

# 2023 EarthLIGHT REPORT



# Statement on Estimates, Assumptions, Judgments, and Forward-Looking Information

The statements made in this EarthLIGHT Report and on our website and related materials (the “Report”) reflect a good faith effort to describe some of our activities and results and our current plans for the future related to sustainability and other issues. Many of those statements, however, involve estimates, judgments, risks, uncertainties, and assumptions – some of which are beyond the control of Acuity Brands, Inc. (“Acuity Brands,” “Acuity,” or the “Company”), including, for example, statements related to such things as the purchase and adoption of energy-efficient products and technologies by customers and the sources of power generation feeding electrical grids where we or our customers operate and the amount of carbon emissions those sources generate. The statements in the Report are therefore not guaranteed and should not be relied upon for investment or other purposes, and actual results may differ materially from the statements expressed or implied in the Report.

Some of the areas covered in the Report are relatively new to businesses, such as the methodology and process of estimating emissions from a variety of sources, including those upstream and downstream of a business. We expect these methodologies and processes to evolve.

There are many approaches to addressing the topics covered in the Report. Non-governmental organizations provide varying guidance and recommendations. Customers sometimes establish their own goals and requirements. National and local governments and regulatory bodies also approach these topics differently. Those factors and others may continue to influence or guide the activities and disclosures that can or must be made in the future on these or other topics.

We provide the information in the Report to share the work we are doing and the impact we believe we have on improving the lives of our associates, customers, communities, and other stakeholders. We do so with an aim of transparency to enable a better understanding of that work, consistent with our values. Our work may evolve over time, and we may amend the statements and goals with or without notice as we continue to learn. We plan to be guided by our values and our business strategy as we make decisions along the way. For us, sustainability means operating our global business in a way that seeks to minimize negative environmental impacts, to positively influence our employees, customers, and the communities in which we operate, and to prioritize strong governance practices. When we say “sustainable” or “greener” or similar

terms, we generally mean that our products and processes are more energy-efficient and/or resource-efficient compared to older technologies or to systems that do not use controls or provide a user with information to operate their spaces. Any reference to third-party organizations or third-party initiatives, products, or programs within this Report does not constitute or imply an endorsement by the Company of such third-party items. All trademarks referenced are property of their respective owners.

The Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements include, among other things, statements related to the Company’s plans, initiatives, projections, vision, goals, targets, commitments, expectations, objectives, prospects, strategies, or financial outlook, and the assumptions underlying or relating thereto. In some cases, we may use words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “aim,” “commit,” “target,” “seek,” “strive,” “believe,” “should,” “would,” “could,” “forecast,” “project,” “pledge,” “objectives,” “positioned,” or “plan” and words of similar meaning to identify forward-looking statements. We intend these forward-

looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act.

Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on our current beliefs, expectations, and assumptions, which may not prove to be accurate, and are subject to known and unknown risks and uncertainties, many of which are outside of our control. These risks and uncertainties could cause actual events or results to differ materially from our historical experience and management’s present expectations or projections. These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K (including, but not limited to, Part I, Item 1a. Risk Factors), quarterly reports on Form 10-Q, and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. You are cautioned not to place undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.

On the cover

Top Left: North Star Elementary School - Hugo, MN; Photographer: Endeavor Architectural Photography

Top Right: Refuge du GouÛter, France; Photographer: © Pascal Tournaire

# LETTER FROM THE CEO



We have successfully positioned our Company at the intersection of sustainability and technology, setting ourselves up for long-term growth by taking advantage of two of the most important mega-trends: minimizing the impacts of climate change and maximizing the impacts of technology. Our strategy is manifested through EarthLIGHT. It is the way we coordinate our efforts around Environmental, Social, and Governance (ESG) considerations, measure our performance in key areas, and communicate about those efforts to our various stakeholders.

I am pleased with the progress we have made in 2023. During the past year, Acuity Brands delivered strong performance. We strategically managed price and costs and delivered margin growth at Acuity Brands Lighting and Lighting Controls (ABL). We continued to grow the Intelligent Spaces Group (ISG). We generated strong cash flow from operations and allocated capital consistent with our priorities. We advanced the business through product and productivity improvements, and we continued to take the steps necessary to drive our transformation forward.

Our ABL segment continued to lead as the largest lighting and lighting controls company in North America. We have made the business more predictable, repeatable, and scalable, by focusing on product vitality, elevating service levels, using technology throughout the business, and driving productivity.

“The EarthLIGHT Report is a way for us to show how building a stronger business and helping to have a positive environmental impact go hand in hand.”

Our ISG segment continued to grow as an attractive technology business that makes spaces smarter, safer, and greener by connecting the edge to the cloud for built spaces. Distech Controls has a technology advantage that we can continue to expand as the mechanical and analog controls of today become digital over time. And Atrius has introduced new applications in the cloud – including Atrius® Energy and Atrius® Sustainability – that are already making a difference for our customers.

We have changed how the Company works through our Better.Smarter.Faster. operating system. Better.Smarter.Faster. is the combination of processes, tools and ways of working that span from strategy to people to operating rhythms to problem solving. It is unique to our organization and allows us to drive strategic alignment, manage change, and deliver results.

Our values are at the core of our culture and help create a shared purpose for achieving our Company's strategic goals. We make decisions based on our values and these values impact how we treat each other and how we serve our customers and communities.

The combination of Better.Smarter.Faster. and our values allows us to operate more efficiently with greater distribution of responsibility and accountability throughout the Company. It is how we continue to improve our businesses and respond quickly and effectively to changing economic environments.

The EarthLIGHT Report is a way for us to show how building a stronger business and helping to have a positive environmental impact go hand in hand. Together, we remained true to pursuing our strategic priorities in fiscal 2023 and illustrated that what we do matters:

- We continued to develop and sell products and services that help our customers save energy and reduce carbon emissions during usage.
- We advanced our social initiatives to be the place where the best people come to do their best work and to make our communities better.
- We continued to operate with integrity and transparency.
- We made significant and ongoing improvements in our business that are powering our performance and creating value for shareholders.

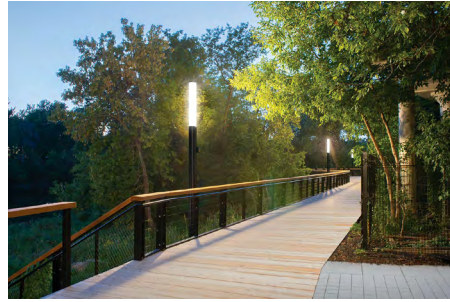
As we look ahead to fiscal 2024, our strategic priorities remain the same and I'm confident we will continue to deliver results and create value for our shareholders.

Best,

**NEIL M. ASHE**

CHAIRMAN, PRESIDENT AND  
CHIEF EXECUTIVE OFFICER

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# INTRODUCTION

Positioned at the intersection of sustainability and technology.



## IN THIS SECTION

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# ABOUT THE EarthLIGHT REPORT

## EARTHLIGHT – OUR APPROACH TO ESG

EarthLIGHT is the way we coordinate our efforts around Environmental, Social, and Governance considerations, measure our performance in key areas, and communicate about those efforts to our various stakeholders. The EarthLIGHT Report shares Acuity’s annual progress update on our specific efforts around ESG.

At Acuity Brands, our strategy and values guide us, and we are always looking for ways to improve our ESG processes and impact. Feedback from our associates, customers, channel partners, suppliers, investors,

and Board of Directors helps inform our thinking and approach to sustainability.

We strive to do good things for the environment, do right by our people and our communities, and conduct ourselves in a way that makes us a trusted business partner.

Through this EarthLIGHT Report, we are proud to share our progress with you.



“I’m grateful to be at a Company so focused on solutions that save customers energy and operating costs, on attracting and developing the best people, on making our communities better, and on doing all things with integrity. Our people respect each other and have some fun together along the way. We have created something very special here.”



**BARRY GOLDMAN**  
SENIOR VICE PRESIDENT  
AND GENERAL COUNSEL

# FOLLOWING INDUSTRY FRAMEWORKS

This 2023 EarthLIGHT Report is informed by our industries’ sub-sectors — Electrical and Electronic Equipment and Software and IT Services — from the Sustainability Accounting Standards Board (SASB) framework as one of many inputs for our ESG planning, measuring, and reporting decisions. We continue to evaluate other frameworks with which we might align our reporting in the future. The following SASB Sectors and Sub-Sectors most closely describe our business segments:

SASB Sector	SASB Sub-Sectors	Possible Disclosure Topics
Resource Transformation	Electrical & Electrical Equipment	<ul style="list-style-type: none"> <li>• Energy Management (Environment)</li> <li>• Product Safety (Social Capital)</li> <li>• Product Lifecycle Management (Business Model)</li> <li>• Materials Sourcing (Business Model)</li> <li>• Business Ethics (Leadership &amp; Governance)</li> </ul>
Technology & Communications	Software & IT Services	<ul style="list-style-type: none"> <li>• Data Privacy &amp; Freedom of Expression (Social Capital)</li> <li>• Data Security (Social Capital)</li> <li>• Intellectual Property Protection &amp; Competitive Behavior (Leadership &amp; Governance)</li> <li>• Recruiting &amp; Managing a Global, Diverse, &amp; Skilled Workforce (Human Capital)</li> </ul>

You can find the SASB Index on page 72 of this Report.



# ABOUT ACUITY BRANDS

Acuity Brands, Inc. is a market-leading industrial technology company. We use technology to solve problems in spaces, light, and more things to come. Through our two business segments, Acuity Brands Lighting and Lighting Controls (ABL) and the Intelligent Spaces Group (ISG), we design, manufacture, and bring to market products and services that make a valuable difference in people’s lives.

We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management solutions, and location-aware applications. We achieve customer-focused efficiencies that allow us to increase market share and deliver superior returns. We look to aggressively deploy capital to grow the business and to enter attractive new verticals.

Based in Atlanta, Georgia, with operations across North America, Europe, and Asia, we are powered by more than 12,000 dedicated and talented associates.

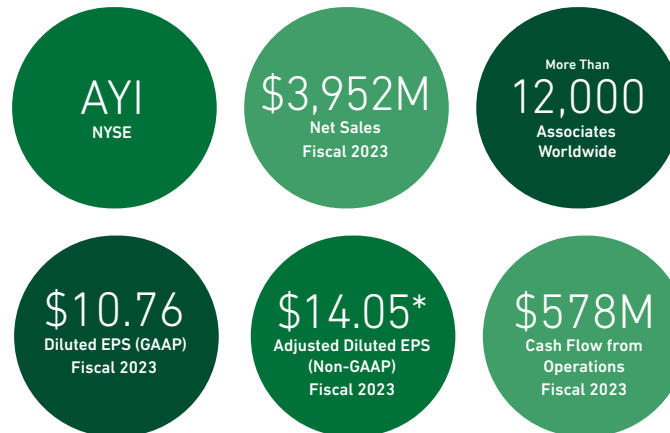
## MISSION

WE USE TECHNOLOGY TO SOLVE PROBLEMS IN SPACES, LIGHT, AND MORE THINGS TO COME.



**KAREN J. HOLCOM**  
SENIOR VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER

“We action our strategy through EarthLIGHT to drive our transformation forward. In fiscal 2023, we continued to execute well. We grew our adjusted diluted earnings per share 10 percent year over year and generated cash flow from operations of \$578 million. We continued to improve our businesses, and allocated capital effectively. I am encouraged by our progress and the value we continue to create for our stakeholders.”



\*This is a non-GAAP financial measure used by the Board of Directors and management to assess the performance of the business. Fiscal 2023 Adjusted Diluted EPS is adjusted net income (\$452.0M) divided by diluted fiscal 2023 weighted average shares outstanding (32.164M). Adjusted Net Income is calculated as Net Income (\$346.0M), plus amortization of acquired intangible assets (\$42.1M), plus share-based payment expense (\$42.0M), plus supplier recovery charge (\$13.0M), plus loss on a sale of a business (\$11.2M), plus special charges (\$26.9M) plus impairments on investment (\$2.5M), minus income tax effects (\$31.7M).



# FISCAL 2023 HIGHLIGHTS

## IN FISCAL 2023

We delivered **STRONG FINANCIAL PERFORMANCE**, and we continued to **IMPROVE** our business and **ALLOCATE CAPITAL** effectively

**\$4B**

Our dedicated team of associates helped us deliver approximately **\$4 billion** in annual net sales

EFFECTIVE CAPITAL ALLOCATION



## PRIORITIZED INVESTMENTS

FOR GROWTH IN OUR CURRENT BUSINESSES

**Enhanced** our portfolio through an acquisition  
**Maintained** our dividend  
**Repurchased** shares to create permanent stockholder value



## In our **ABL SEGMENT** our strategy is to INCREASE PRODUCT VITALITY,

elevate service levels, use technology to improve and differentiate both our products and our services, and drive productivity. We:

- **realigned our product portfolio** through the introduction of Design Select™ to better serve lighting specifiers, distributors, and electrical contractors
- **strategically managed price** in a dynamic environment as a result of our ongoing product vitality efforts and the realignment of our product portfolio and elevated service
- **improved our processes and management** of costs as a result of ongoing productivity improvements
- **refreshed our product portfolio** and won several notable awards for our products

## We have become a VALUES-DRIVEN ORGANIZATION



We continued the development of our **BETTER. SMARTER. FASTER.** operating system

In our **ISG SEGMENT**, our strategy is to make spaces **SMARTER, SAFER, AND GREENER** by connecting the edge to the cloud. In 2023, ISG continued to grow. We:

- **expanded our addressable market** for Distech Controls by entering the UK market and adding commercial refrigeration controls to our portfolio through the acquisition of KE2 Therm Solutions, Inc. ("KE2 Therm")
- **launched Atrius® DataLab**, the intersection point between Distech Controls® controllers at the edge and Atrius® applications in the cloud
- **won several notable awards** for Atrius® Energy and Atrius® Sustainability, including Atrius being named as a Sustainability Leadership Award winner in the 2023 Sustainability Awards program

# CONTINUING TO MAKE AN IMPACT

## Taking Aim at Net-Zero and Updating Our Goals and Progress

### WHAT WE DO MATTERS

We develop and sell products and services that help our customers save energy, save operating costs, and reduce carbon emissions during usage. While building an even more valuable business, we are also reducing our carbon footprint and helping our customers do the same.



### OUR FOCUS ON NET-ZERO

Last year we took The Climate Pledge as part of our ambitious goal of attaining net-zero greenhouse gas (“GHG”) emissions by 2040. The Science Based Targets initiative (SBTi) has verified our net-zero science-based target – to reach net-zero GHG emissions across our value chain by 2040. This goal is in alignment with our goal of selling more products and solutions to help save energy and reduce carbon emissions while reducing our own operating costs.



**We now have approved near\* and long-term science-based emissions reduction targets\*\* with the SBTi.** We have near-term targets for Scope 1+2 (2029) and for Scope 3 (2030). Our Scope 3 target focuses on reducing our largest carbon emissions source: the emissions generated from customer use of our products. Once we achieve our near-term targets, we expect to continue reduction efforts aimed at achieving our long-term goal of net-zero by 2040.

SBTi “drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets” and is “a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments.”<sup>i</sup>



\*To reduce absolute scope 1 and 2 GHG emissions 42.8% by fiscal 2029 from a fiscal 2019 base year and to reduce scope 3 GHG emissions from use of sold products 66.3% per USD value added by fiscal 2030 from a fiscal 2015 base year.

\*\*To reduce absolute scope 1 and 2 GHG emissions 90% by fiscal 2040 from a fiscal 2019 base year and to reduce scope 3 GHG emissions covering use of sold products 97% per USD value added by fiscal 2040 from a fiscal 2015 base year. Direct emissions reductions will be prioritized.

Acuity Brands declared carbon neutrality in its operations in fiscal 2021 based on the purchase of renewable energy certificates (RECs) and verified carbon offsets to counterbalance our estimated Scope 1 and 2 emissions (i.e., our operational emissions), as reflected in our EarthLIGHT Report for that year. Moving forward, we have set our sights on our net-zero targets described in this Report.








### WHAT IS A “PLEDGE”?

When we say “take the Climate Pledge” or “commit to reach net-zero by 2040” or make similar statements, we are indicating our enthusiasm about the aims and objectives of these programs based on our present knowledge of the conditions, technologies, and other factors before us. We are also stating our plans to focus efforts to achieve those aims and objectives while balancing all of the factors required to operate a high-performing business. Many of the factors influencing performance towards those ends are outside of our control, and it is difficult to see into the distant future with certainty. We nevertheless intend to press ahead in our strategy to save energy, reduce carbon emissions, and improve the lives of our associates, customers, and communities. We will continue to adjust, revise, or set new or alternative goals, targets, or plans, or take other actions guided by our values and business strategies as we monitor and navigate the evolving landscape, technology, laws, regulations, and climate-related guidance over time.

# OUR ESG TARGETS

By setting impactful EarthLIGHT targets, we raise our own expectations for what we are capable of doing going forward while showcasing the steps we've taken to get where we are today. Our targets reflect our goal of making a positive impact on the planet and helping our associates, customers, and our suppliers do the same. This includes our goal to reach net-zero emissions by 2040.

We have made progress on our journey and are excited to share our progress on our fiscal 2023 targets in the table to the right.

OUR GOALS		OUR ESTIMATED PROGRESS IN FISCAL 2023
 <p><b>Reduce Scope 1 and 2 Emissions</b> by 42.8% between fiscal 2019-2029 (This target has been verified by the SBTi and is in line with a 1.5°C trajectory.)</p>	<p><b>We decreased our Scope 1 and Scope 2 emissions by 6.2%</b> in fiscal 2023, and <b>by 25.6% overall</b> from fiscal 2019 to fiscal 2023.</p>	
 <p><b>Reduce Scope 3 Emissions Intensity* Covering Use of Sold Products</b> by 66.3% per USD value added between fiscal 2015-2030 (This target has been verified by the SBTi.)</p>	<p><b>We reduced our Scope 3 Emissions Intensity* covering use of sold products by 32.0% per USD value added</b> in fiscal 2023, and <b>by 69.3% per USD value added</b> from fiscal 2015 to fiscal 2023.</p>	
 <p><b>Enable 100 Million Metric Tons of Carbon Avoidance</b> by fiscal 2030 through the use of our put-in-place products and services replacing older products in existing buildings</p>	<p><b>We enabled 22.9 million metric tons of carbon avoidance</b> from fiscal 2020 to fiscal 2023 through the use of our put-in-place products and services, putting us on course for 107 million metric tons of carbon avoidance by fiscal 2030.</p>	
 <p><b>Reach an Average Supplier Score of 3.0</b> on our Responsible Sourcing Metric by fiscal 2025</p>	<p><b>We achieved a score of 2.57</b> — more than 0.5 higher than our interim fiscal 2023 target of 2.0. We measure our supply chain partners on a scale of 1 – 4 points across a variety of ESG best practices.</p>	
 <p><b>Achieve an Ethical Culture Score** (Trust Index)</b> at or above the norm for High-Performing Companies by fiscal 2025 (in 2023, this norm was 85)</p>	<p><b>We achieved a score of 83</b> — maintaining the same level of confidence among our associates as shown by our fiscal 2022 score. We are setting our sights on further increasing our Ethical Culture Score over the next two years.</p>	
 <p><b>Achieve a Sustainable Engagement Score**</b> at or above the norm for High-Performing Companies by fiscal 2025 (in 2023, this norm was 88)</p>	<p><b>We achieved a score of 85</b> — maintaining the score we achieved in fiscal 2022 and the progress we made from our fiscal 2021 score (84). We are setting our sights on performing at or above High-Performing Companies.</p>	
 <p><b>Maintain a Belonging and Inclusion Score** (Inclusion Index)</b> at or above the norm for High-Performing Companies (in 2023, this norm was 84)</p>	<p><b>We achieved a score of 85</b> — surpassing other High-Performing Companies and highlighting consistent progress from our fiscal 2022 and fiscal 2021 scores, which were 84 and 82 respectively. We are setting our sights on further favorable comparison to High-Performing Companies.</p>	

\*Our Emissions Intensity from the Use of Sold Products is emissions from sold products divided by net sales (kg CO<sub>2</sub>e / \$ net sales).

