

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
And
ACCO ENGINEERED SYSTEMS

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated ACCO ENGINEERED SYSTEMS' establishment located at 888 East Walnut Street, Pasadena, CA 91101-1897, beginning on July 17, 2019. OFCCP found that ACCO ENGINEERED SYSTEMS failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and their respective implementing regulations at 41 CFR Chapter 60.

OFCCP notified ACCO ENGINEERED SYSTEMS of the specific violations and the corrective actions required in a Notice of Violation issued on September 17, 2020 (NOV).

In the interest of resolving the violations without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and ACCO ENGINEERED SYSTEMS enter into this Conciliation Agreement (Agreement), and the parties agree to all the terms therein.

II. General Terms and Conditions

1. In exchange for ACCO ENGINEERED SYSTEMS' fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503, and VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if ACCO ENGINEERED SYSTEMS violates any provision of this Agreement, as set forth in Paragraph 11, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review ACCO ENGINEERED SYSTEMS' compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. ACCO ENGINEERED SYSTEMS will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents it requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves ACCO ENGINEERED SYSTEMS of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.
4. ACCO ENGINEERED SYSTEMS and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246, Section

503, and VEVRAA.

5. ACCO ENGINEERED SYSTEMS agrees that it will not retaliate against any potential or actual beneficiary of this Agreement or against any person who files a complaint, who has provided information or assistance, or who participates in any manner in any proceeding in this matter.
6. The parties understand the terms of this Agreement and enter into it voluntarily.
7. This Agreement constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.
8. This Agreement becomes effective on the day it is signed by the District Director of Los Angeles District Office.
9. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
10. This Agreement will expire sixty (60) days after ACCO ENGINEERED SYSTEMS submits its final progress report required in Section IV, below, unless OFCCP notifies ACCO ENGINEERED SYSTEMS in writing before the expiration date that ACCO ENGINEERED SYSTEMS has failed to fulfill all of its obligations under the Agreement. In this instance, the Agreement is automatically extended until the date that OFCCP determines that ACCO ENGINEERED SYSTEMS has met all of its obligations under the Agreement.
11. If ACCO ENGINEERED SYSTEMS violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34 will govern:
 - i. OFCCP will send ACCO ENGINEERED SYSTEMS a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. ACCO ENGINEERED SYSTEMS shall have fifteen (15) days from receipt of the notice to respond, except in those cases in which such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If ACCO ENGINEERED SYSTEMS is unable to demonstrate that it has not violated the Agreement, or if OFCCP's alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.
 - iv. In the event of a breach of this Agreement by ACCO ENGINEERED SYSTEMS, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms agreed to in the Agreement.

- b. ACCO ENGINEERED SYSTEMS may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27, 41 C.F.R. 60-300.66, 41 C.F.R. 60-741.66 and/or other appropriate relief for violating this Agreement.
12. ACCO ENGINEERED SYSTEMS neither admits nor denies any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
13. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
14. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor.
15. Each party shall bear its own fees and expenses with respect to this matter.
16. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice or position in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
17. All references to “days” in this Agreement are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

III. Technical Violations and Remedies

Executive Order 11246

1. **VIOLATION:** During the period of October 1, 2017 through September 30, 2018, ACCO ENGINEERED SYSTEMS failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-1.12(a) and (e). Specifically, ACCO ENGINEERED SYSTEMS failed to retain prior year personnel records relating to hiring, promotion and termination for a period of not less than two years from the date of the making of the record or the personnel action, which ever occurred later. Additionally, ACCO ENGINEERED SYSTEMS failed to maintain accurate Item 19 employee compensation data relating to job groups, EEO-1 category, due to limits in previous Human Resources Information System (HRIS).

