



FY2025

Sustainability Report

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About our business

We help make our customers' complex projects simple, successful and sustainable by providing expertise and a wide range of products and services from plumbing, HVAC, appliances, and lighting to PVF, water and wastewater solutions, and more.



A letter from our CEO

Our success has always been rooted in relationships – those we build with our customers, suppliers, community partners and most importantly, with each other. This relationship-centered culture is guided by what we call **The Ferguson Way** – a set of enduring values grounded in a deep commitment to doing what’s best for our customers and associates.

But **The Ferguson Way** is more than a value set – it’s a commitment to doing what’s right. It helps drive profitable growth and sustainable improvement. We prioritize teaching, mentoring and helping our associates develop careers – not jobs. We deliver on our commitments, empowering our associates to make local decisions. At Ferguson, all voices matter and associates are encouraged to speak up when they see a better way or if something isn’t right. And we prioritize safety, with a goal that our associates go home in as good or better condition than when they arrived.

This culture of care and accountability naturally extends to how we approach sustainability.

**Sustainability that delivers:
water and air in action**

Our sustainability strategy advances Ferguson’s business objectives while helping to deliver meaningful environmental and social impact. We are committed to helping make our customers’ complex projects simple, successful and sustainable.

Our Waterworks Customer Group continues to lead with comprehensive solutions spanning water, wastewater, and stormwater management, erosion control, and green stormwater infrastructure. With investments in tools like AI-powered leak detection and preventative maintenance technologies, our teams are delivering smarter, more resilient systems that support long-term environmental stewardship. Additionally, Ferguson offers homeowners access to low-flow fixtures and smart water technologies, while helping commercial and industrial facilities reduce water use and improve efficiency through innovative reuse strategies and rightsizing equipment.

In parallel, our “HVAC everywhere” approach positions us as a market leader by integrating HVAC and plumbing services into a single, accessible location for both repair and remodel, as well as new construction projects. This strategy not only enhances convenience for our customers, but it also serves as a catalyst for

efficiency and innovation throughout the built environment – making products like energy-efficient HVAC systems, smart sensors and automation, advanced ventilation and air purification technologies readily available.

Together, water and air reflect our dual responsibility: to deliver solutions that improve lives today while helping to protect resources for tomorrow.

Looking ahead

As we look ahead, we remain focused on what matters most: empowering our associates, positioning our customers for success and supporting our communities. This is how we ensure our growth reflects our values.

Let’s continue to find a way to say YES – to our customers, to each other, and to a more sustainable future. It’s **The Ferguson Way**.

Thank you,



Kevin Murphy, CEO



Our company

Ferguson is the largest value-added distributor serving the water and air specialized professional in our \$340B residential and non-residential North American construction market.

Our dedicated team of approximately 35,000 associates drives our operations, setting us apart with their commitment to quality, knowledge and service. Together, we do more than help build homes and office buildings; we build trust, confidence and community.

Our purpose

We help make our customers’ complex projects simple, successful and sustainable.

Our vision

Our vision is to be the ultimate project success company. Guided by the Ferguson Way, we work across customer groups to deliver greater value throughout the project lifecycle. Leveraging the strength of our global supply chain, tailored value-added solutions, innovative digital tools and the expertise of our associates, we help meet our customers’ unique needs while driving more sustainable outcomes.

Learn more about our business:
corporate.ferguson.com.



Our commitment to sustainability

We are committed to minimizing the environmental impact of our operations and fostering a culture that is safe, inclusive and engaging for all our associates. Beyond our operations, we work to drive sustainable product¹ innovation, help our customers achieve their sustainability goals and support the communities we serve through Ferguson Cares. Our approach integrates sustainability factors and practical solutions, recognizing that success requires holistic thinking and action.

1. Throughout this report, Ferguson uses the term “sustainable products” to refer to products designed to minimize their impact on the environment, often through using less energy or water. Unless otherwise specified, these sustainable products are not necessarily third-party certified.

2030 Environmental and Social Targets

Ferguson’s 2030 Environmental and Social Targets are designed to align with business strategy and seek to drive operational efficiency and growth. They support our environmental product strategy and help our customers conserve water and energy, while reducing costs. Our social targets help address the skilled trades gap and encourage our associates to give back to the communities we serve. Refer to our Basis of Reporting for further information on how we measure progress towards these targets.



About this report

This report reflects our continued commitment to integrating environmental and social responsibility into our business. It captures the progress we’ve made in FY2025, the lessons we’ve learned and the opportunities ahead.

Our approach is grounded in the belief that long-term success and value creation comes from doing what’s right for our associates, our customers, our suppliers and our communities. From reducing operational emissions and ensuring a continued focus on safety, to investing in skilled trades and enhancing associate wellbeing, we are proud of the strides we’ve made – and we recognize there is more to do.

This year, we’ve taken steps to listen and learn from our stakeholders, ensuring our strategy remains aligned with what matters most to our partners and communities. Initiatives like the Ferguson Sustainability Challenge and the Environmental Leadership Council have surfaced ideas and growth opportunities across our business.


As we look ahead to 2030, we’ve established new environmental and social targets that align with our business strategy and reflect our belief that sustainability drives operational efficiency, customer value and community impact. These targets are more than numbers – they represent our shared commitment to building a better future.

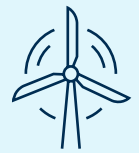
Thank you for joining us on this journey. Together, we’re building a more sustainable and resilient future.

Warm regards,
Denise Vaughn,
Vice President, Sustainability





Operational Emissions

 Reduce our Scope 1 emissions by **15%** per million USD of revenue by 2030 (against a 2024 baseline).


 Source **100%** renewable electricity by 2030.


Sustainable Products

 Save customers **120B** kWh of energy and **\$10B** through ENERGY STAR products sold between 2024 and 2030.²

 Save customers **700B** gallons of water and **\$10B** through WaterSense products sold between 2024 and 2030.²

Ferguson Cares

 Connect **50,000** youth to the skilled trades by 2030.

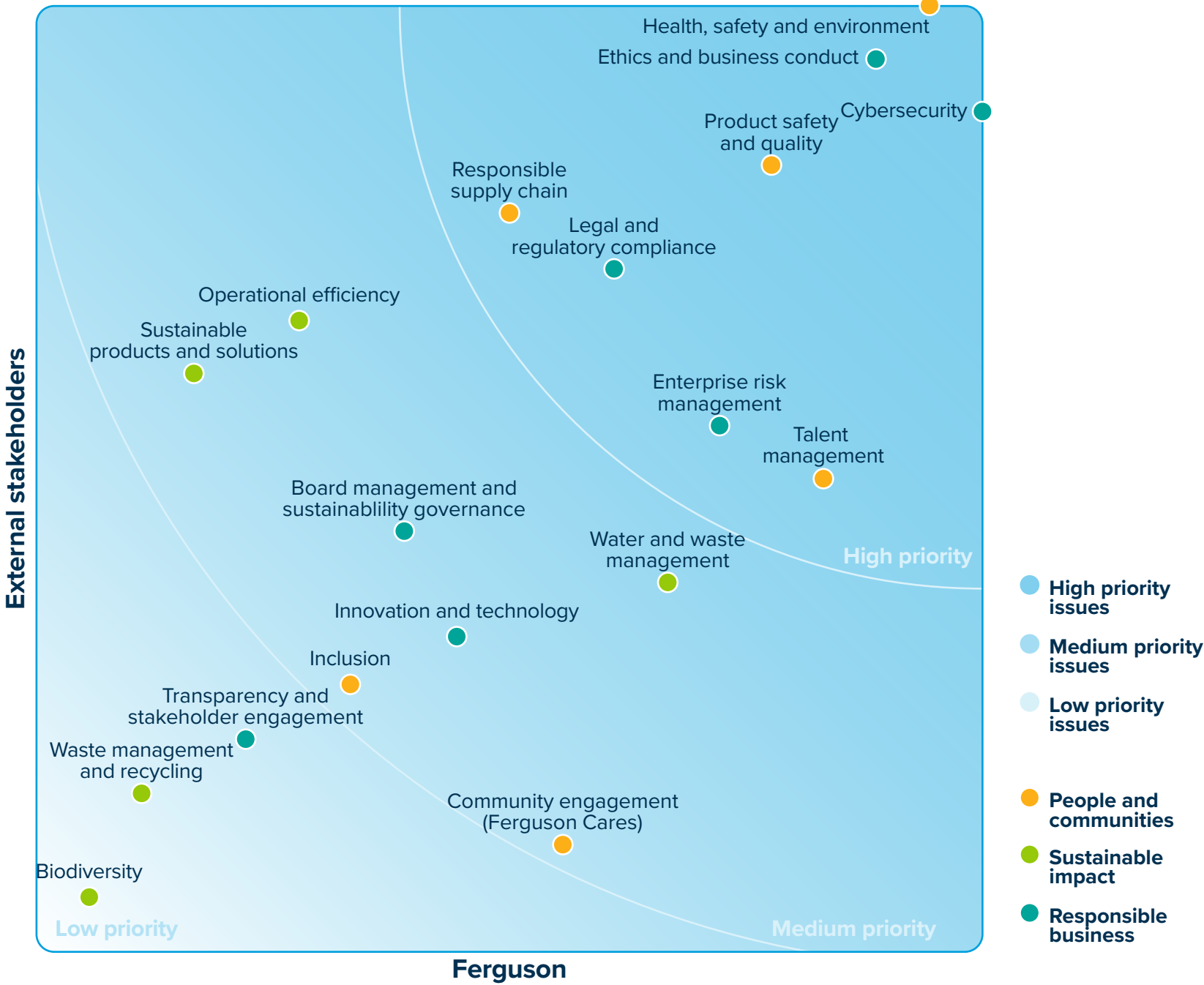
 Volunteer **70,000** hours by 2030.

2. Savings calculated across the product lifetime.

Stakeholder Priorities Assessment

In FY2025, we refreshed our previous assessment to identify and prioritize the sustainability risks and opportunities most important to our stakeholders. This review reaffirms our priorities and informs our sustainability strategy and reporting.

Ferguson issue mapping



Our sustainability framework

Ferguson’s Board-approved sustainability framework guides our strategies and actions. We review our environmental sustainability and social impact strategies annually to ensure continuous improvement and plan to refresh our priorities every three years or following significant changes to the business, as outlined in our Environmental and Social Sustainability Policy.

Sustainability framework

People and communities

- Health, safety and environment
- Talent management
- Ferguson Cares
- Responsible supply chain

Sustainable impact

- Operational efficiency
- Sustainable solutions
- Water and wastewater management

Responsible business

- Board management
- Sustainability governance
- Regulatory and risk oversight

Our process:

- 1. Identification of topics:** We used a data analytics platform to generate a broad list of potential sustainability topics, refined through peer and customer analyses and related frameworks like the Sustainability Accounting Standards Board (SASB).
- 2. Stakeholder engagement:** We conducted surveys among our key stakeholders to evaluate and rank the refined list of topics, helping us gain insight into their perspectives on sustainability issues.
- 3. Prioritization and matrix mapping:** We combined stakeholder input with prior analyses to identify top issues, mapping them based on:
 - The importance of each topic to external stakeholders.
 - The importance of each topic to Ferguson.
- 4. Validation:** We held workshops with subject matter experts and the Sustainability Steering Committee reviewed and affirmed the results.



FY2025 sustainability highlights

This year, we furthered our commitment to sustainability: supporting our people and communities, contributing to sustainable impact and maintaining a responsible business.

Explore more on our [story hub](#) to see how we’re putting our commitments into action.

Ferguson debuted on the [2025 Fortune 500® list](#), earning the 146th position – a major milestone that reflects our continued growth, industry leadership and dedication of our associates.

We achieved **PCI 4.0.1 compliance** across multiple business lines, reinforcing our commitment to responsible business by strengthening our data protection and cybersecurity practices.

We supported over **15,000 students in skilled trades training programs** and provided scholarships to help build the next generation of talent.



Our Nashville Market Distribution Center earned **LEED Silver** certification for Commercial Interiors. The 400,000+ square foot facility achieved a **32% reduction** in energy costs and over **30% water savings** through efficient systems and low-flow fixtures.



Ferguson was honored with [CBRE’s 2024 Best Sustainability Innovation Solution Award](#) for introducing a smart water management system that helps commercial buildings conserve water and proactively address potential issues.

Over **80% of our associates completed training** through Ferguson Academy, with 2,765 tailored courses offered.

Renewable electricity generation from our portion of the **Century Oak Wind Project matched 95% of our electricity consumption** across the US and Canada.



Our associates volunteered over 14,000 hours – helping us fulfill our mission to strengthen the communities we serve.

People and communities

Our associates are the driving force of our business and a key differentiator in how we achieve our purpose and create value.



Health, safety and environment

Safety is integrated in everything we do and guides our decision-making processes. Through rigorous training and risk management, we work to ensure our associates and customers remain safe from injury.

Strengthening our First in Safety culture

Our First in Safety culture extends throughout our organization. We enforce our Global Safety Rules and standard operating procedures to ensure every associate understands the importance of safety and their role in upholding it. Our Expected Safe Behaviors include, thinking before doing, continuously assessing risk and wearing the correct personal protective equipment. Safety is more than a compliance requirement; it is a core value that supports our long-term operational resilience.

Safety leadership

Health, safety and environment is a standing agenda item in Executive Committee meetings and our Executive Health & Safety Committee oversees key safety activities and programs.

Our leadership team is engaged in proactively managing risks, reviewing performance, updating policies and embedding safety into daily operations.

We recognize that safety is a team effort. That is why we have established safety committees comprised of associates and local leadership at our larger locations, empowering associates to take an active role in creating a safer workplace. Before meetings, we take a moment to remind ourselves why safety matters, reinforcing its significance as a critical element of our culture.

Continuous improvement and accountability

In FY2025, we enhanced our safety protocols by expanding field inspections and observation programs to minimize hazards, streamlined onboarding processes to better integrate new associates and provided consistent, role-specific training.

To extend these standards beyond our workforce, all contractors working with Ferguson are expected to meet our safety requirements. Our contractor safety program outlines expectations for those entering our facilities and for Ferguson associates interacting at customer locations.



Our Celina Pipeyard in Ohio, Market Distribution Center in Phoenix and Distribution Center in Richland, Washington, are standout examples of safety excellence, driven by a disciplined culture, proactive engagement and peer-led practices. These locations continue to set the standard for operational safety, reinforcing our belief that sustained, team-driven efforts lead to lasting impact.

As Richland DC General Manager, Jack Flett, shared, **“Safety is a shared mindset – when we’re aligned and committed, momentum builds.”** That mindset has translated into real results: each of these sites has now gone more than a year without a safety incident, a milestone that reflects the strength of their commitment and everyday actions.

Safety training

Our comprehensive training is designed to equip associates with the knowledge and tools to integrate safety into their daily routines. Associates annually participate in our compliance training and receive ongoing guidance through task-specific job hazard analysis training.