\*\*We use and consult with Willis Towers Watson for our Associate Engagement Survey. We compare ourselves to the norms provided for Manufacturing, Technology and High-Performing Companies using this extensively utilized survey instrument and associated data.

# OUR IDENTIFIED POTENTIAL SCOPE 1, 2, AND 3 LEVERS

## UNDERSTANDING CARBON EMISSIONS

**Scope 1** emissions include direct emissions from our owned or controlled sources.

**Scope 2** emissions include indirect greenhouse gas emissions from the generation of the electricity we purchase.

**Scope 3** emissions include all indirect emissions resulting from upstream and downstream activities by others in the value chain, including material sourcing, production, transportation consumption, use, and disposal/recycling processes.

## OUR IDENTIFIED POTENTIAL SCOPE 1, 2, AND 3 LEVERS

We continue to further develop our sustainability efforts and explore carbon reduction and mitigation strategies. In fiscal 2023, we identified additional potential levers consistent with our business strategies, to help achieve net-zero emissions across our value chain by 2040.

### SCOPE 1 AND 2 LEVERS

#### Continue investing in operational energy efficiency.

We plan to enhance our processes and deploy efficient technologies – including our own – across our manufacturing, distribution, and office footprints.

**Expand the use of low-carbon energy.** To reduce our carbon footprint, we will explore implementing on-site solar generation, off-site power purchase agreements, or other sources of renewable energy at some of our buildings in a sequenced approach considering carbon reduction, cost, and business continuity.

#### Transition away from natural gas as a heat source.

Where appropriate, we will explore opportunities over time to reduce our use of natural gas, whether through electrification or new alternatives to natural gas that may become commercially available, considering carbon reduction, cost, and business continuity.

#### Explore ways to reduce emissions from our owned fleet.

Although our owned fleet of tractor trailers is small, we will explore opportunities to shift away from diesel fuel and expand route optimizations and/or electrification of our fleet when feasible.

### SCOPE 3 LEVERS

**Eliminate legacy products.** Our business has mostly shifted away from fluorescent and HID technologies to newer LED technology. By the end of calendar 2023, we expect to discontinue our general production of fluorescent and HID fixtures entirely and help our customers complete their own transition to LED.

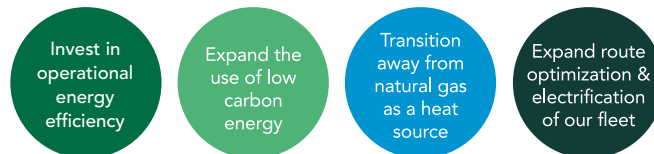
**Expand adoption of lighting controls and building management solutions.** These two types of offerings in our portfolio help customers reduce their own Scope 2 emissions while adding nothing or very little to our own Scope 3 footprint.

**Improve driver and LED efficiency.** We expect LED technology to improve incrementally over the coming decade, and our labs and partners will continue to look for ways to increase lighting energy performance.

**Advance electrical grid efficiency.** Our Scope 3 footprint, from the use of sold products, is closely tied to the efficiency of spaces and the sources of electricity used by our end users. We will seek opportunities to influence relevant industry and regulatory standards to achieve our goals.

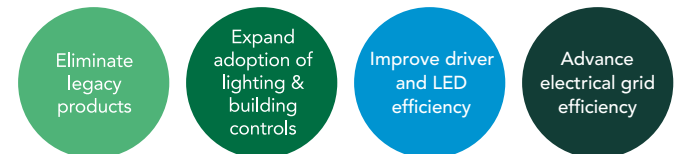
### Scope 1 & 2 Reduction

Major Levers to Net Zero



### Scope 3 Reduction

Major Levers to Net Zero



# REDUCING OUR CUSTOMERS' CARBON FOOTPRINT

Providing more efficient solutions to our customers enables us to be better environmental stewards.

## 100M METRIC TONS OF CARBON AVOIDANCE

Our goal is to enable our customers to avoid 100 million metric tons of carbon emissions by fiscal 2030. This goal is based on our projected sales of LED luminaires, lighting controls, and building and refrigeration controls replacing older technologies in existing buildings and on driving innovation and performance across our Company. Our estimated progress to date is shown to the right.

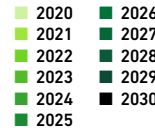
While our corporate carbon footprint assesses the environmental impact of our products and processes, we also estimate the environmental benefits of removing older, less-efficient technology from a building, which we refer to as

a carbon 'handprint.' Details of how we calculate carbon avoidance can be found in our white paper entitled, "EarthLIGHT Handprint Report Methodology."

Helping customers reduce their carbon footprint is one way that we believe we make a measurable impact on minimizing climate change.

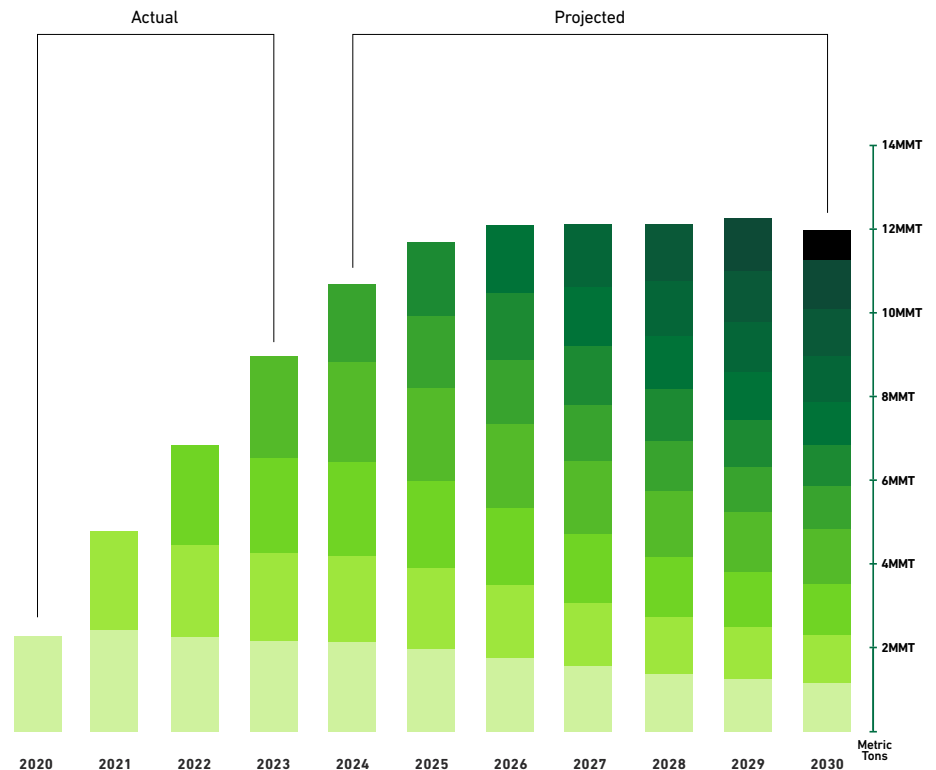


## 2023 HANDPRINT PROGRESS UPDATE



>100MMT

The sum of years 2020-2030 is projected to be 107 million metric tons of CO<sub>2</sub> avoidance.



The estimated cumulative impact of Acuity's contribution to reducing carbon emissions by 2030 is shown in this table. Future year contributions diminish due to the Grid Emission Factor, increasing efficiency of buildings undergoing renovation, and the expected leveling-off of LED efficiency.

# SEGMENT OVERVIEW

Our two business segments include **Acuity Brands Lighting and Lighting Controls** and the **Intelligent Spaces Group**.

## IN THIS SECTION

**16** Acuity Brands Lighting and Lighting Controls (ABL)

**26** Intelligent Spaces Group (ISG)



# OUR BRANDS

## ACUITY BRANDS LIGHTING AND LIGHTING CONTROLS

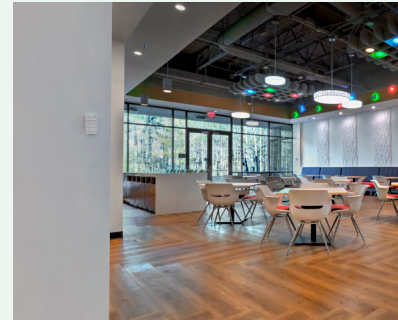
### LIGHTING



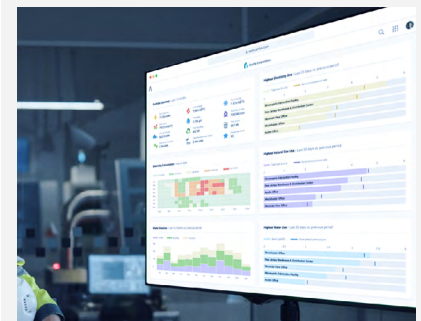
### CONTROLS



### COMPONENTS



## INTELLIGENT SPACES GROUP

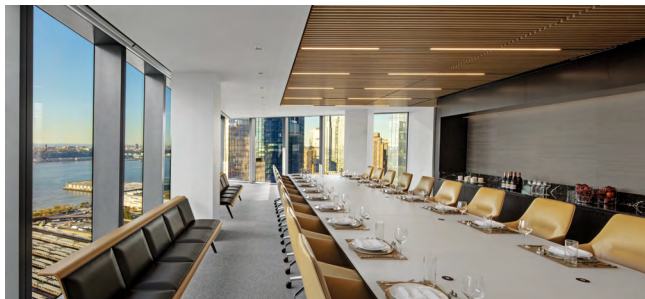


# ACUITY BRANDS LIGHTING AND LIGHTING CONTROLS

## ABL Fiscal 2023 Highlights

### ABL MISSION

Our mission at ABL is to provide sustainable, inspiring, and intelligent lighting solutions that enrich communities where people live, learn, work, and play. We bring this mission to life through our strategy which is to increase product vitality, elevate service levels, use technology to improve and differentiate both our products and our services, and drive productivity.



“We’re committed to delivering value to our customers through innovation, operational efficiency, and a focus on energy savings and sustainability. Alignment on sustainability goals is increasingly crucial as we prioritize energy-saving solutions for end users, including evaluating the environmental impact of our products and seeking packaging and shipping efficiencies to contribute to those goals. The progress we made in fiscal 2023 and will continue to make in fiscal 2024 on these efforts is a direct result of actioning our ABL strategy of product vitality, service, technology, and productivity.”



**TREVOR PALMER**  
PRESIDENT, ACUITY BRANDS LIGHTING AND LIGHTING CONTROLS







## Elevating Service Levels with Design Select

A primary example of actioning our ABL strategy while also delivering products and services that aim to save energy and reduce carbon was the development and launch of our Design Select™ program. We developed the Design Select program in fiscal 2023 to make it easy for the specification community to choose superior solutions with dependable service. We now have three defined ways in which we go to market from a portfolio standpoint: Contractor Select™, Design Select, and Made to Order. **By combining high product vitality and elevated service levels, Design Select allows us to better serve lighting specifiers, distributors, and electrical contractors with highly configured products for projects on tight deadlines.**

Design Select provides customers with a broad selection of the most popular and readily available lighting and controls products and options in ABL's portfolio. We launched Phase 1 with 16 luminaire families and 22 controls families, which meet important specification needs, from some of our core lighting and lighting controls brands, including Aculux®, Gotham®, Lithonia Lighting®, Mark Architectural Lighting™, n-Light®, and SensorSwitch™.

The Design Select portfolio also includes embedded controls options available within each luminaire product family to help meet energy codes, lower total installed cost, and ease lighting controls design.

ABL continues to elevate service levels, building the customer confidence that differentiates us in the marketplace. We aim to give our customers what they want, when they want it. Our strategic suppliers share that same focus on delivering dependable and superior service to help meet customer expectations. Our ABL teams have built a strong program to meet the needs of our customers in the project space. The result: we continue to reduce lead times, increase on-time delivery, and drive process efficiencies and productivity.

design  
select™

# DC2DC Architecture: Power Efficiency for Sustainable Classroom Applications

Today's built environment is generally powered by Alternating Current (AC), but the use of Direct Current (DC) is expanding across various applications, including electric vehicles, mobile devices, and IT networks. That's good news for the future of sustainable building design, as more and more spaces integrate DC power sources, like on-site solar and energy storage batteries, that save energy. But until DC power integration becomes commonplace, AC power must be converted to DC power before it can be used by any DC-compatible device, such as common LEDs. Converting AC to DC power results in efficiency losses of up to 10%<sup>ii</sup> and relies on electrolytic components used to convert AC to DC, which are among the most common failure points in electronic devices. Eliminating AC to DC conversions improves overall system efficiency and reliability.

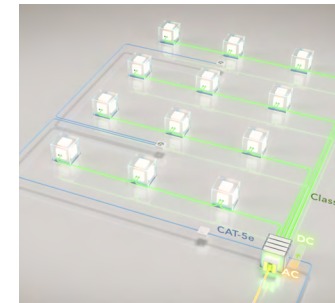
To help foster the adoption of the use of DC power in building design, the US Green Building Council introduced a LEED® credit for Direct Current Power Systems<sup>iii</sup> as well as consideration for DC-powered systems under its LEED Zero certification.

Our DC2DC Architecture distributes DC power to a space's entire LED lighting system through

a single-point conversion DCHUB, eliminating the need and cost to convert AC to DC power at each luminaire's LED driver.

The DC2DC Architecture utilizes Class 2 low voltage DC wiring, **eliminating the need for power packs, junction boxes and conduit to luminaires, providing reductions of both materials and related installation hours (requirements may vary according to local code)**. The reduction of high voltage AC power connections provides for a corresponding reduction in installation time required from licensed high-voltage electricians. The installation and commissioning of lighting controls are simplified with fewer required components and cabling, and a simplification of wiring connections.

Because of this, our DC2DC Architecture delivers savings at design and installation, facilitates maintenance, and empowers lighting design. The DC2DC Architecture's control cabling and DC powered LED drivers provide native support for Tunable White applications. Tunable White lighting promotes an intellectually stimulating environment, enabling the creation of scenes and modes that can be aligned with key activities, to promote a more focused, relaxed or energetic setting.



Our built environment relies on the quality of energy available to power it. Nationwide investments in grid modernization and resiliency are driving electrification, converting buildings to more carbon-friendly electrical systems, and facilitating installation of renewable energy sources at the building level.



# Reimagining Sustainability's Role in Lighting Design at A-Light

Aligned with our net-zero ambition and our work to reduce the environmental impact of the materials used in our products, our A-Light team challenged themselves to think differently in fiscal 2023, looking at our design process, the materials we use, how we manufacture, and how we source and ship. **Our newest A-Light™ product innovations are an example of how our teams are advancing architectural products to lower our carbon footprint and help our customers do the same.**

The A-Light Lean, Stitch, and Wings products enhance aesthetic appeal, performance, and environmental impact.

- **A-Light™ Lean** is an acoustic lay-in with colorful felt-like panels that delivers efficient lighting to a space. Lean is 80% lighter than typical 2'x2' fixtures, which reduces shipping impact by as much as 88%.
- **A-Light™ Stitch** prioritizes faces and spaces with a unique lighting distribution that creates a comfortable environment. Stitch is 60% lighter than comparable 4' linear products, which reduces shipping impact by as much as 66%.
- **A-Light™ Wings** features an airy structure and virtually weightless appearance, evoking a paper-inspired design. Wings, which reduces shipping volume by as much as 66% compared to standard 4' pendants, is also made of 100% recyclable materials.

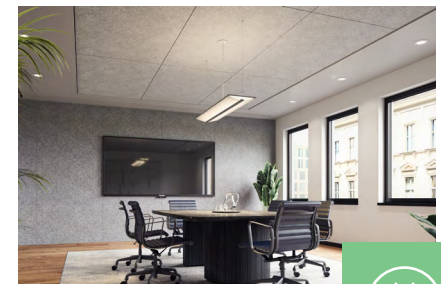


Get in the zone with this linear fixture that enhances person-to-person collaboration.



Add a pop of color to airy dining settings, lounges, break rooms, and more.

This lightweight and collapsible trio of products is 90% recyclable and contains recycled content. Our focus on the selection of materials — aiming to avoid Red List components identified by the Living Building Challenge® — and output optimization of these products is already helping us create more energy-efficient solutions for our customers, whose use of our products comprise the largest category of our Scope 3 footprint.



Perfect addition to a conference room where faces can be illuminated.



# ABL Awards and Certifications

Acuity Brands Lighting and Lighting Controls solutions won several awards in fiscal 2023. **Our focus on innovation, sustainability, and energy-efficient product design is underscored by the evaluation and recognition of our products and services.** The accolades below were awarded based on a variety of criteria including excellence in sustainability, product innovation and advancements, design, performance, and contributions to the lighting industry.



## ARCHITECT'S NEWSPAPER BEST OF PRODUCTS AWARD

Luminis® Inline family

## ARCHITECTURAL SSL PIA

A-Light™ Absorb 1  
 A-Light™ Relay  
 Eureka® Berri  
 Eureka® Billie  
 Eureka® Caldera  
 Eureka® Henri  
 EVO® 6" Downlight and Cylinders with Care222® Technology from Gotham  
 Hydrel® SAF1 & SAF28  
 IOTA® ILB CP10 HE AELR  
 Wireless Emergency Driver  
 Juno® T286L Flat Back Cylinder  
 LED Trac Head  
 Luminaire LED™ VCM8  
 Luminis® Bellevue  
 Luminis® Hollowcore  
 Luminis® Scena  
 MARK Architectural Lighting™  
 Markline 101

MARK Architectural Lighting™  
 WHSPR with Care222® Technology  
 Renna™ Direct Wall-Mount Solution by Peerless®

## GRANDS PRIX DU DESIGN

A-Light™ Relay  
 A-Light™ Absorb 1  
 Eureka® Billie

## GREEN GOOD DESIGN SUSTAINABILITY AWARD

A-Light™ Lean  
 A-Light™ Stitch  
 A-Light™ Wings

## GOOD DESIGN AWARD

A-Light™ Relay  
 A-Light™ Absorb 1  
 Eureka® Berri  
 Eureka® Billie  
 Eureka® Caldera  
 Eureka® Henri  
 Luminis® Bellevue  
 Luminis® Scena

## IES 2023 PROGRESS REPORT WINNERS

WarmDim® technology from Aculux®  
 A-Light™ Lean  
 EVO® 4" and 6" Emergency Battery Backup Cylinders from Gotham®  
 Incito™ 4" and 6" Emergency Battery Backup Cylinders from Gotham®  
 Hydrel® FLAME lighting technique  
 Lithonia Lighting® D-Series  
 Proper™ from Peerless®

## 2023 LEDS MAGAZINE BRIGHTSTAR AWARD

A-Light™ Lean  
 Cyclone™ Tribeca  
 Luminis® Clermont  
 Mark Architectural Lighting™ SLOT 1  
 nLight® AIR Wireless EM Solution

## LIT DESIGN AWARDS

A-Light™ Lean  
 Eureka® Billie  
 Eureka® Caldera  
 Hydrel® SAF Family  
 Luminis® Bellevue  
 Luminis® Hollowcore

## RED DOT DESIGN 2023 AWARD

Luminis® Clermont Family, Product Design Category  
 Eureka® Arena  
 Eureka® Tangram-Cut  
 Eureka® Tangram-Essential  
 Eureka® Tangram-Tact

## RED DOT DESIGN – BEST OF THE BEST 2023 AWARD

Eureka® Tangram-Trace



Top: Billie by Eureka® offers a large visual presence with an attractive rounded conical shape.



