

Tax Strategy

Introduction

Armstrong (U.K.) Investments and its subsidiaries, Armstrong Building Products, Armstrong Metal Ceilings Limited, and Armstrong World Industries, Ltd (referred to as the “Group” or “Companies”) are leading producers of ceiling systems for use primarily in the construction and renovation of residential, commercial, and institutional buildings. The Group designs, manufactures, and sells ceiling systems (primarily mineral fiber, fiberglass wool, and metal) and is committed to creating long term shareholder value.

This is the Group’s first published tax strategy, as required by Schedule 19 Finance Act 2016, having been approved by Finance Management and the Director of Tax (collectively referred to as “Finance Management”). This strategy will be reviewed and updated annually, following further approvals by the Companies’ Financial Officials. Please find below the Companies’ outlined tax strategy. The Group is committed to comprehensive compliance on their statutory obligations and full disclosure to taxing authorities. The Companies’ ethical and sustainable tax strategy aligns with their global business strategy, enhancing the reputation of the Companies’ and Armstrong’s brand.

Risk Management and Governance

The Group endeavours to reduce their overall level of tax risk arising from operations by having the appropriate internal controls in place. The Companies’ Finance Management is responsible for managing tax risk and tax policies. Finance Management is supported by a proficient financial team who report regularly to the Board of Directors. Tax processes for different statutory matters are allocated to knowledgeable finance professionals who carry out the review of the activities and identify key issues. These key tax matters are continuously monitored for change and potential impact. The Group reaches out, when appropriate, to expert third parties who are well versed in complicated tax matters. The expert third parties help the Finance Management in guidance and assurance of tax compliance.

Tax Planning

The Group takes responsibility for ensuring that all tax payments are made timely. The Group also constantly considers the Companies’ legal and social responsibilities for all tax planning endeavours. The Companies remain diligent in being transparent with taxing authorities based upon a relationship of mutual respect. The Group maintains a strong focus on compliance with all tax legislation.

Assessing and Mitigating Risk

The Group mitigates taxation risk through use of specialists, employing appropriately qualified staff, relevant training as required, a code of conduct for all management employees, and internal controls. If uncertainty arises over a tax position the Companies will seek expert third party advice and communicate on a concurrent basis with the HMRC when necessary. When assessing the level of any remaining risk the Group will seek to take a balanced and conservative approach by consulting with third party advisors as appropriate.

Relationship with HMRC

The Group remains diligent in strengthening its working relationship with HMRC through transparent, constructive, and open communication. The open and positive dialogue allows the Group to ensure compliance on all filing obligations. The Group maintains a proactive working relationship with HMRC and will continue to engage with HMRC on a real-time basis.