Environmental compliance

In FY2025, we launched Advanced Hazmat Shipping Training to reduce exposure risks during shipping. We also provided polyfluoroalkyl substances (PFAS) guidance and resources to help associates understand potential impacts and prepare for upcoming product restrictions. Additionally, we developed a new A2L Refrigerant Management Process to help ensure safe handling of low-flammability refrigerants used in HVAC systems. As part of our proactive approach to environmental stewardship, we perform environmental assessments on all new properties we are building on, purchasing, acquiring, leasing or relocating to.

Ferguson provides access to Safety Data Sheets (SDS) through an online portal managed by 3E Company. This resource is available to associates internally and to external customers upon request, offering essential information on the properties, hazards and safe handling procedures of chemical substances.

Since 2022, Ferguson has partnered with Encamp for compliance support with EPA regulations under the Emergency Planning and Community Right-to-Know Act (EPCRA) for chemical and hazardous waste reporting. Their partnership with One Tree Planted has resulted in **1,955 trees planted on behalf of Ferguson.**

Industrial hygiene

To better protect associate health, we launched a new Medical Surveillance Program to comply with OSHA requirements and monitor exposures such as noise, welding fumes and other potential health risks.

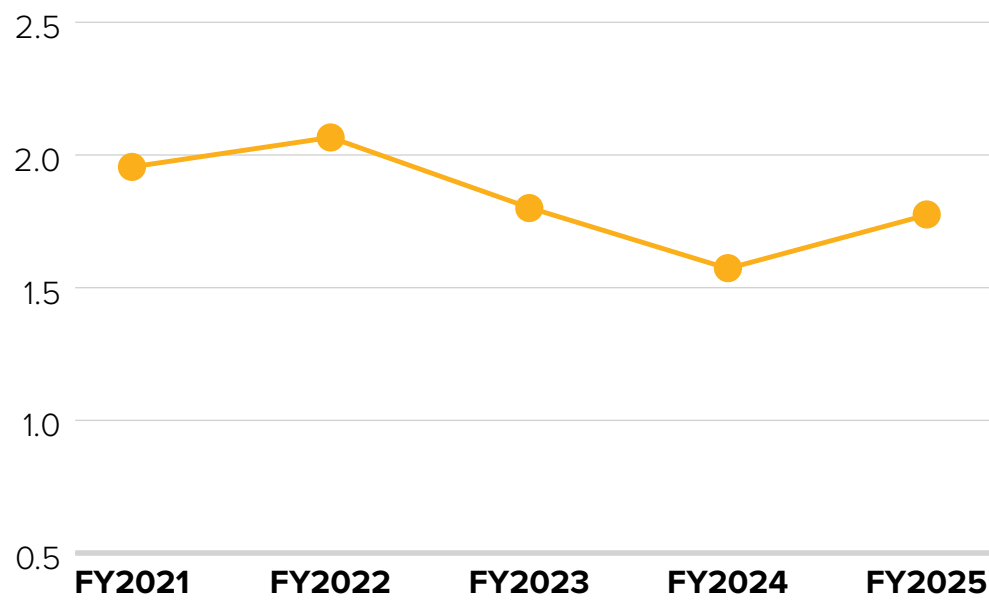
We’ve also introduced proactive risk assessments led by Territory Safety Managers (TSMs), to identify and address potential hazards early. TSMs play an important role in managing field-level risks, and we continue to build their expertise in health, safety and environmental compliance.

Safety at all locations

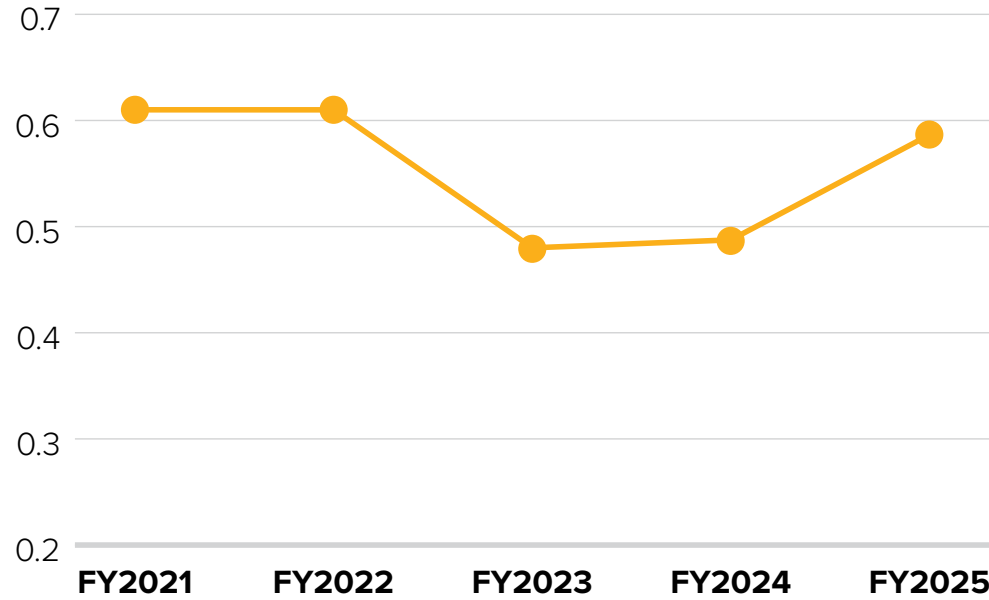
In FY2025, Ferguson recorded an increase in its Total Recordable Injury Rate (TRIR) and Lost Time Incident Rate (LTIR) – a clear signal that we must intensify our focus on workplace safety. We are reinforcing a culture of safety through stronger accountability, deeper leadership engagement and consistent adherence to safety protocols. Key initiatives—such as morning stretch routines, pre-trip vehicle inspections, toolbox talks and leadership Gemba walks—are being enhanced to drive meaningful change.

Regular inspections and safety behavior observations are conducted to proactively identify and correct potential hazards and at-risk behaviors, helping to mitigate risks before incidents occur. We also place strong emphasis on training new associates to ensure they are equipped with the knowledge and tools to work safely from day one. These efforts are instrumental in fostering a proactive and accountable safety culture across our operations.

Total Recordable Incident Rate (TRIR)



Lost Time Incident Rate (LTIR)



Fleet safety

Our fleet safety program

In FY2025, we strengthened our fleet safety program to enhance compliance, reduce risk and support driver development. Ferguson drivers acknowledge their understanding of the safety policies and procedures regarding vehicle use and compliance by signing the Fleet Policy. Only qualified drivers operate company vehicles, and all receive mandatory training on compliance and driver safety, as well as vehicle-specific instruction. New drivers participate in a structured 30/60/90-day training program, and our ongoing “Ask the Expert” calls provide opportunities for continued learning and career development.

Our fleet is equipped with advanced safety technologies, including cameras and telematics, to encourage safe habits and reduce incidents. These technologies have

significantly improved personal and professional driver safety as evidenced by behavior related motor vehicle records. Drivers who consistently prioritize safety and service are recognized through our Safe Driver Award, based on real-time performance metrics.

To further support oversight and operational efficiency, we established a National Driver Safety Committee and an Executive Steering Committee to oversee policy, recommend enhancements and support strategic decision-making.



“I make safety my priority while I try to communicate well and focus on not making any mistakes with my deliveries.”

Craig Holman, CDL Driver



Dedication to safe driving

Craig was recognized for his stellar driving safety performance, with almost 25,000 miles driven with zero citations or warnings and **100% Driver Vehicle Inspection Report compliance**. Craig’s dedication to safe driving reflects the values at the heart of Ferguson’s culture. His story is one of many that showcase how our associates make safety a daily habit, not just a policy.

Talent management

Ferguson’s strength lies in the expertise of our associates – many of whom bring decades of experience that’s difficult to replicate. We intentionally blend this deep institutional knowledge with fresh perspectives from trainees, external hires and talent gained through acquisitions. This strategic mix creates opportunity, reinforces our culture and strengthens our connections across the business and the communities we serve.

Engaging and retaining our associates

In FY2025, more than 24,000 associates shared their feedback in the annual associate engagement survey. **85% of associates indicated they are proud to work for Ferguson.** These insights help shape our priorities, inform leadership decisions and guide continuous growth in communication, development and workplace experience.

Our senior leaders regularly engage with field associates through Executive Committee Listening Sessions, providing a direct channel for feedback, ideas and dialogue. Local leaders hosted Career Day sessions across the country, sharing tools and resources to help our associates grow their careers. The program earned a Net Promoter Score of 9.2, highlighting its value in driving associate development and satisfaction.

Attracting the best talent

In FY2025, we expanded campus recruitment and early-career programs to strengthen our talent pipeline and support the long-term sustainability of our workforce. We also collaborated with The Honor Foundation to support military personnel transitioning to civilian roles.

Associate development

Ferguson is committed to long-term career development, creating meaningful opportunities for associates to grow and succeed. Our learning and development programs support both immediate skill-building and sustained professional advancement, helping associates thrive throughout their careers.

Ferguson Academy

Ferguson Academy drives our talent strategy by aligning learning with business goals. In FY2025, we expanded our learning ecosystem with a new platform offering all associates access to high-quality courses, certification prep and professional development resources. We also enhanced onboarding and role-specific training, including a standardized program to set new sales associates up for success from day one.

...In FY2025:
81%
of associates participated in Ferguson Academy training.
2,700+
courses offered
3,700
hours of live training delivered

Our engagement score **rose 2%** over last year, ranking **10 points above the U.S. benchmark³** – highlighting the strength of our culture and our associates’ continued commitment.

To support associates in their career journey at Ferguson, **we aim for 100% participation in performance reviews.** This ensures every team member has the opportunity to grow, advance professionally and sustain long-term development. Outside of the formal review cycle, we also provide associates with tools and resources to build skills tailored to their unique roles.

Learning & development programs:

Branch Management Experience: A frontline leadership program that strengthens the impact of over 450 Branch Managers in their roles as local market leaders.

Sales Trainee Program: A focused development initiative preparing nearly 200 associates for advanced sales roles aligned with HVAC expansion and high growth markets in all of our businesses.

Cultures & Values: A dynamic experience connecting associates to our mission, leadership and core values of The Ferguson Way.

Dual-Trade Pro: A cross-functional training initiative with over 4,000 associates developed in both plumbing and HVAC, supporting our business strategy and market growth.

Executive Education Program: A custom, Wharton-led journey designed for senior leaders with a focus on market expansion, value creation, financial performance and innovation.

“The program equipped me with the skills to lead with purpose and drive meaningful results. It empowered me to step into a leadership role and immediately contribute to the growth and performance of our branch and team.”

Robert Kuenzli, Branch Manager



Industrial Sales Leadership

Robert Kuenzli’s advancement to Branch Manager in Lakeland, Florida, highlights Ferguson’s investment in developing future leaders. A Sales Leadership Program graduate, Robert now leads a key location within our Industrial business, driving strategic growth, strengthening team performance and operational excellence.

3. US benchmark provided by [Medallia](#).

Associate wellbeing

At Ferguson, we prioritize the wellbeing of our associates and their families, recognizing that mental, physical and financial health are essential to engagement and performance.

Our holistic approach includes continued investment in benefits that are intended to meet the evolving needs of our associates.

In FY2025, we introduced several improvements:

- Expanded health care programs for surgical patients and cancer treatment.
- Provided new women’s health benefits.
- Enhanced Health Savings Accounts (HSAs), including a new company matching contribution.

We strengthened mental health support through our Employee Assistance Program, offering free, confidential services to all associates. Managers also received training to recognize and respond to mental health concerns, including suicide awareness and prevention.

To ensure easy access, our benefits hub is available 24/7/365, connecting associates to a range of resources, including mental health tools, licensed therapists and medical professionals.

Ferguson promotes an open and honest workplace culture that encourages conversations about mental health. An Employee Assistance Program (EAP) with free, confidential counseling services and more is available 24/7 for all associates and their families.

Compensation and benefits

At Ferguson, we’re committed to offering competitive, comprehensive compensation and benefits that support the wellbeing of our associates. We regularly assess our total rewards program to ensure it is fair, market-aligned and reflective of our performance-based compensation philosophy.

Our 401(k) Retirement Savings Plan promotes long-term financial security through automatic enrollment, pre-tax and Roth options and company matching.

Eligible associates can participate annually in our Employee Share Purchase Plan, providing them with an opportunity to invest in Ferguson common stock at a discounted price.

Ferguson offers a Leave of Absence program that includes:

- Paid parental leave for both birth and non-birth parents, allowing time to bond with a new child through birth, adoption, foster care or legal guardianship.
- Family and Medical Leave (FMLA) and company-sponsored leave options for those caring for a loved one or managing a serious health condition.
- Short- and long-term disability benefits to support associates during extended health-related absences.

Our Equal Employment Opportunity Policy

Ferguson recruits, hires, transfers, promotes, compensates, trains, terminates and is committed to making employment decisions about applicants and associates without regard to their race, color, religion, creed, national origin, ancestry, citizenship status, physical disability, mental disability, medical condition, genetic information, marital status, pregnancy, sex, gender, gender identity, gender expression, age, sexual orientation, military and/or veteran status or any other basis protected by law.



Workplace culture

Ferguson promotes a positive and inclusive workplace by attracting top talent, supporting associate growth and retention, and encouraging meaningful engagement within the organization and in the communities we serve. Our commitment is reinforced through our Code of Business Conduct and Ethics, which associates are trained on annually.

In FY2025, we launched our sixth Business Resource Group (BRG), ASCEND (Associates Supporting, Collaborating, Educating and Navigating Disabilities), to support associates with disabilities and their allies through accessibility initiatives and workplace resources.

Our Business Resource Groups (BRGs) – BOLD (Black), EmpowHER (Women), Building Pride (LGBTQ+), VALOR (Veterans), HOLA (Hispanic/Latin American) and ASCEND (Disabilities) are open to all associates and participation is voluntary.

Ferguson Cares

Through Ferguson Cares, we use our resources, relationships and expertise to address social challenges where we can drive measurable impact.

We support U.S.-based nonprofits focused on three priorities: expanding access to clean water and sanitation, revitalizing housing and neighborhoods and building a sustainable, skilled trades workforce. We also invest in the economic development of our hometown, Newport News, Virginia.



Ferguson Cares Volunteer of the Year: Danielle Jacobs

Danielle Jacobs, Operations Manager in Santa Ana, California, was named Volunteer of the Year by her fellow associates. She volunteered more than 60 hours last year, highlighting Ferguson’s strong culture of community impact.

By 2030, our goal is to:



Connect **50,000** youth to the skilled trades.



Volunteer **70,000** hours.

These targets reflect our belief that social impact and business performance are not separate efforts. They go hand in hand and are shared commitments that create value for our associates, customers and community.

Prioritizing our associates

Our associates are the heart of Ferguson, and their wellbeing, growth and community engagement are integral to our success. Through Ferguson Cares, we invest in programs that support our associates and amplify the impact they make, both at work and in their communities.

- The Ferguson Family Fund has awarded over \$3 million in grants to associates facing personal and disaster-related hardships.
- Associates in Action matches volunteer hours with nonprofit donations to maximize community impact.
- The Ferguson Scholarship Fund helps our associates’ children pursue college or trade school.

