FINAL ASSESSMENT
ALLIANT TECHSYSTEMS INC. (ATK)¹

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>30%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>75%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>60%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>71.4%</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>57.7%</td>
</tr>
</tbody>
</table>

TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).

¹ In 2015, ATK merged with Orbital Sciences Corp. to form Orbital ATK Inc. ATK was assessed before the completion of this merger.
ATK 23/05/14
HTTP://WWW.ATK.COM/
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

1

Comments:
Based on public information, there is evidence that the company publishes a statement from the Chief Executive Officer supporting the ethics agenda of the company. However, no specific mention of anti-corruption is made. The company therefore scores 1.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.2:
‘Dear ATK Employee:
At ATK, ethics is not just a slogan – it’s a way of life. We are firmly committed to conducting our operations ethically and in compliance with the laws and regulations that govern our business. The way we conduct business with our co-workers, customers, suppliers, competitors and regulatory agencies, and within our communities, shapes our corporate reputation – one of the most important assets we have. At ATK, we emphasize that no success is worth the expense of compromising our integrity. As a result, our customers, partners and stockholders continue to trust our products and services. Our ATK Business Ethics Code of Conduct should be used as a tool to help you make the right decisions and resolve ethical issues you may encounter. I encourage you to read the Code of Conduct and refer to it often. Leaders, managers and supervisors should lead by example and help employees follow the Code by addressing questions about it and seeking additional assistance when needed. We all have a shared responsibility to maintain high ethical standards and to ensure that ATK is a place where we are proud to work. If you are faced with an ethical dilemma or think that the Code of Conduct is being violated – or if you are unsure or have a question – we ask you to speak up. There are resources available to provide guidance on doing the right thing. We encourage you to talk to your supervisor or manager, human resources, a legal advisor, an ethics committee representative, or the Corporate Ethics and Compliance Office. You may also share your concerns through ATK’s Ethics Helpline at 1-800-345-8594 or online at www.atkethics.com. Thank you for your commitment to our Code of Conduct and ATK’s values. I encourage you to act the right way,
every day. Together we’ll make sure ATK retains our reputation for integrity and success.
Mark W. DeYoung
President and CEO’
A2:

Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:

1

Comments:

Based on public information, there is some evidence that the Chief Executive Officer demonstrates a personal, external facing commitment to the ethics and anti-corruption agenda of the company. The President and CEO, Mark DeYoung, was quoted in a press release on the company’s ethics policy when the Corporate Social Responsibility Report was published in May 2014. The company therefore scores 1.

References:

Public:

‘ATK Releases FY14 Corporate Social Responsibility Report

Information contained on this page is provided by an independent third-party content provider. WorldNow and this Station make no warranties or representations in connection therewith. If you have any questions or comments about this page please contact pressreleases@worldnow.com. SOURCE ATK

ARLINGTON, Va., May 6, 2014 /PRNewswire/ -- ATK (NYSE: ATK) today released its Fiscal Year 2014 Corporate Social Responsibility (CSR) report.

The report highlights ATK's efforts in FY14 to make a positive impact in seven categories: safety, ethics and compliance, community service, military support, STEM education, environmental stewardship, and employees and the workplace.

"Responsibility is an integral part of ATK's culture," said Mark DeYoung, ATK's President and Chief Executive Officer. "Our company plays an important role in the communities where we do business, and as such, we have an obligation to our customers, our neighbors and our employees to be a good corporate citizen."
The company's ethics, safety and environmental sections align with ATK's strategic vision to operate at the highest standard of integrity, ethics and governance and to maintain industry-leading safety and environmental performance.

"At ATK, our ethics motto is 'Do Right,' with a focus on integrity in everything we do," DeYoung said. "We are also committed to protecting the environment through stewardship programs and maintaining our industry-leading safety performance."

ATK's community service efforts are structured into three focus areas: support of the United Way; support of military members and their families; and support of STEM (Science, Technology, Engineering, and Math) education.

"ATK employees generously support the United Way, with contributions this past year totaling more than $1.2 million across the company," DeYoung said. "We also continued our robust program to help support military members, wounded warriors and their families through events with the USO, the Grateful Nation television program and a $200,000 donation to the Folds of Honor Foundation."

In FY14, ATK formed a STEM network to better align the various STEM education projects occurring across the company.

"ATK is committed to promoting STEM education in local communities," DeYoung said. "By engaging with students and giving them opportunities to see STEM in action, we are helping to inspire the next generation of innovators and explorers."

The full report can be found at www.atk.com/corporate-social-responsibility.

ATK is an aerospace, defense and commercial products company with operations in 22 states, Puerto Rico and internationally. News and information can be found on the Internet at www.atk.com, on Facebook at www.facebook.com/atk or on Twitter@ATK.’

A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

References:
Public:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

1

Comments:
Based on public information, there is evidence that the company publishes a statement of values representing high standards of business conduct, in particular integrity. The company demonstrates that integrity is translated into company policies and codes, but the scope of values falls short of those sought by the question. The company therefore scores 1.

References:

Public:
Company Website:
‘Our values focus and align us as a company. They form the foundation for our behavior, how we conduct business, make decisions and treat others. We are trusted, innovative, persistent, execution-focused, patriotic, and generous in our giving. Safety is a core element of our culture. It’s part of our DNA; it’s in everything we do. We are committed to safe operations and are diligent in our safety practices and processes. People are our most important asset and our greatest competitive advantage. We believe our people drive our success. We want an accountable and engaged workforce. We desire to attract and retain the very best and we pay for performance. We hold our leaders and employees accountable for developing future talent. We seek a diverse workforce rich in talent, background, ideas and experience. Customers depend on what we deliver. We treat customers with respect and dignity. We build relationships through our performance. We deliver mission-essential products that must perform each and every time. Execution excellence drives our culture of success. We deliver high-quality, innovative and affordable products through a disciplined, process-driven approach. We drive efficiencies through continuous improvement in our processes and procedures. We build relationships through our performance.

Patriotism is embedded in our culture. We support and give back to our troops and their families by contributing to organizations and causes that benefit them. Corporate responsibility means integrity in everything we do. We insist upon ethical behavior,
environmental stewardship and a focus on safety. We give back to the communities where we operate. Being a good corporate citizen benefits our customers, our employees and our businesses. It reinforces the attractiveness of our brands and products, and it’s the right thing to do. Our Business Ethics Code of Conduct and Corporate Social Responsibility Report detail our commitment to these values. As a good corporate citizen we are also committed to conducting international business with integrity, and in full compliance with the law and our policies. Our Company’s FCPA Policy requires our employees and business partners to comply fully with the FCPA and anti-corruption laws in countries where ATK conducts business. These commitments are reinforced through regular and required compliance training for our employees and business partners.’

