

2025

Acuity TCFD Report



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

The statements made in this EarthLIGHT Report and on our website and related materials, including the 2025 EarthLIGHT Annual Report, 2025 Acuity Environmental Impact Report, 2025 Acuity TCFD Report and 2025 Acuity Industry-Specific Sustainability Disclosures (collectively 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 Inc. ("Acuity," or the "Company"), including, for example, statements related to such things as the deployment of energy-efficient technologies and the advancement of electrical grid efficiency. 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 aim to have on improving the lives of our associates, customers, communities and other stakeholders. We do so with the 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, positively influence our employees, customers and the communities in which we operate, and prioritize strong governance practices. When we say "sustainable" or "smarter," "safer," "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 users 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 is provided voluntarily, and does not cover all information about our business. References in this Report to information should not be construed as a characterization regarding the materiality of such information to our financial results or for purposes of the U.S. federal securities, or any other, laws or requirements. While certain matters discussed in this Report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the

purposes of complying with the U.S. federal securities, or any other, laws and regulations.

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, but are not limited to, 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. Our strategies for addressing EarthLIGHT-related risks and opportunities and their potential effectiveness, our strategies and execution against our EarthLIGHT priorities, and the potential impact of current and future applicable climate-related or other sustainability-related regulations also constitute "forward-looking statements." In some cases, we may use words such as "expect," "believe," "intend," "aim," "seek," "strive," "anticipate," "estimate," "forecast," "indicate," "project," "predict," "plan," "may," "will," "could," "should," "would," "potential," "positioned," "objectives" and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances, 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, assumptions, and other important factors, many of which are outside of our control and any of which could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements. 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, the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"), 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. This Report is not comprehensive, and for that reason, should be read in conjunction with such filings. Historical, current and forward-looking information included in this Report may be based on standards, methodologies and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current and forward-looking information, including goals, targets and commitments and underlying assumptions and data, may be subject to modifications in future reports due to such developing standards, methodologies, practices and controls and processes. 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.

TCFD INDEX

This report is informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We are proud to be part of the global effort to minimize the impacts of climate change and believe our disclosures will provide valuable insights to our stakeholders. The information below summarizes our approach to the 11 recommended disclosures on climate-related governance, strategy, risk management, metrics and targets.

| | Recommended Disclosures | Reference |
|-------------------|--|---|
| Governance | a. Describe the Board’s oversight of climate-related risks and opportunities. | Page 5, Page 7 |
| | b. Describe management’s role in assessing and managing climate-related risks and opportunities. | Pages 6–8 |
| Strategy | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. | Pages 9–11 |
| | b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning. | Page 4, Pages 9–11 |
| | c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Page 4 |
| Risk Management | a. Describe the organization’s processes for identifying and assessing climate-related risks. | Page 4, Page 8 |
| | b. Describe the organization’s processes for managing climate-related risks. | Pages 7–8 |
| | c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management. | Pages 7–8 |
| Metrics & Targets | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Pages 9–11 |
| | b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks. | Pages 3–5 of the 2025 Acuity Environmental Impact Report |
| | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | Pages 3–5 of the 2025 Acuity Environmental Impact Report |

STRATEGY

As a Company positioned at the intersection of sustainability and technology, mitigating and adapting to climate change is an inherent part of our business strategy. The actions we take may have direct impacts to our operations, as well as indirect impacts to our suppliers or customers.



Our approach to climate change manifests itself in our strategy in the following ways:

- **Products and services:** The demand for energy efficiency is a key input to our production of LED luminaires, electronics and building controls. In addition, such demand encourages us to make all of our products more energy efficient, from refrigeration control to our audio, video and control platform.
- **Across the value chain:** Business continuity, including planning for severe weather, has led us to in-source some key inputs and locally source others, while introducing some strategic redundancies.
- **Investment in research and development (R&D):** We invest in product vitality, including enhancement of existing offerings, with a focus on improving performance-to-cost ratio and energy efficiency. Additionally, we focus on reducing embodied and lifecycle carbon by optimizing material inputs, packaging, and transportation and extending product

life through field serviceability. We also develop software applications and capabilities to enhance data analytics offerings for building performance, enterprise operations and personal experiences.

- **Operations:** Our scenario analysis has uncovered risks related to water shortages in some of our key production locations, as well as risks of grid instability, including some of those same areas. These operational considerations may extend to our key suppliers and manufacturing partners.

