FERGUSON

Date Updated: 09/2025

Basis of Reporting: Sustainability Data

Overview

This Basis of Reporting document provides detail on the scope of reporting and the reporting criteria against which Ferguson prepares and reports data for the Sustainability Report and the corporate website.

Data is reported in line with Ferguson's fiscal reporting year (August 1 – July 31). Data is collected on an ongoing basis. It is the responsibility of each Ferguson business to ensure that appropriate procedures are in place to provide data in line with this Basis of Reporting document.

The measuring and reporting of environmental performance data involves a degree of estimation and the use of assumptions. Reported figures include estimates where actual data is unavailable. Estimates are based on historical data, spend data or other proxies.

Historic data is restated where significant changes are made due to data or methodology improvements. Restatements are approved by the VP of Sustainability. Narrative is provided in the Sustainability Report to explain significant adjustments to prior year numbers.

For questions on this Basis of Reporting, or to request additional detail, please contact investor@ferguson.com.

Scope of Reporting

Ferguson is a North American business that owns or leases its operations. The organizational boundary and the operational boundary of Ferguson's environmental data reporting are detailed below. Ferguson uses the Operational Control reporting boundary as described by the Greenhouse Gas Protocol.

Effective August 1, 2024, Ferguson implemented a new corporate structure to domicile its ultimate parent company in the United States and Ferguson Enterprises Inc., a Delaware corporation, became the parent company to Ferguson plc (now known as Ferguson (Jersey) Limited). The new parent company continues to pursue Ferguson's strategic initiatives and business operations.

Greenhouse gas emissions are reported as tCO2e based on the 100-year time horizon global warming potentials (GWP) relative to CO2 from the IPCC Fifth Assessment Report, 2014 (AR5), when available or applicable, specifically incorporating CO2, CH4 and N2O in all direct calculations. Emissions data provided by third parties incorporates other GWPs to varying degrees and, in some cases, may not include N2O and CH4.

Organizational Boundary

Ferguson collects environmental data from Ferguson Enterprises headquartered in the US and Wolseley Canada headquartered in Canada which represent 99% of total associates. Several small sourcing offices (or registered addresses) are excluded from the reporting boundary as they have less than 1% of total associate population. The

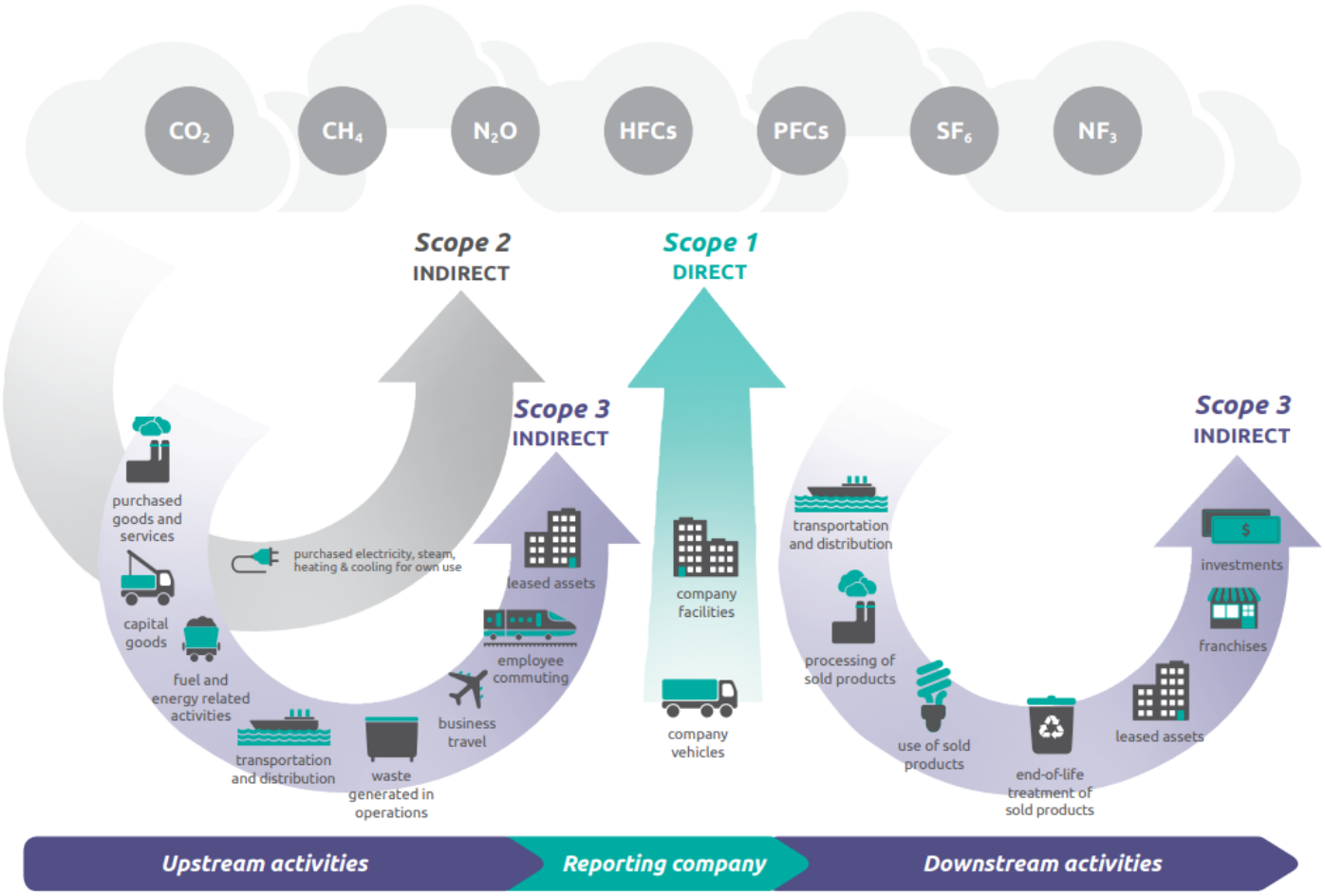
excluded facilities include: Trinidad and Tobago, Puerto Rico, Switzerland, Taiwan, Thailand, Vietnam, China and the United Kingdom.