Skilled trades

Ferguson is helping build a strong skilled trades workforce by engaging students early, providing hands-on learning and promoting awareness of career opportunities. Our efforts focus on K–12 education and strategic partnerships that bring technical careers to life across the country.

Key partnerships driving impact

Explore The Trades: Through the Explore The Trades Skills Labs, Built by Ferguson, we’re addressing the technical talent gap by creating and renovating HVAC and plumbing labs across the country. To date, we’ve helped build 35 labs, benefitting over 3,500 students.

ACE Mentor Program of America: Ferguson supports this free after-school program that introduces high school students to careers in design, construction and engineering. Our Vice President, Chris Cornick, serves on ACE’s National Board of Directors, emphasizing our commitment to developing future talent.

mikeroweWORKS Foundation: Since 2019, we’ve partnered with the foundation to provide access to technical training and scholarships. In 2025, the Work Ethic Scholarship Program awarded **\$5 million to more than 525 students**.

SkillsUSA: We donated products to the SkillsUSA National TeamWorks Competition, where students showcased their carpentry, electrical, plumbing, masonry and roofing skills in a two-day construction challenge.

Ferguson partners with organizations like **Tools & Tiaras** to help expand opportunities and visibility for women and girls in the trades. We also fund scholarships through the **Mechanical Contractors Association of America**, helping young women pursue rewarding careers in the mechanical industry.



Housing

Ferguson’s connection to the housing sector – through our work with homeowners, builders, contractors and designers – extends naturally to our community partnerships. Together, we work to address housing challenges and build stronger, more resilient neighborhoods.

Supporting safe, affordable housing

In collaboration with Rebuilding Together, a national nonprofit specializing in critical home repairs, we help restore and revitalize neighborhoods and preserve safe, affordable housing across the country.

We also maintain local ties with Habitat for Humanity chapters around the U.S., including our longstanding partnership with Habitat for Humanity Peninsula and Greater Williamsburg. For more than a decade, we have donated all the rough and finished plumbing products for each new home that this chapter builds.



Partnering with our customers

In partnership with VanTrust Real Estate and Cerris Builders, we support Driven Development, a nonprofit working to expand access to affordable housing in Kansas City, Missouri. Ferguson donated plumbing products and appliances for each new home, helping reduce construction costs and enhance overall housing quality.

Advancing neighborhood revitalization

Our partnership with Good360, a nonprofit that connects companies with communities in need, reflects our commitment to housing and environmental stewardship. In FY2025, we donated more than **1.5 million pounds of inventory** from our distribution centers to **over 65 nonprofit organizations across the country**.

By redirecting materials away from landfills to communities in need, we’re helping to reduce waste while revitalizing neighborhoods.

Water and sanitation access

Access to clean, safe water is fundamental – yet remains a challenge for many communities across the U.S. Ferguson is proud to help bridge that gap through strong partnerships and targeted investments that support lasting, community-driven solutions.

Collaborating for impact

We maintain a longstanding partnership with the International Association of Plumbing and Mechanical Officials (IAPMO) and its philanthropic arm, the International Water, Sanitation and Hygiene Foundation

In 2025, Ferguson played a key role in launching a new Rebuilding Together affiliate in our hometown – laying a strong foundation for long-term community revitalization and emphasizing our commitment to making a difference beyond financial contributions.

(IWSH). Together, we work to improve access to water, sanitation and hygiene (WASH) and address critical water challenges in communities across the U.S., including Appalachia, Alabama and the Navajo Nation.

In FY2025, we expanded our commitment by supporting a series of WASH research initiatives through the IAPMO Innovation and Research Fund. We invited colleges and universities to submit proposals that addressed real-world challenges and advanced practical solutions. **Our team collaborated with internal subject matter experts to help shape the direction and focus of the research, which included:**

- Addressing water stress,
- Advancing more sustainable water solutions and infrastructure,
- Right-sizing piping systems to help optimize performance and reduce waste, and
- Improving water efficiency in data centers.

Safe water in schools: Agua4All partnership

Through our support of the Rural Community Assistance Partnership (RCAP), we help provide safe drinking water in schools across the U.S. Our funding supports the installation of water bottle filling stations and certified filtration systems, along with water quality assessments, staff training and student education.

With this support, RCAP has been able to expand its Agua4All program to more schools, addressing contaminants and strengthening water infrastructure. Since its inception, Agua4All has delivered over **840 filling stations and 180 filtration systems nationwide**.



Ferguson and DigDeep have partnered to enhance U.S. water access and sanitation since 2018. In Appalachia, our efforts have impacted nearly 500 households by extending water lines and piloting off-grid systems. Denise Vaughn, Ferguson’s Vice President of Sustainability, furthers our commitment by serving on DigDeep’s Board of Advisors.

Responsible supply chain

We operate a global supply chain network and work to ensure we partner with companies that are well-positioned to mitigate long-term risk and enhance value.



Product quality and safety

Ferguson’s Product Assurance Program helps ensure excellence and continuous improvement across the value chain.

We regularly assess suppliers, strengthen product sourcing procedures and monitor quality. All vendors are expected to comply with Ferguson’s Supplier Code of Conduct (SCOC) and participate in factory audits and quality reviews. For Ferguson-branded products, we conduct internal and third-party pre-shipping inspections, followed by distribution center checks.

Ferguson evaluates suppliers based on regulatory requirements and quality assurance to help ensure product safety and compliance. In FY2025, we advanced our vendor scorecard to assesses quality, safety and compliance, guiding partnership decisions with input from our quality and compliance team.

Customer service associates are trained to identify product safety concerns and follow standardized procedures for recalls and safety incidents, including escalation, investigation and customer communication. We adhere to strict recall protocols, including notifying the Consumer Product Safety Commission when necessary.

Supplier Code of Conduct

We are committed to managing a socially and environmentally responsible supply chain and delivering value to our customers. Ferguson’s SCOC outlines expectations related to human rights, labor standards, environmental compliance, workplace safety and anti-bribery and anti-corruption practices.

Human rights

Ferguson is committed to protecting human rights and complying with laws that prohibit forced labor, child labor and human trafficking. Our Human Rights Policy requires associates to report suspected violations, and our annual Modern Slavery Statement outlines actions taken to prevent slavery and trafficking across our global supply chain.

In FY2025, we expanded our compliance program – already aligned with the UK Modern Slavery Act – to include our efforts under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (2023) and California’s Transparency in Supply Chains Act (2010), reinforcing our commitment to ethical sourcing.

Ferguson’s SCOC sets minimum standards for working conditions, hours and compensation and prohibits exploitative labor practices. Over 1,500 suppliers have contractually pledged to abstain from the use of child, forced or involuntary labor in their operations. These suppliers represent a significant portion of our total inventory purchases. Compliance is verified and monitored, as appropriate, through on-site inspections and periodic audits.

Read our [Human Rights Policy](#) and our [Modern Slavery Statement](#).

Our approach to conflict minerals

Ferguson’s SCOC requires suppliers to provide requested information related to the use of conflict minerals – as defined by Section 1502 of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act in products supplied to Ferguson. We also conducted a reasonable country of origin inquiry – in accordance with the Organisation for Economic Co-Operation and Development’s Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – to determine whether relevant products contain conflict minerals that originated in certain covered countries. Our conflict minerals report is filed with the U.S. Securities and Exchange Commission (SEC). See our Conflict Minerals Report on the [SEC filings page of our website](#).

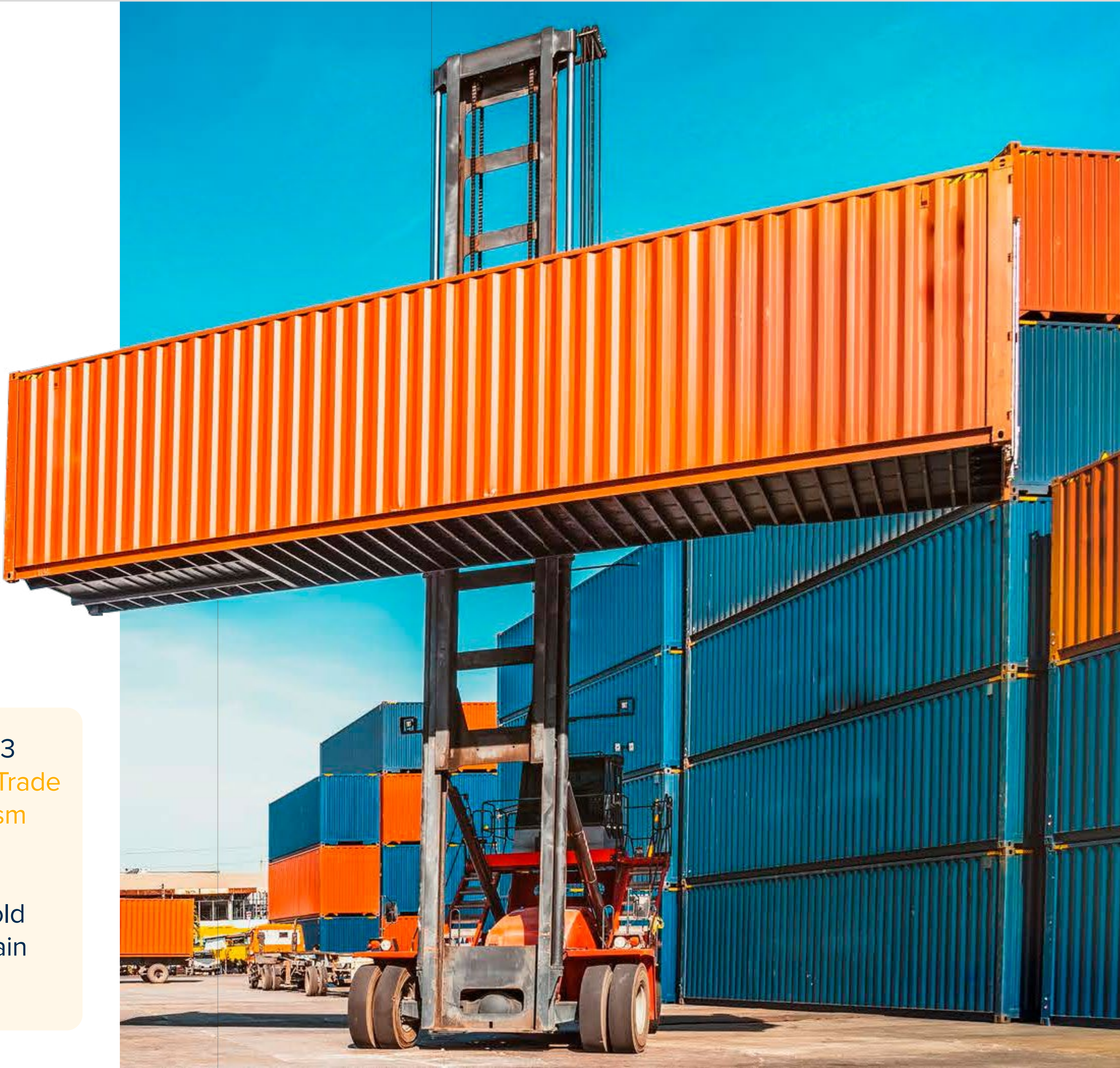
Distributor Alliance Program

We build stronger supplier networks by partnering with a wide range of businesses, including small, minority, women, veteran and service-disabled owned companies. These partnerships fuel innovation, strengthen our operations and enhance the services we deliver every day.

Our Distributor Alliance Program (DAP) supports over 400 certified partners nationwide by providing access to inventory, logistics, credit and training. By equipping these partners to compete more effectively, we help ensure our customers benefit from a broader, more capable network of suppliers.

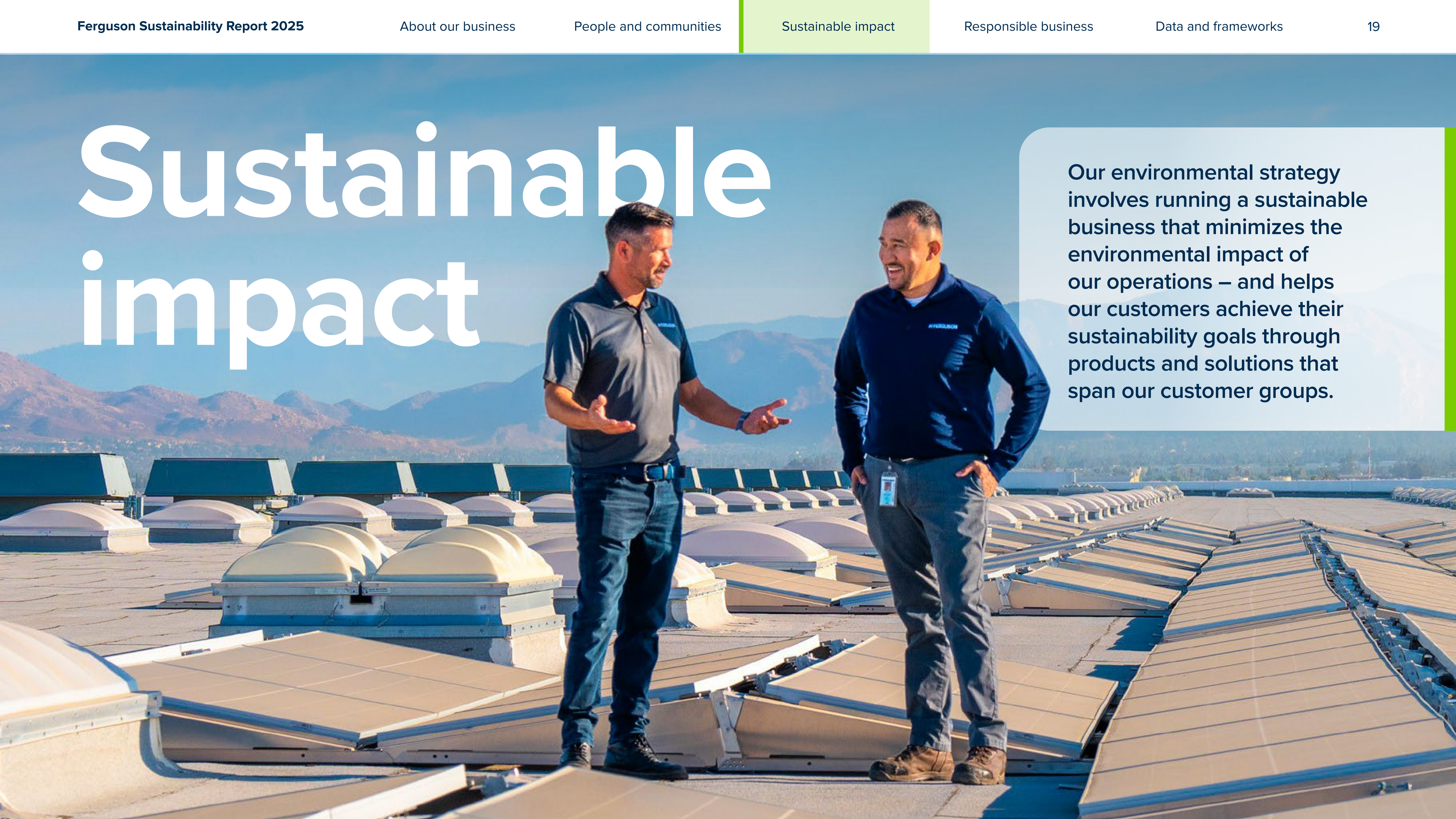
Ferguson sponsors selected aspiring leaders within our supplier network to attend executive education programs through the National Minority Supplier Development Council – strengthening their respective organizations and driving innovation across our supply chain.