http://www.atk.com/about/corporate-overview/values

Business Ethics Code of Conduct (November 2013), p.3:
‘Our values focus and align us as a company. They form the foundation for our behavior, how we conduct business, make decisions and treat others. We are trusted, innovative, persistent, execution focused, patriotic and generous in our giving.
Safety is a core element of our culture. It is part of our DNA; it is in everything we do. We are committed to safe operations and are diligent in our safety practices and processes.
People are our most important asset and our greatest competitive advantage. We believe our people drive our success. We want an accountable and engaged workforce. We desire to attract and retain the very best and we pay for performance. We hold our leaders and employees accountable for developing future talent. We seek a diverse workforce rich in talent, background, ideas and experience.
Customers depend on what we deliver. We treat customers with respect and dignity. We build relationships through our performance. We deliver mission-essential products that must perform each and every time.
Execution excellence drives our culture of success. We deliver high-quality, innovative and affordable products through a disciplined, process-driven approach. We drive efficiencies through continuous improvement in our processes and procedures. We build relationships through our performance.
Patriotism is embedded in our culture. We support and give back to our troops and their families by contributing to organizations and causes that benefit them.
Corporate responsibility means integrity in everything we do. We insist upon ethical behavior, environmental stewardship and a focus on safety. We give back to the communities where we operate. Being a good corporate citizen benefits our customers, our employees and our businesses. It reinforces the attractiveness of our brands and products, and it is the right thing to do.’

http://ir.atk.com/phoenix.zhtml?c=118594&p=irGovhighlights

Corporate Social Responsibility Report (2014), p.4:
‘Our values focus and align us as a company. They form the foundation for our behavior, how we conduct business, make decisions, and treat others. We are trusted, innovative, persistent, execution-focused, patriotic, and generous in our giving.’
(p.9): ‘At ATK, “Ethics and Compliance” is more than just a slogan – it’s a way of life. “Do Right” is about integrity in everything we do – with our colleagues, our customers, and in the business community. ATK’s Business Ethics Code of Conduct, found at http://atk.com/corporate-governance/business-ethics-code-of-conduct/, and our ethics compliance program outline the principles that guide our actions. In FY14, ATK revised and updated its Code of Conduct.’

A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

2

Comments:
Based on public information, there is evidence that the company is a member of the Defence Industry Initiative on Business Ethics and Conduct (DII).

References:
Public:
DII signatories page:
http://www.dii.org/signatories
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score: 2

Comments: Based on public information, there is evidence that the company has appointed the Audit Committee with overall corporate responsibility for its ethics and anti-corruption agenda. The Committee Charter states its responsibilities with respect to the company’s ethics and compliance.

Public:
The Audit Committee of the Board of Directors provides oversight of our ethics and compliance activities. Our Ethics and Compliance Executive Committee provides leadership for sustained ethical business conduct within ATK. Our Corporate Ethics and Compliance Office assists employees in understanding ATK’s Business Ethics Code of Conduct. In addition, we make sure that every ethics concern is taken seriously, and our Corporate Ethics and Compliance Office ensures that each concern is appropriately investigated. Our Corporate Ethics and Compliance Office provides training to investigators and oversees our investigation process. We have Ethics Committees across our business groups that help support our ethics program for each of our business units.’


Company Website:
‘Audit Committee
The Audit Committee monitors: the integrity of the financial statements; compliance with legal and regulatory requirements; the qualifications and independence of the independent auditors; and performance of the internal audit department and the independent auditor.’

ATK 23/05/14
HTTP://WWW.ATK.COM/
Audit Committee Charter para S:

‘Review the Corporation’s policies and practices related to compliance with law and government regulations and policies, the Corporation’s code of business ethics and conduct, and conflicts of interest, in order to be satisfied that such policies and procedures are adequate and adhered to by the Corporation. Monitor the status of such compliance through the review of reports from management, internal audit, the director of business ethics and conduct, legal counsel and third parties as determined by the Committee.’

http://cms.atk.com/SiteCollectionDocuments/IR/Audit%20Committee%20Charter%20January%2031%202013.pdf
A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda.

References:
Public:
Ti notes:
Corporate Social Responsibility Report (2014), p.9:
‘Organizational Structure
The Audit Committee of the Board of Directors provides oversight of our ethics and compliance activities. Our Ethics and Compliance Executive Committee provides leadership for sustained ethical business conduct within ATK. Our Corporate Ethics and Compliance Office assists employees in understanding ATK’s Business Ethics Code of Conduct. In addition, we make sure that every ethics concern is taken seriously, and our Corporate Ethics and Compliance Office ensures that each concern is appropriately investigated. Our Corporate Ethics and Compliance Office provides training to investigators and oversees our investigation process. We have Ethics Committees across our business groups that help support our ethics program for each of our business units.’
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:
1

Comments:
Based on public information, there is evidence that there is regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda. The Audit Committee Charter sets out the company’s commitment to monitoring and review, but the precise scope of such review is not articulated, nor is there any indication of how often such review will take place. The company therefore scores 1. To score higher the company would need to indicate the exact scope of the review and how regularly such a review is carried out.

References:
Public:
‘The Audit Committee of the Board of Directors provides oversight of our ethics and compliance activities. Our Ethics and Compliance Executive Committee provides leadership for sustained ethical business conduct within ATK. Our Corporate Ethics and Compliance Office assists employees in understanding ATK’s Business Ethics Code of Conduct. In addition, we make sure that every ethics concern is taken seriously, and our Corporate Ethics and Compliance Office ensures that each concern is appropriately investigated. Our Corporate Ethics and Compliance Office provides training to investigators and oversees our investigation process. We have Ethics Committees across our business groups that help support our ethics program for each of our business units.’

Corporate Governance Guidelines:
‘Board Committees. Committees may be established from time to time to assist in the execution of the Board’s responsibilities. The Board has established the following three standing committees: the Audit Committee, the Nominating and Governance Committee

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HTTP://WWW.ATK.COM/
and the Personnel and Compensation Committee. Each committee shall have a written charter of its responsibilities and duties, which shall be reviewed and approved by the Board. Each committee shall report its activities, actions and recommendations to the Board after each meeting.

http://cms.atk.com/SiteCollectionDocuments/IR/Corporate%20Governance%20Guidelines%20January%2031%202013.pdf

Audit Committee Charter para S:

‘Review the Corporation’s policies and practices related to compliance with law and government regulations and policies, the Corporation’s code of business ethics and conduct, and conflicts of interest, in order to be satisfied that such policies and procedures are adequate and adhered to by the Corporation. Monitor the status of such compliance through the review of reports from management, internal audit, the director of business ethics and conduct, legal counsel and third parties as determined by the Committee.’

http://cms.atk.com/SiteCollectionDocuments/IR/Audit%20Committee%20Charter%20January%2031%202013.pdf
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:
0

Comments:
Based on public information, there is no readily available evidence that there is a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and no evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
A9: Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption. TI notes that the company investigates concerns, but it is not clear if this includes a review of the policies and practices.

References:

Public:
TI notes:
‘The Audit Committee of the Board of Directors provides oversight of our ethics and compliance activities. Our Ethics and Compliance Executive Committee provides leadership for sustained ethical business conduct within ATK. Our Corporate Ethics and Compliance Office assists employees in understanding ATK’s Business Ethics Code of Conduct. In addition, we make sure that every ethics concern is taken seriously, and our Corporate Ethics and Compliance Office ensures that each concern is appropriately investigated. Our Corporate Ethics and Compliance Office provides training to investigators and oversees our investigation process. We have Ethics Committees across our business groups that help support our ethics program for each of our business units.’
A9(a):

Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

1

Comments:

Based on public information, there is evidence that the company has a formal anti-corruption risk assessment procedure implemented enterprise wide. The company therefore scores 1. To score higher the company would need to provide evidence of the development and application of mitigation plans.

