

WOLSELEY



Have you
read this?
Really
important!

Doing the right thing

Code of Conduct

Wolseley Group

Message from the CEO

Our Values

A strong set of common values at Wolseley is important. In particular, they will increase our customers' confidence that they will encounter the same standards of excellence in every Wolseley business.

I strongly believe the key values below are central to us delivering our objective of growing profitably and faster than the competition:

- integrity through ensuring our people always do the right thing,
- a commitment to developing our people, so that they are highly skilled and intensely customer focused,
- and a restless commitment to continuous improvement and driving performance.

The Code of Conduct is important in driving the right behaviours, ensuring we conduct all our activities with honesty and integrity and according to the highest ethical and legal standards. Please make sure you read them because put simply, they will guide us in doing the right thing.

Ian Meakins

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Doing the right thing

Wolseley expects the highest ethical standards from employees and other personnel in carrying out its business.

The purpose of this Code

- Describes the principles by which Wolseley expects to conduct its business.
- Provides employees with guidance on the standards expected when conducting business on behalf of the Wolseley Group.

It is essential that everyone in the Group maintains Wolseley's reputation for integrity. Everyone should act honestly, fairly and with transparency and should be loyal to the Group in the conduct of their work. They should not act in a manner which could discredit themselves or Wolseley or put themselves in a position which may result in a conflict of interest.

Wolseley respects the rule of law and requires all employees to conduct its business in a way that ensures compliance with the rules that apply to Wolseley in any country in which we operate.

Wolseley recognises that observing a local custom or practice may have a different effect to that envisaged by this 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.

Supporting policies

A number of the principles in this Code are supported by more detailed policies to guide employees. For example, the Gifts and Hospitality principle is supported by anti-corruption policies that are contained in the Group's Anti-corruption Manual. The relevant supporting policies are identified for each principle at the end of each section. At the back of this booklet is a 'Summary of further information' section that shows how this Code fits together with the underlying policies.

All employees are required to comply with the Group Policies and Procedures Manual, in so far as it applies to their individual role. Employees should be familiar with the contents of the Manual and speak to their manager if anything in it is unclear.

Scope

This Code applies to all Group employees, temporary personnel, agents and contractors.

We expect our suppliers to adhere to this Code or adopt similar ethical standards.

Breach of this Code

Any breach of this Code may be considered to be a disciplinary matter and could result in disciplinary action up to and including dismissal. It is therefore of critical importance that you read and understand this Code.

Key principles

Compliance with the law

All Wolseley's businesses and all their employees and others to whom this Code applies must observe both the spirit and letter of the laws and regulations of each country in which they operate.

Bribery and corruption

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

Fraud

Wolseley does not tolerate fraud.

Gifts and hospitality

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

Confidential information

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

Conflicts of interest

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

Customers and suppliers

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

Competitors

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

Shareholders and other stakeholders

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

Health and safety

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

Environment

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

Employees

Wolseley values its employees and their diversity. We will develop our people and reward them fairly.

Guidance

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

The principles in this 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:

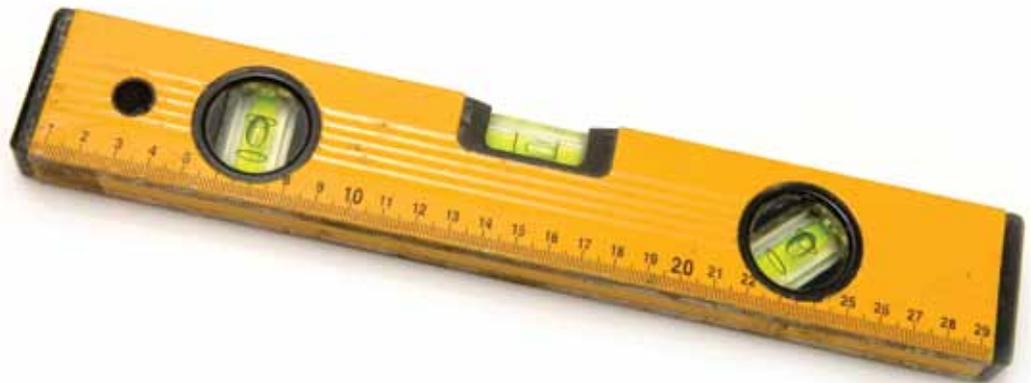
- Is it legal?
- Is it ethical?
- Is it consistent with Wolseley policies and this Code of Conduct?
- Can I explain it to my family and friends?
- Would I feel comfortable if it appeared in a newspaper?