Ferguson is a certified Tier 3 participant in the **Customs Trade Partnership Against Terrorism (CTPAT)**, with controls and requirements implemented across our network to uphold best practices in supply chain security.



Sustainable impact

Our environmental strategy involves running a sustainable business that minimizes the environmental impact of our operations – and helps our customers achieve their sustainability goals through products and solutions that span our customer groups.

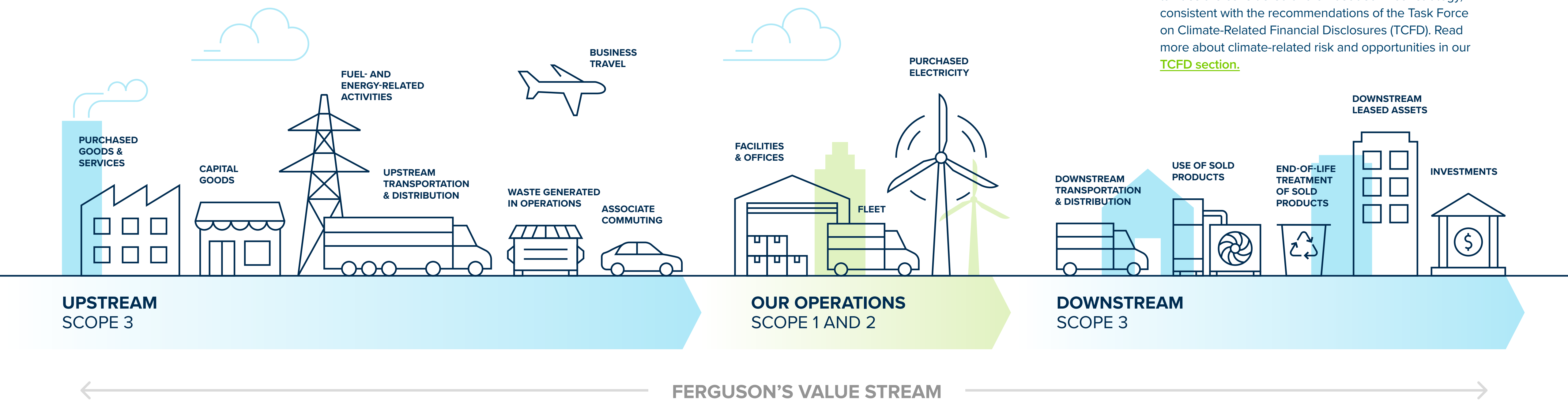


Sustainable Impact

Our commitment to the environment includes reducing the environmental impact of our operations and collaborating to address opportunities in our value chain.

- We carry out this commitment through:**
- 1. Measurement:** We collect and analyze data to assess our baseline impact and track progress.
 - 2. Management:** We seek to identify opportunities and prioritize impactful projects.
 - 3. Reporting:** We share our achievements and insights to highlight our value, engage stakeholders, ensure compliance and demonstrate thought leadership.

We engage with subject matter experts throughout the business to help ensure climate-related risks and opportunities are considered and embedded in our strategy, consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Read more about climate-related risk and opportunities in our [TCFD section](#).



Operational efficiency

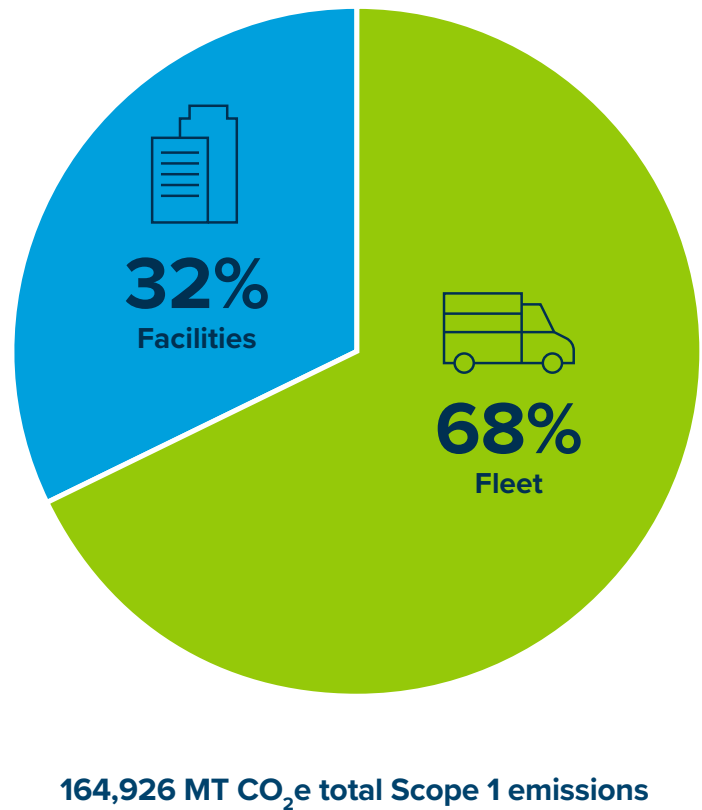
Ferguson’s operations include:

~60M ft² total footprint	120 Ship Hubs
3 Import Centers	1,700+ final mile locations
10 Regional Distribution Centers	~5,900 fleet vehicles
6 Market Distribution Centers	

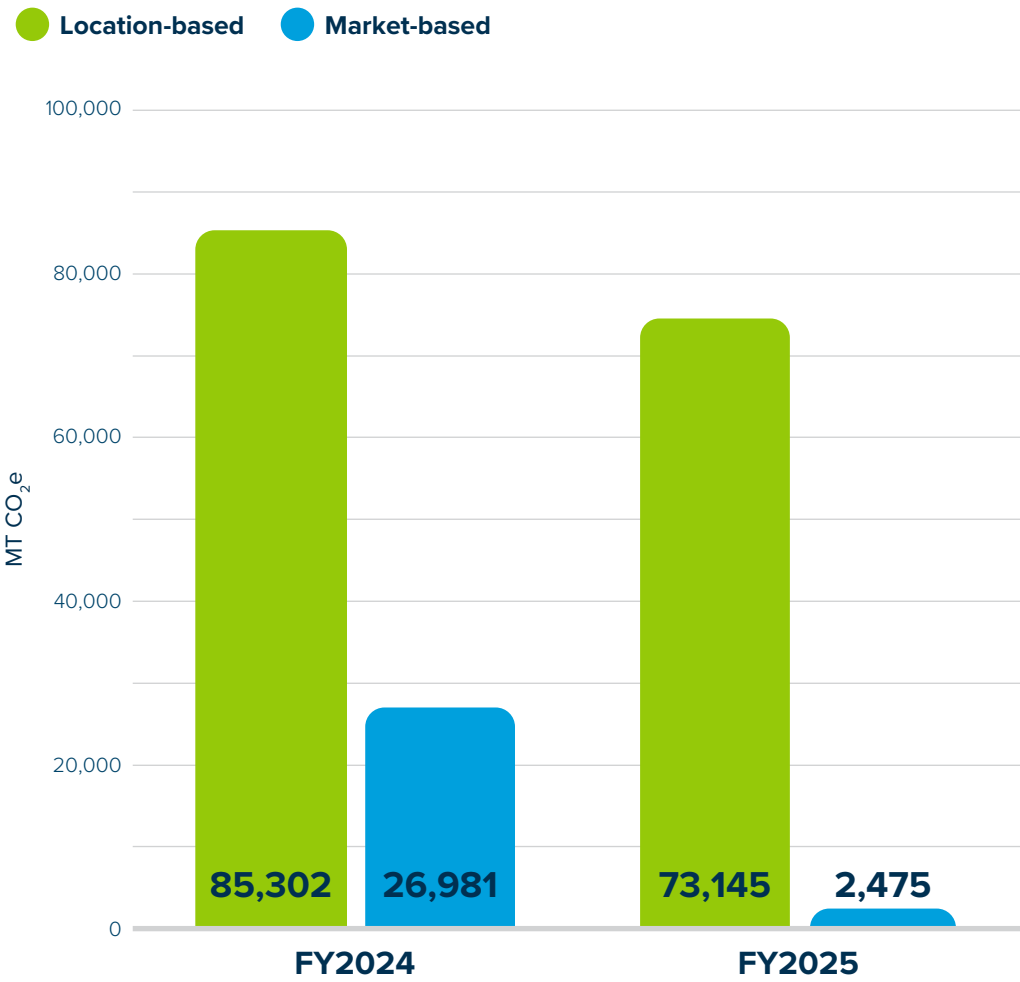
Operational emissions sources

In FY2025, fleet fuel use contributed 68% of our Scope 1 emissions and heating our facilities made up the other 32%. Our Scope 2 (market-based) emissions **decreased by 89% from last year** as a result of increased procurement of renewable electricity.⁴

FY2025 Scope 1 emissions sources



Scope 2 emissions



Operational emissions targets

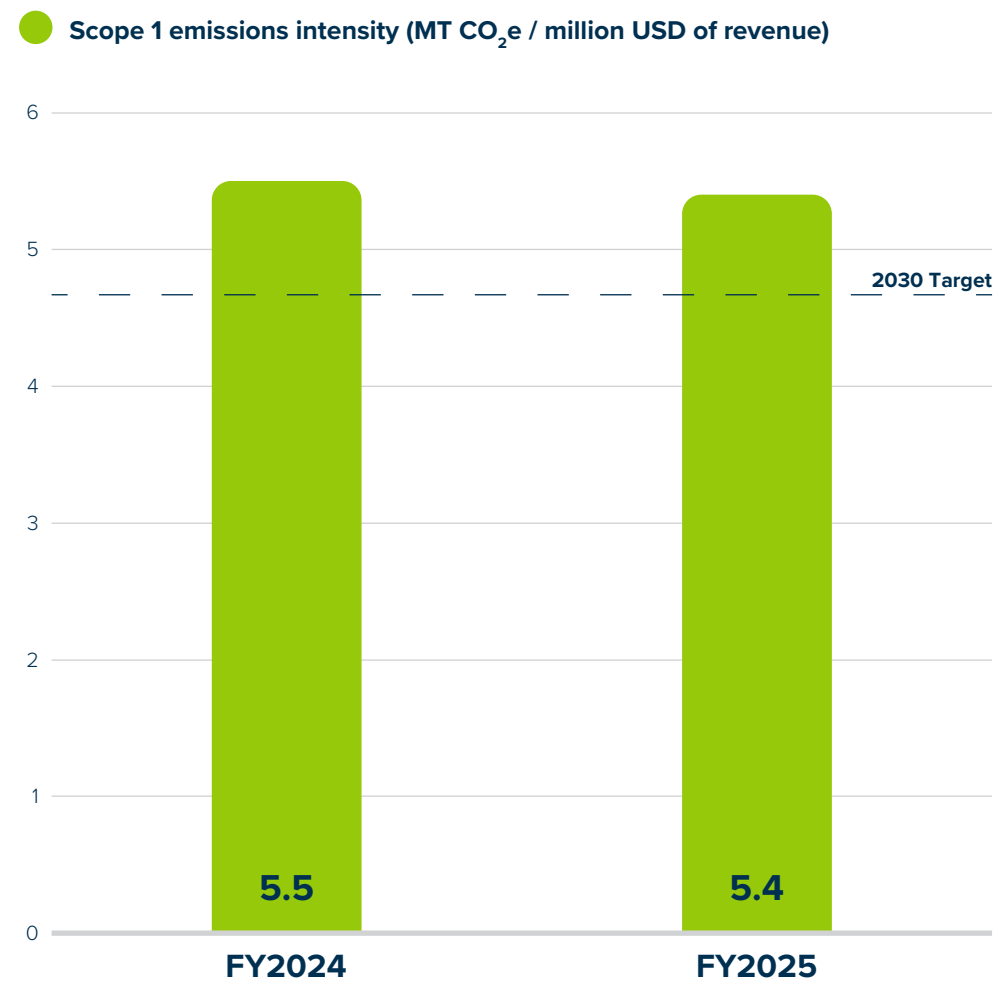
We believe in setting practical, attainable targets for reducing our carbon emissions in the near term.

- Reduce our Scope 1 emissions by **15%** per million USD of revenue by 2030 (against a 2024 baseline).
- Source **100%** renewable electricity by 2030.

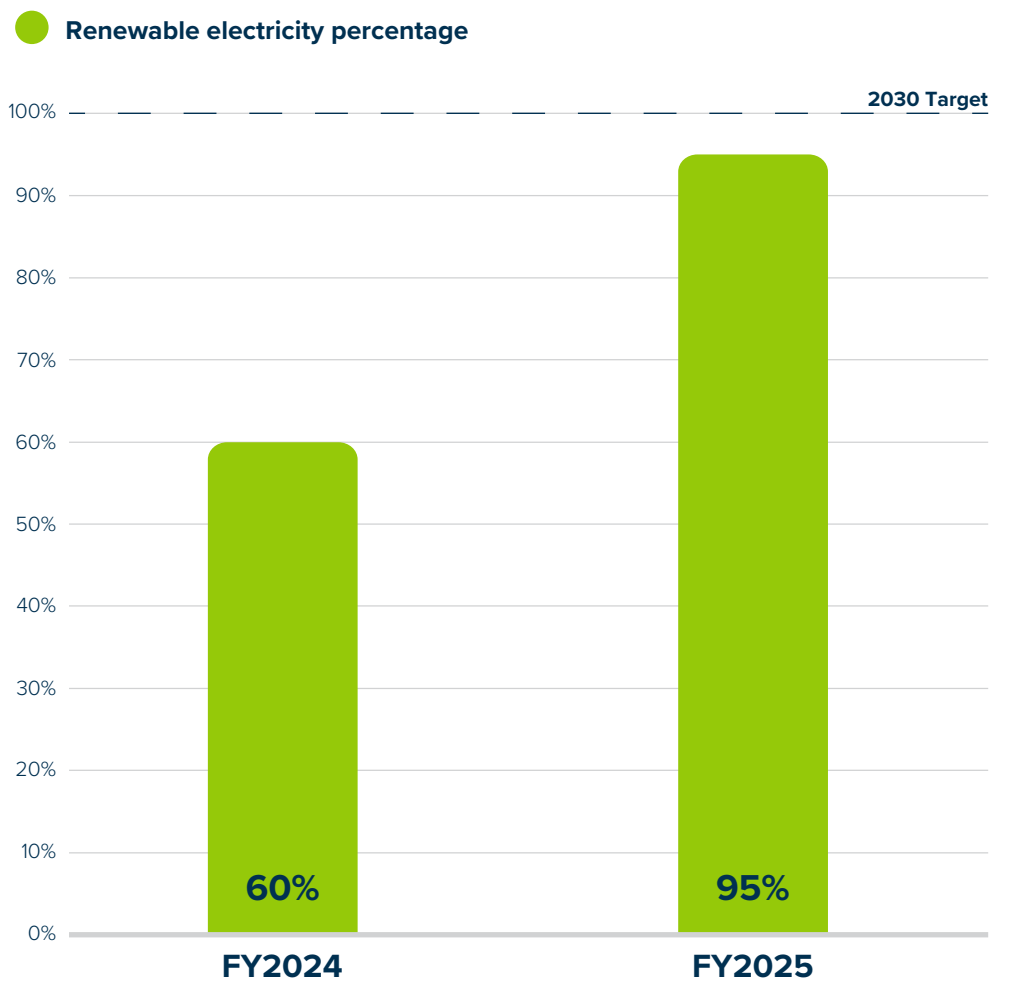
In FY2025 our Scope 1 emissions per million USD of revenue was **2% lower than last year**, and 95% of our annual electricity consumption across the U.S. and Canada was matched by renewable electricity generation.