SCENARIO ANALYSIS

Climate change risks and opportunities will differ between organizations, geographies and time periods. Climate scenario analysis offers us a process to understand the potential climate change impacts to our supply chain, our own operations and the marketplace for our products. The TCFD recommends that organizations assess the resilience of their strategy in a changing climate. We use qualitative and quantitative scenario

analysis to inform our strategy, and pressure-test our resilience in multiple scenarios.

Using the physical climate scenario tied to RCP 8.5 (a >4°C temperature rise scenario), we modeled water scarcity, sea level rise and extreme weather to help us analyze risks and opportunities related to potential changes to the natural environment. We also used the International Energy Agency's (IEA) Net Zero Emissions by 2050 Scenario to help us analyze risks and opportunities amidst numerous market and policy change scenarios to achieve net-zero energy production. A high-mitigation scenario, such as IEA's Net Zero Emissions by 2050 Scenario, presents many different opportunities for a company — like Acuity — whose products and services can help reduce emissions. For fiscal 2025, we also included the middle ground scenario presented by RCP 4.5 (a 2–3°C temperature rise scenario). The overlap of the risks and opportunities across these scenarios represent the areas of higher priority.

BOARD OF DIRECTORS OVERSIGHT

The responsibility for the oversight of Acuity's sustainability matters lies firmly with the Board of Directors (Board), primarily through its Governance Committee. Sustainability is embedded into decision-making and long-term growth strategies.

Among its other responsibilities, the Governance Committee of the Board periodically reviews and makes recommendations to management regarding:

- The Company's sustainability (environmental, social and governance) strategy, policies and procedures to encourage long-term sustainable performance.
- The effective communication or disclosure of such sustainability initiatives to stakeholders or regulatory agencies, as the Committee may deem appropriate.

Environmental and other sustainability issues (including several of the relevant climate-related issues identified in the fiscal 2025 Acuity TCFD Report) are periodically discussed with and by the Committee. In addition, the full Board discusses environmental and climate-related risks and opportunities, including those that could result from climate change, in discussions of risk management and strategy and as important matters arise.

Many of our directors have experience in oversight of ESG, including climate issues, based on their current or former professional careers. These directors come from a variety of industries, which adds a diverse perspective on sustainability benefiting the Company's management of our EarthLIGHT program. By way of example, one of our directors was appointed in April 2024 to serve as Director, Environment Agency Board, a Non-Departmental Public Body set up under the Environment Act 1995 (UK) to take an integrated approach to environmental protection and enhancement in England.



Mimecast
Brand: Eureka®
Photographer: Riley Snelling

MANAGEMENT

The Leadership Team receives regular updates — at least quarterly — on progress against climate-related corporate targets. Typically, these updates are accompanied by additional topics for discussion, review and action. The Leadership Team works collaboratively on sustainability matters and shares several climate-related responsibilities. These collective responsibilities include integrating climate-related issues into our strategy, setting and monitoring progress against climate-related corporate targets, and assessing and managing climate-related risks and opportunities.

Our Senior Vice President (SVP) and General Counsel holds additional climate-related responsibilities, which include conducting climate-related scenario analysis and serving as executive sponsor of the EarthLIGHT Council.

EARTHLIGHT COUNCIL

The EarthLIGHT Council meets regularly on a range of sustainability topics. Spearheaded by the Vice President of Corporate Sustainability and sponsored by the SVP and General Counsel, this council comprises leaders from across the Company, including Supply Chain, Finance, Legal, Operations, Communications and our Acuity Brands Lighting (ABL) and Acuity Intelligent Spaces (AIS) business segments.

