

EARLY RESOLUTION CONCILIATION AGREEMENT

Between

**The U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

And

Esri (Environmental Systems Research Institute)

PART I: PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") is currently evaluating Environmental Systems Research Institute, Inc. (hereinafter "Esri"), located at 380 New York Street, Redlands, CA 92373, and is alleging that Esri was not in compliance with Executive Order 11246, as amended ("E.O. 11246" or "Executive Order"), and its implementing regulations at 41 Code of Federal Regulations (C.F.R.) Sections 60-1 – 60-3. Esri denies that it violated the Executive Order and its implementing regulations at 41 C.F.R. Section 60-1 – 60-3. In the interest of resolving the alleged violations without engaging in further enforcement proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and Esri enter into this Early Resolution Conciliation Agreement ("Agreement") to resolve all claims pertaining to this Agreement, and the parties agree to all the terms herein. The attachments to this Agreement are deemed incorporated into this Agreement.

PART II: GENERAL TERMS AND CONDITIONS

- A. In exchange for Esri's fulfillment of all obligations in the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, based on the violations described in more detail in Part IV below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part IV if Esri violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations, including during the five-year exemption period for compliance evaluations if OFCCP deems that Esri is in breach of the Agreement. In exchange for Esri's fulfillment of all obligations in the Agreement, OFCCP further agrees not to initiate any new audits at the covered establishments until at least 60 days after the later of: (1) the date Esri submits the final progress report described in Part VIII of this Agreement and the OFCCP confirms to Esri that it has fully complied with the terms of this Agreement, and (2) the date the 'Exemption Period' (as defined below) expires.
- B. Esri agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents as may be relevant to the matter under investigation and pertinent to Esri's compliance with this Agreement. Esri will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents required under this Agreement.
- C. Esri denies any violation of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"), the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended ("VEVRAA") and their implementing regulations at 41 C.F.R. Chapter 60, or any other laws, and there has not been an adjudication on the merits regarding any such violation.

- D. Esri understands that nothing in this Agreement relieves Esri of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment opportunity laws.
- E. Esri promises not to harass, intimidate, threaten, discriminate against, or otherwise retaliate against any individual because the individual benefits from this Agreement, or files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503 and/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 60-1.32(a).
- F. OFCCP and Esri ("the parties") understand the terms of this Agreement and enter into it voluntarily.
- G. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties with respect to the matter referenced herein. This Agreement contains all of the terms binding the parties and it supersedes all prior written or oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties.
- H. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
- I. This Agreement becomes effective on the day it is signed by the Regional Director of the Pacific Region (the "Effective Date").
- J. This Agreement will expire sixty (60) days after Esri submits the final progress report required in Part VIII, below, unless OFCCP notifies Esri in writing prior to the expiration date that Esri has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date OFCCP determines Esri has met all of its obligations under the Agreement. Furthermore, at the expiration of the Exemption Period (as defined below), any Esri establishment selected for a compliance evaluation will be selected in accordance with the scheduling methodology in place at that time.
- K. Each party shall bear its own fees and expenses with respect to this matter.
- L. If Esri violates this Agreement the procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1. OFCCP will send Esri a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2. Esri will have 30 days from receipt of such notice to demonstrate in writing that it has not violated the Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees.
 - 3. If Esri is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a Show Cause Notice or proceeding through any other requirement for those establishments with an open review at the time of this Agreement.
 - 4. Esri may be subject to the sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief for violation of this Agreement.
- M. 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.

- N. 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 either party's policies, practices or positions 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.
- O. 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.