REMEDY: ACCO ENGINEERED SYSTEMS will keep and preserve complete and accurate personnel and employment records, in accordance with 41 CFR 60-1.12(a) and (e), and must keep and preserve those records for a period of not less than two years from the date of the making of the record or the personnel action, whichever occurs later. ACCO ENGINEERED SYSTEMS will take corrective action to ensure new HRIS is able to accurately capture employee job groups and EEO-1 categories for all positions, and that this information accurately reflects union affiliation.

- 2. VIOLATION:** ACCO ENGINEERED SYSTEMS failed to submit an acceptable job group analysis as described in 41 CFR 60-2.12. Specifically, because there were some inaccuracies regarding the job groups and/or EEO-1 categories, OFCCP determined that the job group analysis failed to combine job titles with similar content, wage rates, and opportunities.

REMEDY: ACCO ENGINEERED SYSTEMS will develop and include in the AAP a job group analysis that combines job titles at the establishment with similar content, opportunities, and wage rates, as required by 41 CFR 60-2.10(b)(1)(ii) and 60-2.12.

- 3. VIOLATION:** ACCO ENGINEERED SYSTEMS' AAP failed to accurately state the percentage of minorities and the percentage of women it employs in each job group established pursuant to 41 CFR 60-2.12, as required by 41 CFR 60-2.13.

REMEDY: ACCO ENGINEERED SYSTEMS will include in the AAP the percentage of minorities and the percentage of women it employs in each job group established pursuant to 41 CFR 60-2.12, as required by 41 CFR 60-2.10(b)(1)(iii) and 60-2.13.

- 4. VIOLATION:** ACCO ENGINEERED SYSTEMS failed to accurately determine minority and female availability in accordance with 41 CFR 60-2.14. Specifically, ACCO ENGINEERED SYSTEMS failed to consider at least the following factor when determining availability: the percentage of minorities or women among those promotable, transferable, and trainable within ACCO ENGINEERED SYSTEMS' workforce; and failed to calculate a composite availability figure for each job group composed of job titles with different availability figures.

REMEDY: ACCO ENGINEERED SYSTEMS will determine minority and female availability in accordance with 60-2.14. Specifically, ACCO ENGINEERED SYSTEMS will separately determine the availability of minorities and women for each job group and consider at least the following factor when determining availability: the percentage of minorities or women among those promotable, transferable, and trainable within ACCO ENGINEERED SYSTEMS' workforce; and calculate a composite availability figure for each job group composed of job titles with different availability figures.

- 5. VIOLATION:** ACCO ENGINEERED SYSTEMS failed to accurately compare the percentage of minorities and women in each job group determined pursuant to 60-2.13 with the minority and female availability for those job groups determined pursuant to 60-2.14, as required by 41 CFR 60-2.15.

REMEDY: ACCO ENGINEERED SYSTEMS will include in the AAP the accurate comparison of minority and female incumbency in each job group with the minority and female availability for those job groups, as required by 41 CFR 60-2.10(b)(1)(v) and 60-2.15.

- 6. VIOLATION:** ACCO ENGINEERED SYSTEMS failed to establish minority and female placement goals, as required by 41 CFR 60-2.16. Specifically, ACCO ENGINEERED SYSTEMS failed to establish an accurate percentage annual placement goal at least equal to the availability figure derived for women and minorities in all job groups, as required by 41 CFR 60-2.16(c), due to inaccurate job grouping.

REMEDY: ACCO ENGINEERED SYSTEMS will establish and include in the AAP minority and female placement goals, as appropriate, as required by 41 CFR 60-2.10(b)(1)(vi) and 60-2.16 using accurate job groups.

7. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total affirmative action program, as required by 41 CFR 60-2.17(d). Specifically, ACCO ENGINEERED SYSTEMS failed to account for known HRIS deficiencies such as prior year data retrieval.

REMEDY: ACCO ENGINEERED SYSTEMS will develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total affirmative action program, as required by 41 CFR 60-2.17(d). Specifically, ACCO ENGINEERED SYSTEMS will monitor records of all personnel activity, including referrals, placements, transfers, promotions, terminations, and compensation, at all levels to ensure the nondiscriminatory policy is carried out.

8. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR 60-2.17(b)(2). Specifically, ACCO ENGINEERED SYSTEMS failed to account for known HRIS deficiencies such as prior year data retrieval and job group inaccuracy.

REMEDY: ACCO ENGINEERED SYSTEMS will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR 60-2.17(b)(2). Specifically, ACCO ENGINEERED SYSTEMS will analyze and account for known deficiencies such as failure of the HRIS to retrieve prior year data for the required period and maintain accurate job groups.

9. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c). Specifically, ACCO ENGINEERED SYSTEMS failed to address known problem areas in its total employment process by failing to account for known HRIS deficiencies such as prior year data retrieval and job group inaccuracy.

REMEDY: ACCO ENGINEERED SYSTEMS will develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c). Specifically, ACCO ENGINEERED SYSTEMS will analyze and account for known deficiencies such as failure of the HRIS to retrieve prior year data for the required period and maintain accurate job groups.

Section 503

10. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to evaluate its utilization of individuals with disabilities using the goal established by OFCCP, in violation of 41 CFR 60-741.45. Specifically, because some job names had not been updated to the correct job group, ACCO ENGINEERED SYSTEMS failed to use accurate job groups when conducting its analysis.

REMEDY: ACCO ENGINEERED SYSTEMS will annually evaluate its utilization of individuals with disabilities using the 7 percent goal established by OFCCP, as required by 41 CFR 60-741.45. When conducting this utilization analysis, ACCO ENGINEERED SYSTEMS will use the job groups established for utilization analyses required by Executive Order 11246, as required by 41 CFR 60-741.45(d)(2). Should the percentage of individuals with disabilities in one or more job groups in ACCO ENGINEERED SYSTEMS workforce be less than the utilization goal, ACCO ENGINEERED SYSTEMS will take steps, as required by 41 CFR 60-741.45(e), to determine whether and where impediments to equal employment exist, and must develop and execute action-oriented programs to correct any identified problems, as required by 41 CFR 60-741.45(f).

11. **VIOLATION:** ACCO ENGINEERED SYSTEMS' Section 503 AAP failed to include all the required contents, as required by 41 CFR 60-741.44. Specifically, ACCO ENGINEERED SYSTEMS' AAP failed to perform the audit and reporting system element described in 41 CFR 60-741.44(h) by not acknowledging known job group inaccuracy issues and implementing appropriate corrective action.

REMEDY: ACCO ENGINEERED SYSTEMS will include the audit and reporting system element described in 41 CFR 60-741.44(h) in its Section 503 AAP, as required by 41 CFR 60-741.44 and take appropriate actions to ensure job group accuracy when measuring effectiveness of AAP as applicable, indicate need for remedial action when appropriate, determine degree to which AAP objectives met, measure ACCO ENGINEERED SYSTEMS compliance with the AAP's specific obligations and document appropriate actions.

12. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to ensure that its personnel processes provided for careful, thorough, and systematic consideration of the job qualifications of applicants and employees with known disabilities for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available; failed to periodically review its personnel processes and make any necessary modifications to ensure that these obligations were carried out; and failed to include a description of the review and any necessary modifications to personnel processes or development of new processes in its AAP, as required by 41 CFR 60-741.44(b).

REMEDY: ACCO ENGINEERED SYSTEMS will ensure that its personnel processes provide for careful, thorough, and systematic consideration of the job qualifications of applicants and employees with known disabilities for job vacancies filled either by

hiring or promotion, and for all training opportunities offered or available; periodically review its personnel processes and make any necessary modifications to ensure that these obligations are carried out; and include a description of the review and any necessary modifications to personnel processes or development of new processes in its AAP.

