

**Strategic report (continued)**

**Section 172(1) statement**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, section 172 requires directors to have regard to, amongst other matters, the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with customers, suppliers and others;
- Impact on the company's operation on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

In discharging our section 172 duties we have had regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. Those factors for example include the interest and views of members of the Group. The Group aims to act as a trusted supplier and partner to its customers, providing innovative solutions to make their projects better. By considering the Group's purpose, vision, values and policies, we aim to ensure that our decisions are consistent and appropriate in all circumstances.

We delegate authority for day to day management of the Company to senior management. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As part of those meetings the directors receive information in a range of different formats which includes information relevant to section 172 matters when making relevant decisions, for example, when making decisions about the payment of dividends.

As the principal activity of the Company is to act as a holding company for other entities in the Group, the Company has no commercial business, employees and no customers or suppliers other than Group companies during the period and as such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors. The Company's key stakeholders are its shareholder and other Group undertakings. The Company did not take any actions directly associated with COVID-19 during the year. Details of actions taken throughout the Group in response to COVID-19 can be found in the 2021 Ferguson plc Annual Report and Accounts which is available at [www.fergusonplc.com](http://www.fergusonplc.com).

The Company is a wholly owned subsidiary of Ferguson Plc (the "Parent") and whilst the Company is required to set out how its Board discharges its duties under s172 of the Companies Act 2006, this statement should be viewed in the context of the Company's position as a subsidiary of a listed parent and part of a wider group. Further details of how Ferguson plc undertook its responsibilities during the financial year and details of Group wide considerations, for example, in relation to the impact of the Group's operations on the community and environment and the desirability of maintaining a reputation for high standards of business conduct, can be found in the 2021 Ferguson plc Annual Report and Accounts which is available at [www.fergusonplc.com](http://www.fergusonplc.com).

This report was approved by the board and signed on its behalf.



**Paul Brooks**  
**Director**

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