievement of specified performance milestones. Our receivables are rights to consideration that are conditional only upon the passage of time as compared to our contract assets, which are rights to consideration conditional upon additional factors. When we bill or receive payments from our clients before revenue is recognized, we record Contract liabilities. Contract assets and liabilities are reported on our Consolidated Balance Sheet on a contract-by-contract basis at the end of each reporting period.

For some outsourcing contracts, we receive payments for transition or set-up activities, which are deferred and recognized as revenue as the services are provided. These advance payments are typically not a significant financing component because they are used to meet working capital demands in the early stages of a contract and to protect us from the other

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party failing to complete its obligations under the contract. We elected the practical expedient to report revenues net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

## Employee Share-Based Compensation Arrangements

Share-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs from previous estimates.

## Income Taxes

We calculate and provide for income taxes in each of the tax jurisdictions in which we operate. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. A valuation allowance reduces the deferred tax assets to the amount that is more likely than not to be realized. We establish liabilities or reduce assets when we believe tax positions are not more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. Each fiscal quarter, we evaluate tax positions and adjust the related tax assets and liabilities in light of changing facts and circumstances. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

## Translation of Non-U.S. Currency Amounts

Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at fiscal year-end exchange rates. Revenue and expense items are translated at average foreign currency exchange rates prevailing during the fiscal year. Translation adjustments are included in Accumulated other comprehensive loss. Gains and losses arising from intercompany foreign currency transactions that are of a long-term investment nature are reported in the same manner as translation adjustments.

## Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and liquid investments with original maturities of three months or less, including certificates of deposit and time deposits. As a result of certain subsidiaries' cash management systems, checks issued but not presented to the banks for payment may create negative book cash balances. Such negative balances are classified as Current portion of long term debt and bank borrowings.

## Allowance for Credit Losses—Client Receivables and Contract Assets

We record client receivables and contract assets at their face amounts less an allowance for credit losses. The allowance represents our estimate of expected credit losses based on historical experience, current economic

conditions and certain forward-looking information. As of August 31, 2022 and 2021, the total allowances recorded for credit losses recorded for client receivables and contract assets was \$25,786 and \$32,206, respectively. The change in the allowance is primarily due to immaterial write-offs and changes in gross client receivables and contract assets.

## Concentrations of Credit Risk

Our financial instruments, consisting primarily of cash and cash equivalents, foreign currency exchange rate instruments and client receivables, are exposed to concentrations of credit risk. We place our cash and cash equivalents and foreign exchange instruments with highly-rated financial institutions, limit the amount of credit exposure with any one financial institution and conduct ongoing evaluations of the credit worthiness of the financial institutions with which we do business. Client receivables are dispersed across many different industries and countries; therefore, concentrations of credit risk are limited.

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## Investments

All available-for-sale securities and liquid investments with an original maturity greater than three months but less than one year are considered to be Short-term investments. Non-current investments consist of equity securities in publicly-traded and privately-held companies and are accounted for using either the equity or fair value measurement alternative method of accounting (for investments without readily determinable fair values). Investments are periodically assessed for other-than-temporary impairment. If an investment is deemed to have experienced an other-than-temporary decline below its basis, we reduce the carrying amount of the investment to its estimated fair value.

Our non-current investments are as follows:

	August 31, 2022	August 31, 2021
Equity method investments	\$ 164,164	\$ 184,157
Investments without readily determinable fair values	153,808	145,369
<b>Total non-current investments</b>	<b>\$ 317,972</b>	<b>\$ 329,526</b>

For investments in which we can exercise significant influence but do not control, we use the equity method of accounting. Equity method investments are initially recorded at cost and our proportionate share of gains and losses of the investee are included as a component of Other income (expense), net. Our equity method investments consist primarily of an investment in Duck Creek Technologies. As of August 31, 2022, the carrying amount of our investment was \$138,902, and the estimated fair value of our approximately 16% ownership was \$223,166. We account for the investment under the equity method because we have the ability to influence operations through the combination of our voting power and through other factors, such as representation on the board and our business relationship.

For equity securities without a readily determinable fair value, we use the fair value measurement alternative and measure the securities at cost less impairment, if any, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

## Depreciation and Amortization

See table below for summary of depreciation on fixed assets, deferred transition amortization, intangible assets amortization and operating lease cost for fiscal 2022 and 2021, respectively.

	Fiscal	
	2022	2021
Depreciation	\$ 591,748	\$ 512,051
Amortization—Deferred transition	280,093	297,216
Amortization—Intangible assets	438,897	312,706
Operating lease cost	769,806	765,232
Other	7,672	4,037
<b>Total depreciation, amortization and other</b>	<b>\$ 2,088,216</b>	<b>\$ 1,891,242</b>

# Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives:

Computers, related equipment and software	2 to 7 years
Furniture and fixtures	5 to 10 years
Leasehold improvements	Lesser of lease term or 15 years

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## Goodwill

Goodwill represents the excess of the purchase price of an acquired entity over the fair value of net assets acquired. We review the recoverability of goodwill by operating segment annually, or more frequently when indicators of impairment exist. Based on the results of our annual impairment analysis, we determined that no impairment existed as of August 31, 2022 or 2021, as each reportable segment's estimated fair value substantially exceeded its carrying value.

## Long-Lived Assets

Long-lived assets, including deferred contract costs and identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value.

Intangible assets with finite lives are generally amortized using the straight-line method over their estimated economic useful lives, ranging from one to fifteen years.

## Operating Expenses

Selected components of operating expenses are as follows:

	Fiscal		
	2022	2021	2020
Research and development costs	\$ 1,123,296	\$ 1,118,320	\$ 870,611
Advertising costs (1)	119,202	171,883	57,658
Provision for (release of) doubtful accounts (2)	(2,284)	6,199	147

(1) Advertising costs are expensed as incurred.

(2) For additional information, see "Allowance for Credit Losses - Client Receivables and Contract Assets."

## Recently Adopted Accounting Pronouncements

### Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-08 ("Topic 805")

On September 1, 2021, we adopted FASB ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires an acquirer to recognize and measure contract assets and liabilities acquired in a business combination in accordance with Topic 606 rather than adjust them to fair value at the acquisition date. The adoption did not have a material impact on our Consolidated Financial Statements.

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## 2. Revenues

### Disaggregation of Revenue

See Note 16 (Segment Reporting) to these Consolidated Financial Statements for our disaggregated revenues.

### Remaining Performance Obligations

We had remaining performance obligations of approximately \$24 billion and \$23 billion as of August 31, 2022 and 2021, respectively. Our remaining performance obligations represent the amount of transaction price for which work has not been performed and revenue has not been recognized. The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Under Topic 606, only the non-cancelable portion of these contracts is included in our performance obligations. Additionally, our performance obligations only include variable consideration if we assess it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty is resolved. Based on the terms of our contracts, a significant portion of what we consider contract bookings is not included in our remaining performance obligations. We expect to recognize approximately 71% of our remaining performance obligations as of August 31, 2022 as revenue in fiscal 2023, an additional 11% in fiscal 2024, and the balance thereafter.

### Contract Estimates

Adjustments in contract estimates related to performance obligations satisfied or partially satisfied in prior periods were immaterial for both fiscal 2022 and 2021.

### Contract Balances

Deferred transition revenues were \$712,715 and \$700,080 as of August 31, 2022 and 2021, respectively, and are included in Non-current deferred revenues. Costs related to these activities are also deferred and are expensed as the services are provided. Generally, deferred amounts are protected in the event of early termination of the contract and are monitored regularly for impairment. Impairment losses are recorded when projected remaining undiscounted operating cash flows of the related contract are not sufficient to recover the carrying amount of contract assets. Deferred transition costs were \$807,940 and \$731,445 as of August 31, 2022 and 2021, respectively, and are included in Deferred contract costs. Deferred transition amortization expense for fiscal 2022, 2021 and 2020 was \$280,093, \$297,216 and \$300,680, respectively.

The following table provides information about the balances of our Receivables and Contract assets, net of allowance, and Contract liabilities (Deferred revenues):

	As of August 31, 2022	As of August 31, 2021
Receivables	\$ 10,484,211	\$ 8,796,992
Contract assets (current)	1,292,564	931,220
<b>Receivables and contract assets, net of allowance (current)</b>	<b>11,776,775</b>	<b>9,728,212</b>
Contract assets (non-current)	46,844	38,334
Deferred revenues (current)	4,478,048	4,229,177
Deferred revenues (non-current)	712,715	700,080

Changes in the contract asset and liability balances during fiscal 2022, were a result of normal business activity and not materially impacted by any other factors.

Revenues recognized during fiscal 2022 that were included in Deferred revenues as of August 31, 2021 were \$3.7 billion. Revenues recognized during fiscal 2021 that were included in Deferred revenues as of August 31, 2020 were \$3.3 billion.

### 3. Earnings Per Share

Basic and diluted earnings per share are calculated as follows:

	Fiscal		
	2022	2021	2020
<b>Basic Earnings per share</b>			
Net income attributable to Accenture plc	\$ 6,877,169	\$ 5,906,809	\$ 5,107,839
Basic weighted average Class A ordinary shares	632,762,710	634,745,073	636,299,913
<b>Basic earnings per share</b>	<b>\$ 10.87</b>	<b>\$ 9.31</b>	<b>\$ 8.03</b>
<b>Diluted Earnings per share</b>			
Net income attributable to Accenture plc	\$ 6,877,169	\$ 5,906,809	\$ 5,107,839
Net income attributable to noncontrolling interests in Accenture Canada Holdings Inc. (1)	7,348	6,539	6,325
<b>Net income for diluted earnings per share calculation</b>	<b>\$ 6,884,517</b>	<b>\$ 5,913,348</b>	<b>\$ 5,114,164</b>
Basic weighted average Class A ordinary shares	632,762,710	634,745,073	636,299,913
Class A ordinary shares issuable upon redemption/exchange of noncontrolling interests (1)	675,949	702,567	787,429
Diluted effect of employee compensation related to Class A ordinary shares	9,045,668	10,344,620	10,599,773
Diluted effect of share purchase plans related to Class A ordinary shares	354,854	116,782	109,888
<b>Diluted weighted average Class A ordinary shares</b>	<b>642,839,181</b>	<b>645,909,042</b>	<b>647,797,003</b>
<b>Diluted earnings per share</b>	<b>\$ 10.71</b>	<b>\$ 9.16</b>	<b>\$ 7.89</b>

- (1) Diluted earnings per share assumes the exchange of all Accenture Canada Holdings Inc. exchangeable shares for Accenture plc Class A ordinary shares on a one-for-one basis. The income effect does not take into account "Net income attributable to noncontrolling interests - other," since those shares are not redeemable or exchangeable for Accenture plc Class A ordinary shares.

## 4. Accumulated Other Comprehensive Loss

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss attributable to Accenture plc:

	Fiscal		
	2022	2021	2020
<b>Foreign currency translation</b>			
Beginning balance	\$ (975,064)	\$ (1,010,279)	\$ (1,207,975)
Foreign currency translation	(904,530)	36,562	207,566
Income tax benefit (expense)	6,975	(346)	(1,719)
Portion attributable to noncontrolling interests	20,299	(1,001)	(8,151)
<b>Foreign currency translation, net of tax</b>	<b>(877,256)</b>	<b>35,215</b>	<b>197,696</b>
<b>Ending balance</b>	<b>(1,852,320)</b>	<b>(975,064)</b>	<b>(1,010,279)</b>
<b>Defined benefit plans</b>			
Beginning balance	(559,958)	(615,223)	(672,323)
Actuarial gains (losses)	238,865	(50,166)	22,414
Pension settlement	—	39,016	3,757
Prior service costs arising during the period	1,052	27,570	—
Reclassifications into net periodic pension and post-retirement expense	51,061	49,864	55,035
Income tax benefit (expense)	(79,567)	(10,959)	(24,041)
Portion attributable to noncontrolling interests	(224)	(60)	(65)
<b>Defined benefit plans, net of tax</b>	<b>211,187</b>	<b>55,265</b>	<b>57,100</b>
<b>Ending balance</b>	<b>(348,771)</b>	<b>(559,958)</b>	<b>(615,223)</b>
<b>Cash flow hedges</b>			
Beginning balance	115,525	63,714	38,993
Unrealized gain (loss)	(14,310)	168,244	72,437
Reclassification adjustments into Cost of services	(92,275)	(102,676)	(48,545)
Income tax benefit (expense)	1,698	(13,701)	857
Portion attributable to noncontrolling interests	111	(56)	(28)
<b>Cash flow hedges, net of tax</b>	<b>(104,776)</b>	<b>51,811</b>	<b>24,721</b>
<b>Ending balance (1)</b>	<b>10,749</b>	<b>115,525</b>	<b>63,714</b>
<b>Investments</b>			
Beginning balance	—	(49)	728
Unrealized gain (loss)	—	49	(778)
Income tax benefit (expense)	—	—	—
Portion attributable to noncontrolling interests	—	—	1
<b>Investments, net of tax</b>	<b>—</b>	<b>49</b>	<b>(777)</b>
<b>Ending balance</b>	<b>—</b>	<b>—</b>	<b>(49)</b>
<b>Accumulated other comprehensive loss</b>	<b>\$ (2,190,342)</b>	<b>\$ (1,419,497)</b>	<b>\$ (1,561,837)</b>

(1) As of August 31, 2022, \$28,711 of net unrealized gains related to derivatives designated as cash flow hedges is expected to be reclassified into cost of services in the next twelve months.

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## 5. Property and Equipment

The components of Property and equipment, net are as follows:

	August 31, 2022	August 31, 2021
Buildings and land	\$ 5,609	\$ 60
Computers, related equipment and software	2,154,989	2,052,408
Furniture and fixtures	442,499	470,624
Leasehold improvements	1,546,230	1,528,462
<b>Property and equipment, gross</b>	<b>4,149,327</b>	<b>4,051,554</b>
Total accumulated depreciation	(2,490,187)	(2,412,449)
<b>Property and equipment, net</b>	<b>\$ 1,659,140</b>	<b>\$ 1,639,105</b>

Depreciation expense for fiscal 2022, 2021 and 2020 was \$591,748, \$512,051 and \$482,054, respectively.

## 6. Business Combinations and Dispositions

### Business Combinations

We completed a number of individually immaterial acquisitions during fiscal 2022, 2021 and 2020. These acquisitions were completed primarily to expand our services and solutions offerings. The table below gives additional details related to these acquisitions:

	Fiscal		
	2022	2021	2020
Total consideration	\$ 3,416,981	\$ 4,109,145	\$ 1,513,910
Goodwill	2,758,893	3,388,948	1,352,839
Intangible assets	737,040	983,910	377,060

The intangible assets primarily consist of customer-related intangibles, which are being amortized over one to fifteen years. The goodwill was allocated among our reportable operating segments and is partially deductible for U.S. federal income tax purposes.

### Dispositions

During fiscal 2022, we disposed of our business in Russia, which was part of our Europe segment. The transaction resulted in a non-operating loss of \$96,294, which was not deductible for tax purposes and did not have a material effect on our operations or financial results.

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## 7. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill by reportable operating segment are as follows:

	August 31, 2020	Additions/ Adjustments	Foreign Currency Translation	August 31, 2021	Additions/ Adjustments	Foreign Currency Translation	August 31, 2022
<b>Geographic Markets</b>							
North America	\$ 4,604,441	\$ 2,010,303	\$ 3,454	\$ 6,618,198	\$ 1,133,033	\$ (6,649)	\$ 7,744,582
Europe	2,138,088	1,179,932	11,726	3,329,746	1,447,463	(643,118)	4,134,091
Growth Markets	967,291	205,469	5,157	1,177,917	162,483	(85,780)	1,254,620
<b>Total</b>	<b>\$ 7,709,820</b>	<b>\$ 3,395,704</b>	<b>\$ 20,337</b>	<b>\$11,125,861</b>	<b>\$ 2,742,979</b>	<b>\$ (735,547)</b>	<b>\$13,133,293</b>

Goodwill includes immaterial adjustments related to prior period acquisitions.

### Intangible Assets

Our definite-lived intangible assets by major asset class are as follows:

Intangible Asset Class	August 31, 2021			August 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer-related	\$ 2,068,156	\$ (654,460)	\$ 1,413,696	\$ 2,498,001	\$ (842,056)	\$ 1,655,945
Technology	250,481	(54,391)	196,090	283,251	(96,782)	186,469
Patents	126,202	(66,650)	59,552	126,950	(70,745)	56,205
Other	70,407	(28,807)	41,600	62,875	(30,686)	32,189
<b>Total</b>	<b>\$ 2,515,246</b>	<b>\$ (804,308)</b>	<b>\$ 1,710,938</b>	<b>\$ 2,971,077</b>	<b>\$ (1,040,269)</b>	<b>\$ 1,930,808</b>

Total amortization related to our intangible assets was \$438,897, \$312,706 and \$239,664 for fiscal 2022, 2021 and 2020, respectively. Estimated future amortization related to intangible assets held as of August 31, 2022 is as follows:

<b>Fiscal Year</b>	<b>Estimated Amortization</b>	
2023	\$	395,975
2024		340,844
2025		309,455
2026		265,249
2027		205,504
Thereafter		413,781
<b>Total</b>	<b>\$</b>	<b>1,930,808</b>

## 8. Leases

As a lessee, substantially all of our lease obligation is for office real estate. Our significant judgments used in determining our lease obligation include whether a contract is or contains a lease and the determination of the discount rate used to calculate the lease liability. We elected the practical expedient not to separate lease and associated non-lease components, accounting for them as a single combined lease component, for our office real estate and automobile leases.

Our leases may include the option to extend or terminate before the end of the contractual term and are often non-cancelable or cancelable only by the payment of penalties. Our lease assets and liabilities include these options in the lease term when it is reasonably certain that they will be exercised. In certain cases, we sublease excess office real estate to third-party tenants.

Lease assets and liabilities recognized at the lease commencement date are determined predominantly as the present value of the payments due over the lease term. Since we cannot determine the implicit rate in our leases, we use our incremental borrowing rate on that date to calculate the present value. Our incremental borrowing rate approximates the rate at which we could borrow, on a secured basis for a similar term, an amount equal to our lease payments in a similar economic environment.

When we are the lessee, all leases are recognized as lease liabilities and associated lease assets on the Consolidated Balance Sheet. Lease liabilities represent our obligation to make payments arising from the lease. Lease assets represent our right to use an underlying asset for the lease term and may also include advance payments, initial direct costs, or lease incentives. Payments that depend upon an index or rate, such as the Consumer Price Index (CPI), are included in the recognition of lease assets and liabilities at the commencement-date rate. Other variable payments, such as common area maintenance, property and other taxes, utilities and insurance that are based on the lessor's cost, are recognized in the Consolidated Income Statement in the period incurred.

As of August 31, 2022 and 2021, we had no material finance leases. Operating lease expense is recorded on a straight-line basis over the lease term. Lease costs are as follows:

	Fiscal	
	2022	2021
Operating lease cost	\$ 769,806	\$ 765,232
Variable lease cost	187,087	176,426
Sublease income	(16,804)	(23,717)
<b>Total</b>	<b>\$ 940,089</b>	<b>\$ 917,941</b>

Supplemental information related to operating lease transactions is as follows:

	Fiscal	
	2022	2021
Lease liability payments	\$ 730,815	\$ 753,167
Lease assets obtained in exchange for liabilities	690,767	599,866

As of August 31, 2022 and 2021, our operating leases had a weighted average remaining lease term of 7.3 years and a weighted average discount rate of 3.7% and 3.9%, respectively.

The following maturity analysis presents future undiscounted cash outflows (inflows) for operating leases as of August 31, 2022:

	Lease Payments	Sublease Receipts
2023	\$ 715,622	\$ (11,815)
2024	635,268	(10,653)
2025	522,103	(8,094)
2026	399,517	(6,382)
2027	328,108	(5,603)
Thereafter	1,117,199	(11,268)
<b>Total lease payments (receipts)</b>	<b>\$ 3,717,817</b>	<b>\$ (53,815)</b>
Less interest	(447,129)	
<b>Total lease liabilities</b>	<b>\$ 3,270,688</b>	

As of August 31, 2022, we have entered into leases that have not yet commenced with future lease payments of \$135,530 that are not reflected in the table above. These leases are primarily related to office real estate and will commence in or before fiscal 2025 with lease terms of up to 11 years.

## 9. Financial Instruments

### Derivatives

In the normal course of business, we use derivative financial instruments to manage foreign currency exchange rate risk. Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. Positions are monitored using techniques such as market value and sensitivity analyses. We do not enter into derivative transactions for trading purposes. We classify cash flows from our derivative programs as cash flows from operating activities in the Consolidated Cash Flows Statements.

Certain derivatives give rise to credit risks from the possible non-performance by counterparties. Credit risk is generally limited to the fair value of those contracts that are favorable to us, and the maximum amount of loss due to credit risk, based on the gross fair value of our derivative financial instruments that are in an asset position, was \$167,733 as of August 31, 2022.

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. These provisions may reduce our potential overall loss resulting from the insolvency of a counterparty and reduce a counterparty's potential overall loss resulting from our insolvency. Additionally, these agreements contain early termination provisions triggered by adverse changes in a counterparty's credit rating, thereby enabling us to accelerate settlement of a transaction prior to its contractual maturity and potentially decrease our realized loss on an open transaction. Similarly, a decrement in our credit rating could trigger a counterparty's early termination rights, thereby enabling a counterparty to accelerate settlement of a transaction prior to its contractual maturity and potentially increase our realized loss on an open transaction. The aggregate fair value of our derivative instruments with credit-risk-related contingent features that were in a liability position as of August 31, 2022 was \$187,485.

Our derivative financial instruments consist of deliverable and non-deliverable foreign currency forward contracts. Fair values for derivative financial instruments are based on prices computed using third-party valuation models and are classified as Level 2 in accordance with the three-level hierarchy of fair value measurements. All of the significant inputs to the third-party valuation models are observable in active markets. Inputs include current market-based parameters such as forward rates and yield curves. For additional information related to the three-level hierarchy of fair value measurements, see Note 12 (Retirement and Profit Sharing Plans) to these Consolidated Financial Statements.

### Cash Flow Hedges

Certain of our subsidiaries are exposed to currency risk through their use of our global delivery resources. To mitigate this risk, we use foreign currency forward contracts to hedge the foreign exchange risk of the forecasted intercompany expenses denominated in foreign currencies for up to three years in the future. We have designated these derivatives as cash flow hedges. As of August 31, 2022 and 2021, we held no derivatives that were designated as fair value or net investment hedges.



In order for a derivative to qualify for hedge accounting, the derivative must be formally designated as a fair value, cash flow or net investment hedge by documenting the relationship between the derivative and the hedged item. The documentation includes a description of the hedging instrument, the hedged item, the risk being hedged, our risk management objective and strategy for undertaking the hedge, the method for assessing the effectiveness of the hedge and the method for measuring hedge ineffectiveness. Additionally, the hedge relationship must be expected to be highly effective at offsetting changes in either the fair value or cash flows of the hedged item at both inception of the hedge and on an ongoing basis.

For a cash flow hedge, the effective portion of the change in estimated fair value of a hedging instrument is recorded in Accumulated other comprehensive loss as a separate component of Shareholders' Equity and is reclassified into Cost of services in the Consolidated Income Statements during the period in which the hedged transaction is recognized. The amounts related to derivatives designated as cash flow hedges that were reclassified into Cost of services were net gains of \$92,275, \$102,676 and \$48,545 during fiscal 2022, 2021 and 2020, respectively. The ineffective portion of the change in fair value of a cash flow hedge is recognized immediately in Other income (expense), net in the Consolidated Income Statements and for fiscal 2022, 2021 and 2020, was not material. In addition, we did not discontinue any cash flow hedges during fiscal 2022, 2021 or 2020.

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## Other Derivatives

We also use foreign currency forward contracts, which have not been designated as hedges, to hedge balance sheet exposures, such as intercompany loans. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates. Realized gains or losses and changes in the estimated fair value of these derivatives were net losses of \$168,625 and \$15,370 for fiscal 2022 and 2021, respectively and a net gain of \$111,623 for fiscal 2020. Gains and losses on these contracts are recorded in Other income (expense), net in the Consolidated Income Statements and are offset by gains and losses on the related hedged items.

## Fair Value of Derivative Instruments

The notional and fair values of all derivative instruments are as follows:

	August 31, 2022	August 31, 2021
<b>Assets</b>		
Cash Flow Hedges		
Other current assets	\$ 89,867	\$ 109,416
Other non-current assets	69,209	70,250
Other Derivatives		
Other current assets	8,657	32,322
<b>Total assets</b>	<b>\$ 167,733</b>	<b>\$ 211,988</b>
<b>Liabilities</b>		
Cash Flow Hedges		
Other accrued liabilities	\$ 61,156	\$ 5,867
Other non-current liabilities	42,537	8,585
Other Derivatives		
Other accrued liabilities	83,792	3,614
<b>Total liabilities</b>	<b>\$ 187,485</b>	<b>\$ 18,066</b>
<b>Total fair value</b>	<b>\$ (19,752)</b>	<b>\$ 193,922</b>
<b>Total notional value</b>	<b>\$ 11,095,604</b>	<b>\$ 10,045,903</b>

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for the set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. In the Consolidated Balance Sheets, we record derivative assets and liabilities at gross fair value. The potential effect of netting derivative assets against liabilities under the counterparty master agreements is as follows:

	August 31, 2022	August 31, 2021
Net derivative assets	\$ 140,073	\$ 193,936
Net derivative liabilities	159,825	14
<b>Total fair value</b>	<b>\$ (19,752)</b>	<b>\$ 193,922</b>

## 10. Borrowings and Indebtedness

As of August 31, 2022, we had the following borrowing facilities, including the issuance of letters of credit, to support general working capital purposes:

	Facility Amount	Borrowings Under Facilities
Syndicated loan facility (1)	\$ 3,000,000	\$ —
Separate, uncommitted, unsecured multicurrency revolving credit facilities (2)	1,631,391	—
Local guaranteed and non-guaranteed lines of credit (3)	229,618	—
<b>Total</b>	<b>\$ 4,861,009</b>	<b>\$ —</b>

- (1) This facility, which matures on April 24, 2026, provides unsecured, revolving borrowing capacity for general corporate capital purposes, including the issuance of letters of credit. Borrowings under this facility will accrue interest at the applicable risk-free rate plus a spread. We continue to be in compliance with relevant covenant terms. The facility is subject to annual commitment fees. As of August 31, 2022 and 2021, we had no borrowings under the facility.
- (2) We maintain separate, uncommitted and unsecured multicurrency revolving credit facilities. These facilities provide local currency financing for the majority of our operations. Interest rate terms on the revolving facilities are at market rates prevailing in the relevant local markets. As of August 31, 2022 and 2021, we had no borrowings under these facilities.
- (3) We also maintain local guaranteed and non-guaranteed lines of credit for those locations that cannot access our global facilities. As of August 31, 2022 and 2021, we had no borrowings under these various facilities.

Under the borrowing facilities described above, we had an aggregate of \$892,340 and \$695,139 of letters of credit outstanding as of August 31, 2022 and 2021, respectively. In addition, we had total outstanding debt of \$55,068 and \$65,553 as of August 31, 2022 and 2021, respectively. We have a short-term commercial paper financing program backed by our \$3,000,000 syndicated credit facility. As of August 31, 2022, we had no commercial paper outstanding.

## 11. Income Taxes

	Fiscal		
	2022	2021	2020
Current taxes			
U.S. federal	\$ 298,685	\$ 218,064	\$ 99,280
U.S. state and local	152,862	95,662	26,425
Non-U.S.	1,968,954	1,395,915	1,292,362
<b>Total current tax expense</b>	<b>2,420,501</b>	<b>1,709,641</b>	<b>1,418,067</b>
Deferred taxes			
U.S. federal	(202,318)	7,767	21,532
U.S. state and local	(48,597)	(5,400)	8,525
Non-U.S.	37,621	58,563	140,894
<b>Total deferred tax (benefit) expense</b>	<b>(213,294)</b>	<b>60,930</b>	<b>170,951</b>
<b>Total</b>	<b>\$ 2,207,207</b>	<b>\$ 1,770,571</b>	<b>\$ 1,589,018</b>

The components of Income before income taxes are as follows:

	Fiscal		
	2022	2021	2020
U.S. sources	\$ 1,644,380	\$ 1,597,820	\$ 1,352,968
Non-U.S. sources	7,551,787	6,163,296	5,421,363
<b>Total</b>	<b>\$ 9,196,167</b>	<b>\$ 7,761,116</b>	<b>\$ 6,774,331</b>

The reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate is as follows:

	Fiscal		
	2022	2021	2020 (2)
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
U.S. state and local taxes, net	1.1	1.2	1.2
Non-U.S. operations taxed at other rates	0.8	1.1	1.2
Final determinations (1)	(0.9)	(1.7)	(1.9)
Other net activity in unrecognized tax benefits	3.0	2.8	2.4
Excess tax benefits from share based payments	(3.0)	(2.1)	(1.9)
Other, net	2.0	0.5	1.5
<b>Effective income tax rate</b>	<b>24.0 %</b>	<b>22.8 %</b>	<b>23.5 %</b>

(1) Final determinations include final agreements with tax authorities and expirations of statutes of limitations.

(2) Prior period amounts have been reclassified to conform with the current period presentation.

As of August 31, 2022, we had not recognized a deferred tax liability on approximately \$2,400,000 of undistributed earnings for certain foreign subsidiaries, because these earnings are intended to be indefinitely reinvested. If such earnings were distributed, some countries may impose additional taxes. The unrecognized deferred tax liability (the amount payable if distributed) is approximately \$120,000.

Portions of our operations are subject to reduced tax rates or are free of tax under various tax holidays which expire in fiscal 2024. The income tax benefits attributable to the tax status of these subsidiaries were estimated to be approximately \$29,000, \$37,000 and \$38,000 in fiscal 2022, 2021 and 2020, respectively.

The revaluation of deferred tax assets and liabilities due to enacted changes in tax laws and tax rates did not have a material impact on our effective tax rate in fiscal 2022, 2021, or 2020.

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The components of our deferred tax assets and liabilities included the following:

	August 31, 2022	August 31, 2021 (1)
<b>Deferred tax assets</b>		
Pensions	\$ 501,475	\$ 474,934
Compensation and benefits	930,284	726,430
Share-based compensation	436,740	355,157
Tax credit carryforwards	940,640	915,382
Net operating loss carryforwards	180,610	196,611
Deferred amortization deductions	852,513	857,441
Indirect effects of unrecognized tax benefits	356,841	285,768
Licenses and other intangibles	1,322,464	1,533,152
Leases	759,399	704,200
Other	477,143	426,565
<b>Total deferred tax assets</b>	<b>6,758,109</b>	<b>6,475,640</b>
Valuation allowance	(1,056,022)	(1,001,245)
<b>Deferred tax assets, net of valuation allowance</b>	<b>5,702,087</b>	<b>5,474,395</b>
<b>Deferred tax liabilities</b>		
Pensions	(146,553)	(28,449)
Revenue recognition	(106,580)	(67,455)
Investments in subsidiaries	(162,873)	(142,635)
Intangibles	(581,105)	(480,588)
Leases	(687,428)	(648,419)
Property and equipment	(66,977)	(92,271)
Other	(267,955)	(251,084)
<b>Total deferred tax liabilities</b>	<b>(2,019,471)</b>	<b>(1,710,901)</b>
<b>Net deferred tax assets</b>	<b>\$ 3,682,616</b>	<b>\$ 3,763,494</b>

(1) Prior period amounts have been reclassified to conform with the current period presentation.

We recorded valuation allowances of \$1,056,022 and \$1,001,245 as of August 31, 2022 and 2021, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carryforwards, as we believe it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets. During fiscal 2022 and 2021, we recorded net increases of \$54,777 and \$243,446 in the valuation allowance, respectively, primarily related to valuation allowances on certain tax credit carryforwards, as we believe it is more likely than not that these assets will not be realized.

We had tax credit carryforwards as of August 31, 2022 of \$940,640, of which \$12,119 will expire between 2023 and 2032, \$1,027 will expire between 2033 and 2042, and \$927,494 has an indefinite carryforward period. We had net operating loss carryforwards as of August 31, 2022 of \$857,615. Of this amount, \$174,669 expires between 2023 and 2032, \$80,604 expires between 2033 and 2042, and \$602,342 has an indefinite carryforward period.

As of August 31, 2022, we had \$1,469,336 of unrecognized tax benefits, of which \$1,083,065, if recognized, would favorably affect our effective tax rate. As of August 31, 2021, we had \$1,344,460 of unrecognized tax benefits, of which \$1,028,090, if recognized, would favorably affect our effective tax rate. The remaining unrecognized tax benefits as of August 31, 2022 and 2021 of \$386,271 and \$316,370, respectively, represent items recorded as offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, state income taxes and timing adjustments.

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Fiscal	
	2022	2021
Balance, beginning of year	\$ 1,344,460	\$ 1,238,945
Additions for tax positions related to the current year	356,089	187,741
Additions for tax positions related to prior years	29,060	115,518
Reductions for tax positions related to prior years	(69,023)	(133,349)
Statute of limitations expirations	(62,393)	(62,614)
Settlements with tax authorities	(2,109)	(3,374)
Foreign currency translation	(126,748)	1,593
<b>Balance, end of year</b>	<b>\$ 1,469,336</b>	<b>\$ 1,344,460</b>

For the years ended August 31, 2022 and 2021, some of the additions for tax positions related to prior years are for items that had no net impact to the consolidated financial statements.

We recognize interest and penalties related to unrecognized tax benefits in our Income tax expense. During fiscal 2022, 2021 and 2020, we recognized expense of \$25,369, \$35,285 and \$21,140 in interest and penalties, respectively. Accrued interest and penalties related to unrecognized tax benefits of \$177,610 (\$159,814, net of tax benefits) and \$166,846 (\$151,184, net of tax benefits) were reflected on our Consolidated Balance Sheets as of August 31, 2022 and 2021, respectively.

As a global company, we file tax returns in multiple tax jurisdictions including the U.S. and Ireland. We have participated in the U.S. Internal Revenue Service (“IRS”) Compliance Assurance Process (“CAP”) program since fiscal 2016. CAP tax years are examined by the IRS on a contemporaneous basis so that most issues are resolved prior to filing the tax return. The years from fiscal 2021 forward remain open for examination by the IRS. The years from fiscal 2018 forward remain open for examination by the Irish tax authorities. We are currently under audit in numerous state and other non-U.S. tax jurisdictions. However, with limited exceptions, we are no longer subject to examination by those taxing authorities for years before 2014. Although the outcome of tax audits is always uncertain and could result in significant cash tax payments, we do not believe the outcome of these audits will have a material adverse effect on our consolidated financial position or results of operations. We believe that it is reasonably possible that our unrecognized tax benefits could decrease by approximately \$294,000 or increase by approximately \$371,000 in the next 12 months as a result of settlements, lapses of statutes of limitations, tax audit activity and other adjustments. The majority of these amounts relate to transfer pricing matters in both U.S. and non-U.S. tax jurisdictions.

## 12. Retirement and Profit Sharing Plans

### Defined Benefit Pension and Postretirement Plans

In the United States and certain other countries, we maintain and administer defined benefit retirement plans and postretirement medical plans for certain current, retired and resigned employees. In addition, our U.S. defined benefit pension plans include a frozen plan for former pre-incorporation partners, which is unfunded. Benefits under the employee retirement plans are primarily based on years of service and compensation during the years immediately preceding retirement or termination of participation in the plan. The defined benefit pension disclosures include our U.S. and material non-U.S. defined benefit pension plans.

### Assumptions

The weighted-average assumptions used to determine the defined benefit pension obligations as of August 31 and the net periodic pension expense are as follows:

	Pension Plans						Postretirement Plans		
	August 31, 2022		August 31, 2021		August 31, 2020		August 31, 2022	August 31, 2021	August 31, 2020
	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Discount rate for determining projected benefit obligation	4.25 %	3.99 %	2.50 %	2.41 %	2.50 %	2.27 %	4.28 %	2.53 %	2.51 %
Discount rate for determining net periodic pension expense	2.50 %	2.41 %	2.50 %	2.27 %	3.00 %	2.24 %	2.53 %	2.51 %	3.00 %
Long term rate of return on plan assets	3.50 %	2.23 %	3.50 %	2.63 %	4.25 %	2.81 %	2.89 %	3.06 %	3.45 %
Rate of increase in future compensation for determining projected benefit obligation	2.07 %	5.30 %	2.09 %	4.48 %	2.21 %	4.04 %	N/A	N/A	N/A
Rate of increase in future compensation for determining net periodic pension expense	2.09 %	4.48 %	2.21 %	4.04 %	2.23 %	4.02 %	N/A	N/A	N/A
Interest crediting rate for determining projected benefit obligation	N/A	1.37 %	N/A	0.77 %	N/A	0.68 %	N/A	N/A	N/A
Interest crediting rate for determining net periodic pension expense	N/A	0.77 %	N/A	0.68 %	N/A	0.69 %	N/A	N/A	N/A

We utilize a full yield curve approach to estimate the service and interest cost components by applying specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This approach provides a correlation between projected benefit cash flows and the corresponding yield curve spot rates and provides a precise measurement of service and interest costs. The discount rate assumptions are based on the expected duration of the benefit payments for each of our defined benefit pension and postretirement plans as of the annual measurement date and are subject to change each year.

The expected long-term rate of return on plan assets should, over time, approximate the actual long-term returns on defined benefit pension and postretirement plan assets and is based on historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the asset portfolio.

## **Assumed U.S. Health Care Cost Trend**

Our U.S. postretirement plan assumed annual rate of increase in the per capita cost of health care benefits is 6.0% for the plan year ending August 31, 2023. The rate is assumed to decrease on a straight-line basis to 4.0% for the plan year ending August 31, 2046 and remain at that level thereafter.

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## Pension and Postretirement Expense

Pension expense for fiscal 2022, 2021 and 2020 was \$188,001, \$169,471 and \$168,367, respectively. Postretirement expense for fiscal 2022, 2021 and 2020 was not material to our Consolidated Financial Statements. The service cost component of pension and postretirement expense is included in operating expenses while the other components of net benefit cost are included in Other income (expense), net.

## Benefit Obligation, Plan Assets and Funded Status

The changes in the benefit obligations, plan assets and funded status of our pension and postretirement benefit plans for fiscal 2022 and 2021 are as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2022		August 31, 2021		August 31, 2022	August 31, 2021
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Reconciliation of benefit obligation</b>						
Benefit obligation, beginning of year	\$ 406,328	\$ 2,337,120	\$ 408,266	\$ 2,357,405	\$ 734,271	\$ 649,328
Service cost	2,087	128,723	2,579	113,882	36,066	25,307
Interest cost	7,762	49,136	7,628	47,692	17,127	13,775
Participant contributions	—	20,274	—	13,241	—	—
Acquisitions/divestitures/transfers	—	36,262	—	117,422	—	—
Amendments	—	(1,052)	—	(21,356)	—	(6,214)
Curtailment	—	—	—	(1,381)	—	—
Pension settlement	—	—	—	(211,506)	—	—
Actuarial (gain) loss	(70,541)	(218,036)	3,731	45,063	(181,512)	60,095
Benefits paid	(16,729)	(104,257)	(15,876)	(124,531)	(15,515)	(9,357)
Exchange rate impact	—	(236,512)	—	1,189	(693)	1,337
<b>Benefit obligation, end of year</b>	<b>\$ 328,907</b>	<b>\$ 2,011,658</b>	<b>\$ 406,328</b>	<b>\$ 2,337,120</b>	<b>\$ 589,744</b>	<b>\$ 734,271</b>
<b>Reconciliation of fair value of plan assets</b>						
Fair value of plan assets, beginning of year	\$ 291,652	\$ 1,326,259	\$ 281,189	\$ 1,355,707	\$ 32,550	\$ 31,826
Actual return on plan assets	(52,564)	(119,123)	5,481	88,056	(4,985)	481
Acquisitions/divestitures/transfers	—	8,097	—	94,635	—	—
Employer contributions	10,901	120,322	20,858	97,217	13,743	9,600
Participant contributions	—	20,274	—	13,241	—	—
Pension settlement	—	378	—	(211,506)	—	—
Benefits paid	(16,729)	(104,257)	(15,876)	(124,531)	(15,515)	(9,357)
Exchange rate impact	—	(125,079)	—	13,440	—	—
<b>Fair value of plan assets, end of year</b>	<b>\$ 233,260</b>	<b>\$ 1,126,871</b>	<b>\$ 291,652</b>	<b>\$ 1,326,259</b>	<b>\$ 25,793</b>	<b>\$ 32,550</b>
<b>Funded status, end of year</b>	<b>\$ (95,647)</b>	<b>\$ (884,787)</b>	<b>\$ (114,676)</b>	<b>\$ (1,010,861)</b>	<b>\$ (563,951)</b>	<b>\$ (701,721)</b>
Amounts recognized in the Consolidated Balance Sheets						
Non-current assets	\$ 7,901	\$ 148,836	\$ 9,543	\$ 166,478	\$ —	\$ —
Current liabilities	(10,529)	(60,642)	(10,651)	(53,097)	(1,267)	(1,266)
Non-current liabilities	(93,019)	(972,981)	(113,568)	(1,124,242)	(562,684)	(700,455)
<b>Funded status, end of year</b>	<b>\$ (95,647)</b>	<b>\$ (884,787)</b>	<b>\$ (114,676)</b>	<b>\$ (1,010,861)</b>	<b>\$ (563,951)</b>	<b>\$ (701,721)</b>

## Accumulated Other Comprehensive Loss

The pre-tax accumulated net loss and prior service (credit) cost recognized in Accumulated other comprehensive loss as of August 31, 2022 and 2021 is as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2022		August 31, 2021		August 31, 2022	August 31, 2021
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Net loss	\$ 93,663	\$ 370,478	\$ 109,433	\$ 525,172	\$ 23,526	\$ 208,784
Prior service (credit) cost	—	(4,478)	—	(2,704)	6,101	7,080
<b>Accumulated other comprehensive loss, pre-tax</b>	<b>\$ 93,663</b>	<b>\$ 366,000</b>	<b>\$ 109,433</b>	<b>\$ 522,468</b>	<b>\$ 29,627</b>	<b>\$ 215,864</b>

## Funded Status for Defined Benefit Plans

The accumulated benefit obligation for defined benefit pension plans as of August 31, 2022 and 2021 is as follows:

	August 31, 2022		August 31, 2021	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Accumulated benefit obligation	\$ 325,991	\$ 1,730,451	\$ 401,527	\$ 1,989,178

The following information is provided for defined benefit pension plans and postretirement plans with projected benefit obligations in excess of plan assets and for defined benefit pension plans with accumulated benefit obligations in excess of plan assets as of August 31, 2022 and 2021:

	Pension Plans				Postretirement Plans	
	August 31, 2022		August 31, 2021		August 31, 2022	August 31, 2021
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Projected benefit obligation in excess of plan assets</b>						
Projected benefit obligation	\$ 103,548	\$ 1,364,096	\$ 124,219	\$ 1,716,981	\$ 589,744	\$ 734,271
Fair value of plan assets	—	330,473	—	539,641	25,793	32,550

	August 31, 2022		August 31, 2021	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
<b>Accumulated benefit obligation in excess of plan assets</b>				
Accumulated benefit obligation	\$ 103,548	\$ 1,073,411	\$ 124,219	\$ 1,321,965
Fair value of plan assets	—	279,864	—	379,567

## Investment Strategies

### U.S. Pension Plans

The overall investment objective of the defined benefit pension plans is to match the duration of the plans' assets to the plans' liabilities while managing risk in order to meet current defined benefit pension obligations. The plans' future prospects, their current financial conditions, our current funding levels and other relevant factors suggest that the plans can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives without undue risk to the plans' ability to meet their current benefit obligations. We recognize that asset allocation of the defined benefit pension plans' assets is an important factor in determining long-term performance. Actual asset allocations at any point in time may

vary from the target asset allocations and will be dictated by current and anticipated market conditions, required cash flows and investment decisions of the investment committee and the pension plans' investment funds and managers. Ranges are established to provide flexibility for the asset allocation to vary around the targets without the need for immediate rebalancing.

## Non-U.S. Pension Plans

Plan assets in non-U.S. defined benefit pension plans conform to the investment policies and procedures of each plan and to relevant legislation. The pension committee or trustee of each plan regularly, but at least annually, reviews the investment policy and the performance of the investment managers. In certain countries, the trustee is also required to consult with us. Asset allocation decisions are made to provide risk adjusted returns that align with the overall investment strategy for each plan. Generally, the investment return objective of each plan is to achieve a total annualized rate of return that exceeds inflation over the long term by an amount based on the target asset allocation mix of that plan. In certain countries, plan assets are invested in funds that are required to hold a majority of assets in bonds, with a smaller proportion in equities. Also, certain plan assets are entirely invested in contracts held with the plan insurer, which determines the strategy. Defined benefit pension plans in certain countries are unfunded.

## Risk Management

Plan investments are exposed to risks including market, interest rate and operating risk. In order to mitigate significant concentrations of these risks, the assets are invested in a diversified portfolio primarily consisting of fixed income instruments and equities. To minimize asset volatility relative to the liabilities, plan assets allocated to debt securities appropriately match the duration of individual plan liabilities. Equities are diversified between U.S. and non-U.S. index funds and are intended to achieve long term capital appreciation. Plan asset allocation and investment managers' guidelines are reviewed on a regular basis.

## Plan Assets

Our target allocation for fiscal 2023 and weighted-average plan assets allocations as of August 31, 2022 and 2021 by asset category for defined benefit pension plans are as follows:

	2023 Target Allocation		2022		2021	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
<b>Asset Category</b>						
Equity securities	— %	27 %	— %	21 %	— %	21 %
Debt securities	100	48	97	50	98	51
Cash and short-term investments	—	4	3	4	2	4
Insurance contracts	—	11	—	15	—	16
Other	—	10	—	10	—	8
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## Fair Value Measurements



Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

- Level 1—Quoted prices for identical instruments in active markets;
  - Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
  - Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.
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The fair values of defined benefit pension and postretirement plan assets as of August 31, 2022 are as follows:

*Non-U.S. Plans*

	Level 1		Level 2		Level 3		Total
Equity							
Mutual fund equity securities	\$	4,954	\$	234,339	\$	—	\$ 239,293
Fixed Income							
Non-U.S. government debt securities		168,705		—		—	168,705
Non-U.S. corporate debt securities		16,238		—		—	16,238
Mutual fund debt securities		—		379,989		—	379,989
Cash and short-term investments		48,089		—		—	48,089
Insurance contracts		—		69,902		97,881	167,783
Other		—		106,774		—	106,774
<b>Total</b>	<b>\$</b>	<b>237,986</b>	<b>\$</b>	<b>791,004</b>	<b>\$</b>	<b>97,881</b>	<b>\$ 1,126,871</b>

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$259,053 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$161,031 and U.S. government, state and local debt securities of \$55,217.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2022:

Level 3 Assets	Fiscal 2022
Beginning balance	\$ 130,934
Changes in fair value	(33,053)
<b>Ending Balance</b>	<b>\$ 97,881</b>

The fair values of defined benefit pension and postretirement plan assets as of August 31, 2021 are as follows:

Non-U.S. Plans

	Level 1	Level 2	Level 3	Total
Equity				
Mutual fund equity securities	\$ —	\$ 273,541	\$ —	\$ 273,541
Fixed Income				
Non-U.S. government debt securities	183,891	—	—	183,891
Non-U.S. corporate debt securities	15,624	—	—	15,624
Mutual fund debt securities	—	484,182	—	484,182
Cash and short-term investments	48,825	—	—	48,825
Insurance contracts	—	79,227	130,934	210,161
Other	—	110,035	—	110,035
<b>Total</b>	<b>\$ 248,340</b>	<b>\$ 946,985</b>	<b>\$ 130,934</b>	<b>\$ 1,326,259</b>

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$324,202 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$204,650 and U.S. government, state and local debt securities of \$67,373.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2021:

Level 3 Assets	Fiscal 2021
Beginning balance	\$ 140,305
Changes in fair value	(9,371)
<b>Ending Balance</b>	<b>\$ 130,934</b>

## Expected Contributions

Generally, annual contributions are made at such times and in amounts as required by law and may, from time to time, exceed minimum funding requirements. We estimate we will pay approximately \$148,045 in fiscal 2023 related to contributions to our U.S. and non-U.S. defined benefit pension plans and benefit payments related to the unfunded frozen plan for former pre-incorporation partners. We have not determined whether we will make additional voluntary contributions for our defined benefit pension plans. Our postretirement plan contributions in fiscal 2023 are not expected to be material to our Consolidated Financial Statements.

## Estimated Future Benefit Payments

Benefit payments for defined benefit pension plans and postretirement plans, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Plans		Postretirement Plans
	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans
2023	\$ 16,903	\$ 131,852	\$ 14,619
2024	17,680	125,266	16,144
2025	18,599	134,880	17,691
2026	19,408	137,913	19,471
2027	20,125	161,593	21,522
2028-2032	108,580	857,602	140,266

## Defined Contribution Plans

In the United States and certain other countries, we maintain and administer defined contribution plans for certain current, retired and resigned employees. Total expenses recorded for defined contribution plans were \$823,720, \$646,519 and \$557,888 in fiscal 2022, 2021 and 2020, respectively.

## 13. Share-Based Compensation

### Share Incentive Plans

The Amended and Restated Accenture plc 2010 Share Incentive Plan, as amended and approved by our shareholders in 2022 (the “Amended 2010 SIP”), is administered by the Compensation, Culture & People Committee of the Board of Directors of Accenture and provides for the grant of nonqualified share options, incentive stock options, restricted share units and other share-based awards. A maximum of 127,000,000 Accenture plc Class A ordinary shares are currently authorized for awards under the Amended 2010 SIP. As of August 31, 2022, there were 27,381,461 shares available for future grants. Accenture plc Class A ordinary shares covered by awards that terminate, lapse or are cancelled may again be used to satisfy awards under the Amended 2010 SIP. We issue new Accenture plc Class A ordinary shares and shares from treasury for shares delivered under the Amended 2010 SIP.

A summary of information with respect to share-based compensation is as follows:

	Fiscal		
	2022	2021	2020
Total share-based compensation expense included in Net income	\$ 1,679,789	\$ 1,342,951	\$ 1,197,806
Income tax benefit related to share-based compensation included in Net income	680,335	486,980	430,290

### Restricted Share Units

Under the Amended 2010 SIP, participants may be, and previously under the predecessor 2001 Share Incentive Plan were, granted restricted share units, each of which represent an unfunded, unsecured right to receive an Accenture plc Class A ordinary share on the date specified in the participant’s award agreement. The fair value of the awards is based on our stock price on the date of grant. The restricted share units granted under these plans are subject to cliff or graded vesting, generally ranging from two to five years. For awards with graded vesting, compensation expense is recognized over the vesting term of each separately vesting portion. Compensation expense is recognized on a straight-line basis for awards with cliff vesting. Restricted share unit activity during fiscal 2022 is as follows:

	Number of Restricted Share Units	Weighted Average Grant-Date Fair Value
Nonvested balance as of August 31, 2021	16,235,385	\$ 207.26
Granted (1)	6,047,849	387.73
Vested (2)	(6,701,738)	200.46
Forfeited	(994,604)	237.37
<b>Nonvested balance as of August 31, 2022</b>	<b>14,586,892</b>	<b>\$ 283.16</b>

- (1) The weighted average grant-date fair value for restricted share units granted for fiscal 2022, 2021 and 2020 was \$387.73, \$263.83 and \$206.05, respectively.
- (2) The total grant-date fair value of restricted share units vested for fiscal 2022, 2021 and 2020 was \$1,343,403, \$1,156,501 and \$1,066,622, respectively.

As of August 31, 2022, there was \$1,555,736 of total unrecognized restricted share unit compensation expense related to nonvested awards, which is expected to be recognized over a weighted average period of 1.2 years. As of August 31, 2022, there were 255,196 restricted share units vested but not yet delivered as Accenture plc Class A ordinary shares.

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## Employee Share Purchase Plan

### 2010 ESPP

The Amended and Restated Accenture plc 2010 Employee Share Purchase Plan (the “2010 ESPP”) is a nonqualified plan that provides eligible employees of Accenture plc and its designated affiliates with an opportunity to purchase Accenture plc Class A ordinary shares through payroll deductions. Under the 2010 ESPP, eligible employees may purchase Accenture plc Class A ordinary shares through the Employee Share Purchase Plan (the “ESPP”) or the Voluntary Equity Investment Program (the “VEIP”). Under the ESPP, eligible employees may elect to contribute 1% to 10% of their eligible compensation during each semi-annual offering period (up to \$7.5 per offering period) to purchase Accenture plc Class A ordinary shares at a discount. Under the VEIP, eligible members of Accenture Leadership may elect to contribute up to 30% of their eligible compensation towards the monthly purchase of Accenture plc Class A ordinary shares at fair market value. At the end of the VEIP program year, Accenture Leadership participants who did not withdraw from the program will be granted restricted share units under the Amended 2010 SIP equal to 50% of the number of shares purchased during that year and held by the participant as of the grant date.

A maximum of 90,000,000 Accenture plc Class A ordinary shares may be issued under the 2010 ESPP. As of August 31, 2022, we had issued 73,808,772 Accenture plc Class A ordinary shares under the 2010 ESPP. We issued 4,366,262, 4,486,288 and 5,410,497 shares to employees in fiscal 2022, 2021 and 2020, respectively, under the 2010 ESPP.

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## 14. Shareholders' Equity

### Accenture plc

#### Ordinary Shares

We have 40,000 authorized ordinary shares, par value €1 per share. Each ordinary share of Accenture plc entitles its holder to receive payments upon a liquidation of Accenture plc; however a holder of an ordinary share is not entitled to vote on matters submitted to a vote of shareholders of Accenture plc or to receive dividends.

#### Class A Ordinary Shares

An Accenture plc Class A ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. Each Class A ordinary share entitles its holder to a pro rata part of any dividend at the times and in the amounts, if any, which Accenture plc's Board of Directors from time to time determines to declare, subject to any preferred dividend rights attaching to any preferred shares. Each Class A ordinary share is entitled on a winding-up of Accenture plc to be paid a pro rata part of the value of the assets of Accenture plc remaining after payment of its liabilities, subject to any preferred rights on liquidation attaching to any preferred shares.

#### Class X Ordinary Shares

Most of our pre-incorporation partners who received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure received a corresponding number of Accenture plc Class X ordinary shares. An Accenture plc Class X ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. A Class X ordinary share does not entitle its holder to receive dividends, and holders of those shares are not entitled to be paid any amount upon a winding-up of Accenture plc. Accenture plc may redeem, at its option, any Class X ordinary share for a redemption price equal to the par value of the Class X ordinary share. Accenture plc has separately agreed with the original holders of Accenture Canada Holdings Inc. exchangeable shares not to redeem any Class X ordinary share of such holder if the redemption would reduce the number of Class X ordinary shares held by that holder to a number that is less than the number of Accenture Canada Holdings Inc. exchangeable shares owned by that holder, as the case may be. Accenture plc will redeem Class X ordinary shares upon the redemption or exchange of Accenture Canada Holdings Inc. exchangeable shares so that the aggregate number of Class X ordinary shares outstanding at any time does not exceed the aggregate number of Accenture Canada Holdings Inc. exchangeable shares outstanding. Class X ordinary shares are not transferable without the consent of Accenture plc.

### Equity of Subsidiaries Redeemable or Exchangeable for Accenture plc Class A Ordinary Shares

#### Accenture Canada Holdings Inc. Exchangeable Shares

Pre-incorporation partners resident in Canada and New Zealand received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure. Holders of Accenture Canada Holdings



Inc. exchangeable shares may exchange their shares for Accenture plc Class A ordinary shares at any time on a one-for-one basis. We may, at our option, satisfy this exchange with cash at a price per share generally equal to the market price of an Accenture plc Class A ordinary share at the time of the exchange. Each exchangeable share of Accenture Canada Holdings Inc. entitles its holder to receive distributions equal to any distributions to which an Accenture plc Class A ordinary share entitles its holder.

## Share Purchases and Redemptions

The Board of Directors of Accenture plc has authorized funding for our publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares and for purchases and redemptions of Accenture plc Class A ordinary shares and Accenture Canada Holdings Inc. exchangeable shares held by current and former members of Accenture Leadership and their permitted transferees. As of August 31, 2022, our aggregate available authorization was \$3,129,296 for our publicly announced open-market share purchase and these other share purchase programs.

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Our share purchase activity during fiscal 2022 is as follows:

	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares	
	Shares	Amount	Shares	Amount
Open-market share purchases (1)	9,635,751	\$ 3,151,807	—	\$ —
Other share purchase programs	—	—	14,318	5,112
Other purchases (2)	2,545,166	959,459	—	—
<b>Total</b>	<b>12,180,917</b>	<b>\$ 4,111,266</b>	<b>14,318</b>	<b>\$ 5,112</b>

- (1) We conduct a publicly announced open-market share purchase program for Accenture plc Class A ordinary shares. These shares are held as treasury shares by Accenture plc and may be utilized to provide for select employee benefits, such as equity awards to our employees.
- (2) During fiscal 2022, as authorized under our various employee equity share plans, we acquired Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under those plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and the other share purchase programs.

## Dividends

Our dividend activity during fiscal 2022 is as follows:

Dividend Payment Date	Dividend Per Share	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares		Total Cash Outlay
		Record Date	Cash Outlay	Record Date	Cash Outlay	
November 15, 2021	\$ 0.97	October 14, 2021	\$ 612,543	October 12, 2021	\$ 665	\$ 613,208
February 15, 2022	0.97	January 13, 2022	615,926	January 11, 2022	657	616,583
May 13, 2022	0.97	April 14, 2022	613,135	April 12, 2022	650	613,785
August 15, 2022	0.97	July 14, 2022	613,080	July 12, 2022	650	613,730
<b>Total Dividends</b>			<b>\$ 2,454,684</b>		<b>\$ 2,622</b>	<b>\$ 2,457,306</b>

The payment of cash dividends includes the net effect of \$103,502 of additional restricted stock units being issued as a part of our share plans, which resulted in 313,029 restricted share units being issued.

## Subsequent Events

On September 21, 2022, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$1.12 per share on our Class A ordinary shares for shareholders of record at the close of business on October 13, 2022, payable on November 15, 2022.

On September 21, 2022, the Board of Directors of Accenture plc approved \$3,000,000 in additional share repurchase authority, bringing Accenture’s total outstanding authority to \$6,129,296.

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## 15. Commitments and Contingencies

### Indemnifications and Guarantees

In the normal course of business and in conjunction with certain client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. These arrangements with clients can include provisions whereby we have joint and several liability in relation to the performance of certain contractual obligations along with third parties also providing services and products for a specific project. In addition, our consulting arrangements may include warranty provisions that our solutions will substantially operate in accordance with the applicable system requirements. Indemnification provisions are also included in arrangements under which we agree to hold the indemnified party harmless with respect to third-party claims related to such matters as title to assets sold or licensed or certain intellectual property rights.

Typically, we have contractual recourse against third parties for certain payments we made in connection with arrangements where third-party nonperformance has given rise to the client's claim. Payments we made under any of the arrangements described above are generally conditioned on the client making a claim, which may be disputed by us typically under dispute resolution procedures specified in the particular arrangement. The limitations of liability under these arrangements may be expressly limited or may not be expressly specified in terms of time and/or amount.

As of August 31, 2022 and 2021, our aggregate potential liability to our clients for expressly limited guarantees involving the performance of third parties was approximately \$1,349,000 and \$885,000, respectively, of which all but approximately \$49,000 and \$78,000, respectively, may be recovered from the other third parties if we are obligated to make payments to the indemnified parties as a consequence of a performance default by the other third parties. For arrangements with unspecified limitations, we cannot reasonably estimate the aggregate maximum potential liability, as it is inherently difficult to predict the maximum potential amount of such payments, due to the conditional nature and unique facts of each particular arrangement.

As of August 31, 2022 and 2021, we have issued or provided guarantees in the form of letters of credit and surety bonds of \$1,116,298 and \$928,918, respectively, the majority of which support certain contracts that require us to provide them as a guarantee of our performance. These guarantees are typically renewed annually and remain in place until the contractual obligations are satisfied. In general, we would only be liable for these guarantees in the event we defaulted in performing our obligations under each contract, the probability of which we believe is remote.

To date, we have not been required to make any significant payment under any of the arrangements described above. We have assessed the current status of performance/payment risk related to arrangements with limited guarantees, warranty obligations, unspecified limitations, indemnification provisions, letters of credit and surety bonds, and believe that any potential payments would be immaterial to the Consolidated Financial Statements, as a whole.

### Legal Contingencies

As of August 31, 2022, we or our present personnel had been named as a defendant in various litigation matters. We and/or our personnel also from time to time are involved in investigations by various regulatory or legal authorities concerning matters arising in the course of our business around the world. Based on the present status of these

matters, including the putative class action lawsuit discussed below, management believes the range of reasonably possible losses in addition to amounts accrued, net of insurance recoveries, will not have a material effect on our results of operations or financial condition.

On July 24, 2019, Accenture was named in a putative class action lawsuit filed by consumers of Marriott International, Inc. ("Marriott") in the U.S. District Court for the District of Maryland. The complaint alleges negligence by us, and seeks monetary damages, costs and attorneys' fees and other related relief, relating to a data security incident involving unauthorized access to the reservations database of Starwood Worldwide Resorts, Inc. ("Starwood"), which was acquired by Marriott on September 23, 2016. Since 2009, we have provided certain IT infrastructure outsourcing services to Starwood. On October 27, 2020, the court issued an order largely denying Accenture's motion to dismiss the claims against us. On May 3, 2022, the court issued an order granting in part the plaintiffs' motion for class certification, which we are appealing. We continue to believe the lawsuit is without merit and we will vigorously defend it. At present, we do not believe any losses from this matter will have a material effect on our results of operations or financial condition.