PART III: SPECIAL TERMS AND CONDITIONS

- A. Esri agrees to conduct a review as outlined in Part VII below for each establishment listed in Attachment A of the Agreement to ensure the administration of non-discriminatory pay practices. To the extent Esri finds issues through such review, it agrees to implement corrective actions as outlined in Part VII at all of its establishments where disparities (exceeding 2 Standard Deviations) are found, consistent with the remedy provisions of this Agreement.
- B. OFCCP will not schedule any Esri establishment listed in Attachment A of this Agreement, for a compliance evaluation, including but not limited to a compliance review, compliance check, focused review, offsite review of records, and corporate management compliance evaluation, during the five-year period from the Effective Date of the Agreement (the "Exemption Period").
- C. The five-year scheduling exemption is limited to regularly scheduled compliance evaluations. OFCCP retains the right to investigate complaints of discrimination at establishments covered by the Agreement under E.O. 11246, Section 503, and VEVRAA.
- D. If Esri violates the terms of this Agreement, OFCCP reserves the right to bring an enforcement action under 41 C.F.R. § 60-1.34, and the remaining time of the five-year Exemption Period will be void.
- E. This Agreement will not relieve Esri from its annual ongoing OFCCP requirements of equal employment opportunity through affirmative action and non-discrimination across its entire workforce, including the annual creation, analysis, and monitoring of an up-to-date AAP.

PART IV: PRELIMINARY FINDINGS

A. Compensation Disparities (2017)

During the compliance evaluation at the establishment listed in Part I, OFCCP allegedly found statistically significant pay disparities based on gender in the two (2) groups listed below:

2L – Software Development Engineer (SW)
2N – Software QA Engineer (SW)

Specifically, OFCCP alleges that in violation of Executive Order 11246 § 201(1), 41 CFR § 60-1.4(a)(1), and 41 CFR § 60-20.4(a), Esri failed to afford equal employment opportunity to female employees in the above referenced groups at the establishment listed in Part I above, by paying them less than comparable male employees, and by failing to identify the gender-based pay disparities that allowed the identified female employees to be compensated at statistically significant lower pay rates than similarly situated male employees.

PART V: FINANCIAL and NON-FINANCIAL REMEDY

A. Settlement Fund

1. Settlement Fund Account: To fully and finally resolve all OFCCP allegations related to this compliance evaluation of the establishment identified in Part I of this Agreement, Esri agrees to distribute a total of (\$2,300,000.00) in back pay and interest, less deductions required by law on the portion representing back pay only (i.e., federal, state, and/or local taxes, the employer's and Eligible Class Members' share of FICA, FUTA, etc.) to each Eligible Class Member (as defined below) on the Final Class Members List (as defined below) described in the Timeline of Attachment D, pursuant to the process set forth in Part V-B.
2. Specific Settlement Fund Amounts: The total Settlement Fund amount includes \$1,886,977.43 in back pay and \$413,022.57 in interest to resolve specific violations set forth above, as follows:

GROUP	BACK PAY	INTEREST	TOTAL
2L-Software Development Engineer SW	\$ 454,345.68	\$101,669.21	\$ 556,014.89
2N-Software QA Engineer SW	\$1,426,280.46	\$317,704.65	\$1,743,985.11

B. Notice Process

1. OFCCP and Esri Obligations: Pursuant to the dates agreed upon in the Timeline in Attachment D, Esri (or its Third Party Administrator) will notify the individuals listed in Attachments B-1 and B-2 ("Eligible Class Members") of the terms of this Agreement by certified mail (return receipt). Esri will provide a set of "Notice Documents" to each Eligible Class Member. The Notice Documents shall consist of: 1) a Notice Form to Eligible Class Members ("Notice Form" – Attachment C-1); 2) an Information Verification Form ("Information Form" - Attachment C-2); and 3) a Release of Claims under Executive Order 11246 Form (the "Release Form" - Attachment C-3). The Notice Documents shall be accompanied by an Esri self-addressed, postage prepaid, return envelope. Eligible Class Members must return the completed "Information Form" and "Release Form" to Esri by the deadline date identified in the Notice Documents and outlined in the Timeline (Attachment D). In order to be eligible for a payment, each Eligible Class Member must, within 30 days of receipt of the Notice Documents, respond by returning the completed "Information Form" and "Release Form" to Esri (or its' Third-Party Administrator).

Pursuant to the dates in the Timeline, Esri will notify OFCCP of all Notice Documents returned to Esri as 'undeliverable'. OFCCP will then attempt to obtain updated Eligible Class Member addresses, and will provide the updated Eligible Class Member addresses to Esri by the deadline date identified in the Timeline. Esri (or its Third-Party Administrator) will then use the updated Eligible Class Member address provided by OFCCP to notify each Eligible Class Member of her eligibility status via a second mailing of the Notice Documents, which will be re-mailed by Esri to each Eligible Class Member's updated address by the deadline date identified in the Timeline. Each Eligible Class Member shall be provided a second 30-day period from the date of receipt of the Notice Documents, to respond by returning the completed "Information Form" and "Release Form" to Esri (or its' Third-Party Administrator).