4. From the U.S. EPA: Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. See our [Basis of Reporting](#) and [Assurance Statement](#) for additional details including disclosures pursuant to California’s Voluntary Carbon Market Disclosures Act (AB 1305).

Scope 1 emissions intensity



Renewable electricity



Fleet

Fleet fuel consumption is our largest source of Scope 1 emissions. To address this, we are working to improve fleet efficiency and reduce our overall fuel consumption. Longer-term reductions would require the conversion of our medium- and heavy-duty fleet to lower-emission vehicles and further advancements in this technology to meet business needs.

Ferguson’s fleet optimization strategy is centered around improvements in:

- 1. Routing:** Leveraging technology to select the more efficient route.
- 2. Utilization:** Ensuring our trucks are fully loaded.
- 3. Fleet composition:** Rightsizing the class of vehicles in our fleet to specific jobs and projects.

In 2025, our largest carriers maintained U.S. Environmental Protection Agency’s (EPA) SmartWay Transport Partnership status with several earning SmartWay Excellence Awards. The SmartWay program supports supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency.⁵



5. [Learn more about SmartWay | US EPA](#)

Lower emissions vehicles

In 2024, we expanded the electric charging infrastructure across five California sites and introduced 30 medium- and heavy-duty electric trucks to our fleet. We focused on maximizing vehicle uptime and utilization – ensuring trucks are charged, operational and on the road as much as possible. As the first to leverage our partner’s electrification-as-a-service model, we are providing real-time feedback to support our dealer network and vehicle manufacturers as they manage the electric vehicle transition.

The current generation of electric truck technology may not cover all our fleet applications, but we will continue to explore where they make sense operationally and financially. The learnings to date will help set us up for future success as we determine how this technology can support safe, sustainable and scalable product delivery to our customers.

Fuel cell innovation

We are also collaborating with Ford Motor Company to explore the potential for using hydrogen fuel cell technology within our fleet. For six months in 2026, we plan to operate a first-of-its-kind F550 Fuel Cell Prototype Chassis Work Truck in our daily fleet operations. During this test, we will provide vehicle data and feedback about the technology to help Ford better define the engineering requirements for commercial vehicle duty cycles. We are developing temporary fueling infrastructure to support the test.

[Learn more about our fleet electrification](#) on our website.



Facilities

Ferguson’s facilities strategy reflects a holistic, lifecycle-based approach committed to advancing efficiency, sustainability and long-term value. Our leadership is focused on embedding resilience and innovation into each phase of a building’s life – from site selection and design to maintenance and modernization. Each year, we strategically evaluate and execute facility upgrades with the goal of reducing energy consumption, carbon emissions and operational costs.

In FY2025, we formalized a cross-functional Real Estate & Facilities organization that integrates portfolio strategy, project management, compliance and national asset support. This centralized structure enables us to manage our locations with precision and agility.

Our strategy is grounded in data-driven decision-making and continuous improvement. We use location

intelligence and market insights to guide site selection and capital investments, with a goal of keeping our real estate portfolio under market value. At the same time, we work to align with company-wide sustainability goals by exploring ways to reduce risks tied to environmental criteria, including through capital planning and vendor selection.

This lifecycle approach helps ensure our facilities not only meet today’s operational needs but are also built to support the future – delivering safe, efficient and sustainable environments for our associates and customers.

In FY2025 we completed **HVAC upgrades at 35 locations** and retrofitted counter sales and office spaces with **LED lighting at 129 locations** and six Regional Distribution Centers. We also achieved **LEED Silver Certification** at our new Market Distribution Center in Nashville, recognizing thoughtful planning in its design and construction.



Efficient packaging

Smart packaging involves more than reducing waste; it’s about protecting products, reducing costs, minimizing material usage, limiting non-recyclable materials and lowering the environmental impact for our customers. Ferguson has several ongoing packaging waste initiatives, including one that seeks to transition from foam to more sustainable alternatives like paper coils across our distribution centers.

Additionally, our Packsize machines provide rightsized packaging on demand for each product and reduce the amount of waste that our customers need to recycle downstream. These efforts have improved delivery quality, helping decrease product damage rates. Select distribution centers have even repurposed scraps from the printing process as filler for smaller packs.

In FY2025, Ferguson formed a cross-functional working group to manage state-specific Extended Producer Responsibility compliance and to reduce nonrecyclable content in packaging.

This year, Ferguson Own Brand company Signature Hardware advanced its sustainability mission by **eliminating foam from its packaging operations and transitioning to fully recyclable materials like corrugated cardboard**. The company also implemented innovative waste-reduction tools, such as a cardboard shredder and custom paper coiler, to repurpose scrap materials. These changes not only reduced environmental impact but maintained damage rates better than industry averages.



At Ferguson headquarters, a thermal storage system is used to shift electrical demand for cooling from peak daytime hours to off-peak nighttime hours. Chillers freeze water in roof-mounted tanks overnight, and the stored ice is used the following day to cool the building – allowing the chillers to remain off during peak periods.

Renewable electricity

Sourcing renewable electricity at scale is an important component of our long-term strategy to reduce Scope 2 emissions. We are investing in onsite solar and supporting offsite renewable energy opportunities through a VPPA – a long-term contract between a buyer and a power project developer that supplies renewable energy to the grid.

In December 2023, our VPPA with ENGIE North America became operational, securing a portion of the electricity generated by the Century Oak Wind Project in Callahan County, Texas. This project provides economic benefits to the community while helping us work toward our

sustainability targets. In FY2025, Ferguson’s portion of the project generated 216,369 MWh of wind energy or 95% of our FY2025 electricity usage.

Our onsite renewable energy strategy prioritizes installations at large new sites that we own. Our first installation is operational at our Perris, California, Distribution Center. Our second solar project, a 1.1 MW solar array at our Phoenix Market Distribution Center is under construction.

The **216,369 MWh of wind energy** produced by our VPPA is equivalent to the annual electricity use of 30,294 homes.⁶



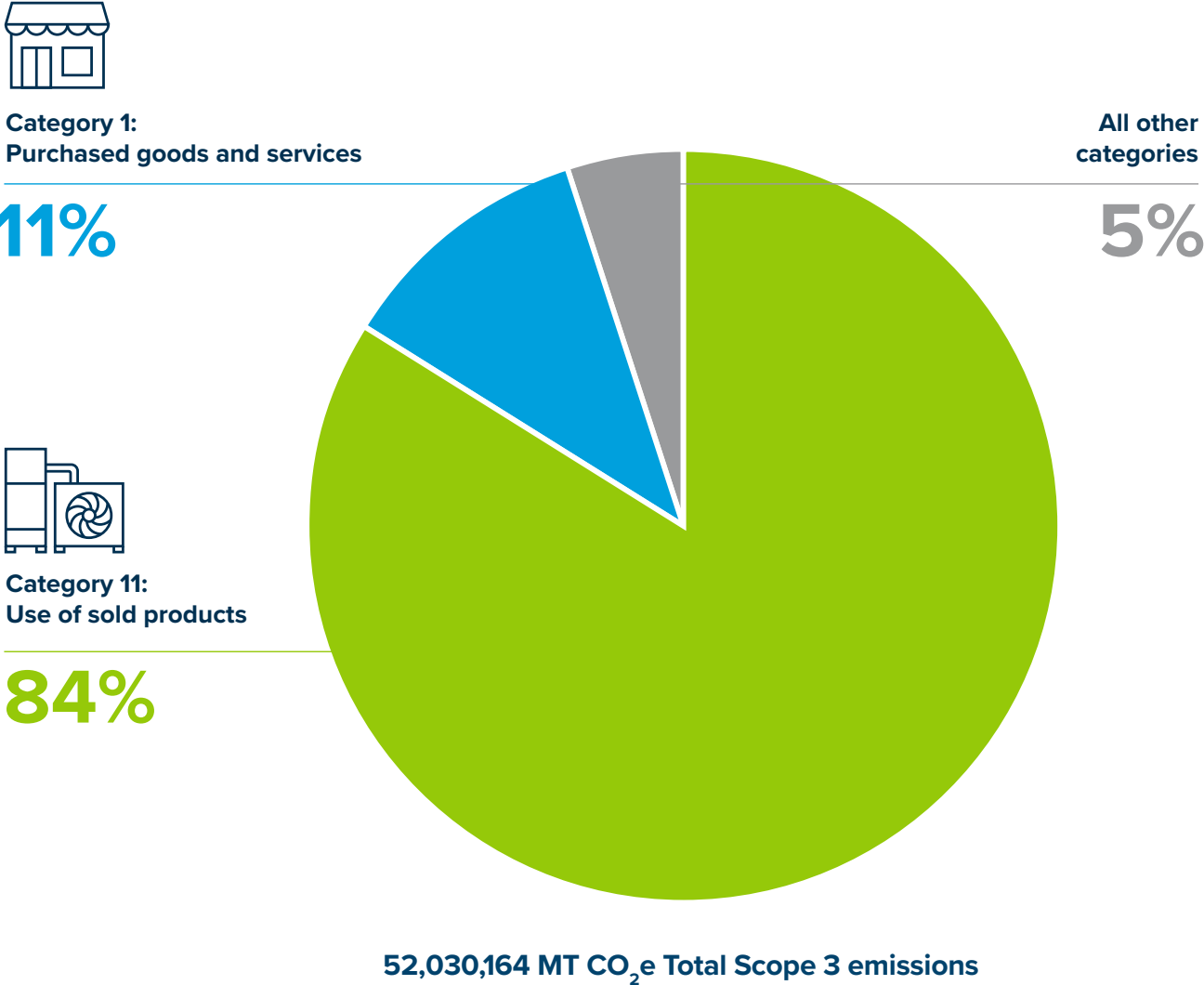
6. Calculated in accordance with the U.S. EPA’s Greenhouse Gas Equivalencies Calculator.

Sustainable solutions

Value chain emissions

We’ve expanded Scope 3 emissions reporting to include all applicable categories. Category 11: Use of Sold Products is our largest source of value chain emissions, driven primarily by HVAC and water heater sales. This analysis highlights our largest opportunity – reducing emissions through more sustainable product offerings.

FY2025 Scope 3 emissions sources



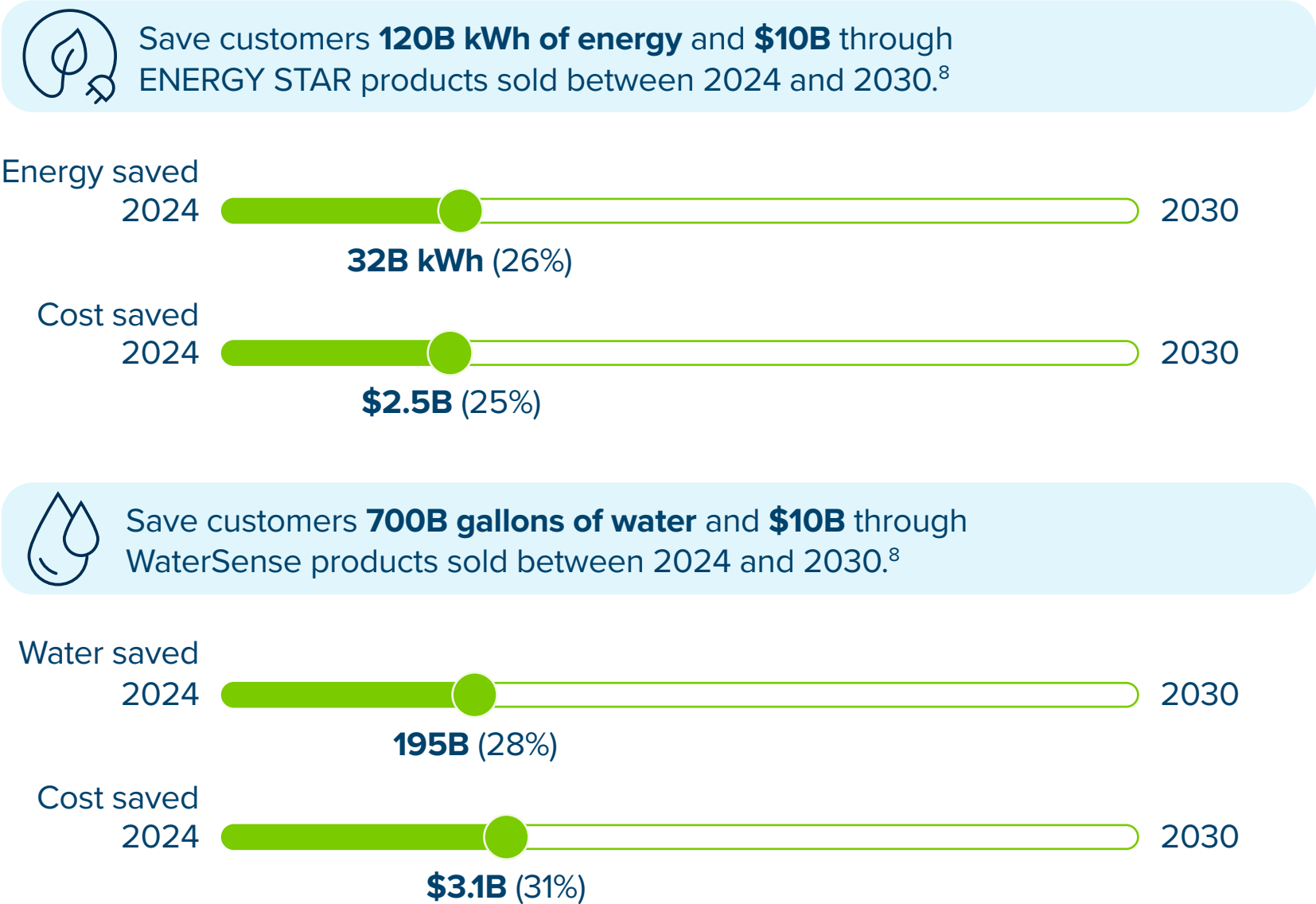
Sustainable products targets

In FY2025 we set new targets to help our customers conserve energy and water while reducing costs through the sale of ENERGY STAR and WaterSense certified products. The graphs on the right show our cumulative FY2024 and FY2025 progress towards our 2030 sustainable products targets.