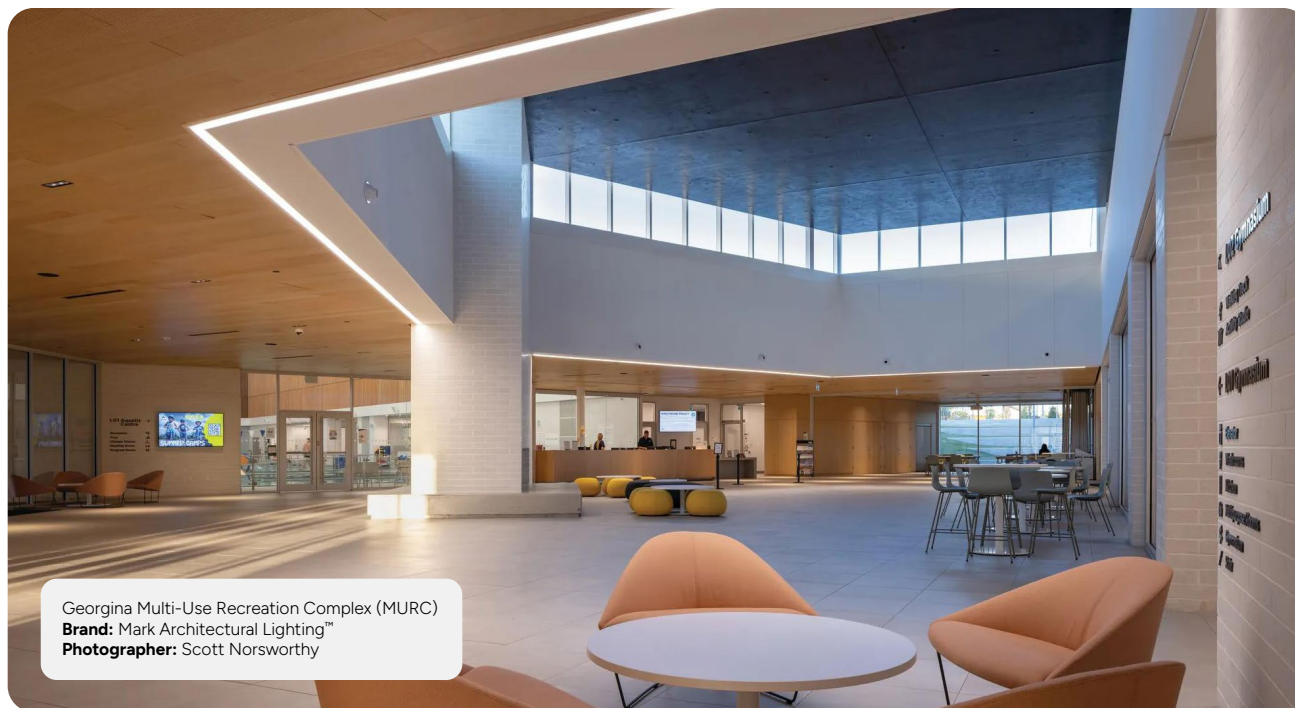
The Council reports to the Leadership Team on progress and elevates recommendations for executive decision-making. Additional responsibilities of the Council include conducting scenario analysis, developing and implementing a climate action plan and measuring progress toward our science-based and other sustainability targets.

EXECUTIVE COMPENSATION IS ALIGNED TO EARTHLIGHT TARGETS

We have made the EarthLIGHT program a Company priority, with each member of the Leadership Team adopting one or more EarthLIGHT objectives and cascading them to their teams. As a result, a portion of each named executive officer’s annual bonus is based upon the achievement of sustainability goals (many of which impact or relate to climate-related goals or issues). This element of our compensation plan supports our near-term, science-based targets, which form part of our Climate Action Plan*. In addition, our talent management tool provides space for each associate to identify and track an EarthLIGHT goal.

*In fiscal 2025, our Climate Action Plan consists of four key documents:

- [2025 EarthLIGHT Annual Report](#)
- [2025 Acuity Environmental Impact Report](#)
- [2025 Acuity Industry-Specific Sustainability Disclosures](#)
- 2025 Acuity TCFD Report



Georgina Multi-Use Recreation Complex (MURC)
Brand: Mark Architectural Lighting™
Photographer: Scott Norsworthy

RISK MANAGEMENT

Environmental impacts, risks and opportunities are identified in the course of our strategy development and enterprise risk management processes. Our strategy is formally updated in consultation with the Board of Directors annually and is discussed in depth with senior leaders across the Company quarterly. Each consultation represents an opportunity to fine-tune our approaches and introduce new information about the changing physical and operating environment for our products and services. In addition, the enterprise risk management process is another opportunity to consider aspects of our work, impacts we cause, and impacts of external forces on our Company. Annually, we conduct several rounds of analysis, ranking and discussion, which yield a short list of substantive risks and opportunities, plus a longer list of topics either to be watched in future or considered and addressed through other processes within the Company. While the risk management group has a broad mandate to examine potential risks, the EarthLIGHT Council separately evaluates climate-related risks and opportunities as an additional set of inputs.

For fiscal 2025, part of the integration efforts for the QSC acquisition included an assessment and incorporation of QSC’s climate-related impacts, risks and opportunities.

Board Risk Oversight

While our management team is responsible for the day-to-day management of risk, the Board has oversight responsibility of our risk-management programs. As outlined below, the Board delegates certain elements of its risk oversight function to its various standing

committees. Each committee provides a report of its activities on a quarterly basis to the full Board, including, where applicable, the individual committee’s risk oversight activity. We believe that this structure supports effective risk oversight by the Board. We also encourage open communication between management and directors with respect to risk oversight.

