Students shoot for the stars. ATK is the sole industry sponsor of NASA's Student Launch Projects competition that challenges high school and college students to put their science, math, and engineering talents to the test, designing, building, and launching their own rockets to an altitude of one mile.
Thank you for your interest in ATK’s Corporate Social Responsibility report. We are proud of our record of achievement in all aspects of corporate responsibility. We strive to conduct our business with the highest ethical standards and have implemented a robust ethics training program for all employees.

Our company’s footprint spans 22 states and touches hundreds of municipalities. Giving back to these communities is simply the right thing to do, and I am proud to share with you the variety of programs ATK and our employees support. We are committed to educational and community service initiatives that will inspire our nation’s children and ease the pain of those in need.

Of course, our commitment goes well beyond our communities of presence. Those who so honorably serve this nation as part of our armed forces deserve and receive additional support from ATK. The men and women in uniform defending our nation deserve the highest quality, most advanced technology available, and we are very proud of our role in support of them. But, we also know that these men and women deserve more than just the best equipment. They deserve the gratitude of our nation, which is why we focus many of our giving efforts on programs that enhance the lives of our troops and their families.

ATK is the world’s largest ammunition and solid rocket motor manufacturing entity, which presents a unique set of environmental challenges and responsibilities. Our commitment to operating these facilities in an environmentally responsible manner is second to none, and I am particularly pleased with our track record of success, which has resulted in numerous environmental awards.

Driving a culture of safety – for both our employees and the communities in which our factories are located – is another critical focus of our company. We operate extremely high-rate manufacturing facilities and work with numerous volatile energetics. We simply cannot, and will not, allow our employees to operate these facilities in an unsafe manner. Our strict adherence to safety has but one goal – to ensure that our employees return home each day to their families and loved ones. Nothing is more important.

In addition, ATK believes diversity and employee wellness contribute to the current and future success of our company, and our country.

Throughout these pages, you will learn more about our values and our commitment to our communities, our employees, our customers, the armed forces of this nation – and our unrelenting focus on responsibility in all aspects of our business. It is at the heart of everything we do.

Sincerely,

Mark DeYoung
President and CEO

“We are proud of our record of achievement in all aspects of corporate responsibility.”
Our values

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 – with their lives.

- 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.

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.
Community involvement

A core value woven into our corporate culture

ATK recognizes the responsibility we have as a large employer in many of the communities where we live and work. Our employees are far more fortunate than many, and giving back to our communities is the right thing to do. Our combined giving focuses on several areas, including support for the United Way, education, community investment, and our nation’s troops and their families.

Advancing the common good through United Way

Our employees give their time and resources to United Way initiatives across the country. Their support is augmented by corporate donations. Combined, ATK’s 2011 financial support of the United Way rose more than 10 percent to over $1.1 million, the result of a yearlong corporate-wide effort to attract more donors to the United Way. Plans for 2012 will be robust as ATK continues to support the United Way’s mission to advance the common good through 10-year strategic initiatives in the areas of education, income, and health. Corporate campaign matching gifts were awarded through ATK business groups to regional United Ways, based on employee participation.

Beyond the workplace campaign, ATK volunteers have rolled up their sleeves for more than 20 years, serving the community through the annual Day of Caring program. ATK executives also serve on the board of directors for local United Ways in select ATK operating locations.

ATK employee giving, both in time and financial resources, offers a tremendous boost to our area nonprofit programs. ATK employees not only give generously from their paychecks, but it is amazing to see them paint buildings, rebuild their communities, and care personally for their neighbors.

Partnering with education

Our partnership with education spans decades and encompasses local, regional, and national initiatives to engage students in becoming scientifically literate and prepared to enter

ATK leadership and staff helped make the holidays bright for families by sorting and stocking toys, clothing, games, and art supplies at Family Connection Center in Layton, Utah.

ATK employees provide volunteer time and financial donations to the United Way. In 2011, donations topped $1.1 million.