The headcount for each above listed location will be assessed annually to ensure exclusion from the reporting boundary remains appropriate. Acquisitions are included as soon as the data becomes available. Divestments and site closures are handled in accordance with the Greenhouse Gas Protocol guidance.

Reporting Boundary

The activities in the figure and listed below are included in Ferguson's Greenhouse Gas (GHG) operational reporting boundary. Refer to the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions for additional Scope 3 definitions.

Figure [I] Overview of GHG Protocol scopes and emissions across the value chain



Source: Figure 1.1 of *Scope 3 Standard*.

Scope 1

- Includes mobile combustion of diesel, gasoline and LPG.

- Includes stationary combustion of natural gas.
    - Activity not captured through our central system is accounted for using a spend-based methodology to match general ledger (GL) accounting totals.
- Refrigerants leakage approximated using conditioned square footage.
    - Methodology updated in fiscal year 2024, prior year emissions data not restated.

Scope 2 Location-Based

- Electricity usage captured through central system mapped to US eGRID and Canada emission factors.
    - Usage not captured through central system accounted for using a spend-based methodology to match GL accounting totals.
- SASB: Percentage of grid electricity and percentage of renewable generation is calculated based on total energy consumed (direct and indirect).

Scope 2 Market-Based

- Electricity emissions factoring in impact from Renewable Energy Certificates (RECs) from our Virtual Power Purchase Agreement and other onsite sources.
- An emissions factor of zero was applied to electricity usage equal to our number of retired RECs for the reporting period. They are applied in descending order based on emissions intensity until all retired RECs have been allocated.

Scope 3 Category 1: Purchased Goods and Services

- Includes upstream emissions from direct and indirect procurement.
- US data is sourced from our Trilogie system which captures the majority of our sales activity.
- Calculated using a spend-based methodology and environmentally-extended input-output (EEIO) models.

Scope 3 Category 2: Capital Goods

- Calculated using a spend-based methodology and EEIO models.

Scope 3 Category 3: Fuel- and Energy-Related Activities

- Includes upstream well-to-tank (WTT) emissions from:
    - purchased fuels
    - purchased electricity
    - transmission and distribution losses.

Scope 3 Category 4: Upstream Transportation and Distribution

- Includes upstream emissions from third-party purchased transportation via road and ocean.
- Calculated using fuel-based and distance-based methodologies.
- FY2025 Canada data was approximated using 2024 data due to delays in data availability.

Scope 3 Category 5: Waste Generated in Operations

- Includes emissions from disposal and treatment of regulated and non-regulated waste generated by Ferguson.
- Data is collected from invoices where available. EPA Volume-to-Weight Conversion Factors are used for non-regulated front end waste, assuming full container usage.

Scope 3 Category 6: Business Travel

- Includes emissions from air travel and rental car activity booked through Ferguson's corporate travel department.
- Also includes Auto Allowance emissions from employee vehicles used for business purposes.

Scope 3 Category 7: Employee Commuting

- Emissions from employee commuting estimated using US State and Canada Province average round trip distances and distance-based emission factors.