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## 16. Segment Reporting

Operating segments are components of an enterprise where separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

Our chief operating decision makers are our Chief Executive Officer and Chief Financial Officer. Our operating segments are managed separately because each operating segment represents a strategic business unit providing consulting and outsourcing services to clients across different industries.

Our three reportable segments are our geographic markets, which are North America, Europe and Growth Markets. Amounts are attributed to geographic markets based on where clients are located. Information regarding our geographic markets is as follows:

<b>Fiscal 2022</b>	<b>North America</b>		<b>Europe</b>		<b>Growth Markets</b>		<b>Total</b>
Revenues	\$	29,121,385	\$	20,263,550	\$	12,209,370	\$ 61,594,305
Depreciation and amortization (1)		484,894		452,825		381,467	1,319,186
Operating income		4,976,890		2,437,313		1,952,978	9,367,181
Net assets as of August 31 (2)		3,981,668		2,331,300		1,127,828	7,440,796
Property & equipment, net		598,116		430,179		630,845	1,659,140
<b>Fiscal 2021</b>							
Revenues	\$	23,701,341	\$	16,749,484	\$	10,082,564	\$ 50,533,389
Depreciation and amortization (1)		379,105		403,802		344,656	1,127,563
Operating income		3,907,883		2,236,462		1,477,184	7,621,529
Net assets as of August 31 (2)		3,141,318		1,564,660		862,755	5,568,733
Property & equipment, net		537,392		455,862		645,851	1,639,105
<b>Fiscal 2020</b>							
Revenues	\$	20,982,253	\$	14,402,142	\$	8,942,644	\$ 44,327,039
Depreciation and amortization (1)		348,761		341,245		332,393	1,022,399
Operating income		3,169,648		1,799,431		1,544,565	6,513,644
Net assets as of August 31 (2)		2,585,659		1,079,904		620,083	4,285,646
Property & equipment, net		499,976		389,968		655,624	1,545,568

- (1) Amounts include depreciation on property and equipment and amortization of intangible assets and deferred contract costs controlled by each reportable segment, as well as an allocation for amounts they do not directly control.
- (2) We do not allocate total assets by reportable segment. Reportable segment assets directly attributable to a reportable segment and provided to the chief operating decision makers include receivables and current and non-current contract assets, deferred contract costs and current and non-current deferred revenues.

The accounting policies of the reportable segments are the same as those described in Note 1 (Summary of Significant Accounting Policies) to these Consolidated Financial Statements.

Our business in the United States represented 45% of our consolidated revenues during fiscal 2022, 2021 and 2020, respectively. No other country individually comprised 10% or more of our consolidated revenues during these periods. Business in Ireland, our country of domicile, represented approximately 1%, 2% and 1% of our consolidated revenues during fiscal 2022, 2021 and 2020, respectively.

---

We conduct business in Ireland and in the following countries that hold 10% or more of our total consolidated Property and equipment, net:

	August 31, 2022	August 31, 2021	August 31, 2020
United States	33 %	27 %	27 %
India	17	17	18
Ireland	6	7	7

Revenues by industry group and type of work are as follows:

	Fiscal		
	2022	2021	2020
<b>Industry Groups (1)</b>			
Communications, Media & Technology	\$ 12,199,797	\$ 9,801,349	\$ 8,312,650
Financial Services	11,810,582	9,932,523	8,518,894
Health & Public Service	11,226,464	9,498,234	8,023,651
Products	18,275,419	14,438,537	12,857,664
Resources	8,082,043	6,862,746	6,614,180
<b>Total</b>	<b>\$ 61,594,305</b>	<b>\$ 50,533,389</b>	<b>\$ 44,327,039</b>
<b>Type of Work</b>			
Consulting	\$ 34,075,856	\$ 27,337,699	\$ 24,227,024
Outsourcing	27,518,449	23,195,690	20,100,015
<b>Total</b>	<b>\$ 61,594,305</b>	<b>\$ 50,533,389</b>	<b>\$ 44,327,039</b>

- (1) Effective June 1, 2022, we revised the reporting of our industry groups for the movement of Aerospace & Defense from Communications, Media & Technology to Products. Prior period amounts have been reclassified to conform with the current period presentation.



## 17. Quarterly Data (unaudited)

<b>Fiscal 2022</b>		<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Annual</b>
Revenues	\$	14,965,153	\$ 15,046,693	\$ 16,158,803	\$ 15,423,656	\$ 61,594,305
Cost of services		10,048,364	10,522,734	10,844,069	10,477,599	41,892,766
Operating income		2,434,294	2,061,580	2,603,118	2,268,189	9,367,181
Net income		1,819,730	1,657,529	1,819,316	1,692,385	6,988,960
Net income attributable to Accenture plc		1,791,024	1,634,942	1,786,075	1,665,128	6,877,169
Weighted average Class A ordinary shares:						
—Basic		632,280,932	633,956,712	632,749,442	632,095,422	632,762,710
—Diluted		644,922,661	644,127,093	641,004,741	640,914,760	642,839,181
Earnings per Class A ordinary share:						
—Basic	\$	2.83	\$ 2.58	\$ 2.82	\$ 2.63	\$ 10.87
—Diluted	\$	2.78	\$ 2.54	\$ 2.79	\$ 2.60	\$ 10.71

<b>Fiscal 2021</b>		<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Annual</b>
Revenues	\$	11,762,185	\$ 12,088,125	\$ 13,263,795	\$ 13,419,284	\$ 50,533,389
Cost of services		7,863,889	8,492,893	8,859,411	8,953,068	34,169,261
Operating income		1,890,669	1,653,515	2,118,656	1,958,689	7,621,529
Net income		1,522,057	1,461,493	1,569,572	1,437,423	5,990,545
Net income attributable to Accenture plc		1,500,276	1,440,859	1,549,426	1,416,248	5,906,809
Weighted average Class A ordinary shares:						
—Basic		634,271,482	635,993,980	635,203,753	633,546,144	634,745,073
—Diluted		646,879,735	646,321,916	645,454,021	645,287,973	645,909,042
Earnings per Class A ordinary share:						
—Basic	\$	2.37	\$ 2.27	\$ 2.44	\$ 2.24	\$ 9.31
—Diluted	\$	2.32	\$ 2.23	\$ 2.40	\$ 2.20	\$ 9.16

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K



Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2021

Commission File Number: 001-34448

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Accenture plc

(Exact name of registrant as specified in its charter)

Ireland

98-0627530

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

1 Grand Canal Square,

Grand Canal Harbour,

Dublin 2, Ireland

(Address of principal executive offices)

(353) (1) 646-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value \$0.0000225 per share	ACN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common equity of the registrant held by non-affiliates of the registrant on February 26, 2021 was approximately \$159,483,888,262 based on the closing price of the registrant's Class A ordinary shares, par value \$0.0000225 per share, reported on the New York Stock Exchange on such date of \$250.90 per share and on the par value of the registrant's Class X ordinary shares, par value \$0.0000225 per share.

The number of shares of the registrant's Class A ordinary shares, par value \$0.0000225 per share, outstanding as of October 1, 2021 was 656,739,486 (which number includes 25,098,784 issued shares held by the registrant). The number of shares of the registrant's Class X ordinary shares, par value \$0.0000225 per share, outstanding as of October 1, 2021 was 512,655.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's Annual General Meeting of Shareholders, to be held on January 26, 2022, will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC not later than 120 days after the registrant's fiscal year ended August 31, 2021.

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# Part I

## Disclosure Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “positioned,” “outlook” and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to, the factors discussed below under the section entitled “Risk Factors.” Our forward-looking statements speak only as of the date of this report or as of the date they are made, and we undertake no obligation to update them, notwithstanding any historical practice of doing so. Forward-looking and other statements in this document may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company’s filings with the Securities and Exchange Commission. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

## Available Information

Our website address is [www.accenture.com](http://www.accenture.com). We use our website as a channel of distribution for company information. We make available free of charge on the Investor Relations section of our website (<http://investor.accenture.com>) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(a) or 15(d) of the Exchange Act. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Business Ethics. Financial and other material information regarding us is routinely posted on and accessible at <http://investor.accenture.com>. We do not intend for information contained in our website to be part of this Annual Report on Form 10-K.

The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Any materials we file with the SEC are available on such Internet site.

In this Annual Report on Form 10-K, we use the terms “Accenture,” “we,” the “Company,” “our” and “us” to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31.

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# Item 1. Business

## Overview

Accenture is a leading global professional services company that helps clients build their digital core, transform their operations, and accelerate revenue growth—creating tangible value across their enterprises at speed and scale. We are uniquely able to create these outcomes because of our broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched industry experience and specialized capabilities, together with our culture of innovation and shared success to serve clients in more than 120 countries.

We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). Our geographic markets bring together capabilities from across the organization in Strategy & Consulting, Interactive, Technology and Operations—infusing digital skills and industry and functional expertise throughout—to deliver value to our clients.

We manage our business through the three geographic markets and go to market by industry, leveraging our deep expertise across our five industry groups—Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. Our integrated service teams meet client needs rapidly and at scale, leveraging our network of more than 100 innovation hubs, our technology expertise and ecosystem relationships, and our global delivery capabilities.

Our revenues for fiscal 2021 were

**\$50.5 billion,**

and we employed more than

**624,000 people**

as of August 31, 2021. Our revenues are derived primarily from Forbes Global 2000 companies, governments and government agencies. We have

**long-term relationships**

and have partnered with

**98 of our top 100 clients**

in fiscal 2021 for

**> 10 years.**

During fiscal 2021, we continued to make significant investments—in strategic acquisitions, in research and development (R&D) in our assets, platforms and industry and functional solutions, and in attracting, retaining and developing people. These investments help us to further enhance our differentiation and competitiveness in the marketplace. Our disciplined acquisition strategy, which is an engine to fuel organic growth, is focused on scaling our business in high-growth areas; adding skills and capabilities in new areas; and deepening our industry and functional expertise. In fiscal 2021, we invested \$4.2 billion across 46 strategic acquisitions, \$1.1 billion in R&D, and \$900 million in learning and professional development. At year-end, we had more than 8,200 patents and pending patent applications worldwide.



## Our Strategy

The core of our growth strategy is delivering 360° value to our clients, our people, our shareholders, our partners and communities. Our strategy defines the areas in which we will drive growth, build differentiation via 360° value and enable our business to create that value every day.

Technology is the single biggest driver of change in companies today. We help our clients use technology to build their digital core to drive enterprise-wide transformation—such as moving them to the cloud, leveraging data and artificial intelligence, and embedding security and sustainability across the enterprise; by transforming their operations—such as through our Operations services and Industry X; and by accelerating their revenue growth—such as through creating new and meaningful experiences through Interactive.

We leverage our scale and global footprint, innovation capabilities, and strong ecosystem partnerships, together with our assets and platforms including MyWizard, MyNav and SynOps, to consistently deliver tangible value for our clients.

We believe our clients need our focus on 360° value, which we define as delivering the financial business case and unique value a client may be seeking, and striving to partner with our clients through our Sustainability Value Promise to achieve greater progress on inclusion and diversity, reskill and upskill our clients' employees, help our clients achieve their sustainability goals, and create meaningful experiences, both with Accenture and for the customers and employees of our clients.

### Key enablers of our growth strategy include:

**Our People**—As a talent- and innovation-led organization, across our entire business our people have highly specialized skills that drive our differentiation and competitiveness. We care deeply for our people, and are committed to a culture of shared success, to investing in our people to provide them with boundaryless opportunities to learn and grow in their careers through their work experience and continued development, training and reskilling, and to helping them achieve their aspirations both professionally and personally. We have an unwavering commitment to inclusion and diversity;

**Our Commitment**—We are a purpose-driven company, committed to **delivering on the promise of technology and human ingenuity** by continuously innovating and developing leading-edge ideas and leveraging emerging technologies in anticipation of our clients' needs. Our culture is underpinned by our core values and Code of Business Ethics, which are key drivers of the trust our clients and partners place in us; and

**Our Foundation**—Our growth model, which leverages our global sales and client experience, enables us to be close to our clients, people and partners to scale efficiently. Our enduring shareholder value creation model also is a key element of the foundation that enables us to execute on our growth strategy through the financial value it creates.

## Geographic Markets

Our geographic markets, North America, Europe and Growth Markets, bring together integrated service teams, which typically consist of industry and functional experts, technology and capability specialists and professionals with local market knowledge and experience, to meet client needs. The geographic markets have primary responsibility for building and sustaining long-term client relationships; bringing together our expertise and collaborating with the other parts of our business to sell and deliver our full range of services and capabilities; ensuring client satisfaction; and achieving revenue and profitability objectives.

While we serve clients in locally relevant ways, our global footprint and scale in every major country give us the ability to leverage our experience and people from around the world to accelerate outcomes for our clients.

Our three geographic markets are our reporting segments. The percent of our revenues represented by each market is shown at right.

**Percent of Fiscal 2021 Revenue**  
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## Services

### Strategy & Consulting

Strategy & Consulting works with C-suite executives and boards of the world's leading organizations, helping them accelerate their digital transformation to enhance competitiveness, grow profitability and deliver sustainable stakeholder value. We use our deep industry and functional expertise underpinned by technology, data, analytics, artificial intelligence, and innovation to help clients capture more growth and solve a diverse set of business challenges, including identifying and developing new markets, products and services; improving sales and customer experience; optimizing cost structures; maximizing human performance; harnessing data to improve decision-making; mitigating risk and enhancing security; implementing modern change management programs; shaping and delivering value from large-scale cloud migrations; building more resilient supply chains; and digitizing manufacturing and operations with smart, connected products and platforms.

### Interactive

Interactive combines creativity and technology to deliver meaningful experiences that drive sustainable growth and value for our clients. Our capabilities span ideation to execution: growth, product and culture design; technology and experience platforms; creative, media and marketing strategy; and campaign, content and channel orchestration. With strong client relationships and deep industry and function expertise, we are uniquely positioned to design, build, communicate and run experiences, reimagining the entire journey for customers, employees, patients and citizens alike. We embed this focus on experience across our services.

### Technology

Technology provides innovative and comprehensive services and solutions that span cloud; systems integration and application management; security; intelligent platform services; infrastructure services; software engineering services; data and artificial intelligence; and global delivery through our Advanced Technology Centers. We continuously innovate our services, capabilities and platforms through early adoption of new technologies such as blockchain, robotics, 5G, quantum computing and Edge computing. We provide a powerful range of capabilities that addresses the challenges faced by organizations today, including how to manage change and develop new growth opportunities.

Technology also includes the innovation and R&D activities in our Labs and our investments in emerging technologies through Accenture Ventures. Our innovation hubs around the world help clients innovate at unmatched speed, scope and scale. We have strong relationships with the world's leading technology companies, as well as emerging start-ups, which enable us to enhance our service offerings, augment our capabilities and deliver distinctive business value to our clients. Our strong ecosystem relationships provide a significant competitive advantage, and we are a key partner of a broad range of technology providers, including Adobe, Alibaba, Amazon Web Services, Blue Yonder, Cisco, Dell, Google, HPE, IBM RedHat, Microsoft, Oracle, Pegasystems, Salesforce, SAP, ServiceNow, VMware, Workday and many others. We push the boundaries of what technology can enable and help clients get the most value and best capabilities out of platforms.

### Operations

We operate business processes on behalf of clients for specific enterprise functions, including finance and accounting, sourcing and procurement, supply chain, marketing and sales, as well as industry-specific services, such as platform trust and safety, banking, insurance and health services. We help organizations to reinvent themselves through intelligent operations, enabled by SynOps, our human-machine platform, powered by data and analytics, artificial intelligence, digital technology and exceptional people to provide tangible business outcomes at speed and scale, including improved productivity and customer experiences as well as sustained long-term growth.

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## Industry Groups

One of our competitive advantages is the depth and breadth of our industry expertise. Our industry focus gives us an understanding of industry evolution, business issues and new and emerging technologies, enabling us to deliver innovative solutions tailored to each client. It also allows us to bring cross-industry insights to our clients to accelerate value creation. Our industry experience and capabilities are organized in the following five industry groups.

### Communications, Media & Technology

FY21 Revenues of \$10.3B

Communications & Media	High Tech	Software & Platforms
<b>Clients Served</b>		
Wireline, wireless, broadcast, entertainment, print, publishing, cable and satellite communications service providers	Enterprise technology, network equipment, semiconductor, consumer technology, aerospace & defense, and medical equipment companies	Cloud-based enterprise and consumer software companies; and social, commerce, content, advertising and gaming platform companies
<b>Percent of Group's FY21 Revenue</b>		
<b>43%</b>	<b>20%</b>	<b>37%</b>

### Financial Services

FY21 Revenues of \$9.9B

Banking & Capital Markets	Insurance
<b>Clients Served</b>	
Retail and commercial banks, mortgage lenders, payment providers, corporate and investment banks, private equity firms, market infrastructure providers, wealth and asset management firms, broker/dealers, depositories, exchanges, clearing and settlement organizations, and other diversified financial enterprises	Property and casualty, life and annuities and group benefits insurers, reinsurance firms and insurance brokers
<b>Percent of Group's FY21 Revenue</b>	
<b>69%</b>	<b>31%</b>

### Health & Public Service

FY21 Revenues of \$9.5B

Health	Public Service
<b>Clients Served</b>	
Healthcare providers, such as hospitals, public health systems, policy-making authorities, health insurers (payers), and industry organizations and associations	Defense departments and military forces; public safety authorities; justice departments; human and social services agencies; educational institutions; non-profit organizations; cities; and postal, customs, revenue and tax agencies
<b>Percent of Group's FY21 Revenue</b>	
<b>34%</b>	<b>66%</b>

Our work with clients in the U.S. federal government is delivered through Accenture Federal Services, a U.S. company and a wholly owned subsidiary of Accenture LLP, and represented approximately 32% of our Health & Public Service industry group's revenues and 13% of our North America revenues in fiscal 2021.

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## Products

### FY21 Revenues of \$14.0B

Consumer Goods, Retail & Travel Services	Industrial	Life Sciences
<b>Clients Served</b>		
Food and beverage, household goods, personal care, tobacco, fashion/apparel, agribusiness and consumer health companies; supermarkets, hardline retailers, mass-merchandise discounters, department stores and specialty retailers; aviation; and hospitality and travel services companies	Industrial & electrical equipment manufacturers and industrial suppliers; and construction, heavy equipment, consumer durables, engineering services, real estate, business services, freight & logistics, and automotive and public transportation companies	Biopharmaceutical, medical technology, and biotechnology companies and distributors
<b>Percent of Group's FY21 Revenue</b>		
<b>51%</b>	<b>25%</b>	<b>23%</b>

Amounts do not total due to rounding.

## Resources

### FY21 Revenues of \$6.9B

Chemicals & Natural Resources	Energy	Utilities
<b>Clients Served</b>		
Petrochemicals, specialty chemicals, polymers and plastics, gases and agricultural chemicals companies, as well as the metals, mining, forest products and building materials industries	Companies in the oil and gas industry, including upstream, midstream, downstream, oilfield services, clean energy and energy trading companies	Electric, gas and water utilities; new energy providers
<b>Percent of Group's FY21 Revenue</b>		
<b>28%</b>	<b>24%</b>	<b>47%</b>

Amounts do not total due to rounding.

## People

### Overview

We are a talent- and innovation-led organization with over 624,000 people as of August 31, 2021, whose skills and specialization are a significant source of competitive differentiation. We serve clients at any given time in more than 120 countries, with offices and operations in 50 countries. The majority of our people are in India, the Philippines and the U.S. We have a culture of shared success, which is defined as success for our clients, our people, our shareholders, our partners and our communities. That culture is built upon four tangible building blocks—our beliefs, our behaviors, the way we develop and reward our people and the way we do business.

### Our Beliefs and Behaviors

Our leadership essentials set the standard for what we expect of all our people:

- **always do the right thing**, in every decision and action;
  - **lead with excellence, confidence and humility**, as demonstrated by being a learner, building great teams and being naturally collaborative;
  - **exemplify client-centricity** and a commitment to client value creation;
  - **act as a true partner**, to each other, our clients, our ecosystem and our communities;
  - **care deeply for all our people** to help them achieve their aspirations professionally and personally;
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- **live our unwavering commitment to inclusion, diversity and equality**, as demonstrated by personal impact and overall results;
- **have the courage to change** and the ability to bring our people along the journey; and
- **actively innovate**—looking across Accenture, at what we are doing for clients and externally to partners, competitors, start-ups, clients, academia and analysts—to learn, respectfully challenge our assumptions and apply the innovation, and cultivate and reward our people for doing the same.

Listening to the voices of our people provides the input to ensure that they have the tools and resources to do their jobs and the right learning opportunities, and that they experience a positive, respectful and inclusive work environment. We do this on an ongoing basis across various channels, including surveys and forums. One of our surveys, our Conduct Counts Survey, which measures how our people experience our culture, shows that 87% of our global respondents believe they can work to their potential because they are in an environment where they are treated with respect and in an appropriate manner.

Our commitment to inclusion and diversity unleashes innovation and we believe creates an environment where all of our people have an opportunity to feel they belong, advance and thrive. In connection with our priorities around inclusion and diversity, we set goals, share them publicly, collect data to continuously improve and hold our leaders accountable. We now have more than 275,000 women, representing 46% of our workforce, which is tracking well against our goal of 50% by 2025. And, after achieving our goal of 25% women managing directors by the end of fiscal year 2020, we set a new goal of 30% by 2025. We are also making progress against our 2025 race and ethnicity goals in the U.S., the U.K. and South Africa, which we announced in 2020.

Through the entire talent lifecycle, we are committed to being inclusive and diverse—from discovering, to hiring, to developing and advancing our people. This commitment extends to equal pay. Pay equity at Accenture means that our people receive pay that is fair and consistent when considering similarity of work, location and tenure at career level. We conduct an annual pay equity review, and our last review was conducted in February 2021. As of February 1, 2021, we have dollar-for-dollar, 100% pay equity for women compared to men in every country where we operate. By race and ethnicity, we likewise have dollar-for-dollar, 100% pay equity in countries where we collect this data (the U.S., the U.K. and South Africa).

## The Way We Develop and Reward Our People

We invested \$900 million in continuous learning and development so our people remain highly relevant. With our digital learning platform, Accenture Connected Learning, we delivered over 31 million training hours, an increase of 43% compared with fiscal 2020, with an average of approximately 60 hours of training per person.

We promoted more than 120,000 people in fiscal 2021. In addition, we paid a one-time bonus to all of our people below managing director to recognize their contributions and dedication to our clients during the COVID-19 pandemic.

We balance our supply of skills with changes in client demand. We do this through adjusting hiring and managing our attrition (both voluntary and involuntary). In fiscal 2021, we increased our workforce by approximately 118,000 people. For fiscal 2021, attrition, excluding involuntary terminations, was 14%, up from 12% in fiscal 2020. For the fourth quarter of fiscal 2021, annualized attrition, excluding involuntary terminations, was 19% up from 17% in the third quarter of fiscal 2021.

Accenture's total rewards consist of cash compensation, equity and a wide range of benefits. Our total rewards program is designed to recognize our people's skills, contributions and career progression. Base salary, bonus and equity are tailored to the market where our people work and live. Certain rewards, like equity and bonuses, are opportunities for our people to share in the overall success of our company. As our people advance in their careers, they have greater opportunities to be rewarded.

## **The Way We Do Business**

At Accenture, our people care deeply about doing the right thing. Together, we have proven that we can succeed—providing value to our clients and shareholders and opportunities for our people—while being a powerful force for good. Our shared commitment to operating with the highest ethical standards and making a positive difference in everything we do is what makes Accenture special. We believe in transparency, that transparency builds trust, and that we must earn the trust of our clients, our people, our partners and our communities each and every day.

Our Code of Business Ethics is organized into six fundamental behaviors: Make Your Conduct Count; Comply with Laws; Deliver for Our Clients; Protect People, Information and Our Business; Run Our Business Responsibly; and Be a Good Corporate Citizen. It applies to all our people—regardless of their title or location. With our Code of Business Ethics, we want to help our people make ethical behavior a natural part of what we do every day—with each other, our clients, our partners and our communities.

## **Our Health, Safety and Well-Being**

We are committed to creating a place where people can be successful both professionally and personally. We take a holistic view of well-being—including physical, mental, emotional and financial well-being—providing specially defined programs and

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practices to support this holistic view.

In FY21, as it relates to COVID-19, we have supported our people with the expansion of critical programs, including, in many countries, 24/7 telemedicine, care-at-home services, proctored distance learning for school-aged children, virtual childcare, enhanced insurance coverage, mental health support and testing and vaccination services. The pandemic has negatively affected many people's mental health around the globe. We used new digital tools and initiatives to help employees cope with the demands and stresses of the compounding crises, and to strengthen their mental resilience. Those programs include access to in-person and virtual counseling and support, to digital tools like Calm and Wysa, to our Mental Health Ally program and to our many Thrive Global programs—Thriving Together, Thrive Reset and Thriving Mind—which have collectively been completed by over 152,000 of our people and bring science-based solutions to lower stress, enhance well-being and productivity, and build resilience and belonging.

To promote health and safety and to reduce the risk of COVID-19 transmission, we actively connected our people and their families to effective testing in multiple ways—home testing kits, in office testing, and through pharmacies close to where they live. We have administered vaccinations in ten countries, including the U.S., India and the Philippines, through Accenture-hosted or organized onsite events and clinics. We have also provided paid time off for all our people to receive their full vaccine course, as well as their eligible dependents.

## Environmental Sustainability

For more than a decade, we have continually set challenging environmental goals for ourselves, innovating our approach to environmental sustainability and making strategic investments. In alignment with the Paris Climate Agreement, we've pledged to do our part to keep global warming below 1.5° Celsius by joining the more than 400 companies that have signed the UN Global Compact's Business Ambition for 1.5° Pledge to date. We have also pledged to achieve net-zero emissions by 2025, move to zero waste and plan for water risk.

As a professional services company, the most significant aspects of our environmental footprint are the greenhouse gas emissions related to electricity used in our locations and travel. To meet our commitment to achieve net-zero emissions by 2025:

- we plan to meet our office energy needs with 100% renewable electricity by 2023—in September 2021, we announced that we had reached 50% renewable electricity—and equip our people to make climate smart travel decisions;
- we will require 90% of our key suppliers to disclose their environmental targets and actions being taken to reduce emissions by 2025; and
- to address remaining emissions, we are investing in nature-based carbon removal solutions that will directly remove carbon from the atmosphere.

To move towards zero waste, we will reuse or recycle 100% of our e-waste, such as computers and servers, as well as all of our office furniture, by 2025, and post-pandemic we have committed to eliminating single-use plastics in our locations.

To plan for water risk, we are developing plans to reduce the impact of flooding, drought and water scarcity on our business and our people in high-risk areas.

## Global Delivery Capability

A key differentiator is our global delivery capability, powered by the world's largest network of Advanced Technology and Intelligent Operations Centers. This allows us to bring the right people at the right time to our clients from anywhere in the world—both in physical and virtual working environments—a capability that is particularly crucial as

business needs and conditions change rapidly. Our global approach provides scalable innovation; standardized processes, methods and tools; automation and artificial intelligence; industry expertise and specialized capabilities; cost advantages; foreign language fluency; proximity to clients; and time zone advantages—to deliver high-quality solutions. Emphasizing quality, productivity, reduced risk, speed to market and predictability, our global delivery model supports all parts of our business to provide clients with price-competitive services and solutions.

## Innovation and Intellectual Property

We are committed to developing leading-edge ideas and leveraging emerging technologies and we see innovation as a source of competitive advantage. We use our investment in R&D—on which we spent \$1.1 billion, \$871 million, and \$800 million in fiscal 2021, 2020 and 2019, respectively—to help clients address new realities in the marketplace and to face the future with confidence.

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Our innovation experts work with clients across the world to imagine their future, build and co-create innovative business strategies and technology solutions, and then scale those solutions to sustain innovation. We harness our unique intellectual property to deliver these innovation services.

We leverage patent, trade secret and copyright laws as well as contractual arrangements and confidentiality procedures to protect the intellectual property in our innovative services and solutions. These include our proprietary platforms, software, reusable knowledge capital, and other innovations. We also have policies to respect the intellectual property rights of third parties, such as our clients, partners, vendors and others. As of August 31, 2021, we had a portfolio of more than 8,200 patents and pending patent applications worldwide.

We believe our combination of people, assets and capabilities, including our global network of more than 100 innovation hubs, makes Accenture one of the leading strategic innovation partners for our clients. We have deep expertise in innovation consulting including strategy, culture change and building new business models through to long-term technology innovation, which creates the products and markets of the future.

This is all supported by our Innovation Architecture, which includes Accenture Research, Accenture Ventures and Accenture Labs as well as our Studios, Innovation Centers and Delivery Centers. Our research and thought leadership teams help identify market, technology and industry trends. Accenture Ventures partners with and invests in growth-stage companies that create innovative enterprise technologies. Accenture Labs incubate and prototype new concepts through applied research and development projects. Within this, the Technology Incubation Group incubates and applies emerging technology innovation to business architectures, including blockchain, extended reality and quantum.

To protect Accenture's brands, we rely on intellectual property laws and trademark registrations held around the world. Trademarks appearing in this report are the trademarks or registered trademarks of Accenture Global Services Limited, Accenture Global Solutions Limited, or third parties, as applicable.

## Competition

Accenture operates in a highly competitive and rapidly changing global marketplace. We compete with a variety of organizations that offer services and solutions competitive with those we offer—but we believe no other company offers the full range of services at scale that Accenture does, which uniquely positions us in a highly competitive market. Our clients typically retain us on a non-exclusive basis.

Our competitors include large multinational IT service providers, including the services arms of large global technology providers; off-shore IT service providers in lower-cost locations, particularly in India; accounting firms and consultancies that provide consulting and other IT services and solutions; solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agencies, engineering services providers and technology start-ups; and in-house IT departments of large corporations that use their own resources rather than engage an outside firm.

We believe Accenture competes successfully in the marketplace because:

- **We are focused on delivering 360° value**, which we define as the financial business case and unique value a client may be seeking, and striving to partner with our clients to achieve greater progress on inclusion and diversity, reskill our clients' employees, help our clients achieve their sustainability goals, and create meaningful experiences, both with Accenture and for the customers and employees of our clients;
- **We are a trusted partner** with long-term client relationships and a proven track record for delivering on large, complex programs that drive tangible value;

- **We provide a broad range of services with our unique approach to bring integrated service teams at scale** and have a significant presence in every major geographic market, enabling us to leverage our global expertise in a local context and deliver tangible value;
  - **We have deep industry and cross-industry expertise**, which enable us to accelerate value as clients transform their products, customer experiences and business operations;
  - **Our industry-leading Innovation Architecture**—including Accenture Research, Accenture Ventures and Accenture Labs as well as our Studios, Innovation Centers and Delivery Centers—reflects our commitment to continuous innovation and enables us to rapidly identify, incubate, and scale emerging technology solutions for our clients;
  - **The breadth and scale of our technology capabilities**, combined with our strong relationships with our technology ecosystem partners, enable us to help clients transform and re-platform in a sustainable way at speed; and
  - **Our goal is to recruit the most talented people** in our markets, and we have an unwavering commitment to inclusion and diversity, which creates an environment that unleashes innovation, and a world-class learning organization that helps us continuously invest in the development of our people.
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## Information About Our Executive Officers

Our executive officers as of October 15, 2021 are as follows:

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**Gianfranco Casati**, 62, became our chief executive officer—Growth Markets in January 2014. From September 2006 to January 2014, he served as our group chief executive—Products. From April 2002 to September 2006, Mr. Casati was managing director of the Products Europe operating unit. He also served as our country managing director for Italy and as chairman of our geographic council in its IGEM (Italy, Greece, emerging markets) region, supervising our offices in Italy, Greece and several Eastern European countries. Mr. Casati has been with Accenture for 37 years.

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**Richard P. Clark**, 60, became our chief transformation officer, business enablement in September 2021 and has served as our chief accounting officer since September 2013. Mr. Clark also served as our corporate controller from September 2010 to September 2021. Prior to that, Mr. Clark served as our senior managing director of investor relations from September 2006 to September 2010. Previously, he served as our finance director—Communications, Media & Technology from July 2001 to September 2006, and as our finance director—Resources from 1998 to July 2001. Mr. Clark has been with Accenture for 38 years.

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**Jo Deblaere**, 59, became our chief operating officer in September 2009. Mr. Deblaere also served as our chief executive—Europe from January 2014 to February 2020. From September 2006 to September 2009, Mr. Deblaere served as our chief operating officer—Outsourcing. Prior to that, from September 2005 to September 2006, he led our global network of business process outsourcing delivery centers. From September 2000 to September 2005, he had overall responsibility for work with public-sector clients in Western Europe. Mr. Deblaere has been with Accenture for 36 years.

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**Jimmy Etheredge**, 58, became our chief executive officer—North America in September 2019. From December 2016 to September 2019, Mr. Etheredge served as senior managing director—U.S. Southeast, responsible for our business in 10 states, including the key markets of Atlanta, Charlotte and Washington, D.C. Previously, he served as senior managing director—Products in North America from 2011 until December 2016. Mr. Etheredge has been with Accenture for 36 years.

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**KC McClure**, 56, became our chief financial officer in January 2019. From June 2018 to January 2019, she served as managing director—Finance Operations, where she led our finance operations across the entirety of our businesses. From December 2016 to May 2018, she served as our finance director—Communications, Media & Technology. Prior to assuming that role, she served as our head of investor relations from September 2010 to November 2016, and from March 2002 to August 2010, she served as our finance director—Health & Public Service. Ms. McClure has been with Accenture for 33 years.

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**Ellyn J. Shook**, 58, became our chief leadership officer in December 2015 and has also served as our chief human resources officer since March 2014. From 2012 to March 2014, Ms. Shook was our senior managing director—Human Resources and head of our Human Resources Centers of Expertise. From 2004 to 2011, she served as the global human resources lead for career management, performance management, total rewards, employee engagement and mergers and acquisitions. Ms. Shook has been with Accenture for 33 years.

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**Julie Sweet**, 54, became chair of our Board of Directors in September 2021 and has served as our chief executive officer since September 2019. From June 2015 to September 2019, she served as our chief executive officer—North America. From March 2010 to June 2015, she served as our general counsel, secretary and chief compliance officer. Prior to joining Accenture in 2010, Ms. Sweet was a partner for 10 years in the law firm Cravath, Swaine & Moore LLP, which she joined as an associate in 1992. Ms. Sweet has been with Accenture for 11 years and has served as a director since September 2019.

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**Joel Unruch**, 43, became our general counsel in September 2019 and has served as our corporate secretary since June 2015. Mr. Unruch also served as our chief compliance officer from September 2019 to January 2020. Mr. Unruch joined Accenture in 2011 as our assistant general counsel and assistant secretary and also oversaw ventures & acquisitions and alliances & ecosystems practices for our legal group. Prior to joining Accenture, Mr. Unruch was corporate counsel at Amazon.com and previously an associate in the corporate department of the law firm Cravath, Swaine & Moore LLP. Mr. Unruch has been with Accenture for 10 years.

## Organizational Structure

Accenture plc was incorporated in Ireland on June 10, 2009 as a public limited company. We operate our business through subsidiaries of Accenture plc.

The Consolidated Financial Statements reflect the ownership interests in Accenture Canada Holdings Inc. held by certain current and former members of Accenture Leadership as noncontrolling interests. The noncontrolling ownership interests percentage was less than 1% as of August 31, 2021. “Accenture Leadership” is comprised of members of our global management committee (our primary management and leadership team, which consists of approximately 50 of our most senior leaders), senior managing directors and managing directors.

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## Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability) and/or stock price. Our business is also subject to general risks and uncertainties that may broadly affect companies, including us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could materially adversely affect our business, financial condition, results of operations and/or stock price. Risks in this section are grouped in the following categories: (1) Business Risks; (2) Financial Risks; (3) Operational Risks; and (4) Legal and Regulatory Risks. Many risks affect more than one category, and the risks are not in order of significance or probability of occurrence because they have been grouped by categories.

### Business Risks

**The COVID-19 pandemic has impacted our business and operations, and the extent to which it will continue to do so and its impact on our future financial results are uncertain.**

The COVID-19 pandemic and the actions taken by governments, businesses and individuals in response to the pandemic have adversely impacted our operations and could in the future materially adversely impact our business, operations and financial results.

The extent to which the coronavirus pandemic will continue to impact our business, operations and financial results will depend on numerous evolving factors that are difficult to accurately predict, including: the duration and scope of the pandemic; the emergence and virulence of new variants, which may cause and impact the severity of additional outbreaks; how quickly and to what extent normal economic activity resumes; the availability and effectiveness of vaccines and treatments for COVID-19 globally; vaccination against COVID-19 as a condition of employment, as we have required in the U.S., or as a condition of entry to our or our clients' offices; government, business and individuals' actions in response to the pandemic; the impact on our ability to innovate; and the effect on our clients and client demand for our services and solutions.

The closures of our and our clients' offices, and restrictions inhibiting our people's ability to access those offices, disrupted our business and operations and may do so again in the future. In addition, our employees continue to face challenges in their well-being, given the additional financial, family and health burdens that many employees have experienced and could continue to experience because of the pandemic that may negatively impact our people's mental and physical health, engagement and retention.

Any of these events could cause, contribute to or magnify the other risks and uncertainties enumerated below and could materially adversely affect our business, financial condition, results of operations and/or stock price.

**Our results of operations have been, and may in the future be, adversely affected by volatile, negative or uncertain economic and political conditions and the effects of these conditions on our clients' businesses and levels of business activity.**

Global macroeconomic and geopolitical conditions affect our clients' businesses and the markets they serve. Volatile, negative and uncertain economic and political conditions have in the past undermined and could in the future

undermine business confidence in our significant markets and other markets, which are increasingly interdependent, causing our clients to reduce or defer their spending on new initiatives and technologies, and resulting in clients reducing, delaying or eliminating spending under existing contracts with us, which negatively affects our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time. Because we operate globally and have significant businesses in many markets, an economic slowdown in any of those markets could adversely affect our results of operations.

Ongoing economic and political volatility and uncertainty and changing demand patterns affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans, particularly in consulting. Economic and political volatility and uncertainty is particularly challenging because

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it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest themselves in our business and results of operations. Changing demand patterns from economic and political volatility and uncertainty, including as a result of the COVID-19 pandemic, changes in global trade policies, increasing geopolitical tensions and trends such as populism and economic nationalism and their impact on us, our clients and the industries we serve, could continue to have a significant negative impact on our results of operations.

**Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, including through the adaptation and expansion of our services and solutions in response to ongoing changes in technology and offerings, and a significant reduction in such demand or an inability to respond to the evolving technological environment could materially affect our results of operations.**

Our revenue and profitability depend on the demand for our services and solutions with favorable margins, which could be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. As described above, volatile, negative or uncertain global economic and political conditions and lower growth or contraction in the markets we serve have adversely affected and could in the future adversely affect client demand for our services and solutions. Our success depends, in part, on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and offerings to serve the evolving needs of our clients. Examples of areas of significant change include digital-, cloud- and security-related offerings, which are continually evolving, as well as developments in areas such as artificial intelligence, augmented reality, automation, blockchain, Internet of Things, quantum and Edge computing, infrastructure and network engineering, intelligent connected products, digital engineering and manufacturing, and as-a-service solutions. As we expand our services and solutions into these new areas, we may be exposed to operational, legal, regulatory, ethical, technological and other risks specific to such new areas, which may negatively affect our reputation and demand for our services and solutions.

Technological developments may materially affect the cost and use of technology by our clients and, in the case of cloud and as-a-service solutions, could affect the nature of how we generate revenue. Some of these technological developments have reduced and replaced some of our historical services and solutions and may continue to do so in the future. This has caused, and may in the future cause, clients to delay spending under existing contracts and engagements and to delay entering into new contracts while they evaluate new technologies. Such technological developments and spending delays can negatively impact our results of operations if we are unable to introduce new pricing or commercial models that reflect the value of these technological developments or if the pace and level of spending on new technologies are not sufficient to make up any shortfall.

Developments in the industries we serve, which may be rapid, also could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries we serve, our clients demand new services and solutions, we may be less competitive in these new areas or need to make significant investment to meet that demand. Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. If we do not sufficiently invest in new technology and adapt to industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and to execute on our growth strategy could be adversely affected.

We operate in a rapidly evolving environment in which there currently are, and we expect will continue to be, new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings less differentiated or less competitive when compared to other alternatives, which may adversely affect our results of operations. In addition, companies in the industries we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for the services and solutions we offer, we may lose work from that



client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation. In a particular geographic market, service or industry group, a small number of clients have contributed, or may, in the future contribute, a significant portion of the revenues of such geographic market, service or industry group, and any decision by such a client to delay, reduce, or eliminate spending on our services and solutions could have a disproportionate impact on the results of operations in the relevant geographic market, service or industry group.

Many of our consulting contracts are less than 12 months in duration, and these contracts typically permit a client to terminate the agreement with as little as 30 days' notice. Longer-term, larger and more complex contracts, such as the majority of our outsourcing contracts, generally require a longer notice period for termination and often include an early termination charge to be paid to us, but this charge might not be sufficient to cover our costs or make up for anticipated ongoing revenues and profits lost upon termination of the contract. Many of our contracts allow clients to terminate, delay, reduce or eliminate spending on the services and solutions we provide. Additionally, a client could choose not to retain us for additional stages of a project, try to renegotiate the terms of its contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the

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level of revenues lost. Consequently, our results of operations in subsequent periods could be materially lower than expected. The specific business or financial condition of a client, changes in management and changes in a client's strategy are also all factors that can result in terminations, cancellations or delays.

**If we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected.**

Our success is dependent, in large part, on our ability to keep our supply of market-leading skills and capabilities in balance with client demand around the world and our ability to attract and retain personnel with the knowledge and skills to lead our business globally. We must hire or reskill, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients across the globe, respond quickly to rapid and ongoing changes in demand, technology, industry and the macroeconomic environment, and continuously innovate to grow our business. For example, if we are unable to hire or retrain our employees to keep pace with the rapid and continuous changes in technology and the industries we serve, we may not be able to innovate and deliver new services and solutions to fulfill client demand. There is competition for scarce talent with market-leading skills and capabilities in new technologies, and our competitors have directly targeted our employees with these highly sought-after skills and will likely continue to do so. As a result, we may be unable to cost-effectively hire and retain employees with these market-leading skills, which may cause us to incur increased costs, or be unable to fulfill client demand for our services and solutions.

We are particularly dependent on retaining members of Accenture Leadership with critical capabilities. If we are unable to do so, our ability to innovate, generate new business opportunities and effectively lead large and complex transformations and client relationships could be jeopardized. We depend on identifying, developing and retaining top talent to innovate and lead our businesses. This includes developing talent and leadership capabilities in emerging markets, where the depth of skilled employees may be limited. Our ability to expand in our key markets depends, in large part, on our ability to attract, develop, retain and integrate both leaders for the local business and people with critical capabilities.

Similarly, our profitability depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. The costs associated with recruiting and training employees are significant. If we are unable to effectively deploy our employees globally and remotely on a timely basis to fulfill the needs of our clients, our profitability could suffer. If our utilization rate is too low, our profitability and the engagement of our employees could suffer. If the utilization rate of our professionals is too high, it could have an adverse effect on employee engagement and attrition, the quality of the work performed as well as our ability to staff projects.

Our equity-based incentive compensation plans are designed to reward high-performing individuals for their contributions and provide incentives for them to remain with us. If the anticipated value of such incentives does not materialize because of volatility or lack of positive performance in our stock price, or if our total compensation package is not viewed as being competitive, our ability to attract and retain the personnel we need could be adversely affected. In addition, if we do not obtain the shareholder approval needed to continue granting equity awards under our share plans in the amounts we believe are necessary, our ability to attract and retain personnel could be negatively affected.

There is a risk that at certain points in time, we may have more personnel than we need in certain skill sets or geographies or at compensation levels that are not aligned with skill sets. In these situations, we have engaged, and may in the future engage, in actions to rebalance our resources, including reducing the rate of new hires and increasing involuntary terminations as a means to keep our supply of skills and resources in balance with client demand. At certain times and in certain geographical regions, we will find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and/or future demand. In these cases, we might

need to redeploy existing personnel or increase our reliance on subcontractors to fill certain labor needs, and if not done effectively, our profitability could be negatively impacted. Additionally, as demand for our services and solutions has escalated at a high rate, to hire and retain people with the skills necessary to meet demand we have and may continue to adjust compensation, which puts upward pressure on our costs and may adversely affect our profitability if we are unable to recover these increased costs. If we are not successful in these initiatives, our results of operations could be adversely affected.

**We face legal, reputational and financial risks from any failure to protect client and/or Accenture data from security incidents or cyberattacks.**

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations around the world and with our people, clients, alliance partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud-based services, and as more of our employees are working remotely during the coronavirus pandemic, the risk of security incidents and cyberattacks has increased. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our clients, alliance partners and

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vendors, and unauthorized disclosure of sensitive or confidential information, including personal data and proprietary business information. In the past, we have experienced, and in the future, we may again experience, data security incidents resulting from unauthorized access to our and our service providers' systems and unauthorized acquisition of our data and our clients' data including: inadvertent disclosure, misconfiguration of systems, phishing ransomware or malware attacks. For example, as previously reported, during the fourth quarter of fiscal 2021, we identified irregular activity in one of our environments, which included the extraction of proprietary information by a third party, some of which was made available to the public by the third party. In addition, our clients have experienced, and may in the future experience, breaches of systems and cloud-based services enabled by or provided by us. To date these incidents have not had a material impact on our or our clients' operations; however, there is no assurance that such impacts will not be material in the future, and such incidents have in the past and may in the future have the impacts discussed below.

In providing services and solutions to clients, we often manage, utilize and store sensitive or confidential client or Accenture data, including personal data and proprietary information, and we expect these activities to increase, including through the use of artificial intelligence, the Internet of Things and analytics. Unauthorized disclosure of, denial of access to, or other incidents involving sensitive or confidential client, vendor, alliance partner or Accenture data, whether through systems failure, employee negligence, fraud, misappropriation, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could damage our reputation and our competitive positioning in the marketplace, disrupt our or our clients' business, cause us to lose clients and result in significant financial exposure and legal liability. Similarly, unauthorized access to or through, denial of access to, or other incidents involving, our software and IT supply chain or software-as-a-service providers, our or our service providers' information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and/or state-sponsored organizations, who continuously develop and deploy viruses, ransomware, malware or other malicious software programs or social engineering attacks, has and could in the future result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations — see risk factor below entitled "Our business could be materially adversely affected if we incur legal liability." Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols.

We are subject to numerous laws and regulations designed to protect this information, such as the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom's GDPR, the California Consumer Privacy Act (and its successor the California Privacy Rights Act that will go into effect on January 1, 2023), as well as various other U.S. federal and state laws governing the protection of privacy, health or other personally identifiable information and data privacy and cybersecurity laws in other regions. These laws and regulations continue to evolve, are increasing in complexity and number and increasingly conflict among the various countries in which we operate, which has resulted in greater compliance risk and cost for us. Various privacy laws impose compliance obligations regarding the handling of personal data, including the cross-border transfer of data, and significant financial penalties for noncompliance. For example, failure to comply with the GDPR may lead to regulatory enforcement actions, which can result in monetary penalties of up to 4% of worldwide revenue, orders to discontinue certain data processing operations, civil lawsuits, or reputational damage. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client, third-party or Accenture data, or otherwise mismanages or misappropriates that data, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. These monetary damages might not be subject to a contractual limit of liability or an exclusion of consequential or indirect damages and could be significant. In addition, our liability insurance, which includes cyber insurance, might not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents.

**The markets in which we operate are highly competitive, and we might not be able to compete effectively.**

The markets in which we offer our services and solutions are highly competitive. Our competitors include:

- large multinational IT service providers, including the services arms of large global technology providers;
- off-shore IT service providers in lower-cost locations, particularly in India;
- accounting firms and consultancies that provide consulting and other IT services and solutions;
- solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agencies, engineering services providers and technology start-ups and other companies that can scale rapidly to focus on or disrupt certain markets and provide new or alternative products, services or delivery models; and
- in-house IT departments of large corporations that use their own resources, rather than engage an outside firm.

Some competitors may have greater financial, marketing or other resources than we do and, therefore, may be better able to compete for new work and skilled professionals, may be able to innovate and provide new services and solutions faster than

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we can or may be able to anticipate the need for services and solutions before we do. Our competitors may also team together to create competing offerings.

Even if we have potential offerings that address marketplace or client needs, competitors may be more successful at selling similar services they offer, including to companies that are our clients. Some competitors are more established in certain markets, and may make executing our growth strategy to expand in these markets more challenging. Additionally, competitors may also offer more aggressive contractual terms, which may affect our ability to win work. Our future performance is largely dependent on our ability to compete successfully and expand in the markets we currently serve. If we are unable to compete successfully, we could lose market share and clients to competitors, which could materially adversely affect our results of operations.

In addition, we may face greater competition due to consolidation of companies in the technology sector through strategic mergers, acquisitions or teaming arrangements. Consolidation activity may result in new competitors with greater scale, a broader footprint or offerings that are more attractive than ours. The technology companies described above, including many of our alliance partners, are increasingly able to offer services related to their software, platform, cloud migration and other solutions, or are developing software, platform, cloud migration and other solutions that require integration services to a lesser extent. These more integrated services and solutions may represent more attractive alternatives to clients than some of our services and solutions, which may materially adversely affect our competitive position and our results of operations.

### **Our ability to attract and retain business and employees may depend on our reputation in the marketplace.**

We believe the Accenture brand name and our reputation are important corporate assets that help distinguish our services and solutions from those of competitors and also contribute to our efforts to recruit and retain talented employees. However, our corporate reputation is susceptible to material damage by events such as disputes with clients or competitors, cybersecurity incidents or service outages, internal control deficiencies, delivery failures, compliance violations, government investigations or legal proceedings. We may also experience reputational damage from employees, advocacy groups, regulators, investors and other stakeholders that disagree with the services and solutions that we offer, or the clients that we serve. Similarly, our reputation could be damaged by actions or statements of current or former clients, directors, employees, competitors, vendors, alliance partners, joint venture partners, adversaries in legal proceedings, legislators or government regulators, as well as members of the investment community or the media, including social media influencers.

Our brand and reputation are also associated with our public commitments to various corporate environmental, social and governance (ESG) initiatives, including our goals for sustainability and inclusion and diversity. Our disclosures on these matters and any failure to achieve our commitments, could harm our reputation and adversely affect our client relationships or our recruitment and retention efforts. In addition, positions we take or do not take on social issues may be unpopular with some of our employees or with our clients or potential clients, which may in the future impact our ability to attract or retain employees or clients. We also may choose not to conduct business with potential clients or discontinue or not expand business with existing clients due to these positions.

There is a risk that negative or inaccurate information about Accenture, even if based on rumor or misunderstanding, could adversely affect our business. Damage to our reputation could be difficult, expensive and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements or could negatively impact our relationships with alliance partners, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of the Accenture brand name and could reduce investor confidence in us, materially adversely affecting our share price.

**If we do not successfully manage and develop our relationships with key alliance partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected.**

We have alliances with companies whose capabilities complement our own. A very significant portion of our revenue and services and solutions are based on technology or software provided by a few major alliance partners. See “Business—Services.”

The business that we conduct through these alliances could decrease or fail to grow for a variety of reasons. The priorities and objectives of our alliance partners may differ from ours, and our alliance partners are not prohibited from competing with us or forming closer or preferred arrangements with our competitors. In addition, some of our alliance partners are also large clients or suppliers of technology to us. The decisions we make vis-à-vis an alliance partner may impact our ongoing alliance relationship. In addition, our alliance partners could experience reduced demand for their technology or software, including, for example, in response to changes in technology, which could lessen related demand for our services and solutions.

We must anticipate and respond to continuous changes in technology and develop alliance relationships with new providers of relevant technology. We must secure meaningful alliances with these providers early in their life cycle so that we can develop the right number of certified people with skills in new technologies. If we are unable to maintain our relationships with

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current partners and identify new and emerging providers of relevant technology to expand our network of alliance partners, we may not be able to differentiate our services or compete effectively in the market.

If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, and our results of operations could be adversely affected.

## Financial Risks

**Our profitability could materially suffer if we are unable to obtain favorable pricing for our services and solutions, if we are unable to remain competitive, if our cost-management strategies are unsuccessful or if we experience delivery inefficiencies or fail to satisfy certain agreed-upon targets or specific service levels.**

Our profitability is highly dependent on a variety of factors and could be materially impacted by any of the following:

**Our results of operations could materially suffer if we are not able to obtain sufficient pricing to meet our profitability expectations.** If we are not able to obtain favorable pricing for our services and solutions, our revenues and profitability could materially suffer. The rates we are able to charge for our services and solutions are affected by a number of factors, including:

- general economic and political conditions;
- our clients' desire to reduce their costs;
- the competitive environment in our industry;
- our ability to accurately estimate our service delivery costs, upon which our pricing is sometimes determined, including our ability to estimate the impact of inflation and foreign exchange on our service delivery costs over long-term contracts; and
- the procurement practices of clients and their use of third-party advisors.

**Our profitability could suffer if we are not able to remain competitive.** The competitive environment in our industry affects our ability to secure new contracts at our target economics in a number of ways, any of which could have a material negative impact on our results of operations. The less we are able to differentiate our services and solutions and/or clearly convey the value of our services and solutions, the more risk we have in winning new work in sufficient volumes and at our target pricing and overall economics. In addition, the introduction of new services or products by competitors could reduce our ability to obtain favorable pricing and impact our overall economics for the services or solutions we offer. Competitors may be willing, at times, to take on more risk or price contracts lower than us in an effort to enter the market or increase market share.

**Our profitability could suffer if our cost-management strategies are unsuccessful, and we may not be able to improve our profitability.** Our ability to improve or maintain our profitability is dependent on our being able to successfully manage our costs, including taking actions to reduce certain costs. Our cost management strategies include maintaining appropriate alignment between the demand for our services and solutions and the workforce needed to deliver them. If we are not effective in managing our operating costs in response to changes in demand or pricing, or if we are unable to cost-effectively hire and retain personnel with the knowledge and skills necessary to deliver our services and solutions, particularly in areas of new technologies and offerings and in the right geographic locations, we may incur increased costs, which could reduce our ability to continue to invest in our business in an amount necessary to achieve our planned rates of growth and our desired levels of profitability.

**If we do not accurately anticipate the cost, risk and complexity of performing our work or if third parties upon whom we rely do not meet their commitments, then our contracts could have delivery inefficiencies and be**



**less profitable than expected or unprofitable.** Our contract profitability is highly dependent on our forecasts regarding the effort and cost necessary to deliver our services and solutions, which are based on available data and could turn out to be materially inaccurate. If we do not accurately estimate the effort, costs or timing for meeting our contractual commitments and/or completing engagements to a client's satisfaction, our contracts could yield lower profit margins than planned or be unprofitable. Moreover, many of our contracts include clauses that tie our ultimate compensation to the achievement of agreed-upon performance standards or milestones. If we fail to satisfy these measures, it could significantly reduce or eliminate our fees under the contracts, increase the cost to us of meeting performance standards or milestones, delay expected payments or subject us to potential damage claims under the contract terms, any of which could significantly affect our profitability. We also have a number of contracts in which a portion of our compensation depends on performance measures such as cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. These goals can be complex and may depend on our clients' actual levels of business activity or may be based on

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assumptions that are later determined not to be achievable or accurate and could negatively impact our profit margins if not achieved. Similarly, if we experience unanticipated delivery difficulties due to our management, the failure of third parties or our clients to meet their commitments, or for any other reason, our contracts could yield lower profit margins than planned or be unprofitable. We are increasingly entering into contracts for large, complex client engagements to transform our clients' businesses. These deals may involve transforming a client's business, transitioning it to the cloud and updating their technology, while operating portions of their business, all in a compressed timeframe. The scale and complexity of these compressed transformational projects present risks in execution. In particular, large and complex arrangements often require that we utilize subcontractors or that our services and solutions incorporate or coordinate with the software, systems or infrastructure requirements of other vendors and service providers, including companies with which we have alliances. Our profitability depends on the ability of these subcontractors, vendors and service providers to deliver their products and services in a timely manner and in accordance with the project requirements, as well as on our effective oversight of their performance. In some cases, these subcontractors are small firms, and they might not have the resources or experience to successfully integrate their services or products with large-scale engagements or enterprises. Some of this work involves new technologies, which may not work as intended or may take more effort to implement than initially predicted. In addition, certain client work requires the use of unique and complex structures and alliances, some of which require us to assume responsibility for the performance of third parties whom we do not control. Any of these factors could adversely affect our ability to perform and subject us to additional liabilities, which could have a material adverse effect on our relationships with clients and on our results of operations.

**Changes in our level of taxes, as well as audits, investigations and tax proceedings, or changes in tax laws or in their interpretation or enforcement, could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.**

We are subject to taxes in numerous jurisdictions. We calculate and provide for taxes in each tax jurisdiction in which we operate. Tax accounting often involves complex matters and requires our judgment to determine our worldwide provision for income taxes and other tax liabilities. We are subject to ongoing audits, investigations and tax proceedings in various jurisdictions. Tax authorities have disagreed, and may in the future disagree, with our judgments, and are taking increasingly aggressive positions opposing the judgments we make, including with respect to our intercompany transactions. We regularly assess the likely outcomes of our audits, investigations and tax proceedings to determine the appropriateness of our tax liabilities. However, our judgments might not be sustained as a result of these audits, investigations and tax proceedings, and the amounts ultimately paid could be materially different from the amounts previously recorded.

In addition, our effective tax rate in the future could be adversely affected by challenges to our intercompany transactions, changes in the valuation of deferred tax assets and liabilities, changes in tax laws or in their interpretation or enforcement, changes in the mix of earnings in countries with differing statutory tax rates, the expiration of current tax benefits, and changes in accounting principles, including the U.S. generally accepted accounting principles. Tax rates and policies in the jurisdictions in which we operate may change materially as a result of shifting economic, social and political conditions. In addition, changes in tax laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could materially adversely affect our tax position. A number of countries where we do business, including the United States and many countries in the European Union, have implemented, and are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations.

The overall tax environment remains highly uncertain and increasingly complex. The European Commission has been conducting investigations, focusing on whether local country tax rulings or tax legislation provides preferential tax treatment that violates European Union state aid rules. Countries around the world are also considering changes in their tax laws and regulations. In the U.S., various proposals to raise corporate income taxes are under active

consideration. Individual countries across the globe and the European Union have either enacted or plan to enact digital taxes to impose incremental taxes on companies based on where ultimate users are located. The Organization for Economic Co-operation and Development ("OECD"), a global coalition of member countries, proposed a two-pillar plan to reform international taxation. The proposals aim to ensure a fairer distribution of profits among countries and to impose a floor on tax competition through the introduction of a global minimum tax. There remains significant uncertainty around whether the various proposals will ultimately be enacted and, if enacted, the extent of their impact. Some of the proposals, if enacted, could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.

Although we expect to be able to rely on the tax treaty between the United States and Ireland, legislative or diplomatic action could be taken, or the treaty may be amended in such a way, that would prevent us from being able to rely on such treaty. Our inability to rely on the treaty would subject us to increased taxation or significant additional expense. In addition, congressional proposals could change the definition of a U.S. person for U.S. federal income tax purposes, which could also subject us to increased taxation. In addition, we could be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in Ireland or other jurisdictions where we operate, including their treaties with Ireland or the United States. These changes could be exacerbated by economic, budget or other challenges facing Ireland or these other jurisdictions as a result of the ongoing COVID-19 pandemic, environmental or social concerns, or other matters.

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**Our results of operations could be materially adversely affected by fluctuations in foreign currency exchange rates.**

Although we report our results of operations in U.S. dollars, a majority of our revenues is denominated in currencies other than the U.S. dollar. Unfavorable fluctuations in foreign currency exchange rates have had an adverse effect, and could in the future have a material adverse effect, on our results of operations.

Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues, expenses and income, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, changes in the value of the U.S. dollar against other currencies will affect our revenues, operating income and the value of balance-sheet items, including intercompany payables and receivables, originally denominated in other currencies. These changes cause our growth stated in U.S. dollars to be higher or lower than our growth in local currency when compared against other periods. Our currency hedging programs, which are designed to partially offset the impact on consolidated earnings related to the changes in value of certain balance sheet items, might not be successful. Additionally, some transactions and balances may be denominated in currencies for which there is no available market to hedge.

As we continue to leverage our global delivery model, more of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as the Indian rupee or Philippine peso, against the currencies in which our revenue is recorded could increase costs for delivery of services at off-shore sites by increasing labor and other costs that are denominated in local currency. Our contractual provisions or cost management efforts might not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, might not be successful. This could result in a decrease in the profitability of our contracts that are utilizing delivery center resources. In addition, our currency hedging activities are themselves subject to risk. These include risks related to counterparty performance under hedging contracts, risks related to ineffective hedges and risks related to currency fluctuations. We also face risks that extreme economic conditions, political instability, or hostilities or disasters of the type described below could impact or perhaps eliminate the underlying exposures that we are hedging. Such an event could lead to losses being recognized on the currency hedges then in place that are not offset by anticipated changes in the underlying hedged exposure.

