

Corporate Governance Statement

Introduction

Ferguson plc (“Ferguson” or “the Company”) is incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended). The Company previously maintained a premium listing on the London Stock Exchange (“LSE”) and was required to comply (or explain non-compliance) with the U.K. Corporate Governance Code (the “Code”). The Company obtained an additional listing of its ordinary shares on the New York Stock Exchange (“NYSE”) effective March 8, 2021, and, on May 12, 2022, the Company relocated its primary listing to the NYSE following the transfer of its U.K. listing category from a premium listing to a standard listing. Following this transfer, the Company was no longer required to comply (or explain non-compliance) with the Code and adjusted its corporate governance arrangements to align with those typically adopted by a U.S. domestic issuer of similar size and nature.

Both the NYSE and the UK Financial Conduct Authority (“FCA”) require us to adopt and disclose our corporate governance practices. The Ferguson plc Corporate Governance Guidelines (the “Corporate Governance Guidelines”) embody the corporate governance code which the Company has voluntarily decided to adopt in accordance with the FCA’s Disclosure Guidance and Transparency Rule (“DTR”) 7.2.2. A copy of the Corporate Governance Guidelines can be found on the Corporate Governance page of the Investor tab of our website at corporate.ferguson.com under Governance Documents. The Company is also subject to the NYSE listing standards.

For the fiscal year ended July 31, 2023 (“FY’23”), the Company fully complied with both its own Corporate Governance Guidelines as well as the NYSE listing standards.

Corporate Governance Documents

The following materials relating to the corporate governance of the Company are accessible on the Corporate Governance page of the Investor tab of our website at corporate.ferguson.com under Governance Documents:

- (a) Corporate Governance Guidelines;
- (b) Audit Committee Charter;
- (c) Compensation Committee Charter; and
- (d) Nominations & Governance Committee Charter.

Communications with the Board

Shareholders and other interested parties may contact any member (or all members) of the Board by mail. Such correspondence should be sent to: Ferguson plc, Attn: Company Secretary, 1020 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS, United Kingdom. Other methods by which a person may contact the Board may be set forth on the Company’s website. All communications received as set forth above will be opened by the Company Secretary for the sole purpose of determining whether the contents represent a message to the Company’s directors. The Company Secretary will forward copies of all correspondence that, in the opinion of the Company Secretary, deals with the functions of the Board or its Committees or that the Company Secretary otherwise determines requires the attention of any member, group or Committee of the Board. The Company Secretary will not forward communications received that are unrelated to the responsibilities of the Board, including mass mailings, product complaints or inquiries, job inquiries, surveys, business solicitations, patently offensive or otherwise inappropriate material.

Diversity

FY'24 Board Diversity Policy

The Board seeks to always include director candidates from socially, racially and ethnically diverse backgrounds in the initial and refined candidate slates with the intention of ensuring that we maximize the opportunity to make director appointment that allow the Board to reflect the diversity of the Company's workforce and the communities we serve.

The Board has established the following board diversity targets which are aspirational in nature:

- At least 30% of the Board should be female; and
- At least one member of the Board should be from a minority ethnic background.

























FY'23 Board Diversity Policy Results

In accordance with DTR 7.2.8A, the table below provides details of how the FY'23 Board Diversity Policy has been implemented and the results during the reporting period:

FY'23 Target	Result	Implementation Progress
At least 40% of the Board should be female.	Not Met	36% of the Board are female as at July 31, 2023. While the target was met (45%) at the beginning of the fiscal year, due to Board composition changes that occurred during the year, the target was no longer met by the end of the reporting period.
At least one member of the Board should be from a minority ethnic background.	Met	There is one ethnic minority female Non-Employee Director on the Board.
Achieve a minimum 30% female representation amongst senior management ¹ by 2026.	Met	30% of senior management are female. We delivered People of Color and Women in Leadership development programs for emerging talent and high-potential talent, as well as a series of learning opportunities curated for all female associates.
Only engage executive search firms that have signed up to the standard voluntary Code of Conduct for executive search firms (or U.S. equivalent).	Met	During the year Spencer Stuart was engaged in the search for the Chief Information Officer, the VP Customer Experience, and the VP of Finance. Korn Ferry was engaged in the search for the VP Total Rewards. We also work with Korn Ferry for our Non-Employee Director searches in coordination with the Nominations & Governance Committee. Both firms are signatories to the voluntary Code of Conduct.