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 this Code, or if you do not understand anything contained in this Code, please speak with one of the following:

- Your manager in the first instance
- Your human resources department
- Your legal department.

Never hesitate to ask questions, raise concerns, or seek the guidance you need. Wolseley 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 Company Secretary and General Counsel directly if you wish.

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

Wolseley would prefer to learn of a potential ethical situation from its employees 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

All Wolseley's businesses and all their employees and others to whom this Code applies must observe both the spirit and letter of the laws and regulations of each country in which they operate.

Guidance

- The laws and regulations that apply to Wolseley'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, HR 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 this Code. It is Wolseley's policy that employees who raise such concerns in good faith shall not suffer from any form of retaliation.
- In the event of any conflict between this Code and the laws of any country in which your business unit operates, the higher standard should be applied.

Further Information:
Legal department.



Bribery and corruption

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



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 is 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.

An example would be a payment to speed up the processing of a permit to do business in a country.

Please contact the Group Company Secretary and General Counsel if you are in any doubt regarding a payment requested by an official or government employee.

- **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.

Further Information:
Fraud Policy
Anti-corruption Manual.

Fraud



Wolseley does not tolerate fraud.

Guidance

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

The definition of fraud varies from country to country but the Group 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.

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

Wolseley 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.

All business units (including Group head office) 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.

Further Information:

Fraud Policy
Anti-corruption Manual
Anti-fraud Manual
Wolseley Group Policies and Procedures Manual.

Gifts and hospitality



No Wolseley employee 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.
 - Employees must obtain the consent of their manager before giving or accepting gifts or hospitality with a value above £250.
- 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 this 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 Wolseley business unit. A prescribed format for the register is included in the Anti-corruption Manual.

Further Information:

Fraud Policy
Anti-corruption Manual.

Confidential information

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

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 Group Corporate Communications Code and in compliance with competition and anti-trust laws.
- The obligation of confidentiality extends to periods after you cease to work for the Group 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 the Group and its release into the public domain would be sufficiently significant to affect Wolseley plc's share price.
- Information which is "price sensitive" or "inside" information may only be released in accordance with the Group Corporate Communications Code.
- The use of price sensitive information for personal gain or to avoid a loss is unlawful. Wolseley has a Code of Dealing which details when affected employees may purchase, sell or otherwise deal in Wolseley plc's shares or other securities. Affected employees should observe the Group Code of Dealing at all times.

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 or discussion forums). Any social media use should be respectful to the Wolseley Group, its employees, practices and associated companies. Usage should be relevant, protective of the Group's reputation and should follow the letter and spirit 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 employees, customers and suppliers.
- The Managing Director of each business unit must ensure that its data and information systems comply with local data protection laws.

Further Information:

Group Corporate Communications Code
Group Code of Dealing
Data Protection Policy
IT Security Policy
Acceptable Usage Policy.

Conflicts of interest



Wolseley employees and other personnel must avoid situations where personal interests could conflict, or appear to conflict, with Wolseley'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 the Group's business interests. Any of your personal interests or the interests of a member of your immediate family in relation to the Group's business must be disclosed to your manager immediately.
- You must not work simultaneously for any of Wolseley's competitors, customers or suppliers. If you are unsure as to whether a conflict of interest exists, please seek advice from your manager, HR department or legal department.

All such transactions are considered to be Related Party Transactions and should be disclosed in accordance with the Group Policies and Procedures Manual.

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.

Further Information:

Related Party Transactions procedure
Wolseley Group Policies and Procedures Manual.

Customers and suppliers

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

Guidance

Wolseley'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 the Group.

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

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



Competitors

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

Guidance

- Wolseley welcomes and encourages free and open competition in the marketplace.
- The Group'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 of their country with regular reviews to ensure that management teams keep their knowledge up to date. This is supported by Group-wide training where appropriate.