References:

Public:
Corporate Social Responsibility Report (2014), p.9:
‘Compliance Risk Assessments
Each year, our Corporate Ethics and Compliance Office partners with ATK’s Internal Audit department to conduct risk assessments of our functional compliance areas, including U.S. export and import laws and regulations, the U.S. Foreign Corrupt Practices Act, antitrust, and IT Security. The results of the risk assessments are reviewed each year with the Audit Committee of the Board of Directors. Through this process, we establish a framework of trust and credibility with our investors, our employees, and the general public.’
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:
Public: NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:
Public:
NA
A12 :

Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption. TI notes that agents working with the company are required to abide by the Code of Conduct. However, there is no evidence to suggest that contractual rights are put in place.

References:

Public:

TI notes:

Company Website:

‘Suppliers

... We are committed to conducting business in an ethical manner and we expect our suppliers to have the same level of commitment. ATK holds itself to the highest ethical standards and takes pride in a reputation of trust, integrity, and accountability among key stakeholders—employees, suppliers, agents, customers, and shareholders—and we use the Business Ethics Code of Conduct, to outline and reinforce our commitment to ethical behavior at every level. We require each and every employee to read, understand, and abide by our Code of Conduct. We also strive to develop partnerships with suppliers that agree to adhere to the elements of our code of conduct that support our employees’ efforts.’

http://www.atk.com/suppliers
A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:
2

Comments:
Based on public information, there is evidence that the company makes clear to suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.29:
‘Business Conduct Standards
We expect our suppliers to abide by ATK’s Business Ethics Code of Conduct. If your job involves selecting or managing suppliers, ensure that the supplier understands our requirement to operate at the highest standard of ethics, integrity and governance. You must also be alert to and report to your supervisor or manager any conduct by a supplier, its employees or subcontractors that appears to be inconsistent with the standards of this Code.
Corporat e Responsibilities and Citizenship
We expect our suppliers to follow all laws that require them to treat workers fairly, provide a safe and healthy work environment, and protect natural resources. Like ATK, suppliers should seek to minimize the environmental impact of their operations and reduce waste, emissions, energy consumption and the use of materials of concern. ATK expects suppliers to treat their workers with integrity and respect, and we have zero tolerance for trafficking in persons or the use of forced labor. Suppliers are required to comply with this prohibition and take affirmative steps to combat trafficking in persons and forced labor.’

Company Website:
‘Suppliers

ATK 23/05/14
HTTP://WWW.ATK.COM/
... We are committed to conducting business in an ethical manner and we expect our suppliers to have the same level of commitment. ATK holds itself to the highest ethical standards and takes pride in a reputation of trust, integrity, and accountability among key stakeholders—employees, suppliers, agents, customers, and shareholders—and we use the Business Ethics Code of Conduct, to outline and reinforce our commitment to ethical behavior at every level. We require each and every employee to read, understand, and abide by our Code of Conduct. We also strive to develop partnerships with suppliers that agree to adhere to the elements of our code of conduct that support our employees’ efforts.’

http://www.atk.com/suppliers

Company Website:
‘CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT DISCLOSURE
Corporate responsibility means integrity in everything we do. Our values focus and align us as a company. They form the foundation of our behavior, how we conduct business, make decisions, and treat others. We insist on ethical behavior, environmental stewardship, and a focus on safety. We expect our suppliers to follow all laws that require them to treat workers fairly, provide a safe and healthy work environment, and protect natural resources. Being a good corporate citizen reinforces the attractiveness of our brands and products, and it’s the right thing to do.

The ATK Business Ethics Code of Conduct outlines and reinforces our commitment to ethical behavior at every level. Every ATK employee is required to read, understand, and comply with the Business Ethics Code of Conduct, which clearly explains the company’s standards. On an annual basis, ATK conducts mandatory Business Ethics Code of Conduct training for all employees. We maintain an Ethics Helpline, which enables employees or any third party to raise ethics concerns and questions. All concerns are investigated and when violations occur, corrective measures are promptly instituted and carried out. ATK strictly prohibits retaliation for raising a concern or question about ethics and compliance.

As required by the Federal Acquisition Regulations, ATK’s standard terms and conditions for solicitations and contracts include the appropriate clause declaring zero tolerance for trafficking in persons and the use of forced labor. Suppliers are required to comply with this prohibition and take affirmative steps to combat trafficking in persons and forced labor. ATK’s suppliers are required to flow compliance with this clause down to their suppliers.

We conduct due diligence to assess potential supplier compliance to ATK standards and applicable laws. Once a supplier is engaged under contract, we utilize a set of audit tools to ensure a supplier’s continued compliance during its performance. We regularly assess risk related to our supply chain based on geography, commodity purchased, quality, and efficient performance. Suppliers failing to meet ATK’s standards are terminated.’

A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A15:

Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

2

Comments:

Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.32:
‘ATK does not tolerate bribery or corrupt activities in any aspect of our business
At ATK, we may not engage in any form of bribery or kickbacks. You must never offer, give, solicit or accept any form of bribe or kickback in any aspect of our business, including our commercial transactions as well as our dealings with government officials and employees. A bribe or kickback involves accepting or providing (directly or indirectly) money, gifts or anything of value to obtain or retain business, direct business to any other person or entity, or secure an improper advantage. Favorable treatment may appear innocent, but it is illegal when offered in exchange for a bribe or kickback. You should never offer or accept anything of value if you have the slightest doubt about the transaction. Many anti-bribery laws like the U.S. Foreign Corrupt Practices Act (FCPA) specifically prohibit bribes to or for the benefit of public officials. The term “public official” is broadly defined and includes government officials and employees, employees of government-owned businesses and candidates for public office. The FCPA applies to all of our international business. We must comply with all applicable anti-bribery laws and never offer or accept a payment or gift that may be construed as illegal or improper regardless of local law or custom.
In certain parts of the world, it is common for low-level foreign government employees to ask for small payments to expedite or secure the performance of a routine governmental action, such as to obtain a visa or to schedule an inspection. ATK has a clear policy prohibiting such “facilitating payments” without the review and approval of an ATK Legal Advisor, no matter how common or ordinary the payment may appear. You should always consult your ATK Legal Advisor if you have questions or concerns.’
A16:

Is the anti-corruption policy explicitly one of zero tolerance?

Score:

2

Comments:

Based on public information, there is evidence of a zero-tolerance anti-corruption policy.

References:

Public:

Business Ethics Code of Conduct (November 2013), p.32:

‘ATK does not tolerate bribery or corrupt activities in any aspect of our business

At ATK, we may not engage in any form of bribery or kickbacks. You must never offer, give, solicit or accept any form of bribe or kickback in any aspect of our business, including our commercial transactions as well as our dealings with government officials and employees. A bribe or kickback involves accepting or providing (directly or indirectly) money, gifts or anything of value to obtain or retain business, direct business to any other person or entity, or secure an improper advantage. Favorable treatment may appear innocent, but it is illegal when offered in exchange for a bribe or kickback. You should never offer or accept anything of value if you have the slightest doubt about the transaction.

Many anti-bribery laws like the U.S. Foreign Corrupt Practices Act (FCPA) specifically prohibit bribes to or for the benefit of public officials. The term “public official” is broadly defined and includes government officials and employees, employees of government-owned businesses and candidates for public office. The FCPA applies to all of our international business. We must comply with all applicable anti-bribery laws and never offer or accept a payment or gift that may be construed as illegal or improper regardless of local law or custom.

