

APPENDIX 1

ACUITY BRANDS, INC. ANTI-BRIBERY AND ANTI-CORRUPTION DUE DILIGENCE PROCESS

Before entering into business relationships outside the United States, Acuity Brands and its affiliates (collectively “Acuity Brands”) must conduct risk assessments based on the location of the business, the reputation of any business partners, and the services being provided by such partners, among other factors. Acuity Brands must investigate its potential business partners at the commencement of the relationship and thereafter using the process and schedule described below in order to ensure compliance with the United States Foreign Corrupt Practices Act (“FCPA”) and other anti-bribery and anti-corruption laws (collectively, “ABAC” laws). This due diligence obligation falls into two tiers:

- ***Diligence IS ALWAYS Required.*** Appropriate, thorough due diligence must be conducted with respect to all foreign agents, customs brokers, freight forwarders, prospective joint venture partners, and targets for mergers and/or acquisitions. In these mandatory investigations, a contracted third-party due diligence provider ***must*** be used, approved in advance by the Legal Department. (***Note:*** With the approval of the Legal Department, exceptions may be made for large companies (such as FedEx, DB Schenker and UPS) that have verified, robust, company-wide ABAC compliance programs of their own.)
- ***Diligence MAY BE Required.*** When “red flags” exist and/or a risk assessment suggests heightened potential risks, appropriate, thorough due diligence shall be conducted with respect to all foreign contractors, distributors, consultants, suppliers and other business partners. In these discretionary investigations, a contracted third-party due diligence provider ***may*** be used, approved in advance by the Legal Department.

Any questions regarding the adequacy of any particular due diligence approach should be directed to the Acuity Brands Legal Department (Barry Goldman (770-860-3545) or Rich Hoyt (770-860-3308)).

In addition, in order to ensure ongoing compliance with ABAC laws, Acuity Brands must conduct periodic third-party due diligence reviews (or contract to have such reviews conducted) to provide ongoing assessments of the parties with whom it already

transacts business in foreign countries. This document addresses the process for these periodic reviews as well.

1. Due Diligence Process for Prospective International Business Partners

- Where a **third-party agent** is retained to conduct appropriate due diligence, such agent must be approved, in advance, by the Acuity Brands Legal Department, and must be: (a) thoroughly versed in ABAC laws, including potential “red flags”; (b) experienced in conducting diligence review for ABAC compliance; and (c) meaningfully familiar with the laws and customs of the local setting at issue. The purpose of such diligence review should be to determine the reputation and identity of the proposed business contact and any associated risks.
- The following well-recognized third-party agents are pre-approved for performing the required due diligence review (**Note:** This list may be updated periodically):
 - **TRACE International** <http://www.traceinternational.org>
 - **Kreller Group** <http://kreller.com>
 - **Red Flag Group** <http://www.redflaggroup.com>
- This third-party due diligence process applies to a wide range of parties, including agents, customs brokers, freight forwarders, prospective joint venture partners, and targets for mergers and/or acquisitions (**mandatory due diligence**), as well as contractors, distributors, consultants, suppliers and other business partners (**discretionary due diligence**, based upon “red flags” and overall risk assessment).
- The due diligence process should involve at least the following steps:
 - **ABAC Due Diligence Checklist.** The responsible employee may complete an **Acuity Brands Anti-Bribery and Anti-Corruption Due Diligence Checklist** to help them to select business partners in locations outside the United States, attached as **Appendix 2**.
 - Those performing due diligence on Acuity Brands’ behalf (whether internal or contracted) should include at least the following two tiers of review:
 - **A global database investigation** concerning the third party;

- Using the OFAC Specially Designated Nationals and Blocked Persons list and/or other web-based resources to investigate the potential partner.