**Changes to accounting standards or in the estimates and assumptions we make in connection with the preparation of our consolidated financial statements could adversely affect our financial results.**

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. It is possible that changes in accounting standards could have a material adverse effect on our results of operations and financial position. The application of generally accepted accounting principles requires us to make estimates and assumptions about certain items and future events that affect our reported financial condition, and our accompanying disclosure with respect to, among other things, revenue recognition and income taxes. Our most critical accounting estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations under "Critical Accounting Policies and Estimates." We base our estimates on historical experience, contractual commitments and various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. These estimates and assumptions involve the use of judgment and are subject to significant uncertainties, some of which are beyond our control. If our estimates, or the assumptions underlying such estimates, are not correct, actual results may differ materially from our estimates, and we may need to, among other things, adjust revenues or accrue additional costs that could adversely affect our results of operations.

**We might be unable to access additional capital on favorable terms or at all. If we raise equity capital, it may dilute our shareholders' ownership interest in us.**

We might choose to raise additional funds through public or private debt or equity financings in order to:

- facilitate purchases, redemptions and exchanges of shares and pay dividends;
- acquire complementary businesses or technologies;
- take advantage of opportunities, including more rapid expansion;
- develop new services and solutions and respond to competitive pressures; and
- support general working capital purposes.

Any additional capital raised through the sale of equity would dilute shareholders' ownership percentage in us. Furthermore, any additional financing or refinancing we need might not be available on terms favorable to us, or at all.

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## Operational Risks

**As a result of our geographically diverse operations and our growth strategy to continue to expand in our key markets around the world, we are more susceptible to certain risks.**

We have offices and operations in more than 200 cities in 50 countries around the world. One aspect of our growth strategy is to continue to expand in our key markets around the world. Our growth strategy might not be successful. If we are unable to manage the risks of our global operations and growth strategy, including pandemics, international hostilities, terrorist activities, natural disasters, security or data incidents and the concentration of our global delivery capability in India and the Philippines, our results of operations and ability to grow could be materially adversely affected. In addition, emerging markets generally involve greater financial and operational risks, such as those described below, than our more mature markets. Negative or uncertain political climates in countries or geographies where we operate could also adversely affect us.

**Pandemics, international hostilities, terrorist activities, natural disasters, and infrastructure disruptions could prevent us from effectively serving our clients and thus significantly adversely affect our results of operations.**

Health emergencies or pandemics, including COVID-19; acts of terrorist violence; political and social unrest; regional and international hostilities and international responses to these hostilities; natural disasters, volcanic eruptions, sea level rise, floods, droughts, wildfires and storms, occurrences of which may increase in frequency and severity as a result of climate change; or the threat of or perceived potential for these events; and other acts of god have had and could in the future have significantly negative impacts on us. These events could adversely affect our clients' levels of business activity and precipitate sudden and significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to physical facilities and operations around the world, whether the facilities are ours or those of our alliance partners, suppliers or clients. By disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified personnel, these types of events impact our ability to deliver our services and solutions to our clients. Extended disruptions of electricity, other public utilities or network or cloud services at our facilities or in the areas where our people are working remotely, as well as physical infrastructure damage to, system failures at, cyberattacks on, or security incidents involving, our facilities or systems, or those of our alliance partners, suppliers or clients, could also adversely affect our ability to conduct our business and serve our clients. If any of these circumstances occurs, we have a greater risk that interruptions in communications with our clients and other Accenture locations and personnel, and any down-time in important processes we operate for clients, could result in a material adverse effect on our results of operations and our reputation in the marketplace.

We are unable to protect our people, facilities and systems, and those of our alliance partners, suppliers and clients, against all such occurrences. Our business continuity and disaster recovery plans may not be effective, particularly if catastrophic events occur where large numbers of our people are located, or simultaneously affect our people in multiple locations around the world. We generally do not have insurance for losses and interruptions caused by terrorist attacks, conflicts and wars. If these disruptions prevent us from effectively serving our clients, our results of operations could be significantly adversely affected.

**Our global delivery capability is concentrated in India and the Philippines, which has and may continue to expose us to operational risks. Our business model is dependent on our global delivery capability.** While our delivery centers are located throughout the world, we have based large portions of our delivery capability in India and the Philippines, where we have the largest and second largest number of our people located, respectively.

Concentrating our global delivery capability in these locations presents a number of operational risks, including those discussed in this risk factor, many of which are beyond our control and which have been and may in the future be exacerbated by COVID-19. For example, there was a considerable increase in new COVID-19 cases in India during the third quarter of fiscal 2021 and in the Philippines during the fourth quarter of fiscal 2021. Our ability to deliver

services to our clients was not materially impacted as we initiated business continuity procedures and took actions to support our people and their families. However, pandemics are unpredictable and we might not be as successful in mitigating these operational risks in the future.

**If we are unable to manage the organizational challenges associated with our size, we might be unable to achieve our business objectives.**

As of August 31, 2021, we had more than 624,000 employees worldwide. Our size and scale present significant management and organizational challenges. As our organization grows and evolves, it might become increasingly difficult to maintain effective standards across a large enterprise and effectively institutionalize our knowledge or to effectively change the strategy, operations or culture of our Company in a timely manner. It might also become more difficult to maintain our culture, effectively manage and monitor our personnel and operations and effectively communicate our core values, policies and procedures, strategies and goals, particularly given our world-wide operations, rate of new hires, and the significant percentage of our employees who have the option to work remotely or who have been required to work remotely because of COVID-19 pandemic related restrictions. The size and scope of our operations increase the possibility that we will have employees who engage in unlawful or fraudulent activity, or otherwise expose us to unacceptable business risks, despite our efforts to train them and maintain internal controls to prevent such instances. For example, employee misconduct could

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involve the improper use of sensitive or confidential information entrusted to us, or obtained inappropriately, or the failure to comply with legislation or regulations regarding the protection of sensitive or confidential information, including personal data and proprietary information. Furthermore, the inappropriate use of social networking sites by our employees could result in breaches of confidentiality, unauthorized disclosure of non-public company information or damage to our reputation. If we do not continue to develop and implement the right processes and tools to manage our enterprise and instill our culture and core values into all of our employees, our ability to compete successfully and achieve our business objectives could be impaired. In addition, from time to time, we have made, and may continue to make, changes to our operating model, including how we are organized, as the needs and size of our business change, and if we do not successfully implement the changes, our business and results of operation may be negatively impacted.

**We might not be successful at acquiring, investing in or integrating businesses, entering into joint ventures or divesting businesses.**

We expect to continue pursuing strategic acquisitions, investments and joint ventures to enhance or add to our skills and capabilities or offerings of services and solutions, or to enable us to expand in certain geographic and other markets. We have increased and may again in the future increase the amount of capital invested in such opportunities. These acquisitions and other transactions and investments involve challenges and risks, such as that we may not succeed in completing targeted transactions, including as a result of the market becoming increasingly competitive, or achieve desired results of operations.

Furthermore, we face risks in successfully integrating any businesses we might acquire, and these risks may be magnified by the size and number of transactions we have executed. Ongoing business may be disrupted, and our management's attention may be diverted by acquisition, investment, transition or integration activities. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. The loss of key executives, employees, customers, suppliers, vendors and other business partners of businesses we acquire may adversely impact the value of the assets, operations or businesses. Furthermore, acquisitions or joint ventures may result in significant costs and expenses, including those related to retention payments, equity compensation, severance pay, early retirement costs, intangible asset amortization and asset impairment charges, enhancing controls, procedures and policies including those related to financial reporting, disclosure, and cyber and information security, assumed litigation and other liabilities, and legal, accounting and financial advisory fees, which could negatively affect our profitability as these costs and expenses grow along with the increased capital invested in such acquisitions and joint ventures. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions.

We might fail to realize the expected benefits or strategic objectives of any acquisition, investment or joint venture we undertake. We might not achieve our expected return on investment or may lose money. We may be adversely impacted by liabilities that we assume from a company we acquire or in which we invest, including from that company's known and unknown obligations, intellectual property or other assets, terminated employees, current or former clients or other third parties. In addition, we may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring, investing in or partnering with a company, including potential exposure to regulatory sanctions or liabilities resulting from an acquisition target's previous activities, or from an acquisition's controls related to financial reporting, disclosure, and cyber and information security environment. The number of transactions we execute annually may increase this risk. If any of these circumstances occurs, they could result in unexpected regulatory or legal exposure, including litigation with new or existing clients, unfavorable accounting treatment, unexpected increases in taxes or other adverse effects on our relationships with clients and our business. In addition, we have a lesser degree of control over the business operations of the joint ventures and businesses in which we have made minority investments or in which we have acquired less than 100% of the equity.



This lesser degree of control may expose us to additional reputational, financial, legal, compliance or operational risks. Litigation, indemnification claims and other unforeseen claims and liabilities may arise from the acquisition or operation of acquired businesses. For example, we may face litigation or other claims as a result of certain terms and conditions of the acquisition agreement, such as earnout payments or closing working capital adjustments. Alternatively, shareholder litigation may arise as a result of proposed acquisitions. If we are unable to complete the number and kind of investments for which we plan, or if we are inefficient or unsuccessful at integrating acquired businesses into our operations, we may not be able to achieve our planned rates of growth or improve our market share, profitability or competitive position in specific markets or services.

We also periodically evaluate, and have engaged in, the disposition of assets and businesses. Divestitures could involve difficulties in the separation of operations, services, products and personnel, the diversion of management's attention, the disruption of our business and the potential loss of key employees. After reaching an agreement with a buyer for the disposition of a business, the transaction may be subject to the satisfaction of pre-closing conditions, including obtaining necessary regulatory and government approvals, which, if not satisfied or obtained, may prevent us from completing the transaction. Divestitures may also involve continued financial involvement in or liability with respect to the divested assets and businesses, such as indemnities or other financial obligations, in which the performance of the divested assets or

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businesses could impact our results of operations. Any divestiture we undertake could adversely affect our results of operations.

## Legal and Regulatory Risks

### **Our business could be materially adversely affected if we incur legal liability.**

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. Our business is subject to the risk of litigation involving current and former employees, clients, alliance partners, subcontractors, suppliers, competitors, shareholders, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. Regardless of the merits of the claims, the cost to defend current and future litigation may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages, fines, penalties or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

We could be subject to significant legal liability and litigation expense if we fail to meet our contractual obligations, contribute to internal control or other deficiencies of a client or otherwise breach obligations to third parties, including clients, alliance partners, employees and former employees, and other parties with whom we conduct business, or if our subcontractors breach or dispute the terms of our agreements with them and impede our ability to meet our obligations to our clients. For example, by taking over the operation of certain portions of our clients' businesses, including functions and systems that are critical to the core businesses of our clients, by contributing to the design, development and/or engineering of client products, or by providing various operational technology solutions, we may be exposed to additional and evolving operational, regulatory, reputational or other risks specific to these areas, including risks related to data security. A failure of a client's system based on our services or solutions could also subject us to a claim for significant damages that could materially adversely affect our results of operations. In order to remain competitive, we increasingly enter into agreements based on our clients' contract terms after conducting an assessment of the risk of doing so, which may expose us to additional risk. In addition, the contracting practices of competitors, along with the demands of increasingly sophisticated clients, may cause contract terms and conditions that are unfavorable to us to become new standards in the industry. We may commit to providing services or solutions that we are unable to deliver or whose delivery may reduce our profitability or cause us financial loss. If we cannot or do not meet our contractual obligations and if our potential liability is not adequately limited through the terms of our agreements, liability limitations are not enforced or a third party alleges fraud or other wrongdoing to prevent us from relying upon those contractual protections, we might face significant legal liability and litigation expense and our results of operations could be materially adversely affected. Moreover, as we expand our services and solutions into new areas, we may be exposed to additional and evolving risks specific to these new areas.

In addition, we engage in platform trust and safety services on behalf of clients, including content moderation, which could have a negative impact on our employees due to the nature of the materials they review. We have been subject to media coverage regarding our provision of these services as well as litigation related to the provision of these services, which may result in adverse judgments or settlements or government inquiries and investigations.

While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if they prevail, the amount of our recovery.

### **Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.**

We are subject to numerous, and sometimes conflicting, legal regimes on matters as diverse as anticorruption, import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, including ESG initiatives, anti-competition, anti-money-laundering, data privacy and protection, government compliance, wage-and-hour standards, employment and labor relations and human rights. The global nature of our operations, including emerging markets where legal systems may be less developed or understood by us, and the diverse nature of our operations across a number of regulated industries, further increase the difficulty of compliance. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, enforcement actions or criminal sanctions against us and/or our employees, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for significant monetary damages, fines, enforcement actions and/or criminal prosecution or sanctions, unfavorable publicity and other reputational damage and restrictions on our ability to effectively carry out our contractual obligations and thereby expose us

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to potential claims from our clients. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights.

In particular, in many parts of the world, including countries in which we operate and/or seek to expand, practices in the local business community might not conform to international business standards and could violate anticorruption laws, or regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010. Our employees, subcontractors, vendors, agents, alliance or joint venture partners, the companies we acquire and their employees, subcontractors, vendors and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, including U.S. federal contracting, any of which could materially adversely affect our business, including our results of operations and our reputation.

Changes in laws and regulations could also mandate significant and costly changes to the way we implement our services and solutions or could impose additional taxes on our services and solutions. For example, changes in laws and regulations to limit using off-shore resources in connection with our work or to penalize companies that use off-shore resources, which have been proposed from time to time in various jurisdictions, could adversely affect our results of operations. Such changes may result in contracts being terminated or work being transferred onshore, resulting in greater costs to us, and could have a negative impact on our ability to obtain future work from government clients.

### **Our work with government clients exposes us to additional risks inherent in the government contracting environment.**

Our clients include national, provincial, state and local governmental entities. Our government work carries various risks inherent in the government contracting process. These risks include, but are not limited to, the following:

- Government entities, particularly in the United States, often reserve the right to audit our contract costs and conduct inquiries and investigations of our business practices and compliance with government contract requirements. U.S. government agencies, including the Defense Contract Audit Agency, routinely audit our contract costs, including allocated indirect costs, for compliance with the Cost Accounting Standards and the Federal Acquisition Regulation. These agencies also conduct reviews and investigations and make inquiries regarding our accounting, information technology and other systems in connection with our performance and business practices with respect to our government contracts. Negative findings from existing and future audits, investigations or inquiries, or failure to comply with applicable IT security or supply chain requirements, could affect our future sales and profitability by preventing us, by operation of law or in practice, from receiving new government contracts for some period of time. In addition, if the U.S. government concludes that certain costs are not reimbursable, have not been properly determined or are based on outdated estimates of our work, then we will not be allowed to bill for such costs, may have to refund money that has already been paid to us or could be required to retroactively and prospectively adjust previously agreed to billing or pricing rates for our work. Negative findings from existing and future audits of our business systems, including our accounting system, may result in the U.S. government preventing us from billing, at least temporarily, a percentage of our costs. As a result of prior negative findings in connection with audits, investigations and inquiries, we have from time to time experienced some of the adverse consequences described above and may in the future experience further adverse consequences, which could materially adversely affect our future results of operations.
- If a government client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various civil and criminal penalties, including those under the civil U.S. False Claims Act, and

administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other agencies of that government. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities.

- U.S. government contracting regulations impose strict compliance and disclosure obligations. Disclosure is required if certain company personnel have knowledge of “credible evidence” of a violation of federal criminal laws involving fraud, conflict of interest, bribery or improper gratuity, a violation of the civil U.S. False Claims Act or receipt of a significant overpayment from the government. Failure to make required disclosures could be a basis for suspension and/or debarment from federal government contracting in addition to breach of the specific contract and could also impact contracting beyond the U.S. federal level. Reported matters also could lead to audits or investigations and other civil, criminal or administrative sanctions.
  - Government contracts are subject to heightened reputational and contractual risks compared to contracts with commercial clients. For example, government contracts and the proceedings surrounding them are often subject to more extensive scrutiny and publicity. Negative publicity, including an allegation of improper or illegal activity, regardless of its accuracy, may adversely affect our reputation.
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- Terms and conditions of government contracts also tend to be more onerous and are often more difficult to negotiate. For example, these contracts often contain high or unlimited liability for breaches and feature less favorable payment terms and sometimes require us to take on liability for the performance of third parties.
- Government entities typically fund projects through appropriated monies. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding and/or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions or other debt constraints could result in our projects being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination. Furthermore, if insufficient funding is appropriated to the government entity to cover termination costs, we may not be able to fully recover our investments.
- Political and economic factors such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision makers, revisions to governmental tax or other policies and reduced tax revenues can affect the number and terms of new government contracts signed or the speed at which new contracts are signed, decrease future levels of spending and authorizations for programs that we bid, shift spending priorities to programs in areas for which we do not provide services and/or lead to changes in enforcement or how compliance with relevant rules or laws is assessed.
- Our ability to work for the U.S. government is impacted by the fact that we are an Irish company. We elected to enter into a proxy agreement with the U.S. Department of Defense that enhances the ability of our U.S. federal government contracting subsidiary to perform certain work for the U.S. government. The proxy agreement regulates the management and operation of, and limits the control we can exercise over, this subsidiary. In addition, legislative and executive proposals remain under consideration or could be proposed in the future, which, if enacted, could place additional limitations on or even prohibit our eligibility to be awarded state or federal government contracts in the United States or could include requirements that would otherwise affect our results of operations. Various U.S. federal and state legislative proposals have been introduced and/or enacted in recent years that deny government contracts to certain U.S. companies that reincorporate or have reincorporated outside the United States. While Accenture was not a U.S. company that reincorporated outside the United States, it is possible that these contract bans and other legislative proposals could be applied in a way that negatively affects Accenture.

The occurrences or conditions described above could affect not only our business with the particular government entities involved, but also our business with other entities of the same or other governmental bodies or with certain commercial clients, and could have a material adverse effect on our business or our results of operations.

**If we are unable to protect or enforce our intellectual property rights, or if our services or solutions infringe upon the intellectual property rights of others or we lose our ability to utilize the intellectual property of others, our business could be adversely affected.**

Our success depends, in part, upon our ability to obtain intellectual property protection for our proprietary platforms, methodologies, processes, software and other solutions. Existing laws of the various countries in which we provide services or solutions may offer only limited intellectual property protection of our services or solutions, and the protection in some countries may be very limited. We rely upon a combination of confidentiality policies and procedures, nondisclosure and other contractual arrangements, and patent, trade secret, copyright and trademark laws to protect our intellectual property rights. These laws are subject to change at any time and could further limit our ability to obtain or maintain intellectual property protection. There is uncertainty concerning the scope of patent and other intellectual property protection for software and business methods, which are fields in which we rely on intellectual property laws to protect our rights. Even where we obtain intellectual property protection, our intellectual property rights may not prevent or deter competitors, former employees, or other third parties from reverse engineering our solutions or proprietary methodologies and processes or independently developing services or

solutions similar to or duplicative of ours. Further, the steps we take in this regard might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties, and we might not be able to detect unauthorized use of, or take appropriate and timely steps to enforce, our intellectual property rights. Enforcing our rights might also require considerable time, money and oversight, and we may not be successful in enforcing our rights.

In addition, we cannot be sure that our services and solutions, including, for example, our software solutions, or the solutions of others that we offer to our clients, do not infringe on the intellectual property rights of third parties (including competitors as well as non-practicing holders of intellectual property assets), and these third parties could claim that we or our clients are infringing upon their intellectual property rights. Furthermore, although we have established policies and procedures to respect the intellectual property rights of third parties and that prohibit the unauthorized use of intellectual property, we may not be aware if our employees have misappropriated and/or misused intellectual property, and their actions could result in claims of intellectual property misappropriation and/or infringement from third parties. These claims could harm our reputation, cause us to incur substantial costs or prevent us from offering some services or solutions in the future. Any related proceedings could require us to expend significant resources over an extended period of time. In most of our

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contracts, we agree to indemnify our clients for expenses and liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities could be greater than the revenues we receive from the client. Any claims or litigation in this area could be time-consuming and costly, damage our reputation and/or require us to incur additional costs to obtain the right to continue to offer a service or solution to our clients. If we cannot secure this right at all or on reasonable terms, or we are unable to implement in a cost-effective manner alternative technology, our results of operations could be materially adversely affected. The risk of infringement claims against us may increase as we expand our industry software solutions and continue to develop and license our software to multiple clients. Any infringement action brought against us or our clients could be costly to defend or lead to an expensive settlement or judgment against us.

Further, we rely on third-party software and other intellectual property in providing some of our services and solutions. If we lose our ability to continue using any such software or intellectual property for any reason, including because it is found to infringe the rights of others, we will need to obtain substitutes or seek alternative means of obtaining the technology necessary to continue to provide such services and solutions. Our inability to replace such software or intellectual property effectively or in a timely and cost-effective manner could materially adversely affect our results of operations.

**Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.**

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our shareholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, incur incremental compliance costs, fail to meet our public reporting requirements on a timely basis, be unable to properly report on our business and our results of operations, or be required to restate our financial statements, and our results of operations, our share price and our ability to obtain new business could be materially adversely affected.

**We are incorporated in Ireland and Irish law differs from the laws in effect in the United States and might afford less protection to our shareholders. We may also be subject to criticism and negative publicity related to our incorporation in Ireland.**

Irish law differs from the laws in effect in the United States and our shareholders could have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws.

As an Irish company, we are governed by the Companies Act. The Companies Act differs in some significant, and possibly material, respects from laws applicable to U.S. corporations and shareholders under various state corporation laws, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Under Irish law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Irish companies do not generally have rights to take action against directors or officers of the company under Irish law, and may only do so in limited circumstances. Directors of an Irish company must, in



exercising their powers and performing their duties, act with due care and skill, honestly and in good faith with a view to the best interests of the company. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests might conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of an Irish company is found to have breached his or her duties to that company, he or she could be held personally liable to the company in respect of that breach of duty.

Under Irish law, we must have authority from our shareholders to issue any shares, including shares that are part of the company's authorized but unissued share capital. In addition, unless otherwise authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro-rata basis. If we are unable to obtain these authorizations from our shareholders, or are otherwise limited by the terms of our authorizations, our ability to issue shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.

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Some companies that conduct substantial business in the United States but that have a parent domiciled in certain other jurisdictions have been criticized as improperly avoiding U.S. taxes or creating an unfair competitive advantage over U.S. companies. Accenture never conducted business under a U.S. parent company and pays U.S. taxes on all of its U.S. operations. Nonetheless, we could be subject to criticism in connection with our incorporation in Ireland.

## Item 1B. Unresolved Staff Comments

None.

## Item 2. Properties

We have major offices in the world's leading business centers, including Boston, Chicago, New York, San Francisco, Dublin, Frankfurt, London, Madrid, Milan, Paris, Rome, Bangalore, Beijing, Manila, Mumbai, Sao Paulo, Shanghai, Singapore, Sydney and Tokyo, among others. In total, we have offices and operations in more than 200 cities in 50 countries around the world. We do not own any material real property. Substantially all of our office space is leased under long-term leases with varying expiration dates. We believe that our facilities are adequate to meet our needs in the near future.

## Item 3. Legal Proceedings

The information set forth under "Legal Contingencies" in Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," is incorporated herein by reference.

## Item 4. Mine Safety Disclosures

Not applicable.

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## Part II

### Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Accenture plc Class A ordinary shares are traded on the New York Stock Exchange under the symbol "ACN." The New York Stock Exchange is the principal United States market for these shares. As of October 1, 2021, there were 350 holders of record of Accenture plc Class A ordinary shares.

There is no trading market for Accenture plc Class X ordinary shares. As of October 1, 2021, there were 15 holders of record of Accenture plc Class X ordinary shares.

#### Dividends

For information about our dividend activity during fiscal 2021, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

On September 22, 2021, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$0.97 per share on our Class A ordinary shares for shareholders of record at the close of business on October 14, 2021, payable on November 15, 2021. For the remainder of fiscal 2022, we expect to declare additional quarterly dividends in December 2021 and March and June 2022, to be paid in February, May and August 2022, respectively, subject to the approval of the Board of Directors.

In certain circumstances, as an Irish tax resident company, we may be required to deduct Irish dividend withholding tax ("DWT") (currently at the rate of 25%) from dividends paid to our shareholders. Shareholders resident in "relevant territories" (including countries that are European Union member states (other than Ireland), the United States and other countries with which Ireland has a tax treaty) may be exempted from Irish DWT. However, shareholders residing in other countries will generally be subject to Irish DWT.

#### Recent Sales of Unregistered Securities

None.

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## Purchases of Accenture plc Class A Ordinary Shares

The following table provides information relating to our purchases of Accenture plc Class A ordinary shares during the fourth quarter of fiscal 2021. For year-to-date information on all of our share purchases, redemptions and exchanges and further discussion of our share purchase activity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Purchases and Redemptions."

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
(in millions of U.S. dollars)				
June 1, 2021 — June 30, 2021	1,178,674	\$ 285.52	1,163,612	\$ 3,847
July 1, 2021 — July 31, 2021	911,716	311.54	874,611	3,573
August 1, 2021 — August 31, 2021	896,540	325.97	876,889	3,286
<b>Total (4)</b>	<b>2,986,930</b>	<b>\$ 305.60</b>	<b>2,915,112</b>	

- (1) Average price paid per share reflects the total cash outlay for the period, divided by the number of shares acquired, including those acquired by purchase or redemption for cash and any acquired by means of employee forfeiture.
- (2) Since August 2001, the Board of Directors of Accenture plc has authorized and periodically confirmed a publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares. During the fourth quarter of fiscal 2021, we purchased 2,915,112 Accenture plc Class A ordinary shares under this program for an aggregate price of \$891 million. The open-market purchase program does not have an expiration date.
- (3) As of August 31, 2021, our aggregate available authorization for share purchases and redemptions was \$3,286 million, which management has the discretion to use for either our publicly announced open-market share purchase program or our other share purchase programs. Since August 2001 and as of August 31, 2021, the Board of Directors of Accenture plc has authorized an aggregate of \$40.1 billion for share purchases and redemptions by Accenture plc and Accenture Canada Holdings Inc. On September 22, 2021, the Board of Directors of Accenture plc approved \$3,000 million in additional share repurchase authority, bringing Accenture's total outstanding authority to \$6,286 million.
- (4) During the fourth quarter of fiscal 2021, Accenture purchased 71,818 Accenture plc Class A ordinary shares in transactions unrelated to publicly announced share plans or programs. These transactions consisted of acquisitions of Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under our various employee equity share plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and our other share purchase programs.

## Item 6. [Reserved]

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# Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in this Annual Report on Form 10-K.

We use the terms "Accenture," "we," the "Company," "our" and "us" in this report to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to "fiscal 2021" means the 12-month period that ended on August 31, 2021. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

We use the term "in local currency" so that certain financial results may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Financial results "in local currency" are calculated by restating current period activity into U.S. dollars using the comparable prior-year period's foreign currency exchange rates. This approach is used for all results where the functional currency is not the U.S. dollar.

## Overview

Accenture plc is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations. We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). We help our clients build their digital core, transform their operations, and accelerate revenue growth—creating tangible value across their enterprises at speed and scale.

Highlights from fiscal 2021 compared with fiscal 2020 included:

- **Revenues of \$50.5 billion**, representing 14% growth in U.S. dollars and 11% growth in local currency;
- **New bookings of \$59.3 billion**, an increase of 20% in U.S. dollars;
- **Operating margin of 15.1%**, a 40 basis point expansion from fiscal 2020;
- **R&D spend of \$1.1 billion**; and
- **Cash returned to shareholders of \$5.9 billion**, including share purchases of \$3.7 billion and dividends of \$2.2 billion.

In fiscal 2021, the COVID-19 pandemic continued to impact our business operations and financial results. We saw strong demand across our business in the second half of the year as customers accelerated their digital transformation. Revenues for the second half of fiscal 2021 grew 22% in U.S. dollars and 18% in local currency compared to the same period in fiscal 2020.

## Summary of Results

Revenues for fiscal 2021 increased 14% in U.S. dollars and 11% in local currency compared to fiscal 2020. This included the impact of a decline in reimbursable travel costs, which reduced revenues approximately 1%. During fiscal 2021, revenue growth in local currency was very strong in North America and Growth Markets and strong in Europe. We experienced local currency revenue growth that was very strong in Health & Public Service, Communications, Media & Technology, Financial Services and Products and slight in Resources. Revenue growth in local currency was very strong in outsourcing and strong in consulting during fiscal 2021. The business environment remained competitive. In many areas, our pricing, which we define as the contract profitability or margin on the work that we sell, was lower.

In our consulting business, revenues for fiscal 2021 increased 13% in U.S. dollars and 9% in local currency compared to fiscal 2020. This included the impact of a decline in reimbursable travel costs, which reduced consulting revenues

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approximately 2%. Consulting revenue growth in local currency in fiscal 2021 was led by very strong growth in Growth Markets and strong growth in North America and Europe. Our consulting revenue continues to be driven by helping our clients accelerate their digital transformation, including moving to the cloud, embedding security across the enterprise and adopting new technologies. In addition, clients continue to be focused on initiatives designed to deliver cost savings and operational efficiency, as well as projects to accelerate growth and improve customer experiences.

In our outsourcing business, revenues for fiscal 2021 increased 15% in U.S. dollars and 13% in local currency compared to fiscal 2020. Outsourcing revenue growth in local currency in fiscal 2021 was led by very strong growth in North America and Growth Markets and strong growth in Europe. We continue to experience growing demand to assist clients with application modernization and maintenance, cloud enablement and managed security services. In addition, clients continue to be focused on transforming their operations through data and analytics, automation and artificial intelligence to drive productivity and operational cost savings.

As we are a global company, our revenues are denominated in multiple currencies and may be significantly affected by currency exchange rate fluctuations. The majority of our revenues are denominated in currencies other than the U.S. dollar, including the Euro, Japanese yen, and U.K. pound. There continues to be volatility in foreign currency exchange rates. Unfavorable fluctuations in foreign currency exchange rates have had and could in the future have a material effect on our financial results. If the U.S. dollar weakens against other currencies, resulting in favorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be higher. If the U.S. dollar strengthens against other currencies, resulting in unfavorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be lower. The U.S. dollar weakened against various currencies during fiscal 2021, resulting in favorable currency translation and U.S. dollar revenue growth that was approximately 3% higher than our revenue growth in local currency for the year. Assuming that exchange rates stay within recent ranges, we estimate that our fiscal 2022 revenue growth in U.S. dollars will be approximately 0.5% lower than our revenue growth in local currency.

The primary categories of operating expenses include Cost of services, Sales and marketing and General and administrative costs. Cost of services is primarily driven by the cost of client-service personnel, which consists mainly of compensation, subcontractor and other personnel costs, and non-payroll costs on outsourcing contracts. Cost of services includes a variety of activities such as: contract delivery; recruiting and training; software development; and integration of acquisitions. Sales and marketing costs are driven primarily by: compensation costs for business development activities; marketing- and advertising-related activities; and certain acquisition-related costs. General and administrative costs primarily include costs for non-client-facing personnel, information systems, office space and certain acquisition-related costs.

Utilization for fiscal 2021 was 93%, up from 90% in fiscal 2020. We hire to meet current and projected future demand. We proactively plan and manage the size and composition of our workforce and take actions as needed to address changes in the anticipated demand for our services and solutions, given that compensation costs are the most significant portion of our operating expenses. Our workforce, the majority of which serves our clients, increased to approximately 624,000 as of August 31, 2021, compared to 506,000 as of August 31, 2020. The year-over-year increase in our workforce reflects an overall increase in demand for our services and solutions, as well as people added in connection with acquisitions. For fiscal 2021, attrition, excluding involuntary terminations, was 14%, up from 12% in fiscal 2020. For the fourth quarter of fiscal 2021, annualized attrition, excluding involuntary terminations, was 19%, up from 17% in the third quarter of fiscal 2021. We evaluate voluntary attrition, adjust levels of new hiring and use involuntary terminations as means to keep our supply of skills and resources in balance with changes in client demand. In addition, we adjust compensation in certain skill sets and geographies in order to attract and retain appropriate numbers of qualified employees. For the majority of our personnel, compensation increases become effective December 1st of each fiscal year. We strive to adjust pricing and/or the mix of people to reduce the impact of compensation increases on our margin. Our ability to grow our revenues and maintain or increase our margin could be adversely affected if we are unable to: keep our supply of skills and resources in balance with changes in the types or

amounts of services and solutions clients are demanding; recover increases in compensation; deploy our employees globally on a timely basis; manage attrition; and/or effectively assimilate and utilize new employees.

Gross margin (Revenues less Cost of services as a percentage of Revenues) for fiscal 2021 was 32.4%, compared with 31.5% for fiscal 2020. The increase in gross margin for fiscal 2021 was due to lower non-payroll costs, primarily for travel, partially offset by an increase in labor costs, including a one-time bonus for all employees below the managing director level in the second quarter of fiscal 2021.

Sales and marketing and General and administrative costs as a percentage of revenues were 17.3% for fiscal 2021, compared with 16.8% for fiscal 2020. For fiscal 2021 compared to fiscal 2020, Sales and marketing costs as a percentage of revenues increased 10 basis points and General and administrative costs as a percentage of revenues increased 40 basis points, primarily due to higher non-payroll costs.

Operating margin (Operating income as a percentage of revenues) for fiscal 2021 was 15.1%, compared with 14.7% for fiscal 2020.

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During fiscal 2021 and 2020, we recorded gains of \$271 million and \$332 million and related tax expense of \$41 million and \$52 million, respectively, related to our investment in Duck Creek Technologies. For additional information, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

The effective tax rates for fiscal 2021 and 2020 were 22.8% and 23.5%, respectively. Absent the investment gains and related tax expense, our effective tax rates for fiscal 2021 and 2020 would have been 23.1% and 23.9%, respectively.

Diluted earnings per share were \$9.16 for fiscal 2021, compared with \$7.89 for fiscal 2020. The \$230 million and \$280 million gains on an investment, net of taxes, increased diluted earnings per share by \$0.36 and \$0.43 in fiscal 2021 and 2020, respectively. Excluding the impact of these gains, diluted earnings per share would have been \$8.80 and \$7.46 for fiscal 2021 and 2020, respectively.

We have presented our effective tax rate and diluted earnings per share excluding the impact of gains related to an investment in fiscal 2021 and 2020, as we believe doing so facilitates understanding as to the impact of these items and our performance in comparison to the prior period.

Our operating income and diluted earnings per share are affected by currency exchange rate fluctuations on revenues and costs. Most of our costs are incurred in the same currency as the related revenues. Where practical, we seek to manage foreign currency exposure for costs not incurred in the same currency as the related revenues, such as the costs associated with our global delivery model, by using currency protection provisions in our customer contracts and through our hedging programs. We seek to manage our costs, taking into consideration the residual positive and negative effects of changes in foreign exchange rates on those costs. For more information on our hedging programs, see Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Bookings

New bookings for fiscal 2021 were \$59.3 billion, with consulting bookings of \$30.6 billion and outsourcing bookings of \$28.7 billion, compared to \$49.6 billion in fiscal 2020, with consulting bookings of \$25.8 billion and outsourcing bookings of \$23.7 billion.

We provide information regarding our new bookings, which include new contracts, including those acquired through acquisitions, as well as renewals, extensions and changes to existing contracts, because we believe doing so provides useful trend information regarding changes in the volume of our new business over time. New bookings can vary significantly quarter to quarter depending in part on the timing of the signing of a small number of large outsourcing contracts. The types of services and solutions clients are demanding and the pace and level of their spending may impact the conversion of new bookings to revenues. For example, outsourcing bookings, which are typically for multi-year contracts, generally convert to revenue over a longer period of time compared to consulting bookings.

Information regarding our new bookings is not comparable to, nor should it be substituted for, an analysis of our revenues over time. New bookings involve estimates and judgments. There are no third-party standards or requirements governing the calculation of bookings. We do not update our new bookings for material subsequent terminations or reductions related to bookings originally recorded in prior fiscal years. New bookings are recorded using then-existing foreign currency exchange rates and are not subsequently adjusted for foreign currency exchange rate fluctuations.

The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Only the non-cancelable portion of these contracts is included in our remaining performance obligations disclosed in Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial

Statements and Supplementary Data." Accordingly, a significant portion of what we consider contract bookings is not included in our remaining performance obligations.

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## Critical Accounting Policies and Estimates

The preparation of our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses. We continually evaluate our estimates, judgments and assumptions based on available information and experience. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates. Certain of our accounting policies require higher degrees of judgment than others in their application. These include certain aspects of accounting for revenue recognition and income taxes.

### Revenue Recognition

Determining the method and amount of revenue to recognize requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require contract interpretation to determine the appropriate accounting, including whether promised goods and services specified in an arrangement are distinct performance obligations and should be accounted for separately. Other judgments include determining whether performance obligations are satisfied over time or at a point in time and the selection of the method to measure progress towards completion.

We measure progress towards completion for technology integration consulting services using costs incurred to date relative to total estimated costs at completion. Revenues, including estimated fees, are recorded proportionally as costs are incurred. The amount of revenue recognized for these contracts in a period is dependent on our ability to estimate total contract costs. We continually evaluate our estimates of total contract costs based on available information and experience.

Additionally, the nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. We conduct reviews prior to signing such contracts to evaluate whether these incentives are reasonably achievable. Our estimates are monitored over the lives of our contracts and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

For additional information, see Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

### Income Taxes

Determining the consolidated provision for income tax expense, income tax liabilities and deferred tax assets and liabilities involves judgment. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. As a global company, we calculate and provide for income taxes in each of the tax jurisdictions in which we operate. This involves estimating current tax exposures in each jurisdiction as well as making judgments regarding the recoverability of deferred tax assets. Tax exposures can involve complex issues and may require an extended period to resolve. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and adjust the valuation allowances accordingly. Factors considered in making this determination include the period of expiration of the tax asset, planned use of the tax asset, tax planning strategies and historical and projected taxable income as well as tax liabilities for the tax jurisdiction in which the tax asset is located. Valuation allowances will be subject to change in each future reporting period as a result of changes in one or more of these factors. Changes in the geographic mix or estimated level of annual income before taxes can affect the overall effective tax rate.

We apply an estimated annual effective tax rate to our quarterly operating results to determine the interim provision for income tax expense. A change in judgment that impacts the measurement of a tax position taken in a prior year is recognized as a discrete item in the interim period in which the change occurs. In the event there is a significant unusual or infrequent item recognized in our quarterly operating results, the tax attributable to that item is recorded in the interim period in which it occurs. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

No taxes have been provided on undistributed foreign earnings that are planned to be indefinitely reinvested. If future events, including material changes in estimates of cash, working capital and long-term investment requirements, necessitate that these earnings be distributed, an additional provision for taxes may apply, which could materially affect our future effective tax rate. We currently do not foresee any event that would require us to distribute these indefinitely reinvested earnings. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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As a matter of course, we are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish tax liabilities or reduce tax assets when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe we may not succeed in realizing the tax benefit of certain positions if challenged. In evaluating a tax position, we determine whether it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Our estimate of the ultimate tax liability contains assumptions based on past experiences, judgments about potential actions by taxing jurisdictions as well as judgments about the likely outcome of issues that have been raised by taxing jurisdictions. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement. We evaluate tax positions each quarter and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

## Revenues by Segment/Geographic Market

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five industry groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources.

In addition to reporting revenues by geographic market, we also report revenues by two types of work: consulting and outsourcing, which represent the services sold by our geographic markets. Consulting revenues, which include strategy, management and technology consulting and technology integration consulting, reflect a finite, distinct project or set of projects with a defined outcome and typically a defined set of specific deliverables. Outsourcing revenues typically reflect ongoing, repeatable services or capabilities provided to transition, run and/or manage operations of client systems or business functions.

From time to time, our geographic markets work together to sell and implement certain contracts. The resulting revenues and costs from these contracts may be apportioned among the participating geographic markets. Generally, operating expenses for each geographic market have similar characteristics and are subject to the same factors, pressures and challenges. However, the economic environment and its effects on the industries served by our geographic markets affect revenues and operating expenses within our geographic markets to differing degrees. The mix between consulting and outsourcing is not uniform among our geographic markets. Local currency fluctuations also tend to affect our geographic markets differently, depending on the geographic concentrations and locations of their businesses.

While we provide discussion about our results of operations below, we cannot measure how much of our revenue growth in a particular period is attributable to changes in price or volume. Management does not track standard measures of unit or rate volume. Instead, our measures of volume and price are extremely complex, as each of our services contracts is unique, reflecting a customized mix of specific services that does not fit into standard comparability measurements. Revenue for our services is a function of the nature of each service to be provided, the skills required and the outcome sought, as well as estimated cost, risk, contract terms and other factors.

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## Results of Operations for Fiscal 2021 Compared to Fiscal 2020

Revenues by geographic market, industry group and type of work are as follows:

					Percent of Total Revenues for Fiscal	
	Fiscal		Percent Increase (Decrease) U.S. Dollars	Percent Increase (Decrease) Local Currency		
(in millions of U.S. dollars)	2021	2020			2021	2020
GEOGRAPHIC MARKETS						
North America	\$ 23,701	\$ 20,982	13 %	12 %	47 %	47 %
Europe	16,749	14,402	16	8	33	32
Growth Markets	10,083	8,943	13	11	20	20
TOTAL REVENUES	\$ 50,533	\$ 44,327	14 %	11 %	100 %	100 %
INDUSTRY GROUPS (1)						
Communications, Media & Technology	\$ 10,286	\$ 8,883	16 %	14 %	20 %	20 %
Financial Services	9,933	8,519	17	13	20	19
Health & Public Service	9,498	8,024	18	16	19	18
Products	13,954	12,287	14	10	28	28
Resources	6,863	6,614	4	1	14	15
TOTAL REVENUES	\$ 50,533	\$ 44,327	14 %	11 %	100 %	100 %
TYPE OF WORK						
Consulting	\$ 27,338	\$ 24,227	13 %	9 %	54 %	55 %
Outsourcing	23,196	20,100	15	13	46	45
TOTAL REVENUES	\$ 50,533	\$ 44,327	14 %	11 %	100 %	100 %

Amounts in table may not total due to rounding.

- (1) Effective September 1, 2020, we revised the reporting of our industry groups to include amounts previously reported in Other. Prior period amounts have been reclassified to conform with the current period presentation.

### Revenues

Revenues were impacted by a reduction of approximately 1% from a decline in revenues from reimbursable travel costs in fiscal 2021 across all markets. The following revenues commentary discusses local currency revenue changes for fiscal 2021 compared to fiscal 2020:

#### Geographic Markets

- North America revenues increased 12% in local currency, led by growth in Public Service, Software & Platforms and Banking & Capital Markets. These increases were partially offset by a decline in Energy. Revenue growth was driven by the United States.
- Europe revenues increased 8% in local currency, led by growth in Consumer Goods, Retail & Travel Services, Banking & Capital Markets, Software & Platforms, Industrial and Life Sciences. Revenue growth was driven by the United Kingdom, Italy, Germany and Switzerland.
- Growth Markets revenues increased 11% in local currency, led by growth in Banking & Capital Markets, Public Service and Consumer Goods, Retail & Travel Services. Revenue growth was driven by Japan.

## **Operating Expenses**

Operating expenses for fiscal 2021 increased \$5,098 million, or 13%, over fiscal 2020, and decreased as a percentage of revenues to 84.9% from 85.3% during this period.

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Operating expenses by category are as follows:

(in millions of U.S. dollars)	Fiscal				Increase (Decrease)
	2021		2020		
Operating Expenses	\$ 42,912	84.9 %	\$ 37,813	85.3 %	\$ 5,098
Cost of services	34,169	67.6	30,351	68.5	3,818
Sales and marketing	5,288	10.5	4,626	10.4	662
General and administrative costs	3,454	6.8	2,837	6.4	618

Amounts in table may not total due to rounding.

### Cost of Services

Cost of services for fiscal 2021 increased \$3,818 million, or 13%, over fiscal 2020, and decreased as a percentage of revenues to 67.6% from 68.5% during this period. Gross margin for fiscal 2021 increased to 32.4% from 31.5% in fiscal 2020. The increase in gross margin for fiscal 2021 was primarily due to lower non-payroll costs, primarily for travel, partially offset by an increase in labor costs, including a one-time bonus for all employees below the managing director level in the second quarter of fiscal 2021.

### Sales and Marketing

Sales and marketing expense for fiscal 2021 increased \$662 million, or 14%, over fiscal 2020, and increased as a percentage of revenues to 10.5% from 10.4% during this period.

### General and Administrative Costs

General and administrative costs for fiscal 2021 increased \$618 million, or 22%, over fiscal 2020, and increased as a percentage of revenues to 6.8% from 6.4% during this period. The increase as a percentage of revenues was primarily due to higher non-payroll costs.

### Operating Income and Operating Margin

Operating income for fiscal 2021 increased \$1,108 million, or 17%, over fiscal 2020. Operating margin for fiscal 2021 was 15.1%, compared with 14.7% for fiscal 2020.

Operating income and operating margin for each of the geographic markets are as follows:

(in millions of U.S. dollars)	Fiscal				
	2021		2020		Increase (Decrease)
	Operating Income	Operating Margin	Operating Income	Operating Margin	
North America	\$ 3,908	16 %	\$ 3,170	15 %	\$ 738
Europe	2,236	13	1,799	12	437
Growth Markets	1,477	15	1,545	17	(67)
<b>TOTAL</b>	<b>\$ 7,622</b>	<b>15.1 %</b>	<b>\$ 6,514</b>	<b>14.7 %</b>	<b>\$ 1,108</b>

Amounts in table may not total due to rounding.

We estimate that the aggregate percentage impact of foreign currency exchange rates on our operating income during fiscal 2021 was similar to that disclosed for revenue for each geographic market. The reduction in travel costs during fiscal 2021 had a favorable impact on operating income. In addition, during fiscal 2021 each geographic market's operating income was unfavorably impacted by higher labor costs, including a one-time bonus in the second quarter of fiscal 2021 equal to one week of base pay for all employees below the managing director level. The commentary below provides insight into other factors affecting geographic market performance and operating income for fiscal 2021 compared with fiscal 2020:

- North America operating income increased primarily due to revenue growth, higher consulting contract profitability and lower sales and marketing costs as a percentage of revenues.
  - Europe operating income increased primarily due to revenue growth and higher contract profitability.
  - Growth Markets operating income decreased as revenue growth was offset by lower contract profitability and higher sales and marketing costs as a percentage of revenues.
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## Other Income (Expense), net

Other income (expense), net primarily consists of foreign currency gains and losses, non-operating components of pension expense, as well as gains and losses associated with our investments. During fiscal 2021, other income (expense) decreased \$59 million from fiscal 2020, primarily due to lower gains on investments, including lower gains related to our investment in Duck Creek Technologies, partially offset by lower foreign currency losses. For additional information on investments, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Income Tax Expense

The effective tax rate for fiscal 2021 was 22.8%, compared with 23.5% for fiscal 2020. Absent the \$271 million and \$332 million gains on an investment and related \$41 million and \$52 million in tax expense, our effective tax rates for fiscal 2021 and fiscal 2020 would have been 23.1% and 23.9%, respectively. The lower effective tax rate for fiscal 2021 was primarily due to changes in the geographic distribution of earnings. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests reflects the income earned or expense incurred attributable to the equity interest that some current and former members of Accenture Leadership and their permitted transferees have in our Accenture Canada Holdings Inc. subsidiary. See "Business—Organizational Structure." Noncontrolling interests also includes amounts primarily attributable to noncontrolling shareholders in our Avanade Inc. subsidiary. Net income attributable to Accenture plc represents the income attributable to the shareholders of Accenture plc.

## Earnings Per Share

Diluted earnings per share were \$9.16 for fiscal 2021, compared with \$7.89 for fiscal 2020. The \$230 million and \$280 million gains on an investment, net of taxes, increased diluted earnings per share by \$0.36 and \$0.43 in fiscal 2021 and 2020, respectively. Excluding the impact of these gains, diluted earnings per share would have been \$8.80 and \$7.46 for fiscal 2021 and 2020, respectively. For information regarding our earnings per share calculations, see Note 3 (Earnings Per Share) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

The increase in diluted earnings per share is due to the following factors:

Earnings Per Share	Fiscal 2021
<b>FY20 As Reported</b>	<b>\$ 7.89</b>
Revenue and operating results	1.30
Lower effective tax rate	0.09
Lower share count	0.03
Net Income attributable to noncontrolling interests	(0.01)
Non-operating income	(0.07)
Lower gains on an investment, net of tax	(0.07)
<b>FY21 As Reported</b>	<b>\$ 9.16</b>

## Results of Operations for Fiscal 2020 Compared to Fiscal 2019

Our Annual Report on Form 10-K for the fiscal year ended August 31, 2020 includes a discussion and analysis of our financial condition and results of operations for the year ended August 31, 2019 in Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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## Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, available cash reserves and debt capacity available under various credit facilities. We could raise additional funds through other public or private debt or equity financings. We may use our available or additional funds to, among other things:

- facilitate purchases, redemptions and exchanges of shares and pay dividends;
- acquire complementary businesses or technologies;
- take advantage of opportunities, including more rapid expansion; or
- develop new services and solutions.

As of August 31, 2021, Cash and cash equivalents were \$8.2 billion, compared with \$8.4 billion as of August 31, 2020.

Cash flows from operating, investing and financing activities, as reflected in our Consolidated Cash Flows Statements, are summarized in the following table:

(in millions of U.S. dollars)	Fiscal		Change
	2021	2020	
Net cash provided by (used in):			
Operating activities	\$ 8,975	\$ 8,215	\$ 760
Investing activities	(4,310)	(1,895)	(2,415)
Financing activities	(4,926)	(4,049)	(877)
Effect of exchange rate changes on cash and cash equivalents	14	17	(3)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ (247)</b>	<b>\$ 2,288</b>	<b>\$ (2,536)</b>

Amounts in table may not total due to rounding.

**Operating activities:** The \$760 million increase in operating cash flows was due to higher net income, partially offset by changes in operating assets and liabilities.

**Investing activities:** The \$2,415 million increase in cash used was due to higher spending on business acquisitions and investments, partially offset by increased proceeds from investments. For additional information, see Note 6 (Business Combinations) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

**Financing activities:** The \$877 million increase in cash used was primarily due to an increase in the net purchases of shares as well as an increase in cash dividends paid, partially offset by an increase in net proceeds from share issuances. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

We believe that our current and longer-term working capital, investments and other general corporate funding requirements will be satisfied for the next twelve months and thereafter through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

Substantially all of our cash is held in jurisdictions where there are no regulatory restrictions or material tax effects on the free flow of funds. In addition, domestic cash inflows for our Irish parent, principally dividend distributions from lower-tier subsidiaries, have been sufficient to meet our historic cash requirements, and we expect this to continue into the future.

## **Borrowing Facilities**

See Note 10 (Borrowings and Indebtedness) and Note 8 (Leases) to our Consolidated Financial Statements under Item 8, “Financial Statements and Supplementary Data.”

## **Share Purchases and Redemptions**

We intend to continue to use a significant portion of cash generated from operations for share repurchases during fiscal 2022. The number of shares ultimately repurchased under our open-market share purchase program may vary depending on numerous factors, including, without limitation, share price and other market conditions, our ongoing capital allocation planning, the levels of cash and debt balances, other demands for cash, such as acquisition activity, general economic and/or business conditions, and board and management discretion. Additionally, as these factors may change over the course of the year, the amount of share repurchase activity during any particular period cannot be predicted and may fluctuate from time to time. Share repurchases may be made from time to time through open-market purchases, in respect of purchases and redemptions of Accenture Canada Holdings Inc. exchangeable shares, through the use of Rule 10b5-1 plans and/or by

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other means. The repurchase program may be accelerated, suspended, delayed or discontinued at any time, without notice. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Subsequent Events

See Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Off-Balance Sheet Arrangements

In the normal course of business and in conjunction with some client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. To date, we have not been required to make any significant payment under any of these arrangements. For further discussion of these transactions, see Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## New Accounting Pronouncements

See Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

All of our market risk sensitive instruments were entered into for purposes other than trading.

### Foreign Currency Risk

We are exposed to foreign currency risk in the ordinary course of business. We hedge material cash flow exposures when feasible using forward contracts. These instruments are subject to fluctuations in foreign currency exchange rates and credit risk. Credit risk is managed through careful selection and ongoing evaluation of the financial institutions utilized as counterparties.

Certain of these hedge positions are undesignated hedges of balance sheet exposures such as intercompany loans and typically have maturities of less than one year. These hedges, the most significant of which are U.S. dollar/Japanese yen, U.S. dollar/Euro, U.S. dollar/U.K. pound and U.S. dollar/Indian rupee, are intended to offset remeasurement of the underlying assets and liabilities. Changes in the fair value of these derivatives are recorded in Other income (expense), net in the Consolidated Income Statements. Additionally, we have hedge positions that are designated cash flow hedges of certain intercompany charges relating to our global delivery model. These hedges, the most significant of which are U.S. dollar/Indian rupee, U.S. dollar/Philippine peso, U.K. pound/Indian rupee and Euro/Indian rupee, typically have maturities not exceeding three years and are intended to partially offset the impact of foreign currency movements on future costs relating to our global delivery resources. For additional information, see Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

For designated cash flow hedges, gains and losses currently recorded in Accumulated other comprehensive loss are expected to be reclassified into earnings at the time when certain anticipated intercompany charges are accrued as Cost of services. As of August 31, 2021, it was anticipated that approximately \$104 million of net gains, net of tax, currently recorded in Accumulated other comprehensive loss will be reclassified into Cost of services within the next 12 months.

We use sensitivity analysis to determine the effects that market foreign currency exchange rate fluctuations may have on the fair value of our hedge portfolio. The sensitivity of the hedge portfolio is computed based on the market value of future cash flows as affected by changes in exchange rates. This sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the offsetting gain or loss on the underlying exposure. A 10% change in the levels of foreign currency exchange rates against the U.S. dollar (or other base currency of the hedge if not a U.S. dollar hedge) with all other variables held constant would have resulted in a change in the fair value of our hedge instruments of approximately \$469 million and \$592 million as of August 31, 2021 and 2020, respectively.

### Interest Rate Risk

The interest rate risk associated with our borrowing and investing activities as of August 31, 2021 is not material in relation to our consolidated financial position, results of operations or cash flows. While we may do so in the future, we have not used derivative financial instruments to alter the interest rate characteristics of our investment holdings or debt instruments.

## Equity Investment Risk

Our non-marketable and marketable equity securities are subject to a wide variety of market-related risks that could substantially reduce or increase the fair value of our investments.

Our non-marketable equity securities are investments in privately held companies which are often in a start-up or development stage, which is inherently risky. The technologies or products these companies have under development are typically in the early stages and may never materialize, which could result in a loss of a substantial part of our investment in these companies. The evaluations of privately held companies are based on information that we request from these companies, which is not subject to the same disclosure regulations as U.S. publicly traded companies, and as such, the basis for these evaluations is subject to the timing and accuracy of the data received from these companies. We have minimal exposure on our long-term investments in privately held companies as these investments were not material in relation to our consolidated financial position, results of operations or cash flows as of August 31, 2021.

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We record our marketable equity securities not accounted for under the equity method at fair value based on readily determinable market values.

The carrying values of our investments accounted for under the equity method generally do not fluctuate based on market price changes; however, these investments could be impaired if the carrying value exceeds the fair value.

## Item 8. Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements and financial statements commencing on page F-1, which are incorporated herein by reference.

## Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on that evaluation, the principal executive officer and the principal financial officer of Accenture plc have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective at the reasonable assurance level.

### Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
-

- ii. provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

KPMG LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of their audit, has issued its attestation report, included herein, on the effectiveness of our internal control over financial reporting. See “Report of Independent Registered Public Accounting Firm” on page F-2.

### **Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Item 9B. Other Information**

None.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

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## Part III

### Item 10. Directors, Executive Officers and Corporate Governance

There have been no material changes to the procedures by which security holders may recommend nominees to our Board of Directors from those described in the proxy statement for our 2021 Annual General Meeting of Shareholders filed with the SEC on December 10, 2020.

Information about our executive officers is contained in the discussion entitled “Information about our Executive Officers” in Part I of this Form 10-K. The remaining information called for by Item 10 will be included in the sections captioned “Appointment of Directors,” “Corporate Governance” and “Beneficial Ownership” included in the definitive proxy statement relating to the 2022 Annual General Meeting of Shareholders of Accenture plc to be held on January 26, 2022 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2021 fiscal year covered by this Form 10-K.

### Item 11. Executive Compensation

The information called for by Item 11 will be included in the sections captioned “Executive Compensation” and “Director Compensation” included in the definitive proxy statement relating to the 2022 Annual General Meeting of Shareholders of Accenture plc to be held on January 26, 2022 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2021 fiscal year covered by this Form 10-K.

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## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as of August 31, 2021, certain information related to our compensation plans under which Accenture plc Class A ordinary shares may be issued.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (3)	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in 1st Column)
Equity compensation plans approved by shareholders:			
2001 Share Incentive Plan	14,362 (1)	\$ —	—
Amended and Restated 2010 Share Incentive Plan	16,639,608 (2)	—	19,465,854
Amended and Restated 2010 Employee Share Purchase Plan	—	N/A	20,557,490
Equity compensation plans not approved by shareholders	—	N/A	—
<b>Total</b>	<b>16,653,970</b>		<b>40,023,344</b>

(1) Consists of 14,362 restricted share units.

(2) Consists of 16,639,608 restricted share units, with performance-based awards assuming maximum performance.

(3) Restricted share units have no exercise price.

The remaining information called for by Item 12 will be included in the section captioned “Beneficial Ownership” included in the definitive proxy statement relating to the 2022 Annual General Meeting of Shareholders of Accenture plc to be held on January 26, 2022 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2021 fiscal year covered by this Form 10-K.

## Item 13. Certain Relationships and Related Transactions, and Director Independence



The information called for by Item 13 will be included in the section captioned “Corporate Governance” included in the definitive proxy statement relating to the 2022 Annual General Meeting of Shareholders of Accenture plc to be held on January 26, 2022 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2021 fiscal year covered by this Form 10-K.

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## Item 14. Principal Accountant Fees And Services

The information called for by Item 14 will be included in the section captioned “Audit” included in the definitive proxy statement relating to the 2022 Annual General Meeting of Shareholders of Accenture plc to be held on January 26, 2022 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2021 fiscal year covered by this Form 10-K.