In certain parts of the world, it is common for low-level foreign government employees to ask for small payments to expedite or secure the performance of a routine governmental action, such as to obtain a visa or to schedule an inspection. ATK has a clear policy prohibiting such “facilitating payments” without the review and approval of an ATK Legal Advisor, no matter how common or ordinary the payment may appear. You should always consult your ATK Legal Advisor if you have questions or concerns.’

http://ir.atk.com/phoenix.zhtml?c=118594&p=irgovhighlights
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:
Based on public information, there is evidence that the company's anti-corruption policy is easily accessible. The company's Business Ethics Code of Conduct is available in English and Spanish. However, TI notes that the old version of the Business Ethics Code of Conduct is still accessible via the Values page on the company website, and this could be confusing for those trying to access the Code.

References:
Public:
Business Ethics Code of Conduct (October 2011):

TI notes that the company's Business Ethics Code of Conduct is available in English and Spanish:
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is easily understandable and clear. TI notes that examples are provided in a Q&A format in the Business Ethics Code of Conduct to aid understanding.

References:
Public:
Business Ethics Code of Conduct (October 2011)
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

2

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy applies to all employees and members of the Board.

References:

Public:

Business Ethics Code of Conduct (November 2013), p.7:
‘This Code applies to everyone at ATK. Each ATK employee, officer and director is expected to read, understand and follow our Code. We also expect our suppliers, vendors, contractors and business partners to follow our Code and support effective compliance programs within their own organizations.’

(p.12): ‘Violations of legal requirements, our policies or this Code may have severe consequences to you and ATK, such as significant fines, penalties and a damaged reputation. Violations may jeopardize our relationships with customers and suppliers and could result in the loss of our ability to do business. Anyone who violates laws, regulations, our policies or this Code is subject to disciplinary action up to and including termination.’ [http://ir.atk.com/phoenix.zhtml?c=118594&p=irol-govhighlights]

Corporate Governance Charter (January 2013), p.3:

Company Website:
‘Suppliers

... We are committed to conducting business in an ethical manner and we expect our suppliers to have the same level of commitment. ATK holds itself to the highest ethical standards and takes pride in a reputation of trust, integrity, and accountability among key stakeholders—employees, suppliers, agents, customers, and shareholders—and we use the Business Ethics Code of Conduct, to outline and reinforce our commitment to ethical behavior at every level. We require each and every employee to read, understand, and abide by our Code of Conduct. We also strive to develop partnerships with suppliers that agree to adhere to the elements of our code of conduct that support our employees’ efforts.’

http://www.atk.com/suppliers
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:

2

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest for employees and for Board members. The company provides examples of possible conflicts of interest.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.18:
‘We all have a duty to act in the best interests of ATK. Putting ATK first means protecting ATK’s reputation and our stockholders’ investment in ATK by avoiding situations that create, or appear to create, a conflict between your personal interests and what is best for ATK. If you believe that you or another employee may have a possible conflict of interest you should discuss it with an ATK Legal Advisor or the Corporate Ethics and Compliance Office who will determine whether any additional action is required.

Personal or Family Financial Interests
You should disclose any financial interests that you or an immediate family member or member of your household has in a competitor, customer, subcontractor, distributor or supplier of ATK to an ATK Legal Advisor or the Corporate Ethics and Compliance Office who will determine whether any additional action is required. You should not pursue a business relationship or be involved in awarding business to an entity in which you or a member of your family or household member has a significant financial interest.

Outside Employment
Before you accept outside employment or even a volunteer position, consider carefully whether the outside activity will create a conflict of interest with your work at ATK. Generally speaking, working for or providing services to any ATK customer, subcontractor, distributor, competitor or supplier may pose a personal conflict of interest and must be approved by your ATK Legal Advisor or the Corporate Ethics and Compliance Office. Even where outside employment or activities are approved, they must never interfere with your job responsibilities at ATK. Putting ATK first means giving your work at ATK your full
attention.

Business Opportunities
If you become aware of a business opportunity that may be of interest to ATK, you may not divert that opportunity for your own personal gain or for the benefit of another company. Also, you may not use your position with ATK, or ATK customer information or property, in competition with ATK, either directly or indirectly.

Q: My brother-in-law runs a temporary employment agency. I recommended to my manager that we should engage this agency as one of our preferred suppliers of engineering talent. I did not mention that my brother-in-law owns the company, as it did not seem relevant. Did I do the right thing?
A: No. Even if you do not believe that you are influenced by your personal relationship with a contact at a supplier, you are still required to disclose that information to your manager and remove yourself from the solicitation process. Remember, perceived conflicts of interest can damage ATK’s reputation as much as actual conflicts of interest.

Service in Other Organizations
Serving as a director, officer or other member of an outside organization, including for-profit and not-for-profit boards, technical advisory boards, government boards and professional organizations can create a personal conflict of interest, even if you receive no money for your services. If a potential conflict of interest could develop, you must seek guidance from an ATK Legal Advisor or the Corporate Ethics and Compliance Office before accepting such an appointment.

Nepotism
A working relationship between a supervisor and subordinate who are also related may raise questions about objectivity and create the appearance of favoritism. You may not supervise or be supervised by a family or household member. You must disclose any of these supervisory relationships to an ATK Legal Advisor or the Corporate Ethics and Compliance Office immediately. ATK will reassign employees who have family or household ties so that these employees are no longer in a direct reporting relationship.


Corporate Governance Charter (January 2013), p.3:
‘Directors shall avoid any interest that interferes with the interests of the Corporation. Directors must promptly disclose to the Chairman of the Board of Directors and the Chair of the Nominating and Governance Committee any fact or circumstance that may involve a conflict of interest or a related person transaction in which the Corporation is a participant. If a conflict exists and cannot be resolved, the director should resign.’
A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:
1

Comments:
Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. However, no public reference is made to upper limits or the requirement for senior authorisation. These details may be included in the company's Business Courtesies, Gifts and Gratuities Policy, but this is not publicly available. The company therefore scores 1.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.33:
‘You should always follow ATK’s Business Courtesies, Gifts and Gratuities Policy whenever you are offered or wish to offer gifts, hospitality or entertainment. You should avoid any situation in which the gift, hospitality or entertainment would violate applicable law or impact the recipient’s objectivity.

Never offer or accept any gift or entertainment that is intended to create an obligation or influence or reward a business decision.

Guidelines When Dealing with Government Officials and Employees
‘You should exercise caution before offering “anything of value” to a government official or employee. “Anything of value” can include gifts, meals, entertainment, business incentives or commissions, travel expenses or any other favor. Even a small gift or a simple lunch may violate the law.

Guidelines When Dealing with Suppliers
‘Employees who procure goods and services must take care to ensure all procurement decisions are made on the merits and are not influenced, nor do they appear to be influenced, by personal interest.

‘No one should use their position at ATK to obtain gifts or other economic benefit.

‘Receipt of certain business courtesies may be appropriate to promote goodwill and maintain or establish successful business relations, but you must ensure that the courtesies,
gifts or entertainment conform to ATK’s Business Courtesies, Gifts and Gratuities Policy.

Guidelines When Receiving Business Courtesies

`All business courtesies offered to and accepted by ATK employees are gifts belonging to ATK and are not for your personal use.’

http://ir.atk.com/phoenix.zhtml?c=118594&p=irpol-govhighlights
A22:
Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:

Based on public information, there is no readily available evidence of a statement on the giving and receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. However, no public reference is made to upper limits or the requirement for senior authorisation. These details may be included in the company’s Business Courtesies, Gifts and Gratuities Policy, but this is not publicly available. The company therefore scores 1.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.33:
‘You should always follow ATK’s Business Courtesies, Gifts and Gratuities Policy whenever you are offered or wish to offer gifts, hospitality or entertainment. You should avoid any situation in which the gift, hospitality or entertainment would violate applicable law or impact the recipient’s objectivity.