Hydrel® FLAME - a patent-pending lighting technique with two beams in one luminaire.

# Transforming Our Customer Experience with the Help of Extended Reality

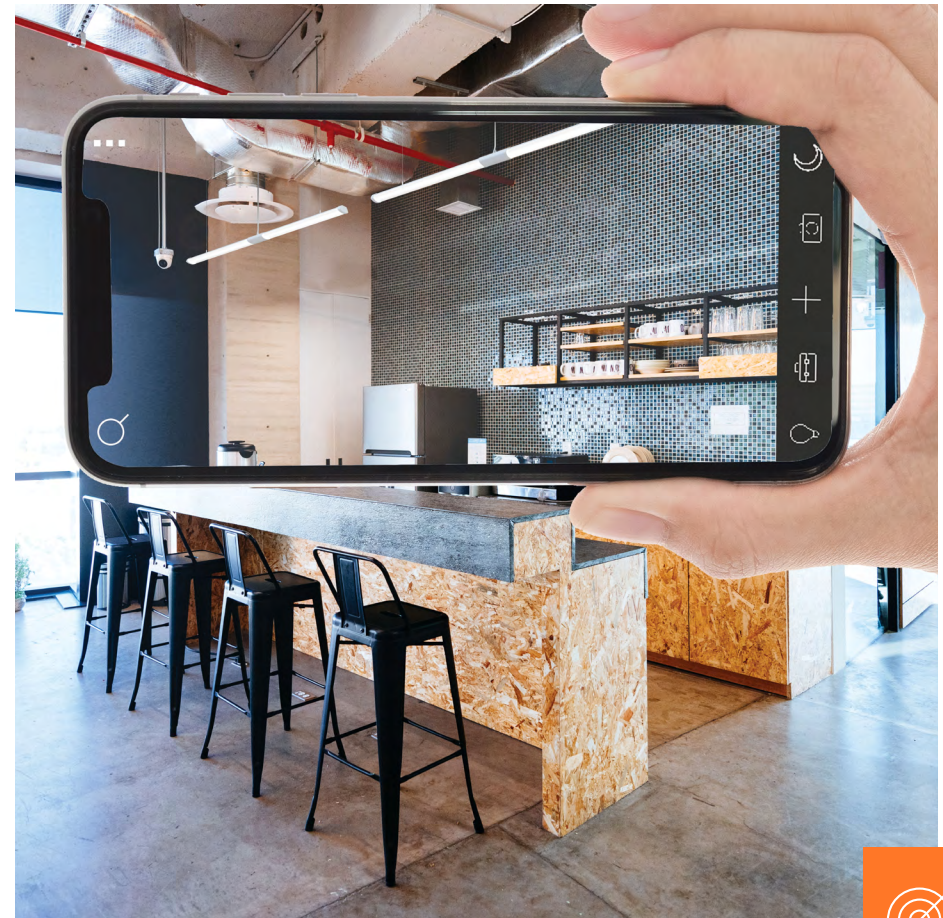
In an increasingly digital world, our customers want to preview products on their phones and access online training when it's convenient for them.

**Acuity's augmented reality (AR) and virtual reality (VR) applications provide customers with high-quality, immersive digital experiences at their fingertips, easily connecting them with solutions that help lower their carbon footprint.**

The Acuity Brands® AR App enables customers to visualize lighting products and calculations in real-time. Free to download on devices using iOS and Android operating systems, the app allows users to test different lighting scenarios, analyze data to identify the most energy-efficient options based on their application needs, and compare how our products will look and perform in their built environment.

Our Lighting Fundamentals and Everyday Lighting VR training apps bring spaces to our customers to enable a fully immersive learning experience. These cutting-edge training programs elevate Acuity Brands' existing learning options and are free to download on the Meta Quest VR headset. As compared to an equivalent number of in-person trainings, this technology has helped us avoid up to 188 metric tons of carbon emissions that would otherwise have been emitted if 300 attendees flew by plane an average of 2.5 hours to attend.

Of course, as the impact of digital technology continues to grow, our focus on pioneering technologies will scale with it. Our AR and VR apps are just the start of our planned next-generation customer support.



Acuity has developed a unique AR solution that enables customers to visualize lighting products and calculations in real-time.



# Creating a Brighter Future at an Innovative School

Acuity Brands was part of the culmination of a two-year endeavor resulting in the establishment of North Star Elementary School, a collaborative effort between White Bear Lake Area Schools, district staff and administrators, and architectural experts from Wold Architects & Engineers. Located in Hugo, Minnesota, this state-of-the-art elementary school accommodates kindergarten through fifth-grade students with a capacity of up to 720 students. Its primary aim is to foster a bright future through its innovative design.

In addition to its impressive architecture, North Star Elementary School features a remarkable lighting installation, a result of the expertise of Hallberg Engineering, Inc.

The lighting design incorporates the following products from the Acuity Brands Lighting and Lighting Controls portfolio to accentuate both the aesthetics and functionality of the school and minimize energy consumption, address code requirements, and enhance occupant comfort.

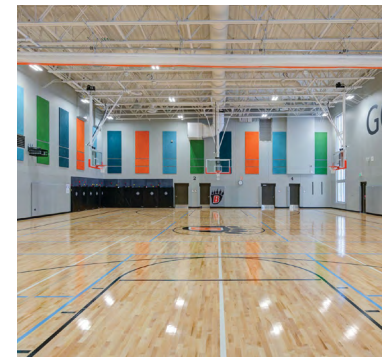
- Slot 4 Recessed Linear Lighting with Static White & Tunable White and Full Circle™ Linear Lighting by Mark Architectural Lighting™
- LC8S LED 8in Round Cylinder Surface Mount L-Series by Indy™
- EPANL Highly Configurable LED Flat Panel, VAP Architectural Vandal-Resistant LED Linear Luminaire, and ZL Series LED Strip Light with Drop Lens and Uplight by Lithonia Lighting®
- Controls by nLight® for optimized building wide strategies

\*Full Circle is a trademark of HOK Product Design, LLC



Project: North Star Elementary School Location: Hugo, MN Agent: Davis & Associates, Inc.  
Specifier: Hallberg Engineering Engineering: Wold Architects & Engineers  
Photographer: Endeavour Architectural Photography

North Star Elementary School serves as a notable example of innovative school design, effectively combining urban and rural elements while embracing the natural beauty of the surroundings. The construction and lighting and controls solutions resulted in a welcoming environment conducive to learning for students, staff, and the community alike, while also helping to minimize energy consumption.



## Reinvigorating an Urban Library with Unexpected Lighting

Our Eureka® contemporary lighting products helped bring to life an urban library transformation in Spokane, Washington. Designers for the Spokane Public Library turned to us for luminaires with a circular form to guide the design across the building's fun and functional active spaces.

The distinctive, specification grade decorative luminaires from Eureka provided versatility needed to reinvent the library's public space, meeting rooms, event space, media studios, business lab, children's play area, and even a café, including:

- **Odeon circular luminaires** clustered as a statement piece suspended from a vaulted ceiling. Each pendant features a dual-sided curving LED light source that provides 360-degree illumination of a ring over a surface.
- **Odeon pendants** suspended floor-to-ceiling to illuminate a low stage and casual lounge seating in an event space and suspended on very short aircraft cables in the children's play area to provide a fun contrast against a pale green drop ceiling.
- **Mika round globes** to create whimsical cloud-like puffs in the children's play area and to add interest and illumination over book stacks in the library.
- **Arena-Ring** fixtures bisected with **Arena-Slice Round** luminaires to provide ambient illumination and direct lighting for tables in the New Leaf Café and downlight for worktables in the traditional library areas. Slice linear luminaires attach with magnetics, creating flexibility to adjust them as needed.



Project: Spokane Central Library  
 Location: Spokane, WA  
 Agent: J.C. Wright Lighting  
 Specifier: Escent Lighting Design  
 Photographer: Grand Showing Photography

Washington State has one of the strictest energy codes in the country, and these regulations are at the heart of any lighting design project. Luminaires in the library feature dimming capability, as dictated by the code. And all are managed with ABL's **nLight®** networked lighting controls platform. Library staff can seamlessly control the illumination in the various spaces day and night: they can adapt lighting environments for specific events, improve occupancy comfort, and ultimately contribute to reduced energy costs.

**A 2020 report from the DesignLights Consortium estimates average energy savings of 49% among the studied buildings with networked lighting controls compared to those without networked lighting controls.<sup>iv</sup>**



The project is expected to reduce streetlighting energy use by more than 50 percent per year and municipal carbon emissions by more than 9 percent compared to 2021.

Photographer:  
Jared Piper



## Making Philadelphia Streetlights Greener with AutoConnect

The Philadelphia Energy Authority (PEA) chose our American Electric Lighting team to supply new cobra-style and residential post-top LED streetlights for its \$91.2M Philadelphia Streetlight Improvement Project. With installation having begun in August 2023, the two-year, citywide program will convert 130,000 high-pressure sodium streetlights into a network of more efficient, longer-lasting LED lights. Our American Electric Lighting® brand will supply around 100,000 LED luminaires for the project, the vast majority of which are **AutoConnect luminaires**.

**AutoConnect streetlights combine visually comfortable performance with a wide assortment of embedded and field-installed lighting controls and sensor technologies. These work together to improve energy utilization, provide enhanced operations and diagnostics, and simplify asset management.**

Equipped with intelligent DALI® D4i™ drivers, our AutoConnect LED luminaires also communicate directly to a third-party secure network that can remotely control the lights. They offer a level of connectivity that will enable the Philadelphia Energy Authority to receive instant updates on outages and dim or brighten fixtures in real-time. In addition, the DALI-compliant drivers will easily allow for future deployment of service and capability upgrades and add-on accessories as needed — a good thing since this is the largest energy efficiency project the city has ever done, and it will touch every single neighborhood in the city.

Our innovative products are not only helping to support public safety by improving the ability for pedestrians, bicyclists, and motorists to see at night, they are contributing to a next generation streetlighting system that's better for the environment than less efficient products. In fact, according to the PEA, the project is expected to reduce streetlighting energy use by more than 50 percent per year (reduction of 39,306,857 kWh) and municipal carbon emissions by more than 9 percent compared to 2021 (avoidance of 122,750 metric tons of CO<sub>2</sub>).



# Engaging Our Network Through EarthLIGHT in Action

Over the last few years, we've amplified our focus on connecting with our neighbors and supporting the environment to help build a better planet. We believe that creating a positive impact at the local level is key to helping make communities better.

**We created the EarthLIGHT in Action initiative to illustrate how companies can engage with their network to make a meaningful difference locally and have a global impact.** Working with our sales channel leadership, we encourage members of our Independent Sales Network to get involved, give back to our local communities, and bring greater visibility to the good being done to encourage others to do the same.

Our EarthLIGHT in Action program focuses on the principles of sustainability and community engagement, encouraging our people, Independent Sales Network, and customers to **'Think Global, Act Local.'** We know that addressing the growing number of challenges facing our communities requires collaboration and localized efforts. In addition, we want to showcase projects where our products help save energy and reduce carbon emissions.

In fiscal 2023, 30 agencies from our Independent Sales Network organized their own EarthLIGHT in Action initiatives. One third of these agencies joined our program for the first time. We also expanded the program this year to our distributor and contractor customers, allowing for greater engagement across ABL's network and broader visibility of activities at the local level. The EarthLIGHT in Action program received national recognition in 2023 for winning tED Magazine's Best of the Best Award in the Public Relations / Corporate category for excellence in marketing.

In fiscal 2023, through this initiative and engagement with our Independent Sales Network and our customers, we created the following impact in local communities:

**100+** EarthLIGHT in Action activities

**80** organizations supported

**\$90,000** in donations to eight charitable organizations

**Hundreds** of social media posts to raise awareness

The organizations impacted help solve the global crises of our time: poverty, climate change, hunger, veterans support, and other issues impacting our communities.

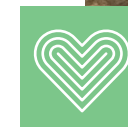
[#EarthLIGHTinAction](#)



Above: James G. Murphy Company associates spent their outreach time helping to build homes with Habitat for Humanity. Right: LESCO Lighting associates completed a shoe drive and donated 44 pairs of new shoes to Sole Loved, an organization that distributes shoes to children in need.



**tED**  
 ☆ BEST OF THE BEST WINNER 2023



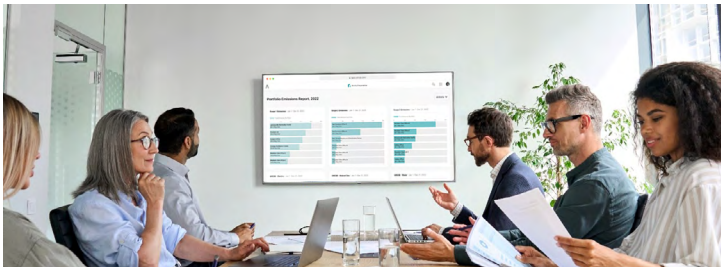
# INTELLIGENT SPACES GROUP

## ISG Fiscal 2023 Highlights

### ISG MISSION

As the world transforms from analog to digital, our mission at ISG is to make buildings smarter, safer, and greener through delivering open, market-leading edge to cloud solutions.

Our customers are moving towards optimized, autonomous spaces. Whether they start from a controls-first approach or from cloud applications, we meet them where they are on their journey. Flexible and modular, ISG's portfolio of software, sensors, and controls helps our customers lower their operational costs and reduce their carbon footprint. Our technology differentiates through open protocols and open distribution channels, giving our end users choice to best solve their unique challenges. The ISG business segment consists of Distech Controls® and Atrius®. Distech Controls is a leader in open and connected HVAC and refrigeration controls, and Atrius' cloud applications focus on extracting value from building data faster and easier, including sustainability reporting, energy management, indoor wayfinding, and real-time asset tracking.



“Many of our customers face shortages in skilled labor, and all want to save money on their utility bills and operations. They use ISG’s suite of software, sensors, and controls to drive towards smarter, safer, greener outcomes. Our Distech Controls® and Atrius® solutions offer open protocol and open channel choices, giving customers flexibility to solve their problems and elevate their spaces.”

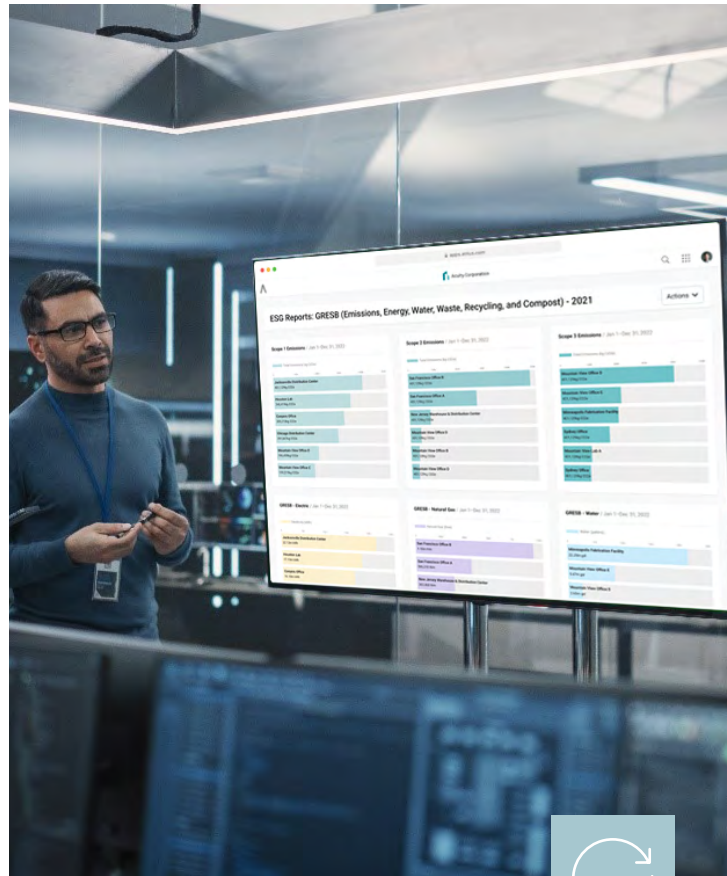


**PETER HAN**  
PRESIDENT, INTELLIGENT SPACES GROUP



# Igniting Atrius® Energy to Reduce Our Customers' Energy Usage

With the average building wasting 30% of the energy it consumes<sup>v</sup> and energy prices soaring<sup>vi</sup>, companies and municipalities have an urgent need to operate more efficiently and cost-effectively. Atrius® Energy is a live utility monitoring and measurement tool that helps system integrators and facility managers gain a deeper understanding of exactly how energy is utilized in their buildings, down to the point level. When combined with third-party certified standardization programs and our optimization recommendations, Atrius Energy helps businesses, governments, and schools do more with less. **Customers who use Atrius Energy as part of a comprehensive approach to monitoring, managing, and optimizing their resource consumption can benefit from real dollar savings while simultaneously optimizing energy usage.**



Atrius® Sustainability is used to centralize emissions, waste, water, and energy outputs in a single format to meet CDP, GRESB, SASB, and TCFD requirements.



# Scaling Atrius® Sustainability to Simplify Sustainability Reporting

As sustainability regulations grow world-wide, many companies are increasingly interested in reporting on their carbon emissions reduction journey. Organizations need a simple way to calculate their carbon footprint. Atrius® Sustainability is our carbon emissions tool to help customers automate both their emissions calculations and disclosure reporting. Atrius Sustainability supports the most popular disclosure frameworks for ESG reporting. This helps customers save time and money as they deal with numerous emissions factors defined by various agencies, such as the U.S. Environmental Protection Agency, UK Department for Environment, Food and Rural Affairs, and others. At Acuity Brands, this cloud application has helped us cut our own manual sustainability reporting work in approximately half, so we can focus on reducing our energy usage rather than just reporting on it.

## ATRIUS® SUSTAINABILITY EARNED SEVERAL AWARDS IN FISCAL 2023:

- 2023 Product of the Year by Environment + Energy Leader
- 2023 Platinum Award for Carbon Reduction Innovation of the Year by Juniper Research
- Finalist: Best Specialist ESG Data Provider by ESG Investing
- Gold Awards for Most Innovative Urban Sustainability Project by Juniper Research
- Finalist: Best ESG Data Science Software by ESG Investing
- Sustainability Leadership Award by Business Intelligence Group



## Expanding our ISG Presence in the UK

Distech Controls® solutions have long been recognized for helping our customers reduce energy usage and integrate controls systems within the built space. Our launch of Atrius® Energy and Atrius® Sustainability in the UK now provides customers there with the ability to obtain a deeper understanding of the data generated by our award-winning controls and sensors to better help solve their unique problems. With Distech Controls and Atrius working together, **we are delivering true edge-to-cloud technology and operations that make it easier than ever for customers to reach sustainability targets and generate substantial energy savings enabled by better tracking.**



## Introducing the Next Evolution in Building Automation: Atrius® DataLab

We believe the built environment's future is one where technology helps users solve challenges that enable buildings to become smarter, safer, and greener. Atrius® DataLab, together with our other Atrius cloud applications and Distech Controls edge controllers, will be key to building software applications that help end-users solve specific problems at scale. Atrius DataLab is a powerful data layer that supports our portfolio of Atrius applications and is foundational to our ability to automate the environment of a built space. Atrius DataLab captures data from a building management system and organizes it in the cloud. From there, it harmonizes the data for accessibility and usefulness and creates a digital twin. Applications are built on top of that digital twin, allowing users to analyze historic scenarios, get live updates of the current building environment and model other scenarios. This capability is important because every building is different. **Our Atrius applications have been built to assist our customers with achieving their specific energy and sustainability goals through the collection, measurement, and management of data in each of their built spaces.**



“Distech Controls has a history of offering advanced, open, and scalable building solutions and we take that approach to everything we do with Atrius, too. It’s key to our cloud solutions. It’s how we’re working with customers and systems integrators.”