FULL BOARD & COMMITTEES

Board Oversight

Pursuant to our Corporate Governance Guidelines, it is the Board’s role to provide oversight of the Company’s risk management processes. The Board receives quarterly updates, where applicable, on various risks from each committee chair. In addition to the committees’ work in overseeing risk management, our Board regularly discusses significant risks that the Company may be facing.

| Audit Committee | Compensation and Management Development Committee | Governance Committee |
|---|---|--|
| <p>Oversight responsibilities include meeting with management to discuss major financial risk exposures (including cybersecurity risks and the impact of emerging technologies, including, but not limited to, artificial intelligence) and the steps management has taken to monitor and control the Company’s exposure to risk, including policies with respect to financial risk assessment and risk management.</p> | <p>Considers risk in acquiring and retaining human capital, as well as in designing the compensation program. The goal of the latter is to appropriately balance short-term incentives and long-term performance.</p> | <p>Responsible for the composition and evaluation of the Board and its standing committees. Also, specifically charged with oversight of the EarthLIGHT program and any associated risks, and with oversight of the Company’s Code of Ethics and Business Conduct.</p> |

Management routinely presents to the Audit Committee risk management and enterprise risk management reports identifying and evaluating key risks, including cybersecurity risks, and how these risks are being managed. Management provides updates throughout the year of any material changes to the risk profile and reports on any newly identified risks. In addition, at least once a year, management provides a report on the Company’s cybersecurity program, risks and strategy to the full Board.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Following the TCFD recommendations, we assess both physical and transition risks related to climate. To assess physical risks, we have mapped each of our manufacturing, distribution and office facilities — as well as those of our top suppliers — under several Intergovernmental Panel on Climate Change (IPCC) climate change scenarios. We consider site vulnerability to direct impacts of climate change (severe storms, water security, sea level rise, etc.) and indirect impacts (social or governmental instability, migration, etc.). These risks and opportunities could have an impact on our ability to create economic, environmental and social benefits for the Company and its stakeholders. This analysis helps us to prioritize and manage risks, while realizing opportunities.

To assess transition risks, we convened a cross-functional team to think broadly and creatively to overlay IPCC climate change scenarios with developments in the built environment (inclusive of lighting, HVAC and audio video), with considerations of the Company's business units, sales channels, operations and supply chain. Our assessment regarding transition risks considers short-, medium- and long-term scenarios. This analysis encompasses risks and opportunities posed by changes in policies, regulations, markets and technology affecting both upstream and downstream activities.

The findings from our climate-related risk assessments, once vetted by the EarthLIGHT Council, are incorporated into the enterprise risk management process and then further debated and refined by the Leadership Team and then the Board. Activities to mitigate risks and pursue opportunities are embedded in strategic plans and workstreams throughout various parts of the business.



Avenue Living Glenmore & Paramount
Brands: Juno®, Eureka®, Indy™
Photographer: Jason Dziver

IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES

Acuity believes it is important to understand and manage our Company's risk profile, including risks associated with climate change. We have identified the following primary potential climate-related risks and opportunities within our organization. This list not intended to replace or supersede the Company's disclosed risk factors or other public filings.

CLIMATE-RELATED RISKS

Water Scarcity – Medium Term

Climate change may intensify water scarcity and risk of drought, which may have impacts on Acuity through regional shutdowns, or any costs to mitigate shutdowns. Our manufacturing processes are not water-intensive, but our associates have hydration and sanitation needs. Inclusive of facilities added through the QSC acquisition, 23% of Acuity's water withdrawals are in areas of high or extremely highwater stress; these same facilities account for 30% of our workforce.

We have initiated reviews of our water usage and identified opportunities for water conservation. In our Santa Rosa, Mexico production facility, we have implemented water reclamation systems, using gray water for our toilets. Our landscaping is all native and drought resistant. Many of our suppliers are co-located near our Mexico production facilities, and we have shared our findings and potential interventions with our supply chain partners and other manufacturers in Nuevo Leon. Our Western Region Distribution Center (WRDC) in Ontario, CA undertook a study of its water usage in fiscal 2025, finding that irrigation represented 80% of its usage. As a result, this site has initiated steps to significantly reduce irrigation usage. Learning from WRDC, other facilities intend to engage in the same analysis and implement changes where appropriate.

In addition, we have multiple production facilities, as well as nine geographically dispersed distribution centers, helping to minimize the impact of a shutdown at any one site.