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## Part IV

# Item 15. Exhibits, Financial Statement Schedules

(a) List of documents filed as part of this report:

1. Financial Statements as of August 31, 2021 and August 31, 2020 and for the three years ended August 31, 2021  
—Included in Part II of this Form 10-K:

Consolidated Balance Sheets

Consolidated Income Statements

Consolidated Statements of Comprehensive Income

Consolidated Shareholders' Equity Statements

Consolidated Cash Flows Statements

Notes to Consolidated Financial Statements

2. Financial Statement Schedules:

None

3. Exhibit Index:

**Exhibit  
Number**

**Exhibit**

3.1	Amended and Restated Memorandum and Articles of Association of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.1 to Accenture plc's 8-K filed on February 7, 2018</a> )
3.2	Certificate of Incorporation of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.2 to Accenture plc's 8-K12B filed on September 1, 2009</a> (the "8-K12B"))
4.1	Description of Accenture plc's Securities ( <a href="#">filed herewith</a> )
10.1	Form of Voting Agreement, dated as of April 18, 2001, among Accenture Ltd and the covered persons party thereto as amended and restated as of February 3, 2005 (incorporated by reference to <a href="#">Exhibit 9.1 to the Accenture Ltd February 28, 2005 10-Q</a> (File No. 001-16565))
10.2	Assumption Agreement of the Amended and Restated Voting Agreement, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.4 to the 8-K12B</a> )
10.3*	Form of Non-Competition Agreement, dated as of April 18, 2001, among Accenture Ltd and certain employees (incorporated by reference to <a href="#">Exhibit 10.2 to the Accenture Ltd Registration Statement on Form S-1</a> (File No. 333-59194) filed on April 19, 2001)
10.4	Assumption and General Amendment Agreement between Accenture plc and Accenture Ltd, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.1 to the 8-K12B</a> )
10.5*	2001 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the Accenture Ltd Registration Statement on Form S-1/A</a> (File No. 333-59194) filed on July 12, 2001)
10.6*	Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.1 to Accenture plc's 8-K filed on January 30, 2020</a> )
10.7*	Amended and Restated 2010 Employee Share Purchase Plan (incorporated by reference to <a href="#">Exhibit 10.2 to Accenture plc's 8-K filed on February 3, 2016</a> )
10.8	Form of Support Agreement, dated as of May 23, 2001, between Accenture Ltd and Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.9 to the Accenture Ltd Registration Statement on Form S-1/A</a> (the "July 2, 2001 Form S-1/A"))
10.9	First Supplemental Agreement to Support Agreement among Accenture plc, Accenture Ltd and Accenture Canada Holdings Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.2 to the 8-K12B</a> )
10.10*	Form of Employment Agreement of executive officers in the United States (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2013 10-Q</a> )



10.11*	Form of Employment Agreement of executive officers in Singapore (incorporated by reference to <a href="#">Exhibit 10.17 to the August 31, 2015 10-K</a> )
10.12*	2012 Employment Contract between Accenture SAS and Jean-Marc Ollagnier, together with 2017 Addendum (incorporated by reference to <a href="#">Exhibit 10.1 to the November 30, 2020 10-Q</a> )
10.13	Form of Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.11 to the July 2, 2001 Form S-1/A</a> )
10.14	Articles of Amendment to Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.21 to the August 31, 2013 10-K</a> )
10.15	Form of Exchange Trust Agreement by and between Accenture Ltd and Accenture Canada Holdings Inc. and CIBC Mellon Trust Company, made as of May 23, 2001 (incorporated by reference to <a href="#">Exhibit 10.12 to the July 2, 2001 Form S-1/A</a> )
10.16	First Supplemental Agreement to Exchange Trust Agreement among Accenture plc, Accenture Ltd, Accenture Canada Holdings Inc. and Accenture Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.3 to the 8-K12B</a> )
10.17*	2015 Sub-plan for Restricted Share Units Granted in France (incorporated by reference to <a href="#">Exhibit 10.2 to the November 30, 2020 10-Q</a> )
10.18*	Form of Director Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.1 to the February 28, 2021 10-Q</a> )
10.19*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 28, 2019 10-Q</a> )
10.20*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 29, 2020 10-Q</a> )
10.21*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 28, 2021 10-Q</a> )
10.22*	Form of Fiscal 2019 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.3 to the November 30, 2020 10-Q</a> )
10.23*	Form of Fiscal 2020 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.4 to the November 30, 2020 10-Q</a> )
10.24*	Form of Fiscal 2021 Key Executive Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.6 to the February 28, 2021 10-Q</a> )
10.25*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2019 10-Q</a> )
10.26*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 29, 2020 10-Q</a> )
10.27*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2021 10-Q</a> )
10.28*	Form of Fiscal 2021 Accenture Leadership Performance Equity Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.7 to the February 28, 2021 10-Q</a> )
10.29*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 29, 2020 10-Q</a> )
10.30*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 28, 2021 10-Q</a> )
10.31*	Form of Fiscal 2021 Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.8 to the February 28, 2021 10-Q</a> )
10.32*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.5 to the February 29, 2020 10-Q</a> )
10.33*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.5 to the February 28, 2021 10-Q</a> )
10.34*	Form of Next Generation Leadership Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.6 to the February 29, 2020 10-Q</a> )
10.35*	Form of Next Generation Leadership Performance-Based Award Restricted Share Unit Agreement in France (incorporated by reference to <a href="#">Exhibit 10.6 to the November 30, 2020 10-Q</a> )
10.36*	Accenture LLP Leadership Separation Benefits Plan (incorporated by reference to <a href="#">Exhibit 10.28 to the August 31, 2020 10-K</a> )

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23.1	Consent of KPMG LLP ( <a href="#">filed herewith</a> )
23.2	Consent of KPMG LLP related to the Accenture plc 2010 Employee Share Purchase Plan ( <a href="#">filed herewith</a> )
24.1	Power of Attorney (included on the signature page hereto)
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )
99.1	Amended and Restated Accenture plc 2010 Employee Share Purchase Plan Financial Statements ( <a href="#">filed herewith</a> )
101	The following financial information from Accenture plc's Annual Report on Form 10-K for the fiscal year ended August 31, 2021, formatted in Inline XBRL: (i) Consolidated Balance Sheets as of August 31, 2021 and August 31, 2020, (ii) Consolidated Income Statements for the years ended August 31, 2021, 2020 and 2019, (iii) Consolidated Statements of Comprehensive Income for the years ended August 31, 2021, 2020 and 2019, (iv) Consolidated Shareholders' Equity Statements for the years ended August 31, 2021, 2020 and 2019, (v) Consolidated Cash Flows Statements for the years ended August 31, 2021, 2020 and 2019, and (vi) the Notes to Consolidated Financial Statements
104	The cover page from Accenture plc's Annual Report on Form 10-K for the year ended August 31, 2021, formatted in Inline XBRL (included as Exhibit 101)

(\*) Indicates management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

## Item 16. Form 10-K Summary

Not applicable.



## Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf on October 15, 2021 by the undersigned, thereunto duly authorized.

ACCENTURE PLC

By: /s/ JULIE SWEET

Name: Julie Sweet

Title: Chief Executive Officer

## Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Julie Sweet, KC McClure and Joel Unruch, and each of them, as his or her true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and resubstitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 2021 (the "Annual Report"), including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his or her capacity as a director or officer of the registrant, to the Annual Report as filed with the U.S. Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on October 15, 2021 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
<div> <div>/s/ JULIE SWEET</div> <div>Julie Sweet</div> </div>	<div>Chief Executive Officer, Chair of the Board and Director</div> <div>(principal executive officer)</div>
<div> <div>/s/ KC McCLURE</div> <div>KC McClure</div> </div>	<div>Chief Financial Officer</div> <div>(principal financial officer)</div>
<div> <div>/s/ RICHARD P. CLARK</div> <div>Richard P. Clark</div> </div>	<div>Chief Accounting Officer</div> <div>(principal accounting officer)</div>
<div> <div>/s/ GILLES C. PÉLISSON</div> <div>Gilles C. Pélisson</div> </div>	<div>Lead Director</div>
<div> <div>/s/ JAIME ARDILA</div> <div>Jaime Ardila</div> </div>	<div>Director</div>

/s/ NANCY MCKINSTRY

Director

**Nancy McKinstry**

/s/ BETH E. MOONEY

Director

**Beth E. Mooney**

/s/ PAULA A. PRICE

Director

**Paula A. Price**

/s/ VENKATA S.M. RENDUCHINTALA

Director

**Venkata S.M. Renduchintala**

/s/ ARUN SARIN

Director

**Arun Sarin**

/s/ FRANK K. TANG

Director

**Frank K. Tang**

/s/ TRACEY T. TRAVIS

Director

**Tracey T. Travis**

## Accenture Plc

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Consolidated Financial Statements as of August 31, 2021 and 2020 and for the years ended August 31, 2021, 2020 and 2019:	
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## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Accenture plc:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Accenture plc and subsidiaries (the Company) as of August 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended August 31, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended August 31, 2021, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2021 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Change in Accounting Principle*

As discussed in Note 8 to the consolidated financial statements, the Company changed its method of accounting for leases effective September 1, 2019 due to the adoption of Accounting Standards Update (ASU) No. 2016-02, Leases, and related updates, which established Accounting Standards Codification Topic 842, *Leases*.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the

consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

*Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

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company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

##### *Estimated costs to complete certain technology integration consulting services contracts*

As discussed in Notes 1 and 2 to the consolidated financial statements, revenues from contracts for technology integration consulting services where the Company designs, builds, and implements new or enhanced system applications and related processes for its clients are recognized over time since control of the system is transferred continuously to the client. Generally, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying the Company's performance obligations, which typically occurs over time periods ranging from six months to two years.

We identified the evaluation of estimated costs to complete certain technology integration consulting services contracts as a critical audit matter. Subjective auditor judgment was required to evaluate the estimate of costs to complete the contracts.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process for estimating costs to complete technology integration consulting services contracts, including controls over the estimate of costs to complete the contracts. We tested the estimated costs to complete for certain technology integration consulting services contracts by evaluating:

- the scope of the work and timing of delivery for consistency with the underlying contractual terms;
- the estimated costs to complete in relation to progress toward satisfying the Company's performance obligations, based on internal and customer-facing information;
- changes to estimated costs, if any, including the amount and timing of the change based on internal information or contractual changes; and
- actual costs incurred subsequent to the balance sheet date to assess if they were consistent with the estimate for that time period.

We evaluated the Company's ability to estimate costs by comparing estimates developed at contract inception to actual costs ultimately incurred to satisfy the performance obligation.

### *Unrecognized tax benefits*

As discussed in Note 11 to the consolidated financial statements, the Company has \$1,344 million of unrecognized tax benefits as of August 31, 2021. As discussed in Note 1 to the consolidated financial statements, the Company recognizes tax positions when it believes such positions are more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. The Company uses estimates and assumptions in determining the amount of unrecognized tax benefits.

We identified the evaluation of the Company's unrecognized tax benefits related to transfer pricing and certain other intercompany transactions as a critical audit matter. Complex auditor judgment was required in evaluating the Company's interpretation of tax law and its analysis of the recognition and measurement of its tax positions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unrecognized tax benefits process, including controls over transfer pricing and certain other intercompany transactions. We involved tax and transfer pricing professionals with specialized skills and knowledge, who assisted in:

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- evaluating the Company's interpretation of tax laws and income tax consequences of intercompany transactions, including internal restructurings and intra-entity transfers of assets;
- assessing transfer pricing studies for compliance with applicable laws and regulations;
- analyzing the Company's tax positions, including the methodology over the measurement of unrecognized tax benefits related to transfer pricing;
- evaluating the Company's determination of unrecognized tax benefits, including the associated effect in other jurisdictions; and
- inspecting settlements with applicable taxing authorities.

In addition, we evaluated the Company's ability to estimate its unrecognized tax benefits by comparing historical unrecognized tax benefits to actual results upon the conclusion of examinations by applicable taxing authorities.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Chicago, Illinois  
October 15, 2021

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## **Consolidated Balance Sheets**

### **August 31, 2021 and 2020**

	August 31, 2021	August 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 8,168,174	\$ 8,415,330
Short-term investments	4,294	94,309
Receivables and contract assets	9,728,212	7,846,892
Other current assets	1,765,831	1,393,225
<b>Total current assets</b>	<b>19,666,511</b>	<b>17,749,756</b>
<b>NON-CURRENT ASSETS:</b>		
Contract assets	38,334	43,257
Investments	329,526	324,514
Property and equipment, net	1,639,105	1,545,568
Lease assets	3,182,519	3,183,346
Goodwill	11,125,861	7,709,820
Deferred contract costs	731,445	723,168
Deferred tax assets	4,007,130	4,153,146
Other non-current assets	2,455,412	1,646,018
<b>Total non-current assets</b>	<b>23,509,332</b>	<b>19,328,837</b>
<b>TOTAL ASSETS</b>	<b>\$ 43,175,843</b>	<b>\$ 37,078,593</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt and bank borrowings	\$ 12,080	\$ 7,820
Accounts payable	2,274,057	1,349,874
Deferred revenues	4,229,177	3,636,741
Accrued payroll and related benefits	6,747,853	5,083,950
Income taxes payable	423,400	453,542
Lease liabilities	744,164	756,057
Accrued consumption taxes	609,553	662,409
Other accrued liabilities	668,583	712,197
<b>Total current liabilities</b>	<b>15,708,867</b>	<b>12,662,590</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term debt	53,473	54,052
Deferred revenues	700,080	690,931
Retirement obligation	2,016,021	1,859,444
Deferred tax liabilities	243,636	179,703
Income taxes payable	1,105,896	930,695
Lease liabilities	2,696,917	2,667,584
Other non-current liabilities	553,839	534,421
<b>Total non-current liabilities</b>	<b>7,369,862</b>	<b>6,916,830</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares, par value 1.00 euros per share, 40,000 shares authorized and issued as of August 31, 2021 and August 31, 2020	57	57
Class A ordinary shares, par value \$0.0000225 per share, 20,000,000,000 shares authorized, 656,590,625 and 658,548,895 shares issued as of August 31, 2021 and August 31, 2020, respectively	15	15
Class X ordinary shares, par value \$0.0000225 per share, 1,000,000,000 shares authorized, 1,000,000,000 and 1,000,000,000 shares issued as of August 31, 2021 and August 31, 2020, respectively		

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Income Statements

### For the Years Ended August 31, 2021, 2020 and 2019

	2021	2020	2019
<b>REVENUES:</b>			
Revenues	\$ 50,533,389	\$ 44,327,039	\$ 43,215,013
<b>OPERATING EXPENSES:</b>			
Cost of services	34,169,261	30,350,881	29,900,325
Sales and marketing	5,288,237	4,625,929	4,447,456
General and administrative costs	3,454,362	2,836,585	2,562,158
Total operating expenses	42,911,860	37,813,395	36,909,939
<b>OPERATING INCOME</b>	<b>7,621,529</b>	<b>6,513,644</b>	<b>6,305,074</b>
Interest income	33,365	69,331	87,508
Interest expense	(59,492)	(33,071)	(22,963)
Other income (expense), net	165,714	224,427	(117,822)
<b>INCOME BEFORE INCOME TAXES</b>	<b>7,761,116</b>	<b>6,774,331</b>	<b>6,251,797</b>
Income tax expense	1,770,571	1,589,018	1,405,556
<b>NET INCOME</b>	<b>5,990,545</b>	<b>5,185,313</b>	<b>4,846,241</b>
Net income attributable to noncontrolling interests in Accenture Canada Holdings Inc.	(6,539)	(6,325)	(6,694)
Net income attributable to noncontrolling interests – other	(77,197)	(71,149)	(60,435)
<b>NET INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 5,906,809</b>	<b>\$ 5,107,839</b>	<b>\$ 4,779,112</b>
<b>Weighted average Class A ordinary shares:</b>			
Basic	634,745,073	636,299,913	638,098,125
Diluted	645,909,042	647,797,003	650,204,873
<b>Earnings per Class A ordinary share:</b>			
Basic	\$ 9.31	\$ 8.03	\$ 7.49
Diluted	\$ 9.16	\$ 7.89	\$ 7.36
Cash dividends per share	\$ 3.52	\$ 3.20	\$ 2.92

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## Consolidated Statements of Comprehensive Income For the Years Ended August 31, 2021, 2020 and 2019

	2021	2020	2019
<b>NET INCOME</b>	<b>\$ 5,990,545</b>	<b>\$ 5,185,313</b>	<b>\$ 4,846,241</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:</b>			
Foreign currency translation	35,215	197,696	(132,707)
Defined benefit plans	55,265	57,100	(253,039)
Cash flow hedges	51,811	24,721	123,003
Investments	49	(777)	(1,663)
<b>OTHER COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>142,340</b>	<b>278,740</b>	<b>(264,406)</b>
Other comprehensive income (loss) attributable to noncontrolling interests	1,117	8,243	(6,749)
<b>COMPREHENSIVE INCOME</b>	<b>\$ 6,134,002</b>	<b>\$ 5,472,296</b>	<b>\$ 4,575,086</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 6,049,149</b>	<b>\$ 5,386,579</b>	<b>\$ 4,514,706</b>
Comprehensive income attributable to noncontrolling interests	84,853	85,717	60,380
<b>COMPREHENSIVE INCOME</b>	<b>\$ 6,134,002</b>	<b>\$ 5,472,296</b>	<b>\$ 4,575,086</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## **Consolidated Shareholders' Equity Statements**

### **For the Years Ended August 31, 2021, 2020 and 2019**

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares		Restricted Share Units		Additional Paid-in Capital		Treasury Shares		Retained Earnings	Accumulated Other Comprehensive Loss	Total Accenture plc Shareholders' Equity	Noncontrolling Interest
	\$	No. Shares	\$	No. Shares	\$	No. Shares		Share Units		Paid-in Capital	\$	No. Shares				
Balance as of August 31, 2018	\$57	40	\$15	663,328	\$—	656	\$1,234,623		\$4,870,764		\$(2,116,948)	(24,333)	\$ 7,952,413	\$ (1,576,171)	\$ 10,364,753	\$ 359,000
Cumulative effect adjustment													2,134,818		2,134,818	3,000
Net income													4,779,112		4,779,112	67,000
Other comprehensive income (loss)														(264,406)	(264,406)	(6,000)
Purchases of Class A shares									3,302	(2,669,336)		(16,431)			(2,666,034)	(3,000)
Cancellation of treasury shares				(17,599)					(326,092)	2,745,321		17,599	(2,419,229)		—	
Share-based compensation expense							1,023,794		69,459						1,093,253	
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares						(47)			(21,768)						(21,768)	
Issuances of Class A ordinary shares for employee share programs				9,010			(903,526)		1,219,600	652,587		4,160	(121,250)		847,411	1,000
Dividends							57,012						(1,918,737)		(1,861,725)	(2,000)
Other, net									(10,817)				14,411		3,594	
Balance as of August 31, 2019	\$57	40	\$15	654,739	\$—	609	\$1,411,903		\$5,804,448	\$(1,388,376)		(19,005)	\$10,421,538	\$ (1,840,577)	\$ 14,409,008	\$ 418,000

The accompanying Notes are an integral part of these Consolidated Financial Statements.



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**Consolidated Shareholders' Equity Statements — (continued)**  
**For the Years Ended August 31, 2021, 2020 and 2019**

	Class A				Class X				Treasury Shares				Total			
	Ordinary		Ordinary		Ordinary								Accumulated		Accenture	
	Shares		Shares		Shares		Restricted		Additional				Other		plc	
	No.		No.		No.		Share		Paid-in		No.	Retained	Comprehensive	Shareholders'	Noncon	
	\$	Shares	\$	Shares	\$	Shares	Units		Capital		\$	Shares	Earnings	Loss	Equity	Inter
Net income													5,107,839		5,107,839	7
Other comprehensive income (loss)														278,740	278,740	8
Purchases of Class A shares									3,116	(2,894,253)	(14,730)				(2,891,137)	(3)
Cancellation of treasury shares				(5,526)					(108,670)	1,056,145	5,526	(947,475)			—	
Share-based compensation expense							1,118,284		79,522						1,197,806	
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares					(81)				(21,594)						(21,594)	
Issuances of Class A shares for employee share programs				9,336		(1,022,144)		1,409,627	660,723	3,786	(93,912)				954,294	1
Dividends							77,259					(2,112,457)			(2,035,198)	(2)
Other, net									778						778	(1)
Balance as of August 31, 2020	\$57	40	\$15	658,549	\$—	528	\$1,585,302	\$7,167,227	\$(2,565,761)	(24,423)	\$12,375,533	\$ (1,561,837)	\$17,000,536	\$	498	

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Shareholders' Equity Statements — (continued)

### For the Years Ended August 31, 2021, 2020 and 2019

	Class A				Class X				Treasury Shares						Total					
	Ordinary Shares		Ordinary Shares		Ordinary Shares		Restricted Share		Additional Paid-in Capital		No. Shares		Retained Earnings		Accumulated Other Comprehensive Loss		Accenture Shareholders' plc Equity		Noncontrolling Interest	
	\$	No. Shares	\$	No. Shares	\$	No. Shares		Units			\$	No. Shares								
Net income									3,622	(3,693,747)	(13,957)			5,906,809			5,906,809		83	
Other comprehensive income (loss)																142,340	142,340		1	
Purchases of Class A shares																	(3,690,125)		(3)	
Cancellation of treasury shares				(10,263)					(255,809)	2,105,666	10,263		(1,849,857)				—			
Share-based compensation expense							1,253,679		89,272								1,342,951			
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares						(15)			(9,377)								(9,377)			
Issuances of Class A shares for employee share programs				8,305		(1,176,967)		1,617,702	745,351	3,572		(121,343)					1,064,743		1	
Dividends							88,770						(2,322,394)				(2,233,624)		(2)	
Other, net									5,201								5,201		(10)	
Balance as of August 31, 2021	\$57	40	\$15	656,591	\$—	513	\$1,750,784	\$8,617,838	\$(3,408,491)	(24,545)	\$13,988,748	\$ (1,419,497)	\$ 19,529,454	\$	567					

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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**Consolidated Cash Flows Statements**  
**For the Years Ended August 31, 2021, 2020 and 2019**

	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 5,990,545	\$ 5,185,313	\$ 4,846,241
Adjustments to reconcile Net income to Net cash provided by (used in) operating activities—			
Depreciation, amortization and other	1,891,242	1,773,124	892,760
Share-based compensation expense	1,342,951	1,197,806	1,093,253
Deferred tax expense (benefit)	60,930	170,951	(96,360)
Other, net	(342,849)	(243,867)	(87,522)
Change in assets and liabilities, net of acquisitions—			
Receivables and contract assets, current and non-current	(1,471,613)	721,500	(526,297)
Other current and non-current assets	(591,836)	(503,482)	(489,817)
Accounts payable	825,472	(359,682)	177,186
Deferred revenues, current and non-current	554,830	236,207	258,067
Accrued payroll and related benefits	1,445,010	(7,845)	386,930
Income taxes payable, current and non-current	111,795	55,198	(162,916)
Other current and non-current liabilities	(841,329)	(10,071)	335,428
<b>Net cash provided by (used in) operating activities</b>	<b>8,975,148</b>	<b>8,215,152</b>	<b>6,626,953</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(580,132)	(599,132)	(599,009)
Purchases of businesses and investments, net of cash acquired	(4,171,123)	(1,531,599)	(1,193,071)
Proceeds from sales of businesses and investments	413,553	230,393	27,951
Other investing, net	27,936	5,819	8,553
<b>Net cash provided by (used in) investing activities</b>	<b>(4,309,766)</b>	<b>(1,894,519)</b>	<b>(1,755,576)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of shares	1,065,775	955,308	848,445
Purchases of shares	(3,703,124)	(2,915,847)	(2,691,114)
Proceeds from (repayments of) long-term debt, net	(7,798)	(6,719)	(4,772)
Cash dividends paid	(2,236,094)	(2,037,733)	(1,864,353)
Other, net	(45,096)	(44,101)	(55,377)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,926,337)</b>	<b>(4,049,092)</b>	<b>(3,767,171)</b>
Effect of exchange rate changes on cash and cash equivalents	13,799	16,936	(38,713)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(247,156)</b>	<b>2,288,477</b>	<b>1,065,493</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>8,415,330</b>	<b>6,126,853</b>	<b>5,061,360</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$ 8,168,174</b>	<b>\$ 8,415,330</b>	<b>\$ 6,126,853</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid	\$ 36,132	\$ 28,493	\$ 22,624
Income taxes paid, net	\$ 1,566,753	\$ 1,360,030	\$ 1,587,273

The accompanying Notes are an integral part of these Consolidated Financial Statements.

# 1. Summary of Significant Accounting Policies

## Description of Business

Accenture plc is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations. We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). We help our clients build their digital core, transform their operations, and accelerate revenue growth—creating tangible value across their enterprises at speed and scale.

## Basis of Presentation

The Consolidated Financial Statements include the accounts of Accenture plc, an Irish company, and our controlled subsidiary companies. Accenture plc is an Irish public limited company, which operates its business through its subsidiaries.

The shares of Accenture Canada Holdings Inc. held by persons other than us are treated as a noncontrolling interest in the Consolidated Financial Statements. The noncontrolling interests percentage was less than 1% as of August 31, 2021 and 2020, respectively.

All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to “fiscal 2021” means the 12-month period that ended on August 31, 2021. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

The preparation of the Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management’s best knowledge of current events and actions that we may undertake in the future, actual results may be different from those estimates.

## Revenue Recognition

We account for revenue in accordance with FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

## Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract’s transaction price to each performance obligation based on the relative



standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations. Contract modifications are routine in the performance of our contracts. Contracts are often modified to account for changes in the contract specifications, requirements or duration. If a contract modification results in the addition of performance obligations priced at a standalone selling price or if the post-modification services are distinct from the services provided prior to the modification, the modification is accounted for separately. If the modified services are not distinct, they are accounted for as part of the existing contract.

Our revenues are derived from contracts for outsourcing services, technology integration consulting services and non-technology integration consulting services. These contracts have different terms based on the scope, performance obligations and complexity of the engagement, which frequently require us to make judgments and estimates in recognizing revenues. We have many types of contracts, including time-and-materials contracts, fixed-price contracts, fee-per-transaction contracts and contracts with multiple fee types.

The nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. These variable amounts generally are awarded or refunded

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upon achievement of or failure to achieve certain performance metrics, milestones or cost targets and can be based upon client discretion. We include these variable fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee and it is not probable a significant reversal of revenue will occur. These estimates reflect the expected value of the variable fee and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

Our performance obligations are satisfied over time as work progresses or at a point in time. The majority of our revenues are recognized over time based on the extent of progress towards satisfying our performance obligations. The selection of the method to measure progress towards completion requires judgment and is based on the contract and the nature of the services to be provided.

## Outsourcing Contracts

Our outsourcing contracts typically span several years. Revenues are generally recognized on outsourcing contracts over time because our clients benefit from the services as they are performed. Outsourcing contracts require us to provide a series of distinct services each period over the contract term. Revenues from unit-priced contracts are recognized as transactions are processed. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms.

## Technology Integration Consulting Services

Revenues from contracts for technology integration consulting services where we design/redesign, build and implement new or enhanced systems and related processes for our clients are recognized over time as control of the system is transferred continuously to the client. Contracts for technology integration consulting services generally span six months to two years. Generally, revenue, including estimated fees, is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client.

## Non-Technology Integration Consulting Services

Our contracts for non-technology integration consulting services are typically less than a year in duration. Revenues are generally recognized over time as our clients benefit from the services as they are performed, or the contract, for which the related services lack an alternative use, includes termination provisions enabling payment for performance completed to date. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms. Revenues from fixed-price contracts are generally recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. For non-technology integration consulting contracts which do not qualify to recognize revenue over time, we recognize revenues at a point in time when the client obtains control of the promised good or service.

## Contract Estimates

Estimates of total contract revenues and costs are continuously monitored over the lives of our contracts, and recorded revenues and cost estimates are subject to revision as the contract progresses. If at any time the estimate of

contract profitability indicates an anticipated loss on a technology integration consulting contract, we recognize the loss in the quarter it first becomes probable and reasonably estimable.

## **Contract Balances**

The timing of revenue recognition, billings and cash collections results in Receivables, Contract assets, and Deferred revenues (Contract liabilities) on our Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. Our receivables are rights to consideration that are conditional only upon the passage of time as compared to our contract assets, which are rights to consideration conditional upon additional factors. When we bill or receive payments from our clients before revenue is recognized, we record Contract liabilities. Contract assets and liabilities are reported on our Consolidated Balance Sheet on a contract-by-contract basis at the end of each reporting period.

For some outsourcing contracts, we receive payments for transition or set-up activities, which are deferred and recognized as revenue as the services are provided. These advance payments are typically not a significant financing component because they are used to meet working capital demands in the early stages of a contract and to protect us from the other party failing to complete its obligations under the contract. We elected the practical expedient to report revenues net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

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## Employee Share-Based Compensation Arrangements

Share-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

## Income Taxes

We calculate and provide for income taxes in each of the tax jurisdictions in which we operate. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. A valuation allowance reduces the deferred tax assets to the amount that is more likely than not to be realized. We establish liabilities or reduce assets when we believe tax positions are not more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. Each fiscal quarter, we evaluate tax positions and adjust the related tax assets and liabilities in light of changing facts and circumstances. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

## Translation of Non-U.S. Currency Amounts

Assets and liabilities of non-U.S. subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at fiscal year-end exchange rates. Revenue and expense items are translated at average foreign currency exchange rates prevailing during the fiscal year. Translation adjustments are included in Accumulated other comprehensive loss. Gains and losses arising from intercompany foreign currency transactions that are of a long-term investment nature are reported in the same manner as translation adjustments.

## Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and liquid investments with original maturities of three months or less, including certificates of deposit and time deposits. As a result of certain subsidiaries' cash management systems, checks issued but not presented to the banks for payment may create negative book cash balances. Such negative balances are classified as Current portion of long term debt and bank borrowings.

## Allowance for Credit Losses—Client Receivables and Contract Assets

We record our client receivables at their face amounts less allowances. The allowance represents our estimate of expected credit losses based on historical experience, current economic conditions and certain forward-looking information. As of August 31, 2021 and 2020, total allowances recorded for credit losses recorded for client receivables and contract assets was \$32,206 and \$40,277, respectively. The change in the allowance is primarily due to immaterial write-offs and changes in gross client receivables and contract assets.

## Concentrations of Credit Risk

Our financial instruments, consisting primarily of cash and cash equivalents, foreign currency exchange rate instruments and client receivables, are exposed to concentrations of credit risk. We place our cash and cash equivalents and foreign exchange instruments with highly-rated financial institutions, limit the amount of credit exposure with any one financial institution and conduct ongoing evaluations of the credit worthiness of the financial institutions with which we do business. Client receivables are dispersed across many different industries and countries; therefore, concentrations of credit risk are limited.

## Investments

All available-for-sale securities and liquid investments with an original maturity greater than three months but less than one year are considered to be Short-term investments. Non-current investments consist of equity securities in publicly-traded and privately-held companies and are accounted for using either the equity or fair value measurement alternative method of accounting (for investments without readily determinable fair values). Investments are periodically assessed for other-than-

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temporary impairment. If an investment is deemed to have experienced an other-than-temporary decline below its basis, we reduce the carrying amount of the investment to its estimated fair value.

Our non-current investments are as follows:

	August 31, 2021	August 31, 2020
Equity method investments	\$ 184,157	\$ 240,446
Investments without readily determinable fair values	145,369	84,068
<b>Total non-current investments</b>	<b>\$ 329,526</b>	<b>\$ 324,514</b>

For investments in which we can exercise significant influence but do not control, we use the equity method of accounting. Equity method investments are initially recorded at cost and our proportionate share of gains and losses of the investee are included as a component of other income (expense), net. Our equity method investments consist primarily of an investment in Duck Creek Technologies. As of August 31, 2021, the carrying amount of our investment was \$162,775, and the estimated fair value of our approximately 16% ownership was \$854,823. We account for the investment under the equity method because we have the ability to influence operations through the combination of our voting power and through other factors, such as representation on the board and our business relationship.

For equity securities without a readily determinable fair value, we use the fair value measurement alternative and measure the securities at cost less impairment, if any, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

## Depreciation and Amortization

See table below for summary of depreciation on fixed assets, deferred transition amortization, intangible assets amortization and operating lease cost for fiscal 2021 and 2020, respectively.

	Fiscal	
	2021	2020
Depreciation	\$ 512,051	\$ 482,054
Amortization—Deferred transition	297,216	300,680
Amortization—Intangible assets	312,706	239,664
Operating lease cost	765,232	749,233
Other	4,037	1,493
<b>Total depreciation, amortization and other</b>	<b>\$ 1,891,242</b>	<b>\$ 1,773,124</b>

## Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives:

Computers, related equipment and software	2 to 7 years
Furniture and fixtures	5 to 10 years
Leasehold improvements	Lesser of lease term or 15 years

## Goodwill

Goodwill represents the excess of the purchase price of an acquired entity over the fair value of net assets acquired. We review the recoverability of goodwill by operating segment annually, or more frequently when indicators of impairment exist. Based on the results of our annual impairment analysis, we determined that no impairment existed as of August 31, 2021 or 2020, as each reportable segment's estimated fair value substantially exceeded its carrying value.

## Long-Lived Assets

Long-lived assets, including deferred contract costs and identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable.

Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value.

Intangible assets with finite lives are generally amortized using the straight-line method over their estimated economic useful lives, ranging from one to fifteen years.

## Operating Expenses

Selected components of operating expenses are as follows:

		Fiscal	
	2021	2020	2019
Research and development costs	\$ 1,118,320	\$ 870,611	\$ 799,734
Advertising costs (1)	171,883	57,658	85,521
Provision for (release of) doubtful accounts (2)	6,199	147	974

(1) Advertising costs are expensed as incurred.

(2) For additional information, see "Allowance for Credit Losses - Client Receivables and Contract Assets."

## Recently Adopted Accounting Pronouncements

### Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13 ("Topic 326")

On September 1, 2020, we adopted FASB ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends guidance on recognition and measurement of credit losses and related disclosures. The amendments replace the existing incurred loss impairment model with a methodology to measure and recognize lifetime expected credit losses for all in-scope financial assets, including accounts receivable and contract assets. The adoption did not have an impact on our Consolidated Financial Statements.



## 2. Revenues

### Disaggregation of Revenue

See Note 16 (Segment Reporting) to these Consolidated Financial Statements for our disaggregated revenues.

### Remaining Performance Obligations

We had remaining performance obligations of approximately \$23 billion and \$20 billion as of August 31, 2021 and 2020, respectively. Our remaining performance obligations represent the amount of transaction price for which work has not been performed and revenue has not been recognized. The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Under Topic 606, only the non-cancelable portion of these contracts is included in our performance obligations. Additionally, our performance obligations only include variable consideration if we assess it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty is resolved. Based on the terms of our contracts, a significant portion of what we consider contract bookings is not included in our remaining performance obligations. We expect to recognize approximately 70% of our remaining performance obligations as of August 31, 2021 as revenue in fiscal 2022, an additional 14% in fiscal 2023, and the balance thereafter.

### Contract Estimates

Adjustments in contract estimates related to performance obligations satisfied or partially satisfied in prior periods were immaterial for both fiscal 2021 and 2020.

### Contract Balances

Deferred transition revenues were \$700,080 and \$690,931 as of August 31, 2021 and 2020, respectively, and are included in Non-current deferred revenues. Costs related to these activities are also deferred and are expensed as the services are provided. Generally, deferred amounts are protected in the event of early termination of the contract and are monitored regularly for impairment. Impairment losses are recorded when projected remaining undiscounted operating cash flows of the related contract are not sufficient to recover the carrying amount of contract assets. Deferred transition costs were \$731,445 and \$723,168 as of August 31, 2021 and 2020, respectively, and are included in Deferred contract costs. Deferred transition amortization expense for fiscal 2021, 2020 and 2019 was \$297,216, \$300,680 and \$274,814, respectively.

The following table provides information about the balances of our Receivables, Contract assets and Contract liabilities (Deferred revenues):

	As of August 31, 2021	As of August 31, 2020
Receivables, net of allowance	\$ 8,796,992	\$ 7,192,110
Contract assets (current)	931,220	654,782
<b>Receivables and contract assets (current)</b>	<b>9,728,212</b>	<b>7,846,892</b>
Contract assets (non-current)	38,334	43,257
Deferred revenues (current)	4,229,177	3,636,741
Deferred revenues (non-current)	700,080	690,931

Changes in the contract asset and liability balances during fiscal 2021, were a result of normal business activity and not materially impacted by any other factors.

Revenues recognized during fiscal 2021 that were included in Deferred revenues as of August 31, 2020 were \$3.3 billion. Revenues recognized during fiscal 2020 that were included in Deferred revenues as of August 31, 2019 were \$2.8 billion.

### 3. Earnings Per Share

Basic and diluted earnings per share are calculated as follows:

	Fiscal		
	2021	2020	2019
<b>Basic Earnings per share</b>			
Net income attributable to Accenture plc	\$ 5,906,809	\$ 5,107,839	\$ 4,779,112
Basic weighted average Class A ordinary shares	634,745,073	636,299,913	638,098,125
<b>Basic earnings per share</b>	<b>\$ 9.31</b>	<b>\$ 8.03</b>	<b>\$ 7.49</b>
<b>Diluted Earnings per share</b>			
Net income attributable to Accenture plc	\$ 5,906,809	\$ 5,107,839	\$ 4,779,112
Net income attributable to noncontrolling interests in Accenture Canada Holdings Inc. (1)	6,539	6,325	6,694
<b>Net income for diluted earnings per share calculation</b>	<b>\$ 5,913,348</b>	<b>\$ 5,114,164</b>	<b>\$ 4,785,806</b>
Basic weighted average Class A ordinary shares	634,745,073	636,299,913	638,098,125
Class A ordinary shares issuable upon redemption/exchange of noncontrolling interests (1)	702,567	787,429	892,654
Diluted effect of employee compensation related to Class A ordinary shares	10,344,620	10,599,773	11,111,679
Diluted effect of share purchase plans related to Class A ordinary shares	116,782	109,888	102,415
<b>Diluted weighted average Class A ordinary shares</b>	<b>645,909,042</b>	<b>647,797,003</b>	<b>650,204,873</b>
<b>Diluted earnings per share</b>	<b>\$ 9.16</b>	<b>\$ 7.89</b>	<b>\$ 7.36</b>

- (1) Diluted earnings per share assumes the exchange of all Accenture Canada Holdings Inc. exchangeable shares for Accenture plc Class A ordinary shares on a one-for-one basis. The income effect does not take into account "Net income attributable to noncontrolling interests - other," since those shares are not redeemable or exchangeable for Accenture plc Class A ordinary shares.

## 4. Accumulated Other Comprehensive Loss

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss attributable to Accenture plc:

	Fiscal		
	2021	2020	2019
<b>Foreign currency translation</b>			
Beginning balance	\$ (1,010,279)	\$ (1,207,975)	\$ (1,075,268)
Foreign currency translation	36,562	207,566	(138,680)
Income tax benefit (expense)	(346)	(1,719)	(607)
Portion attributable to noncontrolling interests	(1,001)	(8,151)	6,580
<b>Foreign currency translation, net of tax</b>	<b>35,215</b>	<b>197,696</b>	<b>(132,707)</b>
<b>Ending balance</b>	<b>(975,064)</b>	<b>(1,010,279)</b>	<b>(1,207,975)</b>
<b>Defined benefit plans</b>			
Beginning balance	(615,223)	(672,323)	(419,284)
Actuarial gains (losses)	(50,166)	22,414	(379,090)
Pension settlement	39,016	3,757	793
Prior service costs arising during the period	27,570	—	(2,105)
Reclassifications into net periodic pension and post-retirement expense	49,864	55,035	32,985
Income tax benefit (expense)	(10,959)	(24,041)	94,052
Portion attributable to noncontrolling interests	(60)	(65)	326
<b>Defined benefit plans, net of tax</b>	<b>55,265</b>	<b>57,100</b>	<b>(253,039)</b>
<b>Ending balance</b>	<b>(559,958)</b>	<b>(615,223)</b>	<b>(672,323)</b>
<b>Cash flow hedges</b>			
Beginning balance	63,714	38,993	(84,010)
Unrealized gain (loss)	168,244	72,437	209,017
Reclassification adjustments into Cost of services	(102,676)	(48,545)	(48,333)
Income tax benefit (expense)	(13,701)	857	(37,522)
Portion attributable to noncontrolling interests	(56)	(28)	(159)
<b>Cash flow hedges, net of tax</b>	<b>51,811</b>	<b>24,721</b>	<b>123,003</b>
<b>Ending balance (1)</b>	<b>115,525</b>	<b>63,714</b>	<b>38,993</b>
<b>Investments</b>			
Beginning balance	(49)	728	2,391
Unrealized gain (loss)	49	(778)	(1,970)
Income tax benefit (expense)	—	—	305
Portion attributable to noncontrolling interests	—	1	2
<b>Investments, net of tax</b>	<b>49</b>	<b>(777)</b>	<b>(1,663)</b>
<b>Ending balance</b>	<b>—</b>	<b>(49)</b>	<b>728</b>
<b>Accumulated other comprehensive loss</b>	<b>\$ (1,419,497)</b>	<b>\$ (1,561,837)</b>	<b>\$ (1,840,577)</b>

(1) As of August 31, 2021, \$103,549 of net unrealized gains related to derivatives designated as cash flow hedges is expected to be reclassified into cost of services in the next twelve months.

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## 5. Property and Equipment

The components of Property and equipment, net are as follows:

	August 31, 2021	August 31, 2020
Buildings and land	\$ 60	\$ 61
Computers, related equipment and software	2,052,408	1,978,380
Furniture and fixtures	470,624	456,136
Leasehold improvements	1,528,462	1,424,722
<b>Property and equipment, gross</b>	<b>4,051,554</b>	<b>3,859,299</b>
Total accumulated depreciation	(2,412,449)	(2,313,731)
<b>Property and equipment, net</b>	<b>\$ 1,639,105</b>	<b>\$ 1,545,568</b>

Depreciation expense for fiscal 2021, 2020 and 2019 was \$512,051, \$482,054 and \$440,796, respectively.

## 6. Business Combinations

We completed a number of individually immaterial acquisitions during fiscal 2021, 2020 and 2019. These acquisitions were completed primarily to expand our services and solutions offerings. The table below gives additional details related to these acquisitions:

	Fiscal		
	2021	2020	2019
Total consideration	\$ 4,109,145	\$ 1,513,910	\$ 1,170,044
Goodwill	3,388,948	1,352,839	920,696
Intangible assets	983,910	377,060	282,144

The intangible assets primarily consist of customer-related intangibles, which are being amortized over one to fifteen years. The goodwill was allocated among our reportable operating segments and is partially deductible for U.S. federal income tax purposes.

## 7. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill by reportable operating segment are as follows:

	August 31, 2019	Additions/ Adjustments	Foreign Currency Translation	August 31, 2020	Additions/ Adjustments	Foreign Currency Translation	August 31, 2021
GEOGRAPHIC MARKETS							
North America	\$ 3,973,356	\$ 628,458	\$ 2,627	\$ 4,604,441	\$ 2,010,303	\$ 3,454	\$ 6,618,198
Europe	1,569,223	420,413	148,452	2,138,088	1,179,932	11,726	3,329,746
Growth Markets	662,971	289,598	14,722	967,291	205,469	5,157	1,177,917
<b>Total</b>	<b>\$ 6,205,550</b>	<b>\$ 1,338,469</b>	<b>\$ 165,801</b>	<b>\$ 7,709,820</b>	<b>\$ 3,395,704</b>	<b>\$ 20,337</b>	<b>\$11,125,861</b>

Goodwill includes immaterial adjustments related to prior period acquisitions.

### Intangible Assets

Our definite-lived intangible assets by major asset class are as follows:

Intangible Asset Class	August 31, 2020			August 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer-related	\$ 1,319,332	\$ (495,367)	\$ 823,965	\$ 2,068,156	\$ (654,460)	\$ 1,413,696
Technology	150,765	(55,543)	95,222	250,481	(54,391)	196,090
Patents	129,295	(66,954)	62,341	126,202	(66,650)	59,552
Other	82,676	(34,986)	47,690	70,407	(28,807)	41,600
<b>Total</b>	<b>\$ 1,682,068</b>	<b>\$ (652,850)</b>	<b>\$ 1,029,218</b>	<b>\$ 2,515,246</b>	<b>\$ (804,308)</b>	<b>\$ 1,710,938</b>

Total amortization related to our intangible assets was \$312,706, \$239,664 and \$177,150 for fiscal 2021, 2020 and 2019, respectively. Estimated future amortization related to intangible assets held as of August 31, 2021 is as follows:



<b>Fiscal Year</b>	<b>Estimated Amortization</b>	
2022	\$	352,776
2023		286,589
2024		260,069
2025		237,270
2026		191,099
Thereafter		383,135
<b>Total</b>	<b>\$</b>	<b>1,710,938</b>

## 8. Leases

On September 1, 2019, we adopted FASB ASU No. 2016-02, Leases, and related updates ("Topic 842") using the effective date method. Prior period amounts were not adjusted. The primary impact of adoption is the requirement for lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by both operating and finance leases. Enhanced quantitative and qualitative disclosures about leasing arrangements are also required. We elected the package of practical expedients which does not require reassessment of prior conclusions related to identifying leases, lease classification or initial direct costs. We also elected the practical expedient to combine lease and non-lease components, accounting for the combined components as a single lease component, for our office real estate and automobile leases. The standard did not have a material impact on our Consolidated Income Statement.

As a lessee, substantially all of our lease obligation is for office real estate. Our significant judgments used in determining our lease obligation include whether a contract is or contains a lease and the determination of the discount rate used to calculate the lease liability. We elected the practical expedient not to separate lease and associated non-lease components, accounting for them as a single combined lease component, for our office real estate and automobile leases.

Our leases may include the option to extend or terminate before the end of the contractual term and are often non-cancelable or cancelable only by the payment of penalties. Our lease assets and liabilities include these options in the lease term when it is reasonably certain that they will be exercised. In certain cases, we sublease excess office real estate to third-party tenants.

Lease assets and liabilities recognized at the lease commencement date are determined predominantly as the present value of the payments due over the lease term. Since we cannot determine the implicit rate in our leases, we use our incremental borrowing rate on that date to calculate the present value. Our incremental borrowing rate approximates the rate at which we could borrow, on a secured basis for a similar term, an amount equal to our lease payments in a similar economic environment.

When we are the lessee, all leases are recognized as lease liabilities and associated lease assets on the Consolidated Balance Sheet. Lease liabilities represent our obligation to make payments arising from the lease. Lease assets represent our right to use an underlying asset for the lease term and may also include advance payments, initial direct costs, or lease incentives. Payments that depend upon an index or rate, such as the Consumer Price Index (CPI), are included in the recognition of lease assets and liabilities at the commencement-date rate. Other variable payments, such as common area maintenance, property and other taxes, utilities and insurance that are based on the lessor's cost, are recognized in the Consolidated Income Statement in the period incurred.

As of August 31, 2021 and 2020, we had no material finance leases. Operating lease expense is recorded on a straight-line basis over the lease term. Lease costs are as follows:

	Fiscal	
	2021	2020
Operating lease cost	\$ 765,232	\$ 749,233
Variable lease cost	176,426	181,612
Sublease income	(23,717)	(27,192)
	<b>\$ 917,941</b>	<b>\$ 903,653</b>

Supplemental information related to operating lease transactions is as follows:

	Fiscal	
	2021	2020
Lease liability payments	\$ 753,167	\$ 725,892
Lease assets obtained in exchange for liabilities	599,866	592,026

As of August 31, 2021 and 2020, our operating leases had a weighted average remaining lease term of 7.3 years and a weighted average discount rate of 3.9% and 4.2%, respectively.

The following maturity analysis presents future undiscounted cash outflows (inflows) for operating leases as of August 31, 2021:

	Lease Payments	Sublease Receipts
2022	\$ 757,020	\$ (13,029)
2023	667,204	(12,088)
2024	558,848	(10,787)
2025	448,858	(8,288)
2026	335,658	(7,269)
Thereafter	1,144,549	(19,895)
<b>Total lease payments (receipts)</b>	<b>\$ 3,912,137</b>	<b>\$ (71,356)</b>
Less interest	(471,056)	
<b>Total lease liabilities</b>	<b>\$ 3,441,081</b>	

As of August 31, 2021, we have entered into leases that have not yet commenced with future lease payments of \$282 million that are not reflected in the table above. These leases are primarily related to office real estate and will commence in fiscal 2022 with lease terms of up to 16 years.

## 9. Financial Instruments

### Derivatives

In the normal course of business, we use derivative financial instruments to manage foreign currency exchange rate risk. Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. Positions are monitored using techniques such as market value and sensitivity analyses. We do not enter into derivative transactions for trading purposes. We classify cash flows from our derivative programs as cash flows from operating activities in the Consolidated Cash Flows Statements.

Certain derivatives give rise to credit risks from the possible non-performance by counterparties. Credit risk is generally limited to the fair value of those contracts that are favorable to us, and the maximum amount of loss due to credit risk, based on the gross fair value of our derivative financial instruments that are in an asset position, was \$211,988 as of August 31, 2021.

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. These provisions may reduce our potential overall loss resulting from the insolvency of a counterparty and reduce a counterparty's potential overall loss resulting from our insolvency. Additionally, these agreements contain early termination provisions triggered by adverse changes in a counterparty's credit rating, thereby enabling us to accelerate settlement of a transaction prior to its contractual maturity and potentially decrease our realized loss on an open transaction. Similarly, a decrement in our credit rating could trigger a counterparty's early termination rights, thereby enabling a counterparty to accelerate settlement of a transaction prior to its contractual maturity and potentially increase our realized loss on an open transaction. The aggregate fair value of our derivative instruments with credit-risk-related contingent features that were in a liability position as of August 31, 2021 was \$18,066.

Our derivative financial instruments consist of deliverable and non-deliverable foreign currency forward contracts. Fair values for derivative financial instruments are based on prices computed using third-party valuation models and are classified as Level 2 in accordance with the three-level hierarchy of fair value measurements. All of the significant inputs to the third-party valuation models are observable in active markets. Inputs include current market-based parameters such as forward rates and yield curves. For additional information related to the three-level hierarchy of fair value measurements, see Note 12 (Retirement and Profit Sharing Plans) to these Consolidated Financial Statements.

### Cash Flow Hedges

Certain of our subsidiaries are exposed to currency risk through their use of our global delivery resources. To mitigate this risk, we use foreign currency forward contracts to hedge the foreign exchange risk of the forecasted intercompany expenses denominated in foreign currencies for up to three years in the future. We have designated these derivatives as cash flow hedges. As of August 31, 2021 and 2020, we held no derivatives that were designated as fair value or net investment hedges.

In order for a derivative to qualify for hedge accounting, the derivative must be formally designated as a fair value, cash flow or net investment hedge by documenting the relationship between the derivative and the hedged item. The documentation includes a description of the hedging instrument, the hedged item, the risk being hedged, our risk management objective and strategy for undertaking the hedge, the method for assessing the effectiveness of the hedge and the method for measuring hedge ineffectiveness. Additionally, the hedge relationship must be expected to be highly effective at offsetting changes in either the fair value or cash flows of the hedged item at both inception of the hedge and on an ongoing basis.

For a cash flow hedge, the effective portion of the change in estimated fair value of a hedging instrument is recorded in Accumulated other comprehensive loss as a separate component of Shareholders' Equity and is reclassified into Cost of services in the Consolidated Income Statements during the period in which the hedged transaction is recognized. The amounts related to derivatives designated as cash flow hedges that were reclassified into Cost of services were net gains of \$102,676, \$48,545 and \$48,333 during fiscal 2021, 2020 and 2019, respectively. The ineffective portion of the change in fair value of a cash flow hedge is recognized immediately in Other income (expense), net in the Consolidated Income Statements and for fiscal 2021, 2020 and 2019, was not material. In addition, we did not discontinue any cash flow hedges during fiscal 2021, 2020 or 2019.

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## Other Derivatives

We also use foreign currency forward contracts, which have not been designated as hedges, to hedge balance sheet exposures, such as intercompany loans. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates. Realized gains or losses and changes in the estimated fair value of these derivatives were net gains of \$15,370, and \$111,623 for fiscal 2021 and 2020, respectively, and a net loss of \$112,113 for fiscal 2019. Gains and losses on these contracts are recorded in Other income (expense), net in the Consolidated Income Statements and are offset by gains and losses on the related hedged items.

## Fair Value of Derivative Instruments

The notional and fair values of all derivative instruments are as follows:

	August 31, 2021	August 31, 2020
<b>Assets</b>		
Cash Flow Hedges		
Other current assets	\$ 109,416	\$ 75,871
Other non-current assets	70,250	50,914
Other Derivatives		
Other current assets	32,322	27,964
<b>Total assets</b>	<b>\$ 211,988</b>	<b>\$ 154,749</b>
<b>Liabilities</b>		
Cash Flow Hedges		
Other accrued liabilities	\$ 5,867	\$ 13,614
Other non-current liabilities	8,585	13,576
Other Derivatives		
Other accrued liabilities	3,614	11,828
<b>Total liabilities</b>	<b>\$ 18,066</b>	<b>\$ 39,018</b>
<b>Total fair value</b>	<b>\$ 193,922</b>	<b>\$ 115,731</b>
<b>Total notional value</b>	<b>\$ 10,045,903</b>	<b>\$ 9,600,691</b>

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for the set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. In the Consolidated Balance Sheets, we record derivative assets and liabilities at gross fair value. The potential effect of netting derivative assets against liabilities under the counterparty master agreements is as follows:

	August 31, 2021	August 31, 2020
Net derivative assets	\$ 193,936	\$ 129,520
Net derivative liabilities	14	13,789
<b>Total fair value</b>	<b>\$ 193,922</b>	<b>\$ 115,731</b>



## 10. Borrowings and Indebtedness

As of August 31, 2021, we had the following borrowing facilities, including the issuance of letters of credit, to support general working capital purposes:

	Facility Amount	Borrowings Under Facilities
Syndicated loan facility (1)	\$ 3,000,000	\$ —
Separate, uncommitted, unsecured multicurrency revolving credit facilities (2)	1,200,031	—
Local guaranteed and non-guaranteed lines of credit (3)	247,261	—
<b>Total</b>	<b>\$ 4,447,292</b>	<b>\$ —</b>

- (1) On April 26, 2021, we replaced our \$1,000,000 syndicated 5-year credit facility and \$1,000,000 syndicated 364-day credit facility with a new \$3,000,000 syndicated credit facility maturing on April 24, 2026. This facility provides unsecured, revolving borrowing capacity for general corporate capital purposes, including the issuance of letters of credit. Borrowings under this facility will accrue interest at the applicable risk-free rate plus a spread. We continue to be in compliance with relevant covenant terms. The facility is subject to annual commitment fees. As of August 31, 2021, we had no borrowings under the facility.
- (2) We maintain separate, uncommitted and unsecured multicurrency revolving credit facilities. These facilities provide local currency financing for the majority of our operations. Interest rate terms on the revolving facilities are at market rates prevailing in the relevant local markets. As of August 31, 2021 and 2020, we had no borrowings under these facilities.
- (3) We also maintain local guaranteed and non-guaranteed lines of credit for those locations that cannot access our global facilities. As of August 31, 2021 and 2020, we had no borrowings under these various facilities, respectively.

Under the borrowing facilities described above, we had an aggregate of \$695,139 and \$487,795 of letters of credit outstanding as of August 31, 2021 and 2020, respectively. In addition, we had total outstanding debt of \$65,553 and \$61,872 as of August 31, 2021 and 2020, respectively.

## 11. Income Taxes

	Fiscal		
	2021	2020	2019
Current taxes			
U.S. federal	\$ 218,064	\$ 99,280	\$ 159,578
U.S. state and local	95,662	26,425	86,113
Non-U.S.	1,395,915	1,292,362	1,256,225
<b>Total current tax expense</b>	<b>1,709,641</b>	<b>1,418,067</b>	<b>1,501,916</b>
Deferred taxes			
U.S. federal	7,767	21,532	(143,217)
U.S. state and local	(5,400)	8,525	(39,588)
Non-U.S.	58,563	140,894	86,445
<b>Total deferred tax (benefit) expense</b>	<b>60,930</b>	<b>170,951</b>	<b>(96,360)</b>
<b>Total</b>	<b>\$ 1,770,571</b>	<b>\$ 1,589,018</b>	<b>\$ 1,405,556</b>

The components of Income before income taxes are as follows:

	Fiscal		
	2021	2020	2019
U.S. sources	\$ 1,597,820	\$ 1,352,968	\$ 853,173
Non-U.S. sources	6,163,296	5,421,363	5,398,624
<b>Total</b>	<b>\$ 7,761,116</b>	<b>\$ 6,774,331</b>	<b>\$ 6,251,797</b>

The reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate is as follows:

	Fiscal		
	2021	2020 (2)	2019 (2)
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
U.S. state and local taxes, net	1.2	1.2	1.0
Non-U.S. operations taxed at other rates	1.1	1.2	1.6
Final determinations (1)	(1.7)	(1.9)	(3.4)
Other net activity in unrecognized tax benefits	2.8	2.4	3.2
Excess tax benefits from share based payments	(2.1)	(1.9)	(1.2)
Other, net	0.5	1.5	0.3
<b>Effective income tax rate</b>	<b>22.8 %</b>	<b>23.5 %</b>	<b>22.5 %</b>

(1) Final determinations include final agreements with tax authorities and expirations of statutes of limitations.

(2) Prior period amounts have been reclassified to conform with the current period presentation.

As of August 31, 2021, we had not recognized a deferred tax liability on approximately \$1,900,000 of undistributed earnings for certain foreign subsidiaries, because these earnings are intended to be indefinitely reinvested. If such earnings were distributed, some countries may impose additional taxes. The unrecognized deferred tax liability (the amount payable if distributed) is approximately \$100,000.

Portions of our operations are subject to reduced tax rates or are free of tax under various tax holidays which expire between fiscal 2022 and 2031. The income tax benefits attributable to the tax status of these subsidiaries were estimated to be approximately \$37,000, \$38,000 and \$95,000 in fiscal 2021, 2020 and 2019, respectively.

The revaluation of deferred tax assets and liabilities due to enacted changes in tax laws and tax rates did not have a material impact on our effective tax rate in fiscal 2021, 2020, or 2019.

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The components of our deferred tax assets and liabilities included the following:

	August 31, 2021	August 31, 2020 (1)
<b>Deferred tax assets</b>		
Pensions	\$ 474,934	\$ 443,231
Revenue recognition	120,990	115,287
Compensation and benefits	726,430	574,349
Share-based compensation	355,157	334,061
Tax credit carryforwards	915,382	659,835
Net operating loss carryforwards	196,611	159,506
Deferred amortization deductions	857,441	828,098
Indirect effects of unrecognized tax benefits	285,768	279,105
Licenses and other intangibles	1,533,152	1,752,612
Leases	704,200	729,787
Other	305,575	280,883
<b>Total deferred tax assets</b>	<b>6,475,640</b>	<b>6,156,754</b>
Valuation allowance	(1,001,245)	(757,799)
<b>Deferred tax assets, net of valuation allowance</b>	<b>5,474,395</b>	<b>5,398,955</b>
<b>Deferred tax liabilities</b>		
Investments in subsidiaries	(142,635)	(169,752)
Intangibles	(480,588)	(298,181)
Leases	(648,419)	(669,005)
Property and equipment	(92,271)	(56,218)
Other	(346,988)	(232,356)
<b>Total deferred tax liabilities</b>	<b>(1,710,901)</b>	<b>(1,425,512)</b>
<b>Net deferred tax assets</b>	<b>\$ 3,763,494</b>	<b>\$ 3,973,443</b>

(1) Prior period amounts have been reclassified to conform with the current period presentation.

We recorded valuation allowances of \$1,001,245 and \$757,799 as of August 31, 2021 and 2020, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carryforwards, as we believe it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets. During fiscal 2021 and 2020, we recorded net increases of \$243,446 and \$151,034 in the valuation allowance, respectively, primarily related to valuation allowances on certain tax credit carryforwards, as we believe it is more likely than not that these assets will not be realized.

We had tax credit carryforwards as of August 31, 2021 of \$915,382, of which \$25,858 will expire between 2022 and 2031, \$52 will expire between 2032 and 2041, and \$889,472 has an indefinite carryforward period. We had net operating loss carryforwards as of August 31, 2021 of \$903,589. Of this amount, \$86,729 expires between 2022 and 2031, \$100,270 expires between 2032 and 2041, and \$716,590 has an indefinite carryforward period.

As of August 31, 2021, we had \$1,344,460 of unrecognized tax benefits, of which \$1,028,090, if recognized, would favorably affect our effective tax rate. As of August 31, 2020, we had \$1,238,945 of unrecognized tax benefits, of which \$934,183, if recognized, would favorably affect our effective tax rate. The remaining unrecognized tax benefits as of August 31, 2021 and 2020 of \$316,370 and \$304,762, respectively, represent items recorded as offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, state income taxes and timing adjustments.

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Fiscal	
	2021	2020
Balance, beginning of year	\$ 1,238,945	\$ 1,233,014
Additions for tax positions related to the current year	187,741	168,938
Additions for tax positions related to prior years	115,518	58,977
Reductions for tax positions related to prior years	(133,349)	(177,812)
Statute of limitations expirations	(62,614)	(51,477)
Settlements with tax authorities	(3,374)	(11,602)
Foreign currency translation	1,593	18,907
<b>Balance, end of year</b>	<b>\$ 1,344,460</b>	<b>\$ 1,238,945</b>

For the year ended August 31, 2021, some of the additions for tax positions related to prior years are for items that had no net impact to the consolidated financial statements.

We recognize interest and penalties related to unrecognized tax benefits in our Income tax expense. During fiscal 2021, 2020 and 2019, we recognized expense of \$35,285, \$21,140 and \$8,645 in interest and penalties, respectively. Accrued interest and penalties related to unrecognized tax benefits of \$166,846 (\$151,184, net of tax benefits) and \$129,597 (\$118,533, net of tax benefits) were reflected on our Consolidated Balance Sheets as of August 31, 2021 and 2020, respectively.

We have participated in the U.S. Internal Revenue Service (“IRS”) Compliance Assurance Process (“CAP”) program since fiscal 2016. CAP tax years are examined by the IRS on a contemporaneous basis so that most issues are resolved prior to filing the tax return. We are currently under audit in numerous state and non-U.S. tax jurisdictions. However, with limited exceptions, we are no longer subject to income tax audits by those taxing authorities for years before 2014. Although the outcome of tax audits is always uncertain and could result in significant cash tax payments, we do not believe the outcome of these audits will have a material adverse effect on our consolidated financial position or results of operations. We believe that it is reasonably possible that our unrecognized tax benefits could decrease by approximately \$300,000 or increase by approximately \$420,000 in the next 12 months as a result of settlements, lapses of statutes of limitations, tax audit activity and other adjustments. The majority of these amounts relate to transfer pricing matters in both U.S. and non-U.S. tax jurisdictions.

## 12. Retirement and Profit Sharing Plans

### Defined Benefit Pension and Postretirement Plans

In the United States and certain other countries, we maintain and administer defined benefit retirement plans and postretirement medical plans for certain current, retired and resigned employees. In addition, our U.S. defined benefit pension plans include a frozen plan for former pre-incorporation partners, which is unfunded. Benefits under the employee retirement plans are primarily based on years of service and compensation during the years immediately preceding retirement or termination of participation in the plan. The defined benefit pension disclosures include our U.S. and material non-U.S. defined benefit pension plans.

### Assumptions

The weighted-average assumptions used to determine the defined benefit pension obligations as of August 31 and the net periodic pension expense are as follows:

	Pension Plans						Postretirement Plans		
	August 31, 2021		August 31, 2020		August 31, 2019		August 31, 2021	August 31, 2020	August 31, 2019
	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Discount rate for determining projected benefit obligation	2.50 %	2.41 %	2.50 %	2.27 %	3.00 %	2.24 %	2.53 %	2.51 %	3.00 %
Discount rate for determining net periodic pension expense	2.50 %	2.27 %	3.00 %	2.24 %	4.00 %	3.29 %	2.51 %	3.00 %	3.98 %
Long term rate of return on plan assets	3.50 %	2.63 %	4.25 %	2.81 %	4.25 %	3.02 %	3.06 %	3.45 %	3.18 %
Rate of increase in future compensation for determining projected benefit obligation	2.09 %	4.48 %	2.21 %	4.04 %	2.23 %	4.02 %	N/A	N/A	N/A
Rate of increase in future compensation for determining net periodic pension expense	2.21 %	4.04 %	2.23 %	4.02 %	2.23 %	3.67 %	N/A	N/A	N/A
Interest crediting rate for determining projected benefit obligation	N/A	0.77 %	N/A	0.68 %	N/A	0.69 %	N/A	N/A	N/A
Interest crediting rate for determining net periodic pension expense	N/A	0.68 %	N/A	0.69 %	N/A	1.47 %	N/A	N/A	N/A

We utilize a full yield curve approach to estimate the service and interest cost components by applying specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This approach provides a correlation between projected benefit cash flows and the corresponding yield curve spot rates and provides a precise measurement of service and interest costs. The discount rate assumptions are based on the expected duration of the benefit payments for each of our defined benefit pension and postretirement plans as of the annual measurement date and are subject to change each year.