2. Timeline: Attachment D sets forth the agreed Timeline for distribution of the 'Notice Documents', and for the parties' other obligations under this Agreement. The parties will meet and confer on any reasonable timeline modifications proposed by either party.

3. Notice Deadline: The final deadline for any Eligible Class Member to respond to the Notice Documents is set forth in the Timeline (Attachment D). The parties will prominently display this deadline on all materials they distribute in paper or online form regarding this Agreement, and explain that failure to respond by this deadline will result in a forfeiture of any relief provided by this Agreement.
4. Final List of Eligible Class Members: The Final List of Eligible Class Members will include all Eligible Class Members who timely respond to the Notice by the deadline set forth in the Timeline (Attachment D) and whose eligibility is verified by OFCCP. In accordance with the dates in the Timeline, Esri shall provide to OFCCP a list of all Eligible Class Members who timely submitted a completed (fully executed) "Information Form" and "Release Form", along with a copy of each such Eligible Class Member's "Information Form" and "Release Form" which was received by Esri. In accordance with the dates in the Timeline, OFCCP shall approve the list of Eligible Class Members who have responded in a timely manner to the first or second issuance of "Notice Documents", or otherwise work together with Esri to revise the list so that it meets with OFCCP approval. The list of Eligible Class Members, once approved by OFCCP, shall constitute the "Final Class Member List." Any Eligible Class Member who cannot be located or who failed to submit a completed "Information Form" and "Release Form" within the established timeframes identified in the Timeline will not be eligible for any financial remedies under this Agreement.
5. Esri's Expenses: Esri will pay all expenses associated with carrying out its duties pursuant to this Section, from funds separate and apart from the amount designated in this Agreement for the Settlement Fund.

C. Allocation

1. Tax Payments, Forms and Reporting: Esri will pay its share of social security withholdings, and any other tax payments required by law from additional funds separate from the Settlement Fund. Esri shall mail to each Eligible Class Member who receives a payment pursuant to this Agreement an IRS Form W-2 for that portion of the payment representing back pay and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be provided to each Eligible Class Member, either at the time of payment (electronically or with the settlement checks), or at the end of the year. No Eligible Class Member will be required to complete a W-4 or W-9 in order to receive payments under this settlement.
2. Payment to Eligible Employees: OFCCP will provide Esri a list of the payment amount for each Eligible Employee on the Final List by the date set forth on the Timeline. Esri will issue checks as the sole payor or make electronic payments to each Eligible Employee in the stated amount, along with appropriate tax reporting forms (such as W-2 and IRS Form 1099) by the date set forth on the Timeline. OFCCP will receive timely documentation of all payments made and any payments returned undelivered, or any checks not cashed, as set forth on the Timeline. Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Employee will be void. With respect to any uncashed funds, Esri will make a second distribution, in equal shares, to all Eligible Employees who cashed their first check.
3. Documentation of Payments: By the deadline set forth in the Timeline, Esri will provide OFCCP with copies of cancelled checks or electronic documentation of all payments to Eligible Class Members, including the amounts paid, the date payment was sent, the date payment was received or the check cashed, and any uncashed or returned checks. In the event of a second distribution, Esri will provide a similar documentation of the second distribution.

PART VI: TECHNICAL VIOLATIONS

- A. Violation: OFCCP alleges that Esri failed to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program, as required by 41 C.F.R. § 60-2.17(d). Specifically, OFCCP alleges that Esri failed to conduct an in-depth analysis in order to identify, monitor, and correct any potential gender-based compensation disparities. Esri denies this allegation.

Remedy: Esri will develop and implement, at least annually, an Internal Audit System that periodically measures the effectiveness of its total affirmative action program in accordance with 41 C.F.R. § 60-2.17(d)(1)-(4), including identifying barriers to equal employment opportunity, particularly with regard to gender-based compensation. The internal audit and reporting system must include the following:

1. The monitoring of all records pertaining to personnel activity (at all levels) to ensure that a non-discriminatory policy is carried out.
2. Internal reporting on a regularly scheduled basis to address the degree to which equal employment opportunity and organizational objectives are being attained.
3. A review of affirmative action program reporting results with all levels of management; and
4. Advising top management of program effectiveness and submission of recommendations to improve overall affirmative action program performance.

