



FERGUSON

**Always
doing the
right thing**

Our Code of Conduct
Ferguson plc

A message from our Chief Executive

Dear Colleagues

It is important that we all feel confident in voicing concerns and in challenging behaviour which is not in line with the principles of our Code – even if that means extra costs, missing targets or questioning an instruction from your manager. If you see something that is not right, you should voice your concerns – ways to do this are set out in this Code. Please feel free to contact me directly if you have any concerns.

John Martin

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In this Code the expressions "Ferguson" and "Ferguson Group" are used for convenience and means Ferguson plc and all of its subsidiary companies (including any joint ventures).

Our Code of Conduct

Our reputation for doing business with integrity and respect for others is a valuable asset. To maintain our reputation requires that we all demonstrate the highest standards of behaviour, honesty, integrity and ethical conduct.

The purpose of our Code

- Our Code of Conduct (Code) describes how we do things at Ferguson Group. It sets out the conduct that is expected of everyone from the Ferguson plc Board to our associates and any other person acting on behalf of the Ferguson Group.
- It provides guidance on what is expected of each of us as we work to achieve our business goals and make Ferguson a great place to work. It is essential that everyone in the Ferguson Group maintains its reputation for integrity.

Everyone must act honestly, fairly and with transparency. Everyone should be loyal to Ferguson in the conduct of their work. They must not act in a manner which could discredit themselves or

Ferguson or put themselves in a position which may result in a conflict of interest. Ferguson respects the rule of law and requires all associates to conduct its business in a way that ensures compliance with the rules that apply to Ferguson and all of our businesses.

Ferguson plc recognises that observing a local custom or practice may have a different effect to that envisaged by our Code. Local management's advice should be sought in such cases to resolve the dilemma where individuals do not feel able to resolve it themselves.

Who does our Code apply to?

Our Code applies to the Ferguson plc Board, all Ferguson associates, temporary personnel, agents and contractors. We expect our suppliers to adhere to our Code or adopt similar ethical standards.

Breach of our Code

Breaching our Code could have very serious consequences for Ferguson and for individuals involved. Any breach of this Code may be considered to be a disciplinary matter and could result in disciplinary action including dismissal and legal action. It is therefore of critical importance that you read and understand the requirements of our Code.

Our Values

Our Code supports our Group Values which are:

- We act with integrity
- We drive for results and improvements
- We value our people.

Supporting Policies

A number of the principles in our Code are supported by more detailed policies to guide associates. For example, the Gifts and Hospitality principle is supported by the Fraud and Bribery Policy and managers' guidance notes. All associates are required to comply with Ferguson plc Policies.



Key principles

Compliance with the law

Ferguson plc's businesses, associates and others to whom our Code applies must observe both the principles and letter of the laws and regulations applicable to them.

Bribery and corruption

Ferguson does not permit the bribery of any person involved in Ferguson business or any customer, supplier or business partner of Ferguson.

Fraud

Ferguson does not tolerate fraud.

Gifts and hospitality

No Ferguson associate or family member should accept or solicit or give (directly or indirectly) any improper gift or hospitality.

Confidential information

Ferguson's trade secrets and other sensitive commercial information must be kept confidential.

Conflicts of interest

Ferguson's associates and other personnel must avoid situations where personal interests could conflict, or appear to conflict, with Ferguson's interests.

Customers and suppliers

Ferguson treats its customers and suppliers fairly. We expect the same standards of them as we expect from our associates.

Competitors

Ferguson's businesses and associates must comply with all competition and anti-trust rules in the countries in which they operate.

Shareholders and other stakeholders

Ferguson is committed to high standards of corporate governance, transparency and responsibility.

Health and safety

Ferguson will provide a safe and healthy working environment and does not compromise the health or safety of any individual.

Environment

Ferguson will run efficient operations that minimise waste and reduce any negative effect of its business activities on the environment. We will promote sustainable development.

Associates and employees

Ferguson values its associates and their diversity. We will develop our people and reward them fairly.

Guidance

Many business decisions may involve ethical dilemmas. Our Code cannot address every possible situation. It is very important that our associates recognise when they are in a difficult ethical situation and that they seek assistance as appropriate.

The principles in our Code are intended to help guide you in the normal course of your work but they are no substitute for common sense and proper internal consultation.

