



The Office Of State Treasurer
Denise L. Nappier

News

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TREASURER NAPIER CALLS ON ALLIANT TECHSYSTEMS TO TAKE COMMON SENSE STEPS TO MINIMIZE MISUSE OF FIREARMS

HARTFORD, CT – At today’s annual shareholder meeting of Alliant Techsystems, Inc., Connecticut Treasurer Denise L. Nappier urged support of a resolution designed to minimize the misuse of the firearms Alliant sells.

“As long-term investors, we believe that companies whose shares we hold have an obligation to address public issues that have potential effects on the business operations of the company. By identifying reasonable efforts to avoid the misuse of firearms, Alliant can be a leader in protecting its reputation and its bottom line,” said Treasurer Nappier, principal fiduciary of the Connecticut Retirement Plans and Trust Funds (CRPTF).

“While other companies, such as Sears and Amazon, have taken these concerns seriously and shared with Connecticut the steps each has taken to help reduce gun violence, Alliant has refused to engage in similar discussions. We believe the time has come for common sense measures such as gun safety education, support of universal background checks and stiffer penalties for illegal gun trafficking,” Treasurer Nappier added.

At the annual meeting, the company reported that approximately 7 percent of shareholders voted in favor of a resolution, filed by the CRPTF, that called on the company to report on actions it has taken with respect to the Sandy Hook Principles, a set of measures aimed at curbing gun violence, including keeping guns out of the hands of children and those with mental health problems and supporting a universal, federal background check.

The resolution was the first related to weapons to come to a shareholder vote at a publicly held company since 2010. It achieved more than twice the support needed to be introduced again in 2015. The Securities and Exchange Commission, recognizing that it may take several years for shareholders to grasp the importance of newly introduced issues, sets a threshold of 3 percent support for an initial filing, like this one, to be resubmitted.

“The issue of gun violence is akin to a public health epidemic that affects all of us, in urban, suburban and rural settings alike. As we continue to remember the 26 innocent lives lost in the Sandy Hook tragedy and the families, friends and communities they left behind, this massacre compels us to explore ways to prevent access to dangerous weapons and ammunition by those who would misuse them,” Treasurer Nappier said.

CONTACT: DAVID BARRETT, DIRECTOR OF COMMUNICATIONS, (860) 702-3164

DAVID.S.BARRETT@CT.GOV

Treasurer Nappier has written to the companies in which the State invests that manufacture, distribute and sell guns, gun parts, gun accessories and ammunition. She raised the business case for reasonable self-regulation of firearms and ammunition sales in order to mitigate the potential long-term business risk posed by high rates of mortality that are attributed to the misuse of firearms. The companies to which she wrote were, besides Alliant, Amazon.com, Inc.; Dick's Sporting Goods; Olin Corp.; Sears Holdings Corp.; and Wal-Mart Stores, Inc.

In each case, she suggested that the company adopt the Sandy Hook Principles. The Principles, developed by Philadelphia Mayor Michael Nutter and the United States Conference of Mayors, outline eight prudent steps that companies can take that demonstrate their commitment to keeping firearms and ammunition out of the hands of those with intent to do harm to others.

Since her letter, officials of Sears have removed images of gun parts for sale from its website and have stated that it is not in the business of selling firearms, ammunition or gun parts other than air guns, paint ball and air soft guns. Sears has also reported that third-party sellers on its website are prohibited from selling firearms and weapons.

Officials of Amazon, Dick's and Walmart are in discussions with the Treasurer's Office. Alliant was the only company not to respond to Connecticut's overtures.

The independent Taft Hartley Advisory Services endorsed the resolution, saying, "The requested report should serve to complement the company's existing disclosures and initiatives, and has the potential to benefit the company in its implementation of more robust safety policies. Given the company's existing initiatives on and commitments to firearms education and safety initiatives, the requested report should not be unduly burdensome for the company to produce. This non-binding proposal would allow the board to address the concerns underlying the proposal in a manner of its choosing consistent with its fiduciary duty to shareholders."

In the shareholder resolution, CRPTF urged Alliant's Board of Directors to report annually to shareholders, in a report posted on its website, on the actions the company has taken on six elements of the Sandy Hook Principles:

- Promoting restrictions on firearms and ammunition sales, transfers and possession to keep guns out of the hands of children, persons with mental illness or mental health challenges, criminals, domestic or international terrorists and anyone else prohibited from possessing them under federal law;
- Supporting the establishment of a federal universal background check system for every sale or transfer of guns or ammunition conducted by the company;
- Reevaluating policies regarding the sale, production, design or conversion of military style assault weapons for use by civilians, including the distribution of any materials/information that may be used to assist in such conversions;

- Taking steps to promote the conducting of background checks for every sale or transfer of guns or ammunition by business clients, including gun show operators or gun dealers;
- Supporting a federal gun trafficking statute to ensure stronger punishment for individuals engaging in the trade of selling firearms to anyone prohibited from possessing them under federal law; and
- Promoting gun safety education at the point of sale and in the communities in which the company conducts business operations.

Alliant Techsystems, through its Sporting Group division, manufactures and sells firearms and accessories for hunting, shooting and outdoor markets as well as sporting, law enforcement and military ammunition. As of July 28, CRPTF held 7,200 shares of Alliant Techsystems valued at \$931,536 and fixed income investments of \$749,000.

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