PART VII: ADDITIONAL RELIEF PER ENHANCED COMPLIANCE AGREEMENT

- A. The Agreement will be in effect for a five-year period beginning on the Effective Date of the Agreement.

To proactively facilitate compliance with Executive Order 11246, Esri will take the steps described below to enhance its compliance with Executive Order 11246 in the compensation of employees at its establishments to ensure non-discriminatory pay practices at all establishments listed on Attachment A of this Agreement.

- B. Esri must analyze its pay policies and practices for the purpose of certifying that they do not discriminate on the basis of gender for the two (2) groups identified in Part IV of this Agreement. During the term of this Agreement, should Esri identify a legitimate business related reason to justify the deviation (change) of its compensation system from the 'model' stipulated in Attachment E for the two (2) groups identified in Part IV of this Agreement, Esri must bring said deviation or change to the attention of OFCCP in a timely manner (but not later than 60 days prior to the Progress Report 'due date'), after which time OFCCP and Esri commit to working in 'good faith' to develop a mutually acceptable 'alternative model' that reasonably addresses the rationale presented by Esri for the proposed change in its compensation system. The person(s) selected by Esri to accomplish this task should be well versed in compensation protocols and best practices for the technology industry.
- C. Esri reserves the option of retaining a third-party compensation consultant ("Consultant") to assist in its obligation to provide certification to OFCCP that its compensation system does not discriminate on the basis of gender. Should Esri elect to retain the services of a Consultant, Esri must ensure that said Consultant possesses a demonstrated level of education and experience commensurate with developing and implementing complex compensation protocols.
1. Methodology (Statistical Model): Esri and OFCCP stipulate to use the 'statistical model' outlined in Attachment E to evaluate whether Esri's compensation practices show statistically significant

indicators of disparity (potential discrimination) based on employee gender for the two (2) groups identified in Part IV of this Agreement. This statistical model referenced herein is to be used by the parties for purposes of settlement of this Agreement only and shall not establish a precedent for any future OFCCP evaluations, investigations, proceedings, or conciliation agreements.

2. Esri will develop and conduct a training program to be presented to all individuals involved in the compensation process at Esri's U.S. establishments. Individuals attending this training will include all Esri managers, recruiters, and all other employees who retain any responsibility or input relative to establishing compensation policies or practices, determining wage and salary rates, or rendering employee-level compensation decisions. The training program may be presented via in-person, remote, or video instruction. At a minimum, the training must include the dissemination of information relative to Esri's non-discrimination obligations, compensation-related industry 'best practices', Esri's compensation-related policies and practices, and the potential impact of implicit bias on promotions, performance evaluations, and pay.
3. The requirements of Part VII of this Agreement between Esri and OFCCP does not provide Esri with any grant of immunity or protection from its requirement to comply with Executive Order 11246.
4. The requirements of Part VII of this Agreement between Esri and OFCCP may be modified upon the written consent of the parties, and such consent will not be unreasonably withheld.
5. This Agreement is between OFCCP and Esri (as collectively defined above) and does not confer any rights or benefits to any other parties (including, but not limited to Esri employees), other than any successor to, parent of, or subsidiary of Esri or OFCCP. In case of a disagreement over the implementation of this Agreement, the parties agree to negotiate in good faith prior to OFCCP instituting any enforcement proceedings.

PART VIII: REPORTS REQUIRED DURING OFCCP MONITORING PERIOD

- A. Recordkeeping: Esri agrees to retain all records relevant to the violations cited in Part IV above and the reports submitted in compliance with Paragraph B, below. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. Esri will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
- B. Analysis: On an annual basis during the course of this Agreement (as identified by specific dates schedule in Attachment D), Esri shall conduct an annual pay audit of compensation in order to determine whether statistically significant gender-based pay disparities exist for employees in the two (2) groups identified in Part IV-A of this Agreement (i.e., for all Esri employees at facilities listed in Attachment A). Esri shall conduct this analysis using the 'model' as stipulated to in Attachment E. Esri shall conduct this analysis using employee base pay as of a 'snapshot' date within 120 days of the applicable Progress Report dates in Attachment D. Esri shall provide OFCCP with an annual 'Progress Report' ("Report") of its findings pursuant to this Item.
- C. In years two (2) and four (4) of this Agreement, Esri shall provide OFCCP with individualized employee compensation data (in Excel format) for employees in the two groups listed in Part IV-A of this Agreement in order that OFCCP may independently replicate and verify Esri's compensation examinations as required by this Agreement. Esri's submission under this Item shall be required for all facilities for all