If you find yourself in a situation where you are unsure of the right course of action to take, you may find it helpful to ask yourself the following questions:

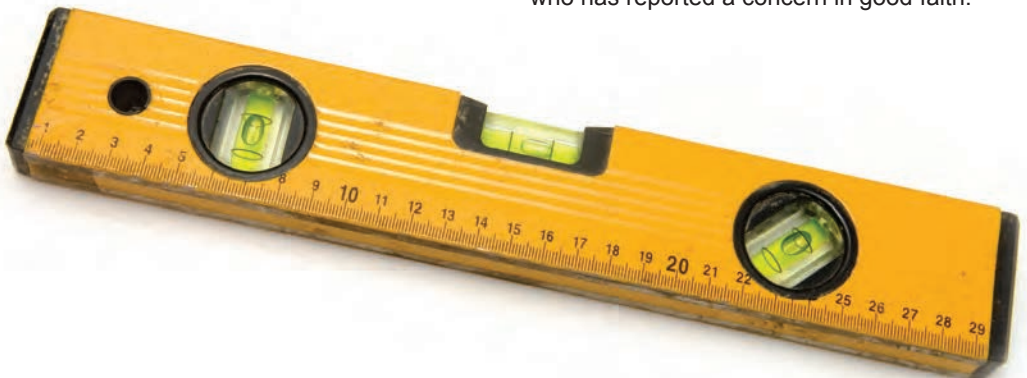
- Is it legal?
- Is it ethical?
- Is it consistent with Ferguson Group policies and our Code of Conduct?
- Can I explain it to my family and friends?
- Would I feel comfortable if it appeared in a newspaper?

How to ask a question or raise a concern

If you still find that you do not know the right course of action to take, if you suspect someone else of acting contrary to our Code, or if you do not understand anything contained in our Code, please speak with one of the following:

- Your manager in the first instance
- Human Resources department
- Legal department.

Never hesitate to ask questions, raise concerns, or seek the guidance you need. The Ferguson Group will not tolerate any retaliation or discrimination against anyone who has reported a concern in good faith.



Speak Up!

If, for any reason, you are not comfortable speaking with someone within your business you can call the Speak Up! line or use the Speak Up! secure website, which are operated by InTouch, an independent company, and are available 24 hours a day, every day of the year, in your local language.

Your concern will be investigated promptly and impartially. If you do not have it already, your local free telephone number is available at the back of this Code or from your human resources department or on the Group intranet.

You can also contact the Group General Counsel directly if you wish.

Ferguson will take the appropriate steps to protect the confidentiality of anyone who raises a concern. Any associate who raises a concern in good faith will be protected from retaliation in any form.

Ferguson would prefer to learn of a potential ethical situation from its associates in advance, than to learn about it subsequently, when there may be little that can be done to preserve the Company's reputation.



Compliance with the law

Ferguson's businesses, associates and others to whom our Code applies must observe both the principles and letter of the laws and regulations.

Guidance

- The laws and regulations that apply to Ferguson's business are numerous and often complex
- If you have any doubt whether your conduct – or the conduct of a colleague or your business unit – complies with the law, guidance should be sought from your manager, Human Resources department or your Legal department
- You should immediately bring to your manager's attention any request that you think may be illegal or in violation of our Code. It is Ferguson's policy that associates who raise such concerns in good faith shall not suffer from any form of retaliation.



Theft, fraud and bribery

Ferguson does not permit the bribery of any person involved in the Company's business or any customer, supplier or business partner of Ferguson.

Guidance

You must not, directly or indirectly, authorise, offer, promise, pay or give a:

- **Bribe**

A bribe is a reward, advantage or benefit made in order to influence and/or secure an improper advantage. The amount of the bribe offered or paid is irrelevant and it need not actually be paid

- **Kickback**

A kickback (e.g. the payment or receipt of a payment in return for securing a contract) is a form of bribe

- **Facilitating payment**

A facilitating payment can be a relatively small payment or gift to an official or government employee made to expedite routine services or administrative actions to which the company would already be entitled. Such payments should not be made in any circumstances

- **Excessive hospitality**

In some circumstances, excessive hospitality can be seen as either giving or receiving a bribe. Such hospitality can include gifts, entertainment, invitations to events (for example sporting events) or other social activities.



Fraud



Ferguson does not tolerate fraud.

Guidance

All staff have a responsibility to be alert to the signs of fraud and to report suspected fraud.

Ferguson defines fraud as any intentional act committed to secure an unfair or unlawful gain. This includes:

- Fraudulent financial reporting (such as manipulation of vendor rebates, false sales, delaying or avoiding expenses)
- Misappropriation of assets (examples include fraudulent expense claims, burglary and property damage, misuse of customer accounts or customer data)
- Theft.
- Bribery or corruption.
- Concealing a conflict of interest.

Ferguson is committed to the prevention, detection and proper investigation of fraud.

Ferguson will respond to all incidents of fraud, seeking to recover loss, taking action against those who perpetrate fraud and reporting incidents to the authorities as appropriate. This may lead to prosecution or to disciplinary sanctions up to and including dismissal.

Ferguson will implement a fraud risk management framework that is appropriate for the size and complexity of the fraud risks that are faced.

We expect our business partners to uphold similar principles for fraud risk management.