Scope 3 Category 8: Upstream Leased Assets

- Ferguson does not lease assets outside of our operational control boundary.
- Our activity from leased assets goes in Scope 1 and 2.

Scope 3 Category 9: Downstream Transportation and Distribution

- Includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by Ferguson.
- Approximated with revenue intensity of Ferguson's Scope 1 and Scope 2 (location-based) emissions using reseller revenue for US. Not calculated for Canada.

Scope 3 Category 10: Processing of Sold Products

- Not relevant to Ferguson. Our products are not further processed or manufactured.

Scope 3 Category 11: Use of Sold Products

- Includes emissions from customer use of sold products across the anticipated lifetime of the product.
- Calculated using emission factors from the ENERGY STAR Use of Sold Products Analysis Tool which includes ENERGY STAR and standard products in ENERGY STAR product categories.
- Only calculated for US products for FY2024 and FY2025.

Scope 3 Category 12: End-of-Life of Sold Products

- Includes emissions from waste disposal and treatments of products sold by Ferguson at the end of their life.
- Estimated using representative product weights for each product category.
- Canada data approximated using a revenue intensity.

Scope 3 Category 13: Downstream Leased Assets

- Includes emissions from assets that Ferguson subleases to other tenants.
- Estimated using average building energy use assumptions.

Scope 3 Category 14: Franchises

- Not relevant to Ferguson because we do not franchise.

Scope 3 Category 15: Investments

- Includes emissions from Ferguson Ventures investments.
- Calculated using spend-based methodology and EEIO models.

Target Metrics

Scope 1 GHG emissions intensity per $m revenue

- This intensity metric is calculated as Scope 1 divided by the FY revenue figure.
- Intensity figure inherently decreases as revenue increases.

% Renewable electricity

- Calculated on an annual basis for US and Canada generation and consumption.
    - [Renewable electricity generated in reporting period] / [Electricity consumption in reporting period]

Energy and spend saved through sale of ENERGY STAR products

- Calculated using assumptions from ENERGY STAR Scope 3 Use of Sold Products Analysis Tool available at: https://www.energystar.gov/partner-resources/products_partner_resources/retailer-resources
- Ferguson products sold in reporting period are mapped to ENERGY STAR product categories.
- [Energy savings] = [# of ENERGY STAR products sold] * [Annual energy use from ENERGY STAR product - Annual energy use from standard product] * [Product lifetime]
- [Energy spend savings] = [Energy savings] * [Average cost of energy]
- US average annual residential prices of natural gas and electricity sourced from the U.S. Energy Information Agency.
- Cumulative metric calculated from 2024 to 2030 reporting cycles.

Water and spend saved through sale of WaterSense products

- Calculated using usage and cost assumptions from the WaterSense Partner Savings Calculator.
- Ferguson products sold in reporting period are mapped to WaterSense product categories.
- [Water savings] = [# of WaterSense products sold] * [Annual water use from WaterSense product - Annual water use from standard product] * [Product lifetime]
- [Water spend savings] = [Water savings] * [Average residential cost of water + wastewater]
- Cumulative metric calculated from 2024 to 2030 reporting cycles.

Skilled trades youth connections

- A connection is defined as a meaningful interaction between a young person and the skilled trades that contributes to awareness, interest or readiness for a career in the trades, including:
    - Hands-on experiences
    - Educational support
    - Event participation
    - Mentorship and career exploration
- Youth is defined as individuals between the ages of 5 and 24. This age range reflects the full spectrum of engagement opportunities, from early exposure to career readiness.
- Each connection will be documented through partner reporting, event registration, scholarship tracking or other verifiable means to ensure accurate and consistent measurement.
- Not calculated for Canada.

Volunteer hours

- Self-reported by US associates and tracked through centralized platform linked to IRS certified 501c3 organizations.

Reporting Criteria

Environmental data preparation and reporting happens in four phases:

1. Ferguson businesses and headquarters report activity data to the Sustainability team or it is sourced directly from vendors or internal databases. Revenue data is provided by the Finance team. All financial data undergoes an annual financial audit by a third-party firm.

2. Activity data is aggregated for each reporting period.

3. Activity data is then loaded in to our GHG emissions software platform where it is converted to the appropriate unit and mapped to emission factors from the EPA, DEFRA and other credible sources as needed. These emission factors are maintained by our software provider and updated regularly. The software calculates Scope 1, 2 and 3 greenhouse gas emissions.

4. Select metrics undergo an annual external assurance process.

5. The data is reported annually in our Sustainability Report and the corporate website.