Learning promises to be much easier for kids in Lewiston, Idaho. ATK employees pose with the 40 complete computer systems they donated to the area’s Computers for Kids program.

“ATK’s 2011 financial support of the United Way rose more than 10% to over $1.1 million...”
the workforce as leaders and problem-solvers. Our emphasis is on fostering student interest and achievement in the areas of Science, Technology, Engineering, and Mathematics (STEM). Partnerships can be as simple as mentoring students at their local science fairs, or as broad as funding conferences and competitions to provide students with opportunities outside the classroom to explore career interests and test their skills.

NASA’s Student Launch Projects competition represents one notable example. Now in its fifth year, ATK’s sponsorship has expanded to include both the high school and university components of this nationwide event, which challenges students during the course of a school year to design, build, test, and fly their own recoverable rockets capable of launching a payload to an altitude of one mile. Participation has now grown to 57 teams from 29 states.

Students thrive when they have an opportunity to meet challenges and earn rewards for their initiative. ATK is committed to partnering with education to provide those opportunities.

ATK also directs its investment in education toward helping open the door to higher education for a diverse group of students across the country. In 2011, our Learning for Life Scholarship Program provided 75 scholarships to children of ATK employees pursuing post-high school degree programs. With a view that an investment in learning is among the best investments a company can make, ATK actively supports this and other local scholarship programs in the communities where we operate.

Over the past 25 years, ATK has awarded 110 minority and economically disadvantaged students with college scholarships through the MESA/STEP program, which rewards these students for achievement in science. Many of these students are building a new life as first-generation college students. The investment is life-changing.

Additionally, ATK has partnered for more than a decade with the California-based Expanding Your Horizons Network to bring hands-on science education opportunities to young women in grades 6 to 9 through the Expanding Your Horizons in Science and Mathematics™ program. Annual conferences organized by ATK volunteers have inspired more than 7,000 young women to date to consider career possibilities in STEM fields. And ATK staff members foster relationships with engineering students.

“Students thrive when they have an opportunity to meet challenges and earn rewards for their initiative. ATK is committed to partnering with education to provide those opportunities.”
to help them prepare for careers after college. As an example, engineers from ATK’s Woodland Hills, Ca. office spent time with students at the University of California, Los Angeles and other area colleges and universities in 2011.

**Strengthening community**

ATK honors its commitment to corporate citizenship by engaging in targeted business, civic, and community efforts in the areas surrounding our business groups and key operating sites. We recognize the health of our communities is critical to our success and we support organizations and causes that help strengthen the fabric of our community.

At a time when financial contributions to many philanthropic organizations have declined due to the downturn in the national economy, ATK employees know that it is particularly important to stay committed to community outreach initiatives and dedicated to helping others who truly need our support.

In addition to corporate contributions, our employees give many hours of their free time to support youth, civic, and nonprofit organizations that provide much needed services and help enhance the quality of life in our communities. Volunteer programs have afforded employees the opportunity to become engaged in community efforts and witness first-hand the positive impact ATK’s community outreach provides.

**ATK’s matching gift program**

The compassion and commitment employees feel for their charities of choice are represented through a wide range of noteworthy volunteer and fundraising efforts that are matched by ATK — efforts driven entirely by a workforce that is motivated to give back.

The program matches eligible employee gifts dollar for dollar to augment the reach of employee giving. Top giving categories embraced by employees in FY12 included medical research, treatment and prevention, health and human services, education, community and recreational associations, and arts and culture. In the category of medical contributions, employee donations to fund cancer research outpaced all other medical causes.

ATK is proud of our loyal workforce that gives 100 percent both on the job and in the community.

“*We recognize the health of our communities is critical to our success, and we support organizations and causes that help strengthen the fabric of our community.*”
Supporting military service

The many ways ATK says “Thank you” to our nation’s heroes

We are extremely proud of the role we play in support of the nation’s national defense priorities, and just as proud to support the nation’s armed forces in ways that give back to the men and women in uniform who so bravely serve.