Gifts and hospitality



No Ferguson associate or family member should accept or solicit or give (directly or indirectly) any improper gift or hospitality.

Guidance

- Accepting hospitality from, or providing entertainment to, third parties is acceptable if it is reasonably related to a clear business purpose and is modest
- It is recognised that the giving and receiving of business gifts is an integral part of the way in which some businesses operate
- You should be mindful that the donation or receipt of gifts, hospitality or favours may give rise to embarrassing situations and may be seen as improper inducement to give some concession in return to the donor
- The following principles should be observed:
 - The giving or receiving of gifts or hospitality should remain appropriate to the business and should be modest. It is almost always inappropriate at the initial stages of a relationship
 - Associates must obtain the consent of their manager before giving or accepting gifts or hospitality in accordance with the rules set out in the Fraud Policy
- Gifts, favours or hospitality should never be solicited
- Gifts of money should never be offered or accepted
- When being offered a gift or entertainment, a good test as to whether it is acceptable is whether or not you would be able to, or would feel obliged to, reciprocate.

For the purposes of our Code, hospitality and gifts can include travel, accommodation, social or sporting events or other benefits received or given in the context of providing or receiving gifts and hospitality.

A register of gifts and hospitality should be kept by every Ferguson business unit.

Confidential information

Ferguson's trade secrets and other sensitive commercial information must be kept confidential.

Guidance

Commercial information

- Confidential information should not be used for personal gain. You should treat email with the same confidentiality as other forms of communication
- Dissemination and disclosure of commercial information must be dealt with in accordance with the Ferguson Communications Policy and in compliance with competition and anti-trust laws
- The obligation of confidentiality extends to periods after you cease to work for Ferguson and includes the disclosure of information to others.

Price sensitive information

- Information will be price sensitive if it is of a precise nature that is not generally available, relates directly to Ferguson and the Ferguson Group and its release into the public domain would be sufficiently significant to affect Ferguson plc's share price
- Information which is 'price sensitive' or 'inside' information may only be released in accordance with the Ferguson Communications Policy
- The use of price sensitive information for personal gain or to avoid a loss is unlawful. Ferguson plc has a Code of Dealing which details when affected associates may purchase, sell or otherwise deal in Ferguson plc's shares or other securities. Affected associates should at all times observe the Ferguson Dealing Policy as set out in Chapter 11A Share Dealing Policy.

CONFIDENTIAL



Social media

- It is possible you may use social media for work purposes (e.g. LinkedIn) or for personal use outside of work (e.g. social networking sites such as Facebook and YouTube or discussion forums). Any social media use should be respectful to Ferguson and to the Ferguson Group, its associates, practices and associated companies. Usage should be relevant, protective of the Ferguson and Ferguson Group's reputation and should follow the letter and principles of the law
- When using social media you must not disclose confidential information (including price sensitive information). You should also be mindful of protecting yourself and your own privacy.

Data protection

- You must only collect and retain personal data for legitimate commercial purposes. You must respect the privacy of personal data relating to associates, customers and suppliers
- Ferguson plc must ensure that its data and information systems comply with data protection laws.

Conflicts of interest

Ferguson associates and other personnel must avoid situations where personal interests could conflict, or appear to conflict, with Ferguson's interests.



Guidance

- Conflicts of interest arise where a person's position or responsibilities within their business unit present an opportunity for personal gain above the normal rewards of employment
- They can also arise where personal interests are inconsistent with those of their employer or create conflicting loyalties in respect of transactions between their employer and a third party
- You must not be involved with an activity for personal gain which is in conflict with Ferguson's business interests. Any of your personal interests or the interests of a member of your immediate family in relation to Ferguson's business must be disclosed to your manager immediately
- You must not work simultaneously for any of Ferguson's competitors, customers or suppliers. If you are unsure as to whether a conflict of interest exists, please seek advice from your manager, Human Resources department or Legal department.

All such transactions are considered to be Related Party Transactions and should be disclosed in accordance with Ferguson Group policies.

Accepting gifts, hospitality or entertainment may in some circumstances lead to an impairment of a person's judgement or independence, or be open to misinterpretation.

Customers and suppliers

Ferguson treats its customers and suppliers fairly. We expect the same standards of them as we expect from our associates.

Guidance

Ferguson's reputation and the loyalty of our customers depends upon the quality and value of our products and the service we deliver. The integrity of our dealings with customers and suppliers is therefore critical to the long-term success of Ferguson.

We will pay our suppliers, contractors and agents in accordance with agreed terms.

We expect our suppliers, contractors and agents to adhere to our Code or adopt similar ethical standards.



Competitors

All of Ferguson Group's businesses and associates must comply with all competition and anti-trust rules in the countries in which they operate.