The expected long-term rate of return on plan assets should, over time, approximate the actual long-term returns on defined benefit pension and postretirement plan assets and is based on historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the asset portfolio.

## **Assumed U.S. Health Care Cost Trend**

Our U.S. postretirement plan assumed annual rate of increase in the per capita cost of health care benefits is 6.2% for the plan year ending August 31, 2022. The rate is assumed to decrease on a straight-line basis to 4.0% for the plan year ending August 31, 2046 and remain at that level thereafter.

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## Pension and Postretirement Expense

Pension expense for fiscal 2021, 2020 and 2019 was \$169,471, \$168,367 and \$137,030, respectively. Postretirement expense for fiscal 2021, 2020 and 2019 was not material to our Consolidated Financial Statements. The service cost component of pension and postretirement expense is included in operating expenses while the other components of net benefit cost are included in Other income (expense), net.

## Benefit Obligation, Plan Assets and Funded Status

The changes in the benefit obligations, plan assets and funded status of our pension and postretirement benefit plans for fiscal 2021 and 2020 are as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2021		August 31, 2020		August 31, 2021	August 31, 2020
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Reconciliation of benefit obligation</b>						
Benefit obligation, beginning of year	\$ 408,266	\$ 2,357,405	\$ 383,557	\$ 2,166,377	\$ 649,328	\$ 576,596
Service cost	2,579	113,882	3,080	108,871	25,307	22,142
Interest cost	7,628	47,692	9,771	44,395	13,775	15,647
Participant contributions	—	13,241	—	12,521	—	—
Acquisitions/divestitures/transfers	—	117,422	—	14	—	—
Amendments	—	(21,356)	—	—	(6,214)	—
Curtailment	—	(1,381)	—	—	—	—
Pension settlement	—	(211,506)	—	(188)	—	—
Actuarial (gain) loss	3,731	45,063	26,495	(12,278)	60,095	46,630
Benefits paid	(15,876)	(124,531)	(14,637)	(94,136)	(9,357)	(12,115)
Exchange rate impact	—	1,189	—	131,829	1,337	428
<b>Benefit obligation, end of year</b>	<b>\$ 406,328</b>	<b>\$ 2,337,120</b>	<b>\$ 408,266</b>	<b>\$ 2,357,405</b>	<b>\$ 734,271</b>	<b>\$ 649,328</b>
<b>Reconciliation of fair value of plan assets</b>						
Fair value of plan assets, beginning of year	\$ 281,189	\$ 1,355,707	\$ 257,280	\$ 1,214,062	\$ 31,826	\$ 31,920
Actual return on plan assets	5,481	88,056	27,911	46,815	481	2,079
Acquisitions/divestitures/transfers	—	94,635	—	—	—	—
Employer contributions	20,858	97,217	10,635	88,068	9,600	9,942
Participant contributions	—	13,241	—	12,521	—	—
Pension settlement	—	(211,506)	—	—	—	—
Benefits paid	(15,876)	(124,531)	(14,637)	(94,136)	(9,357)	(12,115)
Exchange rate impact	—	13,440	—	89,049	—	—
Other	—	—	—	(672)	—	—
<b>Fair value of plan assets, end of year</b>	<b>\$ 291,652</b>	<b>\$ 1,326,259</b>	<b>\$ 281,189</b>	<b>\$ 1,355,707</b>	<b>\$ 32,550</b>	<b>\$ 31,826</b>
<b>Funded status, end of year</b>	<b>\$ (114,676)</b>	<b>\$ (1,010,861)</b>	<b>\$ (127,077)</b>	<b>\$ (1,001,698)</b>	<b>\$ (701,721)</b>	<b>\$ (617,502)</b>
Amounts recognized in the Consolidated Balance Sheets						
Non-current assets	\$ 9,543	\$ 166,478	\$ 3,232	\$ 67,341	\$ —	\$ —
Current liabilities	(10,651)	(53,097)	(10,213)	(42,990)	(1,266)	(1,169)
Non-current liabilities	(113,568)	(1,124,242)	(120,096)	(1,026,049)	(700,455)	(616,333)
<b>Funded status, end of year</b>	<b>\$ (114,676)</b>	<b>\$ (1,010,861)</b>	<b>\$ (127,077)</b>	<b>\$ (1,001,698)</b>	<b>\$ (701,721)</b>	<b>\$ (617,502)</b>

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## Accumulated Other Comprehensive Loss

The pre-tax accumulated net loss and prior service (credit) cost recognized in Accumulated other comprehensive loss as of August 31, 2021 and 2020 is as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2021		August 31, 2020		August 31, 2021	August 31, 2020
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Net loss	\$ 109,433	\$ 525,172	\$ 108,796	\$ 605,635	\$ 208,784	\$ 160,067
Prior service (credit) cost	—	(2,704)	—	20,056	7,080	15,114
<b>Accumulated other comprehensive loss, pre-tax</b>	<b>\$ 109,433</b>	<b>\$ 522,468</b>	<b>\$ 108,796</b>	<b>\$ 625,691</b>	<b>\$ 215,864</b>	<b>\$ 175,181</b>

## Funded Status for Defined Benefit Plans

The accumulated benefit obligation for defined benefit pension plans as of August 31, 2021 and 2020 is as follows:

	August 31, 2021		August 31, 2020	
	Non-U.S. Plans		Non-U.S. Plans	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Accumulated benefit obligation	\$ 401,527	\$ 1,989,178	\$ 401,822	\$ 2,135,566

The following information is provided for defined benefit pension plans and postretirement plans with projected benefit obligations in excess of plan assets and for defined benefit pension plans with accumulated benefit obligations in excess of plan assets as of August 31, 2021 and 2020:

	Pension Plans				Postretirement Plans	
	August 31, 2021		August 31, 2020		August 31, 2021	August 31, 2020
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Projected benefit obligation in excess of plan assets</b>						
Projected benefit obligation	\$ 124,219	\$ 1,716,981	\$ 130,309	\$ 1,644,895	\$ 734,271	\$ 649,328
Fair value of plan assets	—	539,641	—	575,857	32,550	31,826

	August 31, 2021		August 31, 2020	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
<b>Accumulated benefit obligation in excess of plan assets</b>				
Accumulated benefit obligation	\$ 124,219	\$ 1,321,965	\$ 130,309	\$ 1,438,234
Fair value of plan assets	—	379,567	—	575,857

## Investment Strategies

### U.S. Pension Plans

The overall investment objective of the defined benefit pension plans is to match the duration of the plans' assets to the plans' liabilities while managing risk in order to meet current defined benefit pension obligations. The plans' future prospects, their current financial conditions, our current funding levels and other relevant factors suggest that the plans can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives without undue risk to the plans' ability to meet their current benefit obligations. We recognize that asset allocation of the defined benefit pension plans' assets is an important factor in determining long-term performance. Actual asset allocations at any point in time may

vary from the target asset allocations and will be dictated by current and anticipated market conditions, required cash flows and investment decisions of the investment committee and the pension plans' investment funds and managers. Ranges are established to provide flexibility for the asset allocation to vary around the targets without the need for immediate rebalancing.

## Non-U.S. Pension Plans

Plan assets in non-U.S. defined benefit pension plans conform to the investment policies and procedures of each plan and to relevant legislation. The pension committee or trustee of each plan regularly, but at least annually, reviews the investment policy and the performance of the investment managers. In certain countries, the trustee is also required to consult with us. Asset allocation decisions are made to provide risk adjusted returns that align with the overall investment strategy for each plan. Generally, the investment return objective of each plan is to achieve a total annualized rate of return that exceeds inflation over the long term by an amount based on the target asset allocation mix of that plan. In certain countries, plan assets are invested in funds that are required to hold a majority of assets in bonds, with a smaller proportion in equities. Also, certain plan assets are entirely invested in contracts held with the plan insurer, which determines the strategy. Defined benefit pension plans in certain countries are unfunded.

## Risk Management

Plan investments are exposed to risks including market, interest rate and operating risk. In order to mitigate significant concentrations of these risks, the assets are invested in a diversified portfolio primarily consisting of fixed income instruments and equities. To minimize asset volatility relative to the liabilities, plan assets allocated to debt securities appropriately match the duration of individual plan liabilities. Equities are diversified between U.S. and non-U.S. index funds and are intended to achieve long term capital appreciation. Plan asset allocation and investment managers' guidelines are reviewed on a regular basis.

## Plan Assets

Our target allocation for fiscal 2022 and weighted-average plan assets allocations as of August 31, 2021 and 2020 by asset category for defined benefit pension plans are as follows:

	2022 Target Allocation		2021		2020	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
<b>Asset Category</b>						
Equity securities	— %	25 %	— %	21 %	— %	19 %
Debt securities	100	51	98	51	96	59
Cash and short-term investments	—	4	2	4	4	2
Insurance contracts	—	13	—	16	—	16
Other	—	7	—	8	—	4
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

- Level 1—Quoted prices for identical instruments in active markets;
  - Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
  - Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.
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The fair values of defined benefit pension and postretirement plan assets as of August 31, 2021 are as follows:

*Non-U.S. Plans*

	Level 1	Level 2	Level 3	Total
Equity				
Mutual fund equity securities	\$ —	\$ 273,541	\$ —	\$ 273,541
Fixed Income				
Non-U.S. government debt securities	183,891	—	—	183,891
Non-U.S. corporate debt securities	15,624	—	—	15,624
Mutual fund debt securities	—	484,182	—	484,182
Cash and short-term investments	48,825	—	—	48,825
Insurance contracts	—	79,227	130,934	210,161
Other	—	110,035	—	110,035
<b>Total</b>	<b>\$ 248,340</b>	<b>\$ 946,985</b>	<b>\$ 130,934</b>	<b>\$ 1,326,259</b>

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$324,202 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$204,650 and U.S. government, state and local debt securities of \$67,373.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2021:

Level 3 Assets	Fiscal 2021
Beginning balance	\$ 140,305
Changes in fair value	(9,371)
<b>Ending Balance</b>	<b>\$ 130,934</b>

The fair values of defined benefit pension and postretirement plan assets as of August 31, 2020 are as follows:



Non-U.S. Plans

	Level 1	Level 2	Level 3	Total
Equity				
Mutual fund equity securities	\$ —	\$ 259,776	\$ —	\$ 259,776
Fixed Income				
Non-U.S. government debt securities	163,602	—	—	163,602
Non-U.S. corporate debt securities	20,639	—	—	20,639
Mutual fund debt securities	—	611,028	—	611,028
Cash and short-term investments	13,858	14,509	—	28,367
Insurance contracts	—	79,575	140,305	219,880
Other	—	52,415	—	52,415
<b>Total</b>	<b>\$ 198,099</b>	<b>\$ 1,017,303</b>	<b>\$ 140,305</b>	<b>\$ 1,355,707</b>

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$313,015 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$185,981 and U.S. government, state and local debt securities of \$75,583.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2020:

Level 3 Assets	Fiscal 2020
Beginning balance	\$ 133,421
Changes in fair value	6,884
<b>Ending Balance</b>	<b>\$ 140,305</b>

## Expected Contributions

Generally, annual contributions are made at such times and in amounts as required by law and may, from time to time, exceed minimum funding requirements. We estimate we will pay approximately \$124,621 in fiscal 2022 related to contributions to our U.S. and non-U.S. defined benefit pension plans and benefit payments related to the unfunded frozen plan for former pre-incorporation partners. We have not determined whether we will make additional voluntary contributions for our defined benefit pension plans. Our postretirement plan contributions in fiscal 2022 are not expected to be material to our Consolidated Financial Statements.

## Estimated Future Benefit Payments

Benefit payments for defined benefit pension plans and postretirement plans, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Plans		Postretirement Plans
	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans
2022	\$ 16,114	\$ 122,740	\$ 13,372
2023	16,940	124,082	14,536
2024	17,746	120,748	15,959
2025	18,604	128,567	17,396
2026	19,350	126,114	19,058
2027-2031	105,408	644,379	124,117

## Defined Contribution Plans

In the United States and certain other countries, we maintain and administer defined contribution plans for certain current, retired and resigned employees. Total expenses recorded for defined contribution plans were \$646,519, \$557,888 and \$530,501 in fiscal 2021, 2020 and 2019, respectively.

## 13. Share-Based Compensation

### Share Incentive Plans

The Amended and Restated Accenture plc 2010 Share Incentive Plan, as amended and approved by our shareholders in 2020 (the “Amended 2010 SIP”), is administered by the Compensation Committee of the Board of Directors of Accenture and provides for the grant of nonqualified share options, incentive stock options, restricted share units and other share-based awards. A maximum of 114,000,000 Accenture plc Class A ordinary shares are currently authorized for awards under the Amended 2010 SIP. As of August 31, 2021, there were 19,465,854 shares available for future grants. Accenture plc Class A ordinary shares covered by awards that terminate, lapse or are cancelled may again be used to satisfy awards under the Amended 2010 SIP. We issue new Accenture plc Class A ordinary shares and shares from treasury for shares delivered under the Amended 2010 SIP.

A summary of information with respect to share-based compensation is as follows:

	Fiscal		
	2021	2020	2019
Total share-based compensation expense included in Net income	\$ 1,342,951	\$ 1,197,806	\$ 1,093,253
Income tax benefit related to share-based compensation included in Net income	486,980	430,290	356,062

### Restricted Share Units

Under the Amended 2010 SIP, participants may be, and previously under the predecessor 2001 Share Incentive Plan were, granted restricted share units, each of which represent an unfunded, unsecured right to receive an Accenture plc Class A ordinary share on the date specified in the participant’s award agreement. The fair value of the awards is based on our stock price on the date of grant. The restricted share units granted under these plans are subject to cliff or graded vesting, generally ranging from two to five years. For awards with graded vesting, compensation expense is recognized over the vesting term of each separately vesting portion. Compensation expense is recognized on a straight-line basis for awards with cliff vesting. Restricted share unit activity during fiscal 2021 is as follows:

	Number of Restricted Share Units	Weighted Average Grant-Date Fair Value
Nonvested balance as of August 31, 2020	17,739,931	\$ 164.62
Granted (1)	6,862,406	263.83
Vested (2)	(7,225,755)	160.05
Forfeited	(1,141,197)	183.47
<b>Nonvested balance as of August 31, 2021</b>	<b>16,235,385</b>	<b>\$ 207.26</b>

- (1) The weighted average grant-date fair value for restricted share units granted for fiscal 2021, 2020 and 2019 was \$263.83, \$206.05 and \$144.52, respectively.
- (2) The total grant-date fair value of restricted share units vested for fiscal 2021, 2020 and 2019 was \$1,156,501, \$1,066,622 and \$914,206, respectively.

As of August 31, 2021, there was \$1,267,761 of total unrecognized restricted share unit compensation expense related to nonvested awards, which is expected to be recognized over a weighted average period of 1.2 years. As of August 31, 2021, there were 418,585 restricted share units vested but not yet delivered as Accenture plc Class A ordinary shares.

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## Employee Share Purchase Plan

### 2010 ESPP

The Amended and Restated Accenture plc 2010 Employee Share Purchase Plan (the “2010 ESPP”) is a nonqualified plan that provides eligible employees of Accenture plc and its designated affiliates with an opportunity to purchase Accenture plc Class A ordinary shares through payroll deductions. Under the 2010 ESPP, eligible employees may purchase Accenture plc Class A ordinary shares through the Employee Share Purchase Plan (the “ESPP”) or the Voluntary Equity Investment Program (the “VEIP”). Under the ESPP, eligible employees may elect to contribute 1% to 10% of their eligible compensation during each semi-annual offering period (up to \$7.5 per offering period) to purchase Accenture plc Class A ordinary shares at a discount. Under the VEIP, eligible members of Accenture Leadership may elect to contribute up to 30% of their eligible compensation towards the monthly purchase of Accenture plc Class A ordinary shares at fair market value. At the end of the VEIP program year, Accenture Leadership participants who did not withdraw from the program will be granted restricted share units under the Amended 2010 SIP equal to 50% of the number of shares purchased during that year and held by the participant as of the grant date.

A maximum of 90,000,000 Accenture plc Class A ordinary shares may be issued under the 2010 ESPP. As of August 31, 2021, we had issued 69,442,510 Accenture plc Class A ordinary shares under the 2010 ESPP. We issued 4,486,288, 5,410,497 and 5,433,817 shares to employees in fiscal 2021, 2020 and 2019, respectively, under the 2010 ESPP.

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## 14. Shareholders' Equity

### Accenture plc

#### Ordinary Shares

We have 40,000 authorized ordinary shares, par value €1 per share. Each ordinary share of Accenture plc entitles its holder to receive payments upon a liquidation of Accenture plc; however a holder of an ordinary share is not entitled to vote on matters submitted to a vote of shareholders of Accenture plc or to receive dividends.

#### Class A Ordinary Shares

An Accenture plc Class A ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. Each Class A ordinary share entitles its holder to a pro rata part of any dividend at the times and in the amounts, if any, which Accenture plc's Board of Directors from time to time determines to declare, subject to any preferred dividend rights attaching to any preferred shares. Each Class A ordinary share is entitled on a winding-up of Accenture plc to be paid a pro rata part of the value of the assets of Accenture plc remaining after payment of its liabilities, subject to any preferred rights on liquidation attaching to any preferred shares.

#### Class X Ordinary Shares

Most of our pre-incorporation partners who received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure received a corresponding number of Accenture plc Class X ordinary shares. An Accenture plc Class X ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. A Class X ordinary share does not entitle its holder to receive dividends, and holders of those shares are not entitled to be paid any amount upon a winding-up of Accenture plc. Accenture plc may redeem, at its option, any Class X ordinary share for a redemption price equal to the par value of the Class X ordinary share. Accenture plc has separately agreed with the original holders of Accenture Canada Holdings Inc. exchangeable shares not to redeem any Class X ordinary share of such holder if the redemption would reduce the number of Class X ordinary shares held by that holder to a number that is less than the number of Accenture Canada Holdings Inc. exchangeable shares owned by that holder, as the case may be. Accenture plc will redeem Class X ordinary shares upon the redemption or exchange of Accenture Canada Holdings Inc. exchangeable shares so that the aggregate number of Class X ordinary shares outstanding at any time does not exceed the aggregate number of Accenture Canada Holdings Inc. exchangeable shares outstanding. Class X ordinary shares are not transferable without the consent of Accenture plc.

### Equity of Subsidiaries Redeemable or Exchangeable for Accenture plc Class A Ordinary Shares

#### Accenture Canada Holdings Inc. Exchangeable Shares

Pre-incorporation partners resident in Canada and New Zealand received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure. Holders of Accenture Canada Holdings

Inc. exchangeable shares may exchange their shares for Accenture plc Class A ordinary shares at any time on a one-for-one basis. We may, at our option, satisfy this exchange with cash at a price per share generally equal to the market price of an Accenture plc Class A ordinary share at the time of the exchange. Each exchangeable share of Accenture Canada Holdings Inc. entitles its holder to receive distributions equal to any distributions to which an Accenture plc Class A ordinary share entitles its holder.

## Share Purchases and Redemptions

The Board of Directors of Accenture plc has authorized funding for our publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares and for purchases and redemptions of Accenture plc Class A ordinary shares and Accenture Canada Holdings Inc. exchangeable shares held by current and former members of Accenture Leadership and their permitted transferees. As of August 31, 2021, our aggregate available authorization was \$3,286,216 for our publicly announced open-market share purchase and these other share purchase programs.

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Our share purchase activity during fiscal 2021 is as follows:

	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares	
	Shares	Amount	Shares	Amount
Open-market share purchases (1)	11,299,959	\$ 3,019,169	—	\$ —
Other share purchase programs	—	—	34,213	9,377
Other purchases (2)	2,656,764	674,578	—	—
<b>Total</b>	<b>13,956,723</b>	<b>\$ 3,693,747</b>	<b>34,213</b>	<b>\$ 9,377</b>

- (1) We conduct a publicly announced open-market share purchase program for Accenture plc Class A ordinary shares. These shares are held as treasury shares by Accenture plc and may be utilized to provide for select employee benefits, such as equity awards to our employees.
- (2) During fiscal 2021, as authorized under our various employee equity share plans, we acquired Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under those plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and the other share purchase programs.

## Cancellation of Treasury Shares

During fiscal 2021, we cancelled 10,262,593 Accenture plc Class A ordinary shares that were held as treasury shares and had an aggregate cost of \$2,105,666. The effect of the cancellation of these treasury shares was recognized in Class A ordinary shares and Additional paid-in capital with the residual recorded in Retained earnings. There was no effect on total shareholders' equity as a result of this cancellation.

## Dividends

Our dividend activity during fiscal 2021 is as follows:

Dividend Payment Date	Dividend Per Share	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares		Total Cash Outlay
		Record Date	Cash Outlay	Record Date	Cash Outlay	
November 13, 2020	\$ 0.88	October 13, 2020	\$ 557,419	October 9, 2020	\$ 633	\$ 558,052
February 12, 2021	0.88	January 14, 2021	560,425	January 12, 2021	617	561,042
May 14, 2021	0.88	April 15, 2021	558,455	April 13, 2021	615	559,070
August 13, 2021	0.88	July 15, 2021	557,325	July 13, 2021	605	557,930
<b>Total Dividends</b>			<b>\$ 2,233,624</b>		<b>\$ 2,470</b>	<b>\$ 2,236,094</b>



The payment of cash dividends includes the net effect of \$88,770 of additional restricted stock units being issued as a part of our share plans, which resulted in 312,815 restricted share units being issued.

## Subsequent Events

On September 22, 2021, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$0.97 per share on our Class A ordinary shares for shareholders of record at the close of business on October 14, 2021, payable on November 15, 2021. The payment of the cash dividend will result in the issuance of an immaterial number of additional restricted share units to holders of restricted share units.

On September 22, 2021, the Board of Directors of Accenture plc approved \$3,000,000 in additional share repurchase authority, bringing Accenture's total outstanding authority to \$6,286,216.

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## 15. Commitments and Contingencies

### Indemnifications and Guarantees

In the normal course of business and in conjunction with certain client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. These arrangements with clients can include provisions whereby we have joint and several liability in relation to the performance of certain contractual obligations along with third parties also providing services and products for a specific project. In addition, our consulting arrangements may include warranty provisions that our solutions will substantially operate in accordance with the applicable system requirements. Indemnification provisions are also included in arrangements under which we agree to hold the indemnified party harmless with respect to third-party claims related to such matters as title to assets sold or licensed or certain intellectual property rights.

Typically, we have contractual recourse against third parties for certain payments we made in connection with arrangements where third-party nonperformance has given rise to the client's claim. Payments we made under any of the arrangements described above are generally conditioned on the client making a claim, which may be disputed by us typically under dispute resolution procedures specified in the particular arrangement. The limitations of liability under these arrangements may be expressly limited or may not be expressly specified in terms of time and/or amount.

As of August 31, 2021 and 2020, our aggregate potential liability to our clients for expressly limited guarantees involving the performance of third parties was approximately \$885,000 and \$832,000, respectively, of which all but approximately \$78,000 and \$87,000, respectively, may be recovered from the other third parties if we are obligated to make payments to the indemnified parties as a consequence of a performance default by the other third parties. For arrangements with unspecified limitations, we cannot reasonably estimate the aggregate maximum potential liability, as it is inherently difficult to predict the maximum potential amount of such payments, due to the conditional nature and unique facts of each particular arrangement.

To date, we have not been required to make any significant payment under any of the arrangements described above. We have assessed the current status of performance/payment risk related to arrangements with limited guarantees, warranty obligations, unspecified limitations and/or indemnification provisions and believe that any potential payments would be immaterial to the Consolidated Financial Statements.

### Legal Contingencies

As of August 31, 2021, we or our present personnel had been named as a defendant in various litigation matters. We and/or our personnel also from time to time are involved in investigations by various regulatory or legal authorities concerning matters arising in the course of our business around the world. Based on the present status of these matters, including the putative class action lawsuit discussed below, management believes the range of reasonably possible losses in addition to amounts accrued, net of insurance recoveries, will not have a material effect on our results of operations or financial condition.

On July 24, 2019, Accenture was named in a putative class action lawsuit filed by consumers of Marriott International, Inc. ("Marriott") in the U.S. District Court for the District of Maryland. The complaint alleges negligence by us, and

seeks monetary damages, costs and attorneys' fees and other related relief, relating to a data security incident involving unauthorized access to the reservations database of Starwood Worldwide Resorts, Inc. ("Starwood"), which was acquired by Marriott on September 23, 2016. Since 2009, we have provided certain IT infrastructure outsourcing services to Starwood. On October 27, 2020, the court issued an order largely denying Accenture's motion to dismiss the claims against us. We continue to believe the lawsuit is without merit and we will vigorously defend it. At present, we do not believe any losses from this matter will have a material effect on our results of operations or financial condition.

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## 16. Segment Reporting

Operating segments are components of an enterprise where separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

Our chief operating decision makers are our Chief Executive Officer and Chief Financial Officer. Our operating segments are managed separately because each operating segment represents a strategic business unit providing consulting and outsourcing services to clients across different industries.

Our three reportable segments are our geographic markets, which are North America, Europe and Growth Markets. Amounts are attributed to geographic markets based on where clients are located. Information regarding our geographic markets is as follows:

<b>Fiscal 2021</b>	<b>North America</b>		<b>Europe</b>		<b>Growth Markets</b>		<b>Total</b>
Revenues	\$	23,701,341	\$	16,749,484	\$	10,082,564	\$ 50,533,389
Depreciation and amortization (1)		379,105		403,802		344,656	1,127,563
Operating income		3,907,883		2,236,462		1,477,184	7,621,529
Net assets as of August 31 (2)		1,859,445		2,860,604		848,684	5,568,733
Property & equipment, net		537,392		455,862		645,851	1,639,105
<b>Fiscal 2020</b>							
Revenues	\$	20,982,253	\$	14,402,142	\$	8,942,644	\$ 44,327,039
Depreciation and amortization (1)		348,761		341,245		332,393	1,022,399
Operating income		3,169,648		1,799,431		1,544,565	6,513,644
Net assets as of August 31 (2)		2,585,659		1,079,904		620,083	4,285,646
Property & equipment, net		499,976		389,968		655,624	1,545,568
<b>Fiscal 2019</b>							
Revenues (3)	\$	19,986,136	\$	14,695,749	\$	8,533,128	\$ 43,215,013
Depreciation and amortization (1)		303,762		294,902		294,096	892,760
Operating income		3,107,437		2,013,245		1,184,392	6,305,074
Net assets as of August 31 (2)		2,923,320		1,355,827		814,358	5,093,505
Property & equipment, net		395,782		354,491		640,893	1,391,166

- (1) Amounts include depreciation on property and equipment and amortization of intangible assets and deferred contract costs controlled by each reportable segment, as well as an allocation for amounts they do not directly control.
- (2) We do not allocate total assets by reportable segment. Reportable segment assets directly attributable to a reportable segment and provided to the chief operating decision makers include receivables and current and non-current contract assets, deferred contract costs and current and non-current deferred revenues.
- (3) Effective September 1, 2019 we revised the reporting of our geographic markets for the movement of one country from Growth Markets to Europe. Prior period amounts have been reclassified to conform with the current period presentation.

The accounting policies of the reportable segments are the same as those described in Note 1 (Summary of Significant Accounting Policies) to these Consolidated Financial Statements.

Our business in the United States represented 45%, 45% and 44% of our consolidated revenues during fiscal 2021, 2020 and 2019, respectively. No other country individually comprised 10% or more of our consolidated revenues during these periods. Business in Ireland, our country of domicile, represented approximately 2% of our consolidated revenues during fiscal 2021 and 1% during fiscal 2020 and 2019.

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We conduct business in Ireland and in the following countries that hold 10% or more of our total consolidated Property and equipment, net:

	August 31, 2021	August 31, 2020	August 31, 2019
United States	27 %	27 %	26 %
India	17	18	18
Ireland	7	7	7

Revenues by industry group and type of work are as follows:

	Fiscal		
	2021	2020	2019
INDUSTRY GROUPS (1)			
Communications, Media & Technology	\$ 10,285,549	\$ 8,883,264	\$ 8,757,338
Financial Services	9,932,523	8,518,894	8,494,630
Health & Public Service	9,498,234	8,023,651	7,161,657
Products	13,954,337	12,287,050	12,026,239
Resources	6,862,746	6,614,180	6,775,149
<b>Total</b>	<b>\$ 50,533,389</b>	<b>\$ 44,327,039</b>	<b>\$ 43,215,013</b>
TYPE OF WORK			
Consulting	\$ 27,337,699	\$ 24,227,024	\$ 24,177,428
Outsourcing	23,195,690	20,100,015	19,037,585
<b>Total</b>	<b>\$ 50,533,389</b>	<b>\$ 44,327,039</b>	<b>\$ 43,215,013</b>

- (1) Effective September 1, 2020, we revised the reporting of our industry groups to include amounts previously reported in Other. Prior period amounts have been reclassified to conform with the current period presentation.

## 17. Quarterly Data (unaudited)

<b>Fiscal 2021</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Annual</b>
Revenues	\$ 11,762,185	\$ 12,088,125	\$ 13,263,795	\$ 13,419,284	\$ 50,533,389
Cost of services	7,863,889	8,492,893	8,859,411	8,953,068	34,169,261
Operating income	1,890,669	1,653,515	2,118,656	1,958,689	7,621,529
Net income	1,522,057	1,461,493	1,569,572	1,437,423	5,990,545
Net income attributable to Accenture plc	1,500,276	1,440,859	1,549,426	1,416,248	5,906,809
Weighted average Class A ordinary shares:					
—Basic	634,271,482	635,993,980	635,203,753	633,546,144	634,745,073
—Diluted	646,879,735	646,321,916	645,454,021	645,287,973	645,909,042
Earnings per Class A ordinary share:					
—Basic	\$ 2.37	\$ 2.27	\$ 2.44	\$ 2.24	\$ 9.31
—Diluted	\$ 2.32	\$ 2.23	\$ 2.40	\$ 2.20	\$ 9.16

<b>Fiscal 2020</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Annual</b>
Revenues	\$ 11,358,958	\$ 11,141,505	\$ 10,991,305	\$ 10,835,271	\$ 44,327,039
Cost of services	7,711,199	7,782,334	7,462,617	7,394,731	30,350,881
Operating income	1,767,263	1,488,945	1,712,733	1,544,703	6,513,644
Net income	1,375,168	1,252,082	1,252,639	1,305,424	5,185,313
Net income attributable to Accenture plc	1,356,968	1,234,740	1,228,202	1,287,929	5,107,839
Weighted average Class A ordinary shares:					
—Basic	635,722,309	637,485,626	636,146,240	635,887,742	636,299,913
—Diluted	649,389,444	648,833,880	645,607,914	647,867,307	647,797,003
Earnings per Class A ordinary share:					
—Basic	\$ 2.13	\$ 1.94	\$ 1.93	\$ 2.03	\$ 8.03
—Diluted	\$ 2.09	\$ 1.91	\$ 1.90	\$ 1.99	\$ 7.89

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-K**



Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended August 31, 2020

Commission File Number: 001-34448

acn-20200831\_g1.gif

**Accenture plc**

(Exact name of registrant as specified in its charter)

**Ireland**

**98-0627530**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**1 Grand Canal Square,**

**Grand Canal Harbour,**

**Dublin 2, Ireland**

(Address of principal executive offices)

**(353) (1) 646-2000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value \$0.0000225 per share	ACN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.



Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐  
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common equity of the registrant held by non-affiliates of the registrant on February 28, 2020 was approximately \$115,077,476,776 based on the closing price of the registrant's Class A ordinary shares, par value \$0.0000225 per share, reported on the New York Stock Exchange on such date of \$180.59 per share and on the par value of the registrant's Class X ordinary shares, par value \$0.0000225 per share.

The number of shares of the registrant's Class A ordinary shares, par value \$0.0000225 per share, outstanding as of October 8, 2020 was 658,883,029 (which number includes 25,317,084 issued shares held by the registrant). The number of shares of the registrant's Class X ordinary shares, par value \$0.0000225 per share, outstanding as of October 8, 2020 was 527,509.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's Annual General Meeting of Shareholders, to be held on February 3, 2021, will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC not later than 120 days after the registrant's fiscal year ended August 31, 2020.

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# Part I

## Disclosure Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “positioned,” “outlook” and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to, the factors discussed below under the section entitled “Risk Factors.” Our forward-looking statements speak only as of the date of this report or as of the date they are made, and we undertake no obligation to update them.

## Available Information

Our website address is [www.accenture.com](http://www.accenture.com). We use our website as a channel of distribution for company information. We make available free of charge on the Investor Relations section of our website (<http://investor.accenture.com>) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(a) or 15(d) of the Exchange Act. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Business Ethics. Financial and other material information regarding us is routinely posted on and accessible at <http://investor.accenture.com>. We do not intend for information contained in our website to be part of this Annual Report on Form 10-K.

The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Any materials we file with the SEC are available on such Internet site.

In this Annual Report on Form 10-K, we use the terms “Accenture,” “we,” the “Company,” “our” and “us” to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31.

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# Item 1. Business

## Overview

Accenture is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched experience and specialized capabilities across more than 40 industries, which are organized across our five industry groups, together with our culture of innovation. Our approximately 506,000 people serve clients in more than 120 countries to help clients build their digital core, transform their operations, and accelerate revenue growth — creating tangible value across their enterprises at speed and scale.

Accenture serves clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). Our geographic markets bring together capabilities from across the organization in Strategy & Consulting, Interactive, Technology and Operations—infusing digital skills and industry and functional expertise throughout—to deliver value to our clients.

Effective March 1, 2020, we began managing our business under a new growth model through the three geographic markets, which also became our reportable segments in the third quarter of fiscal 2020. The change was designed to help us better serve our clients and continue to scale our business. Prior to this change, our reportable segments were our five operating groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources, which we now refer to as our industry groups.

Under the new growth model, we continue to go to market primarily by industry, leveraging our deep expertise across more than 40 industries. The new model simplified our organizational structure and increased our agility to form multi-service teams to meet client needs rapidly and at scale. It is also accelerating innovation by enabling our teams to move seamlessly between global and local, leveraging our network of more than 100 innovation hubs, our technology expertise and ecosystem relationships, and our global delivery capabilities to drive value for clients.

During fiscal 2020, we continued to make significant investments—in strategic acquisitions, in research and development in our assets, platforms and solutions, and in attracting and developing talent—to further enhance our differentiation and competitiveness in the marketplace. At year-end, we had more than 7,900 patents and pending patent applications worldwide. Our disciplined acquisition strategy, which is an engine to fuel organic growth, is focused on scaling our business in high-growth areas; adding skills and capabilities in new areas; and deepening our industry and functional expertise. In fiscal 2020, we invested more than \$1.5 billion across 34 strategic acquisitions.

Our revenues for fiscal 2020 were

**\$44.3  
billion,**

and we employed approximately

**506,000  
people**

as of August 31, 2020. Our revenues are derived primarily from Forbes Global 2000 companies, governments and government agencies. We have

**long-term  
relationships**

and have partnered with

**97 of our  
top 100  
clients**

in fiscal 2020 for

**> 10 years.**

## Our Strategy

Our growth strategy begins with a focus on what our clients need. Regardless of industry, our clients must transform every aspect of their business to meet the needs of today's digital world. We are helping our clients use technology to build their digital core to drive enterprise-wide transformation—such as moving them to the cloud and embedding security across the enterprise, by transforming their operations—such as replatforming their ERP systems and through our Operations services and Industry X, and by accelerating their growth—such as through creating omni-channel experiences through Interactive.

We are uniquely able to deliver this transformation because of our ability to bring applied innovation and deliver 360-degree value for our clients. We define 360-degree value as delivering the financial business case and unique value a client may be seeking, and striving where possible to partner with our clients to achieve greater progress on inclusion and diversity with our diverse teams, reskill our clients' employees, help our clients achieve their sustainability goals, and create meaningful experiences, both with Accenture and for the customers and employees of our clients.

We are able to leverage our scale and global footprint, and seamlessly move between global and local, embedding responsible business by design in everything we do. Our strong ecosystem partnerships, together with our assets and platforms, including MyWizard, MyNav and Synops, position Accenture to consistently deliver tangible value for our clients.

### Key enablers of our growth strategy include:

**Our People** – As a talent- and innovation-led organization, across our entire business our people have highly specialized skills that drive our differentiation and competitiveness. We are deeply committed to investing in our people to ensure they have opportunities to learn and grow in their careers through their work experience and continued development, training and reskilling, and we have an unwavering commitment to inclusion and diversity;

**Our Commitment** – We are a purpose driven company, committed to delivering on the promise of technology and human ingenuity. Our culture is underpinned by our core values and Code of Business Ethics which are key drivers of the trust our clients and partners place in us to deliver tangible value and outcomes for them; and

**Our Foundation** – The new growth model and our enduring shareholder value creation model are key elements of the foundation that enable us to execute on our growth strategy.

## Geographic Markets



The geographic markets, North America, Europe and Growth Markets, assemble integrated, multi-service client teams, which typically consist of industry experts, capability specialists and professionals with local market knowledge and experience. The geographic markets have primary responsibility for building and sustaining long-term client relationships; bringing together our expertise and collaborating with the other parts of our business to sell and deliver the full range of our services and capabilities; ensuring client satisfaction; and achieving revenue and profitability objectives.

While we serve clients in locally relevant ways, our global footprint and scale in every major country give us the ability to leverage our experience and talent from around the world to accelerate outcomes for our clients.

Our three geographic markets are Accenture's reporting segments. The percent of our revenues represented by each market is shown at right.

**Percent of Fiscal 2020 Revenue**  
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## Services

### Strategy & Consulting

Strategy & Consulting works with C-suite executives and boards of the world's leading organizations, helping them accelerate their digital transformation to enhance competitiveness, grow profitability and deliver sustainable stakeholder value. We use our deep industry and functional expertise underpinned by data, analytics, artificial intelligence, and innovation to help clients solve a diverse set of business challenges, including identifying and developing new markets, products and services; optimizing cost structures; maximizing human performance; harnessing data to improve decision-making; mitigating risk and enhancing security; implementing modern change management programs; shaping and delivering value from large-scale cloud migrations; building more resilient supply chains; and reinventing manufacturing and operations with smart, connected products and platforms.

### Interactive

Interactive combines creativity and technology in service of meaningful experiences that drive sustainable growth and value for our clients. Our capabilities span ideation to execution: growth, product and culture design; technology and experience platforms; creative, media and marketing strategy; and campaign, content and channel orchestration. With strong client relationships and deep industry expertise, we are uniquely positioned to design, build, communicate and run experiences, reimagining the entire journey for customers, employees, patients and citizens alike. We embed this focus on experience across our services.

### Technology

Technology provides innovative and comprehensive services and solutions that span cloud; systems integration and application management; security; intelligent platform services; infrastructure services; software engineering services; data and artificial intelligence; and global delivery through our Advanced Technology Centers. We continuously innovate our services, capabilities and platforms through early adoption of new technologies such as blockchain, robotics, 5G, quantum computing and Edge computing. Accenture provides a powerful range of capabilities that addresses the challenges faced by organizations today, including how to manage change and develop new growth opportunities.

Technology also includes the innovation and R&D activities in our Labs and our investments in emerging technologies through Accenture Ventures. Our innovation hubs around the world help clients innovate at unmatched speed, scope and scale. We have strong relationships with the world's leading technology companies, as well as emerging start-ups, which enable us to enhance our service offerings, augment our capabilities and deliver distinctive business value to our clients. Our strong ecosystem relationships provide a significant competitive advantage, and we are a key partner of a broad range of technology providers, including Adobe, Alibaba, Amazon Web Services, Blue Yonder, Cisco, Dell, Google, HPE, IBM RedHat, Microsoft, Oracle, Pegasystems, Salesforce, SAP, ServiceNow, VMWare, Workday and many others. We push the boundaries of what technology can enable and help clients get the most value and best capabilities out of platforms.

### Operations

We operate business processes on behalf of clients for specific enterprise functions, including finance and accounting, sourcing and procurement, supply chain, marketing and sales, as well as industry-specific services, such as platform trust and safety, banking, insurance and health services. We help organizations to reinvent themselves through intelligent operations, enabled by SynOps, our human-machine platform, powered by data and analytics, artificial intelligence, digital technology, and exceptional people to provide tangible business outcomes at speed and scale, including improved productivity and customer experiences as well as sustained long-term growth.

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## Industry Groups

One of our competitive advantages is the depth and breadth of our industry expertise. Our industry focus gives us an understanding of industry evolution, business issues and new and emerging technologies, enabling us to deliver innovative solutions tailored to each client. It also allows us to bring cross-industry insights to our clients to accelerate value creation. Our capabilities across more than 40 industries are organized in the following five industry groups.

### Communications, Media & Technology

Communications & Media	High Tech	Software & Platforms
<b>Clients Served</b>		
Wireline, wireless, broadcast, entertainment, print, publishing, cable and satellite communications service providers	Enterprise technology, network equipment, semiconductor, consumer technology, aerospace & defense, and medical equipment companies	Cloud-based enterprise and consumer software companies; and social, e-commerce, retail, content, advertising and gaming platform companies
<b>Percent of Group's FY20 Revenue</b>		
<b>45%</b>	<b>21%</b>	<b>34%</b>

### Financial Services

Banking & Capital Markets	Insurance
<b>Clients Served</b>	
Retail and commercial banks, mortgage lenders, payment providers, investment banks, wealth and asset management firms, broker/dealers, depositories, exchanges, clearing and settlement organizations, and other diversified financial enterprises	Property and casualty insurers, life insurers, reinsurance firms and insurance brokers
<b>Percent of Group's FY20 Revenue</b>	
<b>69%</b>	<b>31%</b>

### Health & Public Service

Health	Public Service
<b>Clients Served</b>	
Healthcare providers, such as hospitals, public health systems, policy-making authorities, health insurers (payers), and industry organizations and associations	Defense departments and military forces; public safety authorities; justice departments; human and social services agencies; educational institutions; non-profit organizations; cities; and postal, customs, revenue and tax agencies
<b>Percent of Group's FY20 Revenue</b>	
<b>36%</b>	<b>64%</b>

Our work with clients in the U.S. federal government is delivered through Accenture Federal Services, a U.S. company

and a wholly owned subsidiary of Accenture LLP, and represented approximately 35% of our Health & Public Service industry group's revenues and 14% of our North America revenues in fiscal 2020.

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## Products

Consumer Goods, Retail & Travel Services	Industrial	Life Sciences
<b>Clients Served</b>		
Food and beverage, household goods, personal care, tobacco, fashion/apparel, agribusiness and consumer health companies; supermarkets, hardline retailers, mass-merchandise discounters, department stores and specialty retailers; airlines; and hospitality and travel services companies	Industrial & electrical equipment manufacturers and suppliers; and construction, heavy equipment, consumer durables, engineering services, real estate business services, freight & logistics, and automotive and public transportation companies	Biopharmaceutical, medical technology, and biotechnology companies and distributors
<b>Percent of Group's FY20 Revenue</b>		
<b>52%</b>	<b>25%</b>	<b>24%</b>

Amounts do not total due to rounding.

## Resources

Chemicals & Natural Resources	Energy	Utilities
<b>Clients Served</b>		
Petrochemicals, specialty chemicals, polymers and plastics, gases and agricultural chemicals companies, as well as the metals, mining, forest products and building materials industries	Companies in the oil and gas industry, including upstream, midstream, downstream, oilfield services, clean energy and energy trading companies	Electric, gas and water utilities; new energy providers
<b>Percent of Group's FY20 Revenue</b>		
<b>30%</b>	<b>28%</b>	<b>42%</b>

## Global Delivery Capability

A key differentiator is our global delivery capability, powered by the world's largest network of Advanced Technology and Intelligent Operations Centers. This allows us to bring the right talent at the right time to our clients from anywhere in the world—both in physical and virtual working environments—a capability that is particularly crucial as business needs and conditions change rapidly. Our global approach provides scalable innovation; standardized processes, methods and tools; automation and artificial intelligence; industry expertise and specialized capabilities; cost advantages; foreign language fluency; proximity to clients; and time zone advantages—to deliver high-quality solutions. Emphasizing quality, productivity, reduced risk, speed to market and predictability, our global delivery model supports all parts of our business to provide clients with price-competitive services and solutions.

## Innovation and Intellectual Property

We are committed to developing leading-edge ideas and technologies and see innovation as a source of competitive advantage. We use our investment in research and development—on which we spent \$871 million, \$800 million, and \$791 million in fiscal 2020, 2019 and 2018 respectively—to help clients address new realities in the marketplace and to face the future with confidence.

Our innovation experts work with clients across the world to imagine their future, build and co-create innovative business strategies and technology solutions, and then scale those solutions to sustain innovation. We harness our unique intellectual property to deliver these innovation services.

We leverage patent, trade secret and copyright laws as well as contractual arrangements and confidentiality procedures to protect the intellectual property in our innovative services and solutions. These include our proprietary platforms, software, reusable knowledge capital, and other innovations. We also have policies to respect the intellectual property rights of third parties, such as our clients, partners, vendors and others. As of August 31, 2020, we had a portfolio of more than 7,900 patents and pending patent applications worldwide.

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Underpinning our innovation services and our global strength in intellectual property is the Accenture Innovation Architecture, which brings together the diverse capabilities from Accenture Research, Accenture Ventures and Accenture Labs to our Studios, Innovation Centers and Delivery Centers.

Our research and thought leadership teams help identify market, technology and industry trends. Accenture Ventures partners with and invests in growth-stage companies that create innovative enterprise technologies. Accenture Labs incubate and prototype new concepts through applied research and development projects. The new Technology Incubation Group incubates and applies emerging technology innovation to business architectures, including blockchain, extended reality and quantum. Our network of more than 100 innovation hubs uses those insights and technologies to help clients imagine, build and scale for the future. We believe this combination of talent, assets and capabilities makes Accenture one of the leading strategic innovation partners for our clients.

To protect Accenture's brands, we rely on intellectual property laws and trademark registrations held around the world. Trademarks appearing in this report are the trademarks or registered trademarks of Accenture Global Services Limited, Accenture Global Solutions Limited, or third parties, as applicable.

## Competition

Accenture operates in a highly competitive and rapidly changing global marketplace. We compete with a variety of organizations that offer services and solutions competitive with those we offer—but we believe no other company offers the full range of services at scale that Accenture does, which uniquely positions us in a highly competitive market. Our clients typically retain us on a non-exclusive basis.

Our competitors include large multinational IT service providers, including the services arms of large global technology providers; off-shore IT service providers in lower-cost locations, particularly in India; accounting firms that provide consulting and other IT services and solutions; solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agencies and technology start-ups; and in-house IT departments of large corporations that use their own resources rather than engage an outside firm.

We believe Accenture competes successfully in the marketplace because:

- **We are a trusted partner** with long-term client relationships and a proven track record for delivering on large, complex programs that drive tangible value;
- **We provide a broad range of services with our unique approach to bring integrated multi-service teams at scale** and have a significant presence in every major geographic market, enabling us to leverage our global expertise in a local context and deliver tangible value;
- **We have deep industry and cross-industry expertise**, which enable us to accelerate value as clients transform their products, customer experiences and business operations;
- **The breadth and scale of our technology capabilities**, combined with our strong relationships with our technology ecosystem partners, enable us to help clients transform and re-platform in a sustainable way at speed; and
- **Our goal is to recruit the most talented people** in our markets, and we have an unwavering commitment to inclusion and diversity, which creates an environment that unleashes innovation, and a world-class learning organization that helps us continuously invest in the development of our people.



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## Information About Our Executive Officers

Our executive officers as of October 22, 2020 are as follows:

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**Gianfranco Casati**, 61, became our chief executive officer—Growth Markets in January 2014. From September 2006 to January 2014, he served as our group chief executive—Products. From April 2002 to September 2006, Mr. Casati was managing director of the Products Europe operating unit. He also served as our country managing director for Italy and as chairman of our geographic council in its IGEM (Italy, Greece, emerging markets) region, supervising our offices in Italy, Greece and several Eastern European countries. Mr. Casati has been with Accenture for 36 years.

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**Richard P. Clark**, 59, became our chief accounting officer in September 2013 and has served as our corporate controller since September 2010. Prior to that, Mr. Clark served as our senior managing director of investor relations from September 2006 to September 2010. Previously he served as our finance director—Communications, Media & Technology from July 2001 to September 2006 and as our finance director—Resources from 1998 to July 2001. Mr. Clark has been with Accenture for 37 years.

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**Jo Deblaere**, 58, became our chief operating officer in September 2009. Mr. Deblaere also served as our chief executive—Europe from January 2014 to February 2020. From September 2006 to September 2009, Mr. Deblaere served as our chief operating officer—Outsourcing. Prior to that, from September 2005 to September 2006, he led our global network of business process outsourcing delivery centers. From September 2000 to September 2005, he had overall responsibility for work with public-sector clients in Western Europe. Mr. Deblaere has been with Accenture for 35 years.

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**Jimmy Etheredge**, 57, became our chief executive officer—North America in September 2019. From December 2016 to September 2019, Mr. Etheredge served as senior managing director—US Southeast, responsible for our business in 10 states, including the key markets of Atlanta, Charlotte and Washington, D.C. Previously, he served as senior managing director—Products in North America from 2011 until December 2016. Mr. Etheredge has been with Accenture for 35 years.

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**KC McClure**, 55, became our chief financial officer in January 2019. From June 2018 to January 2019, she served as managing director—Finance Operations, where she led our finance operations across the entirety of our businesses. From December 2016 to May 2018, she served as our finance director—Communications, Media & Technology. Prior to assuming that role, she served as our head of investor relations from September 2010 to November 2016, and from March 2002 to August 2010, she served as our finance director—Health & Public Service. Ms. McClure has been with Accenture for 32 years.

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**David P. Rowland**, 59, became executive chairman of the Board of Directors in September 2019. From January 2019 to September 2019, he served as our interim chief executive officer. Mr. Rowland was our chief financial officer from July 2013 to January 2019. From October 2006 to July 2013, he was our senior vice president—Finance. Previously, Mr. Rowland was our managing director—Finance Operations from July 2001 to October 2006. Prior to assuming that role, he served as our finance director—Communications, Media & Technology and as our finance director—Products. Mr. Rowland has been with Accenture for 37 years and has served as a director since January 2019. Prior to its merger with and into Accenture plc in March 2018, Mr. Rowland also served on the board of Accenture Holdings plc.

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**Ellyn J. Shook**, 57, became our chief leadership officer in December 2015 and has also served as our chief human resources officer since March 2014. From 2012 to March 2014, Ms. Shook was our senior managing director—Human Resources and head of our Human Resources Centers of Expertise. From 2004 to 2011, she served as the global human resources lead for career management, performance management, total rewards, employee engagement and mergers and acquisitions. Ms. Shook has been with Accenture for 32 years.

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**Julie Sweet**, 53, became our chief executive officer in September 2019. From June 2015 to September 2019, she served as our chief executive officer—North America. From March 2010 to June 2015, she served as our general counsel, secretary and chief compliance officer. Prior to joining Accenture in 2010, Ms. Sweet was a partner for 10 years in the law firm Cravath, Swaine & Moore LLP, which she joined as an associate in 1992. Ms. Sweet has been with Accenture for 10 years and has served as a director since September 2019.

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**Joel Unruch**, 42, became our general counsel in September 2019 and has served as our corporate secretary since June 2015. Mr. Unruch also served as our chief compliance officer from September 2019 to January 2020. Mr. Unruch joined Accenture in 2011 as our assistant general counsel and assistant secretary and also oversaw ventures & acquisitions and alliances & ecosystems practices for our legal group. Prior to joining Accenture, Mr. Unruch was corporate counsel at Amazon.com and previously an associate in the corporate department of the law firm Cravath, Swaine & Moore LLP. Mr. Unruch has been with Accenture for 9 years.

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## Organizational Structure

Accenture plc was incorporated in Ireland on June 10, 2009 as a public limited company. We operate our business through subsidiaries of Accenture plc.

The Consolidated Financial Statements reflect the ownership interests in Accenture Holdings plc (for applicable periods) and Accenture Canada Holdings Inc. held by certain current and former members of Accenture Leadership as noncontrolling interests. The noncontrolling ownership interests percentage was less than 1% as of August 31, 2020. “Accenture Leadership” is comprised of members of our global management committee (our primary management and leadership team, which consists of approximately 40 of our most senior leaders), senior managing directors and managing directors.

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## Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability) and/or stock price. Our business is also subject to general risks and uncertainties that may broadly affect companies, including us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could materially adversely affect our business, financial condition, results of operations and/or stock price.

**Our results of operations have been significantly adversely affected and could in the future be materially adversely impacted by the COVID-19 pandemic.**

The COVID-19 pandemic has created significant volatility, uncertainty and economic disruption. The pandemic has resulted in authorities around the world implementing numerous unprecedented measures such as travel restrictions, quarantines, shelter in place orders, social distancing measures and temporary business closures. The pandemic and the actions taken by governments, businesses and individuals in response to the pandemic have resulted in, and are expected to continue to result in, a substantial curtailment of business activities, weakened economic conditions, significant economic uncertainty and volatility. The pandemic is significantly adversely impacting and could in the future materially adversely impact our business, operations and financial results.

The extent to which the coronavirus pandemic will continue to impact our business, operations and financial results will depend on numerous evolving factors that are difficult to accurately predict, including: the duration and scope of the pandemic and the continuation of additional outbreaks; how quickly and to what extent normal economic and social activity can resume; the timing of the development and distribution of an effective vaccine or treatments for COVID-19; government, business and individuals' actions in response to the pandemic; the prolonged effect on our clients and client demand for our services and solutions; the degree to which client demand normalizes in a remote work environment; the reprioritization, delay or termination of existing client engagements; the ability of our clients to pay for our services and solutions. The closures of our and our clients' offices, and restrictions inhibiting our people's ability to access those offices, have disrupted, and will continue to disrupt our ability to sell and provide our services and have resulted in, and may continue to result in, losses of revenue.

In response to governmental directives and recommended safety measures, we have enabled most of our employees to work remotely. As governments ease their restrictions, our employees will likely increase their social interactions, including in certain circumstances in our and our clients' offices, which could increase the risk of infection and could result in increased illness among our employees and associated risks, including business interruption.

Any of these events could cause, contribute to or magnify the other risks and uncertainties enumerated below and could materially adversely affect our business, financial condition, results of operations and/or stock price.

**Our results of operations have been, and may in the future be, adversely affected by volatile, negative or uncertain economic and political conditions and the effects of these conditions on our clients' businesses and levels of business activity.**

Global macroeconomic and geopolitical conditions affect our clients' businesses and the markets they serve. Economic and political conditions have become increasingly volatile, negative and uncertain due to the coronavirus pandemic, among other reasons, and have undermined business confidence in our significant markets and other



markets, which are increasingly interdependent, caused our clients to reduce or defer their spending on new initiatives and technologies, and resulted in clients reducing, delaying or eliminating spending under existing contracts with us, which has, and may continue to, negatively affect our business. Growth in the markets we serve could be at a slow rate, or could stagnate or contract, in each case, for an extended period of time. Because we operate globally and have significant businesses in many markets, an economic slowdown in any of those markets could adversely affect our results of operations.

Ongoing economic and political volatility and uncertainty and changing demand patterns affect our business in a number of other ways, including making it more difficult to accurately forecast client demand and effectively build our revenue and resource plans, particularly in consulting. Economic and political volatility and uncertainty is particularly challenging because it may take some time for the effects and changes in demand patterns resulting from these and other factors to manifest

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themselves in our business and results of operations. Changing demand patterns from economic and political volatility and uncertainty, including as a result of the COVID-19 pandemic, changes in global trade policies, increasing geopolitical tensions and trends such as populism and economic nationalism, elections in our major markets and their impact on us, our clients and the industries we serve, could continue to have a significant negative impact on our results of operations.

**Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, including through the adaptation and expansion of our services and solutions in response to ongoing changes in technology and offerings, and a significant reduction in such demand or an inability to respond to the evolving technological environment could materially affect our results of operations.**

Our revenue and profitability depend on the demand for our services and solutions with favorable margins, which could be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. As described above, volatile, negative or uncertain global economic and political conditions and lower growth or contraction in the markets we serve have adversely affected and could in the future adversely affect client demand for our services and solutions. Our success depends, in part, on our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in technology and offerings to serve the evolving needs of our clients. Examples of areas of significant change include digital-, cloud- and security-related offerings, which are continually evolving, as well as developments in areas such as artificial intelligence, augmented reality, automation, blockchain, Internet of Things, quantum and edge computing and as-a-service solutions. Technological developments may materially affect the cost and use of technology by our clients and, in the case of as-a-service solutions, could affect the nature of how we generate revenue. Some of these technological developments have reduced and replaced some of our historical services and solutions and may continue to do so in the future. This has caused, and may in the future cause, clients to delay spending under existing contracts and engagements and to delay entering into new contracts while they evaluate new technologies. Such technological developments and spending delays can negatively impact our results of operations if we are unable to introduce new pricing or commercial models that reflect the value of these technological developments or if the pace and level of spending on new technologies are not sufficient to make up any shortfall.

Developments in the industries we serve, which may be rapid, also could shift demand to new services and solutions. If, as a result of new technologies or changes in the industries we serve, our clients demand new services and solutions, we may be less competitive in these new areas or need to make significant investment to meet that demand. Our growth strategy focuses on responding to these types of developments by driving innovation that will enable us to expand our business into new growth areas. If we do not sufficiently invest in new technology and adapt to industry developments, or evolve and expand our business at sufficient speed and scale, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our results of operations, and our ability to develop and maintain a competitive advantage and to execute on our growth strategy could be adversely affected.

We operate in a rapidly evolving environment in which there currently are, and we expect will continue to be, new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings less differentiated or less competitive when compared to other alternatives, which may adversely affect our results of operations. In addition, companies in the industries we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for the services and solutions we offer, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation. In a particular geographic market, service or industry group, a small number of clients have contributed, or may, in the future contribute, a significant portion of the revenues of such geographic market, service or industry group, and any decision by such a client to delay, reduce, or eliminate spending on our services and solutions

could have a disproportionate impact on the results of operations in the relevant geographic market, service or industry group.

Many of our consulting contracts are less than 12 months in duration, and these contracts typically permit a client to terminate the agreement with as little as 30 days' notice. Longer-term, larger and more complex contracts, such as the majority of our outsourcing contracts, generally require a longer notice period for termination and often include an early termination charge to be paid to us, but this charge might not be sufficient to cover our costs or make up for anticipated ongoing revenues and profits lost upon termination of the contract. Many of our contracts allow clients to terminate, delay, reduce or eliminate spending on the services and solutions we provide. Additionally, a client could choose not to retain us for additional stages of a project, try to renegotiate the terms of its contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the level of revenues lost. Consequently, our results of operations in subsequent periods could be materially lower than expected. The specific business or financial condition of a client, changes in management and changes in a client's strategy are also all factors that can result in terminations, cancellations or delays.

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**If we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected.**

Our success is dependent, in large part, on our ability to keep our supply of market-leading skills and capabilities in balance with client demand around the world and our ability to attract and retain personnel with the knowledge and skills to lead our business globally. We must hire or reskill, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients across the globe, respond quickly to rapid and ongoing changes in technology, industry and the macroeconomic environment, and continuously innovate to grow our business. For example, if we are unable to hire or retrain our employees to keep pace with the rapid and continuous changes in technology and the industries we serve, we may not be able to innovate and deliver new services and solutions to fulfill client demand. There is intense competition for scarce talent with market-leading skills and capabilities in new technologies, and our competitors have directly targeted our employees with these highly sought-after skills and will likely continue to do so. As a result, we may be unable to cost-effectively hire and retain employees with these market-leading skills, which may cause us to incur increased costs, or be unable to fulfill client demand for our services and solutions.

We are particularly dependent on retaining members of Accenture Leadership with critical capabilities. If we are unable to do so, our ability to innovate, generate new business opportunities and effectively lead large and complex transformations and client relationships could be jeopardized. We depend on identifying, developing and retaining top talent to innovate and lead our businesses. This includes developing talent and leadership capabilities in emerging markets, where the depth of skilled employees may be limited, and competition for these resources is intense. Our ability to expand in our key markets depends, in large part, on our ability to attract, develop, retain and integrate both leaders for the local business and people with critical capabilities.

Similarly, our profitability depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. If we are unable to effectively deploy our employees globally and remotely on a timely basis to fulfill the needs of our clients, our profitability could suffer. For example, we have experienced reduced demand for strategy and consulting services during the COVID-19 pandemic and have staffed employees from these practices on projects where we are experiencing strong client demand. If we are unable to retain our top talent with these skills, we may experience difficulty staffing these engagements when demand for these services rebounds. If our utilization rate is too low, our profitability and the engagement of our employees could suffer. If the utilization rate of our professionals is too high, it could have an adverse effect on employee engagement and attrition, the quality of the work performed as well as our ability to staff projects. The costs associated with recruiting and training employees are significant. An important element of our global business model is the deployment of our employees around the world, which allows us to move talent as needed. Therefore, if we are not able to deploy the talent we need because of COVID-19 travel restrictions or increased regulation of immigration or work visas, including limitations placed on the number of visas granted, limitations on the type of work performed or location in which the work can be performed, and new or higher minimum salary requirements, it could be more difficult to staff our employees on client engagements and could increase our costs.