employees in the two (2) groups listed in Part IV-A of this Agreement and shall include (at a minimum) each employee's id, gender, annual salary, and all variable analysis factors called for in the 'statistical model' (Attachment E).

- D. Confidentiality: Esri 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 Esri provides in accordance with this agreement are customarily kept private or closely held, and Esri believes should remain confidential under the Freedom of Information Act (FOIA) in the event of a FOIA request, Esri 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.

Furthermore, both parties (OFCCP and Esri) will treat Attachments A, B-1, B-2, E, F, and all Report information submitted by Esri to OFCCP under the terms of this Agreement as: (A) privileged and confidential; and (B) commercial and/or financial information. OFCCP will protect from disclosure such information or materials to the maximum extent permitted by law. In the event of a FOIA request for any information or materials provided by Esri to OFCCP pursuant to this Agreement, OFCCP shall promptly notify Esri of such request in writing, solicit input from Esri with regard to any privileges and exemptions, and will assert such privileges and exemptions and otherwise protect said material from disclosure to the maximum extent permitted by law.

- E. Schedule and Submission Instructions: Esri will submit all Reports to (b) (6), (b) (7)(C) Compliance Officer; Orange Area Office; U.S. Department of Labor, OFCCP; 770 The City Drive, Suite 5700, Orange, CA 92868, or via email to (b) (6), (b) (7)(C)@dol.gov.

Esri shall submit its Reports no later than September 1, 2022 for the first year of the Agreement and then by June 1st of each year for the years 2023 through 2026, for a total of five (5) Report submissions. Subsequent Reports will cover the same period and reporting schedule as set forth in Attachment D for the first Report. Each Report shall include the following information:

Years 1 through 5:

1. Summaries which describe the results of the compensation evaluation (pay audit analysis) conducted for employees in each of the two groups as listed in Part IV-A of this Agreement. This submission will consist of the statistical results of the 'statistical model' analysis required in Part VIII-B, above, and the aggregate dollar amount of salary adjustments made for employees pursuant to the terms at Attachment E (Prospective Pay Adjustments).
2. A narrative summary of Esri's findings relative to the examination of its current policies, procedures and practices related to compensation for employees in the two (2) groups listed in Part IV-A of this Agreement at Esri's Redlands, CA headquarters.
3. Recommended actions or revisions to the compensation policies, procedures, and practices to ensure non-discrimination in compensation for employees in the two (2) groups listed in Part IV-A of this Agreement at Esri's Redlands, CA headquarters.
4. Recommended actions for training for all individuals involved in compensation practices for employees listed in the two (2) groups in Part IV-A of this Agreement at Esri's Redlands, CA headquarters.

5. Affirmative Action Programs. Esri will certify in writing that it has developed its current year AAP for Executive Order 11246 for each year that reporting requirements under this Agreement remain in effect.

Years 2 and 4:

(Esri shall submit all reporting items from Years 1 through 5 for the items in Part VIII-E subsections 1 through 5 of this Agreement), plus for Reports on June 1, 2023 and June 1, 2025, Esri shall submit:

6. Individualized employee compensation data (in Excel format) shall be required for all facilities for all employees in the two (2) groups in Part IV-A of this Agreement. The data shall include each employee's id, gender, annual salary, and all 'Control Variables' called for in the 'Statistical Model' (Attachment E), or any future data which may be subsequently agreed upon in writing by OFCCP and Esri according to Part VII-C of this Agreement.
7. OFCCP shall provide written notice to Esri of its assessment of Esri's Progress Reports within 90 days of receipt of each Report.

