

Ferguson plc

2024 CDP Corporate Questionnaire 2024

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

Ferguson is the largest value-added distributor serving the 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.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	07/31/2023	Select from: ☒ Yes	Select from: ☒ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

29700000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☒ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

	Does your organization use this unique identifier?	Provide your unique identifier
Ticker symbol	<i>Select from:</i> ☒ Yes	<i>FERG</i>

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

- ☒ Canada
- ☒ United States of America

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

- ☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

- ☒ Upstream value chain
- ☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

- ☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Our category management, product assurance and sourcing teams work closely with our Tier 1 suppliers to understand their locations, operations, processes and relationships between them and our value chain.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Primary reason for not mapping plastics in your value chain	Explain why your organization has not mapped plastics in your value chain
	Select from: ☒ No, and we do not plan to within the next two years	Select from: ☒ Not an immediate strategic priority	<i>Not an immediate strategic priority</i>

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Short-term is described as 0-5 years.

Medium-term

(2.1.1) From (years)

6

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Medium-term is described as 6-10 years.

Long-term

(2.1.1) From (years)

11

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Long-term is described as 11 years.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Primary reason for not evaluating dependencies and/or impacts	Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future
	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ Not an immediate strategic priority	Our focus so far has been on identifying and managing climate-related risks and opportunities.

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process
	<i>Select from:</i> ☒ Yes	<i>Select from:</i> ☒ Both risks and opportunities

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management

International methodologies and standards

- ☒ IPCC Climate Change Projections

Other

- ☒ External consultants
- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Cyclones, hurricanes, typhoons
- ☒ Tornado
- ☒ Wildfires

Chronic physical

- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changing temperature (air, freshwater, marine water)
- ☒ Increased severity of extreme weather events

Policy

- ☒ Carbon pricing mechanisms

Market

- ☒ Changing customer behavior

Reputation

- ☒ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Technology

- ☒ Data access/availability or monitoring systems
- ☒ Transition to lower emissions technology and products

Liability

- ☒ Exposure to litigation
- ☒ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.16) Further details of process

Our TCFD report provides 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 ESG reporting.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☒ No

(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities

Select from:

☒ Not an immediate strategic priority

(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities

Our 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 ESG reporting.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

	Identification of priority locations	Primary reason for not identifying priority locations	Explain why you do not identify priority locations
	<i>Select from:</i> ☒ No, and we do not plan to within the next two years	<i>Select from:</i> ☒ Not an immediate strategic priority	<i>Not related to our management of our relevant climate-related risks and opportunities.</i>

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Other, please specify :Adjusted Operating Profit

(2.4.3) Change to indicator

Select from:

- ☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Further, in this report, we are not using terms such as “material” or “materiality” as they are used under the securities or other laws of the United States or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other reporting by the Company.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Other, please specify :Adjusted Operating Profit

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Further, in this report, we are not using terms such as “material” or “materiality” as they are used under the securities or other laws of the United States or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other reporting by the Company.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

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.

Plastics

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Not an immediate strategic priority

(3.1.3) Please explain

Not yet evaluated.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

Ferguson is a distributor of residential and commercial products that are critical to the transition to a low carbon economy. Regulation to accelerate the transition to lower emitting residential appliances would increase demand for heat pump space heaters and heat pump water heaters. HVAC and water heaters are sold across different customer groups of our business. In FY23 we held the #3 market position in the HVAC market. Financial impact below represents the change in net sales between our balanced transition and physical scenario in 2030. The transition scenario is based on Rewiring America's first Pace of Progress report (<https://www.rewiringamerica.org/press-release/pace>) which maps the current state of the market against what needs to be true in order to meet our nation's emissions targets by 2050. "In this report, we establish the national benchmark for the machines we need to electrify in our homes. The upshot? We have a gap of 24 million machines over the next three years above baseline market adoption projections. These first years are critically important as they will define the ramp of adoption over the next twenty years. The faster we move now, the more readily we will achieve our goals."