Never offer or accept any gift or entertainment that is intended to create an obligation or influence or reward a business decision.

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‘ No one should use their position at ATK to obtain gifts or other economic benefit.
Receipt of certain business courtesies may be appropriate to promote goodwill and maintain or establish successful business relations, but you must ensure that the courtesies, gifts or entertainment conform to ATK’s Business Courtesies, Gifts and Gratuities Policy.

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http://ir.atk.com/phoenix.zhtml?c=118594&p=irGovHighlights
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments. TI notes that the company prohibits such payments to low-level foreign government employees without the review and approval of an ATK Legal Advisor. As such, TI assesses that this is not a comprehensive policy and its wording implies that such payments may be permitted in certain circumstances.

References:
Public:
TI notes:
Business Ethics Code of Conduct (November 2013), p.32:
‘ATK does not tolerate bribery or corrupt activities in any aspect of our business ...In certain parts of the world, it is common for low-level foreign government employees to ask for small payments to expedite or secure the performance of a routine governmental action, such as to obtain a visa or to schedule an inspection. ATK has a clear policy prohibiting such “facilitating payments” without the review and approval of an ATK Legal Advisor, no matter how common or ordinary the payment may appear. You should always consult your ATK Legal Advisor if you have questions or concerns.’
http://ir.atk.com/phoenix.zhtml?c=118594&p=iror-govhighlights
A24:
Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

2

Comments:

Based on public information, there is evidence that the company regulates political contributions in order to prevent undue influence or other corrupt intent. There is evidence that such contributions are publicly disclosed.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.21:
‘ATK participates in the U.S. political and legislative process to ensure that ATK’s interests in the aerospace, defense and sporting industries are appropriately represented. ATK fully complies with applicable laws and regulations to make certain that our political and lobbying activities are conducted in a legal, ethical and transparent manner. If you wish to contact officials to influence legislation, regulations or enforcement on behalf of ATK, you must first obtain the approval of ATK Government Relations. ATK encourages you to participate individually in the political process on your own time and expense and without use of ATK resources. At no time should you create the impression that you are expressing political views on ATK’s behalf.’
http://ir.atk.com/phoenix.zhtml?c=118594&p=irpol-govhighlights

Company Website:
‘Political Disclosure & Compliance
ATK participates in the U.S. political process to ensure that ATK’s interests in the aerospace, defense and sporting industries, and as a large employer, are appropriately represented. ATK and its employees have legitimate interests in public policy and decisions that are made by public officials and have a direct impact on our business. ATK fully complies with all federal and state laws and regulations to make certain that political activity and lobbying expenditures are conducted in a legal, ethical and transparent manner and are consistent with ATK’s Business Ethics Code of Conduct. All such activities are made solely in the
interests of ATK shareholders, customers and employees, and are not based on the personal agendas of individual employees, officers or directors.

Direct Corporate Contributions
In ATK’s fiscal year ended March 31, 2014, ATK (Alliant Techsystems) did not spend corporate funds for political contributions to any political party or candidate for federal public office, or in support of any ballot initiative or political committee, but ATK's Aerospace Group made contributions to candidates for state public office in Utah totaling $4,950. The Utah reports are disclosed publicly at Disclosures.Utah.gov.

Independent Expenditures and Public Communications
In ATK’s fiscal year ended March 31, 2014, ATK did not spend corporate funds for the direct funding of independent expenditures or communications to the general public expressly advocating for or against candidates in elections for public office, or for ballot initiatives or other legislative outcomes.

Federal Lobbying Expenditures and Disclosures
ATK engages in the legislative process to communicate its views on legislative and regulatory matters affecting ATK’s businesses, employees, shareholders and customers. Federal lobbying activities are regulated by the Lobbying Disclosure Act (LDA) of 1995, as amended in 2007 by the Honest Leadership and Open Government Act (HLOGA).

In full compliance with the LDA, ATK’s federal lobbying activities and expenses are defined by Section 162(e) of the Internal Revenue Code. ATK (Alliant Techsystems) is registered with the Secretary of the U.S. Senate and Clerk of the U.S. House of Representatives, and files lobbying reports on a quarterly basis. All reports are disclosed publicly and can be viewed on the U.S. Senate and the House of Representatives websites. For ATK’s fiscal year ended March 31, 2014, ATK (Alliant Techsystems) reported $1,620,000 in lobbying expenses.

In addition, all ATK employees who are registered federal lobbyists must publicly file individual semi-annual lobbying disclosure reports per LDA requirements.

State and Local Lobbying Expenditures and Disclosures
In instances when ATK engages in state or local lobbying activities, ATK fully complies with all governing rules, regulations and transparency measures required by the individual state. During the fiscal year ended March 31, 2014, ATK did not engage in state or local lobbying activity except as identified below. Disclosure of such activity, if engaged in, will be provided on this website.

<table>
<thead>
<tr>
<th>State</th>
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http://ir.atk.com/phoenix.zhtml?c=118594&p=irGovpolitical

ATK 23/05/14
HTTP://WWW.ATK.COM/
A25:

Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:

2

Comments:

Based on public information, there is evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent. There is evidence that the company discloses lobbying expenditures.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.21:
‘ATK participates in the U.S. political and legislative process to ensure that ATK’s interests in the aerospace, defense and sporting industries are appropriately represented. ATK fully complies with applicable laws and regulations to make certain that our political and lobbying activities are conducted in a legal, ethical and transparent manner. If you wish to contact officials to influence legislation, regulations or enforcement on behalf of ATK, you must first obtain the approval of ATK Government Relations.
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http://ir.atk.com/phoenix.zhtml?c=118594&p=irgovpolitical
A25(a):

Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent. TI notes that the company provides significant details on its charitable activities in the Corporate Social Responsibility Report.

References:

Public:
TI notes:
Company Website:
‘Message from the CEO

Responsibility is an ATK Value

At ATK, we recognize our company is not simply a name on a stock ticker or a label on a product.

We are an important part of the communities where we do business. Our company operates in 22 states across the nation and in countries around the world. That means we interact with thousands of people on a daily basis.

People are at the center of our company’s values. We know without people, ATK wouldn’t be a success.

The people we serve include the customers and end-users of our highly engineered products, such as members of the military and law enforcement, astronauts, and hunting and shooting sports enthusiasts, who expect our products to work correctly, every time. They are our neighbors in the communities where we operate, who expect us to keep the
environment clean and help others through community service. They are our employees, who expect a safe and ethical working environment where they can provide for their families.

Corporate social responsibility is an important part of ATK’s culture. We treat our employees with respect. We are committed to operating at the highest standards of integrity, ethics and governance. We protect the environment through stewardship programs and are committed to maintaining industry-leading safety and environmental performance. And we give back to those in need through an employee-led, community engagement program.

We partner with military organizations, such as the USO, Grateful Nation, and Folds of Honor, to support and thank military members, wounded warriors, and their families. We champion a company-wide United Way campaign to raise money for those less fortunate, and employees at many sites volunteer their time and energy for service projects in the surrounding communities. We support events with a Science, Technology, Engineering, and Math (STEM) focus to help inspire our next generation of inventors and explorers.