Our equity-based incentive compensation plans are designed to reward high-performing individuals for their contributions and provide incentives for them to remain with us. If the anticipated value of such incentives does not materialize because of volatility or lack of positive performance in our stock price, or if our total compensation package is not viewed as being competitive, our ability to attract and retain the personnel we need could be adversely affected. In addition, if we do not obtain the shareholder approval needed to continue granting equity awards under our share plans in the amounts we believe are necessary, our ability to attract and retain personnel could be negatively affected.

There is a risk that at certain points in time, we may have more personnel than we need in certain skill sets or geographies or at compensation levels that are not aligned with skill sets. In these situations, we have engaged, and may in the future engage, in actions to rebalance our resources, including reducing the rate of new hires and increasing involuntary terminations as a means to keep our supply of skills and resources in balance with client demand. In fiscal 2020, we accelerated our usual level of performance-related involuntary terminations that would have otherwise occurred throughout fiscal 2021. At certain times and in certain geographical regions, we will find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and/or future demand. In these cases, we might need to redeploy existing personnel or increase our reliance on subcontractors to fill certain labor needs, and if not done effectively, our profitability could be negatively impacted. Additionally, if demand for our services and solutions were to escalate at a high rate, we may need to adjust our compensation practices, which could put upward pressure on our costs and adversely affect our profitability if we are unable to recover these increased costs. If we are not successful in these initiatives, our results of operations could be adversely affected.

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**We could face legal, reputational and financial risks if we fail to protect client and/or Accenture data from security incidents or cyberattacks.**

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations around the world and with our people, clients, alliance partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud-based services, and as more of our employees are working remotely during the coronavirus pandemic, the risk of security incidents and cyberattacks increases. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our clients, alliance partners and vendors, and unauthorized disclosure of sensitive or confidential information, including personal data and proprietary business information. In the past, we have experienced data security incidents resulting from unauthorized access to our and our service providers' systems and unauthorized acquisition of our data and our clients' data including: inadvertent disclosure, misconfiguration of systems, phishing attacks and ransomware attacks. In addition, our clients have experienced, and may in the future experience, breaches of systems and cloud-based services enabled by or provided by us. To date these incidents have not had a material impact on our operations; however, there is no assurance that such impacts will not be material in the future.

In providing services and solutions to clients, we often manage, utilize and store sensitive or confidential client or Accenture data, including personal data and proprietary information, and we expect these activities to increase, including through the use of artificial intelligence, the Internet of Things and analytics. Unauthorized disclosure of, denial of access to, or other incidents involving sensitive or confidential client, vendor, alliance partner or Accenture data, whether through systems failure, employee negligence, fraud, misappropriation, cybersecurity or ransomware attacks, or other intentional or unintentional acts, could damage our reputation, cause us to lose clients and result in significant financial exposure and legal liability. Similarly, unauthorized access to or through, denial of access to, or other incidents involving, our or our service providers' information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and/or state-sponsored organizations, who continuously develop and deploy viruses, ransomware or other malicious software programs or social engineering attacks, could result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations — see risk factor below entitled “Our business could be materially adversely affected if we incur legal liability.” Cybersecurity threats are constantly expanding and evolving, thereby increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols.

We are subject to numerous laws and regulations designed to protect this information, such as the European Union's General Data Protection Regulation (“GDPR”), the California Consumer Privacy Act, various other U.S. federal and state laws governing the protection of health or other personally identifiable information and data privacy and cybersecurity laws in other regions. These laws and regulations continue to evolve, are increasing in complexity and number and increasingly conflict among the various countries in which we operate, which has resulted in greater compliance risk and cost for us. The GDPR imposes compliance obligations regarding the handling of personal data and significant financial penalties for noncompliance. For example, failure to comply with the GDPR may lead to regulatory enforcement actions, which can result in monetary penalties of up to 4% of worldwide revenue, orders to discontinue certain data processing operations, private lawsuits, or reputational damage. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client or Accenture data, or otherwise mismanages or misappropriates that data, we could be subject to significant litigation, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. These monetary damages might not be subject to a contractual limit of liability or an exclusion of consequential or indirect damages and could be significant. In addition, our liability insurance, which includes cyber insurance, might

not be sufficient in type or amount to cover us against claims related to security incidents, cyberattacks and other related incidents.

**The markets in which we operate are highly competitive, and we might not be able to compete effectively.**

The markets in which we offer our services and solutions are highly competitive. Our competitors include:

- large multinational IT service providers, including the services arms of large global technology providers;
  - off-shore IT service providers in lower-cost locations, particularly in India;
  - accounting firms that provide consulting and other IT services and solutions;
  - solution or service providers that compete with us in a specific geographic market, industry or service area, including advertising agencies and technology start-ups and other companies that can scale rapidly to focus on or disrupt certain markets and provide new or alternative products, services or delivery models; and
  - in-house IT departments of large corporations that use their own resources, rather than engage an outside firm.
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Some competitors may have greater financial, marketing or other resources than we do and, therefore, may be better able to compete for new work and skilled professionals, may be able to innovate and provide new services and solutions faster than we can or may be able to anticipate the need for services and solutions before we do. Our competitors may also team together to create competing offerings.

Even if we have potential offerings that address marketplace or client needs, competitors may be more successful at selling similar services they offer, including to companies that are our clients. Some competitors are more established in certain markets, and that may make executing our growth strategy to expand in these markets more challenging. Additionally, competitors may also offer more aggressive contractual terms, which may affect our ability to win work. Our future performance is largely dependent on our ability to compete successfully and expand in the markets we currently serve. If we are unable to compete successfully, we could lose market share and clients to competitors, which could materially adversely affect our results of operations.

In addition, we may face greater competition due to consolidation of companies in the technology sector through strategic mergers, acquisitions or teaming arrangements. Consolidation activity may result in new competitors with greater scale, a broader footprint or offerings that are more attractive than ours. Over time, our access to certain technology products and services may be reduced as a result of this consolidation. The technology companies described above, including many of our alliance partners, are increasingly able to offer services related to their software, platform, cloud migration and other solutions, or are developing software, platform, cloud migration and other solutions that require integration services to a lesser extent. These more integrated services and solutions may represent more attractive alternatives to clients than some of our services and solutions, which may materially adversely affect our competitive position and our results of operations.

**Our profitability could materially suffer if we are unable to obtain favorable pricing for our services and solutions, if we are unable to remain competitive, if our cost-management strategies are unsuccessful or if we experience delivery inefficiencies or fail to satisfy certain agreed-upon targets or specific service levels.**

Our profitability is highly dependent on a variety of factors and could be materially impacted by any of the following:

**Our results of operations could materially suffer if we are not able to obtain sufficient pricing to meet our profitability expectations.** If we are not able to obtain favorable pricing for our services and solutions, our revenues and profitability could materially suffer. The rates we are able to charge for our services and solutions are affected by a number of factors, including:

- general economic and political conditions;
- our clients' desire to reduce their costs;
- the competitive environment in our industry;
- our ability to accurately estimate our service delivery costs, upon which our pricing is sometimes determined, includes our ability to estimate the impact of inflation and foreign exchange on our service delivery costs over long-term contracts; and
- the procurement practices of clients and their use of third-party advisors.

**Our profitability could suffer if we are not able to remain competitive.** The competitive environment in our industry affects our ability to secure new contracts at our target economics in a number of ways, any of which could have a material negative impact on our results of operations. The less we are able to differentiate our services and solutions and/or clearly convey the value of our services and solutions, the more risk we have in winning new work in sufficient volumes and at our target pricing and overall economics. In addition, the introduction of new services or products by competitors could reduce our ability to obtain favorable pricing and impact our overall economics for the



services or solutions we offer. Competitors may be willing, at times, to price contracts lower than us in an effort to enter the market or increase market share.

**Our profitability could suffer if our cost-management strategies are unsuccessful, and we may not be able to improve our profitability.** Our ability to improve or maintain our profitability is dependent on our being able to successfully manage our costs, including taking actions to reduce certain costs. Our cost management strategies include maintaining appropriate alignment between the demand for our services and solutions and the workforce needed to deliver them. If we are not effective in managing our operating costs in response to changes in demand or pricing, or if we are unable to cost-effectively hire and retain personnel with the knowledge and skills necessary to deliver our services and solutions, particularly in areas of new technologies and offerings and in the right geographic locations, we may incur increased costs, which could reduce our ability to continue to invest in our business in an amount necessary to achieve our planned rates of growth and our desired levels of profitability.

**If we do not accurately anticipate the cost, risk and complexity of performing our work or if third parties upon whom we rely do not meet their commitments, then our contracts could have delivery inefficiencies and be less profitable**

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**than expected or unprofitable.** Our contract profitability is highly dependent on our forecasts regarding the effort and cost necessary to deliver our services and solutions, which are based on available data and could turn out to be materially inaccurate. If we do not accurately estimate the effort, costs or timing for meeting our contractual commitments and/or completing engagements to a client's satisfaction, our contracts could yield lower profit margins than planned or be unprofitable. Moreover, many of our contracts include clauses that tie our ultimate compensation to the achievement of agreed-upon performance standards or milestones. If we fail to satisfy these measures, it could significantly reduce or eliminate our fees under the contracts, increase the cost to us of meeting performance standards or milestones, delay expected payments or subject us to potential damage claims under the contract terms, any of which could significantly affect our profitability. We also have a number of contracts in which a portion of our compensation depends on performance measures such as cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. These goals can be complex and may depend on our clients' actual levels of business activity or may be based on assumptions that are later determined not to be achievable or accurate and could negatively impact our profit margins if not achieved. Similarly, if we experience unanticipated delivery difficulties due to our management, the failure of third parties or our clients to meet their commitments, or for any other reason, our contracts could yield lower profit margins than planned or be unprofitable. In particular, large and complex arrangements often require that we utilize subcontractors or that our services and solutions incorporate or coordinate with the software, systems or infrastructure requirements of other vendors and service providers, including companies with which we have alliances. Our profitability depends on the ability of these subcontractors, vendors and service providers to deliver their products and services in a timely manner and in accordance with the project requirements, as well as on our effective oversight of their performance. In some cases, these subcontractors are small firms, and they might not have the resources or experience to successfully integrate their services or products with large-scale engagements or enterprises. Some of this work involves new technologies, which may not work as intended or may take more effort to implement than initially predicted. In addition, certain client work requires the use of unique and complex structures and alliances, some of which require us to assume responsibility for the performance of third parties whom we do not control. Any of these factors could adversely affect our ability to perform and subject us to additional liabilities, which could have a material adverse effect on our relationships with clients and on our results of operations.

**Changes in our level of taxes, as well as audits, investigations and tax proceedings, or changes in tax laws or in their interpretation or enforcement, could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.**

We are subject to taxes in numerous jurisdictions. We calculate and provide for taxes in each tax jurisdiction in which we operate. Tax accounting often involves complex matters and requires our judgment to determine our worldwide provision for income taxes and other tax liabilities. We are subject to ongoing audits, investigations and tax proceedings in various jurisdictions. Tax authorities have disagreed, and may in the future disagree, with our judgments, and are taking increasingly aggressive positions opposing the judgments we make, including with respect to our intercompany transactions. We regularly assess the likely outcomes of our audits, investigations and tax proceedings to determine the appropriateness of our tax liabilities. However, our judgments might not be sustained as a result of these audits, investigations and tax proceedings, and the amounts ultimately paid could be materially different from the amounts previously recorded.

In addition, our effective tax rate in the future could be adversely affected by challenges to our intercompany transactions, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or in their interpretation or enforcement, changes in the mix of earnings in countries with differing statutory tax rates, the expiration of current tax benefits and changes in accounting principles, including the U.S. generally accepted accounting principles. Tax rates in the jurisdictions in which we operate may change materially as a result of shifting economic and political conditions and tax policies. In addition, changes in tax laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could

materially adversely affect our tax position. A number of countries where we do business, including the United States and many countries in the European Union, have implemented, and are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations.

The overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions. For example, the European Commission has been conducting investigations, focusing on whether local country tax rulings or tax legislation provide preferential tax treatment that violates European Union state aid rules. Furthermore, the Organization for Economic Co-operation and Development ("OECD"), which represents a coalition of member countries, is supporting changes to numerous long-standing tax principles through its base erosion and profit shifting project, which is focused on a number of issues, including the shifting of profits among affiliated entities located in different tax jurisdictions. The changes recommended by the OECD have been or are being adopted by many of the countries in which we do business. In addition, the European Commission has expanded upon the OECD guidelines with anti-tax avoidance directives to be applied by its member states. Among other things, the directives require companies to provide increased country-by-country disclosure of their financial information to tax authorities, which in turn could lead to disagreements by jurisdictions over the proper allocation of profits between them. In connection with the OECD's base erosion and profit shifting project, the OECD has undertaken a new project focused on "Addressing the Tax Challenges of the Digitalization of the Economy." This project may impact all multinational businesses by implementing a global model for minimum taxation. Additionally, the European Commission and some foreign jurisdictions have introduced proposals to

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impose a separate tax on specified digital service activity. There is significant uncertainty regarding such proposals. The increasingly complex global tax environment, and any unfavorable resolution of these uncertainties, could have a material adverse effect on our effective tax rate, results of operations, cash flows and financial condition.

Although we expect to be able to rely on the tax treaty between the United States and Ireland, legislative or diplomatic action could be taken, or the treaty may be amended in such a way, that would prevent us from being able to rely on such treaty. Our inability to rely on the treaty would subject us to increased taxation or significant additional expense. In addition, congressional proposals could change the definition of a U.S. person for U.S. federal income tax purposes, which could also subject us to increased taxation. In addition, we could be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in Ireland or other jurisdictions where we operate, including their treaties with Ireland or the United States. These changes could be exacerbated by economic, budget or other challenges facing Ireland or these other jurisdictions.

### **Our ability to attract and retain business and employees may depend on our reputation in the marketplace.**

We believe the Accenture brand name and our reputation are important corporate assets that help distinguish our services and solutions from those of competitors and also contribute to our efforts to recruit and retain talented employees. However, our corporate reputation is potentially susceptible to material damage by events such as disputes with clients, competitors, cybersecurity incidents or service outages, internal control deficiencies, delivery failures, compliance violations, government investigations or legal proceedings. We may also experience reputational damage from employees, advocacy groups, regulators, investors and other stakeholders that disagree with the services and solutions that we offer, or the clients that we serve. Similarly, our reputation could be damaged by actions or statements of current or former clients, directors, employees, competitors, vendors, alliance partners, joint venture partners, adversaries in legal proceedings, legislators or government regulators, as well as members of the investment community or the media, including social media influencers. There is a risk that negative or inaccurate information about Accenture, even if based on rumor or misunderstanding, could adversely affect our business. Damage to our reputation could be difficult, expensive and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of the Accenture brand name and could reduce investor confidence in us, materially adversely affecting our share price.

### **As a result of our geographically diverse operations and our growth strategy to continue to expand in our key markets around the world, we are more susceptible to certain risks.**

We have offices and operations in more than 200 cities in 50 countries around the world. One aspect of our growth strategy is to continue to expand in our key markets around the world. Our growth strategy might not be successful. If we are unable to manage the risks of our global operations and growth strategy, including pandemics, international hostilities, terrorist activities, natural disasters and security or data incidents, the concentration of our global delivery capability in India and the Philippines, failure to maintain compliance with our clients' control requirements and multiple legal and regulatory systems, our results of operations and ability to grow could be materially adversely affected. In addition, emerging markets generally involve greater financial and operational risks, such as those described below, than our more mature markets. Negative or uncertain political climates in countries or geographies where we operate could also adversely affect us.

**Pandemics, international hostilities, terrorist activities, natural disasters, and infrastructure disruptions could prevent us from effectively serving our clients and thus significantly adversely affect our results of operations.** Health emergencies or pandemics, including COVID-19; acts of terrorist violence; political and social unrest; regional and international hostilities and international responses to these hostilities; natural disasters, volcanic eruptions, sea level rise, floods, droughts and the increasing frequency and severity of adverse weather conditions; or the threat of or perceived potential for these events; and other acts of god have had and could in the future have significantly negative impacts on us. These events could adversely affect our clients' levels of business activity and

precipitate sudden and significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to physical facilities and operations around the world, whether the facilities are ours or those of our alliance partners, suppliers or clients. By disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified personnel, these types of events impact our ability to deliver our services and solutions to our clients. Extended disruptions of electricity, other public utilities or network services at our facilities or in the areas where our people are working remotely, as well as physical infrastructure damage to, system failures at, cyberattacks on, or security incidents involving, our facilities or systems, or those of our alliance partners, suppliers or clients, could also adversely affect our ability to conduct our business and serve our clients. If any of these circumstances occurs, we have a greater risk that interruptions in communications with our clients and other Accenture locations and personnel, and any down-time in important processes we operate for clients, could result in a material adverse effect on our results of operations and our reputation in the marketplace.

We are unable to protect our people, facilities and systems, and those of our alliance partners, suppliers and clients, against all such occurrences. Our business continuity and disaster recovery plans may not be effective, particularly if catastrophic

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events occur where large numbers of our people are located, or simultaneously affect our people in multiple locations around the world. We generally do not have insurance for losses and interruptions caused by terrorist attacks, conflicts and wars. If these disruptions prevent us from effectively serving our clients, our results of operations could be significantly adversely affected.

**Our global delivery capability is concentrated in India and the Philippines, which may expose us to operational risks. Our business model is dependent on our global delivery capability.** While our delivery centers are located throughout the world, we have based large portions of our delivery capability in India, and the Philippines, where we have the largest and second largest number of our people located, respectively. Concentrating our global delivery capability in these locations presents a number of operational risks, including those discussed in this risk factor, many of which are beyond our control and which may be exacerbated by COVID-19.

**We could be subject to strict restrictions on the movement of cash and the exchange of foreign currencies.** In some countries, we could be subject to strict restrictions on the movement of cash and the exchange of foreign currencies, which would limit our ability to use this cash across our global operations and expose us to more extreme currency fluctuations. This risk could increase as we continue to expand in our key markets around the world, which include emerging markets that are more likely to impose these restrictions than more established markets.

**Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.** We are subject to numerous, and sometimes conflicting, legal regimes on matters as diverse as anticorruption, import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, anti-competition, anti-money-laundering, data privacy and protection, government compliance, wage-and-hour standards, employment and labor relations and human rights. The global nature of our operations, including emerging markets where legal systems may be less developed or understood by us, and the diverse nature of our operations across a number of regulated industries, further increase the difficulty of compliance. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, enforcement actions or criminal sanctions against us and/or our employees, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for significant monetary damages, fines, enforcement actions and/or criminal prosecution or sanctions, unfavorable publicity and other reputational damage and restrictions on our ability to effectively carry out our contractual obligations and thereby expose us to potential claims from our clients. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights.

In particular, in many parts of the world, including countries in which we operate and/or seek to expand, practices in the local business community might not conform to international business standards and could violate anticorruption laws, or regulations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010. Our employees, subcontractors, vendors, agents, alliance or joint venture partners, the companies we acquire and their employees, subcontractors, vendors and agents, and other third parties with which we associate, could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, including U.S. federal contracting, any of which could materially adversely affect our business, including our results of operations and our reputation.

Changes in laws and regulations could also mandate significant and costly changes to the way we implement our services and solutions or could impose additional taxes on our services and solutions. For example, changes in laws

and regulations to limit using off-shore resources in connection with our work or to penalize companies that use off-shore resources, which have been proposed from time to time in various jurisdictions, could adversely affect our results of operations. Such changes may result in contracts being terminated or work being transferred onshore, resulting in greater costs to us, and could have a negative impact on our ability to obtain future work from government clients.

**Our business could be materially adversely affected if we incur legal liability.**

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. Our business is subject to the risk of litigation involving current and former employees, clients, alliance partners, subcontractors, suppliers, competitors, shareholders, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. Regardless of the merits of the claims, the cost to defend current and future litigation may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages, fines, penalties or injunctive relief against us. Any claims or litigation, even if fully

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indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

We could be subject to significant legal liability and litigation expense if we fail to meet our contractual obligations, contribute to internal control or other deficiencies of a client or otherwise breach obligations to third parties, including clients, alliance partners, employees and former employees, and other parties with whom we conduct business, or if our subcontractors breach or dispute the terms of our agreements with them and impede our ability to meet our obligations to our clients. For example, by taking over the operation of certain portions of our clients' businesses, including functions and systems that are critical to the core businesses of our clients, we may be exposed to additional and evolving operational, regulatory, reputational or other risks specific to these areas, including risks related to data security. A failure of a client's system based on our services or solutions could also subject us to a claim for significant damages that could materially adversely affect our results of operations. We may enter into agreements with non-standard terms because we perceive an important economic opportunity or because our personnel did not adequately follow our contracting guidelines. In addition, the contracting practices of competitors, along with the demands of increasingly sophisticated clients, may cause contract terms and conditions that are unfavorable to us to become new standards in the industry. We may commit to providing services or solutions that we are unable to deliver or whose delivery may reduce our profitability or cause us financial loss. If we cannot or do not meet our contractual obligations and if our potential liability is not adequately limited through the terms of our agreements, liability limitations are not enforced or a third party alleges fraud or other wrongdoing to prevent us from relying upon those contractual protections, we might face significant legal liability and litigation expense and our results of operations could be materially adversely affected. Moreover, as we expand our services and solutions into new areas, we may be exposed to additional and evolving risks specific to these new areas.

In addition, we engage in platform trust and safety services on behalf of clients, including content moderation, which could have a negative impact on our employees due to the nature of the materials they review. We have been subject to media coverage regarding our provision of these services as well as litigation related to the provision of these services, which may result in adverse judgments or settlements.

While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if they prevail, the amount of our recovery.

### **Our work with government clients exposes us to additional risks inherent in the government contracting environment.**

Our clients include national, provincial, state and local governmental entities. Our government work carries various risks inherent in the government contracting process. These risks include, but are not limited to, the following:

- Government entities, particularly in the United States, often reserve the right to audit our contract costs and conduct inquiries and investigations of our business practices and compliance with government contract requirements. U.S. government agencies, including the Defense Contract Audit Agency, routinely audit our contract costs, including allocated indirect costs, for compliance with the Cost Accounting Standards and the Federal Acquisition Regulation. These agencies also conduct reviews and investigations and make inquiries regarding our accounting, information technology and other systems in connection with our performance and business practices with respect to our government contracts. Negative findings from existing and future audits, investigations or inquiries, or failure to comply with applicable IT security requirements, could affect our future sales and profitability by preventing us, by operation of law or in practice, from receiving new government contracts for some period of time. In addition, if the U.S. government concludes that certain costs are not reimbursable, have not been properly determined or are based on outdated estimates of our work, then we will not be allowed to bill for such costs, may have to refund money that has already been paid to us or could be required to retroactively



and prospectively adjust previously agreed to billing or pricing rates for our work. Negative findings from existing and future audits of our business systems, including our accounting system, may result in the U.S. government preventing us from billing, at least temporarily, a percentage of our costs. As a result of prior negative findings in connection with audits, investigations and inquiries, we have from time to time experienced some of the adverse consequences described above and may in the future experience further adverse consequences, which could materially adversely affect our future results of operations.

- If a government client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various civil and criminal penalties, including those under the civil U.S. False Claims Act, and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with other agencies of that government. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities.
  - U.S. government contracting regulations impose strict compliance and disclosure obligations. Disclosure is required if certain company personnel have knowledge of “credible evidence” of a violation of federal criminal laws involving fraud,
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conflict of interest, bribery or improper gratuity, a violation of the civil U.S. False Claims Act or receipt of a significant overpayment from the government. Failure to make required disclosures could be a basis for suspension and/or debarment from federal government contracting in addition to breach of the specific contract and could also impact contracting beyond the U.S. federal level. Reported matters also could lead to audits or investigations and other civil, criminal or administrative sanctions.

- Government contracts are subject to heightened reputational and contractual risks compared to contracts with commercial clients. For example, government contracts and the proceedings surrounding them are often subject to more extensive scrutiny and publicity. Negative publicity, including an allegation of improper or illegal activity, regardless of its accuracy, may adversely affect our reputation.
- Terms and conditions of government contracts also tend to be more onerous and are often more difficult to negotiate. For example, these contracts often contain high or unlimited liability for breaches and feature less favorable payment terms and sometimes require us to take on liability for the performance of third parties.
- Government entities typically fund projects through appropriated monies. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding and/or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions or other debt constraints could result in our projects being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination. Furthermore, if insufficient funding is appropriated to the government entity to cover termination costs, we may not be able to fully recover our investments.
- Political and economic factors such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision makers, revisions to governmental tax or other policies and reduced tax revenues can affect the number and terms of new government contracts signed or the speed at which new contracts are signed, decrease future levels of spending and authorizations for programs that we bid, shift spending priorities to programs in areas for which we do not provide services and/or lead to changes in enforcement or how compliance with relevant rules or laws is assessed.
- Our ability to work for the U.S. government is impacted by the fact that we are an Irish company. We elected to enter into a proxy agreement with the U.S. Department of Defense that enhances the ability of our U.S. federal government contracting subsidiary to perform certain work for the U.S. government. The proxy agreement regulates the management and operation of, and limits the control we can exercise over, this subsidiary. In addition, legislative and executive proposals remain under consideration or could be proposed in the future, which, if enacted, could place additional limitations on or even prohibit our eligibility to be awarded state or federal government contracts in the United States or could include requirements that would otherwise affect our results of operations. Various U.S. federal and state legislative proposals have been introduced and/or enacted in recent years that deny government contracts to certain U.S. companies that reincorporate or have reincorporated outside the United States. While Accenture was not a U.S. company that reincorporated outside the United States, it is possible that these contract bans and other legislative proposals could be applied in a way that negatively affects Accenture.

The occurrences or conditions described above could affect not only our business with the particular government entities involved, but also our business with other entities of the same or other governmental bodies or with certain commercial clients, and could have a material adverse effect on our business or our results of operations.

**Our results of operations could be materially adversely affected by fluctuations in foreign currency exchange rates.**

Although we report our results of operations in U.S. dollars, a majority of our revenues is denominated in currencies other than the U.S. dollar. Unfavorable fluctuations in foreign currency exchange rates have had an adverse effect, and could in the future have a material adverse effect, on our results of operations.

Because our consolidated financial statements are presented in U.S. dollars, we must translate revenues, expenses and income, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, changes in the value of the U.S. dollar against other currencies will affect our revenues, operating income and the value of balance-sheet items, including intercompany payables and receivables, originally denominated in other currencies. These changes cause our growth stated in U.S. dollars to be higher or lower than our growth in local currency when compared against other periods. Our currency hedging programs, which are designed to partially offset the impact on consolidated earnings related to the changes in value of certain balance sheet items, might not be successful. Additionally, some transactions and balances may be denominated in currencies for which there is no available market to hedge.

As we continue to leverage our global delivery model, more of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as the Indian rupee or Philippine peso, against the currencies in which our revenue is recorded could increase costs for delivery of services at off-shore sites

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by increasing labor and other costs that are denominated in local currency. Our contractual provisions or cost management efforts might not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, might not be successful. This could result in a decrease in the profitability of our contracts that are utilizing delivery center resources. In addition, our currency hedging activities are themselves subject to risk. These include risks related to counterparty performance under hedging contracts, risks related to ineffective hedges and risks related to currency fluctuations. We also face risks that extreme economic conditions, political instability, or hostilities or disasters of the type described below could impact or perhaps eliminate the underlying exposures that we are hedging. Such an event could lead to losses being recognized on the currency hedges then in place that are not offset by anticipated changes in the underlying hedge exposure.

**If we are unable to manage the organizational challenges associated with our size, we might be unable to achieve our business objectives.**

As of August 31, 2020, we had approximately 506,000 employees worldwide. Our size and scale present significant management and organizational challenges. It might become increasingly difficult to maintain effective standards across a large enterprise and effectively institutionalize our knowledge. It might also become more difficult to maintain our culture, effectively manage and monitor our personnel and operations and effectively communicate our core values, policies and procedures, strategies and goals, particularly given our world-wide operations. The size and scope of our operations increase the possibility that we will have employees who engage in unlawful or fraudulent activity, or otherwise expose us to unacceptable business risks, despite our efforts to train them and maintain internal controls to prevent such instances. For example, employee misconduct could involve the improper use of sensitive or confidential information entrusted to us, or obtained inappropriately, or the failure to comply with legislation or regulations regarding the protection of sensitive or confidential information, including personal data and proprietary information. Furthermore, the inappropriate use of social networking sites by our employees could result in breaches of confidentiality, unauthorized disclosure of non-public company information or damage to our reputation. If we do not continue to develop and implement the right processes and tools to manage our enterprise and instill our culture and core values into all of our employees, our ability to compete successfully and achieve our business objectives could be impaired. In addition, effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, which also became our reportable segments in the third quarter of fiscal 2020. The change was designed to help us better serve our clients and continue to scale our business. We may continue to make changes to our operating model as the needs and size of our business change, and if we do not successfully implement the changes, our business and results of operation may be negatively impacted.

**If we do not successfully manage and develop our relationships with key alliance partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected.**

We have alliances with companies whose capabilities complement our own. A very significant portion of our revenue and services and solutions are based on technology or software provided by a few major alliance partners. See “Business—Services.”

The business that we conduct through these alliances could decrease or fail to grow for a variety of reasons. The priorities and objectives of our alliance partners may differ from ours, and our alliance partners are not prohibited from competing with us or forming closer or preferred arrangements with our competitors. In addition, some of our alliance partners are also large clients or suppliers of technology to us. The decisions we make vis-à-vis an alliance partner may impact our ongoing alliance relationship. In addition, our alliance partners could experience reduced demand for their technology or software, including, for example, in response to changes in technology, which could lessen related demand for our services and solutions.

We must anticipate and respond to continuous changes in technology and develop alliance relationships with new providers of relevant technology. We must secure meaningful alliances with these providers early in their life cycle so that we can develop the right number of certified people with skills in new technologies. If we are unable to maintain

our relationships with current partners and identify new and emerging providers of relevant technology to expand our network of alliance partners, we may not be able to differentiate our services or compete effectively in the market.

If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, and our results of operations could be adversely affected.

**We might not be successful at acquiring, investing in or integrating businesses, entering into joint ventures or divesting businesses.**

We expect to continue pursuing strategic acquisitions, investments and joint ventures to enhance or add to our skills and capabilities or offerings of services and solutions, or to enable us to expand in certain geographic and other markets. Depending on the opportunities available, we may increase the amount of capital invested in such opportunities. We may not succeed in completing targeted transactions, including as a result of the market becoming increasingly competitive, or achieve desired results of operations.

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Furthermore, we face risks in successfully integrating any businesses we might acquire or create through a joint venture. Ongoing business may be disrupted, and our management's attention may be diverted by acquisition, investment, transition or integration activities. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. The loss of key executives, employees, customers, suppliers, vendors and other business partners of businesses we acquire may adversely impact the value of the assets, operations or businesses. Furthermore, acquisitions or joint ventures may result in significant costs and expenses, including those related to retention payments, equity compensation, severance pay, early retirement costs, intangible asset amortization and asset impairment charges, enhancing controls, procedures and policies including those related to financial reporting, disclosure, and cyber and information security, assumed litigation and other liabilities, and legal, accounting and financial advisory fees, which could negatively affect our profitability. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions.

We might fail to realize the expected benefits or strategic objectives of any acquisition, investment or joint venture we undertake. We might not achieve our expected return on investment or may lose money. We may be adversely impacted by liabilities that we assume from a company we acquire or in which we invest, including from that company's known and unknown obligations, intellectual property or other assets, terminated employees, current or former clients or other third parties. In addition, we may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring, investing in or partnering with a company, including potential exposure to regulatory sanctions or liabilities resulting from an acquisition target's previous activities, or from an acquisition's controls related to financial reporting, disclosure, and cyber and information security environment. If any of these circumstances occurs, they could result in unexpected regulatory or legal exposure, including litigation with new or existing clients, unfavorable accounting treatment, unexpected increases in taxes or other adverse effects on our relationships with clients and our business. In addition, we have a lesser degree of control over the business operations of the joint ventures and businesses in which we have made minority investments or in which we have acquired less than 100% of the equity. This lesser degree of control may expose us to additional reputational, financial, legal, compliance or operational risks. Litigation, indemnification claims and other unforeseen claims and liabilities may arise from the acquisition or operation of acquired businesses. For example, we may face litigation or other claims as a result of certain terms and conditions of the acquisition agreement, such as earnout payments or closing net asset adjustments. Alternatively, shareholder litigation may arise as a result of proposed acquisitions. If we are unable to complete the number and kind of investments for which we plan, or if we are inefficient or unsuccessful at integrating any acquired businesses into our operations, we may not be able to achieve our planned rates of growth or improve our market share, profitability or competitive position in specific markets or services.

We also periodically evaluate, and have engaged in, the disposition of assets and businesses. Divestitures could involve difficulties in the separation of operations, services, products and personnel, the diversion of management's attention, the disruption of our business and the potential loss of key employees. After reaching an agreement with a buyer for the disposition of a business, the transaction may be subject to the satisfaction of pre-closing conditions, including obtaining necessary regulatory and government approvals, which, if not satisfied or obtained, may prevent us from completing the transaction. Divestitures may also involve continued financial involvement in or liability with respect to the divested assets and businesses, such as indemnities or other financial obligations, in which the performance of the divested assets or businesses could impact our results of operations. Any divestiture we undertake could adversely affect our results of operations.

**If we are unable to protect or enforce our intellectual property rights, or if our services or solutions infringe upon the intellectual property rights of others or we lose our ability to utilize the intellectual property of others, our business could be adversely affected.**

Our success depends, in part, upon our ability to obtain intellectual property protection for our proprietary platforms, methodologies, processes, software and other solutions. Existing laws of the various countries in which we provide services or solutions may offer only limited intellectual property protection of our services or solutions, and the protection in some countries may be very limited. We rely upon a combination of confidentiality policies and procedures, nondisclosure and other contractual arrangements, and patent, trade secret, copyright and trademark laws to protect our intellectual property rights. These laws are subject to change at any time and could further limit our ability to obtain or maintain intellectual property protection. There is uncertainty concerning the scope of patent and other intellectual property protection for software and business methods, which are fields in which we rely on intellectual property laws to protect our rights. Even where we obtain intellectual property protection, our intellectual property rights may not prevent or deter competitors, former employees, or other third parties from reverse engineering our solutions or proprietary methodologies and processes or independently developing services or solutions similar to or duplicative of ours. Further, the steps we take in this regard might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties, and we might not be able to detect unauthorized use of, or take appropriate and timely steps to enforce, our intellectual property rights. Enforcing our rights might also require considerable time, money and oversight, and we may not be successful in enforcing our rights.

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In addition, we cannot be sure that our services and solutions, including, for example, our software solutions, or the solutions of others that we offer to our clients, do not infringe on the intellectual property rights of third parties (including competitors as well as non-practicing holders of intellectual property assets), and these third parties could claim that we or our clients are infringing upon their intellectual property rights. Furthermore, although we have established policies and procedures to respect the intellectual property rights of third parties and that prohibit the unauthorized use of intellectual property, we may not be aware if our employees have misappropriated and/or misused intellectual property, and their actions could result in claims of intellectual property misappropriation and/or infringement from third parties. These claims could harm our reputation, cause us to incur substantial costs or prevent us from offering some services or solutions in the future. Any related proceedings could require us to expend significant resources over an extended period of time. In most of our contracts, we agree to indemnify our clients for expenses and liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities could be greater than the revenues we receive from the client. Any claims or litigation in this area could be time-consuming and costly, damage our reputation and/or require us to incur additional costs to obtain the right to continue to offer a service or solution to our clients. If we cannot secure this right at all or on reasonable terms, or we are unable to implement in a cost-effective manner alternative technology, our results of operations could be materially adversely affected. The risk of infringement claims against us may increase as we expand our industry software solutions and continue to develop and license our software to multiple clients. Any infringement action brought against us or our clients could be costly to defend or lead to an expensive settlement or judgment against us.

Further, we rely on third-party software in providing some of our services and solutions. If we lose our ability to continue using any such software for any reason, including because it is found to infringe the rights of others, we will need to obtain substitute software or seek alternative means of obtaining the technology necessary to continue to provide such services and solutions. Our inability to replace such software, or to replace such software in a timely or cost-effective manner, could materially adversely affect our results of operations.

**Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.**

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our shareholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, incur incremental compliance costs, fail to meet our public reporting requirements on a timely basis, be unable to properly report on our business and our results of operations, or be required to restate our financial statements, and our results of operations, our share price and our ability to obtain new business could be materially adversely affected.

**Changes to accounting standards or in the estimates and assumptions we make in connection with the preparation of our consolidated financial statements could adversely affect our financial results.**

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. It is possible that changes in accounting standards could have a material adverse effect on our results of operations and financial position. The application of generally accepted accounting principles requires us to make estimates and assumptions about certain items and future events that affect our reported financial condition, and our accompanying disclosure with respect to, among other things, revenue recognition and income taxes. Our most critical accounting estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations



under “Critical Accounting Policies and Estimates.” We base our estimates on historical experience, contractual commitments and various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. These estimates and assumptions involve the use of judgment and are subject to significant uncertainties, some of which are beyond our control. If our estimates, or the assumptions underlying such estimates, are not correct, actual results may differ materially from our estimates, and we may need to, among other things, adjust revenues or accrue additional costs that could adversely affect our results of operations.

**We might be unable to access additional capital on favorable terms or at all. If we raise equity capital, it may dilute our shareholders’ ownership interest in us.**

We might choose to raise additional funds through public or private debt or equity financings in order to:

- facilitate purchases, redemptions and exchanges of shares and pay dividends;
  - acquire complementary businesses or technologies;
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- take advantage of opportunities, including more rapid expansion;
- develop new services and solutions and respond to competitive pressures; and
- support general working capital purposes.

Any additional capital raised through the sale of equity would dilute shareholders' ownership percentage in us. Furthermore, any additional financing or refinancing we need might not be available on terms favorable to us, or at all.

**We are incorporated in Ireland and Irish law differs from the laws in effect in the United States and might afford less protection to our shareholders. We may also be subject to criticism and negative publicity related to our incorporation in Ireland.**

Irish law differs from the laws in effect in the United States and our shareholders could have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws.

As an Irish company, we are governed by the Companies Act. The Companies Act differs in some significant, and possibly material, respects from laws applicable to U.S. corporations and shareholders under various state corporation laws, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Under Irish law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Irish companies do not generally have rights to take action against directors or officers of the company under Irish law, and may only do so in limited circumstances. Directors of an Irish company must, in exercising their powers and performing their duties, act with due care and skill, honestly and in good faith with a view to the best interests of the company. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests might conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of an Irish company is found to have breached his or her duties to that company, he or she could be held personally liable to the company in respect of that breach of duty.

Under Irish law, we must have authority from our shareholders to issue any shares, including shares that are part of the company's authorized but unissued share capital. In addition, unless otherwise authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro-rata basis. If we are unable to obtain these authorizations from our shareholders, or are otherwise limited by the terms of our authorizations, our ability to issue shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.

Some companies that conduct substantial business in the United States but that have a parent domiciled in certain other jurisdictions have been criticized as improperly avoiding U.S. taxes or creating an unfair competitive advantage over U.S. companies. Accenture never conducted business under a U.S. parent company and pays U.S. taxes on all of its U.S. operations. Nonetheless, we could be subject to criticism in connection with our incorporation in Ireland.

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## Item 1B. Unresolved Staff Comments

None.

## Item 2. Properties

We have major offices in the world's leading business centers, including Boston, Chicago, New York, San Francisco, Dublin, Frankfurt, London, Madrid, Milan, Paris, Rome, Bangalore, Beijing, Manila, Mumbai, Sao Paulo, Shanghai, Singapore, Sydney and Tokyo, among others. In total, we have offices and operations in more than 200 cities in 50 countries around the world. We do not own any material real property. Substantially all of our office space is leased under long-term leases with varying expiration dates. We believe that our facilities are adequate to meet our needs in the near future.

## Item 3. Legal Proceedings

The information set forth under "Legal Contingencies" in Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," is incorporated herein by reference.

## Item 4. Mine Safety Disclosures

Not applicable.

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## Part II

### Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Accenture plc Class A ordinary shares are traded on the New York Stock Exchange under the symbol "ACN." The New York Stock Exchange is the principal United States market for these shares. As of October 8, 2020, there were 312 holders of record of Accenture plc Class A ordinary shares.

There is no trading market for Accenture plc Class X ordinary shares. As of October 8, 2020, there were 16 holders of record of Accenture plc Class X ordinary shares.

#### Dividends

For information about our dividend activity during fiscal 2020, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

On September 23, 2020, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$0.88 per share on our Class A ordinary shares for shareholders of record at the close of business on October 13, 2020 payable on November 13, 2020. For the remainder of fiscal 2021, we expect to declare additional quarterly dividends in December 2020 and March and June 2021, to be paid in February, May and August 2021, respectively, subject to the approval of the Board of Directors.

In certain circumstances, as an Irish tax resident company, we may be required to deduct Irish dividend withholding tax ("DWT") (currently at the rate of 25%) from dividends paid to our shareholders. Shareholders resident in "relevant territories" (including countries that are European Union member states (other than Ireland), the United States and other countries with which Ireland has a tax treaty) may be exempted from Irish DWT. However, shareholders residing in other countries will generally be subject to Irish DWT.

#### Recent Sales of Unregistered Securities

None.

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## Purchases of Accenture plc Class A Ordinary Shares

The following table provides information relating to our purchases of Accenture plc Class A ordinary shares during the fourth quarter of fiscal 2020. For year-to-date information on all of our share purchases, redemptions and exchanges and further discussion of our share purchase activity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Purchases and Redemptions."

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
(in millions of U.S. dollars)				
June 1, 2020 — June 30, 2020	151,482	\$ 211.25	126,699	\$ 1,857
July 1, 2020 — July 31, 2020	1,336,948	220.44	1,301,112	1,563
August 1, 2020 — August 31, 2020	1,065,906	233.39	1,033,283	1,315
<b>Total (4)</b>	<b>2,554,336</b>	<b>\$ 225.30</b>	<b>2,461,094</b>	

- (1) Average price paid per share reflects the total cash outlay for the period, divided by the number of shares acquired, including those acquired by purchase or redemption for cash and any acquired by means of employee forfeiture.
- (2) Since August 2001, the Board of Directors of Accenture plc has authorized and periodically confirmed a publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares. During the fourth quarter of fiscal 2020, we purchased 2,461,094 Accenture plc Class A ordinary shares under this program for an aggregate price of \$555 million. The open-market purchase program does not have an expiration date.
- (3) As of August 31, 2020, our aggregate available authorization for share purchases and redemptions was \$1,315 million, which management has the discretion to use for either our publicly announced open-market share purchase program or our other share purchase programs. Since August 2001 and as of August 31, 2020, the Board of Directors of Accenture plc has authorized an aggregate of \$35.1 billion for share purchases and redemptions by Accenture plc and Accenture Canada Holdings Inc. On September 20, 2020, the Board of Directors of Accenture plc approved \$5,000 million in additional share repurchase authority bringing Accenture's total outstanding authority to \$6,315 million.
- (4) During the fourth quarter of fiscal 2020, Accenture purchased 93,242 Accenture plc Class A ordinary shares in transactions unrelated to publicly announced share plans or programs. These transactions consisted of acquisitions of Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under our various employee equity share plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and our other share purchase programs.

## Item 6. Selected Financial Data

The data for fiscal 2020, 2019 and 2018 and as of August 31, 2020 and 2019 are derived from the audited Consolidated Financial Statements and related Notes that are included elsewhere in this report. The data for fiscal 2017 and 2016 and as of August 31, 2018, 2017 and 2016 are derived from the audited Consolidated Financial Statements and related Notes that are not included in this report. The selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related Notes included elsewhere in this report.

(in millions of U.S. dollars)	Fiscal				
	2020 (1)	2019	2018 (2) (3)	2017 (2) (4)	2016 (2) (5)
<b>Income Statement Data</b>					
Revenues	\$ 44,327	\$ 43,215	\$ 40,993	\$ 36,177	\$ 34,254
Operating income	6,514	6,305	5,899	5,191	4,846
Net income	5,185	4,846	4,215	3,635	4,350
Net income attributable to Accenture plc	5,108	4,779	4,060	3,445	4,112
<b>Earnings Per Class A Ordinary Share</b>					
Basic	\$ 8.03	\$ 7.49	\$ 6.46	\$ 5.56	\$ 6.58
Diluted	7.89	7.36	6.34	5.44	6.45
Dividends per ordinary share	3.20	2.92	2.66	2.42	2.20

- (1) Includes the impact of \$280 million, post-tax, gains on an investment recorded during fiscal 2020. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for Fiscal 2020 Compared to Fiscal 2019—Other Income (Expense), net."
- (2) Effective September 1, 2018, we adopted FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and eliminated our net revenues presentation and FASB ASU No. 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. Prior period amounts have been revised to conform with the current period presentation.
- (3) Includes the impact of a \$258 million charge associated with tax law changes recorded during fiscal 2018.
- (4) Includes the impact of a \$312 million, post-tax, pension settlement charge recorded during fiscal 2017.
- (5) Includes the impact of a \$745 million, post-tax, gain on sale of businesses recorded during fiscal 2016.

(in millions of U.S. dollars)	August 31, 2020	August 31, 2019	August 31, 2018	August 31, 2017	August 31, 2016
<b>Balance Sheet Data</b>					
Cash and cash equivalents	\$ 8,415	\$ 6,127	\$ 5,061	\$ 4,127	\$ 4,906
Total assets	37,079	29,790	24,449	22,690	20,609
Long-term debt, net of current portion	54	16	20	22	24
Accenture plc shareholders' equity	17,001	14,409	10,365	8,949	7,555

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## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in this Annual Report on Form 10-K.

We use the terms "Accenture," "we," the "Company," "our" and "us" in this report to refer to Accenture plc and its subsidiaries. All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to "fiscal 2020" means the 12-month period that ended on August 31, 2020. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

We use the term "in local currency" so that certain financial results may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Financial results "in local currency" are calculated by restating current period activity into U.S. dollars using the comparable prior-year period's foreign currency exchange rates. This approach is used for all results where the functional currency is not the U.S. dollar.

### Change in Reportable Segments

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five industry groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. For additional information, see our Form 8-K filed on January 13, 2020.

### Overview

The COVID-19 pandemic has caused a significant loss of life, disrupted businesses and restricted travel worldwide, causing significant economic disruption and uncertainty. This disruption and uncertainty has had and continues to have a significant adverse impact on our business, operations and financial results. For fiscal 2020, our revenues grew 3% in U.S. dollars and 4% in local currency, a decrease compared to the revenue growth experienced in fiscal 2019. Revenues for the first half of fiscal 2020 grew 7% in U.S. dollars and 8% in local currency compared to the same period in fiscal 2019. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and during the second half of fiscal 2020, our revenues declined 1% in U.S. dollars and were flat in local currency compared to the same period in fiscal 2019. The pandemic impacted almost all aspects of our business and forced us to quickly adapt the way we operate. As described below, we took actions to shift the majority of our workforce to a remote working environment to ensure the continuity of our business, including the sales and delivery of services to our clients, and to respond to a rapidly changing demand environment from our clients.

As a result of the COVID-19 pandemic, we enabled approximately 95% of our global workforce to work from home and suspended substantially all business travel. We continue to develop and implement our comprehensive plan to return to our and our clients' offices where permissible, with our people's safety and the needs of our clients guiding how we manage our phased transition.

We experienced reduced demand for our services during the second half of fiscal 2020 as some clients reprioritized and delayed certain work as a result of the pandemic, particularly in the Travel, Retail, Energy, High Tech and Industrial industries and primarily for our consulting services. We also experienced increased demand in the Public Service, Software & Platforms and Life Sciences industries and from clients across all of our industry groups in connection with their digital transformations, the adoption of cloud technologies and security-related services. In this current market, the level of revenues we achieve is based on our ability to deliver market-leading services while deploying skilled teams of professionals effectively.

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For further information on the impact to our results for fiscal 2020, please see "Summary of Results" below. For a discussion of risks related to the COVID-19 pandemic, see "Our results of operations have been significantly adversely affected and could in the future be materially adversely impacted by the COVID-19 pandemic." under Item 1A, "Risk Factors."

## Summary of Results

Revenues for fiscal 2020 increased 3% in U.S. dollars and 4% in local currency compared to fiscal 2019. This included the impact of a decline in reimbursable travel costs, which reduced revenues approximately 1%. During fiscal 2020, revenue growth in local currency was strong in Growth Markets, solid in North America and flat in Europe. We experienced local currency revenue growth that was very strong in Health & Public Service, modest in Products, Communications, Media & Technology and Financial Services and flat in Resources. Revenue growth in local currency was strong in outsourcing and modest in consulting during fiscal 2020. The business environment remained competitive, and the changes in demand have led to increased pricing pressure, particularly for our consulting services. We use the term "pricing" to mean the contract profitability or margin on the work that we sell.

In our consulting business, revenues for fiscal 2020 were flat in U.S. dollars and increased 2% in local currency compared to fiscal 2019. This included the impact of a decline in reimbursable travel costs, which reduced consulting revenues approximately 2%. Consulting revenue growth in local currency in fiscal 2020 was led by strong growth in Growth Markets and modest growth in North America, partially offset by a modest decline in Europe. Our consulting revenue continues to be driven by digital-, cloud- and security-related services and assisting clients with the adoption of new technologies. In addition, clients continue to be focused on initiatives designed to deliver cost savings and operational efficiency, as well as projects to integrate their global operations and grow and transform their businesses.

In our outsourcing business, revenues for fiscal 2020 increased 6% in U.S. dollars and 7% in local currency compared to fiscal 2019. Outsourcing revenue growth in local currency in fiscal 2020 was led by strong growth across all geographic markets. We continue to experience growing demand to assist clients with the operation and maintenance of digital-related services and cloud enablement. In addition, clients continue to be focused on transforming their operations to improve effectiveness and cost efficiency.

As we are a global company, our revenues are denominated in multiple currencies and may be significantly affected by currency exchange rate fluctuations. The majority of our revenues are denominated in currencies other than the U.S. dollar, including the Euro, Japanese yen, and U.K. pound. There continues to be volatility in foreign currency exchange rates. Unfavorable fluctuations in foreign currency exchange rates have had and could have in the future a material effect on our financial results. If the U.S. dollar weakens against other currencies, resulting in favorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be higher. If the U.S. dollar strengthens against other currencies, resulting in unfavorable currency translation, our revenues, revenue growth and results of operations in U.S. dollars may be lower. The U.S. dollar strengthened against various currencies during fiscal 2020, resulting in unfavorable currency translation and U.S. dollar revenue growth that was approximately 1% lower than our revenue growth in local currency for the year. Assuming that exchange rates stay within recent ranges, we estimate that our fiscal 2021 revenue growth in U.S. dollars will be approximately 2% higher than our revenue growth in local currency.

The primary categories of operating expenses include Cost of services, Sales and marketing and General and administrative costs. Cost of services is primarily driven by the cost of client-service personnel, which consists mainly of compensation, subcontractor and other personnel costs, and non-payroll costs on outsourcing contracts. Cost of services includes a variety of activities such as: contract delivery; recruiting and training; software development; and integration of acquisitions. Sales and marketing costs are driven primarily by: compensation costs for business development activities; marketing- and advertising-related activities; and certain acquisition-related costs. General and administrative costs primarily include costs for non-client-facing personnel, information systems, office space and certain acquisition-related costs.

Utilization for fiscal 2020 was 90%, down from 91% in fiscal 2019. We hire to meet current and projected future demand. We proactively plan and manage the size and composition of our workforce and take actions as needed to address changes in the anticipated demand for our services and solutions, given that compensation costs are the most significant portion of our operating expenses. Our headcount, the majority of which serve our clients, increased to approximately 506,000 as of August 31, 2020, compared to approximately 492,000 as of August 31, 2019. The year-over-year increase in our headcount reflects an overall increase in demand for our services and solutions, as well as headcount added in connection with acquisitions. Attrition, excluding involuntary terminations, for fiscal 2020 was 12%, down from 17% in fiscal 2019. We evaluate voluntary attrition, adjust levels of new hiring and use involuntary terminations as means to keep our supply of skills and resources in balance with changes in client demand. In addition, we adjust compensation in certain skill sets and geographies in order to attract and retain appropriate numbers of qualified employees. For the majority of our personnel, compensation increases become effective December 1st of each fiscal year. We strive to adjust pricing and/or the mix of resources to reduce the impact of compensation increases on our margin. Our ability to grow our revenues and maintain or increase our margin could be adversely affected if we are unable to: keep our supply of skills and resources in balance with changes in the types or amounts of services and solutions clients are demanding; recover increases in compensation; deploy our employees globally on a timely basis; manage attrition; and/or effectively assimilate and utilize new employees.

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Gross margin (Revenues less Cost of services as a percentage of Revenues) for fiscal 2020 was 31.5%, compared with 30.8% for fiscal 2019. The increase in gross margin for fiscal 2020 was due to lower non-payroll costs, primarily for travel, partially offset by an increase in labor costs as a percentage of revenues compared to fiscal 2019.

Sales and marketing and General and administrative costs as a percentage of revenues were 16.8% for fiscal 2020, compared with 16.2% for fiscal 2019. For fiscal 2020 compared to fiscal 2019, Sales and marketing costs as a percentage of revenues increased 10 basis points and General and administrative costs as a percentage of revenues increased 50 basis points, primarily due to higher technology and facilities costs.

Operating margin (Operating income as a percentage of revenues) for fiscal 2020 was 14.7%, compared with 14.6% for fiscal 2019.

During fiscal 2020, we recorded gains of \$332 million and \$52 million in tax expense related to our investment in Duck Creek Technologies. For additional information, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

The effective tax rate for fiscal 2020 was 23.5%, compared with 22.5% for fiscal 2019. Absent the \$332 million gains on an investment and related \$52 million in tax expense, our effective tax rate for fiscal 2020 would have been 23.9%.

Diluted earnings per share were \$7.89 for fiscal 2020, compared with \$7.36 for fiscal 2019. The \$280 million gains on an investment, net of taxes, increased diluted earnings per share by \$0.43 in fiscal 2020. Excluding the impact of these gains, diluted earnings per share would have been \$7.46 for fiscal 2020.

We have presented our effective tax rate and diluted earnings per share excluding the impact of gains related to an investment in fiscal 2020, as we believe doing so facilitates understanding as to the impact of this item and our performance in comparison to the prior period.

Our operating income and diluted earnings per share are affected by currency exchange rate fluctuations on revenues and costs. Most of our costs are incurred in the same currency as the related revenues. Where practical, we seek to manage foreign currency exposure for costs not incurred in the same currency as the related revenues, such as the costs associated with our global delivery model, by using currency protection provisions in our customer contracts and through our hedging programs. For more information on our hedging programs, see Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Bookings

New bookings for fiscal 2020 were \$49.6 billion, with consulting bookings of \$25.8 billion and outsourcing bookings of \$23.7 billion, compared to \$45.5 billion in fiscal 2019, with consulting bookings of \$24.7 billion and outsourcing bookings of \$20.8 billion.

We provide information regarding our new bookings, which include new contracts, including those acquired through acquisitions, as well as renewals, extensions and changes to existing contracts, because we believe doing so provides useful trend information regarding changes in the volume of our new business over time. New bookings can vary significantly quarter to quarter depending in part on the timing of the signing of a small number of large outsourcing contracts. The types of services and solutions clients are demanding and the pace and level of their spending may impact the conversion of new bookings to revenues. For example, outsourcing bookings, which are typically for multi-year contracts, generally convert to revenue over a longer period of time compared to consulting bookings.

Information regarding our new bookings is not comparable to, nor should it be substituted for, an analysis of our revenues over time. New bookings involve estimates and judgments. There are no third-party standards or

requirements governing the calculation of bookings. We do not update our new bookings for material subsequent terminations or reductions related to bookings originally recorded in prior fiscal years. New bookings are recorded using then-existing foreign currency exchange rates and are not subsequently adjusted for foreign currency exchange rate fluctuations.

The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Only the non-cancelable portion of these contracts is included in the performance obligations disclosed in Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data." Accordingly, a significant portion of what we consider contract bookings is not included in our remaining performance obligations.

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## Critical Accounting Policies and Estimates

The preparation of our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses. We continually evaluate our estimates, judgments and assumptions based on available information and experience. Because the use of estimates is inherent in the financial reporting process, actual results could differ from those estimates. Certain of our accounting policies require higher degrees of judgment than others in their application. These include certain aspects of accounting for revenue recognition and income taxes.

### Revenue Recognition

Determining the method and amount of revenue to recognize requires us to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require contract interpretation to determine the appropriate accounting, including whether promised goods and services specified in an arrangement are distinct performance obligations and should be accounted for separately. Other judgments include determining whether performance obligations are satisfied over-time or at a point-in-time and the selection of the method to measure progress towards completion.

We measure progress towards completion for technology integration consulting services using costs incurred to date relative to total estimated costs at completion. Revenues, including estimated fees, are recorded proportionally as costs are incurred. The amount of revenue recognized for these contracts in a period is dependent on our ability to estimate total contract costs. We continually evaluate our estimates of total contract costs based on available information and experience.

Additionally, the nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. We conduct reviews prior to signing such contracts to evaluate whether these incentives are reasonably achievable. Our estimates are monitored over the lives of our contracts and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

For additional information, see Note 2 (Revenues) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

### Income Taxes

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act (the "Tax Act"), which significantly changed U.S. tax law. The Tax Act lowered the U.S. statutory federal income tax rate from 35% to 21%, effective January 1, 2018, resulting in a blended U.S. statutory federal income tax rate of 25.7% for our fiscal year ended August 31, 2018 and a U.S. statutory federal income tax rate of 21.0% for our fiscal year ended August 31, 2019. The Tax Act's "base erosion and anti-abuse tax" provision, and regulations issued thereunder, adversely impact our effective tax rate by limiting our ability to deduct certain expenses.

Determining the consolidated provision for income tax expense, income tax liabilities and deferred tax assets and liabilities involves judgment. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. As a global company, we calculate and provide for income taxes in each of the tax jurisdictions in which we operate. This involves estimating current tax exposures in each jurisdiction as well as making judgments regarding the recoverability of deferred tax assets. Tax exposures can involve complex issues and may require an extended period

to resolve. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and adjust the valuation allowances accordingly. Factors considered in making this determination include the period of expiration of the tax asset, planned use of the tax asset, tax planning strategies and historical and projected taxable income as well as tax liabilities for the tax jurisdiction in which the tax asset is located. Valuation allowances will be subject to change in each future reporting period as a result of changes in one or more of these factors. Changes in the geographic mix or estimated level of annual income before taxes can affect the overall effective tax rate.

We apply an estimated annual effective tax rate to our quarterly operating results to determine the interim provision for income tax expense. A change in judgment that impacts the measurement of a tax position taken in a prior year is recognized as a discrete item in the interim period in which the change occurs. In the event there is a significant unusual or infrequent item recognized in our quarterly operating results, the tax attributable to that item is recorded in the interim period in which it occurs. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

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No taxes have been provided on undistributed foreign earnings that are planned to be indefinitely reinvested. If future events, including material changes in estimates of cash, working capital and long-term investment requirements, necessitate that these earnings be distributed, an additional provision for taxes may apply, which could materially affect our future effective tax rate. We currently do not foresee any event that would require us to distribute these indefinitely reinvested earnings. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

As a matter of course, we are regularly audited by various taxing authorities, and sometimes these audits result in proposed assessments where the ultimate resolution may result in us owing additional taxes. We establish tax liabilities or reduce tax assets when, despite our belief that our tax return positions are appropriate and supportable under local tax law, we believe we may not succeed in realizing the tax benefit of certain positions if challenged. In evaluating a tax position, we determine whether it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Our estimate of the ultimate tax liability contains assumptions based on past experiences, judgments about potential actions by taxing jurisdictions as well as judgments about the likely outcome of issues that have been raised by taxing jurisdictions. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement. We evaluate tax positions each quarter and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

## Revenues by Segment/Geographic Market

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five industry groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. See Note 7 (Goodwill and Intangible Assets) and Note 16 (Segment Reporting) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data" for further details regarding the change in our reportable segments.

In addition to reporting revenues by geographic markets, we also report revenues by two types of work: consulting and outsourcing, which represent the services sold by our geographic markets. Consulting revenues, which include strategy, management and technology consulting and technology integration consulting, reflect a finite, distinct project or set of projects with a defined outcome and typically a defined set of specific deliverables. Outsourcing revenues typically reflect ongoing, repeatable services or capabilities provided to transition, run and/or manage operations of client systems or business functions.

From time to time, our geographic markets work together to sell and implement certain contracts. The resulting revenues and costs from these contracts may be apportioned among the participating geographic markets. Generally, operating expenses for each geographic market have similar characteristics and are subject to the same factors, pressures and challenges. However, the economic environment and its effects on the industries served by our geographic markets affect revenues and operating expenses within our geographic markets to differing degrees. The mix between consulting and outsourcing is not uniform among our geographic markets. Local currency fluctuations also tend to affect our geographic markets differently, depending on the geographic concentrations and locations of their businesses.

While we provide discussion about our results of operations below, we cannot measure how much of our revenue growth in a particular period is attributable to changes in price or volume. Management does not track standard measures of unit or rate volume. Instead, our measures of volume and price are extremely complex, as each of our services contracts is unique, reflecting a customized mix of specific services that does not fit into standard comparability measurements. Revenue for our services is a function of the nature of each service to be provided, the skills required and the outcome sought, as well as estimated cost, risk, contract terms and other factors.