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Unlikely (0–33%)

(3.6.1.12) Magnitude

Select from:

☒ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Anticipated increase in net sales.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

400000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

450000000

(3.6.1.23) Explanation of financial effect figures

Our scenario analysis estimates the potential increase in net sales between increase in electric heat pump HVAC & water heaters and corresponding 1:1 decrease in traditional HVAC/water heaters as a result of climate change under balanced, high transition impact, and high physical impact scenarios. The financial impact figure above represents the Balanced scenario which has a 50/50 split between transition and physical impacts. Transition impacts in the Balanced scenario are based on 75% of the projections from Rewiring America's Pace of Progress Report aligned with a target of 100% of US households having heat pumps by 2050. Physical impacts are based on two IPCC scenarios, SSP 1-2.6 (aligned with a 1.8C global temperature rise) and SSP 5-8.5 (aligned with a 4.4 C global temperature rise*) Potential Financial Impact Figure above Balanced Scenario [Revenue from Heat Pumps HVAC & Water Heaters - Revenue from Traditional HVAC and Water Heaters] - Business as Usual Scenario [Revenue from Heat Pumps HVAC & Water Heaters - Revenue from Traditional HVAC and Water Heaters] approximately 400,000,000 in 2030. Revenue Average Selling Price of HVAC or Water Heater * Quantity Sold*

(3.6.1.24) Cost to realize opportunity

340000000

(3.6.1.25) Explanation of cost calculation

*Cost to realize opportunity calculated by approximating labor cost to distribute, commissions, fleet cost, warehousing space, marketing, and cost of goods sold at 85% collectively: 400mil * 85% 340mil*

(3.6.1.26) Strategy to realize opportunity

From our 2023 Form 10-K: As a trusted partner, our customers look to us for innovative products and solutions. With our Environmental Product Sales Strategy, we work with supplier partners to expand the range of available sustainable product choices for our customers. Whether we are advising homeowners on high-efficiency product rebates or helping large customers meet their carbon reduction goals, we serve as strategic advisors by making product recommendations and identifying alternative, sustainable project solutions. More information on our Environmental Product Strategy can be found within our fiscal year 2023 Environmental, Sustainability and Governance (ESG) Report, titled "Building momentum, sustainably." From our FY2023 ESG Report: We intend to implement our Environmental Product Sales Strategy through three areas of focus: 1) Educate our associates: Training associates across the organization on the value of sustainable practices by building subject matter expertise. Doing so enables our associates to guide our customers to sustainable solutions that meet their project needs. 2) Support and guide the customer: Educating our customers about the value of sustainable practices and providing visibility of the incentives and rebates available to help offset the cost of their project. 3) Engage the industry: Engaging our supplier partners to collaborate on bringing sustainable solutions to market. Connecting with industry organizations that have a pulse on sustainable and high-efficiency products and helping to amplify their efforts. Over the past year, we've created and developed a strategy for our HVAC, water heaters, plumbing, lighting, appliances and stormwater management categories – guiding associates on recommending and implementing the most efficient products, based on the application.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1800000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☒ 1-10%

(3.6.2.4) Explanation of financial figures

% of revenue coming from products with ENERGY STAR certification. Products that earn the ENERGY STAR label meet strict energy-efficiency specifications set by the U.S. EPA, helping you save energy and money while protecting our climate by making choices that count for a clean energy future.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The UK Listing Rule Disclosure - Board Diversity Statement and corresponding data are available in the company's FY2023 ESG Report on page 61. In accordance with Listing Rule 14.3.3R(1), Ferguson plc which is now a wholly-owned subsidiary of Ferguson Enterprises Inc., was required to include a Board Diversity Statement in relation to FY2023 setting out whether it has met certain targets on board diversity. The required disclosure is set out as at July 31, 2023, and there have been no changes between this reference date and the date of approval of this document. 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.
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☒ Yes

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

☒ No, and we do not plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

☒ Judged to be unimportant or not relevant

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

As a distributor, we do not have a significant impact on biodiversity. Our Environmental and Social Impact Policy provides guidelines for protecting the environment including: a. At a minimum, all Company operations are expected to meet or exceed applicable environmental laws and regulations. b. The Company strives to minimize its environmental impact, by identifying, evaluating, and mitigating environmental risks and impacts. In the case of an environmental release, the Company shall immediately perform remediation and conduct root cause analysis to prevent future occurrences. c. The Company aims to use technology and practices in its operations that improve efficiency and reduce environmental impacts and emissions. d. The Company shall endeavor to conserve resources and seek to minimize waste in its operations including recycling and reusing materials. read more here: https://s201.q4cdn.com/465729859/files/doc_downloads/esg/policies-related-to-esg/Environment_Sustainability_and_Social_Impact_Policy.pdf

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Chief Executive Officer (CEO)
- ☒ Chief Financial Officer (CFO)
- ☒ Board-level committee
- ☒ Other, please specify :Vice President Environmental, Social and Governance