I am proud of our efforts this past year and invite you to read the rest of this report to learn about the many ways ATK contributes to the common good.

You can also learn more about ATK at ATK.com, on Facebook at www.facebook.com/atk, and on Twitter @ATK.

Mark DeYoung
President and CEO’

http://www.atk.com/about/corporate-social-responsibility

Corporate Social Responsibility Report 2014:
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

2

Comments:

Based on public information, there is evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. Specifically, the company’s Business Ethics Code of Conduct goes into some detail and provides examples in a Q&A format to aid understanding. The company therefore scores 2.

References:

Public:

Business Ethics Code of Conduct (November 2013), p.7:
‘Our Business Ethics Code of Conduct summarizes the standards that govern how we conduct our business. This Code is a common-sense guide to help raise your awareness of legal and ethical issues and understand the process in place for dealing with those issues.’

(p.19): ‘Q: My brother-in-law runs a temporary employment agency. I recommended to my manager that we should engage this agency as one of our preferred suppliers of engineering talent. I did not mention that my brother-in-law owns the company, as it did not seem relevant. Did I do the right thing?
A: No. Even if you do not believe that you are influenced by your personal relationship with a contact at a supplier, you are still required to disclose that information to your manager and remove yourself from the solicitation process. Remember, perceived conflicts of interest can damage ATK’s reputation as much as actual conflicts of interest.’

(p.20): ‘Q: I have an opportunity to serve on the board of an industry organization. Should I disclose this opportunity to ATK before I accept it?
A: Yes. You should discuss the opportunity with your ATK Legal Advisor or the Corporate Ethics and Compliance Office to ensure that your service on the board would not create a
personal conflict of interest.’

(p.22): ‘Q: A co-worker and I are supporting a political candidate and want to stay late at the office to make political phone calls and emails. May we do that?
A: No. While ATK encourages employees to be engaged in the political process, you may not use ATK resources to conduct activity in support or defeat of political candidates.’

(p.30): ‘Q: A consultant has offered to help me sell a big contract to the foreign ministry of defense. Her services will cost $50,000 and she has said that some of the funds will go to her contact within the defense ministry. Any concerns?
A: Yes. Paying money to anyone for the purpose of influencing a foreign official violates the Foreign Corrupt Practices Act (FCPA). Additionally, the foreign country may also have antibribery laws which could also be violated. Contact your ATK Legal Advisor for further guidance. Some laws (including the FCPA) also make it an offense to fail to properly record payments to or for the benefit of public officials. Under our policies, all payments, benefits or favors we make to anyone, including public officials, must be fully and accurately reflected in our financial statements.

Because a third party acting on behalf of ATK can expose the company to liability under the FCPA and other anti-bribery laws, great care must be taken in retaining representatives and other third parties. You must comply with ATK’s policies and procedures, including our due diligence processes in the appointment, management and payment of third-party intermediaries, agents and distributors.

It is important to remember that simply offering a bribe or kickback to anyone is enough to violate ATK policy and the law. Bribery and kickbacks are very serious crimes and it is important that ATK does not allow even the appearance of impropriety. You should consult with your ATK Legal Advisor or ATK’s Corporate International Law Group for further information.’

A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

1

Comments:
Based on public information, there is evidence that the company has a training programme on its Business Ethics Code of Conduct, which includes an anti-corruption policy. The company therefore scores 1. To score higher the company would need to provide evidence of an explicit anti-corruption module.

References:

Public:
Corporate Social Responsibility Report (2014), p.9:
‘Communications and Training
...On an annual basis, ATK conducts mandatory training for all employees on our Business Ethics Code of Conduct. New employees are automatically enrolled for ethics training.’
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

2

Comments:
Based on public information, there is evidence that the company has a mandatory training programme for all employees that covers the Business Ethics Code of Conduct, which includes an anti-corruption policy.

References:
Public:
Corporate Social Responsibility Report (2014), p.9:
‘Communications and Training
...On an annual basis, ATK conducts mandatory training for all employees on our Business Ethics Code of Conduct. New employees are automatically enrolled for ethics training.’
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

1

Comments:
Based on public information, there is evidence that the company provides targeted compliance training to members of the Board. However, it is unclear if such training is refreshed at least every three years. The company therefore scores 1.

References:
Public:
Corporate Governance Guidelines (January 2013), p.2:
‘5. New Director Orientation; Director Continuing Education.
Each new director shall receive formal orientation to include the Corporation’s strategic plans; its significant financial and accounting issues; its enterprise risk management process; its compliance policies and programs; its principal officers; and, as appropriate, its internal and independent auditors. Through such orientation, a director can be fully informed as to their responsibilities and the means at their disposal for the effective discharge of those responsibilities.
The Corporation shall provide opportunities for director continuing education.’
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions. TI notes that the company affirms to train all employees on their Business Ethics Code of Conduct.

References:
Public:
TI notes:
Corporate Social Responsibility Report (2014), p.9:
‘Communications and Training
...On an annual basis, ATK conducts mandatory training for all employees on our Business Ethics Code of Conduct. New employees are automatically enrolled for ethics training.’
A31: 
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score: 0

Comments: 
Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest. TI notes that employees are simply directed to discuss the issue with a Legal Advisor or the Corporate Ethics and Compliance Office.

References:

Public:

TI notes:

Business Ethics Code of Conduct (November 2013), p.18:

‘We all have a duty to act in the best interests of ATK. Putting ATK first means protecting ATK’s reputation and our stockholders’ investment in ATK by avoiding situations that create, or appear to create, a conflict between your personal interests and what is best for ATK. If you believe that you or another employee may have a possible conflict of interest you should discuss it with an ATK Legal Advisor or the Corporate Ethics and Compliance Office who will determine whether any additional action is required.

Personal or Family Financial Interests

You should disclose any financial interests that you or an immediate family member or member of your household has in a competitor, customer, subcontractor, distributor or supplier of ATK to an ATK Legal Advisor or the Corporate Ethics and Compliance Office who will determine whether any additional action is required. You should not pursue a business relationship or be involved in awarding business to an entity in which you or a member of your family or household member has a significant financial interest.

Outside Employment

Before you accept outside employment or even a volunteer position, consider carefully whether the outside activity will create a conflict of interest with your work at ATK. Generally speaking, working for or providing services to any ATK customer, subcontractor, distributor, competitor or supplier may pose a personal conflict of interest and must be approved by your ATK Legal Advisor or the Corporate Ethics and Compliance Office. Even
where outside employment or activities are approved, they must never interfere with your job responsibilities at ATK. Putting ATK first means giving your work at ATK your full attention.

Business Opportunities

If you become aware of a business opportunity that may be of interest to ATK, you may not divert that opportunity for your own personal gain or for the benefit of another company. Also, you may not use your position with ATK, or ATK customer information or property, in competition with ATK, either directly or indirectly.

Q: My brother-in-law runs a temporary employment agency. I recommended to my manager that we should engage this agency as one of our preferred suppliers of engineering talent. I did not mention that my brother-in-law owns the company, as it did not seem relevant. Did I do the right thing?

A: No. Even if you do not believe that you are influenced by your personal relationship with a contact at a supplier, you are still required to disclose that information to your manager and remove yourself from the solicitation process. Remember, perceived conflicts of interest can damage ATK’s reputation as much as actual conflicts of interest.