This commitment is highlighted by our continuing support for the Wounded Warrior program, which provides once-in-a-lifetime hunting experiences to troops wounded in defense of our nation. In 2011, ATK added to this effort by launching a special red, white, and blue line of shotgun target load called the Patriot. A portion of the profits from each box goes directly to the Wounded Warrior program.

For the last three years, ATK has hosted an annual reception honoring wounded warriors from Iraq and Afghanistan during the Association of the United States Army annual meeting in Washington, D.C. In 2011, we partnered with the USO to bring Miss America, Teresa Scanlon, to meet and perform for the troops at the event.

In 2012, ATK is launching a new initiative to recruit more veterans to join our workforce. ATK and America’s veterans have something in common: a focus on service to our country. Military service has shaped and tested the skills of our nation’s veterans under the most challenging of circumstances. That is something we value, and we will work to hire more veterans.

For those already on the ATK team, we are committed to responsible employment practices that provide our employees the flexibility to serve our nation. In 2011, this commitment was recognized through Patriot Awards presented by the Department of Defense Employer Support of the Guard and Reserve (ESGR) program.

ATK proudly sponsors Federal Premium’s Grateful Nation, a television show, which connects wounded military veterans with their passion for the outdoors. Here two vets shoot an episode for 2012.

ATK’s annual reception honoring wounded warriors featured Miss America 2011, Teresa Scanlon, pictured here with PFC Aaron Estes.

Members of the U.S. Army 705th EOD 3rd Platoon pose with the SnugPak sleep systems ATK donated to help them sleep through Afghanistan’s cold nights.

“We are extremely proud of the role we play in support of the nation’s national defense priorities...”
Environmental stewardship

Responsible manufacturing practices

ATK is committed to environmentally sound manufacturing processes that protect our nation’s natural resources by producing products and services for our customers in an environmentally responsible manner. We also seek to preserve natural habitats throughout the country via a sustained giving program to foundations such as Ducks Unlimited and Pheasants Forever. We recognize that a responsible approach to the management of the air, water, and land resources in our communities is the right thing to do for our company and our planet.

Environmental policy

ATK’s policy identifies the following objectives for implementing our commitment to environmental responsibility:

- Regular self-examination of our operations to quantify and properly manage our environmental impacts
- Incorporation of quantifiable environmental goals and accountabilities into our business decisions
- Continuous improvement regarding environmental performance
- Compliance with all applicable environmental laws and regulations, as well as our internal environmental procedures
- Implementation of pollution prevention, energy conservation, and greenhouse gas emission reduction programs
- Open communications with government agencies and the community regarding pertinent environmental issues
- Proper training and education of our workforce as to their responsibilities for protecting health and the environment

Waste management and pollution prevention

ATK strives to continually reduce the mass of both hazardous and non-hazardous waste generated from our production activities. The data indicate that since 2001, we have significantly reduced the amount of non-hazardous industrial waste produced by our operations, normalized to sales. Waste minimization projects under evaluation include the recycling of scrap carbon fiber composite materials that would yield carbon fiber for use in other products.

Additionally, our hazardous waste-generation rates have decreased 45 percent since 2001. These reductions are a result of our commitment to implementing pollution prevention and waste minimization measures across the company.
Recycling
ATK has implemented a highly successful recycling program in our manufacturing facilities. Over the past 10 years, ATK operations have recycled more than a million tons of material.

Our efforts don’t stop at the shop floor. We are committed to recycling efforts in our office environments as well. In 2010 and 2011, ATK recycled more than 1,000 tons of paper – the equivalent of 21,000 trees. This effort also helped avoid the use of over 18 million gallons of water for new paper production.

Energy management and greenhouse gas emissions
ATK has an active energy conservation program that seeks to reduce energy consumption. Since 2003, energy use (measured in total Btus) has been reduced by approximately 45 percent, normalized to sales.