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Individual role descriptions
- ☒ Other policy applicable to the board, please specify :Nominations & Governance Committee Charter
https://s201.q4cdn.com/465729859/files/doc_governance/2024/Jul/nominations-governance-committee-charter-final.pdf

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing and guiding scenario analysis
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Approving and/or overseeing employee incentives
- ☒ Overseeing and guiding major capital expenditures
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Monitoring supplier compliance with organizational requirements
- ☒ Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Ferguson's Board of Directors (Board) has a vested interest in improving Ferguson's environmental, social, and governance (ESG) performance. The Board and its committees have structured their annual program to receive updates on sustainability progress from our Vice President of ESG, with ESG 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 ESG disclosure framework, which includes climate-related issues and relevant public disclosures, including our ESG 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 pre-approved financial threshold. ESG is incorporated into the company's annual strategic planning process, which is overseen by the Senior Vice President of Strategic Development. Our ESG department is a part of the Finance organization, ultimately reporting to the Chief Financial Officer. Our Vice President of ESG is responsible for the day-to-day management of our ESG priorities and reports directly to the Head of Investor Relations and Communications. The VP of ESG and the ESG team monitor climate-related issues and work to ensure integration into our business strategy and operations. Ferguson is committed to maintaining an Enterprise Risk Management (ERM) Program that considers and manages opportunities, risks and uncertainties that may impact achievement of Ferguson's strategic objectives. The ERM Program establishes collaborative risk management processes that are designed to proactively identify, assess, mitigate and monitor business risks and that facilitate the associated reporting about such risks to both internal and external stakeholders. Our Vice President & Deputy General Counsel provides centralized oversight of the ERM program and works with key risk owners across the company. Read more detail in our TCFD report: https://s201.q4cdn.com/465729859/files/doc_downloads/2023/10/ferguson_esg_report_2023.pdf

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☒ Consulting regularly with an internal, permanent, subject-expert working group

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

Climate change

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☒ Yes

Biodiversity

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☒ No, and we do not plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

Select from:

☒ Judged to be unimportant or not relevant

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

As a distributor, we do not have a significant impact on biodiversity. Our Environmental and Social Impact Policy provides guidelines for protecting the environment including: a. At a minimum, all Company operations are expected to meet or exceed applicable environmental laws and regulations. b. The Company strives to minimize its environmental impact, by identifying, evaluating, and mitigating environmental risks and impacts. In the case of an environmental release, the Company shall immediately perform remediation and conduct root cause analysis to prevent future occurrences. c. The Company aims to use technology and practices in its operations that improve efficiency and reduce environmental impacts and emissions. d. The Company shall endeavor to conserve resources and seek to minimize waste in its operations including recycling and reusing materials. read more here: https://s201.q4cdn.com/465729859/files/doc_downloads/esg/policies-related-to-esg/Environment_Sustainability_and_Social_Impact_Policy.pdf

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

Our CEO holds ultimate responsibility with respect to performance on climate-related issues. TCFD:
https://s201.q4cdn.com/465729859/files/doc_downloads/2023/10/ferguson_esg_report_2023.pdf

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Setting corporate environmental policies and/or commitments

- ☒ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

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 pre-approved financial threshold. TCFD: https://s201.q4cdn.com/465729859/files/doc_downloads/2023/10/ferguson_esg_report_2023.pdf

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- ☒ Environmental, Social, Governance committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues

(4.3.1.4) Reporting line

Select from:

- ☒ Other, please specify :Committee chaired by VP ESG

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ As important matters arise

(4.3.1.6) Please explain

The VP of ESG chairs the ESG Steering Committee – a cross-functional committee that includes leaders responsible for the ESG Framework and ESG subject matter experts from across the business. The ESG Steering Committee's purpose 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.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

- ☒ Other, please specify :Vice President ESG

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Developing a business strategy which considers environmental issues
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing annual budgets related to environmental issues
- ☒ Managing environmental reporting, audit, and verification processes
- ☒ Managing major capital and/or operational expenditures relating to environmental issues

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- ☒ Other, please specify :VP of Investor Relations who reports to the CFO

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ More frequently than quarterly

(4.3.1.6) Please explain

The VP of ESG and the ESG team monitor climate-related issues and work to ensure integration into our business strategy and operations.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.3) Please explain