SANDEEP MODHVADIA

VICE PRESIDENT OF  
PRODUCT, ATRIUS

## Expanding Distech Controls' Energy-Saving HVACR Solutions with KE2 Therm

Our acquisition of KE2 Therm Solutions, Inc., a developer and manufacturer of intelligent refrigeration controls, came at a critical time for the commercial refrigeration industry. This industry is at a crossroads in the transition from analog to digital. **KE2 Therm further rounds out Distech Controls' building management solutions offering, helping our customers reduce energy consumption resulting from heavy refrigeration load.** In addition, their remote monitoring and controls help to reduce food waste resulting from leaks or ajar doors. By integrating KE2 Therm's smart technology with Distech Controls' market-leading controls, sensors, and software, we believe we are positioned to lead this transition and help end users across the HVACR industry save energy and decrease costs with our intelligent refrigeration controls solutions.



The KE2 Evaporator Efficiency controller provides energy savings of 15-50% compared to mechanically controlled systems.

KE2 Therm received a 2023 Dealer Design Award from ACHR News, taking home the Gold Award in the Commercial Controls category for its KE2 Service Tool app. With this app, service technicians can access KE2 Therm controllers' built-in webpages with a smartphone or tablet without on-site hardware dependencies to view dashboards, change setpoints, initiate defrost, view historical graphs and data, backup and restore setpoints, and update controllers. The Dealer Design Awards recognize contractor-oriented products with features that assist in installation, maintenance, and service of installed products to the HVACR industry.



# Powering Sustainability with Strategic Partnerships

Developing innovative products is only one part of achieving our sustainability goals. We also build key partnerships to help our customers reach their sustainability goals. Transitioning to a more sustainable world is a challenge that we must face together.



## APEX COMPANIES COLLABORATING WITH ATRIUS® SUSTAINABILITY

As companies around the globe navigate ESG requirements and the rising demand to report on their climate impact, Acuity Brands is collaborating with Apex Companies, LLC, a leading multidisciplinary consulting and engineering firm to leverage the Atrius® Sustainability platform and Apex's specialized sustainability and assurance services to help give customers confidence in their sustainability data.

Reporting on corporate carbon emissions can be difficult, costly, and labor-intensive. Atrius® Sustainability quickly automates one of the most labor-intensive parts of achieving sustainability goals — calculating and reporting large amounts

of data. The platform gives companies state-of-the-art technology capable of unlocking valuable insights into their business data, automating elements of both their emissions calculations and disclosure reporting.

With Apex's position as a trusted provider of ESG assurance services, and the ease and scalability of Atrius® Energy and Atrius® Sustainability applications, businesses will be better equipped to confidently report their ESG progress at a fraction of the cost and time spent using spreadsheet tracking.

The collaboration enhances the power of Atrius Sustainability to support customers in achieving their business and environmental goals.



## GRESB

GRESB is a mission-driven and industry-led organization that provides actionable and transparent ESG data to financial markets. They collect, validate, score, and independently benchmark ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions for investors, asset managers, and the wider industry. GRESB recognizes Atrius as a Solutions Provider Partner to support organizations working to improve their disclosure and take vital action towards a sustainable economy.



## CDP

Our sustainability partners at the nonprofit CDP (formerly known as the 'Carbon Disclosure Project') want to see a thriving economy that works for the people and the planet. CDP runs a global disclosure system, recognized worldwide as a gold standard in environmental reporting.

In fiscal 2023, Atrius became a Silver Accredited Software Partner of CDP. By recognizing Atrius as a leading software solution for sustainability reporting and energy management, CDP has helped us to bring our expertise to more organizations who are disclosing their environmental data and to support them on their journey toward environmental leadership.

A growing network of companies, cities, states, and regions turn to the CDP's global disclosure system each year to track their environmental impacts and discover solutions to help them. Acuity Brands believes that CDP is the most comprehensive collection of self-reported environmental data in the world. **With Atrius® Sustainability, organizations can centralize emissions, waste, water, and energy outputs in a single format to meet CDP disclosure requirements, just like we do here at Acuity Brands.**

# Creating Connection at an Isolated Mountain Refuge

Last year, Distech Controls delivered a pioneering building management solution for Refuge du Goûter. Located near the summit of Mont Blanc, the lodge hosts thousands of climbers from May through September. But its building operates autonomously year-round, even as winter temperatures reach  $-40^{\circ}\text{C}$  ( $-40^{\circ}\text{F}$ ) and winds howl at 124 miles per hour. Unfortunately, the existing building management system — critical to maintaining self-sufficiency in extreme conditions and total isolation — was reaching the end of its useful service life.

As experts in connected solutions for building management, Distech Controls was called in to create a custom solution tailored to the unique space and the technical team that operates it. We focused on how the building behaved during the eight winter months in which it was closed. We wanted to rationalize energy consumption as much as possible and optimize the performance of each piece of equipment to simplify operations without neglecting reliability.

Our innovative global solution — developed with systems integrator AM2I and intelligent services platform provider REQUEA — **simplifies remote operation, improves connectivity to the valley below, and optimizes energy consumption beyond what we thought possible in such a challenging built environment.**



Refuge du Goûter is the highest mountain refuge in the Alps, close to the summit of Mont Blanc. Located at 3,800 M, it routinely faces extreme conditions. Distech Controls was called in to implement an interoperable, sustainable, optimized, reliable solution open to the latest connected technologies.



The result is a mountain refuge like no other. Despite its harsh environment, the lodge offers complete energy autonomy, connectivity, and optimized energy consumption to provide a safe, comfortable, and high-tech environment during climbing season and beyond. Our solution is also designed to easily connect, in the years to come, to the growing number of innovative, integrated products and services driving change in software and building controls.

By providing pioneering solutions that meet the needs of today, we have also created the refuge of the future.

# Bringing Data and Visibility to a University's Sustainability Journey

Utah's Weber State University (WSU) is a beacon of sustainability in the world of higher education. Among the first campuses in the U.S. to establish a Climate Action Plan and a dedicated loan fund for financing energy and water-saving projects, WSU is on an ambitious quest to completely electrify their campus and reach net-zero by 2050. Atrius® has been instrumental in their journey.

For the University's energy and facilities management teams, Atrius solutions are an integral part of a proactive management strategy enabling them to identify areas for improvement, measure progress, and report achievements to the community at large. **With Atrius® Sustainability and Atrius® Energy, they can easily monitor energy consumption, detect anomalies, and use real-time and historical views of building performance data to make swift decisions and adjustments — often resulting in significant energy and cost savings.** Our software's granular, building-level insights also help them make calculated decisions about large investments and measure their impact after implementation.

As WSU continues to innovate on the road to net-zero, they have now turned their attention to reducing their water consumption. By connecting submeters at critical junctures in the University's water lines to Atrius Energy software, the team is now able to minimize one of the most negative impacts on their water consumption: unpredictable water main breaks. The Atrius



Weber State University is on an ambitious path to net-zero that Atrius is helping to accelerate. As an integral part of a proactive management strategy, our software enables them to identify areas for improvement, measure progress, and report achievements to the community at large.

software sends alerts of potential main breaks as soon as they happen. It also provides the same level of detail on water consumption as it does on energy consumption, making it easier to understand, measure, and manage resources.

This would have been nearly impossible if WSU still relied on spreadsheets to manage energy and water consumption. Driven by commitment, innovation, and the powerful capabilities of Atrius® Sustainability and Atrius® Energy, WSU continues to prove itself as a model for other universities to follow on the journey to net-zero.



# ENVIRONMENT

Develop and sell products and services that help save energy and reduce carbon emissions.

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# OUR FOCUS ON ENVIRONMENTAL IMPACT

We're evaluating and pursuing opportunities aligned with our identified potential levers and have taken several positive steps in fiscal 2023 on environmental initiatives, including:

## CONTINUING TO INVEST IN OPERATIONAL ENERGY EFFICIENCY AND RESOURCE SAVINGS

Our new Santa Rosa Production Facility (SPF) located in Nuevo Leon, Mexico, which opened in fiscal 2023, includes a highly efficient, state-of-the-art paint line. From our native landscaping to our automated paint application system with high performance ovens and industry-leading technology, we designed the site with sustainability in mind. Additionally, the savings in natural gas and powder from our paint line will pay for a significant portion of the construction of this facility.

Invest in operational energy efficiency



The features we have implemented at Santa Rosa to lighten our environmental impact and save operating costs include:

- Drought-resistant plants and landscaping that require no irrigation, avoiding unnecessary water usage
- nLight® lighting controls to automate when lights switch on and off, maximizing energy efficiency
- Powering our paint guns and torque guns with a high-efficiency air compressor that will reduce nearly 53% of CO<sub>2</sub> generation compared to the air compressor from our previous paint line
- Our paint line's washer system uses 20% less water than our previous paint line, and all reject water from this reverse osmosis system is used in the facility's restrooms
- High-efficiency walls, burners, and booster technology in our ovens require less gas to be used than similar systems and reduce the curing time of painted luminaires by approximately 58% as compared to our previous ovens
- Our infrared oven for primer application uses at least 38% less gas than our previous infrared oven
- Our high-efficiency paint booths for paint application reclaim 70% of powder as compared to 30% from our previous paint booths, reducing material usage



**As a values-driven organization, our journey to open SPF has been guided by our commitment to our people and community and driven by our curiosity.** At Acuity, we all succeed together. We care about the environment and our communities. And we are always searching for a better way.

At SPF, these values come to life. We've created a space where approximately 1,000 associates can come and do their best work. Our people will be able to produce thousands of luminaires every day in a safe, state-of-the-art facility, while limiting our impact on the environment at the same time. Our new Santa Rosa plant is more than a production facility. It's a beacon of our innovation and a glimpse into the future of operating at the intersection of sustainability and technology.

**DISCONTINUING FLUORESCENT AND HID LIGHTING**

On our journey to net-zero emissions, over the last decade our lighting portfolio has largely transitioned to the more efficient LED from fluorescent and HID sources. **We have announced that we plan to complete this transition by discontinuing the manufacture of these less efficient luminaires by the end of calendar 2023.** The conversion of the more than 1 million fluorescent and HID units to LED will reduce our expected Scope 3 emissions by nearly 2%, building on the 55% overall reduction we have accomplished since our fiscal 2015 baseline. This carbon footprint reduction is the equivalent of the annual electricity usage of 85,613 homes, while the total reduction in our footprint since 2015 is the equivalent of 7.2 coal-fired power plants operating for a year.



Sacramento Airport improved visibility and reduced energy costs by replacing HID high mast lighting with HMLED2 fixtures from Holophane®.

**IMPROVING LED EFFICIENCY**

The solid-state lighting (SSL) industry, has driven significant gains in LED efficiency over the last decade, including more than doubling the luminous efficacy of typical LEDs from ~85 lumens per Watt (lm/W) to ~185 lm/W.<sup>vii</sup> At Acuity Brands, we have leveraged these advances in LED and component technology to create more energy-efficient products for our customers. According to the DOE SSL Program market adoption model, LED lighting currently saves approximately 185 terawatt-hours (TWh) of site energy in the U.S. compared to conventional lighting products.<sup>viii</sup>



**USING QR CODES TO REDUCE THE NEED FOR PRINTED PAPER INSTRUCTIONS**

In fiscal 2022, we replaced paper instructions for many of our ABL products with scannable QR codes. In fiscal 2023, the shift from paper instructions to digital resources saved more than 10,900 trees, equivalent to the avoidance of 1,788 metric tons of carbon emissions.



**EXPANDING ADOPTION OF LIGHTING CONTROLS AND BUILDING MANAGEMENT SOLUTIONS**

As we plan for the future, our focus is not just on how efficient we can make each of our luminaires – it's also about providing customers with controls to help them use their luminaires in an efficient manner.



Lighting controls have the potential to yield significant energy savings, and yet, market penetration of lighting controls remains relatively low.<sup>vii</sup> Building management solutions are another key to creating energy savings, and as a leader in both innovative lighting controls and building management solutions, we recognize the opportunity this presents. As a lever on our path to net-zero emissions, we continue to place an emphasis on expanding adoption of lighting and building controls and software to help our customers reduce energy usage by providing products that help manage resources in their buildings more effectively.

Our progress in this effort can be demonstrated by the growth of controls sales year over year.

Between fiscal 2015 and fiscal 2023 our sales of nLight® and SensorSwitch™ lighting controls solutions, including fixtures with embedded controls, grew significantly.

Additionally, with our acquisition of KE2 Therm in fiscal 2023, we are also expanding what our products can control in a built environment to include refrigeration.

# WATER

Improving water efficiency reduces our impact on the environment and supports business continuity. Fiscal 2023 was a foundational year for us to build our sustainable water use practices and manage our water-related risks.

Our progress includes:

## JOINING THE BETTER PLANTS WATER SAVINGS NETWORK

Through our membership in the U.S. Department of Energy's (DOE) Better Buildings, Better Plants Program, we are now an official Water Savings Network partner with the DOE, joining 13 leading manufacturers from across the U.S. to track water use intensity improvements and share successful strategies and solutions. Our participation has allowed us to create an immediate roadmap to conduct water profiles and prioritize water interventions.

## CONDUCTING WATER PROFILES AT OUR FACILITIES IN WATER-STRESSED AREAS

Our work with the DOE has provided us with access to a smart plant water profiling tool that understands water in and water out and assigns a true cost to that water. After piloting the tool at our Guadalupe, Mexico production facility in 2022, we have now implemented it across seven of our eight facilities that are in extremely water-stressed areas — five in Mexico and two in California.

In our Santa Rosa, Mexico production facility for example, we used the DOE's recommendations to implement a water recovery project in July 2023 that

allows the facility to recycle water from its paint line's washing cycle and send it back to the plant for usage in its restrooms. This will help us save an estimated 102,750 gallons of water annually — a good step in the midst of an ongoing drought in Northern Mexico.

Importantly, the link between reducing electricity usage and reducing water usage is real. The majority of energy production processes rely on water – coal-fired plants that use steam to run turbines, nuclear plants that use water to cool reactors, and hydraulic generation that uses water flow to run turbines. As we seek to lighten our water footprint over time, we are reminded that our own energy-saving products, installed in millions of locations, have the added indirect benefit of conserving water, in addition to the capabilities of Atrius® Energy, which provides detailed water consumption information to help manage resources.

### IDENTIFYING & DEPLOYING WATER INTERVENTIONS

This smart plant water profiling tool has helped us identify opportunities for cost savings and improved efficiency among our seven plants in water-stressed areas. We deployed seven projects:

- RAINWATER HARVESTING
- PAINT WASHER WATER RECLAIM
- LEAK DETECTION AND REPAIR
- WATER EFFICIENT LANDSCAPING
- WATER EFFICIENT IRRIGATION
- SMART FAUCETS
- EFFICIENT TOILETS AND URINALS



**SACH SANKPAL**

SENIOR VICE PRESIDENT,  
CHIEF GROWTH AND  
TRANSFORMATION OFFICER

“We continue to invest in operational energy efficiencies and look to optimize resources to help make a positive environmental impact in our own facilities. Our teams are inspired by EarthLIGHT, it is a part of our culture, and through it we're able to highlight engagement in our communities, impact on the environment, and impact with each other.”

# LIFECYCLE ENVIRONMENTAL IMPACT

We continue to look for additional ways to have positive impacts from the entire lifecycle of our products and solutions.

Acuity Brands is actively engaged, for example, with industry organizations including the Pacific Northwest National Laboratory and the Greenlight Alliance to develop a practical, scalable Environmental Product Declaration (EPD) process for luminaires and facilitate consistent reporting and comparisons across products and brands.

We anticipate the first step in this process will be the availability of Industry Wide (IW) EPDs for the most popular luminaire types using data collected from multiple manufacturers.

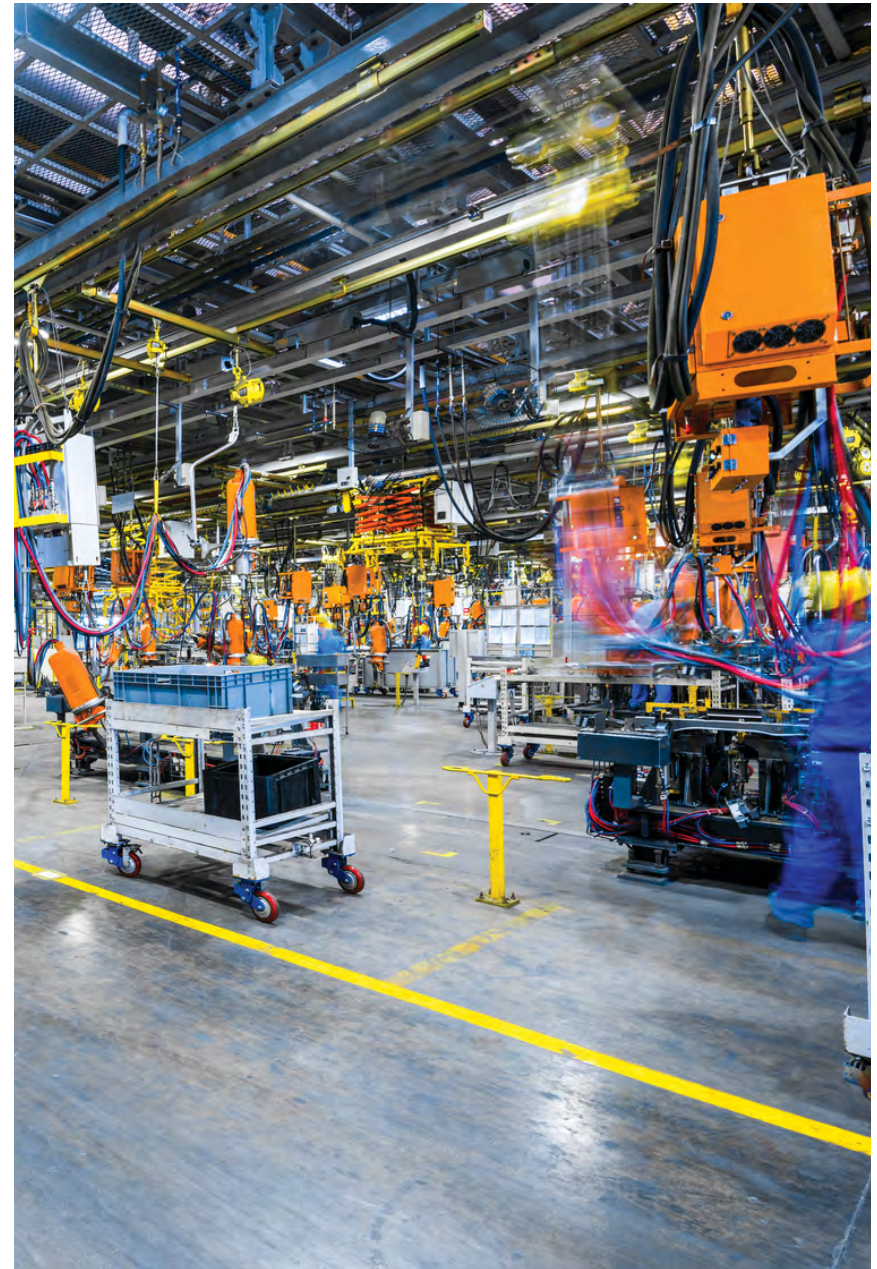
We also encourage engineering teams to look for opportunities to utilize recycled content, minimize packaging waste, drive shipping efficiencies, and seek other lifecycle benefits.