Due in no small part to the energy conservation program, ATK’s greenhouse gas (GHG) emissions have steadily decreased since 2001. Normalized to sales, the GHG emissions dropped a total of 58 percent during this time period. We continue to work to identify additional opportunities to reduce our energy consumption and decrease our carbon footprint.

In 2011, ATK’s major facilities began building a five-year energy efficiency plan that will be integrated into a company-wide plan. Some projects are already underway, including the installation of wind turbines, systems that generate electricity using recovered waste heat, and electrical storage systems. These early efforts are helping prove-out and advance emerging technologies.

Water use and conservation
Many of ATK’s manufacturing processes require large volumes of water and the company tracks its annual water use as an environmental metric. Our water conservation efforts, including recycling/reuse, process modifications, and leak repair, have led to a 62 percent decrease in water use, normalized to sales, since 2001.

Environmental restoration
ATK stands by its commitments to regulatory agencies and communities to remediate past environmental contamination. The company currently has 12 sites that are either in the investigative, remediation, or monitoring phase. These projects are reviewed internally on a regular basis to ensure that budgets are adequate and that the work is being performed in a timely manner.

“In our efforts don’t stop at the shop floor. We are committed to recycling efforts in our office environments as well.”
Wildlife and habitat conservation

ATK is partnered with numerous wildlife organizations to support conservation efforts for both wildlife and the habitats in which they live. We are committed to supporting educational campaigns that bring awareness to the importance of wildlife preservation. While it isn’t an ATK program, it should be noted that an 11 percent excise tax the company pays on all commercial ammunition sales is earmarked for state wildlife conservation and habitat restoration programs.

Many of our sport-hunting products are associated with and support wildlife conservation efforts. For instance, ATK’s Federal® Vital Shok® big game ammunition and our Weaver® Grand Slam™ and Super Slam™ optics feature the Rocky Mountain Elk Foundation logo. For each unit sold, we donate a portion of the proceeds to this important organization that helps to ensure that the habitat and ecosystem in “elk country” is capable of supporting herds so that they will not become endangered. The restoration of elk herds in Kentucky benefited from ATK’s generous support of the “Land Between the Lakes” project, and the National Elk Refuge in Jackson Hole, Wyoming, features educational kiosks in their visitor center supported by our donations.

In the upper Midwest and Canada, home to the flyways of numerous waterfowl, ATK has partnered with Ducks Unlimited, Pheasants Forever, and Delta Waterfowl to improve these vital habitats. Pheasants Forever’s “Build A Wildlife Area” and the Delta Waterfowl’s “Henhouse” project are specific habitat campaigns ATK has promoted and funded in recent years – with great success. Over 30 million rounds of Pheasants Forever-logoed ammunition have been sold, and beginning in 2012 Speed Shok will feature the Delta Waterfowl Foundation logo. Additionally, ATK has a representative on the Migratory and Upland Bird Committee with the Association of Fish and Wildlife Agencies where it plays a role in steering conservation policy for the benefit of birds and bird hunters.

Wild turkeys have been re-established in 49 states in the past 40 years, and ATK has partnered with the National Wild Turkey Federation (NWTF) for the past 30 years. We feature the NWTF logo on our ammunition and generate thousands of dollars annually for NWTF habitat programs.

ATK partners with wildlife organizations across the United States and Canada to support wildlife and habitat conservation. One example is the royalty program that contributes to the Rocky Mountain Elk Foundation each time a Weaver Super Slam® or Grand Slam® Scope or box of Federal Premium .338 Win Mag ammunition is purchased.
Ethics

Built into our values

Integrity and ethical behavior in everything we do – that is our goal.

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. We have Ethics Committees across our company at both the division and group levels. Ethics Committees support the ethics program for the business units, assist employees in understanding the ATK Business Ethics Code of Conduct, and manage ethics and compliance investigations. The Corporate Ethics and Compliance Office supports these efforts across the company.