For our 2023 fiscal year, we incorporated into our executive compensation program for all members of our Executive Committee an ESG performance metric tied to our overall progress against areas such as safety, diversity, climate and governance. This measure strives to ensure shared accountability for, and incentivize progress towards, identified ESG priorities and is responsive to evolving shareholder expectations. FY2023 ESG Report (page 42)

https://s201.q4cdn.com/465729859/files/doc_downloads/2023/10/ferguson_esg_report_2023.pdf

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- ☒ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ☒ Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- ☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our executive compensation framework incorporates ESG considerations that align with the company's sustainability commitments for members of our Executive Committee. It is based on an assessment of overall ESG performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our management-level Executive Committee members are incentivized to position the company to achieve our carbon reduction targets and climate-related goals.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

☒ Upstream value chain

☒ Downstream value chain

(4.6.1.4) Explain the coverage

The Company is committed to managing its impact on society and the environment, while engaging with multiple stakeholders on these issues, including governments, consumers, business partners, investment community, associates, non-governmental organizations, civic organizations, local communities, and under-resourced populations. Our Environmental Sustainability and Social Impact policy defines in further detail the governance and environmental sustainability goals, compliance obligations and environmental leadership opportunities across our value chain. https://s201.q4cdn.com/465729859/files/doc_downloads/esg/policies-related-to-esg/Environment_Sustainability_and_Social_Impact_Policy.pdf

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to not invest in fossil-fuel expansion

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

Environment_Sustainability_and_Social_Impact_Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Upstream value chain

(4.6.1.4) Explain the coverage

Ferguson is committed to managing a global supply chain that is socially and environmentally responsible and thereby mitigates risk and enhances value. We request that higher-risk suppliers sign our Supplier Code of Conduct (SCOC) – or operate under their own comparable business conduct principles – and reserve the right to terminate a business relationship with any supplier that violates any of our principles. The SCOC includes requirements for social responsibility, including human rights and labor standards, standards for meeting environmental regulations and providing safe working conditions, measures for antibribery and corruption and supply chain transparency. It also requires suppliers to provide information requested by Ferguson 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. FY2023 ESG Report (page 36)
https://s201.q4cdn.com/465729859/files/doc_downloads/2023/10/ferguson_esg_report_2023.pdf

(4.6.1.5) Environmental policy content

Environmental commitments

☒ Commitment to comply with regulations and mandatory standards

Social commitments

☒ Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

supplier-code-of-conduct-sept-2024.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Ceres

☒ Task Force on Climate-related Financial Disclosures (TCFD)

☒ Other, please specify :US Water Alliance

(4.10.3) Describe your organization's role within each framework or initiative

Ferguson is a member of the Corporate Electric Vehicle Alliance (CEVA), led by Ceres, a collaborative group of companies focused on accelerating the transition to electric vehicles (EVs) across all use cases and class sizes. Ferguson is a signatory of and public supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ No, and we do not plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Our Environmental Sustainability & Social Impact Policy outlines the governance process, investment priorities and associate engagement expectations for the company's social impact program, Ferguson Cares. https://s201.q4cdn.com/465729859/files/doc_downloads/esg/policies-related-to-esg/Environment_Sustainability_and_Social_Impact_Policy.pdf

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

☒ Other trade association in North America, please specify :US Water Alliance

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The US Water Alliance convenes diverse communities and provides programs and resources to advance common ground solutions to our nation's most pressing water challenges. We align with the US Water Alliance's belief that all water has value. Life's most precious resource must be managed sustainably and inclusively to build strong economies, vibrant communities, and healthy environments.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

35000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The US Water Alliance is a national membership organization that advances policies and programs that build a sustainable and equitable water future for all. We are a network of more than 200 leading organizations, transforming how the nation views, values, and manages water. The US Water Alliance's staff, board, One Water Council, and our communities of practice are collaborating to create a One Water future that brings access to safe, affordable, and accessible drinking water and sanitation services to all communities nationwide. As a partner in the U.S. Water Alliance's Value of Water Campaign, we are committed to advocating for America's water infrastructure. This campaign is a coalition of key organizations and individuals who aim to educate Americans about the importance of water resources.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ No, we have not evaluated

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- ☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- ☒ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water

(4.12.1.4) Status of the publication

Select from:

- ☒ Complete

(4.12.1.5) Content elements

Select all that apply

- ☒ Content of environmental policies
- ☒ Governance
- ☒ Risks & Opportunities
- ☒ Strategy
- ☒ Value chain engagement

(4.12.1.6) Page/section reference

(4.12.1.7) Attach the relevant publication

ferguson_fy2023_annual_report.pdf

(4.12.1.8) Comment

FY2023 Annual Report and 10K
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2040

☒ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

IEA Net Zero Emissions by 2050 • Emissions trajectory consistent with keeping the temperature rise in 2100 below 1.5C (with a 50% probability)

(5.1.1.11) Rationale for choice of scenario

Ferguson evaluated the impact of relevant climate-related risks and opportunities using the below 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. 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.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☒ IEA APS

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2030

☒ 2040

☒ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☒ Global regulation

(5.1.1.10) Assumptions, uncertainties and constraints in 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.