These examples highlight our goal of minimizing our products' environmental impact as we incorporate these principles into our product design criteria:

**Our Lithonia Lighting® Compact Pro High Bay** uses less material inputs, reduces packaging waste, and ships more on a pallet relative to the Lithonia Lighting I-BEAM® IBG LED High Bay, saving pallets, cardboard, and shipping fuel.

**Our A-Light™ LEAN 2x2** troffer and linear Stitch and Wings luminaires substantially minimize material content relative to typical fixtures in their categories, use a high percentage of innovative recycled and recyclable materials, have no large plastic lenses, and ship in small boxes that both reduce packaging material and transportation impacts.

**Our Lithonia Lighting STACK™** family of products reduces cardboard usage and pallets (plus job-site cardboard recycling and time breaking down boxes) by 75% as compared with similar-sized fixtures.



# ACUITY BRANDS AWARDS

## SUSTAINABILITY RECOGNITION

We're proud to share that we've been named to the 2023 Clean200™ list by Corporate Knights & As You Sow. The Clean200 recognizes the top 200 publicly traded companies around the world that are at the forefront of the energy transition and put sustainability at the heart of their products, services, business models, and investments, helping to move the world onto a more sustainable trajectory.

Newsweek, in partnership with Plant-A and GIST Impact, identified the top 300 companies in the U.S. based on environmental sustainability for their 2024 'America's Greenest Companies' list. Acuity Brands was selected due to our progress on greenhouse gas emissions, water usage, water generation, waste generation, and sustainability data disclosure and commitments.

tED Magazine's Best of the Best Marketing Competition recognizes excellence in marketing throughout the electrical distribution channel. Each year hundreds of entries are judged in a variety of categories. In fiscal 2023, Acuity Brands was named "Best of the Best" in the Public Relations / Corporate category for our EarthLIGHT in Action program. The program launched in fiscal 2022 with great success and you can read more about our progress with the program in fiscal 2023 in our Social section of this Report.



# ACUITY BRANDS PARTNERSHIPS AND MEMBER ORGANIZATIONS

## OUR STRATEGIC PARTNERSHIPS AND MEMBERSHIP ORGANIZATIONS

We are an active member of multiple industries supporting the built environment. Sharing best practices with our peers through our partnerships and memberships increases our ESG impact.

### ORGANIZATIONS:



### NET ZERO BUILT ENVIRONMENT COUNCIL

Acuity Brands has joined the Net Zero Built Environment Council, convened by McKinsey & Co., to help accelerate the transition to zero-carbon building construction and operation.

### ALLIANCE TO SAVE ENERGY

The Alliance to Save Energy advocates for high-impact energy efficiency policies and leads bi-partisan initiatives that drive job growth and innovation to advance energy efficiency. The Alliance has a 40-year track record of success in convening energy efficiency experts on timely policy topics to inform legislative work and regulatory agendas. Its forward-thinking approach supports energy efficiency in all sectors – from standards covering common household appliances and commercial lighting systems to the building out of infrastructure for electric vehicles.



### ILLUMINATING ENGINEERING SOCIETY

The Illuminating Engineering Society is the recognized technical and educational authority on illumination and maintains the Lighting Library, a premier set of lighting standards authored by technical experts through an American National Standards Institute (ANSI) accredited process.



**ADAM HANDLER**

DIRECTOR, CORPORATE SUSTAINABILITY & COMMUNICATIONS

“Minimizing our own carbon footprint while maximizing the positive impact of our products is core to our Company strategy. As interest in ESG has grown, so has our engagement up and down the value chain with suppliers, customers, and industry partners. Working together allows us to create a larger impact with our ESG initiatives.”

# SOCIAL

Attract and develop the best people to do their best work and prioritize their well-being. Make a positive impact in the communities where we live and work.

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# OUR VALUES-DRIVEN CULTURE

At Acuity Brands, we are creating the environment where the best people come to do their best work.

We continue to find new ways to invest in our people and build our inclusive workplace. We know that where we are going is driven by our team of over 12,000 associates across seven countries. Individually we are talented, but together we believe we are unstoppable.

Our values are at the core of our culture. We make decisions based on our values and these values impact how we treat each other and how we serve our customers.

**Our Values**



**Integrity**  
We do the right thing, the first time, every time.



**Time**  
Time is the only constrained resource. We focus on what is most important.



**Curiosity**  
We are always searching for a better way. We are willing and able to change.



**Customer Obsessed**  
We see the world through the eyes of customers and end-users. We deliver on their needs.



**People**  
We create the environment where the best people come to do their best work. We all succeed together.



**Community**  
We care about the environment and our neighbors. We make communities better.



**Owner's Mindset**  
We think and act like owners. We focus on long-term, sustainable value creation.

OUR VALUES ARE BROUGHT TO LIFE BY:

**VALUING DIVERSITY**  
of thought, experience, and background.

**CREATING OPPORTUNITIES**  
for our associates to grow and thrive.

**RESPECTING**  
people and seeing them clearly.

**CREATING A SHARED PURPOSE**  
for achieving our Company's strategic goals.



**DIANNE MILLS**  
SENIOR VICE PRESIDENT AND CHIEF HUMAN RESOURCES OFFICER

“Creating the place where the best people can do their best work is not a catch phrase. We are making it easier to change and evolve and have impact as the Company embraces our Better.Smarter.Faster. operating system. We are empowering leaders and teaching them to lead in new ways. We are embracing the flexibility of hybrid work while being very intentional to pull teams together when our work and culture requires we convene. We are investing in our associates by emphasizing the importance of a developmental mindset and providing new tools and processes. We are remarkably proud of this place that we are building.”

# BUILDING A CULTURE OF ENGAGEMENT

**At Acuity, we believe that when associates are connected to our Company's purpose, values, and business objectives, they will be more highly engaged.** When they are highly engaged it leads to better business performance and outcomes for all. Since 2021, we have used associate listening as a foundational element to measure this connection and understand actionable ways to continue to create the place where the best people come to work. The more we understand and respond to what gets in the way of our associates being successful, the more likely we are able to motivate and engage them.



## Gaining Associate Insights to Evolve

In fiscal 2023, our Associate Engagement Survey response rate increased to 97% from 93% the year before. This high participation rate indicates that our associates believe that action will be taken as a result of their feedback.

Our Sustainable Engagement Score remained at a consistent 85% from fiscal 2022 to fiscal 2023. Sustainable Engagement, as measured by our particular survey, considers traditional engagement (connection to the Company) as well as enablement (support for productivity) and energy (overall well-being). Many of the specific areas of opportunity identified in fiscal 2022 improved, and new areas of opportunity for fiscal 2023-2024 emerged.

In the fiscal 2023 survey, we measured retention for the first time, with 72% of our associates expressing the intent to stay at Acuity.

**In many survey categories, we outperform companies in the technology and manufacturing sectors.** We continue to benchmark ourselves against the highest performing companies. The results for five survey categories highlighted for action last year improved, demonstrating that leaders are properly actioning survey results. We continue to refine our capabilities around further understanding and responding to associate feedback year over year.



## Demonstrating Integrity

Research shows that feeling able to speak up at work fosters innovation and reduces bias, but people need a safe space to share their voice.<sup>viii</sup>

We continue to measure how comfortable our associates feel contributing ideas and opinions and embodying our Company values. To evaluate how we are progressing, we gather insights using five statements within our Company Associate Engagement Survey that focus on trust and serve as the basis for our annual Ethical Culture Score.

### THE STATEMENTS THAT CONSTITUTE OUR ETHICAL CULTURE SCORE

1. "I am comfortable reporting dishonest or unethical practices without fear of reprisal."
2. "I have confidence in the decisions of my leadership."
3. "Leadership decisions are consistent with our values."
4. "Leadership cares about the well-being of associates."
5. "Everyone is treated with respect, regardless of their job."

In fiscal 2023, our Ethical Culture Score remained consistent, with 83% of associates responding favorably to the same statements as they did in fiscal 2022. **They feel confident and empowered to speak up and share their ideas and concerns.** We are setting our sights on further favorable comparison of our Ethical Culture Score relative to High-Performing Companies over the next two years.

# CREATING THE ENVIRONMENT WHERE THE BEST PEOPLE COME TO DO THEIR BEST WORK

We believe that diversity efforts should be highly integrated with our business processes and strategies. Our goal is for all associates to feel valued, respected, and accepted regardless of their race, sex, religion, ethnicity, age, gender identity, disabilities, national origin, sexual orientation, or other unique characteristics. Because we want to leverage our diversity of talent and help all reach their full potential, we work to understand how it feels for each employee to work here.

## OUR APPROACH TO DIVERSITY, EQUITY, AND INCLUSION (DEI)

Led by our DEI Council, a mix of ERG leaders, Executive Leadership team sponsors, and Human Resources leaders, we continue to implement our three-year DEI roadmap launched in fiscal 2022. Six value pillars inform the strategic direction of our DEI work and annual key initiatives that enable and measure our progress.



### SOME OF OUR COUNCIL FOCUS AREAS IN FISCAL 2023:

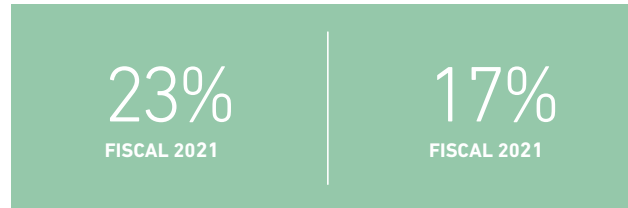
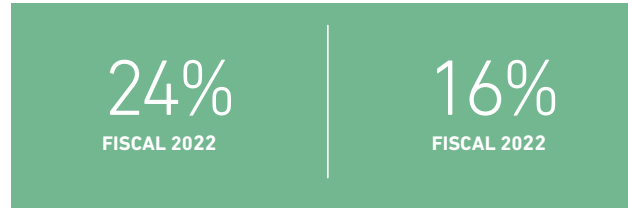
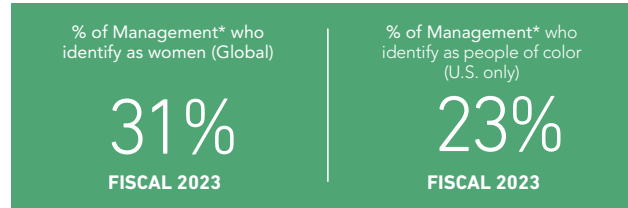
- **Leadership Accountability** – Helping leaders understand how they create a culture that supports removing the obstacles to people doing their best work.
- **Listening** – Ensuring that we know what associates value and obstacles that get in the way of reaching their potential and doing their best work.
- **Current State Assessments and Program / Policy Review** – Embedding elements necessary to eliminate bias and instill a developmental mindset into all of our people processes.
- **Talent Acquisition and Sourcing Strategies** – Ensuring we tap into the right talent pools to get our share of talent necessary to deliver on our strategies.
- **Employee Resource Group Strategy** – Supporting and improving our ERGs. Two new ERGs were established in 2023 – Veterans Network and Mind Matters, our mental health ERG.
- **DEI Structure, Goals, and Metrics** – Aligning and measuring our work. We refreshed our DEI Council charter, membership and operating rhythms, and also increased our resourcing for ERG activities and coordination of calendars to maximize attendance.

We believe that when associates feel they belong, they can do their best work. We measure our progress on inclusion at the highest level based on the inclusion index – a series of three statements that are part of our Associate Engagement Survey.

**THE STATEMENTS THAT CONSTITUTE OUR INCLUSION INDEX**

1. **“I can be myself at Acuity Brands without worrying about how I will be accepted.”**
2. **“Leadership supports diversity and inclusion at Acuity Brands.”**
3. **“Leadership supports equal opportunities for all associates.”**

**INCREASING INCLUSIVE LEADERSHIP**



**INCREASING ASSOCIATE DIVERSITY**



\*Management is defined as Vice President and above.



## Empowering Associates to Achieve our Strategy

Associate engagement and performance are inextricably linked. **Engaged associates drive greater performance, and an effective performance management process, one that focuses on goal alignment, clarity, feedback, and development, helps drive greater engagement.** Rooted in our values, our Performance Management Process fuels our overarching retention and talent development strategies across the organization, providing our associates opportunities to engage in meaningful, continuous conversations about their goals and development.

### Annual Goal Setting and Development Planning.

Associates need to have a clear understanding of their skills and aspirations and of the goal and objectives of Acuity Brands, and they need to see how their work contributes to their department's goals and objectives. Goal setting and development planning serve as a compass, helping to align associates' goals with strategic priorities and offering a clear roadmap to achieve ongoing success. Together, they drive both personal growth and strategic business outcomes throughout the year.

**Continuous Performance Management (CPM).** Consistent feedback is an important component of the development mindset and culture we are building, and it is key to improving performance. At least quarterly, our leaders and associates engage in purposeful discussions aimed at acknowledging achievements, enhancing performance, refining expectations, and fostering an environment of continual growth and development. CPMs play a unique role in helping our associates understand when they are doing their best work or when they may need to change for the future.



**Self-Assessment and Manager Review.** At the end of the year, associates want to feel like their performance is evaluated fairly. The self-assessment and manager review represent the culmination of our annual performance process. Through self-assessment, associates tell their success stories about how they contributed to business outcomes and put our values and behavioral competencies into action. The associate's manager then provides them with collective insights from their own observations and feedback gathered from other teammates and partners that associates have engaged with throughout the fiscal year. This facilitates an objective assessment of the associate's overall performance. The manager review is another invaluable opportunity for a coaching conversation focused on feedback and improving performance, to help our associates develop to their fullest potential.

# OUR EMPLOYEE RESOURCE GROUPS

Our ERGs include **Minorities Amplifying Growth, Inclusion, and Community (MAGIC); The Women’s Network;** and **People Respecting Identity, Diversity, and Equity (PRIDE).**



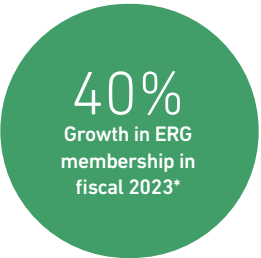
In fiscal 2023, we were proud to add two more to the mix: **Mind Matters** and the **Veterans Network**. Mind Matters is focused on removing the stigma around mental health and supporting its members with resources and education, as well as developing a strategy to increase awareness and involvement in the communities where we operate. Our Veterans Network is focused on supporting our active duty and veteran associates and their families through programming content and community activities that honor all veterans or that help our associates and their families through deployments.

**Our ERGs support our Company by keeping our associates engaged and connected and by increasing a sense of belonging year-round.** Together, our ERGs hosted more than 60 associate engagement events in fiscal 2023, including book clubs, volunteer opportunities, development sessions, discussion groups and a leadership speaker series featuring a diverse array of panelists during Hispanic Heritage Month, Black History Month, Women’s History Month, and more.

Through their events, our ERGs helped educate, develop, engage, and inspire more than 2,100 associates. Our ERGs have also increased access to programming by hosting inclusive, multilingual events for associates in other countries for the first time.

**OUR ERGS HELP ASSOCIATES:**

**Enhance career skills** by sponsoring opportunities for members to develop professionally.



**Build leadership capacity** through leadership development programs.

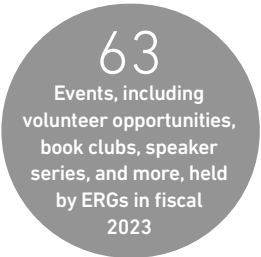
**Access training resources** by sponsoring opportunities and programs for professional development.

More fully **leverage Acuity’s benefit offerings** by educating about our offerings to enhance the physical, mental, and financial well-being of our associates.

**Feel welcome** by inviting all associates to benefit from ERG events.

**Make communities better** by organizing volunteer activities to support our neighbors and the environment.

**Build community** in the workplace by fostering inclusivity and providing an additional resource for mentorship and support.



**Be heard** through post-event surveys that gauge satisfaction and help improve future ERG events.

\*Growth as defined by the number of associates belonging to at least one ERG compared to the prior fiscal year.

“I am proud to be a part of an ERG for veterans and advocates that promotes awareness of issues facing veterans and service members every day, while connecting our members with people and resources within and beyond the walls of Acuity! Semper Fi!”



**TARA COLEY**  
PRODUCT MANAGER SENIOR, TECHNOLOGY,  
VETERANS NETWORK CO-CHAIR

“Through Mind Matters, we’re fostering a place where open dialogues around mental health are encouraged, aiming to reduce the associated stigma. Mental health issues have touched my family personally and this ERG provides an opportunity to share my personal journey in the hopes of helping others.”



**JEFF GROSSMAN**  
VICE PRESIDENT, SUPPLY CHAIN OPERATIONS,  
MIND MATTERS CO-CHAIR

# DEVELOPING A FUTURE-READY WORKFORCE

We continue to invest in developing our people to their full potential.

## ENHANCING ASSOCIATE DEVELOPMENT AND TRAINING

At Acuity Brands, we know that development is personal. We also know that our ability to respond to change and differentiate ourselves throughout our careers is key to retaining the best talent. We continue to listen to what our associates need to work smarter and advance their careers, building upon our tools and processes to best support them.

**We are investing in development because it is the right thing to do to prepare and develop our people to meet the challenges of a dynamic work environment and our rapidly growing and evolving Company.**

In fiscal 2023, we implemented a program called 3x4 Coaching to equip our people leaders with coaching skills. This program enables managers with the developmental mindset necessary to strengthen and develop teams effectively. **3x4 Coaching** is rooted in the idea that great coaches execute three core plays (clarity, competence, and recognition) in every coaching conversation, while honing four communication skills: asking effective questions, actively listening, giving competent, relevant feedback, and confronting performance issues. By putting the 3x4 Coaching method into play, we are building a culture of development in which our leaders can better identify their associates' potential and room for growth.

### 3X4 COACHING BY THE NUMBERS

**233** associates participated in a two-day on-site and a three-month follow-up plan

**4.8** average overall rating from participants (out of 5)

**98%** of participants recommend to peers

**94%** of participants walked away with the ability to immediately apply it

We debuted Shared Competencies, a set of tangible, observable, and measurable behaviors that we believe are essential to our strategic success. These competencies help us understand what good looks like across every career level at Acuity Brands. Our Shared Competencies sustain our workplace culture, provide a behavior roadmap for leaders to describe how to be successful, and empower our people with more tools for success.

### WHAT OUR PEOPLE LEADERS HAD TO SAY

"It was the most beneficial workshop of this kind that I have attended. The interaction and connectivity between the attendees was amazing. I have already had opportunities to apply what I learned specifically around questioning, listening, and clarity."

"I was leery of another training that I'd never use, but this was not that. This will make me a better leader."

*"This is a place where associates increasingly feel included and supported, give and receive feedback, have agency, and can develop in their careers. We are listening, and are focused on developing relevant and intentional processes, programs, and interventions that support our associates and increase the velocity of the journey we are on as an organization."*



**JOHN BROTHERS**  
VICE PRESIDENT ORGANIZATION EFFECTIVENESS



## Associate Development Spotlight: Driving Forklifts and Success in Des Plaines

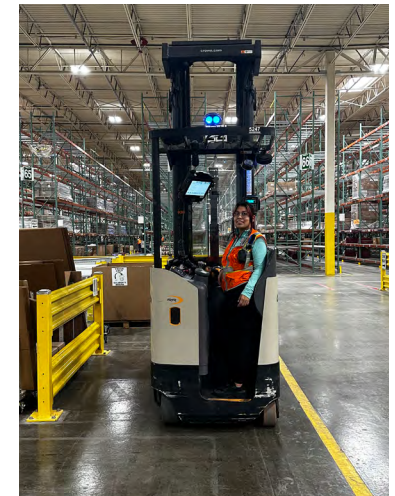
Back in 2020, our Midwest Region Manufacturing and Distribution Center (MWMDC) launched a unique professional development program: the facility trains and certifies assemblers, truck drivers, and other associates to operate forklifts and yard spotters. Associates have jumped at the chance ever since, learning skills and tools to advance into new roles.