¹ Defined as the Executive Committee and their direct reports.

Summary of Director Membership of Board Committees¹

Name	Committees Of The Board				Other Committees ²		
	Audit Committee	Compensation Committee	Nominations & Governance Committee	Major Announcements Committee	Executive Committee	Treasury Committee	Disclosure Committee
Kelly Baker							
Bill Brundage							
Geoff Drabble 							
Cathy Halligan							
Brian May							
James S. Metcalf							
Kevin Murphy							
Alan Murray							
Thomas Schmitt							
Nadia Shouraboura							
Suzanne Wood							

 Chairman Of The Board  Committee Member  Committee Chair

¹ The table above reflects membership as at September 21, 2023. During FY'23, Jacky Simmonds was also a member of the Board, Chair of the Compensation Committee and a member of the Major Announcements Committee until she stepped down from the Board on November 30, 2022.

² Only members of these committees who are Board members are stated here. For full details of the membership of these committees please see pages below.

Board Composition

Independence

The Nominations & Governance Committee reviews the independence of each Director annually and makes recommendations to the Board, and the Board annually determines and discloses the independence of the Directors.

No Director is considered independent unless the Board, considering all relevant facts and circumstances, affirmatively determines that the Director has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In assessing whether a Director has no material relationship with the Company, the Board also considers any persons or organizations with which the Director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others.

In addition, members of the Audit, Compensation and Nominations & Governance Committees must meet all additional applicable independence tests of the NYSE and any additional standards imposed under U.S. securities laws and the rules and regulations of the SEC. The Board has considered whether

the members of our Board are independent and determined that each of our Director Nominees other than our Executive Directors is an “independent” Director under applicable NYSE and SEC rules and regulations, and each satisfies the applicable NYSE and SEC rules and regulations for “independence” with respect to the Committees of the Board on which such Director serves.

In making its independence determination under applicable U.S. legal requirements, the Board considered that some of the Non-Employee Directors, or their immediate family members, are affiliated with companies or entities to which the Company sold products or made payments, or from which the Company purchased products or services during the year. In reviewing these relationships, the Board considered all relevant factors, including: whether the transactions were entered into at arm’s length in the normal course of business and, to the extent they were commercial relationships, had standard commercial terms; and whether the director had any direct business relationships with the company or received any direct personal benefit from these transactions, relationships, or arrangements. Any required disclosures under such US rules are set forth in the Company’s Annual Report on Form 10-K and Proxy Statement, both available on the Company’s website.

Board Refreshment and Tenure

The Board has been focused on board refreshment as the Company has progressed its transition from a premium listed company on the LSE to a primary listing on the NYSE with a standard listing on the LSE. As a result, 8 of our directors have a tenure of less than 5 years.

The Board does not believe that it should limit the number of terms for which a person may serve as a Director, because such term limits could deprive the Company of the valuable contributions made by directors who have developed, over time, significant insights into the Company and its operations. At the same time, the Board recognizes the importance of an appropriate balance of experience and perspectives and considers the overall mix of tenure of the Board. All Directors serve a one-year term, except that the initial term for each Director shall run from the date of appointment until the Company’s next Annual General Meeting, and are subject to election by shareholders at each Annual General Meeting. As provided in the Company’s Articles, between each Annual General Meeting, the Board may appoint one or more Directors to hold office only until the Company’s next Annual General Meeting.

Director Meeting Attendance


Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of Committees on which they serve, including advance review of meeting materials that are circulated prior to each meeting. In addition, Board members are expected to attend each Annual General Meeting of shareholders unless unusual circumstances make attendance impractical.

During FY’23, the Board met 6 times. The number of times that each formally constituted Committee of the Board met in FY’23 is shown in the next section. Each incumbent director attended at least 75% of the meetings of the Board and of the Committees of which he or she was a member during FY’23. Every director serving on our Board at the time of the 2022 Annual General Meeting attended that meeting.

