

PURPOSE AND EXPECTATIONS

The Armstrong World Industries, Inc. (AWI) Supplier Code of Conduct (Code) reflects our commitment to conducting business in an ethical and responsible manner. We expect our suppliers to share this commitment and, accordingly, have established this Code to set expectations and encourage our valued business partners to meet high standards of business ethics. For purposes of this Code, “Suppliers” includes any organization or entity that directly or indirectly provides goods and/or services to AWI.

This Code sets forth important principles and criteria for consideration during our selection and retention of all Suppliers.

This Code was specifically developed to align with the principles of the Armstrong Code of Business Conduct, the United Nations Global Compact, International Labor Organization (ILO) Conventions, and California Transparency in Supply Chain Act of 2010, each as amended from time to time.

Please take the time to review this Code carefully, become familiar with its content and draw guidance from the values that AWI expects of itself and its Suppliers in making ethical, responsible, and environmentally sustainable choices in all its business activities. We recommend Suppliers hold their subcontractors and suppliers accountable to the principles set forth in this Code.

ENVIRONMENTAL, HEALTH, SAFETY AND PRODUCT STEWARDSHIP

All AWI Suppliers are expected to:

- Comply with all applicable environmental laws and regulations.
- Promote the safe and environmentally sound development, manufacture, transport, use and disposal of their products.
- Implement systems to prevent and mitigate accidental spills and releases of fuels, raw materials, chemicals, intermediates, products and other hazardous materials to the environment.
- Protect employee and neighbor health, as well as the general public at large, against hazards inherent in their processes and products.
- Provide safety information relating to hazardous materials to educate, train and protect workers from hazards.
- Use resources efficiently, reduce environmental harms from resource extraction, apply long-term ecological land use practices and energy-efficient, environmentally friendly technologies and reduce waste, as well as emissions to air, water and soil.

EMPLOYMENT STANDARDS

All AWI Suppliers are expected to:

- Demonstrate Respect and Dignity – Support and respect the protection of internationally proclaimed human rights and ensure no complicity in human rights abuses.
- Allow Freedom of Association – Recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed.
- Support Freely Chosen Employment – Abstain from use of forced, bonded or indentured labor, slave labor, human trafficking or involuntary prison labor.
- Protect Against Child Labor – Comply with applicable laws regarding the minimum age of employees and comply with all legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, working conditions, and the handling of certain materials.
- Provide Reasonable Work Hours and Conditions – Provide a workplace free of harsh and inhumane treatment, including harassment, abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, and threats of any of the foregoing. Employees should be able to communicate openly with management regarding working conditions without threat of reprisal, retaliation, intimidation or harassment.
- Prevent Discrimination – Abstain from prohibited or unlawful hiring and employment practices, including discrimination on grounds of race, color, religion, age, nationality, ethnicity, sexual orientation, gender, marital status, pregnancy, political affiliation, disability, or any other characteristic in violation of applicable law.
- Provide Reasonable Wages and Benefits – Comply, at a minimum, with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits.

CONFLICTS OF INTEREST, GIFTS AND ENTERTAINMENT

AWI is committed to ethical business practices. Conflicts of interest, in practice or in appearance that have not been disclosed and approved, as applicable, are counter to our Code of Business Conduct and procurement policies.

AWI employees and AWI Suppliers' employees are directed to avoid any relationship, influence, or activity that might impair, or appear to impair, their ability to make objective business decisions.

AWI employees and AWI Suppliers' employees who buy goods or services directly, or are otherwise involved in the procurement process, shall refrain from the following:

- Solicitation of any gift, excessive entertainment, or favor of any significant value.
- Excessive entertainment to include that which: requires travel; has cash value greater than \$150; occurs frequently; is provided for the exclusive benefit of the employee without Supplier participation; is provided where no business is conducted; includes family members or guests of the employee (outside of spouse or significant other) at the expense of the Supplier.
- Receipt of a product or service constituting more than a modest social amenity or normal supplier sales promotion which may appear to be capable of influencing the employee's decision.