“Without considering my gender, other people’s opinions, or my position, I took it,” Susana García Hernández, Group Lead Distribution, says of her opportunity to drive a forklift. She started in maintenance and cleaning in 2020. She now supports a team of 84 people who help get our products to our customers. “I have always been this way — looking for improvement.”

**The program is an investment in tools, training, talent, and time.** Since the program began in fiscal 2020, we have seen a direct increase in the percentage of women forklift drivers, and, among both men and women, 31 hourly promotions and eight promotions from hourly to salaried associates at MWMDC.

“When positions become available as needs increase to meet customer demand, our associates are ready to be promoted to the next position,” says Jarvis Smith, Focus Factory Manager, who helps oversee the program.

Our associates’ preparedness also comes down to dedication, passion, and values: “No matter where you start,” Susana says. “Always look for more.”



**Since the program began in fiscal 2020, we have seen a direct increase in the percentage of women forklift drivers, and, among both men and women, 31 hourly promotions and eight promotions from hourly to salaried associates at MWMDC.**

# Leadership Program

Our Leadership Program is an invaluable source of emerging talent for Acuity Brands. With more than 20 years of proven results, the program enlists recent college graduates into specific disciplines in order to develop them through a series of rotational experiences. These experiences are full-time and designed to enhance early career development.

Specific disciplines include:

- **Electrical and Software Engineering**
- **Finance and Accounting**
- **Human Resources**
- **Marketing**
- **Supply Chain**

In fiscal 2023, there were 40 participants in the program, including 26 hired during the fiscal year and 14 who remained in the program from the previous fiscal year.



**ALEXIS JOHNSON**  
SALES LEADERSHIP PROGRAM,  
SUMMER 2022 COHORT

“My experience with the Leadership Program has been nothing short of amazing. The training and resources that are offered while in each rotation are also helping to shape me into a well-rounded associate.”

“The Leadership Program has given me opportunities to build new skills that accommodate changing environments. I’ve gained not only knowledge across Acuity Brands, but across the rapidly changing industry.”



**MATT GADOMSKI**  
FINANCE AND ACCOUNTING LEADERSHIP  
PROGRAM, SUMMER 2021 COHORT

# Internship Program

Every summer we welcome interns from colleges and universities across the United States, Canada, and Mexico to gain valuable work experience at our facilities. Students obtain insight, mentorship, and a glimpse into career pathways at Acuity Brands — education that goes well beyond the classroom. In exchange, interns contribute their talents by understanding and working in support of our business goals and objectives. This year we were proud to welcome more than 160 interns working in the United States, Canada, and Mexico.

“The genuine connections I made, paired with the agency to develop a meaningful, change-accelerating project, has been pivotal for my self-discovery and made my experience at Acuity Brands truly invaluable.”



**JULIA O'CONNELL**  
HR TALENT & ORGANIZATIONAL  
EFFECTIVENESS INTERN, SUMMER 2023

# CREATING TALENT PIPELINES AND CAREER PATHWAYS THROUGH PARTNERSHIPS

Building up the next generation of innovators and thinkers is critical for staying competitive in the labor market and developing relationships with the leaders of tomorrow. Through our training partnerships, we are proactively planning for the future by connecting with and developing young and underrepresented talent.

## SUMMER YOUTH EMPLOYMENT PROGRAM

Like many major metropolitan areas in the U.S., Acuity Brands' hometown of Atlanta, Georgia faces the difficult challenge of educating and identifying work opportunities for youth outside of the path of a two- or four-year degree program. **In fiscal 2023, Acuity partnered with the City of Atlanta and Atlanta Technical College (ATC) to sponsor a paid career exploration program that combines classroom and hands-on practice to address the current workforce shortage of electricians, lab technicians, and truck drivers.** The partnership program was launched with 21 students from metro Atlanta for six weeks of professional development programming with the goal of obtaining jobs in these essential fields. As part of the partnership, Acuity developed training courses and provided certified instructors for each course, along with equipment, materials, mentors, in-person and virtual-classroom training, and in-person career exploration days at Acuity Brands' facilities.

## CONALEP DUAL TRAINING PROGRAM

In Mexico, we are creating a promising future for young talent in partnership with the National College of Professional Technical Education (CONALEP) and the Municipality of Guadalupe. Launched in August 2022, our Dual Training Program allows CONALEP students to combine their studies with an internship at Acuity Brands, providing them with knowledge and real world experience gained through working on-site in our facilities.

By providing students with hands-on experience in planning, processes, resource optimization, and real-time operation of a production cell, we are fostering the growth, curiosity, and professional development of the next generation ready to drive innovation and change.



Above: CONALEP Dual Training Program  
Left: Summer Youth Employment Program



**ASP AND DISTECH CONTROLS  
CYBERSECURITY APPRENTICESHIPS**

More than half of the world's organizations struggle to retain cybersecurity talent<sup>x</sup>, a labor shortage that 64% of IT executives call the most significant barrier to adopting emerging technology.<sup>x</sup> To open pathways into the field and meet the growing challenges of operating smart technology, Distech Controls has partnered for the second time with Automation Strategy & Performance (ASP), recognized by the White House as a leader in cybersecurity training, to now develop qualified cybersecurity specialists across our network.

Both our customized Automation Specialist, launched in fiscal 2020, and Operational Technology Cybersecurity apprenticeship programs give our

business partners — the hundreds of systems integration and distribution companies we work with every day — a way to train their IT workers and stay apace with our innovative products, services, and solutions.

**Workers learn skills needed to work on energy systems, HVAC systems, lighting, and access control, and develop critical IT skills needed to address risks across our intelligent spaces.**

Through an employer-driven, competency-based curriculum, our programs reduce the amount of time workers need to spend in training and help grow a workforce dedicated to helping companies improve their cybersecurity posture and entry-level technician effectiveness.

**BESAL FUND – EMERGING PROFESSIONALS**

Established in 1983, the Robert J. Besal Memorial Education fund (Besal Fund) is a trust that operates as a separate not-for-profit enterprise made possible by contributions from Acuity Brands, its independent sales representatives, and employees. It was created to encourage talented and committed students to excel at studies which will lead them to a career in the lighting industry. In fiscal 2023, the fund awarded more than \$70,000 in scholarships to students in illuminating engineering disciplines across the United States and celebrated 40 years of making an impact in future lighting professionals' education journey.



*“We are proud to offer cybersecurity training to support our customers in helping keep companies, their buildings, and their data protected.”*

**MATHIEU HOULE**

VICE PRESIDENT OF CUSTOMER EXPERIENCE, DISTECH CONTROLS



# ENVIRONMENTAL, HEALTH, AND SAFETY

We are fully committed to our associates' health, safety, and well-being.

## OUR FOCUS ON ENVIRONMENTAL, HEALTH, AND SAFETY (EHS) EXCELLENCE

As part of our multi-year EHS evolution, we advanced our EHS strategy and management system in fiscal 2023 with a clear vision. **Guided by our values, we are committed to maintaining safe and healthy workplaces, preserving our environmental resources, and continuously striving for ways to improve.**

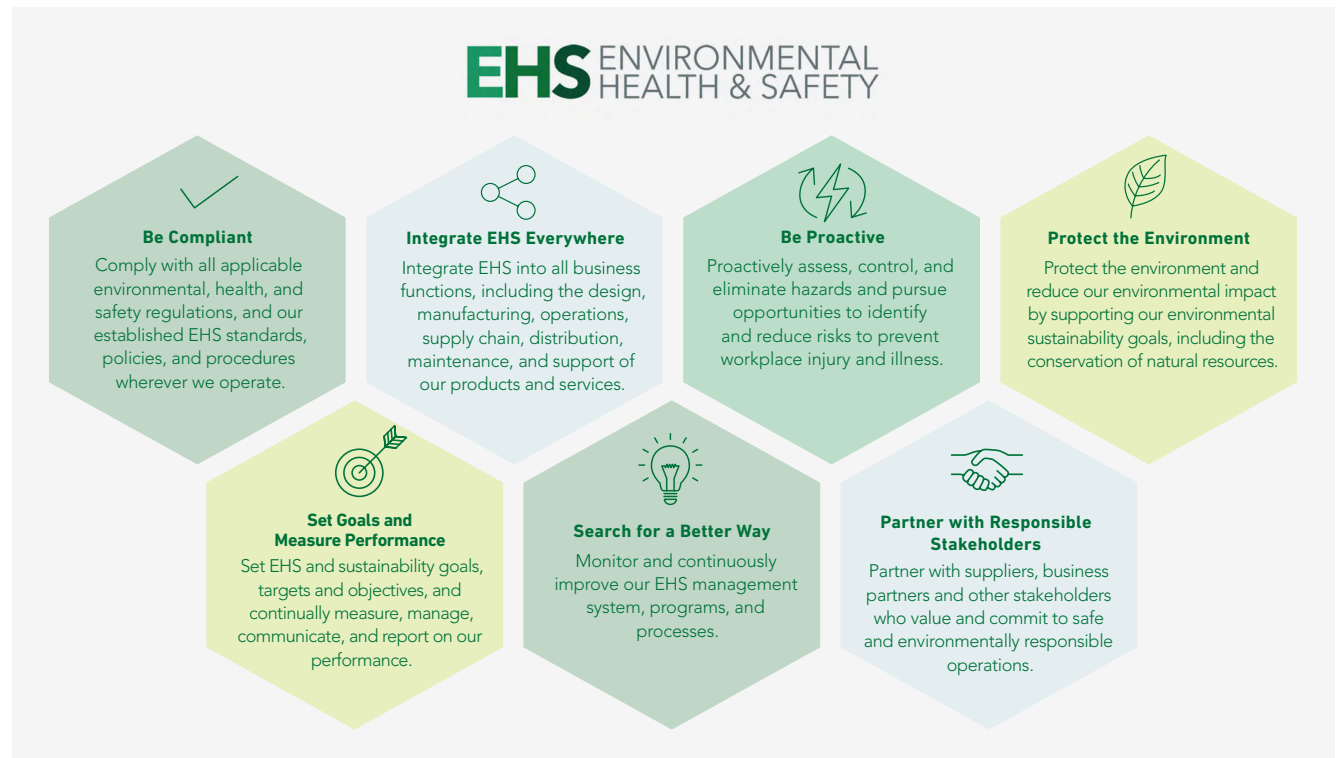
Our EHS systems and processes are designed to be consistent with International Organization for Standardization (ISO) standards for Environmental Management Systems (ISO 14001) and Occupational Health and Safety Management Systems (ISO 45001). We continue to make progress on our journey towards best-in-class programs and processes focused

on the health and wellbeing of our associates, business partners, communities, and planet.

## SETTING THE STAGE FOR OUR EHS MANAGEMENT SYSTEM

We updated our EHS Policy to better define our shared commitments, where we all take responsibility for our personal safety, each other, and the environment.

Governed by our EHS Executive Leadership Council with ultimate oversight by our Board of Directors, our updated policy sets the stage for how we operate, make decisions, drive improvement across our organization, and empower our people to care for themselves and each other. Our EHS Policy is part of the strategic framework that helps deliver our vision of EHS excellence.



To support our EHS evolution from the ground up, we have focused on:

- **Developing site-level assessments** to maintain and improve compliance and performance.
- **Leveraging cutting-edge software solutions** to help us better manage our efforts and track and score our key performance indicators.
- **Enhancing EHS programs** across our organization.
- **Raising awareness of our system and policies** in-house and publicly, including an updated management system, which outlines how we effectively manage our EHS risk, comply with global regulations, and align to ISO 45001 and 14001 standards.
- **Creating detailed facility-specific playbooks** to deploy in fiscal 2024, which will further outline our corporate EHS expectations for each facility.
- **Revising our EHS goals and objectives** using more meaningful metrics from our new automated tools as we evolve our processes to eliminate hazards and drive EHS improvements.
- **Working with our business leaders** across our operations to continually revise our processes and procedures.



**TINA LASH**  
DIRECTOR ENVIRONMENTAL,  
HEALTH, AND SAFETY

“We are connecting our facilities much better than they ever have been in the past. Getting everyone on the same page to watch out for each other, to care for each other, and to care for the environment — it’s that connection that’s going to help drive us forward.”



### KEEPING OUR PEOPLE SAFER WITH THE HELP OF AI

From carpal tunnel to tendonitis, work-related musculoskeletal disorders (MSDs) affect nearly a quarter of the global population and cost employers billions each year.<sup>xi</sup> At Acuity Brands, one of our values is people. That's why we're investing in technology that puts our people's well-being first.

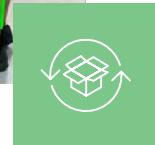
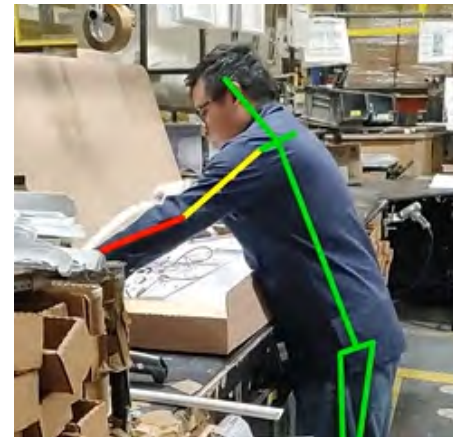
In February 2023, our EHS and medical teams from across Mexico gathered at the Guadalupe Production Facility to pilot the industrial ergonomics tool supported by VelocityEHS®, which uses sensorless motion capture software to help evaluate and minimize the risk of MSDs.

The teams were the first of our associates worldwide to enroll in the VelocityEHS Industrial Ergonomics training workshop to learn how to use this tool. **The AI-driven tool provides advanced simulation of our actual associates at work, comprehensive evaluations of their workstations, and insights that help us improve workplace conditions and reduce the risk of potential injuries.**

The software has the capabilities to gather continuous data during a task, measure posture, frequency and duration, classify risk levels, capture forces applied, perform root cause analysis, and establish action plans and follow-up for implementing improvements and validating them, a game changer for the day-to-day safety of our teams.

Since the pilot program, we have implemented the ergonomics tool across 14 of our sites in Mexico and the U.S. These facilities are now using the tool to find and lower risks of MSDs to reduce injury in our workplaces. This is just the beginning of our digital transformation to capture, automate, and leverage data to improve our EHS processes, maintain compliance, and lead the industry with best-in-class safety practices.

On average, we are seeing notable reductions in the priority score or measured risk of MSDs in follow up assessment after recommended improvements are implemented.



Examples of how the motion capture AI tool analyzes movement and posture to help evaluate and minimize the risk of MSDs.

# Developing Our EHS Leaders

We continue to invest in coaching, safety training, and opportunities for associates across every level of our organization to develop, engage, and empower themselves to improve workplace safety.

## SAFETY TRAINING

Getting digital tools and solutions into the hands of our people is the key to empowering them. In fiscal 2023, we piloted new online EHS training programs for our associates through Skillsoft. Providing a centralized hub of digital content has allowed us to ensure our training courses remain current with required regulations and that our associates clearly understand expectations, whether they work remotely or on the floor of one of our many facilities around the globe. **Being able to standardize our basic concepts, tailor job-specific training, and collect insights and data on the training and its effectiveness is helping us develop our people more effectively.**



## CELEBRATING HEALTH AND SAFETY

Associates across Acuity Brands celebrated the International Labor Organization’s World Day for Safety and Health at Work for the second year in a row in April 2023. Our operations and supply chain teams were encouraged to act together to build a positive safety and health culture and take personal responsibility to help improve EHS in our facilities — and that they did.

Our teams hosted engaging events for associates, their families, and the community. Facilities in Pennsylvania, Illinois, Mexico, and Canada took part in forklift driving competitions to test drive safety skills and know-how. Our teams in Dallas, Texas and Conyers, Georgia held “hazard” scavenger hunts. And many of our facilities across the globe invited vendors specializing in health and safety services and products to set up booths at our well-attended community health fairs. A few highlights included interactive demos of ergonomic mat options at our Indiana Production Facility and a visit from the Mexican Government Health Services at our Apodaca Production Facility to discuss ways to detect and prevent diabetes, hypertension, and high cholesterol.

From games, mascot design, and safety song contests, to pet adoptions and drawings for associates’ children to win prizes, our teams had a lot of fun prioritizing health and safety and growing our culture of caring.



**TYLER MOON**  
SENIOR VICE PRESIDENT, ENTERPRISE OPERATIONS

“We are creating a culture in which associates care for each other. We are using exciting technologies, including our own, to make our environments safe, secure and productive.”



# COMMUNITY IMPACT

Acuity Brands associates are connected to the world around us and dedicated to making an impact in the communities where we live, learn, work, and play. Our values guide who we are and help us take action today to create a better future.

## EARTHLIGHT IN ACTION: CONTRIBUTING TO A CAMP THAT NURTURES NEW CONNECTIONS

As part of our NEXT 2023 Sales Event, our Independent Sales Network and Acuity Brands team members packed and delivered 1,000 camp supply kits along with a \$40,000 donation from Acuity Brands and leaders from our Independent Sales Network to Georgia-based Camp Southern Ground in support of its youth summer camp and veterans' programs. Founded by Grammy Award-winning musician Zac Brown on 400 acres of farmland south of Atlanta, the camp hosts week-long inclusive, residential camp sessions in the summer for children with neurodevelopmental differences, underserved kids, and kids from military families. The remaining weeks of the year, Camp Southern Ground serves our nation's veterans through its workforce and wellness transition programs. With sustainability and conservation top of mind, the campus also boasts LEED® certified buildings, a five-acre solar field, and an 11.5-acre USDA Certified Organic farm that supplies meals to attendees. Many of our associates felt so inspired by the positive work Camp Southern Ground does for veterans and children in our community, they made additional monetary donations. **We put #EarthLIGHTinAction with organizations like Camp Southern Ground that align to our values, our ERGs, and our efforts to make a meaningful difference in the communities where we live.**





**HITTING THE SLOPES FOR A GOOD CAUSE**

Up in Quebec, Canada, the winter sport enthusiasts on our ABL Specialty and Distech Controls teams put their athleticism and passion for community to good work during the 22nd annual 24h Tremblant. This was Acuity's 10th year hitting the slopes on Mont Tremblant in the Laurentian Mountains for the event, which raises funds for children's health and well-being as relay teams ski, walk, or run as far as they can over 24 hours. In the weeks leading up to the event, participants also held donation drives, during which our associates raised \$31,584 CAN. Best of all, the event raised a total of \$5.8 million CAN — well deserving of the hot drinks and celebration down the mountain.

*“It’s important that a company has community as a value. In helping others with your colleagues and participating in events like the 24h Tremblant, you get the chance to meet new people who also share that same value and passion.”*

**SABRINA PEZZOLA**

ACCOUNTING ANALYST, DISTECH CONTROLS

## MAKING COMMUNITIES BETTER

In fiscal 2023, our associates found even more impactful ways to make communities better, neighborhoods greener, and spaces brighter.