(5.1.1.11) Rationale for choice of scenario

Ferguson evaluated the impact of relevant climate-related risks and opportunities using the below 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. 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.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP1

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Speed of change (to state of nature and/or ecosystem services)
- ☒ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Estimated warming of 1.3 – 2.2C by 2060 Pathway narrative: Sustainability – Taking the Green Road (Low challenges to mitigation and adaptation)

(5.1.1.11) Rationale for choice of scenario

Ferguson evaluated the impact of relevant climate-related risks and opportunities using the below 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.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☒ SSP5

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Speed of change (to state of nature and/or ecosystem services)
- ☒ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Estimated warming of 1.9 – 3.0C by 2060 Pathway narrative: Fossil-fueled Development – Taking the Highway (High challenges to mitigation, low challenges to adaptation)

(5.1.1.11) Rationale for choice of scenario

Ferguson evaluated the impact of relevant climate-related risks and opportunities using the below 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.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Strategy and financial planning
- ☒ Resilience of business model and strategy
- ☒ Capacity building

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

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 low-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.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

- ☒ No, but we have a climate transition plan with a different temperature alignment

(5.2.2) Temperature alignment of transition plan

Select from:

☒ Other, please specify :N/A

(5.2.3) Publicly available climate transition plan

Select from:

☒ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☒ No, and we do not plan to add an explicit commitment within the next two years

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☒ No other environmental issue considered

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

☒ Not an immediate strategic priority

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

At Ferguson, we set realistic goals and confidently go after the things we know we can control in the areas we know we can make a difference. From an environmental perspective, we have a pragmatic, five-year carbon reduction target.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☒ Products and services

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Ferguson's purpose is to provide innovative products and solutions to help make our customers' complex projects simple, successful, and sustainable. The climate-related risks identified in the table above, 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 low-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 Product Strategy and investment approach by helping to spur innovation within our supplier base and encouraging our manufacturers to create more sustainable products and solutions.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Revenues

(5.3.2.2) Effect type

Select all that apply

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Ferguson's Environmental Product Sales Strategy team aims to expand Ferguson's offering 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. Local and national incentives such as the Inflation Reduction Act and the Infrastructure Investment and Jobs Act offer tax benefits to Ferguson's customers for home energy efficiency upgrades. As a result, Ferguson may see an increased demand for some of its products. Ferguson can take advantage of this by educating its customers on the various products which qualify for these benefits and how they can be installed in a customer's home or business.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☒ No, but we plan to in the next two years

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Primary reason for not pricing environmental externalities	Explain why your organization does not price environmental externalities
	Select from: ☒ No, and we do not plan to in the next two years	Select from: ☒ Not an immediate strategic priority	Not an immediate strategic priority.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ Not an immediate strategic priority

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Customers, suppliers, and investors and shareholders are our major value chain stakeholder groups.
[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: ☒ No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ Procurement spend

(5.11.2.4) Please explain

We engage select top suppliers by direct procurement spend on climate disclosure topics through CDP Supply Chain.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Ferguson is committed to managing a global supply chain that is socially and environmentally responsible and thereby mitigates risk and enhances value. We request that higher-risk suppliers sign our Supplier Code of Conduct (SCOC) – or operate under their own comparable business conduct principles – and reserve the right to terminate a business relationship with any supplier that violates any of our principles. The SCOC includes requirements for social responsibility, including human rights and labor standards, standards for meeting environmental regulations and providing safe working conditions, measures for anti-bribery and corruption and supply chain transparency.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☒ Implementation of emissions reduction initiatives

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☒ First-party verification

☒ Grievance mechanism/ Whistleblowing hotline

☒ On-site third-party audit

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☒ No response

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to measure GHG emissions
- ☒ Support suppliers to develop public time-bound action plans with clear milestones
- ☒ Support suppliers to set their own environmental commitments across their operations