Committees of the Board


The Board's principal responsibility is one of oversight to enable the Company's business objectives to be met and to review the overall strategic development of the Company as a whole. Certain strategic decisions and authorities of the Company are reserved as matters for the Board. For some of these matters, the Board delegates responsibilities and authorities to its Committees. The matters reserved for the Board for its decision include matters related to: strategy and management; capital and corporate structure; financial reporting and controls; tax and treasury; major commitments; certain communications; Board and certain Executive Officer appointments; compensation of Directors and Executive Officers; delegation of authority; corporate governance and certain policies. The Board has four formally constituted Committees: the Audit Committee, the Compensation Committee, the Nominations & Governance Committee and the Major Announcements Committee. Each Committee operates in accordance with its respective charter that is periodically reviewed and updated as appropriate. The charters of the Audit Committee, Compensation Committee and Nominations & Governance Committee can be found on the Corporate Governance page of the Investor tab of our website at corporate.ferguson.com under Governance Documents. In accordance with DTR 7.2.7, details of the composition and operation of the Company's Committees of the Board and other committees can be found below.

Audit Committee

AUDIT COMMITTEE		All Independent
Members	Responsibilities	
 <p>Suzanne Wood Chairperson</p>	<ul style="list-style-type: none">• Catherine Halligan• Brian May• Alan Murray <p>During fiscal 2023, the Audit Committee met 6 times. Each member of the Audit Committee is "independent," as defined by the NYSE listing standards. The Board has determined that Brian May, Alan Murray and Suzanne Wood each qualify as an "audit committee financial expert" as that term is defined by the applicable SEC rules. Furthermore, each member of the Audit Committee is "financially literate" as that term is defined by the NYSE listing standards.</p> <p>The Audit Committee Charter details the purpose and responsibilities of the Audit Committee, including assisting the Board in fulfilling its oversight responsibilities, and making recommendations to the Board as appropriate, in relation to:</p> <ul style="list-style-type: none">• the integrity of the Company's financial statements and financial reporting process;• the independence and qualifications of the Company's independent registered public accounting firm (the "Independent Auditor");• the performance of the Company's Independent Auditor and internal audit function;• the appointment of the auditors of the statutory accounts prepared in accordance with the Companies (Jersey) Law 1991;• the Company's compliance with legal and regulatory requirements, including internal controls designed for that purpose;• guidelines and policies to govern the process by which management assesses and manages the Company's exposure to risk, the Company's major financial risk and cybersecurity risk exposures and the steps management has taken to monitor and control such exposures;• the pre-approval of audit and permissible non-audit services and fees to be provided by the Independent Auditor;• procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and• the review and approval of related party transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders.	

In accordance with DTR 7.1.5R, the Audit Committee is the body which carries out the auditing functions required by DTR 7.1.3R. Details of audit fees and non-audit fees paid to Deloitte for FY'23 can be found in the Company's Proxy Statement on page 30.

Compensation Committee

COMPENSATION COMMITTEE		✓ All Independent
Members	Responsibilities	
 <p>Kelly Baker Chairperson</p>	<ul style="list-style-type: none"> • Geoff Drabble • Catherine Halligan • James S. Metcalf • Alan Murray • Thomas Schmitt 	<p>During fiscal 2023, the Compensation Committee met 5 times. Each member of the Compensation Committee is "independent," as defined by the NYSE listing standards.</p> <p>The Compensation Committee Charter details the purpose and responsibilities of the Compensation Committee, including:</p> <ul style="list-style-type: none"> • reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and any other Executive Director and evaluating their performance at least annually in light of those goals and objectives; • determining and approving the compensation for the CEO and any other Executive Director, either as a committee or together with the other Non-Employee Directors (as directed by the Board); • reviewing and approving the compensation of all other executive officers, considering the recommendations of the CEO; • reviewing the form and amount of all Non-Employee Director compensation and benefits; • producing an annual report of the Compensation Committee for inclusion in the Company's Proxy Statement; • reviewing and making recommendations to the Board regarding incentive compensation plans and equity-based plans; • undertaking annual risk assessment of compensation policies and practices; and • evaluating and monitoring the independence of any compensation consultant, as required.