Here are just a few examples:

- In Atlanta, members of our MAGIC ERG planted 30 trees in South Stone Mountain alongside the **NAACP** and **Trees Atlanta** on Martin Luther King Jr. Day. Our Customer Experience team hosted a networking event to benefit **PAWS Atlanta**. Our Marketing team packed 1,000 lunches with handwritten notes of encouragement for underprivileged children in sustainable, reusable lunch bags for the **Atlanta Community Food Bank**. In an initiative led by our Veteran's Network ERG, our associates sent over 230 letters to show kindness and bring joy to deployed active-duty service members, recruits, veterans, and first responders in support of **Operation Gratitude**.
- In Montreal, our ABL Specialty team planted a rooftop urban garden at our Eureka facility, creating a healthy environment for bees and other local pollinators. This team also assembled 50 bags of personal care items to help unhoused people stay warm in winter.
- In Mexico, associates headed to **Professor Cruz Lino Marquez Elementary School** in Matamoros to share eco-friendly practices and donate trees and soil during the school's Environmental Awareness Week. Plus, 164 Acuity Brands associates, along with parents, teachers, and suppliers, fixed up schools in Nuevo Leon and Tamaulipas.

- In Crawfordsville, our Indiana Production Facility (IPF) team helped relight **Athens Arts**, a local visual arts facility. Acuity Brands donated and installed STACK™ lighting fixtures from Lithonia Lighting® and Juno® TRAC fixtures to save the nonprofit an estimated 5,863 kWh of energy and avoid an estimated 2.5 metric tons of CO<sub>2</sub> annually compared to the facility's previous fixtures. And associates collected and delivered 800 turkeys and 1,200 pounds of food to families in need, for the **FISH Food Pantry of Montgomery County** and other nonprofits for Thanksgiving.
- In Colorado, our associates partnered with the **International Association of Lighting Designers** Denver Chapter and **Wish for Wheels** to donate new bikes and helmets to second graders at Colfax Elementary School in Colorado.
- Across the globe, associates collectively donated more than 5,300 toys, 200 gifts, and more than 200 pounds of winter clothing, and fulfilled 28 holiday wish lists for families and kids in need over the holidays.
- In Atlanta, associates from our Sourcing team joined suppliers A.L.P. Lighting and Roytec for a day of service at **Goshen Valley Boys Ranch**, which serves young men in foster care in Waleska, Georgia. Plus, our associates teamed up with 30 local suppliers to collect school supplies to benefit Rockdale County Schools in Georgia.



APRIL APPLING

VICE PRESIDENT CORPORATE  
COMMUNICATIONS AND EVENTS

“Our values are the core of our culture. #EarthLIGHTinAction illustrates our value of community and demonstrates how companies can engage their network to act locally and make a meaningful difference. The collective engagement and impact is inspiring!”

# GOVERNANCE

Operate with integrity and transparency to continue earning the trust of our stakeholders.

## IN THIS SECTION

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- 64 Prioritizing Data Privacy and Security
- 65 Partnering with Suppliers to Expand Our Impact
- 68 Meet Our Board of Directors
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# CREATING LASTING VALUE THROUGH HIGH ETHICAL STANDARDS

## REFRESHING OUR CODE OF ETHICS AND BUSINESS CONDUCT

As the world changes and we change as an organization, integrating our values into our Code of Ethics and Business Conduct remains a top priority to keep us at the forefront of how we operate from an ethics and compliance standpoint. In fiscal 2023, we prepared an update to the content of our Code of Ethics and Business Conduct which will be released in fiscal 2024. **Updates were made to lead with our “why,” and further align with our values, knowing that we cannot be best-in-class unless we put our values into action.** We also engaged with respected technological research and consulting firm Gartner to help us benchmark our Code and our Ethics and Compliance program against other leading companies and our competitors. Our benchmarking work will lead to additional enhancements in fiscal 2024.

## ENHANCING COMPLIANCE THROUGH TECHNOLOGY

In fiscal 2023, we deployed a new Compliance platform that provides automation, insights, and new Helpline capabilities, including expanded ways for associates to raise concerns. Our platform streamlines our reporting capabilities across Compliance and HR and provides associates with a user-friendly solution to call, text, or go online to raise ethical or operational concerns, questions, and issues in a confidential and risk-free manner 24/7/365.

**Ethics and Compliance Progress**

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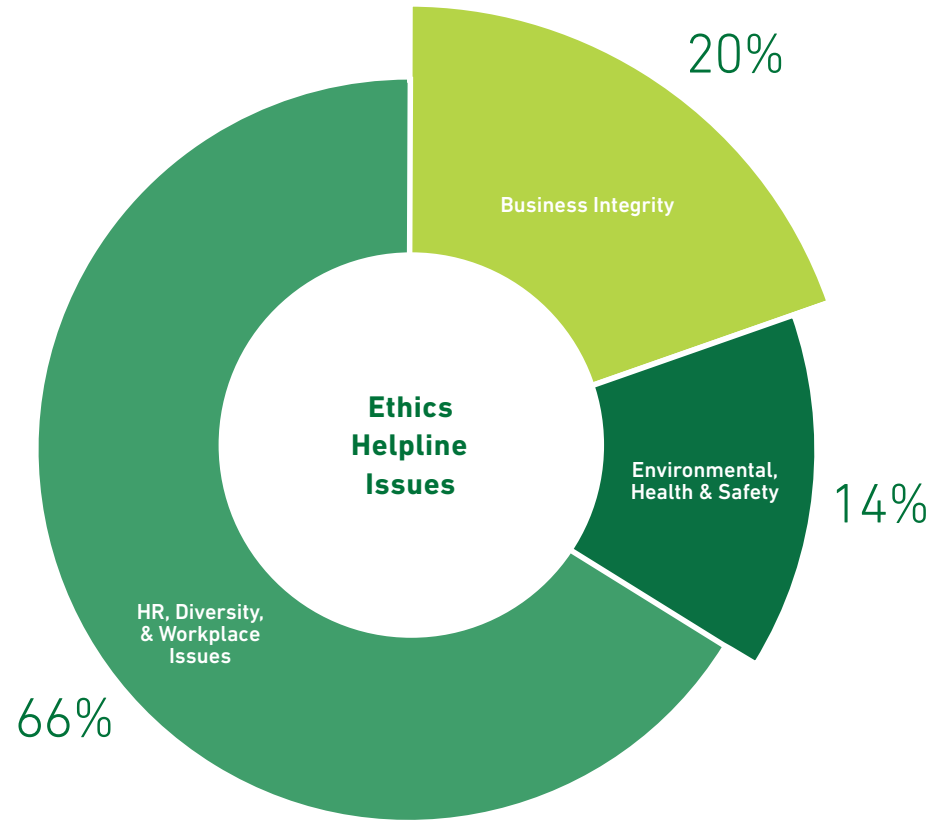
**133** Reports investigated and closed in fiscal 2023

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**37** Reports were substantiated and closed in fiscal 2023

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**48** Days on average to close a report in fiscal 2023



**LEADING WITH OUR VALUE OF INTEGRITY**

Our associates and leadership teams aim to operate in a way that aligns with our values and complies with applicable laws. All associates receive training on the Code of Ethics and Business Conduct annually, to learn about how ethics and integrity are applied to everyday business situations.

In fiscal 2023, we created and populated our new Compliance Policy Center — set to launch in fiscal 2024. Our Compliance Policy Center makes it easier for associates to access and navigate the information they need and automates our policy management processes, including approvals and review cadences, to save our people time and effort. Our streamlined approach to updating our policies, adding new policies, and rolling them out to our associates, will help us remain nimble and prepare us well for the future, including growth through acquisitions — people will be able to see exactly what they need to see, understand the why behind it, and digest it much easier than they have before.

We maintained our Ethical Culture Score, which was introduced as part of our ESG targets for the first time last year. Our Ethical Culture Score allows us to better gauge the health of our culture of ethics and compliance. In fiscal 2023, we achieved a score of 83, which is the same level of confidence our associates had in fiscal 2022. **Our goal is to achieve the norm for High-Performing Companies by fiscal 2025. In 2023, this norm for High-Performing Companies was 85.**

*“Our Ethical Culture Score provides feedback from associates on the effectiveness of our ethics and compliance program — ‘is our messaging reaching everyone, do they feel a culture of integrity, and where do we have opportunities to improve?’ This feedback is so valuable in helping us expand and enhance our ethical culture, awareness, and impact.”*



**ERICA CHMIELEWSKI**  
VICE PRESIDENT, CHIEF COMPLIANCE OFFICER



### RESPONDING EFFECTIVELY TO CHALLENGES AND OPPORTUNITIES

Our Enterprise Risk Management (ERM) program focuses on embedding risk awareness and assessment into our culture and business processes and empowering us to achieve our goals, strengthen our ability to manage, increase our efficiencies, and operate with a competitive advantage. We periodically evaluate, prioritize, and mitigate key risk areas including operations, logistics, human capital, ESG, compliance, cybersecurity, and culture.

Acuity Brands' ERM strategy is driven by our values and business priorities.

### MAINTAINING A SAFE AND SECURE WORKPLACE

As we prepare for the future, our people and communities remain at the forefront of everything we do.

We have made significant investments in technology and other enhancements to secure our physical locations and protect our associates, including upgraded and standardized access controls and security monitoring equipment. We continually assess our security practices against industry standards. During fiscal 2023, we modified our overall security presence at select facilities, including expanding support of our Global Security and Operations Center to serve as a 24/7 resource. We continued to invest in the American Society for Industrial Security (ASIS) board certifications to bolster and validate our security professionals' expertise. ASIS International is the world's largest organization for security professionals, and its certifications recognize mastery of core security principles and security management skills.



# PRIORITIZING DATA PRIVACY AND SECURITY

## OUR PRIORITIES

### CULTURE-BUILDING

We are cultivating a security-aware culture and have bolstered our organization to support this process. Our growing team of privacy and security professionals are engaged in each phase of the technology development lifecycle to embed security in all aspects of our products and infrastructure.

### SECURITY BY DESIGN

We take security and privacy seriously, with a comprehensive program designed to defend our Company from the ever-changing cyberthreat landscape.

As we adapt to a world of increasingly complex technology, Acuity Brands remains committed to a robust and effective approach to data privacy and security.

### OUR APPROACH

We continue to strengthen and enhance our policies, practices, procedures, and operations to protect our people, networks, and customers. Our approach includes evolving and implementing our security program to reduce our risk and enable us to meet our privacy obligations. In fiscal 2023, our team, along with our leadership team and Board of Directors, has overseen tremendous progress in further enhancing our cyber security posture through training, improved processes, and significant investments in security-related software and hardware systems and upgrading our enterprise IT infrastructure. **Benefits of these investments include stronger end-point security, cloud security, identity and access management, vulnerability management, and incident response and recovery capabilities.**

In fiscal 2023 several of the Company's controls earned the Service Organization Control (SOC) 2 Type 2 attestation for the second year in a row. This continues to demonstrate our commitment to building security, reliability, and privacy into the technology we develop and deliver to our customers.

The scope of the Type 2 report covers our products, systems, applications, networks, development processes, human resources, and information assets as they apply to the handling of restricted information and the development of products that comprise key components from our Digital Lighting Networks, Atrius® Technology Solutions, and Distech Control® Building Management Systems.

Our Privacy Statement describes how we collect, use, and share data. You can read our complete Privacy Statement [here](#).



“Our security program helps us secure our enterprise and the whole ecosystem that we’re a part of. That means implementing robust practices to prevent, detect, and mitigate threats for our partners, our customers, and our suppliers, as well as ourselves.”

PAT QUINN

CHIEF INFORMATION SECURITY OFFICER



# PARTNERING WITH SUPPLIERS TO EXPAND OUR IMPACT

## OUR APPROACH

As a Company driven by values, we strive to work with suppliers who do the right thing and who share our view that organizations do well by doing good. In fiscal 2023, we implemented our Supplier EarthLIGHT Assessment and Responsible Sourcing Metric and launched a multi-year journey to build a formal, eight-part sourcing process by fiscal 2025. **This enhanced sourcing process will help us better partner with vendors that demonstrate our values and excel in supply performance categories, such as risk and resilience, capacity, quality, and on-time delivery.**

Together, Acuity Brands and our suppliers are creating spaces for employees to do their best work, drive improvement in workplace safety, and enrich the communities where we work and live.

## ENGAGING OUR SUPPLIERS THROUGH ESG ACCOUNTABILITY

Developed in fiscal 2022 and implemented across much of our supply chain in fiscal 2023, the Supplier EarthLIGHT Assessment is a self-assessment survey that tracks and recognizes our suppliers' ESG journeys. We want our supply chain partners to share our values and passion for running their businesses well.

The Supplier EarthLIGHT Assessment includes questions around a variety of ESG performance elements aimed at measuring responsible practices that align with our own. Topics include sustainability projects that go beyond carbon reduction (such as water-usage reduction), volunteer work that makes our communities better, and diversity activities that foster an inclusive workplace. The responses from this assessment formulate our Responsible Sourcing Metric and identify opportunities for Acuity Brands to work with our suppliers to improve their carbon footprints and other environmental impacts and make their local communities better. In fiscal 2023, the average supplier score on our Responsible Sourcing Metric was 2.57 — exceeding our interim target of 2.0 for fiscal 2023. Our fiscal 2025 target is 3.0.

### How We Assess Our Suppliers

Our Supplier EarthLIGHT Assessment rates our supply chain partners on a scale of 1 – 4 across a variety of ESG best practices:

#### Sustainability Programs

#### Diversity

#### Employee Safety

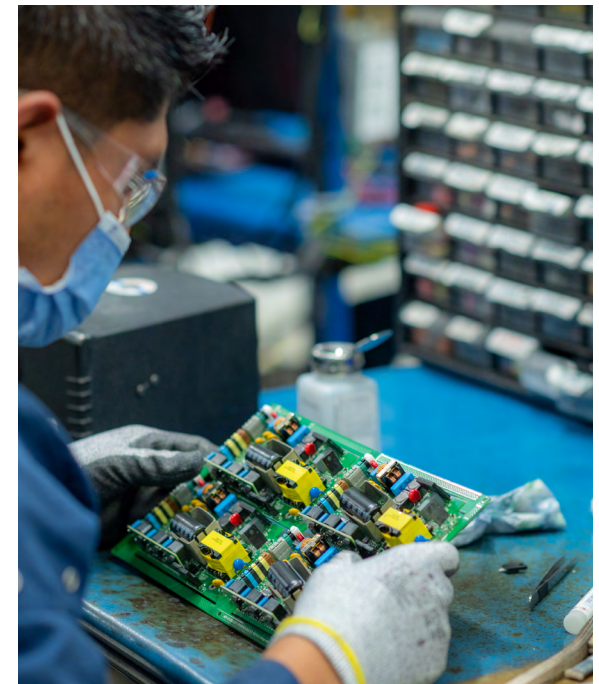
#### Carbon Footprint

#### Community Engagement

#### Ethics, Conduct, and Business Practices

The results of our assessments will pave the way for us to change how we engage with our suppliers to improve accountability upstream.

Our early experiences with the Supplier EarthLIGHT Assessment will inform our sourcing processes and expectations for our suppliers well into the future. As we continue to further engage with our suppliers around their ESG journeys, we discover more opportunities to assist with innovative tools and solutions, such as our Atrius® Energy and Atrius® Sustainability solutions, which provide a deeper understanding of energy usage and simplify carbon emissions reporting, and reduce our costs through upstream cost reductions.



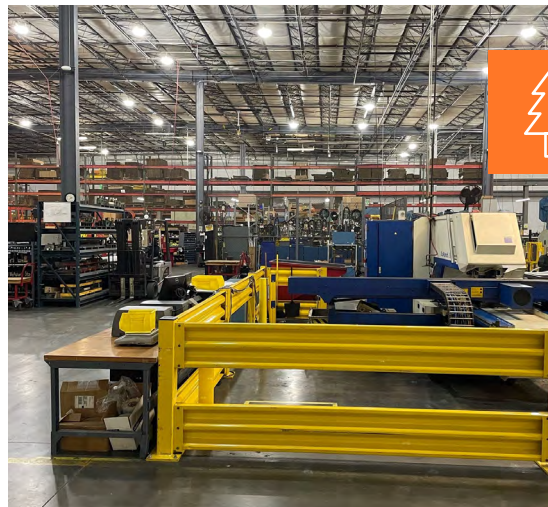
## Partnering for a Positive Impact

Our suppliers value lean, sustainable projects that contribute to making their workplaces safe. By providing the right tools, systems, and training, we are helping their teams be successful.

We are deeply invested in working on projects with our suppliers to improve sustainability and reduce carbon emissions. Here are just a few ways we supported and collaborated with our suppliers to make a difference in fiscal 2023.

### EMPOWERING OUR PARTNERS TO SAVE ENERGY

In January 2023, our partners at A.L.P. Lighting completed a factory retrofit at one of their fabrication plants, converting the lighting in the facility to energy-efficient LED lighting using the relight kits from Lithonia Lighting® to easily do so. This LED lighting conversion is expected to reduce energy usage by approximately 200,000 kWh per year compared to the facility's previous lighting, resulting in avoidance of approximately 142 metric tons of carbon emissions. The Sourcing team has since facilitated LED relight projects at seven additional supplier locations.



Compact Pro™ High Bay by Lithonia Lighting® installed at an A.L.P. Lighting facility.

**REDUCING PACKAGING**

Our packaging supplier DanHill Containers de Mexico has worked with us to reduce material packaging such as foam and bubble-wrap on over 30 products manufactured across our Mexico facilities. These projects are expected to account for \$350K in annual savings from packaging material reduction and over 136 metric tons of CO<sub>2</sub> avoidance from truckload reduction.

**REDUCING OUR TRANSPORTATION IMPACTS, REDUCING COSTS, AND BUILDING RESILIENCE**

One of the key things we can do to effect change across our value chain is improve our inbound logistics. Like many companies, Acuity

Brands sources goods from across the world, but transporting goods on boats and airplanes requires a lot of energy, has real impacts on emissions and the environment, and is vulnerable to disruptions in the global supply chain.

In fiscal 2023, we continued efforts to boost our onshore and near-shore capabilities. We are working closely with our suppliers to improve transportation inefficiencies and create an even more effective service model to serve our customers.

As we assess our capabilities, we are also working closely with our suppliers to improve transportation inefficiencies.



**CASE STUDY:  
PACE INDUSTRIES INBOUND  
TRANSPORTATION  
MILEAGE REDUCTION**



Pace Industries has been a supplier for Acuity Brands for more than 40 years. Pace provides components for a variety of products in our portfolio. Associates at Pace facilities in Saltillo and Chihuahua, Mexico oversee part production and quality assurance for over 200 components used in our innovative products and solutions. They also share our passion for reducing our environmental impact.

In fiscal 2023, Pace partnered with us to take bold action to help us in reaching our sustainability goals. To reduce transportation costs and emissions, Pace and the Acuity Brands Sourcing team worked together to implement freight optimization projects such as load planning, standard pack improvement, and milk run consolidation to reduce the number of trucks delivering to our Monterrey, Guadalupe, and Santa Rosa Production Facilities.

This project has directly reduced our Scope 3 emissions. As compared to operations before this fiscal 2023 project, we have avoided an estimated 236 metric tons of carbon emissions and reduced inbound transportation by 50K miles in the routes from Pace Chihuahua and Pace Saltillo to Acuity Monterrey area facilities.

# MEET OUR BOARD OF DIRECTORS

The Board of Directors (Board) and its standing committees are involved in oversight of our strategy, including, but not limited to, major business and organizational initiatives, capital allocation, and potential business development opportunities.



**Neil M. Ashe**

Chairman, President and Chief Executive Officer, Acuity Brands, Inc



**Marcia J. Avedon, Ph.D**

Chief Executive Officer, Avedon Advisory, LLC; Former Executive Vice President, Chief Human Resources, Marketing And Communications Officer, Trane Technologies PLC



**W. Patrick Battle**

Managing Partner, Stillwater Family Holdings



**Michael J. Bender**

Former President and Chief Executive Officer, Eyemart Express, LLC



**G. Douglas Dillard, Jr.**

Managing Partner, Slewgrass Capital, LLC and Slewgrass Partners, LLC



**James H. Hance, Jr.**<sup>3,4</sup>

Operating Executive, The Carlyle Group LP



**Maya Leibman**<sup>2</sup>

Former Executive Vice President and Chief Information Officer, American Airlines Group, Inc.