VEVRAA

13. **VIOLATION:** During the period October 1, 2017 through September 30, 2019, ACCO ENGINEERED SYSTEMS failed to ensure that its personnel processes provided for careful, thorough, and systematic consideration of the job qualifications of applicants and employees who were known protected veterans for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available; failed to periodically review its personnel processes and make any necessary modifications to ensure that the obligations were carried out; and failed to include a description of the review and any necessary modifications to personnel processes or development of new processes in its AAP, as required by 41 CFR 60-300.44(b).

REMEDY: ACCO ENGINEERED SYSTEMS will ensure that its personnel processes provide for careful, thorough, and systematic consideration of the job qualifications of applicants and employees who are known protected veterans for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available; periodically review its personnel processes and make any necessary modifications to ensure that the obligations were carried out; and include a description of the review and any necessary modifications to personnel processes or development of new processes in its AAP, as required by 41 CFR 60-300.44(b).

IV. OFCCP Monitoring Period

1. **Recordkeeping.** ACCO ENGINEERED SYSTEMS agrees to retain all records relevant to the violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. These records include underlying data and information such as Human Resources Information System and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. ACCO ENGINEERED SYSTEMS will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Contractor Reports.**
 - a. **Schedule and Instructions.** ACCO ENGINEERED SYSTEMS agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

A. **Progress Report 1** - Please submit the following items by April 1, 2021:

Executive Order 11246 – AAP Year of October 1, 2020 through September 30, 2121

- i. The formation of job groups (covering all jobs) consistent with criteria

given in 41 C.F.R. § 60-2.12.

- ii. For each job group, a statement of the percentage of minority and female incumbents as described in 41 C.F.R. § 60-2.13.
- iii. For each job group, a determination of minority and female availability that considers the factors given in 41 C.F.R § 60-2.14(c)(1) and (c)(2).
- iv. For each job group, the comparison of incumbency to availability as explained in 41 CFR § 60-2.15.
- v. Placement goals for each job group in which the percentage of minorities or women employed is less than would be reasonably expected given their availability as described in 41 C.F.R. § 60-2.16.
- vi. Internal Audit and Reporting System as defined in 41 C.F.R. § 60-2.17(d)(1)-(4).
- vii. Identification of Problem Areas Report as defined in 41 C.F.R. § 60-2.17(b)(1)-(5).
- viii. Action-Oriented Programs as defined in 41 C.F.R. § 60-2.17(c).

Section 503 – AAP Year of October 1, 2020 through September 30, 2121

- ix. Documentation of all actions taken to comply with the audit and reporting system requirements described in 41 C.F.R. § 741.44(h).
- x. Most recent assessment of personnel processes, as required by 41 C.F.R. § 741.44(b), including the date the assessment was performed, any actions taken or changes made as a result of the assessment, and the date of the next scheduled assessment.

VEVRAA – AAP Year of October 1, 2020 through September 30, 2121

- xi. Most recent assessment of personnel processes, as required by 41 C.F.R. § 300.44(b), including the date the assessment was performed, any actions taken or changes made as a result of the assessment, and the date of the next scheduled assessment.

B. Progress Report 2 – Please submit the following items by November 1, 2021:

- i. Data on employment activity (applicants, hires, promotions, and terminations) for AAP year starting October 1, 2020 and ending on September 30, 2021. ACCO ENGINEERED SYSTEMS should present this data by job group (as defined in the AAP) or by job title.

- 1. Applicants: For each job group or job title, this analysis must consist of the total number of applicants identified by gender and by race/ethnicity. For each job group or job title, applicants for whom race and/or gender is not known should still be included in the data

submitted. If some of the job groups or job titles (most commonly, entry-level) are filled from the same applicant pool, ACCO ENGINEERED SYSTEMS may consolidate applicant data for those job groups or titles. For example, where applicants expressly apply for or would qualify for a broad spectrum of jobs (such as “Production,” “Office,” etc.) that includes several job groups, ACCO ENGINEERED SYSTEMS may consolidate applicant data.