Information collection

- ☒ Collect GHG emissions data at least annually from suppliers
- ☒ Collect targets information at least annually from suppliers

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

- ☒ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- ☒ 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

To help achieve our own sustainability goals, we partnered with CDP through the CDP Supply Chain program. And, for the second consecutive year, we requested that our largest suppliers join us in disclosing their sustainability performance through CDP's Climate Change Questionnaire – something Ferguson itself has been doing since 2010. We provide guidance and encourage suppliers to reach out to our team to share best practices and discuss partnership opportunities.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ No, this engagement is unrelated to meeting an environmental requirement

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Unknown

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ Unknown

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives	Explain why your organization has not implemented any environmental initiatives
	Select from: ☒ No, but we plan to within the next two years	Select from: ☒ No standardized procedure	Supplier relationships and managed by our Category Management team.

[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Ferguson utilizes the same consolidation approach as outlined in our Basis of Reporting found here: https://www.corporate.ferguson.com/esg/#company_policies.

Plastics

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Ferguson utilizes the same consolidation approach as outlined in our Basis of Reporting found here: https://www.corporate.ferguson.com/esg/#company_policies.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Ferguson utilizes the same consolidation approach as outlined in our Basis of Reporting found here: https://www.corporate.ferguson.com/esg/#company_policies.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Update in methodology to scope 3 category 3 calculations. The calculation methodology now includes both WTT and T&D losses calculations. Please see our Basis of Reporting, here: https://www.corporate.ferguson.com/esg/#company_policies
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☒ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☒ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

As per Ferguson's Basis of Reporting: Historic data is restated where material changes are made due to data improvements (e.g., refined estimation or calculation methodologies). All restatements are approved by the VP of ESG. Narrative is provided in the ESG Report to explain adjustments to prior year numbers. Updated Scope 3 Category 3 calculation methodology to include WTT and T&D losses

(7.1.3.4) Past years' recalculation

Select from:

☒ Yes

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ IEA CO2 Emissions from Fuel Combustion
- ☒ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ☒ US EPA Emissions & Generation Resource Integrated Database (eGRID)
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
- ☒ US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
- ☒ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- ☒ US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☒ We are reporting a Scope 2, location-based figure	Select from: ☒ We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure	<i>Developing capabilities to report a Scope 2, market-based figure</i>

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- ☒ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

162693.0

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 2 (location-based)

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

90141.0

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 2 (market-based)

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 2: Capital goods

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

51796

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

107722

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

34013

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 3 category 6: Business travel

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

42470

(7.5.3) Methodological details

Aligned with GHG Protocol guidance

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

414

(7.5.3) Methodological details

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 14: Franchises

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3 category 15: Investments

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3: Other (upstream)

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year

Scope 3: Other (downstream)

(7.5.1) Base year end

07/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not calculated and disclosed in base year
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

171279

(7.6.3) Methodological details

Aligned with GHG Protocol guidance on Scope 1 emissions, accounting for fleet, refrigerant refill and stationary combustion for heat. Please refer to our Basis of Reporting for additional information: https://www.corporate.ferguson.com/esg/#company_policies
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

80310

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

80310

(7.7.4) Methodological details

Aligned with GHG Protocol guidance for Scope 2. Please refer to our Basis of Reporting for additional information:
https://www.corporate.ferguson.com/esg/#company_policies

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

54855

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

138166

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Fuel-based method

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Waste-type-specific method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

Business travel**(7.8.1) Evaluation status***Select from:*☒ Relevant, calculated**(7.8.2) Emissions in reporting year (metric tons CO2e)**

52309

(7.8.3) Emissions calculation methodology*Select all that apply*☒ Fuel-based method☒ Distance-based method**(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

64236

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Ferguson does not have any upstream leased assets.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Ferguson as a supplier does not process its sold products.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

Franchises

(7.8.1) Evaluation status

Select from:
☒ Not relevant, explanation provided

(7.8.5) Please explain

Ferguson does not own any franchises.