Nominations & Governance Committee

NOMINATIONS & GOVERNANCE COMMITTEE		✓ All Independent
Members	Responsibilities	
 <p>Alan Murray Chairperson</p>	<ul style="list-style-type: none"> • Kelly Baker • Geoff Drabble • Catherine Halligan • Brian May • James S. Metcalf • Thomas Schmitt 	<p>During fiscal 2023, the Nominations & Governance Committee met 6 times. Each member of the Nominations & Governance Committee is "independent," as defined by the NYSE listing standards.</p> <p>The Nominations & Governance Committee Charter details the purpose and responsibilities of the Nominations & Governance Committee, including:</p> <ul style="list-style-type: none"> • recommending to the Board qualified candidates for nomination as members of the Board and its Committees consistent with criteria approved by the Board; • developing and recommending to the Board the corporate governance principles applicable to the Company; • overseeing the evaluation of the Board, the Committees of the Board and executive officers; • developing and recommending to the Board for approval, and periodically reviewing a succession plan for, the Company's CEO and CFO; • reviewing the structure, size and composition of the Board, including the tenure and experience (including skills, knowledge, independence, qualifications and diversity) of the members of the Board, and making recommendations to the Board with regard to any changes that are deemed necessary; • reviewing the Board policy on diversity; • identifying and nominating, for the Board's approval, candidates qualified to become a board member consistent with criteria approved by the Board; • recommending to the Board candidates for lead independent director and for the membership and chairpersons of the formally constituted Board Committees; and • providing oversight of the Company's ESG disclosure framework and related public disclosures, including the Company's ESG Report.

Major Announcements Committee

MAJOR ANNOUNCEMENTS COMMITTEE		All Independent
Members	Responsibilities	
 <ul style="list-style-type: none">• Brian May <p>Geoff Drabble Chairperson</p>	<p>The Major Announcements Committee meets as required in exceptional circumstances to consider disclosure obligations in relation to certain material information where the matter is unexpected and non-routine. During fiscal 2023, the Committee did not meet.</p>	

Executive Committee

The Executive Committee: drives business performance and operational improvements; ensures that the corporate culture and values set by the Board are implemented across the business, that the behaviors expected from associates are clearly communicated and that actual behaviors are aligned with such culture and values; develops and recommends to the Board the Company's strategy and is responsible for monitoring progress against the strategy; and develops and recommends policies and standards to the Board and ensures that they are implemented, communicated and maintained.

The Executive Committee is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Human Resources Officer, Chief Digital and Information Officer, Chief Marketing Officer and four Senior Vice Presidents. The Chief Executive Officer serves as its Chairperson.

Treasury Committee

The Treasury Committee: considers treasury policy, including financial structures and investments, tax and treasury strategy, policies and certain transactions of the Company; reviews performance and compliance of the tax and treasury function; and makes recommendations to the Board in matters such as overall financing and strategy, and currency exposure.

The Treasury Committee is comprised of the Chief Financial Officer, Chief Legal Officer, Vice President – Tax, Finance Director – U.K., Vice President - Treasurer and Chief Accounting Officer. The Chief Financial Officer serves as its Chairperson.

Disclosure Committee

The Disclosure Committee meets as required to deal with matters relating to public announcements of the Company and the Company's obligations under the Listing Rules and DTRs of the FCA and the EU Market Abuse Regulation (as it forms part of U.K. law pursuant to the European Union (Withdrawal) Act 2018); and assists in the design, implementation and periodic evaluation of the Company's disclosure controls and procedures.

The Disclosure Committee is comprised of the Chief Financial Officer, Chief Legal Officer, Chief Executive Officer and the Vice President IR and Communication. The Chief Financial Officer serves as its Chairperson.

