

MSA Safety Incorporated Tax Strategy statement

MSA is a global leader in the development, manufacture, and supply of safety products that protect people and facility infrastructures. Our mission is that men and women may work in safety and that they, their families, and their communities may live in health throughout the world. Our strategy to drive industry-leading innovation, invest in acquisitions, and focus on “value creation” activities that strengthen the core of MSA has proved successful in driving shareholder value.

Because of a diverse portfolio of safety products in markets throughout the world, our business activities generate a substantial amount and variety of taxes. Both currently and historically, we have taken a low risk approach to tax strategy. Our Global Code of Business Conduct sets forth our core requirements for ethics and compliance with the law. MSA’s approach to tax risk is consistent with this code of conduct. MSA is committed to complying with tax laws responsibly, and fostering open and constructive relationships with tax authorities.

Tax risk management and governance

As part of our internal control processes, tax risk is aligned with MSA’s risk management system. We identify, assess, and manage tax risks and account for them appropriately. Internal controls related to tax processes are monitored, evaluated for effectiveness, and updated on an ongoing basis. An update on potential tax risks is periodically reported to our executive leadership team and board of directors, who provide governance and oversight.

Tax planning

In accordance with our low-risk tax strategy, we do not engage in tax planning that does not support genuine business purpose. We conduct intercompany transactions based upon an arm’s-length basis and in accordance with the current OECD principles. In various jurisdictions where tax incentives and exemptions exist, MSA applies them in the manner intended. The overarching principles of our tax planning strategy is to support our business, adhere to all relevant tax laws, and minimize the risk of uncertainty or disputes.

Tax authority relationships

We take a constructive, collaborative, and respectful approach to building relationships with governments and tax authorities. Audits and tax authority inquiries are, in most circumstances, handled by the local accounting team. We actively work with tax authorities to resolve disputes in a timely and professional manner. We fully support the development of multilateral laws aimed at greater transparency; consequently, increasing understanding and shareholder trust.

We consider that the above statement complies with MSA Safety Incorporated’s obligation under para 16(2) and para 25 (1), Sch 19 Finance Act 2016. This statement was reviewed and updated as of September 1, 2018.