Service in Other Organizations

Serving as a director, officer or other member of an outside organization, including for-profit and not-for-profit boards, technical advisory boards, government boards and professional organizations can create a personal conflict of interest, even if you receive no money for your services. If a potential conflict of interest could develop, you must seek guidance from an ATK Legal Advisor or the Corporate Ethics and Compliance Office before accepting such an appointment.

Nepotism

A working relationship between a supervisor and subordinate who are also related may raise questions about objectivity and create the appearance of favoritism. You may not supervise or be supervised by a family or household member. You must disclose any of these supervisory relationships to an ATK Legal Advisor or the Corporate Ethics and Compliance Office immediately. ATK will reassign employees who have family or household ties so that these employees are no longer in a direct reporting relationship.


Corporate Governance Charter (January 2013), p.3:

‘Directors shall avoid any interest that interferes with the interests of the Corporation. Directors must promptly disclose to the Chairman of the Board of Directors and the Chair of the Nominating and Governance Committee any fact or circumstance that may involve a conflict of interest or a related person transaction in which the Corporation is a participant. If a conflict exists and cannot be resolved, the director should resign.’

A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:
2

Comments:
Based on public information, there is evidence that the company is explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have violated the Business Ethics Code of Conduct and related policies.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.7:
‘This Code applies to everyone at ATK. Each ATK employee, officer and director is expected to read, understand and follow our Code. We also expect our suppliers, vendors, contractors and business partners to follow our Code and support effective compliance programs within their own organizations.’

(p.12): ‘Violations of legal requirements, our policies or this Code may have severe consequences to you and ATK, such as significant fines, penalties and a damaged reputation. Violations may jeopardize our relationships with customers and suppliers and could result in the loss of our ability to do business. Anyone who violates laws, regulations, our policies or this Code is subject to disciplinary action up to and including termination.’
http://ir.atk.com/phoenix.zhtml?c=118594&p=irGovHighlights

Corporate Governance Charter (January 2013), p.3:
‘12. Ethics and Conflicts of Interest. All directors are expected to act lawfully and ethically at all times and shall adhere to ATK’s Business Ethics Code of Conduct. The Board will not permit any waiver of ATK’s Business Ethics Code of Conduct.’
A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

2

Comments:
Based on public information, there is evidence that the company has multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee, to report concerns or instances of suspected corrupt activity. In particular, the Ethics Helpline is operated externally and facilitates anonymous reporting.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.9:
'Almost all of us have faced a difficult situation where the right course of action is hard to determine. Perhaps the facts are complex or a good choice is just not obvious. Maybe we do not have the information we need to make a good choice. Perhaps our personal interests are inconsistent with the best interests of ATK.

When you understand our expectations for legal and ethical conduct, you will be able to handle most situations. Using this Code will help you in many circumstances. However, it will not give you an answer for every situation. No code of conduct can do that. Therefore, whenever you are in doubt, you should always speak up and discuss your ethics questions or concerns with someone.

Every supervisor and manager is expected to keep an “open door” and to provide timely advice on ethical or compliance concerns. If you are comfortable doing so, we encourage you to involve your supervisor or manager. We understand that at times this may not be practical or appropriate. In these situations, you have other resources you can turn to, including:

`An Ethics Committee Representative
`Your Human Resources Department
`An ATK Legal Advisor
`ATK’s Corporate Ethics and Compliance Office at (952) 351-2923
`ATK’s Ethics Helpline at 1-800-345-8594 or www.atkethics.com

Situations where you “just do not feel comfortable” or when someone asks or instructs you “not to say anything” should always be reported.

(p.10): ‘Our Corporate Ethics and Compliance Office is a company-wide resource to assist you in finding help with your business ethics and compliance concerns or questions. ATK’s Corporate Ethics and Compliance Office is part of ATK’s Legal Department and provides reports on ethics and compliance matters to the independent Audit Committee of ATK’s Board of Directors.

` If you have a question, want to voice a concern, or report a possible violation of law or our policies, you can contact the Corporate Ethics and Compliance Office at (952) 351-2923. This office can provide you with advice. You may also request anonymity.

You can also report ethics or compliance concerns using our Ethics Helpline. The Ethics Helpline is operated by a trusted third-party provider located in the United States and is available 24 hours a day, 7 days a week, and 365 days a year.

You can contact the Ethics Helpline either by phone or through our website. If you choose to call, an independent third party will take your call, listen and ask questions about your concern. Whether you call or log-in, you will receive a unique reference number so that you may follow up later. A report of your concern will be promptly forwarded to our Corporate Ethics and Compliance Office for action. You may call back or log-in at a later date to check on the status of your concern, to provide additional information, or to answer any follow-up questions an ethics investigator may have left for you in the event that you chose to remain anonymous.

All contacts with the Ethics Helpline are confidential to the extent possible. When you use the Ethics Helpline, you may choose to remain anonymous. Sometimes, however, it may become necessary to know your identity in order to resolve your concerns and you will be advised when that is the case.

Depending on the nature of a concern, management and the leaders of ATK may need to be advised about the issue, but care will be taken to protect identities and sources of information to the extent possible. Our goal is to answer questions and to handle issues fairly and consistently. We will make sure that reports of improper conduct are thoroughly investigated. We will take appropriate action to resolve each matter reported in good faith.

Accounting, financial and auditing concerns may also be reported to the Audit Committee of ATK’s Board of Directors at boardofdirectors@atk.com.’


Corporate Social Responsibility Report (2014), p.9:
‘Communications and Training

Every ATK employee is required to read, understand and comply with the ATK Business Ethics Code of Conduct. Our Business Ethics Code of Conduct summarizes the standards that govern how we conduct our business. Employees are encouraged to speak up to bring their concerns into the open to help resolve problems quickly and to prevent more harm. ATK’s
ethics and compliance program provides employees multiple resources to assist in resolving issues that may arise in the workplace. Our supervisors and managers are expected to keep an open door and to provide timely advice on ethical or compliance concerns. Employees may also access ATK’s Ethics Helpline. Operated by a third party vendor, the toll-free Ethics Helpline enables employees or any third party to communicate their concerns anonymously, providing support to both English and non-English speakers.

A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:
2

Comments:
Based on public information, there is evidence that the across geographies, all employees have access to more than one whistleblowing channel.

References:

Public:
Business Ethics Code of Conduct (November 2013), p.9:
‘Most of us have faced a difficult situation where the right course of action is hard to determine. Perhaps the facts are complex or a good choice is just not obvious. Maybe we do not have the information we need to make a good choice. Perhaps our personal interests are inconsistent with the best interests of ATK.

When you understand our expectations for legal and ethical conduct, you will be able to handle most situations. Using this Code will help you in many circumstances. However, it will not give you an answer for every situation. No code of conduct can do that. Therefore, whenever you are in doubt, you should always speak up and discuss your ethics questions or concerns with someone.

Every supervisor and manager is expected to keep an “open door” and to provide timely advice on ethical or compliance concerns. If you are comfortable doing so, we encourage you to involve your supervisor or manager. We understand that at times this may not be practical or appropriate. In these situations, you have other resources you can turn to, including:

`An Ethics Committee Representative
`Your Human Resources Department
`An ATK Legal Advisor
`ATK’s Corporate Ethics and Compliance Office at (952) 351-2923
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Situations where you “just do not feel comfortable” or when someone asks or instructs you “not to say anything” should always be reported.’
Our Corporate Ethics and Compliance Office is a company-wide resource to assist you in finding help with your business ethics and compliance concerns or questions. ATK’s Corporate Ethics and Compliance Office is part of ATK’s Legal Department and provides reports on ethics and compliance matters to the independent Audit Committee of ATK’s Board of Directors.