Board Evaluation

Our Board has the authority and responsibility to review the results of the annual evaluation of the Board conducted by the Nominations & Governance Committee to determine whether the Board and

the formally constituted Committees of the Board are functioning effectively and in accordance with their respective charters, the Company's Corporate Governance Guidelines, applicable law and NYSE listing standards. As part of its responsibilities, the Nominations & Governance Committee will evaluate at least annually the Board's composition, tenure, succession planning and experience. The Nominations & Governance Committee will then report the conclusions and any recommended improvements to the Board. The Board will also review the results of the third-party review of the Board that is conducted every three years. The last third-party review was conducted in 2021.

In addition, the Nominations & Governance Committee periodically, and at least annually, assesses the qualifications of individual members of the Board and the results of such evaluations are reported to the Board.

Areas of Board Oversight

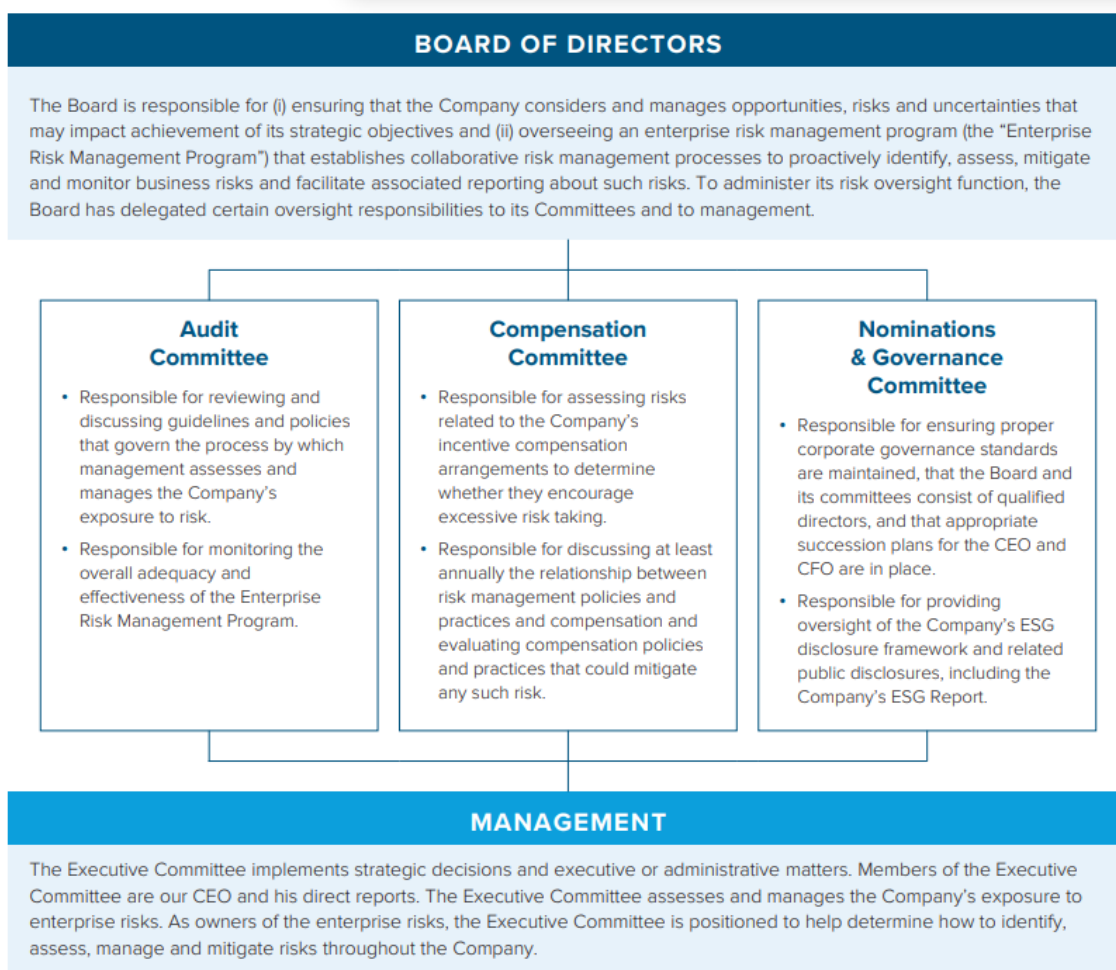
ESG

The Board oversees Ferguson's sustainability efforts and ESG strategy and the Nominations & Governance Committee is responsible for providing oversight of the Company's ESG disclosure framework and related public disclosures, including the Company's ESG Report. The Board receives regular updates on sustainability progress from our Vice President of ESG, such as review of project implementation and performance, and opportunities to integrate sustainability measures into capital expenditures. The Company also maintains a management-level ESG Steering Committee which is a cross-functional committee comprised of ESG subject matter experts from across the business including the leaders responsible for the ESG disclosure framework. The purpose of the ESG Steering Committee is to assist the Executive Committee in overseeing the Company's ESG-related key risks and opportunities that may have a significant impact on the Company and its ability to sustain trust with associates, customers, suppliers, and the investment community. Ferguson's Board-approved ESG Framework reflects the priority ESG issues identified through our risk management and stakeholder priorities assessments. A copy of the ESG Framework is on page 8 of our Proxy Statement and our ESG Report can be found on the ESG page of our website at corporate.ferguson.com.

Further to LR 14.3.27R, the Company has included in its FY'23 ESG Report climate related disclosures consistent with the four recommendations and the eleven recommended disclosures set out in the June 2017 report entitled "*Recommendations of the Task Force on Climate-related Financial Disclosures*". For ease of review and given the detailed and technical content of these disclosures, we considered the FY'23 ESG Report to be the most appropriate location for the disclosures.

The FY'23 ESG Report provides an overview of our commitments to responsible conduct and sustainable business practices, as well as our ESG priorities, and can be found on the ESG page of our website at corporate.ferguson.com.

Risk (including internal control environment and risk management)



