

## **SHAW'S UK STRATEGY**

Published: 31 December 2019

Publication of this strategy is regarded as satisfying our statutory obligation under Para 16 (2), Schedule 19, Finance Act 2016 for the financial year ending 31 December 2019, and sets out the policy and approach of Shaw Industries Group, Inc. & Subsidiaries ("Shaw") in conducting and managing its UK tax affairs. The goal of this tax policy and strategy is to add value to our business with responsible tax planning, mitigate risk and comply with the laws and regulations as established by Her Majesty's Revenue & Customs (HMRC).

### **About Shaw**

Shaw supplies carpet, resilient, hardwood, laminate, tile and stone flooring products and synthetic turf to residential and commercial markets worldwide.

Shaw is a wholly-owned subsidiary of Berkshire Hathaway, Inc. The tax strategies herein apply to all Shaw subsidiaries that operate in the UK.

### **Tax Governance**

Responsibility and accountability for Shaw's UK tax affairs lies with the Vice President of Corporate Tax who reports to the Chief Financial Officer and the Board of Directors.

Shaw operates a tax control framework which focuses on having a sound control environment, including effective risk identification, communication channels and monitoring of compliance with relevant legislation and guidance and compliance with our UK Tax Strategy.

### **Tax Risk Management**

Shaw is committed to complying with all applicable tax laws. Our strategic aim is to manage our tax affairs responsibly and transparently and in a way that is compatible with the requirements for HMRC's low risk tax classification by:

- (i) being open and timely with HMRC about the management of all tax compliance risk
- (ii) raising significant compliance issues, uncertainties and/or irregularities with HMRC as they arise
- (iii) promptly providing full, accurate and helpful answers to HMRC queries
- (iv) providing appropriate resources to deal with all tax obligations
- (v) maintaining clear accountabilities up to and including the Board for the management of tax compliance risk and tax planning

### **Attitudes Towards Tax Planning**

Shaw believes that it should pay the amounts of tax legally due. Shaw engages in appropriate tax planning that supports our business and reflects commercial and economic activity.

There will be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. We use our best judgment in determining the appropriate course of action, using available tax reliefs and incentives where possible. We do not engage in artificial tax arrangements.

External professional advice will be sought to support a tax position or assess tax risk where it is considered appropriate or when a transaction requires specialist knowledge.

**Relationship with Her Majesty's Revenue & Customs ("HMRC")**

Shaw is committed to the principles of openness and transparency in its approach to dealing with tax authorities. All dealings with HMRC will be conducted in a collaborative, courteous, and timely manner. Our goal is to achieve early agreement on disputed matters, and to achieve certainty wherever possible. We ensure there is access to relevant information upon HMRC's request.

**This is the UK tax strategy for each UK sub group, UK qualifying company, UK permanent establishment, and UK partnership within the Shaw group of companies.**