

Ferguson's UK Tax Strategy

In compliance with the UK legislative requirements in paragraph 16(2), Schedule 19 of the Finance Act 2016, Ferguson sets out below our UK tax strategy for the financial year ended 31 December 2025 for all UK companies that are either direct or indirect UK subsidiaries of Ferguson Enterprises Inc.

Introduction

Ferguson is the largest value-added distributor serving the water and air specialized professional in our \$340B residential and non-residential North American construction market. 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. Our strategy is to drive profitable growth in our businesses and therefore deliver sustainable returns for our shareholders. Our approach to tax supports this strategy.

Our UK tax strategy is to maintain the highest standards of tax compliance. We support the execution of the Ferguson business strategy by managing our tax affairs in compliance with local law and international guidelines while seeking to maximize shareholder value and serving the interests of all our stakeholders.

Approach to UK risk management and governance

Ferguson operates an enterprise risk management process, in which significant existing or emerging risks are identified and reported to the audit committee on a semi-annual basis. Financial metrics and qualitative guidance are used to determine risk thresholds and acceptable levels for the risks identified. The UK subsidiary companies also undertake a risk review annually, including tax risks.

Tax Strategy is a matter reserved for the Board of Ferguson Enterprises Inc. It delegates authority for settlements of audits with administrative agencies where the settlement is up to \$5 million to the Vice President – Tax, and it delegates authority for tax planning arrangements, settlements of audits with administrative agencies, and settlements of litigation relating to audits where the settlement is up to \$100 million to the Chief Financial Officer. The Global Tax team, led by the Chief Financial Officer, considers tax risks that may arise as a result of our business operations. The consideration of such tax risks includes actions to mitigate the risks or to prevent their occurrence or reoccurrence.

The Directors of each Ferguson UK legal entity also have a duty to ensure that risk is managed and that appropriate governance procedures are in place for their respective entities. Ferguson UK legal entities engage reputable UK firms to provide tax advice, periodic oversight and tax compliance, ensuring our tax obligations and strategy align with and meet the requirements of UK tax law.

We employ appropriately qualified, experienced professionals who deal with the majority of tax matters, including identifying, evaluating and monitoring tax risks. Specialist third-party technical advice is obtained on any significant tax treatments.

Attitude to tax planning

Tax is a business expense which needs to be managed like any other, and we manage and report our tax affairs in accordance with international best practice guidelines such as US Generally Accepted Accounting Principles ('GAAP'), UK GAAP and the Organization for Economic Cooperation and Development ('OECD') Guidelines. Our Code of Business Conduct and Ethics sets the standard for what is expected of everyone conducting business on behalf of Ferguson. It is essential that Ferguson maintains its reputation for integrity and that everyone in the company acts honestly and fairly.

Transactions undertaken by Ferguson are executed in compliance with local law and international and OECD guidelines. Ferguson's tax activities are governed by commercial purpose and simplicity. The tax activities always follow Ferguson's UK Tax Strategy. As a result, the company's profits are generated and taxed where there is commercial substance and where value is created.

Ferguson considers all relevant costs, including tax, in execution of our UK Tax Strategy. Ferguson looks to implement the optimal financing and operating structure in fulfilling this objective.

The level of risk we are prepared to accept for UK taxation

Ferguson has a low tolerance for tax risk and proactively engages with advisors to achieve certainty on our tax position. Ferguson acts in accordance with current tax legislation so that it pays the right amount of tax when it falls due in accordance with local laws and international guidelines.

Approach towards dealing with tax authorities

We look to develop and maintain positive and transparent working relationships with tax authorities, seeking to resolve open enquiries proactively and promptly. We regularly engage with HMRC and work collaboratively to achieve certainty of our UK tax position, including obtaining pre-transaction clearances where appropriate.

Application and approval of our UK tax strategy

This UK tax strategy was last approved by the Board of Ferguson UK Holdings Limited on 23 October 2025 to apply to the financial year ended 31 December 2025. It is reviewed and updated annually. This UK tax strategy applies to the following UK companies:

- Ferguson UK Holdings Limited
- Ferguson Group Holdco Limited
- Ferguson Overseas Limited
- Ferguson Swiss Holdings Limited
- Ferguson Group Services Limited
- Ferguson Finance plc