If you have any doubt about the legality of any business activity you should contact your legal department or the Group Company Secretary and General Counsel.

Further Information:

Competition Compliance Manual
Training materials from the Group Legal department
(email group.legal@wolseley.com to request information or training).



Shareholders and other stakeholders

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

Guidance

Wolseley 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, employees, 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

Wolseley will not contribute to party political organisations. If you are in any doubt, further guidance should be sought from the Group Company Secretary and General Counsel.

Further Information:

Group Company Secretariat.



Health and safety

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

Guidance

- Wolseley's aim is to create an accident-free workplace and we are committed to continuous improvement in health and safety performance throughout our operations.
- Wolseley has high standards of care for the safety of our people, products and operations and for the environment in which our people work.
- Wolseley will provide the necessary training and resources to allow for the safe performance of day to day activities.
- As a minimum, Wolseley will comply with local health and safety laws in every country where we operate.
- Effective safety management requires the active involvement of every employee.

Further Information:

Group Health and Safety Policy
Product Safety Policy
Corrective Action Procedure
Group Corporate Responsibility Strategy
Your human resources department
Your health and safety representative.



Environment

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

Guidance

Wolseley will:

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

- Review and report regularly on the extent of the Group's environmental performance, initiatives and objectives.

Individual business units are responsible for identifying and setting their own environmental improvement targets and initiatives to achieve their objectives.

Further Information:

Group Corporate Responsibility Strategy.



Employees

Wolseley values its employees and their diversity. We will develop our people and reward them fairly.

Guidance

- To meet our goals, we recognise that it is in Wolseley's interest to be an employer of choice. We can achieve this through the maintenance of a positive, responsible, open and welcoming working environment.
- Wolseley will treat its people fairly and impartially, without prejudice and never tolerate harassment or bullying in any form. Employees are expected to be open, honest, courteous and to treat each other with dignity.
- Wolseley will provide employees with opportunities to enhance their skills and capabilities, helping them to develop fulfilling careers and to maximise their contribution to our business.
- Wolseley's businesses have formal grievance procedures that clarify what happens in the event that an employee has a concern that cannot be resolved satisfactorily with their manager.
- Wolseley is committed to honouring the terms and conditions of employment of employees and requires all employees 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 employees properly can breach employment laws and may also be a disciplinary offence.

Further Information:

Human resources department.



Summary of further information

Below are the key principles from our Code and the underlying policies and sources of further information.

 <p>Compliance with the law Legal Department</p>	 <p>Bribery and corruption Fraud Policy Anti-corruption Manual</p>	 <p>Fraud Fraud Policy Anti-corruption Manual Anti-fraud Manual Wolseley Group Policies and Procedures Manual</p>
 <p>Gifts and hospitality Fraud Policy Anti-corruption Manual</p>	 <p>Confidential information Group Corporate Communications Code Group Code of Dealing Data Protection Policy IT Security Policy Acceptable Usage Policy</p>	 <p>Conflicts of interest Related Party Transactions procedure Wolseley Group Policies and Procedures Manual</p>
 <p>Customers and suppliers</p>	 <p>Competitors Competition Compliance Manual Training materials from the Group Legal department</p>	 <p>Shareholders and other stakeholders Group Company Secretariat</p>
 <p>Health and safety Group Health and Safety Policy Product Safety Policy Corrective Action Procedure Group Corporate Responsibility Strategy</p>	 <p>Environment Group Corporate Responsibility Strategy</p>	 <p>Employees Human resources department</p>

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Speak Up!

Telephone reporting lines:

Country	Telephone
Austria	0800 296864
Canada	1877 6294092
Czech Republic	800 142495
Denmark	8088 3196
Finland	0800 918427
France	0800 917992
Hungary	06800 19423
Italy	800 875046
Luxembourg	800 24120
Netherlands	0800 0232 923
Norway	800 10417
Poland	00800 442 1226
Romania	0800 896 924
Slovakia	0800 005 112
Sweden	0207 94898
Switzerland	0800 838651
United Kingdom	0800 097 1130
USA	1877 467 9581

Speak Up!

Secure website reporting: www.intouchfeedback.com/wolseley

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