~\$3B of Ferguson’s revenue was attributed to third-party-certified⁷ sustainable products.

7. Third-party certifications include ENERGY STAR, WaterSense, Green Seal, ECOLOGO, U.S. EPA Design for the Environment and Forest Stewardship Council.
8. Savings calculated across product lifetime

Target progress



Environmental Product Sales

Ferguson continues to evolve its Environmental Product Sales (EPS) strategy to meet the growing demand for more sustainable, high-performance solutions. Through stronger partnerships, expanded internal capabilities and proactive market engagement, we seek to help shape the future of sustainable infrastructure.

Driving high-efficiency solutions

In FY2025, we launched a centralized Incentives & Rebates team within EPS to help customers and contractors navigate complex funding programs and support the adoption of high-efficiency technologies. The team focuses on midstream incentive strategies and utility engagement to simplify participation and accelerate incentive delivery.

We developed a location-based incentives and rebates tool to help large, multi-location customers identify and apply for relevant funding opportunities.⁹ The tool also enables sales teams to deliver tailored support, making it easier for customers to secure funding and plan projects across locations – demonstrating Ferguson’s commitment to practical, scalable solutions.



Market engagement

We adopted a proactive approach to market engagement, participating in national forums and expanding outreach to utilities and energy offices. These efforts helped align incentive programs with product capabilities and contractor needs – reinforcing Ferguson’s role as a trusted sustainability solutions provider.

Environmental Leadership Council (ELC)

The ELC is comprised of leaders from our customer groups, who are responsible for influencing the purchase of sustainable products and solutions as well as representatives from Ferguson Ventures, Strategic Development, marketing, communications and sustainability. The ELC informs our Environmental Product Sales strategy.

Product expertise

Our Eco Excellence program equips associates with supplier-led training and sales tools to help customers make informed decisions about sustainable products. With over 30 brands across six categories participating, the program supports adoption of high-efficiency technologies and strengthens Ferguson’s role as a key supplier partner.

Meeting market demand

In partnership with Southern California Edison, Ferguson is leading a multi-year contractor training initiative to support the adoption of heat pump water heaters. As the exclusive equipment supplier, Ferguson is hosting up to 50 training sessions annually while managing outreach, fulfillment and product distribution. The program helps contractors meet the growing customer demand for energy-efficient solutions and build confidence in more sustainable technologies.

Environmental Product Declarations (EPDs)

To meet increasing demand for product transparency, we developed an EPD readiness strategy that includes associate training, a dedicated intake process and ongoing collaboration to identify opportunities within Own Brands to help meet market demand. With a broad supplier network and product portfolio, we are well positioned to help customers meet certification requirements and contract specifications.

Ferguson partnered with a leading technology company on a data center project requiring EPDs for materials such as steel pipe, copper tubing and fittings. By engaging early, Ferguson guided suppliers through the EPD process and coordinated documentation to align with the company’s sustainability goals. As a result, **over 90% of specified materials had verified EPDs or Letters of Commitment**, and supplier outreach efforts led to a 40% increase in EPD submissions across key categories.

Our supply chain

Ferguson seeks to minimize the environmental impact of our supply chain through our Supplier Climate Engagement Strategy. We focus on building relationships and collecting climate information from our largest suppliers. Ferguson has been responding to CDP’s Climate Change survey since 2010, and for the fourth consecutive year, we have asked our top suppliers to join us in disclosing their sustainability performance through CDP’s Supply Chain membership program.

Through CDP, we engaged suppliers representing ~65% of our procurement spend in our FY2025 cycle.

9. [fergusonrebates.com](https://www.fergusonrebates.com)





Water and wastewater management

Our commitment to efficient water management flows throughout our business – powering innovation, partnerships and progress across communities we serve.

At Ferguson, we are passionate about creating **water-resilient communities, providing and protecting water for present and future generations.**

We partner with industry professionals to help solve our nation’s water challenges – supporting the full lifecycle of water, from sourcing to reuse. Through innovative products, infrastructure solutions and trusted expertise, we deliver comprehensive support for water, wastewater and stormwater management, including erosion control, green stormwater infrastructure, treatment plant construction and advanced metering technologies.

With our expert associates and advanced capabilities, we are uniquely positioned to lead in water conservation. From AI-powered leak detection to predictive analytics and lead line management, our smart tools help customers and communities manage water more efficiently and responsibly.

Building resilience in commercial spaces

Ferguson is helping commercial buildings reduce water use and improve efficiency through innovative reuse and rightsizing. At a customer’s newly constructed headquarters in Baltimore, we partnered with Greyter to install a rainwater harvesting system that supplies more than 160 toilets, **saving 1.55 million gallons of potable water annually.** In FY2025, our Commercial Customer Group audited over 500 mechanical rooms, leading to an **average 30% energy reduction.** At a large chain hotel in Fort Worth, a rightsized pressure boosting system is projected to **save ~\$50,000 annually** and conserve enough energy to power 300 homes for a month.

Investing in scalable water infrastructure

Ferguson Ventures invested in the **Perennial Infrastructure Fund I,** launched by PERENfra, to support sustainable water and wastewater assets. The fund targets long-term infrastructure solutions that address growing demand for efficiency and resilience.

Infrastructure innovation

In Elko, Nevada, we deployed modular leak detection technology that identified leaks across multiple pipe types within 24 hours – demonstrating rapid impact in a water-stressed region. In Escondido, California, our team designed three decentralized stormwater detention systems using the R-Tank Modular Subsurface Storage System, preserving project timelines and ensuring regulatory compliance.

Advancing the conversation around water

To share insights and drive innovation, Ferguson Waterworks launched **The Flow of Innovation,** a podcast hosted by Ben Miller, Director of Business Development. The series explores technologies shaping water infrastructure – from AI and IoT to GIS and green stormwater systems – reinforcing Ferguson’s role as a trusted advisor in sustainable water management.

Responsible business

We are committed to responsible business practices and strong corporate governance.



Board management

Our Board of Directors (Board) oversees the company’s approach to sustainability, ensuring alignment with our purpose, culture and long-term growth strategy. The Board sets our strategic direction and is supported by its committees in fulfilling governance responsibilities.

At FY2025 end, the Board of Directors of Ferguson (Board) was comprised of 11 Directors: an independent Board Chair, the President and Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and eight other independent Directors.

Learn more about our Board composition, selection process, independence criteria and governance practices in our [Corporate Governance Guidelines](#).



Geoff Drabble
Independent
Board Chair



Kevin Murphy
President & Chief Executive
Officer and Director



Bill Brundage
Chief Financial Officer
and Director



Rekha Agrawal
Independent Director



Kelly Baker
Independent Director



Rick Beckwitt
Independent Director



Cathy Halligan
Independent Director



Brian May
Independent Director



James S. Metcalf
Independent Director



Alan Murray
Independent Director



Suzanne Wood
Independent Director

Sustainability governance

The Nominations & Governance Committee (N&G Committee) oversees Ferguson’s sustainability framework and related public disclosures, including this report. The N&G Committee receives regular updates from the Vice President of Sustainability on project progress and opportunities to embed sustainability into capital planning and business strategy.

Ferguson’s CEO holds ultimate responsibility for climate-related performance. Our Chief Financial Officer (CFO) oversees the sustainability function and is actively involved in climate risk assessment. Day-to-day execution is led by the Vice President of Sustainability.

The Sustainability Steering Committee is a cross-functional committee, chaired by our Vice President of Sustainability, which manages the framework and monitors risks and opportunities affecting stakeholders across the value chain.

The Environmental Leadership Council (ELC) is comprised of representatives from Ferguson Ventures, marketing, communications and sustainability, as well as leaders from our customer groups, who are responsible for influencing the sale of sustainable products and solutions. The ELC shapes our Environmental Product Sales Strategy.

The Ferguson Cares Committee, led by the Director of Social Impact, operates as a subset of the Sustainability Steering Committee and oversees social impact initiatives.

Read more about climate-related risk and opportunities in our [TCFD section](#).

Executive compensation

Our compensation philosophy aligns executive and shareholder interests by providing market-competitive total compensation and fairly rewarding our executives for their contributions to business performance.

Our FY2025 Executive Compensation program included responsible performance metrics for select executive officers to guide progress on our priority sustainability issues.



Regulatory and risk oversight

Ferguson is committed to acting ethically in all its business activities and maintaining compliance with applicable laws and regulations.

Compliance with laws and regulations

Ferguson is affected by various statutes, regulations and standards in the countries and markets in which we operate, and we strive to maintain full compliance with all applicable laws.

While Ferguson is not engaged in a highly regulated industry, we are subject to the laws governing businesses generally, including advertising and marketing regulations, anti-bribery and corruption/money laundering laws, anti-competition regulations, data privacy and data protection (including payment card industry data security standards) and cybersecurity requirements (including protection of information and incident responses), occupational health and safety regulations, consumer product safety regulations, consumer protection laws, cash and electronic payment regulations and industry standards, environmental protection laws and regulations (including those covering per- and polyfluoroalkyl substances (PFAS)), foreign exchange controls and cash repatriation restrictions, government business regulations applicable to us as a government contractor selling to federal, state and local government entities, import and export requirements, intellectual property laws, labor laws, product compliance laws, fleet and driver related laws, supplier regulations regarding the sources of supplies or products, tax laws, zoning laws and unclaimed property laws. We are subject to additional reporting requirements of the Securities Exchange Act of 1934 (as amended), the Sarbanes-Oxley Act of 2002, the listing requirements of the New York Stock Exchange, London Stock Exchange and other applicable securities rules and regulations.

We monitor the laws and regulations governing our markets in order to minimize the effects of changes and maintain full compliance. We also align enterprise-wide policies and procedures with our key compliance requirements and monitor their implementation.

Managing an ethical business



Ethics and business conduct

We expect our associates, and anyone acting on our behalf, to uphold the highest standards of integrity and accountability. These expectations are defined in our Code of Business Conduct and Ethics, a practical guide that empowers our people to live our values, act with integrity, and comply with all applicable laws and corporate policies. Our Code of Business Conduct and Ethics also provides guidance on ethical situations where there is uncertainty over how to proceed.

As part of our commitment to living The Ferguson Way, we require all new and current associates to complete our Code of Business Conduct and Ethics training during onboarding and annually thereafter. This training reinforces our shared values and ensures every associate understands how to uphold the standards that define our culture and guide our actions, so that we can consistently minimize risk and enhance value through our operations. Topics covered in the scenario-based training vary year to year, and in FY2025 included training on speaking up, keeping accurate records and accounts, theft prevention, information security, conflicts of interest, bribery/corruption/gifts and entertainment, workplace respect, anti-retaliation and antitrust compliance.

We also provide periodic compliance training to associates in certain roles through online educational resources and face-to-face instruction.

We work to ensure that a strong speak up culture exists at every level of our company so that our associates feel comfortable raising concerns and have a touch point for ethical dilemmas. Ferguson’s Ethics Helpline – a public-facing online portal – encourages our associates and business partners to report concerns of misconduct. It also allows associates to ask questions so they can embed ethical decision-making into day-to-day operations, mitigating the risk of serious misconduct.

To encourage reports and inquiries to the platform without fear of retaliation, anonymous submissions are permitted. Read more on our approach to ethics and compliance on [Ferguson’s Ethics Helpline webpage](#). We also consistently evaluate our training and awareness materials based on different metrics, including data from the Ethics Helpline.

See our [Code of Business Conduct and Ethics](#).

Enterprise Risk Management

Our Enterprise Risk Management (ERM) Program is designed to proactively identify, assess and mitigate the most significant risks, both existing or emerging, that could impact our ability to achieve our strategic objectives. Ferguson’s Chief Legal Officer is responsible for the day-to-day oversight of the ERM Program and for reporting enterprise risks to the Executive Committee, Audit Committee and Board.

Our Executive Committee assesses and manages the company’s exposure to enterprise risks, including establishing management accountability and support for the ERM Program. The Audit Committee is responsible for overseeing the governance process by which risk assessment and risk management is undertaken by the Executive Committee, including monitoring the overall adequacy and effectiveness of the ERM Program.

The Board is responsible for overseeing the ERM Program and receives reports from the Audit Committee on the management of enterprise risks, including the effectiveness of applicable mitigations and controls.

Cybersecurity

Cybersecurity is fundamental to Ferguson’s relationships with its business partners and our future growth and success as a company. We maintain a strategic plan to protect the information entrusted to us – and we believe we are well-prepared to manage and mitigate emerging cyber threats to our business systems.

IT management invests in processes, resources and incremental technical defenses necessary to prepare and bolster our systems against emerging cybersecurity threats. We have enterprise-level compliance processes, policies and insurance coverage in place, including related to data protection and cybersecurity.

Security operations

We operate a 24/7/365 Security Operations Center (SOC) with enterprise-wide visibility. Our Cybersecurity Incident Response Plan (CIRP) outlines how we capture, contain, escalate and respond to cybersecurity events. The CIRP is regularly reviewed for improvement. We also engage third-party partners to assess our capabilities, identify risks and support execution of our strategic plans.

Our Chief Information Security Officer (CISO) and Cyber Threat Prevention Team receive incident and threat data from the SOC through internal escalation procedures. The CISO and our Chief Digital and Information Officer (CDIO) use this information to brief the Board, Audit Committee and Executive Committee on IT-related risks and the implementation of our cybersecurity strategy. Internal Audit independently tests IT General Controls and reports findings to the Audit Committee.

We invest in associate training to prevent cyber attacks, including role-based phishing simulations and conduct various awareness campaigns. Tabletop exercises are conducted regularly to test and improve our incident response, processes and strategies.

In FY2025, we achieved **PCI 4.0.1 compliance across multiple business lines** – demonstrating our commitment to safeguarding sensitive payment data, staying ahead of industry standards and maintaining trust with customers and partners.

We expanded our privacy program by transitioning to a new vendor to manage privacy requests and ensure compliance with relevant regulations. Vendor risk management was strengthened through automated tools and we continued integrating acquired companies into Ferguson’s systems to eliminate outdated hardware and software and align with our security protocols.

Data privacy and regulatory compliance

Ferguson has implemented procedures and controls needed to comply with data protection and consumer privacy laws and regulations, including, but not limited to the California Consumer Privacy Act, as amended by the California Privacy Rights Act, Canada’s Personal Information Protection, Electronic Documents Act and the General Data Protection Regulation, as enacted in the European Union and the United Kingdom. We have taken an enterprise-wide approach to compliance to ensure consistency throughout the organization as additional jurisdictions continue to pass comprehensive privacy laws.

We have a [Shareholder Privacy Notice](#) in place for all shareholders, outlining the personal information we collect, how that information is used, and what their rights are in relation to that information.



Phishing assessments for all associates are conducted six times annually, on a bi-monthly basis. In alternating months, targeted phishing assessments are performed to address specific risk areas.