2. Hires: For each job group or job title, this analysis must consist of the total number of hires identified by gender and race/ethnicity.
 3. Promotions: For each job group or job title, provide the total number of promotions by gender and race/ethnicity. Also, include a definition of “promotion” as used by ACCO ENGINEERED SYSTEMS and the basis on which they were compiled (e.g. promotions to the job group, from and/or within the job group, etc.). If it varies for different segments of the workforce, please define the term as used for each segment. If ACCO ENGINEERED SYSTEMS presents promotions by job title, include the department and job group from which and to which the person(s) was promoted.
 4. Terminations: For each job group or job title, provide the total number of employee terminations by gender and race/ethnicity. When presenting terminations by job title, include the department and job group from which the person(s) was terminated.
- ii. Employee level compensation data for all employees (including but not limited to full-time, part-time, contract, per diem or day labor, and temporary employees) as of October 1, 2021. Provide gender and race/ethnicity information and hire date for each employee as well as job title, EEO-1 Category and job group in a single file. Provide all requested data electronically, if maintained in an electronic format.

1. For all employees, compensation includes base salary and or wage rate, and hours worked in a typical workweek. Other compensation or adjustments to salary such as bonuses, incentives, commissions, merit increases, locality pay or overtime should be identified separately for each employee.
2. ACCO ENGINEERED SYSTEMS may provide any additional data on factors used to determine employee compensation, such as education, past experience, duty location, performance ratings, department or function, and salary level/band/range/grade.
3. Documentation and policies related to compensation practices of the contractor should also be included in the submission, particularly those that explain the factors and reasoning used to determine compensation.

iii. Information on ACCO ENGINEERED SYSTEMS' affirmative action goals for AAP year starting October 1, 2020 and ending on September 30, 2021. This report must include information that reflects:

1. Job group representation at the start of the AAP year (i.e., total incumbents, total minority incumbents, and total female incumbents);
2. The percentage placement rates (percent goals) established for minorities and women at the start of the AAP year; and
3. The actual number of placements (hires plus promotions) made during the AAP year into each job group with goals (i.e., total placements, total minority placements, and total female placements). For goals not attained, describe the specific good faith efforts made to remove identified barriers, expand equal employment opportunity, and produce measureable results.

iv. For AAP year starting October 1, 2020 and ending on September 30, 2021:

1. The utilization analysis evaluating the representation of individual with disabilities in each job group, or, if appropriate, evaluating the representation of individuals with disabilities in the workforce as a whole, as provided in 41 CFR § 60-741.45.

ACCO ENGINEERED SYSTEMS will submit reports to District Director Agnes Huang at (b) (7)(C), (b) (6)@dol.gov. ACCO ENGINEERED SYSTEMS and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports ACCO ENGINEERED SYSTEMS provides in accordance with this agreement are customarily kept private or closely-held, and ACCO ENGINEERED SYSTEMS believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, ACCO ENGINEERED SYSTEMS will provide such reports to OFCCP marked as

“Confidential”. In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents.

- 3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts ACCO ENGINEERED SYSTEMS’ final progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify ACCO ENGINEERED SYSTEMS in writing within sixty (60) days of the date of the final progress report that ACCO ENGINEERED SYSTEMS has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period and this Agreement will terminate. If OFCCP notifies ACCO ENGINEERED SYSTEMS within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines ACCO ENGINEERED SYSTEMS has met all of its obligations under the Agreement.

V. SIGNATURES

The person signing this Agreement on behalf of ACCO ENGINEERED SYSTEMS personally warrants that he or she is fully authorized to do so, that ACCO ENGINEERED SYSTEMS has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on ACCO ENGINEERED SYSTEMS.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and ACCO ENGINEERED SYSTEMS, Pasadena, CA 91101-1897.

(b) (7)(C), (b) (6)

(b) (7)(C), (b) (6)

Dianna Rea
Vice President, Human Resources
ACCO ENGINEERED SYSTEMS

Agnes Huang
District Director
OFCCP – Los Angeles District Office

DATE: 10/16/2020

DATE: 10/20/2020