PART IX: SIGNATURES

INTEGRATION CLAUSE: This Agreement represents the full Agreement between Esri and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Esri nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Esri, 380 New York Street, Redlands, California 92373.

LAURA DANGERMOND
Esri
380 New York Street
Redlands, CA 92373

SIGNATURE

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

DATE: July 29, 2022

JANE SUHR
Regional Director
Office of Federal Contract Compliance
Programs
Pacific Region

SIGNATURE

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

DATE: August 1, 2022

for AGNES HUANG
District Director
Office of Federal Contract Compliance
Programs - Los Angeles District Office

SIGNATURE

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

DATE: August 01, 2022

HECTOR M. SANCHEZ
Area Director
Office of Federal Contract Compliance
Programs - Organizational Office

SIGNATURE:

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

DATE: August 01, 2022

ATTACHMENTS:

- A. List of Covered Establishments
- B1. List of Eligible Class Members (2L) (Redacted/FOIA Exempt)
- B2. List of Eligible Class Members (2N) (Redacted/FOIA Exempt)
Notice Documents
- C-1. Notice Form (to Eligible Class Members Form)
- C-2. Information Verification Form
- C-3. Release of Claims Form
- D. Timeline (Redacted/FOIA Exempt)
- E. Stipulated Pay Analysis (Model) (Redacted/FOIA Exempt)

Attachment A: Covered Establishments

[illegible]

Attachment B: List of Eligible Class Members (by Employee #)

2L – Software Development Engineer SW

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- 33.

Attachment B: List of Eligible Class Members (by Employee #)

2N – Software QA Engineer SW

1.	(b) (7)(C), (b) (6)	41.	(b) (7)(C), (b) (6)	81.	(b) (7)(C), (b) (6)	121.	(b) (7)(C), (b) (6)
2.		42.		82.		122.	
3.		43.		83.		123.	
4.		44.		84.		124.	
5.		45.		85.		125.	
6.		46.		86.		126.	
7.		47.		87.		127.	
8.		48.		88.		128.	
9.		49.		89.		129.	
10.		50.		90.		130.	
11.		51.		91.		131.	
12.		52.		92.		132.	
13.		53.		93.		133.	
14.		54.		94.		134.	
15.		55.		95.		135.	
16.		56.		96.		136.	
17.		57.		97.		137.	
18.		58.		98.		138.	
19.		59.		99.		139.	
20.		60.		100.		140.	
21.		61.		101.		141.	
22.		62.		102.		142.	
23.		63.		103.		143.	
24.		64.		104.			
25.		65.		105.			
26.		66.		106.			
27.		67.		107.			
28.		68.		108.			
29.		69.		109.			
30.		70.		110.			
31.		71.		111.			
32.		72.		112.			
33.		73.		113.			
34.		74.		114.			
35.		75.		115.			
36.		76.		116.			
37.		77.		117.			
38.		78.		118.			
39.		79.		119.			
40.		80.		120.			

Attachment C1: Notice

We are writing to provide information about a legal settlement between the U.S. Department of Labor, Office of Federal Contract Compliance Programs (“OFCCP”) and Esri that may benefit you. This settlement involves alleged claims of discrimination in compensation which have been preliminary identified by OFCCP. Esri denies the validity of such findings, but has voluntarily entered this settlement in order to move forward. There has been no adjudicated findings that Esri violated any laws. OFCCP and Esri have reached this settlement in order to resolve this matter.

Our records show that you may be one of the class members covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back pay with Esri.

ARE YOU AFFECTED?

This settlement covers employees in certain job titles at Esri’s headquarters establishment in Redlands, California who allegedly had a salary disparity for the period of January 1, 2017 to December 31, 2017.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) conducted a review of Esri’s compensation practices at its Redlands, California headquarters facility during January 1, 2017 through December 31, 2017. OFCCP is the government agency responsible for enforcing the nondiscrimination and equal employment opportunity through affirmative action requirements that apply to federal contractors. OFCCP alleges that Esri discriminated against employees in certain specific job titles in the area of compensation. Esri denies those claims. Ultimately, OFCCP and Esri have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement between a federal contractor (Esri) and OFCCP. As a result, affected class members may be eligible for back pay and interest.

WHAT DOES THIS MEAN FOR YOU?