**Laura O'Shaughnessy**

Co-Founder and Chief Marketing Officer, The Picnic Group, Inc.



**Mark J. Sachleben**

Former Chief Financial Officer and Corporate Secretary, New Relic, Inc.



**Mary A. Winston**<sup>1</sup>

President, Winsco Enterprises, Inc.; Former Executive Vice President and Chief Financial Officer, Family Dollar Stores, Inc.

1. Chair of Audit Committee 2. Chair of Compensation and Management Development Committee 3. Chair of Governance Committee 4. Lead Director

# OUR BOARD'S SKILLS AND EXPERIENCE

## Areas of Director Skills and Experience

<p><b>Executive Leadership</b> Experience as a public company CEO or other executive officer, either current or past; or a senior executive, division president, or functional leader within a complex organization</p>									10
<p><b>Corporate Governance</b> Current or previous service on a public company board of directors; or understanding of public company operating responsibilities and with issues commonly faced by public companies</p>									10
<p><b>Strategic Growth and Development</b> Knowledge of strategic planning and mergers and acquisitions in large organizations operating in multiple geographies</p>									10
<p><b>Operational/Manufacturing</b> Experience in the oversight of large-scale operations, including manufacturing in industries similar to the ones in which the Company operates</p>					6				
<p><b>Finance, Accounting, and Capital Markets</b> Knowledge of finance or financial reporting; experience with debt/capital market transactions; or experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor</p>									10
<p><b>Human Capital and Talent Management</b> Experience in attracting, developing, and retaining talent and building strong cultures</p>									10
<p><b>Enterprise Risk Management/Sustainability</b> Experience in oversight of enterprise-wide risk management, including cybersecurity; or experience in creating long-term value by embracing opportunities and managing risks deriving from ESG developments</p>							8		
<p><b>Engineering, Technology, and Innovation</b> Experience in leading edge engineering and technology innovation; experience in digital transformation of a business</p>								9	

# CORPORATE GOVERNANCE ENHANCEMENTS

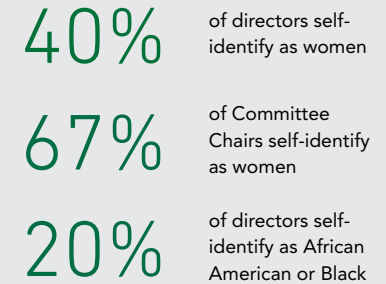
In addition to our ongoing Board review and refreshment process, our Board regularly evaluates and enhances our corporate governance practices. Following is a summary of the corporate governance enhancements we have made over the past several years.

- Declassified our Board and adopted a majority voting standard for non-contested elections (2017)
- Amended our Corporate Governance Guidelines to set age 75 as the retirement age for our directors, except in unique or extenuating circumstances (2017)
- Amended our Code of Ethics and Business Conduct to highlight our commitment to: prohibiting discrimination on the basis of sexual orientation, gender identity, and gender expression (2017); prohibiting child labor (2018); remaining vigilant to prevent money laundering (2023); designing, sourcing, and producing safe quality products for our customers (2023); and complying with all requirements for doing business with the government or on publicly funded projects (2023)
- Launched our EarthLIGHT program to report the Company's ESG efforts and provide annual updates on our progress (2018)
- Adopted a Board Diversity policy (2019)
- Amended our Governance Committee Charter to provide for the Governance Committee's oversight of ESG (2019)
- Amended the Company's By-Laws and Certificate of Incorporation to eliminate super majority voting provisions (2021)
- Amended the Company's Certificate of Incorporation to allow By-Law amendment granting stockholders' right to call a special meeting (2021)



- Continued refreshment of our Board membership, the leadership of each of our standing committees, and the membership of our standing committees, including focused succession planning for each (2020, 2021, 2022 and 2023)
- Adopted an Amended and Restated Incentive-Based Compensation Recoupment Policy to comply with recently adopted New York Stock Exchange listing standards and Securities and Exchange Commission ("SEC") regulations governing compensation recovery policies (2023)

### Director Diversity



### Director Age

● Under 50 ● 50-59 ● 60-69 ● Over 70



### Director Tenure

● 5 Years or Less ● 6-10 Years



# APPENDIX



## IN THIS SECTION

**72** SASB Index

**78** Acuity's Carbon Footprint and Verification Statement

**81** End Notes

# SASB INDEX

Disclosures are influenced by the Sustainability Accounting Standards Board's (SASB) standards for Electrical & Electronic Equipment and Software & IT Services. This report covers fiscal 2023 results, and assumptions collected from September 1, 2022 to August 31, 2023. For information concerning the current fiscal year, please refer to the Company's latest quarterly and annually reports and other filings with the SEC. These documents are available online at [investors.acuitybrands.com](https://investors.acuitybrands.com).

## Electrical and Electronic

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1	(1) 895,227 Gj; (2) 40%; (3) 4%
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1	1706 Mt generated, 56% recycled
	Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	0 kg. We had zero reportable spills in fiscal 2023.
Product Safety	Number of recalls issued, total units recalled	RT-EE-250a.1	Zero recalls in fiscal 2023.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	\$0 USD
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	We do not directly purchase or use any IEC 62474 declarable substances. We do not specifically track these substances in the products we purchase; however, our supply agreements specify that goods purchased by Acuity Brands under said agreements will not contain any substances on the RoHS or REACH lists.
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	RT-EE-410a.2	Approximately 9.4% in the year ending December 31, 2022.
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	87%



# SASB INDEX

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	<a href="#">See page 6 of fiscal 2023 10-K.</a>
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	See <a href="#">Anti-Bribery and Anti-Corruption Program Overview</a> . See pages 11-12 of <a href="#">Code of Ethics and Business Conduct</a> .
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	\$0 USD
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	RT-EE-510a.3	\$0 USD
Activity Metrics	Number of units produced by product category	RT-EE-000.A	We do not disclose the number of units produced.
	Number of employees	RT-EE-000.B	12,000 as of August 31, 2023

# SASB INDEX

## Software & IT Services

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	(1) 895,227 GJ; (2) 40%; (3) 4%
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	(1) 349 megaliters; (2) 51% of withdrawals
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	As part of our digital transformation, we have adopted a “cloud-first” data center strategy, aligning with leading cloud providers that prioritize corporate ESG responsibility in alignment with Acuity values. Likewise, for our edge and on-prem compute and storage needs, we partner with organizations that are committed to sustainability, demonstrating this commitment through leadership and programs in key areas such as energy efficiency, waste and water management, health and safety, DEI, and data security and privacy.
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	See our <a href="#">Privacy Policy</a> .
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Zero. We do not use any personal information for secondary purposes. We are explicit in our user agreements about the purposes for which data is collected, and any additional uses, per our privacy policy, require explicit additional permissions granted by users. See our <a href="#">Privacy Policy</a> .
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	\$0 USD

# SASB INDEX

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Data Privacy & Freedom of Expression (cont'd)	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-SI-220a.4	(1) 0; (2) 0; (3) 0%.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	We have not been asked to alter our core products or services by government entities of any country except by issuance of a public law (e.g., GDPR, CPRA). We are not aware of any governments altering, blocking, censoring or filtering our products or services.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.1	We have not had any material data breaches, individually or in the aggregate, in fiscal 2023.
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	We use a secure development lifecycle for our products and identify risks by conducting various assessments, security tests (internal and 3rd party), and monitoring threat intelligence. In addition, we use a risk management framework to categorize our risks based on impact and work with our engineering teams to address any potential risks.
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals, (2) located offshore	TC-SI-330a.1	<u>See page 10 of fiscal 2023 10-K.</u>
	Employee engagement as a percentage	TC-SI-330a.2	Sustainable engagement is 85% favorable.

# SASB INDEX

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Recruiting & Managing a Global, Diverse & Skilled Workforce (cont'd)	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	<p>Gender (Globally)                      AYI Females in Management: 30.9%                      AYI Females: 43.6%</p> <p>Minority (US Only)                      AYI POC in Management: 22.5%                      AYI POC: 42.9%</p> <p>Management Categories are now defined by career architecture: E1 - Executive, E2 - Executive, E3 - Executive, E4 - Executive, E5 - Executive, M1 - Management, M2 - Management, M3 - Management, M4 - Management, M5 - Management.</p> <p>Excludes Contingent Workers; if demographic is unknown/not provided, associate is assigned to non-diverse group (white and/or male).</p>
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SI-520a.1	\$0 USD
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues, (2) service disruptions, (3) total customer downtime	TC-SI-550a.1	(1) 2 performance issues; (2) 8 service disruptions; (3) Total accumulated downtime across all individual services and customers: 17d 21h 5m.
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	<u>See Pages 8-12 of fiscal 2023 10-K.</u>

# SASB INDEX

Topic	SASB Accounting Metric	Code	Acuity Fiscal 2023 Data
Activity Metrics	(1) Number of licenses or subscriptions, (2) percentage cloud-based	TC-SI-000.A	(1) 1,138; (2) 100%. Acuity's primary software product strategy is offering SaaS subscriptions. There are, however, (a) a small number of active licenses of legacy software products that are no longer being offered for sale and (b) certain licenses of mobile device apps and desktop applications, from which Acuity does not directly derive material income, which are licensed to support the sale of other products.
	(1) Data processing capacity, (2) percentage outsourced	TC-SI-000.B	(1) 551 vCPU / cores processing capacity (a snapshot of foundational computing services); (2) 100% cloud
	(1) Amount of data storage, (2) percentage outsourced	TC-SI-000.C	(1) 731.9 TB storage (a snapshot of foundational storage services); (2) 100% cloud

# ACUITY'S CARBON FOOTPRINT

This Report covers fiscal 2023 results, and includes estimates and assumptions collected from September 1, 2022 to August 31, 2023. These figures have been externally verified by a third-party auditor. See verification statement on the following pages.

Scope	Category	Emissions (MT CO <sub>2</sub> e)	Emissions Methodology
<b>Scope 1</b>		<b>34,809</b>	
<b>Scope 2</b>	Location-Based	<b>40,791</b>	Market-based
<b>Scope 2</b>	Market-Based	<b>37,028</b>	Location-based
Category 1	Purchased Goods & Services	<u>1,222,844</u>	Spend-based method; Average-data method
Category 2	Capital Expenditures	<u>36,145</u>	Spend-based method
Category 3	Fuel & Energy-Related	<u>16,480</u>	Average-data method
Category 4	Upstream Transportation	<u>88,380</u>	Distance-based method; Spend-based method*
Category 5	Waste	<u>284</u>	Spend-based method; Waste-type-specific method
Category 6	Business Travel	<u>4,732</u>	Distance-based method; Spend-based method
Category 7	Employee Commuting	<u>10,973</u>	Distance-based method
Category 8	Upstream Leased Assets	<u>n/a</u>	n/a
Category 9	Downstream Transportation	<u>32,342</u>	Allocated emissions from downstream distributors and 5 retailers*
Category 10	Processing of Sold Products	<u>n/a</u>	n/a
Category 11	Use of Sold Products	<u>22,220,469</u>	Direct use-phase calculation methodology
Category 12	End-of-Life Treatment of Products	<u>6,978</u>	Waste-type-specific method
Category 13	Downstream Leased Assets	<u>n/a</u>	n/a
Category 14	Franchises	<u>n/a</u>	n/a
Category 15	Investments	<u>118</u>	Average-data method
<b>Total Scope 3</b>		<b>23,639,745</b>	
<b>Total Footprint</b>		<b>23,824,210</b>	

\*The figures in category 4 and category 9 reflect a reallocation of inbound and outbound transportation emissions between those categories for fiscal 2023 and the addition of emissions from activities beyond the customer's gate in category 9 for fiscal 2023.



# STATEMENT

## Introduction

DNV Business Assurance USA, Inc. (DNV) has been commissioned by the management of Acuity Brands Inc. (Acuity) to carry out an independent verification of its GHG emissions (Scope 1, 2, and 3). These assertions are relevant to the 2023 fiscal year (FY): 1 September 2022 to 31 August 2023.

## Verification Objective

The objective of this verification is to verify conformance with applicable verification criteria, including the principles and requirements of relevant standards or GHG programmes, within the scope of the verification; the organization’s GHG emissions inventory; any significant changes in the organization’s GHG emissions inventory since the last reporting period; and the organization’s GHG-related controls.

## Verification Scope

FY 2023 Greenhouse Gas (GHG) emissions inventory Scope 1, 2, and 3 (Category 1, 2, 3, 4, 5, 6, 7, 9, 11, 12 and 15).

## Verification Level of Assurance

The verification was conducted by DNV to a limited level of assurance.

## Materiality Level

Errors / omissions which represent an aggregated 5% of total emissions were considered material for Scope 1, and 3.

## Qualifications

Scope 3 Category 11 (Use of Sold Products) are based on the reasonableness of assumptions provided by Acuity. These include the estimated standard lifespan of products, the location of the usage of sold products and therefore the grid emission factors used, as well as the market assumptions for type of usage (example commercial versus residential) which is based on third party reports and data.

## Verification Criteria

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard
- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Supplement to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Corporate Value Chain Accounting and Reporting (Scope 3) Standard.



## Verification Protocols

- ISO 14064-3: 2019: Greenhouse gases—Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

## Operational Boundary

- Operational control
- Global sites, physical infrastructure, activities, technologies & processes of the organization across two business segments, Acuity Brands Lighting and Lighting Controls (ABL) and Intelligent Spaces Groups (ISG), and their facilities, including:
  - Manufacturing facilities;
  - Warehouses;
  - Distribution centers; and,
  - Offices.
- FY 2023 Reporting Period: 1 September 2022 to 31 August 2023.

## Data Verified

### Greenhouse Gas Emissions

FY 2023 Scope 1 Emissions	34,809 (MtCO <sub>2</sub> e)
FY 2023 Scope 2 Emissions (Location based)	40,791 (MtCO <sub>2</sub> e)
FY 2023 Scope 2 Emissions (Market based)	37,028 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Purchased Goods and Services	1,222,844 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Capital Expenditures	36,145 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Fuel & Energy Related Services	16,480 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Upstream Transportation and Distribution	88,380 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Waste Generated in Operations	284 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Business Travel	4,732 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Employee Commuting	10,973 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Downstream Transportation and Distribution	32,342 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Use of Sold Products	22,220,469 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: End-of-Life Treatment of Sold Products	6,978 (MtCO <sub>2</sub> e)
FY 2023 Scope 3 Emissions: Investments	118 (MtCO <sub>2</sub> e)

(units Mt is metric tons)



**Assurance Opinion**

Based on the verification process conducted by DNV, we provide a Limited Assurance of the GHG Emissions Inventory for Acuity. DNV found no evidence that the assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions information; and
- is not prepared in accordance with the *Verification Criteria*.

**Independence**

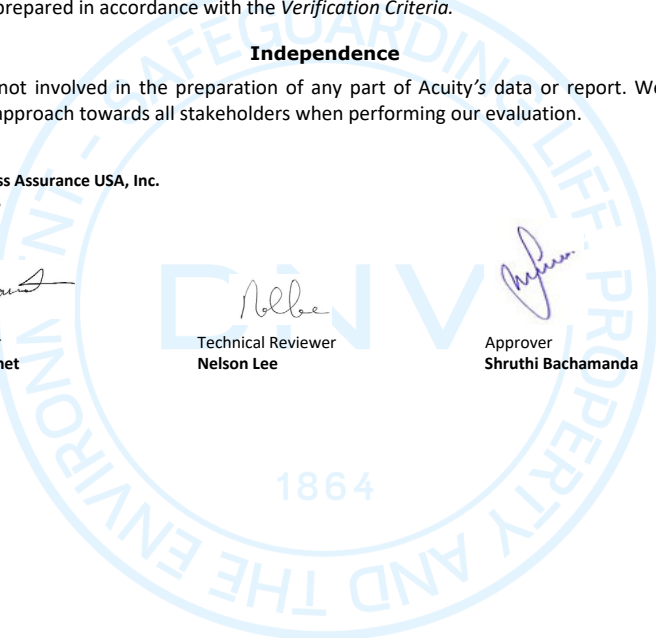
DNV was not involved in the preparation of any part of Acuity’s data or report. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV Business Assurance USA, Inc.  
16 Nov 2023

Lead Verifier  
Clayton Gionet

Technical Reviewer  
Nelson Lee

Approver  
Shruthi Bachamanda



The purpose of the DNV group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com/sustainability](http://www.dnv.com/sustainability)

DNV Business Assurance USA, Inc., 1400 Ravello Drive, Katy, TX 77449



# END NOTES

<sup>i</sup> Science Based Targets initiative. (n.d.). About Us. Science Based Targets. <https://sciencebasedtargets.org/about-us#who-we-are>.

<sup>ii</sup> Pacific Northwest National Laboratory. Arnold, Gabe & Pennell, Grace. 2020. DC Lighting and Building Microgrids, Opportunities and Recommendations. [https://www.pnnl.gov/sites/default/files/media/file/DC\\_Lighting\\_and\\_Microgrids\\_White\\_Paper\\_09-09-2020.pdf](https://www.pnnl.gov/sites/default/files/media/file/DC_Lighting_and_Microgrids_White_Paper_09-09-2020.pdf)

<sup>iii</sup> Price, R., & Scerbo, M. (2019, February 28). New LEED pilot credit encourages energy savings with DC power systems. <https://www.usgbc.org/articles/new-leed-pilot-credit-encourages-energy-savings-dc-power-systems>

<sup>iv</sup> Wen, Y. J., Kehmeier, E., & Kisch, T. (2020, September 23). Energy Savings from Networked Lighting Control (NLC) Systems with and without LLLC. DesignLights. [https://www.designlights.org/wp-content/uploads/2021/01/Energy-Savings-From-Networked-Lighting-Controls-with-and-without-LLLC\\_FINAL\\_09242020.pdf](https://www.designlights.org/wp-content/uploads/2021/01/Energy-Savings-From-Networked-Lighting-Controls-with-and-without-LLLC_FINAL_09242020.pdf)

<sup>v</sup> About the Commercial Buildings Integration Program. (n.d.). Energy.gov. <https://www.energy.gov/eere/buildings/about-commercial-buildings-integration-program>

<sup>vi</sup> Short-Term energy outlook - U.S. Energy Information Administration (EIA). (n.d.). [https://www.eia.gov/outlooks/steo/report/elec\\_coal\\_renew.php](https://www.eia.gov/outlooks/steo/report/elec_coal_renew.php)

<sup>vii</sup> Pattison, Morgan et al. (2022). 2022 DOE SSL R&D Opportunities. DOE BTO Solid-State Lighting Program. <https://www.energy.gov/sites/default/files/2022-02/2022-ssl-rd-opportunities.pdf>

<sup>viii</sup> Hadley, C. N. (2023, April 25). Make It Safe for Employees to Speak Up — Especially in Risky Times. Harvard Business Review. <https://hbr.org/2023/04/make-it-safe-for-employees-to-speak-up-especially-in-risky-times>

<sup>ix</sup> Egan, J. (2023, August 22). How to hire cybersecurity professionals. SHRM. <https://www.shrm.org/ResourcesAndTools/hr-topics/technology/Pages/How-to-Hire-Cybersecurity-Professionals.aspx>

<sup>x</sup> Lewis, N. (2021, December 14). IT workers will be hard to find and keep in 2022. SHRM. <https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/it-workers-will-be-hard-find-keep-2022.aspx>

<sup>xi</sup> MSD Solutions Lab White Paper - National Safety Council. (n.d.). <https://www.nsc.org/faforms/msd-solutions-lab-white-paper>