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## Results of Operations for Fiscal 2020 Compared to Fiscal 2019

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five operating groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources, which we now refer to as our industry groups.

Revenues by geographic market, industry group and type of work are as follows:

(in millions of U.S. dollars)	Fiscal		Percent Increase (Decrease) U.S. Dollars	Percent Increase Local Currency	Percent of Total Revenues for Fiscal	
	2020	2019 (1)			2020	2019 (1)
<b>GEOGRAPHIC MARKETS</b>						
North America	\$ 20,982	\$ 19,986	5 %	5 %	47 %	46 %
Europe	14,402	14,696	(2)	—	32	34
Growth Markets	8,943	8,533	5	8	20	20
<b>TOTAL REVENUES</b>	<b>\$ 44,327</b>	<b>\$ 43,215</b>	<b>3 %</b>	<b>4 %</b>	<b>100 %</b>	<b>100 %</b>
<b>INDUSTRY GROUPS</b>						
Communications, Media & Technology	\$ 8,883	\$ 8,757	1 %	3 %	20 %	20 %
Financial Services	8,518	8,494	—	2	19	20
Health & Public Service	8,023	7,161	12	13	18	17
Products	12,272	12,005	2	3	28	28
Resources	6,612	6,772	(2)	—	15	16
Other	19	26	n/m	n/m	—	—
<b>TOTAL REVENUES</b>	<b>\$ 44,327</b>	<b>\$ 43,215</b>	<b>3 %</b>	<b>4 %</b>	<b>100 %</b>	<b>100 %</b>
<b>TYPE OF WORK</b>						
Consulting	\$ 24,227	\$ 24,177	— %	2 %	55 %	56 %
Outsourcing	20,100	19,038	6	7	45	44
<b>TOTAL REVENUES</b>	<b>\$ 44,327</b>	<b>\$ 43,215</b>	<b>3 %</b>	<b>4 %</b>	<b>100 %</b>	<b>100 %</b>

n/m = not meaningful

Amounts in table may not total due to rounding

(1) Effective September 1, 2019 we revised the reporting of our geographic markets for the movement of one country from Growth Markets to Europe. Prior period amounts have been reclassified to conform with the current period presentation.

### Revenues

Revenues were impacted by a reduction of approximately 1% from a decline in revenues from reimbursable travel costs in fiscal 2020 across all markets. The following revenues commentary discusses local currency revenue changes for fiscal 2020 compared to fiscal 2019:

### **Geographic Markets**

- North America revenues increased 5% in local currency, led by growth in Public Service, Life Sciences, Software & Platforms, Health and Banking & Capital Markets. These increases were partially offset by declines in Chemicals & Natural Resources and High Tech. Revenue growth was driven by the United States.
- Europe revenues were flat in local currency, led by growth in Life Sciences, Software & Platforms, Chemicals & Natural Resources and Health. These increases were partially offset by declines in Banking & Capital Markets, Consumer Goods, Retail & Travel Services and High Tech. Revenues were led by growth in Italy and Germany, partially offset by declines in the United Kingdom, Spain and France.
- Growth Markets revenues increased 8% in local currency, led by growth in Software & Platforms, Banking & Capital Markets, Public Service, Chemicals & Natural Resources, Industrial and Life Sciences. Revenue growth was driven by Japan, as well as Brazil.

### **Operating Expenses**

Operating expenses for fiscal 2020 increased \$903 million, or 2%, over fiscal 2019, and decreased as a percentage of revenues to 85.3% from 85.4% during this period.

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Operating expenses by category are as follows:

(in millions of U.S. dollars)	Fiscal				Increase (Decrease)
	2020		2019		
Operating Expenses	\$ 37,813	85.3 %	\$ 36,910	85.4 %	\$ 903
Cost of services	30,351	68.5 %	29,900	69.2 %	451
Sales and marketing	4,626	10.4 %	4,447	10.3 %	178
General and administrative costs	2,837	6.4 %	2,562	5.9 %	274

Amounts in table may not total due to rounding.

### Cost of Services

Cost of services for fiscal 2020 increased \$451 million, or 2%, over fiscal 2019, and decreased as a percentage of revenues to 68.5% from 69.2% during this period. Gross margin for fiscal 2020 increased to 31.5% from 30.8% in fiscal 2019. The increase in gross margin for fiscal 2020 was primarily due to lower non-payroll costs, primarily for travel, partially offset by an increase in labor costs as a percentage of revenues compared to fiscal 2019.

### Sales and Marketing

Sales and marketing expense for fiscal 2020 increased \$178 million, or 4%, over fiscal 2019, and increased as a percentage of revenues to 10.4% from 10.3% during this period.

### General and Administrative Costs

General and administrative costs for fiscal 2020 increased \$274 million, or 11%, over fiscal 2019, and increased as a percentage of revenues to 6.4% from 5.9% during this period. The increase as a percentage of revenues was primarily due to higher technology and facilities costs compared to fiscal 2019.

### Operating Income and Operating Margin

Operating income for fiscal 2020 increased \$209 million, or 3%, over fiscal 2019. Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five industry groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources.

Operating income and operating margin for each of the geographic markets are as follows:

(in millions of U.S. dollars)	Fiscal				
	2020		2019		Increase (Decrease)
	Operating Income	Operating Margin	Operating Income	Operating Margin	
North America	\$ 3,170	15 %	\$ 3,107	16 %	\$ 62
Europe	1,799	12 %	2,013	14	(214)
Growth Markets	1,545	17 %	1,184	14	360
<b>TOTAL</b>	<b>\$ 6,514</b>	<b>14.7 %</b>	<b>\$ 6,305</b>	<b>14.6 %</b>	<b>\$ 209</b>

Amounts in table may not total due to rounding.

We estimate that the aggregate percentage impact of foreign currency exchange rates on our operating income during fiscal 2020 was similar to that disclosed for revenue for each geographic market. The reduction in travel costs during fiscal 2020 had a favorable impact on operating income. The commentary below provides insight into other factors affecting geographic market performance and operating income for fiscal 2020 compared with fiscal 2019:

- North America operating income increased primarily due to revenue growth, partially offset by lower outsourcing contract profitability and higher sales and marketing costs as a percentage of revenues.
  - Europe operating income decreased due to lower consulting contract profitability and higher sales and marketing costs as a percentage of revenues.
  - Growth Markets operating income increased primarily due to revenue growth and higher contract profitability.
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## Other Income (Expense), net

Other income (expense), net primarily consists of foreign currency gains and losses, non-operating components of pension expense, as well as gains and losses associated with our investments. During fiscal 2020, other income (expense) increased \$342 million over fiscal 2019, primarily due to gains of \$332 million related to our investment in Duck Creek Technologies. For additional information, see Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Income Tax Expense

The effective tax rate for fiscal 2020 was 23.5%, compared with 22.5% for fiscal 2019. Absent the \$332 million gains on an investment and related \$52 million in tax expense, our effective tax rate for fiscal 2020 would have been 23.9%. The higher effective tax rate for fiscal 2020 was primarily due to lower benefits from final determinations of prior year taxes and the phased-in effects of U.S. tax reform, partially offset by higher tax benefits from share-based payments. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests reflects the income earned or expense incurred attributable to the equity interest that some current and former members of Accenture Leadership and their permitted transferees have in our Accenture Canada Holdings Inc. subsidiary. See "Business—Organizational Structure." Noncontrolling interests also includes amounts primarily attributable to noncontrolling shareholders in our Avanade Inc. subsidiary. Net income attributable to Accenture plc represents the income attributable to the shareholders of Accenture plc.

## Earnings Per Share

Diluted earnings per share were \$7.89 for fiscal 2020, compared with \$7.36 for fiscal 2019. The \$280 million gains on an investment, net of taxes, increased diluted earnings per share by \$0.43 in fiscal 2020. Excluding the impact of these gains, diluted earnings per share would have been \$7.46 for fiscal 2020. For information regarding our earnings per share calculations, see Note 3 (Earnings Per Share) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

The increase in diluted earnings per share is due to the following factors:

Earnings Per Share	Fiscal 2020
<b>FY19 As Reported</b>	<b>\$ 7.36</b>
Gains on an investment, net of tax	0.43
Revenue and operating results	0.24
Lower share count	0.03
Net Income attributable to non-controlling interest	(0.01)
Non-operating income	(0.02)
Higher effective tax rate	(0.14)
<b>FY20 As Reported</b>	<b>\$ 7.89</b>

## Results of Operations for Fiscal 2019 Compared to Fiscal 2018

Our Annual Report on Form 10-K for the fiscal year ended August 31, 2019 includes a discussion and analysis of our financial condition and results of operations for the year ended August 31, 2018 in Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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## Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, available cash reserves and debt capacity available under various credit facilities. We could raise additional funds through other public or private debt or equity financings. We may use our available or additional funds to, among other things:

- facilitate purchases, redemptions and exchanges of shares and pay dividends;
- acquire complementary businesses or technologies;
- take advantage of opportunities, including more rapid expansion; or
- develop new services and solutions.

As of August 31, 2020, Cash and cash equivalents were \$8.4 billion, compared with \$6.1 billion as of August 31, 2019.

Cash flows from operating, investing and financing activities, as reflected in our Consolidated Cash Flows Statements, are summarized in the following table:

(in millions of U.S. dollars)	Fiscal		Change
	2020	2019	
Net cash provided by (used in):			
Operating activities	\$ 8,215	\$ 6,627	\$ 1,588
Investing activities	(1,895)	(1,756)	(139)
Financing activities	(4,049)	(3,767)	(282)
Effect of exchange rate changes on cash and cash equivalents	17	(39)	56
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 2,288</b>	<b>\$ 1,065</b>	<b>\$ 1,223</b>

**Operating activities:** The \$1,588 million increase in operating cash flows was due to higher net income and changes in operating assets and liabilities, including higher collections on net client balances (receivables from clients, contract assets and deferred revenues).

**Investing activities:** The \$139 million increase in cash used was due to higher spending on business acquisitions, partially offset by increased proceeds from investments. For additional information, see Note 6 (Business Combinations) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

**Financing activities:** The \$282 million increase in cash used was primarily due to an increase in the net purchases of shares as well as an increase in cash dividends paid, partially offset by an increase in net proceeds from share issuances. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

We believe that our current and longer-term working capital, investments and other general corporate funding requirements will be satisfied for the next twelve months and thereafter through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

Substantially all of our cash is held in jurisdictions where there are no regulatory restrictions or material tax effects on the free flow of funds. In addition, domestic cash inflows for our Irish parent, principally dividend distributions from

lower-tier subsidiaries, have been sufficient to meet our historic cash requirements, and we expect this to continue into the future.

### **Borrowing Facilities**

See Note 10 (Borrowings and Indebtedness) to our Consolidated Financial Statements under Item 8, “Financial Statements and Supplementary Data.”

### **Share Purchases and Redemptions**

We intend to continue to use a significant portion of cash generated from operations for share repurchases during fiscal 2021. The number of shares ultimately repurchased under our open-market share purchase program may vary depending on numerous factors, including, without limitation, share price and other market conditions, our ongoing capital allocation planning, the levels of cash and debt balances, other demands for cash, such as acquisition activity, general economic and/or business conditions, and board and management discretion. Additionally, as these factors may change over the course of the year, the amount of share repurchase activity during any particular period cannot be predicted and may fluctuate from time to time. Share repurchases may be made from time to time through open-market purchases, in respect of purchases and redemptions of Accenture Canada Holdings Inc. exchangeable shares, through the use of Rule 10b5-1 plans and/or by

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other means. The repurchase program may be accelerated, suspended, delayed or discontinued at any time, without notice. For additional information, see Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Subsequent Events

See Note 14 (Shareholders' Equity) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## Obligations and Commitments

As of August 31, 2020, we had the following obligations and commitments to make future payments under contracts, contractual obligations and commercial commitments:

Contractual Cash Obligations (1) (in millions of U.S. dollars)	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt and related interest	\$ 75	\$ 8	\$ 17	\$ 8	\$ 43
Operating leases	3,949	771	1,202	828	1,149
Retirement obligations (2)	91	10	20	19	42
Purchase obligations and other commitments (3)	348	203	100	40	5
<b>Total</b>	<b>\$ 4,463</b>	<b>\$ 992</b>	<b>\$ 1,339</b>	<b>\$ 895</b>	<b>\$ 1,239</b>

Amounts in table may not total due to rounding.

- (1) The liability related to unrecognized tax benefits has been excluded from the contractual obligations table because a reasonable estimate of the timing and amount of cash outflows from future tax settlements cannot be determined. For additional information, see Note 11 (Income Taxes) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."
- (2) Amounts represent projected payments under certain unfunded retirement plans for former pre-incorporation partners. Given these plans are unfunded, we pay these benefits directly. These plans were eliminated for active partners after May 15, 2001.
- (3) Other commitments include, among other things, information technology, software support and maintenance obligations, as well as other obligations in the ordinary course of business that we cannot cancel or where we would be required to pay a termination fee in the event of cancellation. Amounts shown do not include recourse that we may have to recover termination fees or penalties from clients.

## Off-Balance Sheet Arrangements

In the normal course of business and in conjunction with some client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. To date, we have not been required to make any significant payment under any of these arrangements. For further discussion of these transactions, see Note 15 (Commitments and Contingencies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

## New Accounting Pronouncements

See Note 1 (Summary of Significant Accounting Policies) to our Consolidated Financial Statements under Item 8, "Financial Statements and Supplementary Data."

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## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

All of our market risk sensitive instruments were entered into for purposes other than trading.

### Foreign Currency Risk

We are exposed to foreign currency risk in the ordinary course of business. We hedge material cash flow exposures when feasible using forward contracts. These instruments are subject to fluctuations in foreign currency exchange rates and credit risk. Credit risk is managed through careful selection and ongoing evaluation of the financial institutions utilized as counterparties.

Certain of these hedge positions are undesignated hedges of balance sheet exposures such as intercompany loans and typically have maturities of less than one year. These hedges—primarily U.S. dollar/Euro, U.S. dollar/Japanese yen, U.S. dollar/Indian rupee, U.S. dollar/Swiss franc, U.S. dollar/Australian dollar, U.S. dollar/U.K. pound, U.S. dollar/Philippine peso and U.S. dollar/Singapore dollar—are intended to offset remeasurement of the underlying assets and liabilities. Changes in the fair value of these derivatives are recorded in Other income (expense), net in the Consolidated Income Statements. Additionally, we have hedge positions that are designated cash flow hedges of certain intercompany charges relating to our global delivery model. These hedges—U.S. dollar/Indian rupee, U.S. dollar/Philippine peso, U.K. pound/Indian rupee, Euro/Indian rupee, Australian dollar/Indian rupee and Japanese yen/Chinese yuan, which typically have maturities not exceeding three years—are intended to partially offset the impact of foreign currency movements on future costs relating to our global delivery resources. For additional information, see Note 9 (Financial Instruments) to our Consolidated Financial Statements under Item 8, “Financial Statements and Supplementary Data.”

For designated cash flow hedges, gains and losses currently recorded in Accumulated other comprehensive loss are expected to be reclassified into earnings at the time when certain anticipated intercompany charges are accrued as Cost of services. As of August 31, 2020, it was anticipated that approximately \$62 million of net gains, net of tax, currently recorded in Accumulated other comprehensive loss will be reclassified into Cost of services within the next 12 months.

We use sensitivity analysis to determine the effects that market foreign currency exchange rate fluctuations may have on the fair value of our hedge portfolio. The sensitivity of the hedge portfolio is computed based on the market value of future cash flows as affected by changes in exchange rates. This sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the offsetting gain or loss on the underlying exposure. A 10% change in the levels of foreign currency exchange rates against the U.S. dollar (or other base currency of the hedge if not a U.S. dollar hedge) with all other variables held constant would have resulted in a change in the fair value of our hedge instruments of approximately \$592 million and \$509 million as of August 31, 2020 and 2019, respectively.

### Interest Rate Risk

The interest rate risk associated with our borrowing and investing activities as of August 31, 2020 is not material in relation to our consolidated financial position, results of operations or cash flows. While we may do so in the future, we have not used derivative financial instruments to alter the interest rate characteristics of our investment holdings or debt instruments.

## Equity Investment Risk

Our non-marketable and marketable equity securities are subject to a wide variety of market-related risks that could substantially reduce or increase the fair value of our investments.

Our non-marketable equity securities are investments in privately held companies which are often in a start-up or development stage, which is inherently risky. The technologies or products these companies have under development are typically in the early stages and may never materialize, which could result in a loss of a substantial part of our investment in these companies. The evaluation of privately held companies is based on information that we request from these companies, which is not subject to the same disclosure regulations as U.S. publicly traded companies, and as such, the basis for these evaluations is subject to the timing and accuracy of the data received from these companies. We have minimal exposure on our long-term investments in privately held companies as these investments were not material in relation to our consolidated financial position, results of operations or cash flows as of August 31, 2020.

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We record our marketable equity securities not accounted for under the equity method at fair value based on readily determinable market values.

The carrying values of our investments accounted for under the equity method generally do not fluctuate based on market price changes, however these investments could be impaired if the carrying value exceeds the fair value.

## **Item 8. Financial Statements and Supplementary Data**

See the Index to Consolidated Financial Statements and financial statements commencing on page F-1, which are incorporated herein by reference.

## **Item 9. Changes In and Disagreements With Accountants On Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on that evaluation, the principal executive officer and the principal financial officer of Accenture plc have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective at the reasonable assurance level.

### **Management's Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
-



- ii. provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

KPMG LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of their audit, has issued its attestation report, included herein, on the effectiveness of our internal control over financial reporting. See “Report of Independent Registered Public Accounting Firm” on page F-2.

### **Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Item 9B. Other Information**

None.

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## Part III

### Item 10. Directors, Executive Officers and Corporate Governance

There have been no material changes to the procedures by which security holders may recommend nominees to our Board of Directors from those described in the proxy statement for our 2020 Annual General Meeting of Shareholders filed with the SEC on December 10, 2019.

Information about our executive officers is contained in the discussion entitled “Information about our Executive Officers” in Part I of this Form 10-K. The remaining information called for by Item 10 will be included in the sections captioned “Appointment of Directors,” “Corporate Governance” and “Beneficial Ownership” included in the definitive proxy statement relating to the 2021 Annual General Meeting of Shareholders of Accenture plc to be held on February 3, 2021 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2020 fiscal year covered by this Form 10-K.

### Item 11. Executive Compensation

The information called for by Item 11 will be included in the sections captioned “Executive Compensation” and “Director Compensation” included in the definitive proxy statement relating to the 2021 Annual General Meeting of Shareholders of Accenture plc to be held on February 3, 2021 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2020 fiscal year covered by this Form 10-K.

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## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as of August 31, 2020, certain information related to our compensation plans under which Accenture plc Class A ordinary shares may be issued.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (3)	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in 1st Column)
Equity compensation plans approved by shareholders:			
2001 Share Incentive Plan	50,340 (1)	\$ —	—
Amended and Restated 2010 Share Incentive Plan	18,243,498 (2)	—	25,216,854
Amended and Restated 2010 Employee Share Purchase Plan	—	N/A	25,043,778
Equity compensation plans not approved by shareholders	—	N/A	—
<b>Total</b>	<b>18,293,838</b>		<b>50,260,632</b>

(1) Consists of 50,340 restricted share units.

(2) Consists of 18,243,498 restricted share units, with performance-based awards assuming maximum performance.

(3) Restricted share units have no exercise price.

The remaining information called for by Item 12 will be included in the section captioned “Beneficial Ownership” included in the definitive proxy statement relating to the 2021 Annual General Meeting of Shareholders of Accenture plc to be held on February 3, 2021 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2020 fiscal year covered by this Form 10-K.

## Item 13. Certain Relationships and Related Transactions, and Director Independence

The information called for by Item 13 will be included in the section captioned "Corporate Governance" included in the definitive proxy statement relating to the 2021 Annual General Meeting of Shareholders of Accenture plc to be held on February 3, 2021 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2020 fiscal year covered by this Form 10-K.

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## Item 14. Principal Accountant Fees And Services

The information called for by Item 14 will be included in the section captioned “Audit Matters” included in the definitive proxy statement relating to the 2021 Annual General Meeting of Shareholders of Accenture plc to be held on February 3, 2021 and is incorporated herein by reference. Accenture plc will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of our 2020 fiscal year covered by this Form 10-K.

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## Part IV

# Item 15. Exhibits, Financial Statement Schedules

(a) List of documents filed as part of this report:

1. Financial Statements as of August 31, 2020 and August 31, 2019 and for the three years ended August 31, 2020  
—Included in Part II of this Form 10-K:

Consolidated Balance Sheets

Consolidated Income Statements

Consolidated Statements of Comprehensive Income

Consolidated Shareholders' Equity Statements

Consolidated Cash Flows Statements

Notes to Consolidated Financial Statements

2. Financial Statement Schedules:

None

3. Exhibit Index:

**Exhibit  
Number**

**Exhibit**

3.1	Amended and Restated Memorandum and Articles of Association of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.1 to Accenture plc's 8-K filed on February 7, 2018</a> )
3.2	Certificate of Incorporation of Accenture plc (incorporated by reference to <a href="#">Exhibit 3.2 to Accenture plc's 8-K12B filed on September 1, 2009</a> (the "8-K12B"))
4.1	Description of Accenture plc's Securities (incorporated by reference to <a href="#">Exhibit 4.1 to Accenture plc's 10-K filed on August 31, 2019</a> )
10.1	Form of Voting Agreement, dated as of April 18, 2001, among Accenture Ltd and the covered persons party thereto as amended and restated as of February 3, 2005 (incorporated by reference to <a href="#">Exhibit 9.1 to the Accenture Ltd February 28, 2005 10-Q</a> (File No. 001-16565))
10.2	Assumption Agreement of the Amended and Restated Voting Agreement, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.4 to the 8-K12B</a> )
10.3*	Form of Non-Competition Agreement, dated as of April 18, 2001, among Accenture Ltd and certain employees (incorporated by reference to <a href="#">Exhibit 10.2 to the Accenture Ltd Registration Statement on Form S-1</a> (File No. 333-59194) filed on April 19, 2001)
10.4	Assumption and General Amendment Agreement between Accenture plc and Accenture Ltd, dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.1 to the 8-K12B</a> )
10.5*	2001 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the Accenture Ltd Registration Statement on Form S-1/A</a> (File No. 333-59194) filed on July 12, 2001)
10.6*	Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.1 to Accenture plc's 8-K filed on January 30, 2020</a> )
10.7*	Amended and Restated 2010 Employee Share Purchase Plan (incorporated by reference to <a href="#">Exhibit 10.2 to Accenture plc's 8-K filed on February 3, 2016</a> )
10.8	Form of Support Agreement, dated as of May 23, 2001, between Accenture Ltd and Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.9 to the Accenture Ltd Registration Statement on Form S-1/A</a> (the "July 2, 2001 Form S-1/A"))
10.9	First Supplemental Agreement to Support Agreement among Accenture plc, Accenture Ltd and Accenture Canada Holdings Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.2 to the 8-K12B</a> )
10.10*	Form of Employment Agreement of executive officers in the United States (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2013 10-Q</a> )





10.11*	Form of Employment Agreement of executive officers in the United Kingdom (incorporated by reference to <a href="#">Exhibit 10.16 to the August 31, 2013 10-K</a> )
10.12*	Form of Employment Agreement of executive officers in Singapore (incorporated by reference to <a href="#">Exhibit 10.17 to the August 31, 2015 10-K</a> )
10.13	Form of Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.11 to the July 2, 2001 Form S-1/A</a> )
10.14	Articles of Amendment to Articles of Association of Accenture Canada Holdings Inc. (incorporated by reference to <a href="#">Exhibit 10.21 to the August 31, 2013 10-K</a> )
10.15	Form of Exchange Trust Agreement by and between Accenture Ltd and Accenture Canada Holdings Inc. and CIBC Mellon Trust Company, made as of May 23, 2001 (incorporated by reference to <a href="#">Exhibit 10.12 to the July 2, 2001 Form S-1/A</a> )
10.16	First Supplemental Agreement to Exchange Trust Agreement among Accenture plc, Accenture Ltd, Accenture Canada Holdings Inc. and Accenture Inc., dated September 1, 2009 (incorporated by reference to <a href="#">Exhibit 10.3 to the 8-K12B</a> )
10.17*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 28, 2019 10-Q</a> )
10.18*	Form of Key Executive Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.2 to the February 29, 2020 10-Q</a> )
10.19*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 28, 2018 10-Q</a> )
10.20*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 28, 2019 10-Q</a> )
10.21*	Form of Accenture Leadership Performance Equity Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.3 to the February 29, 2020 10-Q</a> )
10.22*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 28, 2019 10-Q</a> )
10.23*	Form of Voluntary Equity Investment Program Matching Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.4 to the February 29, 2020 10-Q</a> )
10.24*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.6 to the February 28, 2018 10-Q</a> )
10.25*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.5 to the February 28, 2019 10-Q</a> )
10.26*	Form of CEO Discretionary Grant Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.5 to the February 29, 2020 10-Q</a> )
10.27*	Form of Next Generation Leadership Performance-Based Award Restricted Share Unit Agreement pursuant to the Amended and Restated Accenture plc 2010 Share Incentive Plan (incorporated by reference to <a href="#">Exhibit 10.6 to the February 29, 2020 10-Q</a> )
10.28*	Accenture LLP Leadership Separation Benefits Plan ( <a href="#">filed herewith</a> )
10.29*	Description of Global Annual Bonus Plan (incorporated by reference to <a href="#">Exhibit 10.31 to the August 31, 2017 10-K</a> )
10.30*	Form of Indemnification Agreement, between Accenture Inc. and the indemnitee party thereto (incorporated by reference to <a href="#">Exhibit 10.28 to the August 31, 2018 10-K</a> )
21.1	Subsidiaries of the Registrant ( <a href="#">filed herewith</a> )
23.1	Consent of KPMG LLP ( <a href="#">filed herewith</a> )
23.2	Consent of KPMG LLP related to the Accenture plc 2010 Employee Share Purchase Plan ( <a href="#">filed herewith</a> )
24.1	Power of Attorney (included on the signature page hereto)
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> )
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> )

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101	The following financial information from Accenture plc's Annual Report on Form 10-K for the fiscal year ended August 31, 2020, formatted in Inline XBRL: (i) Consolidated Balance Sheets as of August 31, 2020 and August 31, 2019, (ii) Consolidated Income Statements for the years ended August 31, 2020, 2019 and 2018, (iii) Consolidated Statements of Comprehensive Income for the years ended August 31, 2020, 2019 and 2018, (iv) Consolidated Shareholders' Equity Statements for the years ended August 31, 2020, 2019 and 2018, (v) Consolidated Cash Flows Statements for the years ended August 31, 2020, 2019 and 2018, and (vi) the Notes to Consolidated Financial Statements
104	The cover page from Accenture plc's Annual Report on Form 10-K for the year ended August 31, 2020, formatted in Inline XBRL (included as Exhibit 101)

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(\*) Indicates management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

## Item 16. Form 10-K Summary

Not applicable.

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## Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf on October 22, 2020 by the undersigned, thereunto duly authorized.

ACCENTURE PLC

By: /s/ JULIE SWEET

Name: Julie Sweet

Title: Chief Executive Officer

## Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Julie Sweet, KC McClure and Joel Unruch, and each of them, as his or her true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and resubstitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 2020 (the "Annual Report"), including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his or her capacity as a director or officer of the registrant, to the Annual Report as filed with the U.S. Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on October 22, 2020 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
<div>/s/ JULIE SWEET</div> <div>Julie Sweet</div>	Chief Executive Officer and Director (principal executive officer)
<div>/s/ KC McCLURE</div> <div>KC McClure</div>	Chief Financial Officer (principal financial officer)
<div>/s/ RICHARD P. CLARK</div> <div>Richard P. Clark</div>	Chief Accounting Officer (principal accounting officer)
<div>/s/ DAVID P. ROWLAND</div> <div>David P. Rowland</div>	Executive Chairman of the Board and Director
<div>/s/ GILLES C. PÉLISSON</div> <div>Gilles C. Péliссon</div>	Lead Director
<div>/s/ JAIME ARDILA</div> <div>Jaime Ardila</div>	Director

<div><div>/s/ HERBERT HAINER</div><div><b>Herbert Hainer</b></div></div>	Director
<div><div>/s/ NANCY MCKINSTRY</div><div><b>Nancy McKinstry</b></div></div>	Director
<div><div>/s/ PAULA A. PRICE</div><div><b>Paula A. Price</b></div></div>	Director
<div><div>/s/ VENKATA S.M. RENDUCHINTALA</div><div><b>Venkata S.M. Renduchintala</b></div></div>	Director
<div><div>/s/ ARUN SARIN</div><div><b>Arun Sarin</b></div></div>	Director
<div><div>/s/ FRANK K. TANG</div><div><b>Frank K. Tang</b></div></div>	Director
<div><div>/s/ TRACEY T. TRAVIS</div><div><b>Tracey T. Travis</b></div></div>	Director

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## Accenture Plc

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Consolidated Financial Statements as of August 31, 2020 and 2019 and for the years ended August 31, 2020, 2019 and 2018:	
<a href="#"><u>Consolidated Balance Sheets</u></a>	<a href="#"><u>F-5</u></a>
<a href="#"><u>Consolidated Income Statements</u></a>	<a href="#"><u>F-6</u></a>
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## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Accenture plc:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Accenture plc (and subsidiaries) (the Company) as of August 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended August 31, 2020, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended August 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2020 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Change in Accounting Principle*

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for leases effective September 1, 2019 due to the adoption of Accounting Standard Update (ASU) No. 2016-02, Leases, and related updates, which established Accounting Standard Codification Topic 842, *Leases*.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting* appearing under Item 9A. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an



understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

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company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

##### *Estimated costs to complete certain technology integration consulting services contracts*

As discussed in Notes 1 and 2 to the consolidated financial statements, revenues from contracts for technology integration consulting services where the Company designs, builds, and implements new or enhanced system applications and related processes for its clients are recognized over time since control of the system is transferred continuously to the client. Generally, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying the Company's performance obligations, which typically occurs over time periods ranging from six months to two years.

We identified the evaluation of estimated costs to complete certain technology integration consulting services contracts as a critical audit matter. Subjective auditor judgment was required to evaluate the estimate of costs to complete the contracts.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process for estimating costs to complete technology integration consulting services contracts, including controls over the estimate of costs to complete the contracts. We tested the estimated costs to complete for certain technology integration consulting services contracts by evaluating:

- the scope of the work and timing of delivery for consistency with the underlying contractual terms;
- the estimated costs to complete in relation to progress toward satisfying the Company's performance obligations, based on internal and customer-facing information;
- changes to estimated costs, if any, including the amount and timing of the change based on internal information or contractual changes; and
- actual costs incurred subsequent to the balance sheet date to assess if they were consistent with the estimate for that time period.

We evaluated the Company's ability to estimate costs by comparing estimates developed at contract inception to actual costs ultimately incurred to satisfy the performance obligation.

##### *Unrecognized tax benefits*

As discussed in Note 11 to the consolidated financial statements, the Company has \$1,239 million of unrecognized tax benefits as of August 31, 2020. As discussed in Note 1 to the consolidated financial statements, the Company recognizes tax positions when it believes such positions are more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. The Company uses estimates and assumptions in determining the amount of unrecognized tax benefits.

We identified the evaluation of the Company's unrecognized tax benefits related to transfer pricing and certain other intercompany transactions as a critical audit matter. Complex auditor judgment was required in evaluating the Company's interpretation of tax law and its analysis of the recognition and measurement of its tax positions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unrecognized tax benefits process, including controls over transfer pricing and certain other intercompany transactions. We involved tax and transfer pricing professionals with specialized skills and knowledge, who assisted in:

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- evaluating the Company's interpretation of tax laws and income tax consequences of intercompany transactions, including internal restructurings and intra-entity transfers of assets;
- assessing transfer pricing studies for compliance with applicable laws and regulations;
- analyzing the Company's tax positions, including the methodology over the measurement of unrecognized tax benefits related to transfer pricing;
- evaluating the Company's determination of unrecognized tax benefits, including the associated effect in other jurisdictions; and
- inspecting settlements with applicable taxing authorities.

In addition, we evaluated the Company's ability to estimate its unrecognized tax benefits by comparing historical unrecognized tax benefits to actual results upon the conclusion of examinations by applicable taxing authorities.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Chicago, Illinois

October 22, 2020

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## **Consolidated Balance Sheets**

### **August 31, 2020 and 2019**

	August 31, 2020	August 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 8,415,330	\$ 6,126,853
Short-term investments	94,309	3,313
Receivables and contract assets	7,846,892	8,095,071
Other current assets	1,393,225	1,225,364
<b>Total current assets</b>	<b>17,749,756</b>	<b>15,450,601</b>
<b>NON-CURRENT ASSETS:</b>		
Contract assets	43,257	71,002
Investments	324,514	240,313
Property and equipment, net	1,545,568	1,391,166
Lease assets	3,183,346	—
Goodwill	7,709,820	6,205,550
Deferred contract costs	723,168	681,492
Deferred tax assets	4,153,146	4,349,464
Other non-current assets	1,646,018	1,400,292
<b>Total non-current assets</b>	<b>19,328,837</b>	<b>14,339,279</b>
<b>TOTAL ASSETS</b>	<b>\$ 37,078,593</b>	<b>\$ 29,789,880</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt and bank borrowings	\$ 7,820	\$ 6,411
Accounts payable	1,349,874	1,646,641
Deferred revenues	3,636,741	3,188,835
Accrued payroll and related benefits	5,083,950	4,890,542
Income taxes payable	453,542	378,017
Lease liabilities	756,057	—
Accrued consumption taxes	662,409	446,699
Other accrued liabilities	712,197	504,751
<b>Total current liabilities</b>	<b>12,662,590</b>	<b>11,061,896</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term debt	54,052	16,247
Deferred revenues	690,931	565,224
Retirement obligation	1,859,444	1,765,914
Deferred tax liabilities	179,703	133,232
Income taxes payable	930,695	892,688
Lease liabilities	2,667,584	—
Other non-current liabilities	534,421	526,988
<b>Total non-current liabilities</b>	<b>6,916,830</b>	<b>3,900,293</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares, par value 1.00 euros per share, 40,000 shares authorized and issued as of August 31, 2020 and August 31, 2019	57	57
Class A ordinary shares, par value \$0.0000225 per share, 20,000,000,000 shares authorized, 658,548,895 and 654,739,267 shares issued as of August 31, 2020 and August 31, 2019, respectively	15	15

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Income Statements

### For the Years Ended August 31, 2020, 2019 and 2018

	2020	2019	2018
<b>REVENUES:</b>			
Revenues	\$ 44,327,039	\$ 43,215,013	\$ 40,992,534
<b>OPERATING EXPENSES:</b>			
Cost of services	30,350,881	29,900,325	28,499,170
Sales and marketing	4,625,929	4,447,456	4,196,201
General and administrative costs	2,836,585	2,562,158	2,398,384
Total operating expenses	37,813,395	36,909,939	35,093,755
<b>OPERATING INCOME</b>	<b>6,513,644</b>	<b>6,305,074</b>	<b>5,898,779</b>
Interest income	69,331	87,508	56,337
Interest expense	(33,071)	(22,963)	(19,539)
Other income (expense), net	224,427	(117,822)	(127,484)
<b>INCOME BEFORE INCOME TAXES</b>	<b>6,774,331</b>	<b>6,251,797</b>	<b>5,808,093</b>
Income tax expense	1,589,018	1,405,556	1,593,499
<b>NET INCOME</b>	<b>5,185,313</b>	<b>4,846,241</b>	<b>4,214,594</b>
Net income attributable to noncontrolling interests in Accenture Holdings plc and Accenture Canada Holdings Inc.	(6,325)	(6,694)	(95,063)
Net income attributable to noncontrolling interests – other	(71,149)	(60,435)	(59,624)
<b>NET INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 5,107,839</b>	<b>\$ 4,779,112</b>	<b>\$ 4,059,907</b>
<b>Weighted average Class A ordinary shares:</b>			
Basic	636,299,913	638,098,125	628,451,742
Diluted	647,797,003	650,204,873	655,296,150
<b>Earnings per Class A ordinary share:</b>			
Basic	\$ 8.03	\$ 7.49	\$ 6.46
Diluted	\$ 7.89	\$ 7.36	\$ 6.34
Cash dividends per share	\$ 3.20	\$ 2.92	\$ 2.66

The accompanying Notes are an integral part of these Consolidated Financial Statements.



## Consolidated Statements Of Comprehensive Income For the Years Ended August 31, 2020, 2019 and 2018

	2020	2019	2018
<b>NET INCOME</b>	<b>\$ 5,185,313</b>	<b>\$ 4,846,241</b>	<b>\$ 4,214,594</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:</b>			
Foreign currency translation	197,696	(132,707)	(305,225)
Defined benefit plans	57,100	(253,039)	21,335
Cash flow hedges	24,721	123,003	(198,645)
Investments	(777)	(1,663)	1,148
<b>OTHER COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>278,740</b>	<b>(264,406)</b>	<b>(481,387)</b>
Other comprehensive income (loss) attributable to noncontrolling interests	8,243	(6,749)	(2,233)
<b>COMPREHENSIVE INCOME</b>	<b>\$ 5,472,296</b>	<b>\$ 4,575,086</b>	<b>\$ 3,730,974</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO ACCENTURE PLC</b>	<b>\$ 5,386,579</b>	<b>\$ 4,514,706</b>	<b>\$ 3,578,520</b>
Comprehensive income attributable to noncontrolling interests	85,717	60,380	152,454
<b>COMPREHENSIVE INCOME</b>	<b>\$ 5,472,296</b>	<b>\$ 4,575,086</b>	<b>\$ 3,730,974</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## **Consolidated Shareholders' Equity Statements**

### **For the Years Ended August 31, 2020, 2019 and 2018**

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares		Restricted Share Units	Additional Paid-in Capital	Treasury Shares		Retained Earnings	Accumulated Other Comprehensive Loss	Total Accenture Shareholders' Non-controlling Interest	
	No. \$	Shares	No. \$	Shares	No. \$	Shares	Share Units	Capital	No. \$	Shares	Earnings	Loss	Equity	
Balance as of August 31, 2017	\$ 57	40	\$ 14	638,966	\$ —	20,531	\$ 1,095,026	\$ 3,516,399	\$ (1,649,090)	(23,449)	\$ 7,081,855	\$ (1,094,784)	\$ 8,949,477	\$
Net income											4,059,907		4,059,907	
Other comprehensive income (loss)												(481,387)	(481,387)	
Purchases of Class A ordinary shares								49,766	(2,554,084)	(16,706)			(2,504,318)	
Cancellation of treasury shares				(11,621)				(206,782)	1,582,067	11,621	(1,375,285)		—	
Share-based compensation expense							913,801	63,107					976,908	
Purchases/redemptions of Accenture Holdings plc ordinary shares, Accenture Canada Holdings Inc. exchangeable shares and Class X ordinary shares					(821)			(80,169)					(80,169)	
Issuances of Class A ordinary shares:														
Employee share programs				10,077			(829,085)	1,132,024	504,159	4,201	(68,656)		738,442	
Upon redemption of Accenture Holdings plc ordinary shares			1	25,906		(19,054)		408,652					408,653	
Dividends							54,881				(1,725,953)		(1,671,072)	
Other, net								(12,233)			(19,455)		(31,688)	
Balance as of August 31, 2018	\$ 57	40	\$ 15	663,328	\$ —	656	\$ 1,234,623	\$ 4,870,764	\$ (2,116,948)	(24,333)	\$ 7,952,413	\$ (1,576,171)	\$ 10,364,753	\$

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Shareholders' Equity Statements — (continued)

### For the Years Ended August 31, 2020, 2019 and 2018

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares		Restricted Share Units	Additional Paid-in Capital	Treasury Shares		Retained Earnings	Accumulated Other Comprehensive Loss	Total Accenture Shareholders' Equity
	No. \$ Shares		No. \$ Shares		No. \$ Shares		Share Units		No. \$ Shares				
Cumulative effect adjustment											2,134,818		2,134,818
Net income											4,779,112		4,779,112
Other comprehensive income (loss)												(264,406)	(264,406)
Purchases of Class A shares								3,302	(2,669,336)	(16,431)			(2,666,034)
Cancellation of treasury shares			(17,599)					(326,092)	2,745,321	17,599	(2,419,229)		—
Share-based compensation expense							1,023,794	69,459					1,093,253
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares					(47)			(21,768)					(21,768)
Issuances of Class A shares for employee share programs			9,010				(903,526)	1,219,600	652,587	4,160	(121,250)		847,411
Dividends							57,012				(1,918,737)		(1,861,725)
Other, net								(10,817)			14,411		3,594
Balance as of August 31, 2019	\$57 40	\$15 654,739	\$— 609	\$1,411,903	\$5,804,448	\$(1,388,376)	(19,005)	\$10,421,538	\$ (1,840,577)	\$14,409,008	\$		\$

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Shareholders' Equity Statements — (continued)

### For the Years Ended August 31, 2020, 2019 and 2018

	Ordinary Shares		Class A Ordinary Shares		Class X Ordinary Shares			Additional	Treasury Shares			Retained	Accumulated Other Comprehensive	Total Accenture Shareholders' Equity
	No.	\$	No.	\$	No.	\$	Restricted Share Units	Paid-in Capital	No.	\$	Shares	Earnings	Loss	
Net income												5,107,839		5,107,839
Other comprehensive income (loss)													278,740	278,740
Purchases of Class A shares								3,116	(2,894,253)	(14,730)				(2,891,137)
Cancellation of treasury shares			(5,526)					(108,670)	1,056,145	5,526		(947,475)		—
Share-based compensation expense							1,118,284	79,522						1,197,806
Purchases/redemptions of Accenture Canada Holdings Inc. exchangeable shares and Class X shares					(81)			(21,594)						(21,594)
Issuances of Class A shares for employee share programs			9,336			(1,022,144)		1,409,627	660,723	3,786		(93,912)		954,294
Dividends							77,259					(2,112,457)		(2,035,198)
Other, net								778						778
Balance as of August 31, 2020	\$ 57	40	\$ 15	658,549	\$ —	528	\$ 1,585,302	\$ 7,167,227	\$ (2,565,761)	(24,423)	\$ 12,375,533	\$ (1,561,837)	\$	\$ 17,000,536

The accompanying Notes are an integral part of these Consolidated Financial Statements.





## **Consolidated Cash Flows Statements**

### **For the Years Ended August 31, 2020, 2019 and 2018**

	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 5,185,313	\$ 4,846,241	\$ 4,214,594
Adjustments to reconcile Net income to Net cash provided by (used in) operating activities—			
Depreciation, amortization and other	1,773,124	892,760	926,776
Share-based compensation expense	1,197,806	1,093,253	976,908
Deferred tax expense (benefit)	170,951	(96,360)	94,000
Other, net	(243,867)	(87,522)	7,609
Change in assets and liabilities, net of acquisitions—			
Receivables and contract assets, current and non-current	721,500	(526,297)	(710,804)
Other current and non-current assets	(503,482)	(489,817)	(510,102)
Accounts payable	(359,682)	177,186	(167,971)
Deferred revenues, current and non-current	236,207	258,067	176,853
Accrued payroll and related benefits	(7,845)	386,930	646,416
Income taxes payable, current and non-current	55,198	(162,916)	183,933
Other current and non-current liabilities	(10,071)	335,428	188,479
<b>Net cash provided by (used in) operating activities</b>	<b>8,215,152</b>	<b>6,626,953</b>	<b>6,026,691</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of property and equipment	(599,132)	(599,009)	(619,187)
Purchases of businesses and investments, net of cash acquired	(1,531,599)	(1,193,071)	(657,546)
Proceeds from sales of businesses and investments	230,393	27,951	20,197
Other investing, net	5,819	8,553	6,932
<b>Net cash provided by (used in) investing activities</b>	<b>(1,894,519)</b>	<b>(1,755,576)</b>	<b>(1,249,604)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of shares	955,308	848,445	753,146
Purchases of shares	(2,915,847)	(2,691,114)	(2,639,094)
Proceeds from (repayments of) long-term debt, net	(6,719)	(4,772)	(4,195)
Cash dividends paid	(2,037,733)	(1,864,353)	(1,708,724)
Other, net	(44,101)	(55,377)	(110,161)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,049,092)</b>	<b>(3,767,171)</b>	<b>(3,709,028)</b>
Effect of exchange rate changes on cash and cash equivalents	16,936	(38,713)	(133,559)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,288,477</b>	<b>1,065,493</b>	<b>934,500</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>6,126,853</b>	<b>5,061,360</b>	<b>4,126,860</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$ 8,415,330</b>	<b>\$ 6,126,853</b>	<b>\$ 5,061,360</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid	\$ 28,493	\$ 22,624	\$ 19,673
Income taxes paid, net	\$ 1,360,030	\$ 1,587,273	\$ 1,373,244

The accompanying Notes are an integral part of these Consolidated Financial Statements.

# 1. Summary of Significant Accounting Policies

## Description of Business

Accenture plc is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations. We serve clients in three geographic markets: North America, Europe and Growth Markets (Asia Pacific, Latin America, Africa and the Middle East). Our geographic markets bring together capabilities from across the organization, with digital skills and industry and functional expertise throughout, to deliver tangible value to our clients.

## Basis of Presentation

The Consolidated Financial Statements include the accounts of Accenture plc, an Irish company, and our controlled subsidiary companies. Accenture plc is an Irish public limited company, which operates its business through its subsidiaries. Prior to March 13, 2018, Accenture plc's only business was to hold ordinary and deferred shares in, and to act as the controlling shareholder of, its subsidiary, Accenture Holdings plc, an Irish public limited company. We operated our business through Accenture Holdings plc and subsidiaries of Accenture Holdings plc. Accenture plc controlled Accenture Holdings plc's management and operations and consolidated Accenture Holdings plc's results in our Consolidated Financial Statements.

On March 13, 2018, Accenture Holdings plc merged with and into Accenture plc, with Accenture plc as the surviving entity. As a result, all of the assets and liabilities of Accenture Holdings plc were acquired by Accenture plc, and Accenture Holdings plc ceased to exist. In connection with this internal merger, shareholders of Accenture Holdings plc (other than Accenture entities that held shares of Accenture Holdings plc), who primarily consisted of current and former members of Accenture Leadership and their permitted transferees, received one Class A ordinary share of Accenture plc for each share of Accenture Holdings plc that they owned, and Accenture plc redeemed all Class X ordinary shares of Accenture plc owned by such shareholders.

The shares of Accenture Holdings plc (for applicable periods) and Accenture Canada Holdings Inc. held by persons other than us are treated as a noncontrolling interest in the Consolidated Financial Statements. The noncontrolling interest percentage was less than 1% as of August 31, 2020 and 2019, respectively.

All references to years, unless otherwise noted, refer to our fiscal year, which ends on August 31. For example, a reference to "fiscal 2020" means the 12-month period that ended on August 31, 2020. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

The preparation of the Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that we may undertake in the future, actual results may be different from those estimates.

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. Prior to this change, our reportable segments were our five industry groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources. See Note 7 (Goodwill and Intangible Assets) and Note 16 (Segment Reporting) to these Consolidated Financial Statements for further details regarding the change in our reportable segments.

## Revenue Recognition

We account for revenue in accordance with FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on September 1, 2018 using the modified retrospective method.

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## Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations. Contract modifications are routine in the performance of our contracts. Contracts are often modified to account for changes in the contract specifications, requirements or duration. If a contract modification results in the addition of performance obligations priced at a standalone selling price or if the post-modification services are distinct from the services provided prior to the modification, the modification is accounted for separately. If the modified services are not distinct, they are accounted for as part of the existing contract.

Our revenues are derived from contracts for outsourcing services, technology integration consulting services and non-technology integration consulting services. These contracts have different terms based on the scope, performance obligations and complexity of the engagement, which frequently require us to make judgments and estimates in recognizing revenues. We have many types of contracts, including time-and-materials contracts, fixed-price contracts, fee-per-transaction contracts and contracts with multiple fee types.

The nature of our contracts gives rise to several types of variable consideration, including incentive fees. Many contracts include incentives or penalties related to costs incurred, benefits produced or adherence to schedules that may increase the variability in revenues and margins earned on such contracts. These variable amounts generally are awarded or refunded upon achievement of or failure to achieve certain performance metrics, milestones or cost targets and can be based upon client discretion. We include these variable fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee and it is not probable a significant reversal of revenue will occur. These estimates reflect the expected value of the variable fee and are based on an assessment of our anticipated performance, historical experience and other information available at the time.

Our performance obligations are satisfied over time as work progresses or at a point in time. The majority of our revenues are recognized over time based on the extent of progress towards satisfying our performance obligations. The selection of the method to measure progress towards completion requires judgment and is based on the contract and the nature of the services to be provided.

## Outsourcing Contracts

Our outsourcing contracts typically span several years. Revenues are generally recognized on outsourcing contracts over time because our clients benefit from the services as they are performed. Outsourcing contracts require us to provide a series of distinct services each period over the contract term. Revenues from unit-priced contracts are recognized as transactions are processed. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g., time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms.

## Technology Integration Consulting Services

Revenues from contracts for technology integration consulting services where we design/redesign, build and implement new or enhanced systems and related processes for our clients are recognized over time as control of the system is transferred continuously to the client. Contracts for technology integration consulting services generally span six months to two years. Generally, revenue, including estimated fees, is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client.

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## Non-Technology Integration Consulting Services

Our contracts for non-technology integration consulting services are typically less than a year in duration. Revenues are generally recognized over time as our clients benefit from the services as they are performed, or the contract, for which the related services lack an alternative use, includes termination provisions enabling payment for performance completed to date. When contractual billings represent an amount that corresponds directly with the value provided to the client (e.g. time-and-materials contracts), revenues are recognized as amounts become billable in accordance with contract terms. Revenues from fixed-price contracts are generally recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. For non-technology integration consulting contracts which do not qualify to recognize revenue over time, we recognize revenues at a point in time when the client obtains control of the promised good or service.

## Contract Estimates

Estimates of total contract revenues and costs are continuously monitored over the lives of our contracts, and recorded revenues and cost estimates are subject to revision as the contract progresses. If at any time the estimate of contract profitability indicates an anticipated loss on a technology integration consulting contract, we recognize the loss in the quarter it first becomes probable and reasonably estimable.

## Contract Balances

The timing of revenue recognition, billings and cash collections results in Receivables, Contract assets, and Deferred revenues (Contract liabilities) on our Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. Our receivables are rights to consideration that are conditional only upon the passage of time as compared to our contract assets, which are rights to consideration conditional upon additional factors. When we bill or receive payments from our clients before revenue is recognized, we record Contract liabilities. Contract assets and liabilities are reported on our Consolidated Balance Sheet on a contract-by-contract basis at the end of each reporting period.

For some outsourcing contracts, we receive payments for transition or set-up activities, which are deferred and recognized as revenue as the services are provided. These advance payments are typically not a significant financing component because they are used to meet working capital demands in the early stages of a contract and to protect us from the other party failing to complete its obligations under the contract. We elected the practical expedient to report revenues net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

## Employee Share-Based Compensation Arrangements

Share-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

## Income Taxes

We calculate and provide for income taxes in each of the tax jurisdictions in which we operate. Deferred tax assets and liabilities, measured using enacted tax rates, are recognized for the future tax consequences of temporary differences between the tax and financial statement bases of assets and liabilities. A valuation allowance reduces the deferred tax assets to the amount that is more likely than not to be realized. We establish liabilities or reduce assets when we believe tax positions are not more likely than not of being sustained if challenged. Recognized tax positions are measured at the largest amount of benefit greater than 50 percent likely of being realized. Each fiscal quarter, we evaluate tax positions and adjust the related tax assets and liabilities in light of changing facts and circumstances. We release stranded tax effects from Accumulated other comprehensive loss using the specific identification approach for our defined benefit plans and the portfolio approach for other items.

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## Translation of Non-U.S. Currency Amounts

Assets and liabilities of non-U.S. subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at fiscal year-end exchange rates. Revenue and expense items are translated at average foreign currency exchange rates prevailing during the fiscal year. Translation adjustments are included in Accumulated other comprehensive loss. Gains and losses arising from intercompany foreign currency transactions that are of a long-term investment nature are reported in the same manner as translation adjustments.

## Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and liquid investments with original maturities of three months or less, including certificates of deposit and time deposits. As a result of certain subsidiaries' cash management systems, checks issued but not presented to the banks for payment may create negative book cash balances. Such negative balances are classified as Current portion of long term debt and bank borrowings.

## Allowances for Client Receivables

We record our client receivables at their face amounts less allowances. On a periodic basis, we evaluate our receivables and establish allowances based on historical experience and other currently available information. As of August 31, 2020 and 2019, total allowances recorded for client receivables were \$40,277 and \$45,538, respectively. The allowance reflects our best estimate of collectibility risks on outstanding receivables. In limited circumstances, we agree to extend financing to certain clients. The terms vary by contract, but generally payment for services is contractually linked to the achievement of specified performance milestones.

## Concentrations of Credit Risk

Our financial instruments, consisting primarily of cash and cash equivalents, foreign currency exchange rate instruments and client receivables, are exposed to concentrations of credit risk. We place our cash and cash equivalents and foreign exchange instruments with highly-rated financial institutions, limit the amount of credit exposure with any one financial institution and conduct ongoing evaluations of the credit worthiness of the financial institutions with which we do business. Client receivables are dispersed across many different industries and countries; therefore, concentrations of credit risk are limited.

## Investments

All available-for-sale securities and liquid investments with an original maturity greater than three months but less than one year are considered to be Short-term investments. Non-current investments consist of equity securities in publicly-traded and privately-held companies and are accounted for using either the equity or fair value measurement alternative method of accounting (for investments without readily determinable fair values). Investments are periodically assessed for other-than-temporary impairment. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its estimated fair value.

Our non-current investments are as follows:

	August 31, 2020	August 31, 2019
Equity method investments	\$ 240,446	\$ 108,342
Investments without readily determinable fair values	84,068	131,971
<b>Total non-current investments</b>	<b>\$ 324,514</b>	<b>\$ 240,313</b>

For investments in which we can exercise significant influence but do not control, we use the equity method of accounting. Equity method investments are initially recorded at cost and our proportionate share of gains and losses of the investee are included as a component of other income (expense), net. Our equity method investments consist primarily of an investment in Duck Creek Technologies. As of August 31, 2020, the carrying amount of our investment was \$230,219 and the estimated fair value of our approximately 22% ownership was \$956,308.

For equity securities without a readily determinable fair value, we use the fair value measurement alternative and measure the securities at cost less impairment, if any, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

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## Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives:

Computers, related equipment and software	2 to 7 years
Furniture and fixtures	5 to 10 years
Leasehold improvements	Lesser of lease term or 15 years

## Goodwill

Goodwill represents the excess of the purchase price of an acquired entity over the fair value of net assets acquired. We review the recoverability of goodwill by reportable operating segment annually, or more frequently when indicators of impairment exist. Based on the results of our annual impairment analysis, we determined that no impairment existed as of August 31, 2020 or 2019, as each reportable segment's estimated fair value substantially exceeded its carrying value.

## Long-Lived Assets

Long-lived assets, including deferred contract costs and identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value.

Intangible assets with finite lives are generally amortized using the straight-line method over their estimated economic useful lives, ranging from one to sixteen years.

## Operating Expenses

Selected components of operating expenses are as follows:

	Fiscal		
	2020	2019	2018
Research and development costs	\$ 870,611	\$ 799,734	\$ 790,779
Advertising costs (1)	57,658	85,521	78,464
Provision for (release of) doubtful accounts (2)	147	974	(1,060)

(1) Advertising costs are expensed as incurred.

(2) For additional information, see "Allowances for Client Receivables."

## Recently Adopted Accounting Pronouncements

### **Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02 and related updates (“Topic 842”)**

On September 1, 2019, we adopted FASB ASU No. 2016-02, Leases, and related updates (“Topic 842”) using the effective date method. Prior period amounts were not adjusted. The primary impact of adoption is the requirement for lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by both operating and finance leases. Enhanced quantitative and qualitative disclosures about leasing arrangements are also required. We elected the package of practical expedients which does not require reassessment of prior conclusions related to identifying leases, lease classification or initial direct costs. We also elected the practical expedient to combine lease and non-lease components, accounting for the combined components as a single lease component, for our office real estate and automobile leases. The standard did not have a material impact on our Consolidated Income Statement.

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The impact of adopting Topic 842 on our Consolidated Balance Sheets is as follows:

<b>Balance Sheet</b>	<b>Balance as of August 31, 2019</b>	<b>Adjustments due to ASU 2016-02 (Topic 842)</b>	<b>Balance as of September 1, 2019</b>
<b>CURRENT ASSETS</b>			
Other current assets	\$ 1,225,364	\$ (38,666)	\$ 1,186,698
<b>NON-CURRENT ASSETS</b>			
Lease assets	—	3,169,608	3,169,608
Other non-current assets	1,400,292	(10,333)	1,389,959
<b>CURRENT LIABILITIES</b>			
Lease liabilities	—	699,399	699,399
Other accrued liabilities	951,450	(703)	950,747
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	—	2,666,344	2,666,344
Other non-current liabilities	526,988	(244,431)	282,557

See Note 8 (Leases) to these Consolidated Financial Statements for further details.

### **FASB ASU No. 2018-15 (“Subtopic 350-40”)**

On September 1, 2019, we prospectively adopted FASB ASU No. 2018-15, Intangibles - Goodwill and Other - Internal-Use Software: Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. ASU 2018-15 clarifies and aligns the accounting and capitalization of implementation costs in cloud computing arrangements that are service arrangements with the accounting for implementation costs incurred to develop or obtain internal-use software under ASC No. 350-40. Implementation costs that are currently capitalized in software licensing arrangements (e.g. costs to configure the software) will be capitalized in cloud computing arrangements, and costs expensed in software license arrangements (e.g. data conversion, training, and business process re-engineering) will be expensed in cloud computing arrangements. The adoption did not have a material impact on our Consolidated Financial Statements.

## 2. Revenues

### Disaggregation of Revenue

See Note 16 (Segment Reporting) to these Consolidated Financial Statements for our disaggregated revenues.

### Remaining Performance Obligations

We had remaining performance obligations of approximately \$20 billion as of each of August 31, 2020 and 2019, respectively. Our remaining performance obligations represent the amount of transaction price for which work has not been performed and revenue has not been recognized. The majority of our contracts are terminable by the client on short notice with little or no termination penalties, and some without notice. Only the non-cancelable portion of these contracts is included in our performance obligations. Additionally, our performance obligations only include variable consideration if we assess it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty is resolved. Based on the terms of our contracts, a significant portion of what we consider contract bookings is not included in our remaining performance obligations. We expect to recognize approximately 67% of our remaining performance obligations as of August 31, 2020 as revenue in fiscal 2021, an additional 15% in fiscal 2022, and the balance thereafter.

### Contract Estimates

Adjustments in contract estimates related to performance obligations satisfied or partially satisfied in prior periods were immaterial for fiscal 2020 and 2019, respectively.

### Contract Balances

Deferred transition revenues were \$690,931 and \$563,245 as of August 31, 2020 and 2019, respectively, and are included in Non-current deferred revenues. Costs related to these activities are also deferred and are expensed as the services are provided. Generally, deferred amounts are protected in the event of early termination of the contract and are monitored regularly for impairment. Impairment losses are recorded when projected remaining undiscounted operating cash flows of the related contract are not sufficient to recover the carrying amount of contract assets. Deferred transition costs were \$723,168 and \$681,492 as of August 31, 2020 and 2019, respectively, and are included in Deferred contract costs. Deferred transition amortization expense for fiscal 2020, 2019 and 2018 was \$300,680, \$274,814 and \$333,118, respectively.

The following table provides information about the balances of our Receivables, Contract assets and Contract liabilities (Deferred revenues):

	As of August 31, 2020	As of August 31, 2019
Receivables, net of allowance	\$ 7,192,110	\$ 7,467,338
Contract assets (current)	654,782	627,733
<b>Receivables and contract assets (current)</b>	<b>7,846,892</b>	<b>8,095,071</b>
Contract assets (non-current)	43,257	71,002
Deferred revenues (current)	3,636,741	3,188,835
Deferred revenues (non-current)	690,931	565,224

Changes in the contract asset and liability balances during fiscal 2020, were a result of normal business activity and not materially impacted by any other factors.

Revenues recognized during fiscal 2020 that were included in Deferred revenues as of August 31, 2019 were \$2.8 billion. Revenues recognized during fiscal 2019 that were included in Deferred revenues as of September 1, 2018 were \$2.9 billion.