Guidance

- Ferguson welcomes and encourages free and open competition in the marketplace
- Ferguson's businesses will compete vigorously but fairly and legally
- Each business unit should have a formal process of educating its management on the competition and anti-trust laws that are applicable in their countries with regular reviews to ensure that management teams keep their knowledge up to date. This is supported by training where appropriate.



Shareholders and other stakeholders

Ferguson plc is committed to high standards of corporate governance, transparency and responsibility.

Guidance

Ferguson plc engages actively and constructively with all who are interested in the success of its business. We have regular and open dialogue with our customers, suppliers, associates, shareholders, analysts, governmental and regulatory agencies, non-governmental organisations, trade associations and groups promoting improvement in society and the environment, as well as educational organisations.

Political donations

Ferguson will not contribute to party political organisations.



Health and safety

Ferguson, and its businesses, will provide a safe and healthy working environment and does not compromise the health or safety of any individual.

Guidance

- Ferguson's aim is to create an accident-free workplace and we are committed to continuous improvement in health and safety performance throughout our operations
- Ferguson has high standards of care for the safety of our associates, products and operations and for the environment in which our people work
- Ferguson will provide the necessary training and resources to allow for the safe performance of day-to-day activities
- Every Ferguson associates has a legal duty to look after their own health, safety and welfare and that of those around them
- Effective safety management requires the active involvement of every associate.



Sustainability and environment

Ferguson will run efficient operations that minimise waste and reduce any negative effect of its business activities on the environment. We will promote sustainable development. We have set challenging targets in the key areas of carbon and waste.

Guidance

Ferguson will:

- Comply with all relevant environmental regulation
- Prevent, or otherwise minimise, any harmful effects of its operations on the natural environment
- Continually look for ways to reduce the environmental impact of our operations and products
- Provide information and advice to our customers regarding sustainable and renewable products and supply such products where appropriate

- Encourage all associates to conduct their work with regard to the highest environmental practices and minimise the waste of natural resources.

Sustainability

Our sustainability programme is built on the principles of building a better business and mitigating associated risks. For more information on the components of our sustainability programme please look on the Ferguson plc website.



Associates and employees

Ferguson values its associates and their diversity. We will develop our people and reward them fairly.

Guidance

- To meet our goals, we recognise that it is in Ferguson's interest to be an employer of choice. We can achieve this through the maintenance of a positive, responsible, open and welcoming working environment
 - Ferguson will treat its people fairly and impartially, without prejudice and never tolerate harassment or bullying in any form. Associates are expected to be open, honest, courteous and to treat each other with dignity
 - Ferguson will provide associates with opportunities to enhance their skills and capabilities, helping them to develop fulfilling careers and to maximise their contribution to our business
 - Ferguson's businesses have formal grievance procedures that clarify what happens in the event that an associate has a concern that cannot be resolved satisfactorily with their manager.
- Ferguson is committed to honouring the terms and conditions of employment of associates and requires all associates to do the same. We are committed to providing fair pay, benefits and terms and conditions of employment and, where required, to seeking agreement for changing these when necessary to meet business objectives
- A failure to treat associates properly can breach employment laws and may also be a disciplinary offence.

Further Information:

Human resources department.

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Contacts

Employment Advice Team

Tel No: +44 1765 694 300

Richard Shoylevkov

Ferguson Group General Counsel

Tel No: +44 118 929 8886

richard.shoylevkov@fergusonplc.com

Rob Goldsmith

Ferguson Group Head of Legal

Tel No: +44 118 929 8732

Email address: rob.goldsmith@fergusonplc.com

Mary Ann Lemere

Ferguson Chief Legal Officer

Tel No: +1 757 989 2411

Email address: maryann.lemere@ferguson.com

Jean Xu Qiuqing

Ferguson Senior Corporate Counsel

Tel No: +1 757 234 8238

Email address: jean.xu@ferguson.com

Vanessa French

General Counsel, Wolseley UK

Tel No: +44 1926 705123

Email address: vanessa.french@wolseley.co.uk

Ed Walker

General Counsel, Nordics

Manager of Legal, Risk & Compliance

Tel No: +45 3955 9796

Email address: EW@stargroup.dk

Fred Finger

Capstone Branch Manager

Tel No: + 886 2 8512 3330

Email address: fred.finger@ferguson.com

Matt Neville

Soak.com Financial Director

Tel No: +44 2476 019 621

matt.neville@soak.com



Speak Up!

Telephone reporting lines:

Country	Telephone
Canada	1877 6294092
China	10800 440 0163 (Telecom) 10800 744 0163 (Unicom)
Denmark	8088 3196
Finland	0800 918427
Netherlands	0800 0232 923
Norway	800 10417
Sweden	0207 94898
Switzerland	0800 838651
Taiwan	00801 44 4292
United Kingdom	0800 097 1130
USA	1877 467 9581

Speak Up!

Secure website reporting:

www.intouchfeedback.com/fergusonplc