Extreme Precipitation – Near Term

Monsoons, typhoons, cyclones and hurricanes bring heavy rains and the risk of business-interrupting stormwater intrusion. As the climate warms, the atmosphere's water-holding capacity increases, as does the frequency and intensity of heavy precipitation events. Acuity has suppliers throughout Southeast Asia, notably those who supply ABL with finished lighting products and the contract manufacturers who produce a significant portion of QSC's products. Super Typhoon Ragasa in September 2025 resulted in interruptions to one of QSC's manufacturing partner's operations for several days. Although we were able to navigate this extreme weather event without material financial impact, we did face operational delays. Furthermore, modeling based on IPCC AR6 scenarios and internal operational risk models suggests that it is extreme precipitation, rather than flooding from sea level rise, that poses the more significant risk to Southeast Asia operations. Supply chain and logistics disruptions, facility damage and operational downtime, workforce availability, and potentially product or raw material spoilage, are all potential risks from extreme precipitation.

Both ABL and QSC have pursued a supply chain resiliency sourcing strategy for several years. ABL has diversified across Southeast Asia and in-sourced certain critical components. QSC relocated some production to a Mexican partner facility in 2025. We have diversified our supply chain to help ensure that we have multiple suppliers for critical components, in the event that one supplier is impacted by extreme weather. To help us assess and manage the level of risk related to the effect of extreme weather events on our supply chain, we have included metrics regarding environmental sustainability and emergency preparedness in our supplier evaluations.

IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED RISKS

Climate-Related Regulations and Costs – Long Term

While none apply at present, future regulations in one or more geographies could result in a carbon tax or GHG pricing mechanism applying to Acuity operations. While these could vary in scope and enforcement, scope 1 (and possibly scope 2) emissions could incur regulatory costs if, for example, a carbon tax is implemented. Based on the International Energy Agency's estimation of carbon price at \$140 per metric ton of CO₂e in 2030, and our extrapolated targeted emissions in that same year, this potential, but uncertain, tax could result in \$3–7.7 million in annual costs. Our net-zero ambition would nearly remove this risk entirely by 2040.

Read more about our Net-Zero progress on page 12 of the [2025 EarthLIGHT Annual Report](#).

Brown Outs – Near Term

The electrical grid has faced continually increasing stress and demand for energy, causing intermittent brown outs in certain geographic regions. Activities historically powered by natural gas and oil are increasingly becoming dependent on the electrical grid — and in areas where electricity supply is uncertain, energy shortages could pose a risk to our operations. California, home to several Acuity offices and distribution centers for our lighting and audio video (AV) businesses, has long been at risk of rolling blackouts. Monterrey, Mexico, which hosts the majority of our lighting and electronics manufacturing and a key AV contract manufacturer, is already at risk of summertime brownouts due to aging infrastructure, seasonal weather patterns and increased energy demand on the electrical grid. Additionally, the global quest to rapidly build-out the AI infrastructure creates risks for any electrical grid, creating potential exposure for Acuity's increasingly multinational business operations.

To mitigate the risk of power outages in Mexico, we have installed Tesla Megapacks at three major production facilities. See page 45 of the [2025 EarthLIGHT Annual Report](#) for more details.

IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED OPPORTUNITIES

Product – Near Term

We have witnessed an increasing demand for products such as LED lighting, controls and building management systems and solutions able to phase out less efficient technologies. This trend will likely continue in a similar fashion in the near future as demand further increases for technologies that demonstrate more longevity and energy efficiency. Near-term energy reduction goals both in commercial and residential spaces could drive the markets for more advanced lighting, controls, HVAC and audio video products.

In addition to energy performance, the market may prefer products with lower embodied carbon, through efficient uses of materials, packaging and transportation.

Read more on page 4 of the [2025 Acuity Environmental Impact Report](#).

Product – Medium Term

As technology innovation continues over the medium term, supplying high-efficiency products in lighting and building controls opens up opportunities for demand for our products to increase. Costs such as electricity bills have been steadily increasing and are likely to continue on this trend, presenting a cost-savings opportunity for our customers through the purchase of our most energy-efficient products. A warming climate will also necessitate controls systems to help keep up with warmer global temperatures. Beyond saving energy costs by consuming less, such systems will also help set customers up for compliance when facing potential regulations on energy consumption. This could increase the demand for such products in the future.

Market – Long Term

Entirely new technologies and market niches may arise in the future through R&D because of global drivers for increased efficiency and reduced GHG footprint as mitigative strategies for climate change. While this could manifest in several ways, some potential opportunities in this future would be smart building products, ultra-high efficiency AV products, and new markets altogether which we may enter.