Investments

(7.8.1) Evaluation status

Select from:
☒ Relevant, not yet calculated

Other (upstream)

(7.8.1) Evaluation status

Select from:
☒ Not relevant, explanation provided

Other (downstream)

(7.8.1) Evaluation status

Select from:
☒ Not relevant, explanation provided
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: ☒ Third-party verification or assurance process in place
Scope 3	Select from: ☒ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

ERM CVS – Limited Assurance Report for Ferguson CDP 2024.pdf

(7.9.1.5) Page/section reference

1-3

(7.9.1.6) Relevant standard

Select from:

☒ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

ERM CVS – Limited Assurance Report for Ferguson CDP 2024.pdf

(7.9.2.6) Page/ section reference

1-3

(7.9.2.7) Relevant standard

Select from:

☒ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- ☒ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- ☒ Scope 3: Upstream transportation and distribution
- ☒ Scope 3: Waste generated in operations
- ☒ Scope 3: Business travel

(7.9.3.2) Verification or assurance cycle in place

Select from:

- ☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- ☒ Complete

(7.9.3.4) Type of verification or assurance

Select from:

- ☒ Limited assurance

(7.9.3.5) Attach the statement

ERM CVS – Limited Assurance Report for Ferguson CDP 2024.pdf

(7.9.3.6) Page/section reference

1-3

(7.9.3.7) Relevant standard

Select from:

☒ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

70.6

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.03

(7.10.1.4) Please explain calculation

$((\text{Change in Scope 12 emissions due to renewable energy})/(\text{Previous Year's Scope 12 emissions})) \times 100$

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

1153.4

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.5

(7.10.1.4) Please explain calculation

$((\text{Change in Scope 12 emissions due to Other emissions reduction activities})/(\text{Previous Year's Scope 12 emissions})) \times 100$

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☒ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☒ No

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	13389	3932	3932
United States of America	157890	76378	76378

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

☒ By activity

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	<i>Ferguson Enterprises, LLC</i>	<i>157890</i>
Row 2	<i>Wolseley Canada</i>	<i>13389</i>

[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	<i>Liquefied Propane Gas</i>	<i>6851</i>
Row 3	<i>Gasoline</i>	<i>22266</i>
Row 4	<i>Refrigerant Leakage</i>	<i>1713</i>
Row 5	<i>Diesel</i>	<i>89065</i>
Row 6	<i>Natural gas</i>	<i>51384</i>

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By business division

☒ By activity

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)
Row 1	<i>Ferguson Enterprises, LLC</i>	76378
Row 3	<i>Wolseley Canada</i>	3932

[Add row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)
Row 1	<i>Electricity Use</i>	80310

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based emissions (metric tons CO2e)
Consolidated accounting group	171279	80310
All other entities	0	0

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ No

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

	Requesting member
Row 1	Select from:

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

- ☒ Customer base is too large and diverse to accurately track emissions to the customer level

Row 3

(7.27.1) Allocation challenges

Select from:

- ☒ Diversity of product lines makes accurately accounting for each product/product line cost ineffective

(7.27.2) Please explain what would help you overcome these challenges

Best practice guidance on different product downstream emissions estimations

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

	Do you plan to develop your capabilities to allocate emissions to your customers in the future?
	Select from: ☒ No

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

- ☒ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from: ☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

726421

(7.30.1.4) Total (renewable and non-renewable) MWh

726421

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1536

(7.30.1.3) MWh from non-renewable sources

231484

(7.30.1.4) Total (renewable and non-renewable) MWh

233020

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1536

(7.30.1.3) MWh from non-renewable sources

957905

(7.30.1.4) Total (renewable and non-renewable) MWh

959441

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☒ No
Consumption of fuel for the generation of heat	Select from: ☒ Yes
Consumption of fuel for the generation of steam	Select from: ☒ No
Consumption of fuel for the generation of cooling	Select from: ☒ No

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for co-generation or tri-generation	<i>Select from:</i> ☒ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Other biomass

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Coal

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Oil

(7.30.7.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Gas

(7.30.7.1) Heating value

Select from:
☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

273007

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☒ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

Total fuel

(7.30.7.1) Heating value

Select from:
☒ Unable to confirm heating value
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Canada

(7.30.16.1) Consumption of purchased electricity (MWh)

21523

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

21523.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

209961

(7.30.16.2) Consumption of self-generated electricity (MWh)

1536

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

211497.00

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.0000085

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

251589

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

29700000000

(7.45.5) Scope 2 figure used

Select from:
☒ Location-based

(7.45.6) % change from previous year

4.5

(7.45.7) Direction of change

Select from:
☒ Decreased

(7.45.8) Reasons for change

Select all that apply
☒ Change in renewable energy consumption
☒ Other emissions reduction activities
☒ Change in revenue
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

	Description	Metric value	Metric numerator
Row 1	Select from: ☒ Energy usage	3448456	GJ