Communication and training
Every ATK employee is required to read, understand, and comply with the ATK Business Ethics Code of Conduct. The Code of Conduct clearly explains the company’s Standards of Business Ethics and Conduct. On an annual basis, ATK conducts mandatory Business Ethics Code of Conduct training for all employees. New employees are automatically enrolled for ethics training. The ATK Corporate Ethics and Compliance Office also conducts instructor-led ethics training for employees who work for acquired companies.

Translated into six languages, the ATK Business Ethics Code of Conduct outlines and reinforces our commitment to ethical behavior at every level. We make our ethics policies and Code of Conduct accessible to all employees through the company intranet. Ethics posters, which are placed in high-traffic areas at our facilities, reinforce our commitment to maintaining the highest ethical standards in everything we do.

Ethics operations
ATK encourages employees to raise any ethics concerns and questions they may have by providing them with access to the ATK 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. Employees may also report their concerns to their local Ethics Committees, ATK Legal Advisors, Human Resources, or the Corporate Ethics and Compliance Office. ATK strictly prohibits retaliation against any employee for raising a concern or question about ethics and compliance.

ATK has a structured ethics investigation process for any ethics concerns that are raised, including an ethics notification and escalation guide and investigation tools. ATK ethics committee representatives and investigators are trained in the investigation process.

Measurement
To further reinforce the company’s commitment, ATK has built ethics and compliance into the individual contributor and leader performance evaluation process.

ATK’s Internal Audit department conducts audits of the ethics program and partners with the ATK Corporate Ethics and Compliance Office to conduct annual compliance risk assessments in the various functional compliance areas.

“...the ATK Business Ethics Code of Conduct outlines and reinforces our commitment to ethical behavior at every level.”
Safety

Nothing is more important than everyone returning home safe every day

Safety is a core ATK competency, with high visibility at the executive management level and accountability driven through all levels of management right down to the factory floor. Accountability for safety performance is established throughout the organization, and all employees are encouraged to actively participate in safety programs.

The unique nature of our business requires the safe handling and processing of highly energetic materials. ATK has developed customized standards and safety processes to protect our employees and the communities in which we conduct our business. From 1999 to 2009 ATK made continuous and steady progress reducing its Occupational Safety and Health Administration (OSHA) total recordable injury rate (TRR), reaching a rate of 1.5 in 2009. Over the past three years the company has successfully held steady at that rate (see chart below). We continue to work to improve our safety performance, revising our safety processes and operating standards to reflect the best available information for the safe handling and processing of materials and equipment.

ATK uses an internal safety auditing system to assess the effectiveness of safety programs across the company. More than 20 locations are audited each year by a team of highly experienced ATK safety experts. Corrective actions are put in place for identified deficiencies, and lessons learned are shared across the company. In addition to these audits, ATK maintains an electronic database of safety incidents that occur across the company. All incident outcomes are shared between manufacturing locations, and the knowledge gained is applied to similar processes to avoid future incidents.

In September of 2011, the ATK-operated Lake City Army Ammunition Plant Powerhouse celebrated an incredible 70 years without a recordable injury. The plant was built in 1941 and has been operated by ATK since April of 2001.

Among the safety milestones across ATK in FY12 was the company’s Spacecraft Systems & Services division celebrating 1,000,000 employee hours without a lost time incident.

“Safety is a core ATK competency, with high visibility at the executive management level and accountability driven through all levels of management right down to the factory floor.”
Diversity
Building a rewarding workplace for all

Commitment to Equal Employment Opportunity
ATK is committed to providing equal employment opportunity to all applicants and employees. In keeping with this commitment, ATK recruits, hires, trains, and promotes into all job levels the most qualified individuals without regard to race, color, creed, religion, sex, national origin, disability, genetic information, age, sexual orientation, gender identity or expression, citizenship status, marital status, military or veteran status, or any other legally protected characteristic.