AND

- *When appropriate, **robust due diligence at the local level***, including site visits, review of public records, reference checks and background checks.
- The due diligence must include specifically investigating whether any owners, officers, directors, parents, or employees of such other party are foreign officials or are closely related to any foreign officials.
- Due diligence may also include discussions with the other party as well as contacting the U.S. embassy or consulate in the country in question, trade associations, local attorneys, accountants, or other sources of information. Criminal background checks and business reference and credit checks are other steps that are suggested.
- More extensive due diligence should be performed in countries with heightened reputations for corruption and bribery. The following factors should be considered in determining whether the foreign jurisdiction raises heightened concerns for ABAC compliance:
 - (a) those countries highlighted by corruption league tables published by reputable Non-Governmental Organizations such as Transparency International (www.transparency.org);
 - (b) factors such as absence of anti-bribery legislation and implementation and a perceived lack of capacity of the government, media, local business community and civil society to effectively promote transparent procurement and investment policies;
 - (c) a culture which does not punish those who seek bribes or make other extortion attempts; and
 - (d) knowledge of any potential ABAC concerns that Acuity Brands has gained through its internal audit activities; Acuity Brands' investigations and inquiries; employee feedback (both informal and through the

Hotline/whistleblower activities); and/or governmental investigations into alleged corruption activities.

- **ABAC Questionnaire.** Each potential business partner may complete an **Acuity Brands Anti-Bribery and Anti-Corruption Questionnaire** (or, if applicable, a questionnaire provided by the third-party due diligence provider) as a tool to guide the diligence process and document the resulting findings. The **Acuity Brands Anti-Bribery and Anti-Corruption Questionnaire** is attached as **Appendix 3**. This document addresses a variety of issues having potential ABAC significance.

- **Detailed records** must be maintained of each step performed as part of the due diligence review. These records are of critical importance, and may be the subject of periodic audits and investigations by the ABAC Compliance Team, auditors and third parties. In addition to maintaining the primary due diligence file, the employee responsible for the diligence process must provide copies of the completed forms to Anne.Smith@AcuityBrands.com in the Acuity Brands Legal Department, who will save them in Serengeti. The due diligence file shall include the following items:
 - Identification of the third-party due diligence provider (if applicable), including all relevant records concerning their retention;
 - the completed Acuity Brands Anti-Bribery and Anti-Corruption Due Diligence Checklist;
 - the Acuity Brands Anti-Bribery and Anti-Corruption Questionnaire (or, if applicable, a questionnaire provided by the third-party due diligence provider), thoroughly completed and executed;
 - records of any follow-up that was conducted as a result of the Acuity Brands Anti-Bribery and Anti-Corruption Due Diligence Checklist and Acuity Brands Anti-Bribery and Anti-Corruption Questionnaire (or, if applicable, a questionnaire provided by the third-party due diligence provider);
 - copies of any letters, memoranda and/or electronic data relating to the diligence process;
 - any input received from the Acuity Brands Legal Department;
 - records of any in-person or telephonic interviews that were conducted concerning the target of the diligence review, including confirmation from any references received; and

- any correspondence or other documents received from the target of the diligence review.

2. Due Diligence Process for Current International Business Partners

- Acuity Brands' responsibility to ensure that its ABAC Policy is being followed is an ongoing obligation. As a result, even where an existing business partner has already undergone a thorough and appropriate due diligence review at the beginning of the business relationship, Acuity Brands must conduct a routine re-evaluation of that partner on a periodic basis.
- **Two-Year Review.** Acuity Brands should perform follow-up due diligence with respect to each previously-investigated foreign business partner at an interval of not more than two years. This diligence process should consist of the following:
 - Requiring the foreign business partner to review its previously-completed Acuity Brands Anti-Bribery and Anti-Corruption Questionnaire (or, if applicable, the questionnaire provided by the third-party due diligence provider) and either confirm that there have been no changes or advise as to any changes; and
 - Requiring the foreign business partner to signing and return to Acuity Brands the **Acuity Brands Anti-Bribery and Anti-Corruption Acknowledgement** attached as **Appendix 4** (or, if applicable, an acknowledgement provided by the third-party due diligence provider)
- As with initial due diligence, all efforts associated with the Two-Year Review should be fully documented in the due diligence file associated with the business partner.
- The fact that a Two-Year Review has been conducted for any given business partner should always be reflected in the Database of Acuity Brands' Foreign Intermediaries/Agents that is reported to the ABAC Compliance Team.