If you have a question, want to voice a concern, or report a possible violation of law or our policies, you can contact the Corporate Ethics and Compliance Office at (952) 351-2923. This office can provide you with advice. You may also request anonymity.

You can also report ethics or compliance concerns using our Ethics Helpline. The Ethics Helpline is operated by a trusted third-party provider located in the United States and is available 24 hours a day, 7 days a week, and 365 days a year.

You can contact the Ethics Helpline either by phone or through our website. If you choose to call, an independent third party will take your call, listen and ask questions about your concern. Whether you call or log-in, you will receive a unique reference number so that you may follow up later. A report of your concern will be promptly forwarded to our Corporate Ethics and Compliance Office for action. You may call back or log-in at a later date to check on the status of your concern, to provide additional information, or to answer any follow-up questions an ethics investigator may have left for you in the event that you chose to remain anonymous.

All contacts with the Ethics Helpline are confidential to the extent possible. When you use the Ethics Helpline, you may choose to remain anonymous. Sometimes, however, it may become necessary to know your identity in order to resolve your concerns and you will be advised when that is the case.

Depending on the nature of a concern, management and the leaders of ATK may need to be advised about the issue, but care will be taken to protect identities and sources of information to the extent possible. Our goal is to answer questions and to handle issues fairly and consistently. We will make sure that reports of improper conduct are thoroughly investigated. We will take appropriate action to resolve each matter reported in good faith.

Accounting, financial and auditing concerns may also be reported to the Audit Committee of ATK’s Board of Directors at boardofdirectors@atk.com.

http://ir.atk.com/phoenix.zhtml?c=118594&p=ir-govhighlights

Corporate Social Responsibility Report (2014), p.9:

Communications and Training

Every ATK employee is required to read, understand and comply with the ATK Business Ethics Code of Conduct. Our Business Ethics Code of Conduct summarizes the standards that govern how we conduct our business. Employees are encouraged to speak up to bring their concerns into the open to help resolve problems quickly and to prevent more harm. ATK’s ethics and compliance program provides employees multiple resources to assist in resolving issues that may arise in the workplace. Our supervisors and managers are expected to keep an open door and to provide timely advice on ethical or compliance concerns. Employees may also access ATK’s Ethics Helpline. Operated by a third party vendor, the toll-free Ethics
Helpline enables employees or any third party to communicate their concerns anonymously, providing support to both English and non-English speakers.

A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:
Based on public information, there is some evidence that whistleblowing by employees is not deterred. However, there is no readily available evidence of formal mechanisms to ensure that whistleblowers are treated supportively, for example through employee surveys, an analysis of whistleblowing data or followup with individual whistleblowers.

References:
Public:
TI notes:
Business Ethics Code of Conduct (November 2013), p.9:
‘Most of us have faced a difficult situation where the right course of action is hard to determine. Perhaps the facts are complex or a good choice is just not obvious. Maybe we do not have the information we need to make a good choice. Perhaps our personal interests are inconsistent with the best interests of ATK.
When you understand our expectations for legal and ethical conduct, you will be able to handle most situations. Using this Code will help you in many circumstances. However, it will not give you an answer for every situation. No code of conduct can do that. Therefore, whenever you are in doubt, you should always speak up and discuss your ethics questions or concerns with someone.
Every supervisor and manager is expected to keep an “open door” and to provide timely advice on ethical or compliance concerns. If you are comfortable doing so, we encourage you to involve your supervisor or manager. We understand that at times this may not be practical or appropriate. In these situations, you have other resources you can turn to, including:
‘An Ethics Committee Representative
‘Your Human Resources Department
‘An ATK Legal Advisor

ATK 23/05/14
HTTP://WWW.ATK.COM/
`ATK’s Corporate Ethics and Compliance Office at (952) 351-2923
`ATK’s Ethics Helpline at 1-800-345-8594 or www.atkethics.com

Situations where you “just do not feel comfortable” or when someone asks or instructs you “not to say anything” should always be reported.’

A34:

Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

2

Comments:

Based on public information, there is evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues.

References:

Public:

Business Ethics Code of Conduct (November 2013), p.7:

‘ATK conducts business in the United States and internationally. We are subject to the laws, rules and regulations of the United States, including anti-bribery laws such as the Foreign Corrupt Practices Act which applies to all of our operations, and the laws of the countries where we do business. Our Code reflects our commitment to obey the laws, rules and regulations wherever we work and to respect the principles upon which they are based. In some instances, there may appear to be a conflict between the laws of two or more countries. If you have a question about the right course of action to take, contact your ATK Legal Advisor, or you may call the Corporate Ethics and Compliance Office at (952) 351-2923.

Just because the laws may be complicated or difficult to follow does not excuse any of us from complying.’


Corporate Social Responsibility Report (2014), p.9:

‘Communications and Training

Every ATK employee is required to read, understand and comply with the ATK Business Ethics Code of Conduct. Our Business Ethics Code of Conduct summarizes the standards that govern how we conduct our business. Employees are encouraged to speak up to bring their concerns into the open to help resolve problems quickly and to prevent more harm. ATK’s ethics and compliance program provides employees multiple resources to assist in resolving issues that may arise in the workplace. Our supervisors and managers are expected to keep
an open door and to provide timely advice on ethical or compliance concerns. Employees may also access ATK’s Ethics Helpline. Operated by a third party vendor, the toll-free Ethics Helpline enables employees or any third party to communicate their concerns anonymously, providing support to both English and non-English speakers.’

A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:
2

Comments:
Based on public information, there is evidence that the company has a commitment to non-retaliation for bona fide reporting of corruption, and disciplines individuals who breach this policy.

References:
Public:
Business Ethics Code of Conduct (November 2013), p.11:
‘It is important to remember that ATK will not tolerate any retaliation against anyone who speaks up in good faith to ask a question, report a concern, or participate in an ethics or compliance investigation.

When you step forward to report something that you believe is unethical or illegal, we will investigate and address the problem. Individuals who raise concerns in good faith or who help to resolve reported matters are protected against retaliation. Good faith does not mean that you are always right. It does mean that you sincerely believe a legitimate issue exists.

Retaliation is the act of making someone afraid to speak up or come forward, or an action taken against someone for reporting a concern. Any person found to have engaged in retaliation will be subject to disciplinary action up to and including termination. In addition, malicious and false reports of unethical or illegal conduct will not be tolerated and individuals who make these types of reports will face disciplinary action.

If you discover any retaliation in the workplace, you should report it immediately to the Corporate Ethics and Compliance Office at (952) 351-2923.’


Corporate Social Responsibility Report (2014), p.9:
‘Protection Against Retaliation

It is ATK’s obligation to protect employees from retaliation. ATK will not tolerate any
retaliation against anyone who speaks up in good faith to ask a question, report a concern, or participate in an ethics or compliance investigation. Any person found to have engaged in retaliation will be subject to disciplinary action up to and including termination.’

Information Sources:

Company Website:
http://www.atk.com/

Business Ethics Code of Conduct (November 2013):


Audit Committee Charter:
http://cms.atk.com/SiteCollectionDocuments/IR/Audit%20Committee%20Charter%20January%2031%202013.pdf

Corporate Governance Charter (January 2013):