While the Board has ultimate responsibility for ensuring maintenance of a robust internal control environment and effective risk management processes, oversight of the effectiveness of these systems of internal control has been delegated to the Audit Committee. The main features of our internal control and risk management systems, and the Committee's oversight of them, are summarized below.

The Group Head of Internal Audit reports directly to the Chairperson of the Audit Committee. Internal Audit's risk based annual audit plan and budget, including any changes throughout the year, are approved by the Audit Committee. The results of Internal Audit's activities, along with recommended remedial action, are reported to the Audit Committee. Periodically, the Group Head of Internal Audit provides progress reports on management's actions to address previously identified issues.

During FY'23 the Audit Committee received a report on the Company's operational assurance process, a management self-assessment that informs the assessment of risk mitigation effectiveness for certain key policies. A report on the effectiveness of the enterprise risk management program, including the procedures for risk identification, assessment, mitigation, monitoring and reporting, and on significant and emerging risks, was also provided to the Audit Committee.

Management is responsible for Ferguson's internal controls and the financial reporting process and for compliance with applicable laws and regulations. Deloitte & Touche LLP ("Deloitte"), the Company's independent registered public accounting firm, was responsible for performing an independent audit of the Company's most recent consolidated financial statements and expressing an opinion on the

conformity of those financial statements with accounting principles generally accepted in the United States, as well as expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee's responsibility is to monitor and oversee these processes. In performing its responsibilities, the Audit Committee reviewed and discussed the Company's audited consolidated financial statements and the effectiveness of internal control over financial reporting with management and Deloitte. The Audit Committee discussed with Deloitte those matters required to be discussed by auditors with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board ("PCAOB"). Deloitte also provided to the Audit Committee the letter and written disclosures required by PCAOB auditing standards concerning Deloitte's independence, and the Audit Committee discussed with Deloitte that firm's independence.

Based on the review and discussions described above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for FY'23, as filed with the SEC.

Ferguson has a Code of Business Conduct & Ethics ("Code of Conduct"), as well as an anti-bribery policy among other policies. All associates are required to comply with the Code and company policies.

In line with its internal reporting and anti-retaliation policy, the Company operates international telephone reporting lines and a secure website reporting platform, which are operated on its behalf by an independent third party. The reporting lines and secure website allow for anonymous reports. The internal reporting and anti-retaliation policy encourages associates to raise concerns and disclose information they believe in good faith shows misconduct or a breach of ethical conduct. All matters reported are investigated and reported to the Audit Committee, where appropriate, together with any corrective action taken.