Data and Frameworks



Sustainability data

Table 1. Sustainability disclosure topics and accounting metrics

Metric – Carbon Emissions	2024	2025
Scope 1 GHG emissions (MT CO ₂ e)	162,729	164,926
Fleet emissions (MT CO ₂ e)	112,444	112,073
Facilities emissions (MT CO ₂ e)	50,348	52,854
Scope 2 GHG emissions – location-based (MT CO ₂ e)	85,302	73,145
Scope 2 GHG emissions – market-based (MT CO ₂ e)	26,981	2,475
Scope 1 emission intensity (MT CO ₂ e / million USD of revenue)	5.5	5.4
Percentage renewable electricity	60%	95%
Total calculated Scope 3 GHG emissions (MT CO ₂ e)	47,628,819	52,030,164
Scope 3 Category 1: Purchased Goods & Services	5,460,415	5,708,040
Scope 3 Category 2: Capital Goods	75,259	69,134
Scope 3 Category 3: Fuel- and Energy-related activities	52,403	51,703
Scope 3 Category 4: Upstream Transportation & Distribution	136,629	136,170
Scope 3 Category 5: Waste Generated in Operations	36,471	39,941
Scope 3 Category 6: Business Travel	49,127	45,398
Scope 3 Category 7: Employee Commuting	53,961	53,040
Scope 3 Category 8: Upstream leased assets	Not Relevant	Not Relevant
Scope 3 Category 9: Downstream Transportation & Distribution	1,978	1,917
Scope 3 Category 10: Processing of Sold Products	Not Relevant	Not Relevant
Scope 3 Category 11: Use of Sold Products	39,506,267	43,535,647
Scope 3 Category 12: End-of-life treatment of sold products	2,255,285	2,387,388
Scope 3 Category 13: Downstream leased assets	839	1,456
Scope 3 Category 14: Franchises	Not Relevant	Not Relevant
Scope 3 Category 15: Investments	186	330
Cumulative Energy Saved (kWh) through sale of ENERGY STAR products	15B	32B
Cumulative Energy Saved (\$USD) through sale of ENERGY STAR products	\$1.18B	\$2.49B
Cumulative Water Saved (gal) through sale of WaterSense products	95B	195B
Cumulative Water Saved (\$) through sale of WaterSense products	\$1.53B	\$3.06B
Cumulative Hours Volunteered	10,692	26,376
Cumulative Youth Skilled Trades Connections	8,113	22,237

Metric – Associates	2024	2025
Total associates ¹⁰	35,000	35,000
Female associates	25%	24%
Minority associates ¹¹	32%	33%
Percentage of management positions held by female associates ¹¹	22%	23%
Percentage of management positions held by minority associates ^{11, 12}	18%	19%
Associate engagement	55%	58%
Metric – Safety	2024	2025
Associate Recordable Incident Rate (TRIR)	1.57	1.79
Associate Lost Time Incident Rate (LTIR)	0.42	0.59

10. Associate accounting methodology based on total count of all management and non-management associates as of the last day of the fiscal year. Headcount rounded to the nearest thousand.

11. Race and ethnicity data reflects U.S. workforce only and is self-reported by associates.

12. Management includes all positions with direct reports and is not restricted by title.



SASB Sustainability Accounting Standard Multiline and Specialty Retailers & Distributors

Table 1. Sustainability Disclosure Topics & Metrics

Metric	Category	Unit of measure	Code	Data response or reference
Energy Management in Retail & Distribution				
Total energy consumed	Quantitative	Gigajoules (GJ)	CG-MR-130a.1	3,461,182 GJ
Percentage grid electricity	Quantitative	Percentage (%)	CG-MR-130a.1	24%
Percentage renewable energy	Quantitative	Percentage (%)	CG-MR-130a.1	23%
Data Security				
Description of approach to identifying and addressing data security risks	Discussion and analysis	n/a	CG-MR-230a.1	Please refer to our section on Cybersecurity .
Workforce diversity and inclusion				
Percentage of gender and racial/ethnic group representation by 1) management and 2) all other associates	Quantitative	Percentage (%)	CG-MR-330a.1	Management ¹³ : Female 23%, Male 77% All other associates ¹⁴ : Female 25%, Male 75% Management ¹³ : Racial/Ethnic Minority ¹⁵ 19% All other associates ¹⁴ : Racial/Ethnic Minority 36%
Product sourcing, packaging and marketing				
Revenue from products third-party certified to environmental and / or social sustainability standards	Quantitative	Reporting currency USD (\$)	CG-MR-410a.1	~\$3B in revenue is attributed to products with third party certified products, including ENERGY STAR, WaterSense, Green Seal, ECOLOGO, EPA Design for the Environment and Forest Stewardship Council.
Discussion of process to assess and manage risks and / or hazards associated with chemicals in products	Discussion and analysis	n/a	CG-MR-410a.2	Ferguson works to ensure safe chemical handling through dedicated HSE oversight, mandatory training, and strict policies for storage, disposal, and spill response. High-hazard substances are prohibited, and only authorized associates may procure chemicals following a dangerous goods review. Ferguson-branded products undergo quality checks and select third-party certifications. Safety Data Sheets are widely accessible, and all labeling complies with OSHA, EPA, CPSC, and DOT standards. The company prioritizes reducing hazardous chemicals and reviews processes to minimize environmental and health impacts when safer alternatives are unavailable. Cross-functional teams meet quarterly to address trends and training needs.
Discussion of strategies to reduce the environmental impact of packaging	Discussion and analysis	n/a	CG-MR-410a.3	Please refer to our section on Efficient Packaging .

Table 2. Activity metrics

Activity metric	Category	Unit of measure	Code	Data response or reference
Number of 1) retail locations and 2) distribution centers	Quantitative	Square feet (ft²)	CG-MR-000 A	Over 1,700 branches (retail locations) 10 Regional Distribution Centers and 6 Market Distribution Centers
Total area of 1) retail space and 2) distribution centers	Quantitative	Square feet (ft²)	CG-MR-000 B	Regional Distribution Centers: 6,900,702 ft² Market Distribution Centers: 2,731,028 ft² Branches (retail locations): 49,428,009 ft²

13. Management includes all positions with direct reports and is not restricted by title.
14. Reporting a snapshot value from July 31, 2025.
15. Race and ethnicity data reflects U.S. workforce only. Minority data is self-reported by associates in accordance with SASB guidelines.

Task Force on Climate-Related Financial Disclosures (TCFD)



Introduction

Ferguson (NYSE: FERG; LSE: FERG) is the largest value-added distributor serving the water and air specialized professional in our \$340B residential and non-residential North American construction market. We help make our customers’ complex projects simple, successful and sustainable by providing expertise and a wide range of products and services from plumbing, HVAC, appliances, and lighting to PVF, water and wastewater solutions, and more. Headquartered in Newport News, Va., Ferguson has sales of \$30.8B (FY2025) and approximately 35,000 associates in over 1,700 locations. For more information, please visit corporate.ferguson.com.

About this report

This report is intended to provide decision-useful, climate-related information across the four thematic areas of the Task Force on Climate-Related Financial Disclosures (TCFD): Governance, Strategy, Risk Management, and Metrics and Targets. The information detailed in this report is a result of a cross-functional body of work and illustrates the integration of climate-related risks and opportunities into our business strategy and operations. The process to date has prioritized promoting organizational awareness around relevant climate-related risks and opportunities. As we advance on our sustainability journey, we expect to continue to evolve our Sustainability reporting.

Unless otherwise noted, this report presents data for Ferguson Enterprises Inc. and its subsidiaries (collectively, “Ferguson”) for the fiscal year ended July 31, 2025.

Governance

a) Describe the board’s oversight of climate-related risks and opportunities.

Ferguson’s Board of Directors (Board) has a vested interest in improving Ferguson’s Sustainability performance. The Board and its committees have structured their annual program to receive updates from our Vice President of Sustainability, with sustainability on scheduled Nominations & Governance Committee agendas. Topics such as reviewing project implementation and performance,

progress against targets and opportunities to integrate sustainability measures into capital expenditures are discussed at scheduled Nominations & Governance Committee meetings. Our corporate governance documents, including committee charters, can be found on the Corporate Governance page of the Investor tab of our website at corporate.ferguson.com under Governance Documents.

The Nominations & Governance Committee is responsible for providing oversight of our sustainability framework, which includes climate-related issues and relevant public disclosures, including our Sustainability Report.

Our CEO holds ultimate responsibility with respect to performance on climate-related issues. Our CFO is actively engaged in assessing risk related to climate change and alongside the management team’s Finance Committee, approves all capital expenditures above a preapproved financial threshold. Sustainability is incorporated into the company’s annual strategic planning process, which is overseen by the Chief Strategy Officer.

b) Describe management’s role in assessing and managing climate-related risks and opportunities.

Our Sustainability department is a part of the Finance organization, ultimately reporting to the Chief Financial Officer. Our Vice President of Sustainability is responsible for the day-to-day management of our sustainability priorities and reports directly to the Head of Investor Relations and Communications. The Vice President of Sustainability and the Sustainability team monitor climate-related issues and work to ensure integration into our business strategy and operations.

Ferguson also has an Environmental Product Sales team that coordinates on sustainable product innovation, including development and expansion of lower-emissions goods and services with our supplier partners. The Environmental Product Sales team positions our sales force to assist our customers in achieving their sustainability goals, which ultimately aims to help the company seize climate-related business opportunities.

Sustainability Steering Committee

The Vice President of Sustainability chairs the Sustainability Steering Committee, a cross-functional committee that includes leaders responsible for the sustainability framework and subject matter experts (SMEs) from across the business. The purpose of the Sustainability Steering Committee is to assist the Executive Committee in overseeing the company’s sustainability-related risks and opportunities, including climate-related risks and opportunities, that may have an impact on the company and its ability to sustain trust with associates, customers, suppliers and the investment community. It also supports Ferguson’s ongoing commitments to sustainability and guides the evolution of the company’s sustainability framework and priorities.

Environmental Leadership Council (ELC)

The ELC is comprised of leaders from our customer groups, who are responsible for influencing the purchase of sustainable products and solutions as well as representatives from Ferguson Ventures, marketing, communications and sustainability team leaders. The ELC shapes our Environmental Product Sales strategy.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

Through a cross-functional climate-related risk and opportunity assessment conducted in FY23 which included both internal and external subject matter expertise, we determined that no climate-related risks are currently material to Ferguson when applying the same threshold as to our other enterprise risks. However, we continue to closely monitor the climate-related physical and transition risks and opportunities identified by the assessment. Climate-related risks and opportunities were qualitatively prioritized based on their identified time horizon, probability rating, impact rating and mitigation status.

- 1. Short-term: 0–5 years
- 2. Medium-term: 6–10 years
- 3. Long-term: 11+ years

The most relevant climate-related risks and opportunities that were identified and further evaluated through scenario analysis are set out in the following table.

TCFD risk	Ferguson risk	Impact	Current & future mitigation strategies	Time horizon
Transition risk: policy and legal				
Increased pricing of GHG emissions	The implementation of a carbon tax in countries in which Ferguson operates	While there is currently no carbon pricing system in the U.S. that impacts Ferguson, there have been discussions at the state level. A carbon tax may negatively impact Ferguson’s operational expenses, product costs and service costs.	In 2021, Ferguson purchased and installed an on-site 1.1-megawatt solar array at its Perris, California, Distribution Center and has invested in a solar array for the Phoenix Market Distribution Center, which is under construction. These emissions reduction efforts will help to reduce the volume of emissions which are taxed. In addition, Ferguson has a Scope 1 emissions intensity reduction goal. Efforts towards this goal including building efficiency updates, building electrification, fleet rightsizing and fleet electrification will also help to reduce the volume of emissions which are taxed.	Medium (6-10 years)
Physical: acute				
Increased severity of extreme weather events	Increased frequency and severity of floods, wind storms, cyclones, wildfires, storm surges, hail, drought, etc. impact operations through damages to facilities and inventory	The frequency and severity of extreme weather events has increased considerably in recent years. This trend is expected to continue to worsen in the future as the climate continues to warm and could have a significant impact on a multitude of factors impacting Ferguson’s business.	Ferguson’s Corporate Security and Business Continuity Department has plans covering localized disasters causing short-term business disruptions (i.e., natural weather events), nationwide disruptions and singular incidents which have potential to adversely impact Ferguson’s reputation. These plans help Ferguson determine how to react when an event occurs. Widespread interruptions to Ferguson’s operations are naturally hedged against through the company’s widespread operational footprint and digital tools.	Short (0-5 years)
Physical: chronic				
Rising mean temperatures	Rising mean temperatures significantly impact energy usage in Ferguson managed buildings	Even under a low emissions scenario, heat thresholds relevant to health are projected to be exceeded more frequently at high global warming levels. This could have multiple implications for Ferguson including increased energy demand for facility cooling and updating facilities to provide better working conditions for associates. Additionally, during extreme heat events the electricity grid can also be overwhelmed, potentially leading to grid brownouts and blackouts, which could result in significant disruptions to Ferguson’s operations.	Ferguson has developed a consistent framework to support sustainable design, construction and operations in support of the company’s goals. These sustainable design standards are applicable to new Market Distribution Centers and medium-scale business-as-usual locations which are typically between 50,000 and 150,000 square feet and include a large portion of warehouse space and with a smaller office space. Some also include a retail counter. The standards are aligned with the LEED and Fitwel programs which promote healthy, resilient and efficient green buildings.	Long (11+ years)

b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.

The process to date has prioritized promoting organizational awareness around relevant climate-related risks and opportunities. Our approach is still developing, and further management actions may follow as potential impacts are investigated and integrated. Ferguson’s purpose is to provide innovative products and solutions to help make our customers’ projects simple, successful and sustainable. The climate-related risks identified in this report, while not assessed as material when applying the same threshold as our other enterprise risks, have the potential to impact our business in several ways, including increasing operational expenses, increasing the cost of the products we sell and disrupting our supply chain. Several business opportunities were also reviewed, including the transition of the residential sector to a lower carbon future and the reduction of operating expenses through investments in energy efficiency and renewable energy. Both the climate-related risks and opportunities identified in this report are taken into consideration during the organization’s strategic and financial planning processes.

Environmental considerations are an element of the company’s annual strategic planning process. Strategies to address climate-related risks and realize opportunities are presented by individual functional and customer groups. The company is working to expand knowledge of and responsibility for encouraging the adoption of sustainable and energy-efficient products and solutions across the entire sales force. The Environmental Leadership Council (ELC) will influence the direction of Ferguson’s environmental areas of focus and investment approach by helping to spur innovation within our supplier base and encouraging our manufacturers to create more sustainable products and solutions.

c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Ferguson has assessed climate-related risks and opportunities using scenario analysis, which has enhanced our strategic conversations about the future by considering, in a more structured manner, what may unfold that is different from business-as-usual. As noted, the results of this scenario analysis did not reveal climate-related risks that Ferguson determined to be material. Our strategy for managing these risks and realizing the opportunities is consistent across the range of evaluated scenarios. Our initial focus is on identifying the most relevant climate-related risks and opportunities for the business, and we intend to continue to evaluate our strategies as our organizational approach matures.