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Intensity target

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☒ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☒ No, and we do not anticipate setting one in the next two years

(7.53.2.5) Date target was set

08/01/2019

(7.53.2.6) Target coverage

Select from:

☒ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.2.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.2.9) Scope 2 accounting method

Select from:

☒ Location-based

(7.53.2.11) Intensity metric

Select from:

☒ Other, please specify

(7.53.2.12) End date of base year

07/31/2020

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

8.38

(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

4.42

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

12.8000000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

07/31/2026

(7.53.2.56) Targeted reduction from base year (%)

35

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

8.3200000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

0

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

5.77

(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

2.7

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

8.4700000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

96.65

(7.53.2.83) Target status in reporting year

Select from:

☒ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

The target is aimed at reducing both Scope 1 and Scope 2 emission intensity. However, we are working to establish a manageable baseline for measuring further Scope 3 emissions and manage these emissions through supplier engagement

(7.53.2.86) Target objective

To reduce our Scope 12 emissions by 35% per million USD of revenue by 2026 (against a 2019/2020 baseline).

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Ferguson will increase the use of renewable energy sources across the business, convert and retrofit facilities with efficient LED and HVAC equipment, work towards electrifying the medium-duty and heavy-duty fleet. Distribution Centers are being implemented with a greater percentage of electrically powered forklifts. Installation of a 1.1-megawatt solar array at the Perris, California, Distribution Center is expected to offset approximately 1,089 metric tons of carbon dioxide emissions annually. Ferguson secured a VPPA to increase the renewable energy consumption of the company and reduce scope 2 emissions

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ No other climate-related targets

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☒ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	`Numeric input
To be implemented	0	0
Implementation commenced	3	81978
Implemented	3	2638
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Heating, Ventilation and Air Conditioning (HVAC)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

52

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

650000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

3300000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 11-15 years

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1497

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

480000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

2900000

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 11-15 years

Row 3

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☒ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1089

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

301709

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

2222302

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 21-30 years

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

The Company and sustainability team works with the businesses to raise awareness of the cost-saving initiatives that will support the environmental targets. Additionally, associate engagement takes place through integrating sustainability into our internal communications plan for the year.

Row 3

(7.55.3.1) Method

Select from:

☒ Financial optimization calculations

(7.55.3.2) Comment

The primary driver of investment in emissions reduction activities is the financial business case that includes return on investment (ROI) and internal rate of return (IRR).

Row 4

(7.55.3.1) Method

Select from:

☒ Internal finance mechanisms

(7.55.3.2) Comment

Members of the Sustainability team are also included in management-level Finance Committee notifications so that they can review the proposed capital expenditure and propose improvements to the project that would lower the carbon footprint.

Row 5

(7.55.3.1) Method

Select from:

☒ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

In order to comply with regulations, investment is required for the maintenance of building appliances and company vehicles (both commercial fleet and company cars) which in turn is being increasingly viewed as opportunity to install products or update assets to achieve both environmental goals and operations efficiencies.

Row 6

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

Establishment of the Environmental Leadership Council. A group of leaders across the different customer groups of the business discussing and contributing to the advancement of sustainability, sustainable practices and adoption of sustainable products. Through the work of the group, it looks to enhance Ferguson's mission to transform the built world and be thought leaders within the sustainability space.

[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☒ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☒ Other, please specify :Classification taxonomy is determined based on guidance provided by SASB standards. They achieved certification through either a government program (EPA ENERGY STAR and WaterSense) or through third party sustainability standards.

(7.74.1.3) Type of product(s) or service(s)

Buildings construction and renovation

☒ Dual flow ventilation

(7.74.1.4) Description of product(s) or service(s)

Ferguson US offers a range of products that decrease a customer's carbon footprint, including programmable thermostats, high efficiency HVAC products, and high efficiency lighting.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☒ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

10.18

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☒ No

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☒ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply
☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change
☒ Fuel consumption
☒ Year on year change in emissions intensity (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

ERM Certification and Verification Services Inc. ('ERM CVS') was engaged by Ferguson PLC ('Ferguson') to provide assurance in relation to the information set out below for the period August 1st 2023, to July 31st, 2024. Scope 3 data is assured at the cumulative total Scope 3 level comprised of categories 3, 4, 5, and 6.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ERM CVS – Limited Assurance Report for Ferguson CDP 2024.pdf

[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Financial Officer

(13.3.2) Corresponding job category

Select from:

☒ Chief Financial Officer (CFO)

[Fixed row]