Armstrong employees may accept unsolicited meals, refreshments, or entertainment of reasonable value on an infrequent basis in connection with normal business discussions.

Suppliers are expected to respect the limitations placed on Armstrong employees, as stated above, and refrain from putting them in an uncomfortable situation by offering them gifts or other favors that they may not accept.

LEGAL COMPLIANCE

All AWI Suppliers are expected to comply with all applicable laws, including rules, regulations and other legal requirements, on human rights, labor, environment, anti-corruption, and trade and customs. Suppliers are expected to:

- Abide by all applicable national and international antitrust and trade control regulations.
- Abide by the U.S. Foreign Corrupt Practices Act (FCPA). Work against corruption including bribery and ensure that personal relationships do not affect business activities.
- Abstain from any money laundering activities.

Suppliers taking part in any international transactions are also expected to become C-TPAT certified, maintain an equivalent supply chain certification through their government or local customs authorities, or verify they meet the minimum security standards which can be found at www.cbp.gov.

CONFLICT MINERALS

AWI urges all AWI Suppliers to avoid the use of raw materials that directly or indirectly contribute to armed conflict or human rights abuses in any of its products, and all AWI Suppliers are expected to:

- Implement systems to avoid the purchase of Conflict Minerals from the Democratic Republic of Congo or adjoining countries; or to purchase Conflict Minerals directly from mines, smelters, or refiners.
- Engage with your suppliers to obtain complete, correct and trustworthy information about the supply chain. AWI conducts a good faith reasonable country of origin inquiry (“RCOI”) regarding Conflict Minerals at least annually, designed to assist with the development and maintenance of a responsible supply chain for minerals from conflict areas, as outlined in the OECD Guidance and to comply with its public disclosure requirements as a publicly-traded company under rules and regulations promulgated by the U.S. Securities and Exchange Commission; as such, AWI expects all AWI Suppliers to be responsive in AWI’s investigations, including the completion a Conflict Minerals Survey annually to disclose, among other things, if your products could contain Tin, Tantalum, Tungsten and/or Gold (3TG).

If an AWI Supplier is in the process of eliminating these minerals from their products, work with AWI’s Procurement team to follow appropriate change control procedures.

COMPLIANCE AND MONITORING

AWI or its representatives may engage in monitoring activities to assess whether an AWI Supplier is adhering to the elements of this Code.

Such activities may include, but not be limited to, supplier audits; inspections of the Supplier’s facilities, key processes and its supply chain; product safety evaluations; requests for information; use of questionnaires; review of publicly available information; or other measures that enable AWI to determine the Supplier’s conformance with this Code.

Non-conformances with this Code may jeopardize the Supplier’s business relationship with AWI.

CONTACT INFORMATION

Should you have any questions or require a hardcopy version of this Code, please contact your AWI Procurement representative. Should you have compliance concerns regarding this Code or your relationship with AWI, you may contact the AWI Ethics Line at +1.877.481.8913 toll-free in U.S. or Canada and website <https://armstrong.ethicspoint.com> or contact the AWI Office of Compliance at +1.717.396.5964 and email officeofcompliance@armstrongceilings.com.

REFERENCES:

- United Nations Global Compact www.unglobalcompact.org
- Armstrong Code of Business Conduct
<https://www.armstrongworldindustries.com/content/dam/awi/files/code-of-business-conduct-en.pdf>
- International Labor Organization <http://www.ilo.org/global/lang--en/index.htm>
- OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its supplements <http://www.oecd.org/dataoecd/62/30/46740847.pdf>
- United States Department of Justice – Foreign Corrupt Practices Act
<http://www.justice.gov/criminal/fraud/fcpa/>
- U.S. government lists of such “specially designated nationals” and “blocked persons”
<http://www.treas.gov/offices/enforcement/ofac/sdn/>
- California Transparency in Supply Chains Act of 2010 (SB 657) <https://oag.ca.gov/SB657>
- The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, et seq. (“FCPA”) <https://www.sec.gov/spotlight/foreign-corrupt-practices-act.shtml>
- C-TPAT and US Customs and Border Protection security standards www.cbp.gov

DOCUMENT HISTORY

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