### 3. Earnings Per Share

Basic and diluted earnings per share are calculated as follows:

	Fiscal		
	2020	2019	2018
<b>Basic Earnings per share</b>			
Net income attributable to Accenture plc	\$ 5,107,839	\$ 4,779,112	\$ 4,059,907
Basic weighted average Class A ordinary shares	636,299,913	638,098,125	628,451,742
<b>Basic earnings per share</b>	<b>\$ 8.03</b>	<b>\$ 7.49</b>	<b>\$ 6.46</b>
<b>Diluted Earnings per share</b>			
Net income attributable to Accenture plc	\$ 5,107,839	\$ 4,779,112	\$ 4,059,907
Net income attributable to noncontrolling interests in Accenture Holdings plc and Accenture Canada Holdings Inc. (1)	6,325	6,694	95,063
<b>Net income for diluted earnings per share calculation</b>	<b>\$ 5,114,164</b>	<b>\$ 4,785,806</b>	<b>\$ 4,154,970</b>
Basic weighted average Class A ordinary shares	636,299,913	638,098,125	628,451,742
Class A ordinary shares issuable upon redemption/exchange of noncontrolling interests (1)	787,429	892,654	14,716,884
Diluted effect of employee compensation related to Class A ordinary shares	10,599,773	11,111,679	11,948,075
Diluted effect of share purchase plans related to Class A ordinary shares	109,888	102,415	179,449
<b>Diluted weighted average Class A ordinary shares</b>	<b>647,797,003</b>	<b>650,204,873</b>	<b>655,296,150</b>
<b>Diluted earnings per share</b>	<b>\$ 7.89</b>	<b>\$ 7.36</b>	<b>\$ 6.34</b>

- (1) Diluted earnings per share assumes the exchange of all Accenture Canada Holdings Inc. exchangeable shares for Accenture plc Class A ordinary shares on a one-for-one basis and the redemption of all Accenture Holdings plc ordinary shares owned by holders of noncontrolling interests prior to March 13, 2018, when these were redeemed for Accenture plc Class A ordinary shares. The income effect does not take into account "Net income attributable to noncontrolling interests - other," since those shares are not redeemable or exchangeable for Accenture plc Class A ordinary shares.



## 4. Accumulated Other Comprehensive Loss

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss attributable to Accenture plc:

	Fiscal		
	2020	2019	2018
<b>Foreign currency translation</b>			
Beginning balance	\$ (1,207,975)	\$ (1,075,268)	\$ (770,043)
Foreign currency translation	207,566	(138,680)	(310,548)
Income tax benefit (expense)	(1,719)	(607)	3,354
Portion attributable to noncontrolling interests	(8,151)	6,580	1,969
<b>Foreign currency translation, net of tax</b>	<b>197,696</b>	<b>(132,707)</b>	<b>(305,225)</b>
<b>Ending balance</b>	<b>(1,010,279)</b>	<b>(1,207,975)</b>	<b>(1,075,268)</b>
<b>Defined benefit plans</b>			
Beginning balance	(672,323)	(419,284)	(440,619)
Actuarial gains (losses)	22,414	(379,090)	19,862
Pension settlement	3,757	793	3,030
Prior service costs arising during the period	—	(2,105)	(28,696)
Reclassifications into net periodic pension and post-retirement expense (1)	55,035	32,985	34,972
Income tax benefit (expense)	(24,041)	94,052	(7,799)
Portion attributable to noncontrolling interests	(65)	326	(34)
<b>Defined benefit plans, net of tax</b>	<b>57,100</b>	<b>(253,039)</b>	<b>21,335</b>
<b>Ending balance</b>	<b>(615,223)</b>	<b>(672,323)</b>	<b>(419,284)</b>
<b>Cash flow hedges</b>			
Beginning balance	38,993	(84,010)	114,635
Unrealized gain (loss)	72,437	209,017	(169,958)
Reclassification adjustments into Cost of services	(48,545)	(48,333)	(93,105)
Income tax benefit (expense)	857	(37,522)	64,118
Portion attributable to noncontrolling interests	(28)	(159)	300
<b>Cash flow hedges, net of tax</b>	<b>24,721</b>	<b>123,003</b>	<b>(198,645)</b>
<b>Ending balance (2)</b>	<b>63,714</b>	<b>38,993</b>	<b>(84,010)</b>
<b>Investments</b>			
Beginning balance	728	2,391	1,243
Unrealized gain (loss)	(778)	(1,970)	1,455
Income tax benefit (expense)	—	305	(305)
Portion attributable to noncontrolling interests	1	2	(2)
<b>Investments, net of tax</b>	<b>(777)</b>	<b>(1,663)</b>	<b>1,148</b>
<b>Ending balance</b>	<b>(49)</b>	<b>728</b>	<b>2,391</b>
<b>Accumulated other comprehensive loss</b>	<b>\$ (1,561,837)</b>	<b>\$ (1,840,577)</b>	<b>\$ (1,576,171)</b>

- (1) As of August 31, 2020, \$54,285 of net losses is expected to be reclassified into net periodic pension and post-retirement expense recognized in cost of services, sales and marketing, general and administrative costs and non-operating expenses in the next twelve months.

- (2) As of August 31, 2020, \$62,257 of net unrealized gains related to derivatives designated as cash flow hedges is expected to be reclassified into cost of services in the next twelve months.
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## 5. Property and Equipment

The components of Property and equipment, net are as follows:

	August 31, 2020	August 31, 2019
Buildings and land	\$ 61	\$ 56
Computers, related equipment and software	1,978,380	1,723,623
Furniture and fixtures	456,136	394,671
Leasehold improvements	1,424,722	1,228,845
<b>Property and equipment, gross</b>	<b>3,859,299</b>	<b>3,347,195</b>
Total accumulated depreciation	(2,313,731)	(1,956,029)
<b>Property and equipment, net</b>	<b>\$ 1,545,568</b>	<b>\$ 1,391,166</b>

Depreciation expense for fiscal 2020, 2019 and 2018 was \$482,054, \$440,796 and \$423,471, respectively.

## 6. Business Combinations

We completed a number of individually immaterial acquisitions during fiscal years 2020, 2019 and 2018. These acquisitions were completed primarily to expand our services and solutions offerings. The table below gives additional details related to these acquisitions:

	Fiscal		
	2020	2019	2018
Total consideration	\$ 1,513,910	\$ 1,170,044	\$ 596,148
Goodwill	1,352,839	920,696	431,087
Intangible assets	377,060	282,144	140,403

The intangible assets primarily consist of customer-related intangibles, which are being amortized over one to thirteen years. The goodwill was allocated among our reportable operating segments and is partially deductible for U.S. federal income tax purposes.

## 7. Goodwill And Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill by reportable operating segment are as follows:

	August 31, 2018	Additions/ Adjustments	Foreign Currency Translation	August 31, 2019	Additions/ Adjustments	Foreign Currency Translation	August 31, 2020
GEOGRAPHIC MARKETS (1)							
North America	\$ 3,440,285	\$ 534,269	\$ (1,198)	\$ 3,973,356	\$ 628,458	\$ 2,627	\$ 4,604,441
Europe	1,357,688	297,548	(86,013)	1,569,223	420,413	148,452	2,138,088
Growth Markets	585,039	92,925	(14,993)	662,971	289,598	14,722	967,291
<b>Total</b>	<b>\$ 5,383,012</b>	<b>\$ 924,742</b>	<b>\$ (102,204)</b>	<b>\$ 6,205,550</b>	<b>\$ 1,338,469</b>	<b>\$ 165,801</b>	<b>\$ 7,709,820</b>

(1) Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, which became our reportable segments in the third quarter of fiscal 2020.

Goodwill includes immaterial adjustments related to prior period acquisitions.

### Intangible Assets

Our definite-lived intangible assets by major asset class are as follows:

Intangible Asset Class	August 31, 2019			August 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer-related	\$ 1,013,976	\$ (358,130)	\$ 655,846	\$ 1,319,332	\$ (495,367)	\$ 823,965
Technology	119,686	(45,851)	73,835	150,765	(55,543)	95,222
Patents	127,796	(66,167)	61,629	129,295	(66,954)	62,341
Other	78,344	(28,875)	49,469	82,676	(34,986)	47,690
<b>Total</b>	<b>\$ 1,339,802</b>	<b>\$ (499,023)</b>	<b>\$ 840,779</b>	<b>\$ 1,682,068</b>	<b>\$ (652,850)</b>	<b>\$ 1,029,218</b>

Total amortization related to our intangible assets was \$239,664, \$177,150 and \$170,187 for fiscal 2020, 2019 and 2018, respectively. Estimated future amortization related to intangible assets held as of August 31, 2020 is as follows:

<b>Fiscal Year</b>	<b>Estimated Amortization</b>	
2021	\$	214,120
2022		172,641
2023		154,297
2024		127,673
2025		108,068
Thereafter		252,419
<b>Total</b>	<b>\$</b>	<b>1,029,218</b>

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## 8. Leases

We account for leases in accordance with Topic 842. See Note 1 (Summary of Significant Accounting Policies) to these Consolidated Financial Statements for further information on our adoption.

As a lessee, substantially all of our lease obligation is for office real estate. Our significant judgments used in determining our lease obligation include whether a contract is or contains a lease and the determination of the discount rate used to calculate the lease liability. We elected the practical expedient not to separate lease and associated non-lease components, accounting for them as a single combined lease component, for our office real estate and automobile leases.

Our leases may include the option to extend or terminate before the end of the contractual term and are often non-cancelable or cancelable only by the payment of penalties. Our lease assets and liabilities include these options in the lease term when it is reasonably certain that they will be exercised. In certain cases, we sublease excess office real estate to third-party tenants.

Lease assets and liabilities recognized at the lease commencement date are determined predominantly as the present value of the payments due over the lease term. Since we cannot determine the implicit rate in our leases, we use our incremental borrowing rate on that date to calculate the present value. Our incremental borrowing rate approximates the rate at which we could borrow, on a secured basis for a similar term, an amount equal to our lease payments in a similar economic environment.

Effective September 1, 2019, when we are the lessee, all leases are recognized as lease liabilities and associated lease assets on the Consolidated Balance Sheet. Lease liabilities represent our obligation to make payments arising from the lease. Lease assets represent our right to use an underlying asset for the lease term and may also include advance payments, initial direct costs or lease incentives. Payments that depend upon an index or rate, such as the Consumer Price Index (CPI), are included in the recognition of lease assets and liabilities at the commencement-date rate. Other variable payments, such as common area maintenance, property and other taxes, utilities and insurance that are based on the lessor's cost, are recognized in the Consolidated Income Statement in the period incurred.

As of August 31, 2020, we had no material finance leases. Operating lease expense is recorded on a straight-line basis over the lease term. Lease costs are as follows:

	Fiscal 2020
Operating lease cost	\$ 749,233
Variable lease cost	181,612
Sublease income	(27,192)
	<b>\$ 903,653</b>

Supplemental information related to operating lease transactions is as follows:

	Fiscal 2020
Lease liability payments	\$ 725,892
Lease assets obtained in exchange for liabilities	\$ 592,026

As of August 31, 2020, our operating leases had a weighted average remaining lease term of 7.3 years and a weighted average discount rate of 4.2%.



The following maturity analysis presents future undiscounted cash outflows for operating leases as of August 31, 2020:

	Lease Payments	Sublease Receipts
2021	\$ 770,640	\$ (19,415)
2022	652,652	(10,296)
2023	549,069	(9,888)
2024	456,020	(9,256)
2025	371,856	(7,341)
Thereafter	1,148,600	(26,289)
<b>Total lease payments (receipts)</b>	<b>3,948,837</b>	<b>\$ (82,485)</b>
Less interest	(525,196)	
<b>Total lease liabilities</b>	<b>\$ 3,423,641</b>	

As of August 31, 2020, we have entered into leases that have not yet commenced with future lease payments of \$541 million that are not reflected in the table above. These leases are primarily related to office real estate and will commence in or before fiscal 2022 with lease terms of up to 16 years.

Future minimum rental commitments under non-cancelable operating leases as of August 31, 2019, which were accounted for in accordance with Topic 840, are as follows:

	Lease Payments	Sublease Receipts
2020	\$ 688,020	\$ (24,884)
2021	597,307	(17,908)
2022	516,544	(8,535)
2023	428,481	(7,541)
2024	363,107	(7,184)
Thereafter	1,246,097	(30,708)
	<b>\$ 3,839,556</b>	<b>\$ (96,760)</b>

## 9. Financial Instruments

### Derivatives

In the normal course of business, we use derivative financial instruments to manage foreign currency exchange rate risk. Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. Positions are monitored using techniques such as market value and sensitivity analyses. We do not enter into derivative transactions for trading purposes. We classify cash flows from our derivative programs as cash flows from operating activities in the Consolidated Cash Flows Statements.

Certain derivatives give rise to credit risks from the possible non-performance by counterparties. Credit risk is generally limited to the fair value of those contracts that are favorable to us, and the maximum amount of loss due to credit risk, based on the gross fair value of our derivative financial instruments that are in an asset position, was \$154,749 as of August 31, 2020.

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. These provisions may reduce our potential overall loss resulting from the insolvency of a counterparty and reduce a counterparty's potential overall loss resulting from our insolvency. Additionally, these agreements contain early termination provisions triggered by adverse changes in a counterparty's credit rating, thereby enabling us to accelerate settlement of a transaction prior to its contractual maturity and potentially decrease our realized loss on an open transaction. Similarly, a decrement in our credit rating could trigger a counterparty's early termination rights, thereby enabling a counterparty to accelerate settlement of a transaction prior to its contractual maturity and potentially increase our realized loss on an open transaction. The aggregate fair value of our derivative instruments with credit-risk-related contingent features that were in a liability position as of August 31, 2020 was \$39,018.

Our derivative financial instruments consist of deliverable and non-deliverable foreign currency forward contracts. Fair values for derivative financial instruments are based on prices computed using third-party valuation models and are classified as Level 2 in accordance with the three-level hierarchy of fair value measurements. All of the significant inputs to the third-party valuation models are observable in active markets. Inputs include current market-based parameters such as forward rates and yield curves. For additional information related to the three-level hierarchy of fair value measurements, see Note 12 (Retirement and Profit Sharing Plans) to these Consolidated Financial Statements.

### Cash Flow Hedges

Certain of our subsidiaries are exposed to currency risk through their use of our global delivery resources. To mitigate this risk, we use foreign currency forward contracts to hedge the foreign exchange risk of the forecasted intercompany expenses denominated in foreign currencies for up to three years in the future. We have designated these derivatives as cash flow hedges. As of August 31, 2020 and 2019, we held no derivatives that were designated as fair value or net investment hedges.

In order for a derivative to qualify for hedge accounting, the derivative must be formally designated as a fair value, cash flow or net investment hedge by documenting the relationship between the derivative and the hedged item. The documentation includes a description of the hedging instrument, the hedged item, the risk being hedged, our risk management objective and strategy for undertaking the hedge, the method for assessing the effectiveness of the hedge and the method for measuring hedge ineffectiveness. Additionally, the hedge relationship must be expected to be highly effective at offsetting changes in either the fair value or cash flows of the hedged item at both inception of the hedge and on an ongoing basis.

For a cash flow hedge, the effective portion of the change in estimated fair value of a hedging instrument is recorded in Accumulated other comprehensive loss as a separate component of Shareholders' Equity and is reclassified into Cost of services in the Consolidated Income Statements during the period in which the hedged transaction is recognized. The amounts related to derivatives designated as cash flow hedges that were reclassified into Cost of services were net gains of \$48,545, \$48,333 and \$93,105 during fiscal 2020, 2019 and 2018, respectively. The ineffective portion of the change in fair value of a cash flow hedge is recognized immediately in Other income (expense), net in the Consolidated Income Statements and for fiscal 2020, 2019 and 2018, was not material. In addition, we did not discontinue any cash flow hedges during fiscal 2020, 2019 or 2018.

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## Other Derivatives

We also use foreign currency forward contracts, which have not been designated as hedges, to hedge balance sheet exposures, such as intercompany loans. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates. Realized gains or losses and changes in the estimated fair value of these derivatives were a net gain of \$111,623, for fiscal 2020 and net losses of \$112,113 and \$114,076 for fiscal 2019 and 2018, respectively. Gains and losses on these contracts are recorded in Other income (expense), net in the Consolidated Income Statements and are offset by gains and losses on the related hedged items.

## Fair Value of Derivative Instruments

The notional and fair values of all derivative instruments are as follows:

	August 31, 2020	August 31, 2019
<b>Assets</b>		
Cash Flow Hedges		
Other current assets	\$ 75,871	\$ 53,033
Other non-current assets	50,914	49,525
Other Derivatives		
Other current assets	27,964	8,059
<b>Total assets</b>	<b>\$ 154,749</b>	<b>\$ 110,617</b>
<b>Liabilities</b>		
Cash Flow Hedges		
Other accrued liabilities	\$ 13,614	\$ 18,826
Other non-current liabilities	13,576	8,770
Other Derivatives		
Other accrued liabilities	11,828	32,195
<b>Total liabilities</b>	<b>\$ 39,018</b>	<b>\$ 59,791</b>
<b>Total fair value</b>	<b>\$ 115,731</b>	<b>\$ 50,826</b>
<b>Total notional value</b>	<b>\$ 9,600,691</b>	<b>\$ 8,709,917</b>

We utilize standard counterparty master agreements containing provisions for the netting of certain foreign currency transaction obligations and for the set-off of certain obligations in the event of an insolvency of one of the parties to the transaction. In the Consolidated Balance Sheets, we record derivative assets and liabilities at gross fair value. The potential effect of netting derivative assets against liabilities under the counterparty master agreements is as follows:

	August 31, 2020	August 31, 2019
Net derivative assets	\$ 129,520	\$ 88,811
Net derivative liabilities	13,789	37,985
<b>Total fair value</b>	<b>\$ 115,731</b>	<b>\$ 50,826</b>

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## 10. Borrowings and Indebtedness

As of August 31, 2020, we had the following borrowing facilities, including the issuance of letters of credit, to support general working capital purposes:

	Facility Amount	Borrowings Under Facilities
Syndicated loan facility (1)	\$ 1,000,000	\$ —
364-day syndicated loan facility (2)	1,000,000	—
Separate, uncommitted, unsecured multicurrency revolving credit facilities (3)	903,674	—
Local guaranteed and non-guaranteed lines of credit (4)	245,762	—
<b>Total</b>	<b>\$ 3,149,436</b>	<b>\$ —</b>

- (1) On December 10, 2019, we replaced our \$1,000,000 syndicated loan facility maturing on December 22, 2020 with a \$1,000,000 syndicated loan facility maturing on December 10, 2024. This facility provides unsecured, revolving borrowing capacity for general working capital purposes, including the issuance of letters of credit. Financing is provided under this facility at the prime rate or at the London Interbank Offered Rate, plus a spread. We continue to be in compliance with relevant covenant terms. The facility is subject to annual commitment fees. As of August 31, 2020 and 2019, we had no borrowings under the facility.
- (2) On June 17, 2020, we entered into a \$1,000,000 364-day syndicated loan facility, which matures on June 16, 2021. As of August 31, 2020 we had no borrowings under the facility. In the event of a loan drawn against this facility, the lenders have the option to require us to repay the loan by issuing public debt within 45 days of their request.
- (3) We maintain separate, uncommitted and unsecured multicurrency revolving credit facilities. These facilities provide local currency financing for the majority of our operations. Interest rate terms on the revolving facilities are at market rates prevailing in the relevant local markets. As of August 31, 2020 and 2019, we had no borrowings under these facilities.
- (4) We also maintain local guaranteed and non-guaranteed lines of credit for those locations that cannot access our global facilities. As of August 31, 2020 and 2019, we had borrowings under these various facilities of \$0 and \$2,458, respectively.

Under the borrowing facilities described above, we had an aggregate of \$487,795 and \$390,295 of letters of credit outstanding as of August 31, 2020 and 2019, respectively. In addition, we had total outstanding debt of \$61,872 and \$22,658 as of August 31, 2020 and 2019, respectively.

## 11. Income Taxes

	Fiscal		
	2020	2019	2018
Current taxes			
U.S. federal	\$ 99,280	\$ 159,578	\$ 70,050
U.S. state and local	26,425	86,113	3,574
Non-U.S.	1,292,362	1,256,225	1,425,875
<b>Total current tax expense</b>	<b>1,418,067</b>	<b>1,501,916</b>	<b>1,499,499</b>
Deferred taxes			
U.S. federal	21,532	(143,217)	219,034
U.S. state and local	8,525	(39,588)	57,044
Non-U.S.	140,894	86,445	(182,078)
<b>Total deferred tax (benefit) expense</b>	<b>170,951</b>	<b>(96,360)</b>	<b>94,000</b>
<b>Total</b>	<b>\$ 1,589,018</b>	<b>\$ 1,405,556</b>	<b>\$ 1,593,499</b>

The components of Income before income taxes are as follows:

	Fiscal		
	2020	2019	2018
U.S. sources	\$ 1,352,968	\$ 853,173	\$ 645,943
Non-U.S. sources	5,421,363	5,398,624	5,162,150
<b>Total</b>	<b>\$ 6,774,331</b>	<b>\$ 6,251,797</b>	<b>\$ 5,808,093</b>

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act (the "Tax Act"), which significantly changed U.S. tax law. The Tax Act lowered the U.S. statutory federal income tax rate from 35% to 21%, effective January 1, 2018, resulting in a blended U.S. statutory federal income tax rate of 25.7% for our fiscal year ended August 31, 2018 and a U.S. statutory federal income tax rate of 21.0% for our fiscal year ended August 31, 2019. During fiscal 2018, we recognized tax expense of \$177,651 due primarily to the remeasurement of our net deferred tax assets at the new, lower rates.

The reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate is as follows:

	Fiscal		
	2020	2019	2018
U.S. federal statutory income tax rate	21.0 %	21.0 %	25.7 %
U.S. state and local taxes, net	1.7	1.5	1.1
Non-U.S. operations taxed at other rates	0.7	1.1	(6.1)
Final determinations (1)	(1.9)	(3.4)	(1.9)
Other net activity in unrecognized tax benefits	2.4	3.2	5.8
Excess tax benefits from share based payments	(1.9)	(1.2)	(2.3)
Changes in tax laws and rates	(0.2)	—	4.4
Other, net	1.7	0.3	0.7
<b>Effective income tax rate</b>	<b>23.5 %</b>	<b>22.5 %</b>	<b>27.4 %</b>

(1) Final determinations include final agreements with tax authorities and expirations of statutes of limitations.

As of August 31, 2020, we had not recognized a deferred tax liability on \$798,654 of undistributed earnings for certain foreign subsidiaries, because these earnings are intended to be indefinitely reinvested. If such earnings were distributed, some countries may impose additional taxes. The unrecognized deferred tax liability (the amount payable if distributed) is approximately \$40,000.

Portions of our operations are subject to reduced tax rates or are free of tax under various tax holidays which expire between fiscal 2022 and 2025. The income tax benefits attributable to the tax status of these subsidiaries were estimated to be approximately \$38,000, \$95,000 and \$103,000 in fiscal 2020, 2019 and 2018, respectively.



The revaluation of deferred tax assets and liabilities due to enacted changes in tax laws and tax rates did not have a material impact on our effective tax rate in fiscal 2020 or 2019.

The components of our deferred tax assets and liabilities included the following:

	August 31, 2020	August 31, 2019 (1)
<b>Deferred tax assets</b>		
Pensions	\$ 443,231	\$ 446,920
Revenue recognition	115,287	115,529
Compensation and benefits	574,349	623,986
Share-based compensation	334,061	292,045
Tax credit carryforwards	659,835	527,748
Net operating loss carryforwards	159,506	175,196
Deferred amortization deductions	828,098	798,852
Indirect effects of unrecognized tax benefits	279,105	302,093
Licenses and other intangibles	1,752,612	1,958,738
Leases	729,787	27,857
Other	280,883	210,642
<b>Total deferred tax assets</b>	<b>6,156,754</b>	<b>5,479,606</b>
Valuation allowance	(757,799)	(606,765)
<b>Deferred tax assets, net of valuation allowance</b>	<b>5,398,955</b>	<b>4,872,841</b>
<b>Deferred tax liabilities</b>		
Investments in subsidiaries	(169,752)	(182,186)
Intangibles	(298,181)	(234,098)
Leases	(669,005)	(17)
Other	(288,574)	(240,308)
<b>Total deferred tax liabilities</b>	<b>(1,425,512)</b>	<b>(656,609)</b>
<b>Net deferred tax assets</b>	<b>\$ 3,973,443</b>	<b>\$ 4,216,232</b>

(1) Prior period amounts have been reclassified to conform with the current period presentation.

We recorded valuation allowances of \$757,799 and \$606,765 as of August 31, 2020 and 2019, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carryforwards, as we believe it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets. During fiscal 2020, we recorded a net increase of \$151,034 in the valuation allowance. The majority of this change related to valuation allowances on certain tax credit carryforwards, as we believe it is more likely than not that these assets will not be realized. During fiscal 2019, we recorded a net increase of \$154,990 in the valuation allowance. The majority of this change related to valuation allowances on certain tax credit carryforwards, as we believe it is more likely than not that these assets will not be realized.

We had tax credit carryforwards as of August 31, 2020 of \$659,835, of which \$24,933 will expire between 2021 and 2030, \$470 will expire between 2031 and 2040, and \$634,432 has an indefinite carryforward period. We had net operating loss carryforwards as of August 31, 2020 of \$721,168. Of this amount, \$124,845 expires between 2021 and 2030, \$18,617 expires between 2031 and 2040, and \$577,706 has an indefinite carryforward period.

As of August 31, 2020, we had \$1,238,945 of unrecognized tax benefits, of which \$934,183, if recognized, would favorably affect our effective tax rate. As of August 31, 2019, we had \$1,233,014 of unrecognized tax benefits, of which \$908,522, if recognized, would favorably affect our effective tax rate. The remaining unrecognized tax benefits as of August 31, 2020 and 2019 of \$304,762 and \$324,492, respectively, represent items recorded as offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, state income taxes and timing adjustments.

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Fiscal	
	2020	2019
Balance, beginning of year	\$ 1,233,014	\$ 1,210,520
Additions for tax positions related to the current year	168,938	211,671
Additions for tax positions related to prior years	58,977	354,890
Reductions for tax positions related to prior years	(177,812)	(262,055)
Statute of limitations expirations	(51,477)	(146,732)
Settlements with tax authorities	(11,602)	(103,384)
Foreign currency translation	18,907	(31,896)
<b>Balance, end of year</b>	<b>\$ 1,238,945</b>	<b>\$ 1,233,014</b>

For the year ended August 31, 2019, most of the additions for tax positions related to prior years are for items that had no net impact to the consolidated financial statements.

We recognize interest and penalties related to unrecognized tax benefits in our Income tax expense. During fiscal 2020, 2019 and 2018, we recognized expense of \$21,140, \$8,645 and \$37,230 in interest and penalties, respectively. Accrued interest and penalties related to unrecognized tax benefits of \$129,597 (\$118,533, net of tax benefits) and \$114,566 (\$105,852, net of tax benefits) were reflected on our Consolidated Balance Sheets as of August 31, 2020 and 2019, respectively.

We have participated in the U.S. Internal Revenue Service ("IRS") Compliance Assurance Process ("CAP") program since fiscal 2016. CAP tax years are examined by the IRS on a contemporaneous basis so that most issues are resolved prior to filing the tax return. We are currently under audit in numerous state and non-U.S. tax jurisdictions. However, with limited exceptions, we are no longer subject to income tax audits by those taxing authorities for years before 2013. Although the outcome of tax audits is always uncertain and could result in significant cash tax payments, we do not believe the outcome of these audits will have a material adverse effect on our consolidated financial position or results of operations. We believe that it is reasonably possible that our unrecognized tax benefits could decrease by approximately \$283,000 or increase by approximately \$405,000 in the next 12 months as a result of settlements, lapses of statutes of limitations, tax audit activity and other adjustments. The majority of these amounts relate to transfer pricing matters in both U.S. and non-U.S. tax jurisdictions.

## 12. Retirement and Profit Sharing Plans

### Defined Benefit Pension and Postretirement Plans

In the United States and certain other countries, we maintain and administer defined benefit retirement plans and postretirement medical plans for certain current, retired and resigned employees. In addition, our U.S. defined benefit pension plans include a frozen plan for former pre-incorporation partners, which is unfunded. Benefits under the employee retirement plans are primarily based on years of service and compensation during the years immediately preceding retirement or termination of participation in the plan. The defined benefit pension disclosures include our U.S. and material non-U.S. defined benefit pension plans.

### Assumptions

The weighted-average assumptions used to determine the defined benefit pension obligations as of August 31 and the net periodic pension expense are as follows:

	Pension Plans						Postretirement Plans		
	August 31, 2020		August 31, 2019		August 31, 2018		August 31, 2020	August 31, 2019	August 31, 2018
	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. Plans	Non- U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Discount rate for determining projected benefit obligation	2.50 %	2.27 %	3.00 %	2.24 %	4.00 %	3.29 %	2.51 %	3.00 %	3.98 %
Discount rate for determining net periodic pension expense	3.00 %	2.24 %	4.00 %	3.29 %	3.75 %	2.83 %	3.00 %	3.98 %	3.73 %
Long term rate of return on plan assets	4.25 %	2.81 %	4.25 %	3.02 %	4.25 %	3.56 %	3.45 %	3.18 %	3.64 %
Rate of increase in future compensation for determining projected benefit obligation	2.21 %	4.04 %	2.23 %	4.02 %	2.23 %	3.67 %	N/A	N/A	N/A
Rate of increase in future compensation for determining net periodic pension expense	2.23 %	4.02 %	2.23 %	3.67 %	2.25 %	3.63 %	N/A	N/A	N/A

We utilize a full yield curve approach to estimate the service and interest cost components by applying specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This approach provides a correlation between projected benefit cash flows and the corresponding yield curve spot rates and provides a precise measurement of service and interest costs. The discount rate assumptions are based on the expected duration of the benefit payments for each of our defined benefit pension and postretirement plans as of the annual measurement date and are subject to change each year.

The expected long-term rate of return on plan assets should, over time, approximate the actual long-term returns on defined benefit pension and postretirement plan assets and is based on historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the asset portfolio.

## **Assumed U.S. Health Care Cost Trend**

Our U.S. postretirement plan assumed annual rate of increase in the per capita cost of health care benefits is 6.4% for the plan year ending June 30, 2021. The rate is assumed to decrease on a straight-line basis to 4.5% for the plan year ending June 30, 2038 and remain at that level thereafter. A one percentage point increase in the assumed health care cost trend rates would increase the benefit obligation by \$119,602, while a one percentage point decrease would reduce the benefit obligation by \$92,093.

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## Pension and Postretirement Expense

Pension expense for fiscal 2020, 2019 and 2018 was \$168,367, \$137,030 and \$125,320, respectively. Postretirement expense for fiscal 2020, 2019 and 2018 was not material to our Consolidated Financial Statements. The service cost component of pension and postretirement expense is included in operating expenses while the other components of net benefit cost are included in Other income (expense), net.

## Benefit Obligation, Plan Assets and Funded Status

The changes in the benefit obligations, plan assets and funded status of our pension and postretirement benefit plans for fiscal 2020 and 2019 are as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2020		August 31, 2019		August 31, 2020	August 31, 2019
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Reconciliation of benefit obligation</b>						
Benefit obligation, beginning of year	\$ 383,557	\$ 2,166,377	\$ 331,916	\$ 1,772,712	\$ 576,596	\$ 535,632
Service cost	3,080	108,871	3,100	88,913	22,142	18,056
Interest cost	9,771	44,395	12,364	52,466	15,647	20,498
Participant contributions	—	12,521	—	11,989	—	—
Acquisitions/divestitures/transfers	—	14	—	28,510	—	—
Amendments	—	—	—	2,105	—	—
Curtailment	—	—	—	(6,477)	—	—
Pension settlement	—	(188)	—	(9,343)	—	—
Actuarial (gain) loss	26,495	(12,278)	50,002	379,173	46,630	16,880
Benefits paid	(14,637)	(94,136)	(13,825)	(85,624)	(12,115)	(13,637)
Exchange rate impact	—	131,829	—	(68,047)	428	(833)
<b>Benefit obligation, end of year</b>	<b>\$ 408,266</b>	<b>\$ 2,357,405</b>	<b>\$ 383,557</b>	<b>\$ 2,166,377</b>	<b>\$ 649,328</b>	<b>\$ 576,596</b>
<b>Reconciliation of fair value of plan assets</b>						
Fair value of plan assets, beginning of year	\$ 257,280	\$ 1,214,062	\$ 210,576	\$ 1,127,376	\$ 31,920	\$ 28,713
Actual return on plan assets	27,911	46,815	50,397	97,845	2,079	4,924
Acquisitions/divestitures/transfers	—	—	—	25,347	—	—
Employer contributions	10,635	88,068	10,131	81,531	9,942	11,920
Participant contributions	—	12,521	—	11,989	—	—
Pension settlement	—	—	—	(8,801)	—	—
Benefits paid	(14,637)	(94,136)	(13,824)	(85,624)	(12,115)	(13,637)
Exchange rate impact	—	89,049	—	(35,601)	—	—
Other	—	(672)	—	—	—	—
<b>Fair value of plan assets, end of year</b>	<b>\$ 281,189</b>	<b>\$ 1,355,707</b>	<b>\$ 257,280</b>	<b>\$ 1,214,062</b>	<b>\$ 31,826</b>	<b>\$ 31,920</b>
<b>Funded status, end of year</b>	<b>\$ (127,077)</b>	<b>\$ (1,001,698)</b>	<b>\$ (126,277)</b>	<b>\$ (952,315)</b>	<b>\$ (617,502)</b>	<b>\$ (544,676)</b>
Amounts recognized in the Consolidated Balance Sheets						
Non-current assets	\$ 3,232	\$ 67,341	\$ 6,707	\$ 67,396	\$ —	\$ —
Current liabilities	(10,213)	(42,990)	(10,473)	(33,981)	(1,169)	(1,257)
Non-current liabilities	(120,096)	(1,026,049)	(122,511)	(985,730)	(616,333)	(543,419)
<b>Funded status, end of year</b>	<b>\$ (127,077)</b>	<b>\$ (1,001,698)</b>	<b>\$ (126,277)</b>	<b>\$ (952,315)</b>	<b>\$ (617,502)</b>	<b>\$ (544,676)</b>

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## Accumulated Other Comprehensive Loss

The pre-tax accumulated net loss and prior service (credit) cost recognized in Accumulated other comprehensive loss as of August 31, 2020 and 2019 is as follows:

	Pension Plans				Postretirement Plans	
	August 31, 2020		August 31, 2019		August 31, 2020	August 31, 2019
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
Net loss	\$ 108,796	\$ 605,635	\$ 106,328	\$ 633,619	\$ 160,067	\$ 121,798
Prior service (credit) cost	—	20,056	—	21,954	15,114	19,427
<b>Accumulated other comprehensive loss, pre-tax</b>	<b>\$ 108,796</b>	<b>\$ 625,691</b>	<b>\$ 106,328</b>	<b>\$ 655,573</b>	<b>\$ 175,181</b>	<b>\$ 141,225</b>

## Funded Status for Defined Benefit Plans

The accumulated benefit obligation for defined benefit pension plans as of August 31, 2020 and 2019 is as follows:

	August 31, 2020		August 31, 2019	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Accumulated benefit obligation	\$ 401,822	\$ 2,135,566	\$ 376,886	\$ 1,964,148

The following information is provided for defined benefit pension plans and postretirement plans with projected benefit obligations in excess of plan assets and for defined benefit pension plans with accumulated benefit obligations in excess of plan assets as of August 31, 2020 and 2019:

	Pension Plans				Postretirement Plans	
	August 31, 2020		August 31, 2019		August 31, 2020	August 31, 2019
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	U.S. and Non-U.S. Plans
<b>Projected benefit obligation in excess of plan assets</b>						
Projected benefit obligation	\$ 130,309	\$ 1,644,895	\$ 132,984	\$ 1,514,448	\$ 649,328	\$ 576,596
Fair value of plan assets	—	575,857	—	494,065	31,826	31,920

	August 31, 2020		August 31, 2019	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
<b>Accumulated benefit obligation in excess of plan assets</b>				
Accumulated benefit obligation	\$ 130,309	\$ 1,438,234	\$ 132,984	\$ 1,300,082
Fair value of plan assets	—	575,857	—	465,935

## Investment Strategies

### U.S. Pension Plans

The overall investment objective of the defined benefit pension plans is to match the duration of the plans' assets to the plans' liabilities while managing risk in order to meet current defined benefit pension obligations. The plans' future prospects, their current financial conditions, our current funding levels and other relevant factors suggest that the plans can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives without undue risk to the plans' ability to meet their current benefit obligations. We recognize that asset allocation of the defined benefit pension plans' assets is an important factor in determining long-term performance. Actual asset allocations at any point in time may vary from the target asset allocations and will be dictated by current and anticipated market conditions, required cash flows

and investment decisions of the investment committee and the pension plans' investment funds and managers. Ranges are established to provide flexibility for the asset allocation to vary around the targets without the need for immediate rebalancing.

## Non-U.S. Pension Plans

Plan assets in non-U.S. defined benefit pension plans conform to the investment policies and procedures of each plan and to relevant legislation. The pension committee or trustee of each plan regularly, but at least annually, reviews the investment policy and the performance of the investment managers. In certain countries, the trustee is also required to consult with us. Asset allocation decisions are made to provide risk adjusted returns that align with the overall investment strategy for each plan. Generally, the investment return objective of each plan is to achieve a total annualized rate of return that exceeds inflation over the long term by an amount based on the target asset allocation mix of that plan. In certain countries, plan assets are invested in funds that are required to hold a majority of assets in bonds, with a smaller proportion in equities. Also, certain plan assets are entirely invested in contracts held with the plan insurer, which determines the strategy. Defined benefit pension plans in certain countries are unfunded.

## Risk Management

Plan investments are exposed to risks including market, interest rate and operating risk. In order to mitigate significant concentrations of these risks, the assets are invested in a diversified portfolio primarily consisting of fixed income instruments and equities. To minimize asset volatility relative to the liabilities, plan assets allocated to debt securities appropriately match the duration of individual plan liabilities. Equities are diversified between U.S. and non-U.S. index funds and are intended to achieve long term capital appreciation. Plan asset allocation and investment managers' guidelines are reviewed on a regular basis.

## Plan Assets

Our target allocation for fiscal 2020 and weighted-average plan assets allocations as of August 31, 2020 and 2019 by asset category for defined benefit pension plans are as follows:

Asset Category	2021 Target Allocation		2020		2019	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Equity securities	— %	26 %	— %	19 %	— %	19 %
Debt securities	100	51	96	59	95	59
Cash and short-term investments	—	2	4	2	5	2
Insurance contracts	—	16	—	16	—	17
Other	—	5	—	4	—	3
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

- Level 1—Quoted prices for identical instruments in active markets;
  - Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
  - Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.
-

The fair values of defined benefit pension and postretirement plan assets as of August 31, 2020 are as follows:

*Non-U.S. Plans*

	Level 1	Level 2	Level 3	Total
Equity				
Mutual fund equity securities	\$ —	\$ 259,776	\$ —	\$ 259,776
Fixed Income				
Non-U.S. government debt securities	163,602	—	—	163,602
Non-U.S. corporate debt securities	20,639	—	—	20,639
Mutual fund debt securities	—	611,028	—	611,028
Cash and short-term investments	13,858	14,509	—	28,367
Insurance contracts	—	79,575	140,305	219,880
Other	—	52,415	—	52,415
<b>Total</b>	<b>\$ 198,099</b>	<b>\$ 1,017,303</b>	<b>\$ 140,305</b>	<b>\$ 1,355,707</b>

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$313,015 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$185,981 and U.S. government, state and local debt securities of \$75,583.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2020:

Level 3 Assets	Fiscal 2020
Beginning balance	\$ 133,421
Changes in fair value	6,884
<b>Ending Balance</b>	<b>\$ 140,305</b>

The fair values of defined benefit pension and postretirement plan assets as of August 31, 2019 are as follows:

Non-U.S. Plans

	Level 1		Level 2		Level 3	Total		
Equity								
Mutual fund equity securities	\$	—	\$	226,386	\$	—	\$	226,386
Fixed Income								
Non-U.S. government debt securities		125,332		—		—		125,332
Non-U.S. corporate debt securities		19,562		—		—		19,562
Mutual fund debt securities		—		569,712		—		569,712
Cash and short-term investments		9,799		9,426		—		19,225
Insurance contracts		—		76,219		133,421		209,640
Other		—		44,205		—		44,205
Total	\$	154,693	\$	925,948	\$	133,421	\$	1,214,062

The level 3 assets are primarily invested in an insurance buy-in contract in a Non-U.S. plan. The fair value of the assets is set to an actuarially calculated present value of the underlying liabilities.

The U.S. Plans have \$289,200 in Level 2 assets, primarily made up of U.S. corporate debt securities of \$166,756 and U.S. government, state and local debt securities of \$71,745.

The following table provides a reconciliation of the beginning and ending balances of Level 3 assets for fiscal 2019:

Level 3 Assets	Fiscal 2019
Beginning balance	\$ 114,960
Purchases, sales and settlements	17,428
Changes in fair value	1,033
<b>Ending Balance</b>	<b>\$ 133,421</b>

## Expected Contributions

Generally, annual contributions are made at such times and in amounts as required by law and may, from time to time, exceed minimum funding requirements. We estimate we will pay approximately \$106,001 in fiscal 2021 related to contributions to our U.S. and non-U.S. defined benefit pension plans and benefit payments related to the unfunded frozen plan for former pre-incorporation partners. We have not determined whether we will make additional voluntary contributions for our defined benefit pension plans. Our postretirement plan contributions in fiscal 2021 are not expected to be material to our Consolidated Financial Statements.

## Estimated Future Benefit Payments

Benefit payments for defined benefit pension plans and postretirement plans, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Plans		Postretirement Plans	
	U.S. Plans	Non-U.S. Plans	U.S. and Non-U.S. Plans	
2021	\$ 14,678	\$ 106,299	\$ 12,335	
2022	15,416	103,597	13,990	
2023	16,195	116,624	15,737	
2024	16,959	115,224	17,769	
2025	17,743	126,526	19,826	
2026-2030	98,570	643,025	134,072	

## Defined Contribution Plans

In the United States and certain other countries, we maintain and administer defined contribution plans for certain current, retired and resigned employees. Total expenses recorded for defined contribution plans were \$557,888, \$530,501 and \$485,736 in fiscal 2020, 2019 and 2018, respectively.

## 13. Share-Based Compensation

### Share Incentive Plans

The Amended and Restated Accenture plc 2010 Share Incentive Plan, as amended and approved by our shareholders in 2020 (the “Amended 2010 SIP”), is administered by the Compensation Committee of the Board of Directors of Accenture and provides for the grant of nonqualified share options, incentive stock options, restricted share units and other share-based awards. A maximum of 114,000,000 Accenture plc Class A ordinary shares are currently authorized for awards under the Amended 2010 SIP. As of August 31, 2020, there were 25,216,854 shares available for future grants. Accenture plc Class A ordinary shares covered by awards that terminate, lapse or are cancelled may again be used to satisfy awards under the Amended 2010 SIP. We issue new Accenture plc Class A ordinary shares and shares from treasury for shares delivered under the Amended 2010 SIP.

A summary of information with respect to share-based compensation is as follows:

	Fiscal		
	2020	2019	2018
Total share-based compensation expense included in Net income	\$ 1,197,806	\$ 1,093,253	\$ 976,908
Income tax benefit related to share-based compensation included in Net income	430,290	356,062	404,124

### Restricted Share Units

Under the Amended 2010 SIP, participants may be, and previously under the predecessor 2001 Share Incentive Plan were, granted restricted share units, each of which represent an unfunded, unsecured right to receive an Accenture plc Class A ordinary share on the date specified in the participant’s award agreement. The fair value of the awards is based on our stock price on the date of grant. The restricted share units granted under these plans are subject to cliff or graded vesting, generally ranging from two to five years. For awards with graded vesting, compensation expense is recognized over the vesting term of each separately vesting portion. Compensation expense is recognized on a straight-line basis for awards with cliff vesting. Restricted share unit activity during fiscal 2020 is as follows:

	Number of Restricted Share Units	Weighted Average Grant-Date Fair Value
Nonvested balance as of August 31, 2019	19,002,115	\$ 136.66
Granted (1)	7,543,339	206.05
Vested (2)	(7,698,685)	138.55
Forfeited	(1,106,838)	148.29
<b>Nonvested balance as of August 31, 2020</b>	<b>17,739,931</b>	<b>\$ 164.62</b>



- (1) The weighted average grant-date fair value for restricted share units granted for fiscal 2020, 2019 and 2018 was \$206.05, \$144.52 and \$153.33, respectively.
- (2) The total grant-date fair value of restricted share units vested for fiscal 2020, 2019 and 2018 was \$1,066,622, \$914,206 and \$842,002, respectively.

As of August 31, 2020, there was \$1,083,367 of total unrecognized restricted share unit compensation expense related to nonvested awards, which is expected to be recognized over a weighted average period of 1.2 years. As of August 31, 2020, there were 553,907 restricted share units vested but not yet delivered as Accenture plc Class A ordinary shares.

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## Employee Share Purchase Plan

### 2010 ESPP

The Amended and Restated Accenture plc 2010 Employee Share Purchase Plan (the “2010 ESPP”) is a nonqualified plan that provides eligible employees of Accenture plc and its designated affiliates with an opportunity to purchase Accenture plc Class A ordinary shares through payroll deductions. Under the 2010 ESPP, eligible employees may purchase Accenture plc Class A ordinary shares through the Employee Share Purchase Plan (the “ESPP”) or the Voluntary Equity Investment Program (the “VEIP”). Under the ESPP, eligible employees may elect to contribute 1% to 10% of their eligible compensation during each semi-annual offering period (up to \$7.5 per offering period) to purchase Accenture plc Class A ordinary shares at a discount. Under the VEIP, eligible members of Accenture Leadership may elect to contribute up to 30% of their eligible compensation towards the monthly purchase of Accenture plc Class A ordinary shares at fair market value. At the end of the VEIP program year, Accenture Leadership participants who did not withdraw from the program will be granted restricted share units under the Amended 2010 SIP equal to 50% of the number of shares purchased during that year and held by the participant as of the grant date.

A maximum of 90,000,000 Accenture plc Class A ordinary shares may be issued under the 2010 ESPP. As of August 31, 2020, we had issued 64,956,222 Accenture plc Class A ordinary shares under the 2010 ESPP. We issued 5,410,497, 5,433,817 and 5,428,356 shares to employees in fiscal 2020, 2019 and 2018, respectively, under the 2010 ESPP.

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## 14. Shareholders' Equity

### Accenture plc

#### Ordinary Shares

We have 40,000 authorized ordinary shares, par value €1 per share. Each ordinary share of Accenture plc entitles its holder to receive payments upon a liquidation of Accenture plc; however a holder of an ordinary share is not entitled to vote on matters submitted to a vote of shareholders of Accenture plc or to receive dividends.

#### Class A Ordinary Shares

An Accenture plc Class A ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. Each Class A ordinary share entitles its holder to a pro rata part of any dividend at the times and in the amounts, if any, which Accenture plc's Board of Directors from time to time determines to declare, subject to any preferred dividend rights attaching to any preferred shares. Each Class A ordinary share is entitled on a winding-up of Accenture plc to be paid a pro rata part of the value of the assets of Accenture plc remaining after payment of its liabilities, subject to any preferred rights on liquidation attaching to any preferred shares.

#### Class X Ordinary Shares

Most of our pre-incorporation partners who received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure received a corresponding number of Accenture plc Class X ordinary shares. An Accenture plc Class X ordinary share entitles its holder to one vote per share, and holders of those shares do not have cumulative voting rights. A Class X ordinary share does not entitle its holder to receive dividends, and holders of those shares are not entitled to be paid any amount upon a winding-up of Accenture plc. Accenture plc may redeem, at its option, any Class X ordinary share for a redemption price equal to the par value of the Class X ordinary share. Accenture plc has separately agreed with the original holders of Accenture Canada Holdings Inc. exchangeable shares not to redeem any Class X ordinary share of such holder if the redemption would reduce the number of Class X ordinary shares held by that holder to a number that is less than the number of Accenture Canada Holdings Inc. exchangeable shares owned by that holder, as the case may be. Accenture plc will redeem Class X ordinary shares upon the redemption or exchange of Accenture Canada Holdings Inc. exchangeable shares so that the aggregate number of Class X ordinary shares outstanding at any time does not exceed the aggregate number of Accenture Canada Holdings Inc. exchangeable shares outstanding. Class X ordinary shares are not transferable without the consent of Accenture plc.

### Equity of Subsidiaries Redeemable or Exchangeable for Accenture plc Class A Ordinary Shares

#### Accenture Canada Holdings Inc. Exchangeable Shares

Pre-incorporation partners resident in Canada and New Zealand received Accenture Canada Holdings Inc. exchangeable shares in connection with our transition to a corporate structure. Holders of Accenture Canada Holdings

Inc. exchangeable shares may exchange their shares for Accenture plc Class A ordinary shares at any time on a one-for-one basis. We may, at our option, satisfy this exchange with cash at a price per share generally equal to the market price of an Accenture plc Class A ordinary share at the time of the exchange. Each exchangeable share of Accenture Canada Holdings Inc. entitles its holder to receive distributions equal to any distributions to which an Accenture plc Class A ordinary share entitles its holder.

## Share Purchases and Redemptions

The Board of Directors of Accenture plc has authorized funding for our publicly announced open-market share purchase program for acquiring Accenture plc Class A ordinary shares and for purchases and redemptions of Accenture plc Class A ordinary shares and Accenture Canada Holdings Inc. exchangeable shares held by current and former members of Accenture Leadership and their permitted transferees. As of August 31, 2020, our aggregate available authorization was \$1,314,762 for our publicly announced open-market share purchase and these other share purchase programs.

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Our share purchase activity during fiscal 2020 is as follows:

	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares	
	Shares	Amount	Shares	Amount
Open-market share purchases (1)	11,983,661	\$ 2,337,732	—	\$ —
Other share purchase programs	—	—	100,795	21,594
Other purchases (2)	2,746,369	556,521	—	—
<b>Total</b>	<b>14,730,030</b>	<b>\$ 2,894,253</b>	<b>100,795</b>	<b>\$ 21,594</b>

- (1) We conduct a publicly announced open-market share purchase program for Accenture plc Class A ordinary shares. These shares are held as treasury shares by Accenture plc and may be utilized to provide for select employee benefits, such as equity awards to our employees.
- (2) During fiscal 2020, as authorized under our various employee equity share plans, we acquired Accenture plc Class A ordinary shares primarily via share withholding for payroll tax obligations due from employees and former employees in connection with the delivery of Accenture plc Class A ordinary shares under those plans. These purchases of shares in connection with employee share plans do not affect our aggregate available authorization for our publicly announced open-market share purchase and the other share purchase programs.

## Cancellation of Treasury Shares

During fiscal 2020, we cancelled 5,526,491 Accenture plc Class A ordinary shares that were held as treasury shares and had an aggregate cost of \$1,056,145. The effect of the cancellation of these treasury shares was recognized in Class A ordinary shares and Additional paid-in capital with the residual recorded in Retained earnings. There was no effect on total shareholders' equity as a result of this cancellation.

## Dividends

Our dividend activity during fiscal 2020 is as follows:

Dividend Payment Date	Dividend Per Share	Accenture plc Class A Ordinary Shares		Accenture Canada Holdings Inc. Exchangeable Shares		Total Cash Outlay
		Record Date	Cash Outlay	Record Date	Cash Outlay	
November 15, 2019	\$ 0.80	October 17, 2019	\$ 507,725	October 15, 2019	\$ 656	\$ 508,381
February 14, 2020	0.80	January 16, 2020	510,604	January 14, 2020	634	511,238
May 15, 2020	0.80	April 16, 2020	508,283	April 14, 2020	630	508,913
August 14, 2020	0.80	July 16, 2020	508,586	July 14, 2020	615	509,201
<b>Total Dividends</b>			<b>\$ 2,035,198</b>		<b>\$ 2,535</b>	<b>\$ 2,037,733</b>

The payment of the cash dividends also resulted in the issuance of an immaterial number of additional restricted share units to holders of restricted share units.

## Subsequent Events

On September 23, 2020, the Board of Directors of Accenture plc declared a quarterly cash dividend of \$0.88 per share on our Class A ordinary shares for shareholders of record at the close of business on October 13, 2020 payable on November 13, 2020. The payment of the cash dividend will result in the issuance of an immaterial number of additional restricted share units to holders of restricted share units.

On September 20, 2020, the Board of Directors of Accenture plc approved \$5,000,000 in additional share repurchase authority bringing Accenture's total outstanding authority to \$6,314,762.

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# 15. Commitments and Contingencies

## Indemnifications and Guarantees

In the normal course of business and in conjunction with certain client engagements, we have entered into contractual arrangements through which we may be obligated to indemnify clients with respect to certain matters. These arrangements with clients can include provisions whereby we have joint and several liability in relation to the performance of certain contractual obligations along with third parties also providing services and products for a specific project. In addition, our consulting arrangements may include warranty provisions that our solutions will substantially operate in accordance with the applicable system requirements. Indemnification provisions are also included in arrangements under which we agree to hold the indemnified party harmless with respect to third-party claims related to such matters as title to assets sold or licensed or certain intellectual property rights.

Typically, we have contractual recourse against third parties for certain payments we made in connection with arrangements where third-party nonperformance has given rise to the client's claim. Payments we made under any of the arrangements described above are generally conditioned on the client making a claim, which may be disputed by us typically under dispute resolution procedures specified in the particular arrangement. The limitations of liability under these arrangements may be expressly limited or may not be expressly specified in terms of time and/or amount.

As of August 31, 2020 and 2019, our aggregate potential liability to our clients for expressly limited guarantees involving the performance of third parties was approximately \$832,000 and \$794,000, respectively, of which all but approximately \$87,000 and \$128,000, respectively, may be recovered from the other third parties if we are obligated to make payments to the indemnified parties as a consequence of a performance default by the other third parties. For arrangements with unspecified limitations, we cannot reasonably estimate the aggregate maximum potential liability, as it is inherently difficult to predict the maximum potential amount of such payments, due to the conditional nature and unique facts of each particular arrangement.

To date, we have not been required to make any significant payment under any of the arrangements described above. We have assessed the current status of performance/payment risk related to arrangements with limited guarantees, warranty obligations, unspecified limitations and/or indemnification provisions and believe that any potential payments would be immaterial to the Consolidated Financial Statements.

## Legal Contingencies

As of August 31, 2020, we or our present personnel had been named as a defendant in various litigation matters. We and/or our personnel also from time to time are involved in investigations by various regulatory or legal authorities concerning matters arising in the course of our business around the world. Based on the present status of these matters, including the putative class action lawsuit discussed below, management believes the range of reasonably possible losses in addition to amounts accrued, net of insurance recoveries, will not have a material effect on our results of operations or financial condition.

On July 24, 2019, Accenture was named in a putative class action lawsuit filed by consumers of Marriott International, Inc. ("Marriott") in the U.S. District Court for the District of Maryland. The complaint alleges negligence by us, and

seeks monetary damages, costs and attorneys' fees and other related relief, relating to a data security incident involving unauthorized access to the reservations database of Starwood Worldwide Resorts, Inc. ("Starwood"), which was acquired by Marriott on September 23, 2016. Since 2009, we have provided certain IT infrastructure outsourcing services to Starwood. We believe the lawsuit is without merit and we will vigorously defend it. We cannot reasonably estimate a range of loss, if any, at this time.

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## 16. Segment Reporting

Operating segments are components of an enterprise where separate financial information is available and is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

Our chief operating decision makers are our Chief Executive Officer and Chief Financial Officer. Our operating segments are managed separately because each operating segment represents a strategic business unit providing consulting and outsourcing services to clients across different industries.

Effective March 1, 2020, we began managing our business under a new growth model through our three geographic markets, North America, Europe and Growth Markets, which became our reportable segments in the third quarter of fiscal 2020. The change is designed to help us better serve our clients and continue to scale our business. Prior to this change, our reportable segments were our five operating groups, Communications, Media & Technology, Financial Services, Health & Public Service, Products and Resources, which we now refer to as our industry groups.

Amounts are attributed to geographic markets based on where clients are located. Information regarding our geographic markets is as follows:

<b>Fiscal 2020</b>	<b>North America</b>		<b>Europe</b>		<b>Growth Markets</b>		<b>Total</b>
Revenues	\$	20,982,253	\$	14,402,142	\$	8,942,644	\$ 44,327,039
Depreciation and amortization (1)		348,761		341,245		332,393	1,022,399
Operating income		3,169,648		1,799,431		1,544,565	6,513,644
Net assets as of August 31 (2)		2,585,659		1,079,904		620,083	4,285,646
Property & equipment, net		499,976		389,968		655,624	1,545,568
<b>Fiscal 2019</b>							
Revenues (3)	\$	19,986,136	\$	14,695,749	\$	8,533,128	\$ 43,215,013
Depreciation and amortization (1)		303,762		294,902		294,096	892,760
Operating income		3,107,437		2,013,245		1,184,392	6,305,074
Net assets as of August 31 (2)		2,923,320		1,355,827		814,358	5,093,505
Property & equipment, net		395,782		354,491		640,893	1,391,166
<b>Fiscal 2018</b>							
Revenues (3) (4)	\$	18,460,395	\$	14,650,637	\$	7,881,502	\$ 40,992,534
Depreciation and amortization (1)		318,538		309,752		298,486	926,776
Operating income (4)		2,708,674		2,167,463		1,022,642	5,898,779
Net assets as of August 31 (2)		2,469,098		1,402,971		896,653	4,768,722
Property & equipment, net		375,237		319,737		569,046	1,264,020

(1) Amounts include depreciation on property and equipment and amortization of intangible assets controlled by each reportable segment, as well as an allocation for amounts they do not directly control.

- (2) We do not allocate total assets by reportable segment. Reportable segment assets directly attributable to a reportable segment and provided to the chief operating decision makers include receivables and current and non-current contract assets, deferred contract costs and current and non-current deferred revenues.
- (3) Effective September 1, 2019 we revised the reporting of our geographic markets for the movement of one country from Growth Markets to Europe. Prior period amounts have been reclassified to conform with the current period presentation.
- (4) Effective September 1, 2018, we adopted FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and FASB ASU No. 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. Prior period amounts have been revised to conform with the current period presentation.

The accounting policies of the reportable segments are the same as those described in Note 1 (Summary of Significant Accounting Policies) to these Consolidated Financial Statements.

Our business in the United States represented 45%, 44% and 43% of our consolidated revenues during fiscal 2020, 2019 and 2018, respectively. No other country individually comprised 10% or more of our consolidated revenues during these periods. Business in Ireland, our country of domicile, represented approximately 1% of our consolidated revenues during each of fiscal 2020, 2019 and 2018.

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We conduct business in Ireland and in the following countries that hold 10% or more of our total consolidated Property and equipment, net:

	August 31, 2020	August 31, 2019	August 31, 2018
United States	27 %	26 %	27 %
India	18	18	19
Ireland	7	7	7

Revenues by industry group and type of work are as follows:

	Fiscal		
	2020	2019	2018 (1)
<b>INDUSTRY GROUPS</b>			
Communications, Media & Technology	\$ 8,883,173	\$ 8,757,250	\$ 8,229,842
Financial Services	8,518,136	8,493,819	8,565,695
Health & Public Service	8,022,704	7,160,787	6,877,779
Products	12,272,036	12,004,934	11,337,863
Resources	6,611,544	6,771,976	5,942,012
Other	19,446	26,247	39,343
<b>Total</b>	<b>\$ 44,327,039</b>	<b>\$ 43,215,013</b>	<b>\$ 40,992,534</b>
<b>TYPE OF WORK</b>			
Consulting	\$ 24,227,024	\$ 24,177,428	\$ 22,978,798
Outsourcing	20,100,015	19,037,585	18,013,736
<b>Total</b>	<b>\$ 44,327,039</b>	<b>\$ 43,215,013</b>	<b>\$ 40,992,534</b>

- (1) Effective September 1, 2018, we adopted FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). Prior period amounts have been revised to conform with the current period presentation. In addition, we updated industry group results for fiscal 2018 to include an acquisition previously categorized within other.

## 17. Quarterly Data (unaudited)

<b>Fiscal 2020</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>		<b>Annual</b>
Revenues	\$	11,358,958	\$	11,141,505	\$	10,991,305	\$	10,835,271	\$	44,327,039
Cost of services		7,711,199		7,782,334		7,462,617		7,394,731		30,350,881
Operating income		1,767,263		1,488,945		1,712,733		1,544,703		6,513,644
Net income		1,375,168		1,252,082		1,252,639		1,305,424		5,185,313
Net income attributable to Accenture plc		1,356,968		1,234,740		1,228,202		1,287,929		5,107,839
Weighted average Class A ordinary shares:										
—Basic		635,722,309		637,485,626		636,146,240		635,887,742		636,299,913
—Diluted		649,389,444		648,833,880		645,607,914		647,867,307		647,797,003
Earnings per Class A ordinary share:										
—Basic	\$	2.13	\$	1.94	\$	1.93	\$	2.03	\$	8.03
—Diluted	\$	2.09	\$	1.91	\$	1.90	\$	1.99	\$	7.89

<b>Fiscal 2019</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>		<b>Annual</b>
Revenues	\$	10,605,546	\$	10,454,129	\$	11,099,688	\$	11,055,650	\$	43,215,013
Cost of services		7,308,121		7,399,780		7,571,390		7,621,034		29,900,325
Operating income		1,629,012		1,386,626		1,717,943		1,571,493		6,305,074
Net income		1,291,324		1,140,720		1,268,649		1,145,548		4,846,241
Net income attributable to Accenture plc		1,274,720		1,124,449		1,249,516		1,130,427		4,779,112
Weighted average Class A ordinary shares:										
—Basic		638,877,445		638,639,729		637,831,341		637,049,388		638,098,125
—Diluted		652,151,450		649,170,699		649,297,717		650,523,417		650,204,873
Earnings per Class A ordinary share:										
—Basic	\$	2.00	\$	1.76	\$	1.96	\$	1.77	\$	7.49
—Diluted	\$	1.96	\$	1.73	\$	1.93	\$	1.74	\$	7.36