ATK takes affirmative action to ensure that all Human Resources policies and procedures concerning hiring, compensation, benefits, corrective action, layoffs, terminations, recall, educational reimbursement and company-sponsored training, social, and recreational activities are administered under the principles of equal opportunity. All managers and supervisors are responsible for implementing and enforcing these principles.

In addition, each location has an Equal Employment Opportunity (EEO) Coordinator. However, ATK’s Chief Executive Officer and the company’s Senior Vice President, Human Resources, have ultimate responsibility for ATK’s compliance with affirmative action principles.

Accommodating disabilities
In order to ensure the company is a rewarding workplace for all, ATK makes reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee. The exception is when such accommodations would result in undue hardship or present a direct threat to others.

Promoting diversity in our present and future workforce
ATK believes diversity plays an important role in the success of our company, and that the company and the nation will benefit from having a diverse and highly-educated workforce. To that end, ATK supports professional organizations including Women in Aerospace (WIA), Women in Defense (WID), and Expanding Your Horizons in Science and Mathematics™. WIA is dedicated to expanding women’s opportunities for leadership and increasing their visibility in the aerospace community. Cultivating and supporting the advancement and recognition of women in all aspects of national security is the mission of WID. Expanding Your Horizons in Science and Mathematics™ conferences nurture girls’ interest in science and math courses to encourage them to consider careers in science, technology, engineering, and math.

“ATK believes diversity plays an important role in the success of our company, and that the company and the nation will benefit from having a diverse and highly-educated workforce.”
Wellness

A healthy workforce contributes to the health of our business

**Investing time, energy, and resources in employee well-being is a sound investment**

ATK employees don’t need to be sick to use their medical or dental plan benefits. The company offers health benefits at reasonable rates that cover 100 percent of certain in-network preventive care services. ATK believes this is vital to ensuring the good health of our employees and their families. This helps detect possible or unknown medical problems early, when they’re the most treatable.

Wellness resources are part of our medical plans. Among the no-cost offerings included in many of ATK’s medical plans are:

- 1:1 prenatal care with a financial incentive, tobacco cessation, and disease-management programs
- 24/7 nurse advice phone lines
- Online calculators, interactive tools, and health education libraries

ATK also rewards healthy behavior by providing lower rates for medical and employee supplemental life insurance to most employees who are tobacco-free. ATK is focused on reducing tobacco use because it is the most clinically documented lifestyle risk affecting health, and the physical benefits of quitting begin the moment tobacco use stops.

**Embedding workplace wellness into daily business**

ATK believes a healthy workforce is good for business. Location-based activities include walking/running clubs, workplace flu shots, on-site fitness centers, health fairs, and lunch-and-learn sessions. Plus, we offer a company-wide incentive to employees who successfully complete a Weight Watchers program at work or in the community.

Our wellness initiatives reach across all business groups, functions, and work locations. Posters, television monitor bulletins, and brochures — combined with health intranet sites and advertisements — deliver messages ranging from stress reduction and heart health to nutrition.

Health fairs are an important way ATK encourages health and well-being among its employees. ATK health fairs may include screenings for blood pressure, cholesterol, and other precursors for disease.

Many ATK facilities have on-site fitness centers. In addition, ATK’s Rocket Center, W. Va. facility hosts an annual Wellness Games competition to promote camaraderie, team-building, and healthy lifestyles.

“ATK believes a healthy workforce is good for business.”
Corporate governance
The foundation for everything we do

ATK is committed to acting responsibly in all aspects of our business, a commitment that carries over to the corporate governance policies and procedures of our Board of Directors. By employing best practices of corporate governance, we establish a framework of trust and credibility with our investors. Principled leadership, responsible decision-making, and compliance with all reporting requirements is our promise to investors, the general public, and our employees.

For more detailed information on our corporate governance guidelines, we encourage you to visit our website at: http://www.atk.com/CorporateGovernance/corpgov_guidelines.asp

Contact information

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Whether it’s giving back to our communities, protecting our employees, or supporting wildlife and habitat conservation, ATK is committed to doing right.