TCFD opportunity	Ferguson opportunity	Impact	Time horizon
Products and services			
Development/ expansion of lower-emission goods and services	Ferguson expands its lower-emissions goods and services offerings.	Ferguson's Environmental Product Sales team aims to expand Ferguson's offerings of sustainable products by training our associates, educating the customer and leading the industry. Through Ferguson's large network of suppliers, the company can expand across multiple products including heat pumps to electrify heating, tankless water heaters to reduce energy usage, leak detection technology to reduce water waste and Wi-Fi monitoring to ensure appliances are turned off when not in use. Expanding Ferguson's inventory to include these types of products will help Ferguson maintain its competitive edge in the market.	Medium (6-10 years)
Energy source			
Use of lower-emission energy sources	Ferguson combines on-site renewables and other energy strategies to drive the use of lower-emission energy sources across the business.	Ferguson purchased and installed an on-site 1.1-megawatt solar array at its Perris, California, Distribution Center in 2021 and has invested in a solar array for the Phoenix Market Distribution Center, which is under construction. Energy produced by these new solar panels, combined with a Virtual Power Purchase Agreement, will help Ferguson increase its consumption of lower-emission energy sources. Read about our Facilities strategy .	Short (0-5 years)
Markets			
Use of public sector incentives	Ferguson leverages green policy incentives.	Learn more about our centralized Incentives & Rebates team in the Environmental Product Sales section .	Short (0-5 years)

Scenario analysis

Ferguson also evaluated the impact of relevant climate-related risks and opportunities using the following scenarios across a range of company specific inputs to build resiliency into our strategy across a variety of internal scenarios. The scenarios were chosen to represent a broad spectrum of outcomes. See details below about how scenarios were used in our analysis across a variety of time horizons.

IEA announced pledges scenario

Assumes all climate commitments made by governments around the world, including Nationally Determined Contributions and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time.

IEA net zero emissions by 2050

Emissions trajectory consistent with keeping the temperature rise in 2100 below 1.5°C (with a 50% probability)

IPCC SSP1-2.6

Estimated warming of 1.3 – 2.2°C by 2060

Pathway narrative: Sustainability – Taking the Green Road (Low challenges to mitigation and adaptation)

IPCC SSP 5-8.5

Estimated warming of 1.9 – 3.0°C by 2060

Pathway narrative: Fossil-fueled Development – Taking the Highway (High challenges to mitigation, low challenges to adaptation)

Transition Risk, Policy – Increased pricing of GHG emissions

Projected cost of a carbon tax on Ferguson’s operations under Net Zero Emissions by 2050 scenario and Announced Pledges Scenario through 2030, 2040 and 2050.

Projected Ferguson Scope 1 emissions trajectory across both high and moderate emissions reduction scenarios.

Physical Risk, Acute – Increased severity of extreme weather events

Leveraged financial impacts from historical extreme weather events that rose to the level of insurance claim to project potential additional impact in the future by peril, geographic region, or asset types utilizing low emission scenario SSP 1-2.6 and high emission scenario SSP 5-8.5.

Physical Risk, Chronic – Rising mean temperatures

Modeled the projected change in the company’s energy consumption as a result of rising temperatures and the company’s electric transition. This model’s low emission scenario uses SSP 1-2.6 for physical risks and IEA’s Announced Pledges Scenario for transition risks, and the high emission scenario uses SSP 5-8.5 for physical risks and IEA’s Stated Policies scenario for transition risks.

Opportunity: Products & Services – Development/ expansion of low emission products and solutions

Evaluated the projected financial impact to Ferguson of society’s transition to low emission products and solutions, specifically heat pump space heaters and heat pump water heaters. This model utilizes projections from Rewiring America’s June 2023 Pace of Progress Report¹⁶ as well as SSP1-2.6 and SSP5-8.5 scenarios.

Opportunity: Energy Source – Use of lower-emission energy sources

Performed an assessment of current and possible future facilities to determine each location’s potential for renewable energy generation and exposure to climate perils utilizing low emission scenario SSP 1-2.6 and high emission scenario SSP 5-8.5.

16. <https://www.rewiringamerica.org/pace>



Risk management

Disclose how the organization identifies, assesses and manages climate-related risks.

a) Describe the organization’s processes for identifying and assessing climate-related risks.

- Climate-related risks and opportunities, including existing and emerging regulatory requirements, were initially identified by the sustainability team based on industry research, advancements in technology and other sustainability trends.
- Impacts are explored further through interviews and document review with subject matter experts within the company including Fleet, Facilities, Investor Relations, Legal, Business Continuity and Finance.
- Climate-related risks and opportunities are categorized using Tables A1.1 and A1.2 in the Appendix to TCFD 2021 guidance.
- Each identified climate-related risk is mapped to a Ferguson risk area based on impact to: income before tax, market cap, reputation, dividend payment, strategy and operations.
- The climate-related risks and opportunities were qualitatively prioritized based on their identified time horizon, probability rating, impact rating and mitigation status.
- Impacts of the most relevant climate risks and opportunities are further analyzed and quantified through scenario analysis.
- Climate-related risks are not assessed as material when applying the same threshold as our other enterprise risks.

b) Describe the organization’s processes for managing climate-related risks.

The primary responsibility for identifying, assessing and managing risks belongs with company management. The Vice President of Sustainability is responsible for daily climate-related issue management, monitoring and integration into business strategy and operations. Additional information can be found in Governance b) and Risk management c) recommended disclosures.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.

Ferguson is committed to maintaining an Enterprise Risk Management (ERM) Program that focuses on identifying and mitigating risks that pose the most significant existing or emerging threats to the company’s achievement of its strategic objectives. Our Chief Legal Officer (or designee) is responsible for the oversight of the ERM Program and for reporting of Enterprise Risks to the Executive Committee, Audit Committee and Board.

- The Board receives reports from the Audit Committee on the management of Enterprise Risks, including the effectiveness of applicable mitigations and controls.
- The Audit Committee is responsible for overseeing the governance process by which risk assessment and risk management are undertaken by the Executive Committee, including monitoring the overall adequacy and effectiveness of the ERM Program.
- The Executive Committee assesses and manages the company’s exposure to Enterprise Risks, including establishing management accountability and support for the ERM Program.

In addition, as noted above, the Nominations & Governance Committee is responsible for providing oversight of our sustainability framework and related public disclosures, including our Sustainability Report.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Please refer to our [Sustainability data section](#) for figures and further details

Although we determined that such information is not material, our assessment of climate-related risks and opportunities uses the metrics above and adopts the same threshold as our other enterprise risks.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Although we determined that no climate-related risks are currently material to Ferguson when applying the same threshold as to our other enterprises risks, we have identified the following risks associated with greenhouse gas emissions which relate to our earlier identified climate-related risks:

Scope 1 risks – Carbon tax and efficiency standards could result in increased operational costs.

Scope 2 risks – Rising mean temperatures could create more demand for electricity use for comfort cooling and result in increased electricity costs.

Scope 3 risks – Carbon tax could result in increased product costs.

Please refer to our [Sustainability data section](#) and [Basis of Reporting](#) (p. 1–4) for emissions figures and further details.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Please refer to our [Operational emissions targets section](#) and [Sustainable products targets section](#) for details on our strategy and progress towards achieving targets.

Data is collected and managed on an ongoing basis. We evaluate progress towards this target two times a year. We pursue Independent Limited Assurance on specific sustainability indicators in our Sustainability Report as described in the Assurance Statement available on the sustainability tab of our corporate website at corporate.ferguson.com.



UK Listing Rule Disclosure

In accordance with Listing Rule 14.3.30R(1) (“Listing Rule”), Ferguson is required to include a Board Diversity Statement in relation to FY2025 setting out whether it has met certain targets on board diversity as set out in the Listing Rule. The required disclosure is set out as of July 31, 2025. Data in relation to the Board has been collected through the annual Directors and Officers questionnaire in which a question asked Directors to provide self-identified specific diversity, skills and experience; and data in relation to executive management has been collected through details held on the Company’s human resource management software.

FY2025 target ¹⁷	Result	Reasoning
At least 40% of the Board should be female	Not met	36% of Board were female. The Board will take the target into consideration, together with the Board Diversity Policy, in any future Independent Director recruiting activities.
At least one member of the Board should be from a minority ethnic background	Met	There were two ethnic minority female Independent Directors on the Board.
At least one of the senior Board positions (CEO, Senior Independent Director or CFO) should be a woman.	Not met	The senior Board positions of Chairman, CEO and CFO are currently held by men. Until the individuals in those positions retire or otherwise leave, the Company will not meet the target. Due to the Company being a U.S. incorporated entity, there is no SID role. While the Board Chair, CEO and CFO are all men, the Chair of two of the Committees of the Board (Audit and Compensation) were women.

17. The Company is only reporting against the CEO, CFO and Chair positions as there is no longer a Senior Independent Director role. The functions and responsibilities of that role have been taken on by the Chair of the Nominations & Governance Committee.

18. Executive management is defined, in accordance with the Listing Rules, as the Executive Committee.

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) ¹⁷	Number in executive management ¹⁸	Percentage of executive management
Men	7	64%	3	13	93%
Women	4	36%	0	1	7%
Not specified / prefer not to say	0	0	0	0	0%

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) ¹⁷	Number in executive management ¹⁸	Percentage of executive management
White British or Other White (including minority white groups)	9	82%	3	14	100%
Mixed multiple ethnic groups	0	0%	0	0	0%
Asian / Asian British	1	9%	0	0	0%
Black / African Caribbean Black British	1	9%	0	0	0%
Other ethnic group including Arab	0	0%	0	0	0%
Not specified / prefer not to say	0	0%	0	0	0%

Disclaimers

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Additionally, terms including “sustainable” and “sustainability” can be subjective in nature, and there is no representation or guarantee that such terms, as used in the report, will reflect the beliefs or values, policies, principles, frameworks or preferred practices of any particular investor or other third party.

The sustainability goals, targets, intentions, or expectations outlined in this report are voluntary and should be viewed as aspirational. There can be no assurance that our sustainability policies and procedures as described in this report will continue; such policies and procedures could change, even materially. We are permitted to determine in our discretion that it is not feasible or practical to implement or complete certain of our sustainability initiatives, policies, and procedures based on cost, timing, or other considerations.



Cautionary note on forward-looking statements

Certain information included in this report is forward-looking, including within the meaning of the Private Securities Litigation Reform Act of 1995, and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, objectives and projections with respect to the company’s sustainability program and related sustainability-centric plans and efforts (including those related to climate), statements or guidance regarding or relating to our future financial position, results of operations and growth, plans and objectives for the future including our capabilities and priorities. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as “believes,” “estimates,” “anticipates,” “expects,” “forecasts,” “intends,” “continues,” “plans,” “projects,” “goal,” “target,” “aim,” “may,” “will,” “would,” “could” or “should” or, in each case, their negative or other variations or comparable terminology and other similar references to future periods.

Forward-looking statements speak only as of the date on which they are made. They are not assurances of future performance and are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections (including the projected sustainability initiatives, results and performance, including whether the company will be able to achieve its emissions reduction goals in the anticipated timeframe or at all), anticipated events and trends, the economy and other future conditions. Therefore, you should not place undue reliance on any of these forward-looking statements. Although we believe that the forward-looking statements contained in this report are based on reasonable assumptions, you should be aware that many factors could cause actual results to differ materially from those contained in such forward-looking statements, including but not limited to: weakness in the economy, market trends, uncertainty and other conditions in the markets in which we operate and the macroeconomic impact of factors beyond our control (including, among others, inflation/deflation, recession, labor and wage pressures, trade restrictions such as tariffs, sanctions and retaliatory countermeasures, interest rates, and geopolitical conditions); failure to rapidly identify or effectively respond to direct and/or end customers’ wants, expectations or trends, including costs and potential problems associated with new or upgraded information technology systems or our ability to timely deploy new omni-channel capabilities; decreased demand for our products as a result of operating in highly competitive industries and the impact of declines in the residential and non-residential markets and our ability to effectively manage inventory as a result; changes in competition, including as a result of market consolidation, new entrants, vertical integration or competitors responding more quickly to emerging technologies (such as generative artificial intelligence); failure of a key information technology system or process as well as payment-related risks, including exposure to fraud or theft; privacy and protection of sensitive data failures, including failures due to data corruption, cybersecurity incidents or network security breaches; ineffectiveness of or disruption in our domestic or international supply chain or our fulfillment network, including delays in inventory availability at our distribution facilities and branches, increased delivery costs or lack of availability due to loss of key suppliers; failure to effectively manage and protect our facilities and inventory or to prevent personal injury to customers, suppliers or associates, including as a result of adverse

weather events or workplace violence; unsuccessful execution of our operational strategies; failure to attract, retain and motivate key associates; exposure of associates, contractors, customers, suppliers and other individuals to health and safety risks and fleet incidents; risks associated with acquisitions, partnerships, joint ventures and other business combinations, dispositions or strategic transactions; regulatory, product liability and reputational risks and the failure to achieve and maintain a high level of product and service quality or comply with responsible sourcing standards; inability to renew leases on favorable terms or at all, as well as any remaining obligations under a lease when we close a facility; changes in, interpretations of, or compliance with tax laws and accounting standards; our access to capital, indebtedness and changes in our credit ratings and outlook; fluctuations in product prices/costs (e.g., including as a result of the use of commodity-priced materials, inflation/deflation and/or trade restrictions) and foreign currency; funding risks related to our defined benefit pension plans; legal proceedings in the ordinary course of our business as well as any failure to comply with domestic and foreign laws, regulations and standards, as those laws, regulations and standards or interpretations and enforcement thereof may change; the occurrence of unforeseen developments such as litigation, investigations, governmental proceedings or enforcement actions; our failure to comply with the obligations associated with being a public company listed on the New York Stock Exchange and London Stock Exchange and the costs associated therewith; the costs and risk exposure relating to sustainability matters, including regulatory or legal requirements and disparate stakeholder expectations; and other risks and uncertainties as set forth under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended July 31, 2025 as filed with the Securities and Exchange Commission (the “SEC”) on September 26, 2025 and in other filings we make with the SEC in the future. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with our legal or regulatory obligations, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

External assurance statement

Ferguson engaged ERM Certification and Verification Services Inc. (ERM CVS) to conduct third-party limited assurance of specific metrics for the period from August 1, 2024 to July 31, 2025 which are presented in the FY2025 Sustainability Report. ERM CVS assessed whether these metrics were fairly presented in accordance with the reporting criteria. For more information, please see the External Assurance Report which details the scope, activities and conclusions of their engagement. Both of these documents are available on the Ferguson website: corporate.ferguson.com.



About Ferguson

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For more information, please visit:
corporate.ferguson.com

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Many different sustainability ratings firms evaluate and measure Ferguson’s performance. Below are key ratings from FY2025.

MSCI

ESG RATINGS

CCC | B | BB | BBB | A | **AA** | AAA

AA

CDP

DISCLOSURE | INSIGHT | ACTION

C

SUSTAINALYTICS

a Morningstar company

LOW RISK