Because you were employed during the relevant time frame, and in one of the relevant job titles, this settlement may provide you with back pay and interest as follows:

- (1) **You may be eligible to receive a payment of at least \$_____** (before adjustments for taxes and payroll contributions). This amount represents your share of back pay and other payments Esri is making to settle the issues OFCCP allegedly found. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions.

To become eligible for these benefits, you will need to release or agree to give up certain legal claims, and sign the enclosed Release form and the Information Verification form.

WHAT IS YOUR NEXT STEP?

You should read this Notice and the enclosed Release form and Information Verification form.

To be eligible for a payment, you must complete, sign, and return the “Release of Claims Under Executive Order 11246” (Release) form and Information Verification form to:

[Name and address for return of forms or instructions/email for electronic submission]

DEADLINE: The Release form and Information Verification form must be received by [INSERT specific date for First or Second Notice deadline date in Attachment D]

If you fail to return the required forms by the deadline above, or if your forms do not verify your eligibility, you will not be eligible to participate in this settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Sr. Compliance Officer (b) (6), (b) (7)(C) at (714) 621-1678 or (b) (6), (b) (7)(C)@dol.gov. You can also visit the U.S. Department of Labor Website about this case at www.dol.gov/ofccp/cml.

Attachment C-2: Information Verification Form

INFORMATION VERIFICATION FORM

You must complete this Information Verification Form ("Information Form") in order to be eligible to receive monetary payment under the terms of this Conciliation Agreement ("Agreement") between Esri (Environmental Systems Research Institute) and the U.S. Department of Labor – Office of Federal Contract Compliance Programs (OFCCP).

Please print legibly, then sign and date this Form.

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP CODE: _____

TELEPHONE: CELL: _____ HOME: _____ WORK: _____

EMAIL ADDRESS: _____

*You must notify Esri at the address below if any of your contact information changes within the next twelve (12) months.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED TWO (2) DOCUMENTS ("Information Form" and "Release of Claims Form") TO ESRI AT THE ADDRESS LISTED BELOW WITHIN THIRTY (30) DAYS OF YOUR RECEIPT OF THESE DOCUMENTS YOU WILL BE INELIGIBLE TO RECEIVE A MONETARY PAYMENT UNDER THE TERMS OF THIS "AGREEMENT".

I, _____, certify that the above information as listed is true and correct.
(PRINT NAME)

SIGNATURE (CLASS MEMBER)

DATE

[Name and address for return of forms or instructions/email for electronic submission]

Attachment C-3: Release Form

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for Esri (Environmental Systems Research Institute, Inc.) paying you money, you agree that you will not file any lawsuit against Esri for alleged compensation discrimination under Executive Order 11246. It also says that Esri does not admit it violated any laws enforced by OFCCP. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of payment of \$_____ (less adjustments required by law) by Esri to me, which I agree is acceptable, I (print name)_____ agree to the following:

I.

By signing this Release, I agree that I have been made whole for any claim that could have been brought under Executive Order 11246 relating to Esri's compensation practices during my employment with Esri through the Effective Date of this Release. I hereby release Esri, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its shareholders, owners, directors, officers, employees, agents, and assigns from any claim for additional relief obtained through any action based on or involving Esri's compensation practices through the Effective Date of this Release that could have been brought under Executive Order 11246. Here, make whole relief is defined as the total earnings lost, and includes: salary or wages, overtime, premium pay and shift differentials, incentive pay, raises, bonuses, lost sales commissions, cost-of-living increases, tips, medical and life insurance, fringe benefits, pensions, stock options, and awards.

II.

I understand that Esri does not agree that it treated me unlawfully or unfairly in any way and that Esri entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve alleged disparities in compensation and to resolve the matter without further legal proceedings in the compliance reviews initiated by OFCCP related to the facility covered by the Conciliation Agreement. I further agree that the payment of the aforesaid sum by Esri to me is not to be construed as an admission of any liability by Esri.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

IV.

I understand that if I do not sign this Release and return it to Esri, by the deadline listed on the Notice Form, I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

Attachment D: Timeline

ACTIVITY	DATE
<div>(b) (7)(E)</div>	

1: (b) (7)(E)
2:

**ATTACHMENT E
(Statistical Model)**

(b) (7)(E)

