

**Conciliation Agreement**  
**Between the**  
**U.S. Department of Labor Office of Federal Contract Compliance Programs**  
**and**  
**GKN Driveline North America, Inc.**

**I. Preliminary Statement**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the GKN Driveline North America, Inc. (GKN Sanford) establishment located at 4901 Womack Road, Sanford, North Carolina, 27330 beginning on November 5, 2020. OFCCP found that GKN Sanford 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/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and their respective implementing regulations at 41 C.F.R. 60-1, 41 C.F.R. 60-2, 41 C.F.R. 60-300, and 41 C.F.R. 60-741.

OFCCP notified GKN Sanford of the specific violation(s) and the corrective action(s) required in a Notice of Violation (NOV) issued on May 26, 2023.

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

**II. General Terms and Conditions**

1. In exchange for GKN Sanford's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503, and/or VEVRAA based on the violation(s) alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if GKN Sanford violates any provision of this Agreement, as set forth in Paragraph 10, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review GKN Sanford's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. GKN Sanford 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 OFCCP requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves GKN Sanford 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. GKN Sanford 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.
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. 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.
7. This Agreement becomes effective on the day it is signed by the District Director (Effective Date).
8. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
9. This Agreement will expire sixty (60) days after GKN Sanford submits its final progress report required in Section IV, below, unless OFCCP notifies GKN Sanford in writing before the expiration date that GKN Sanford 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 GKN Sanford has met all of its obligations under the Agreement.
10. If GKN Sanford violates this Agreement:
  - a. The procedures at 41 C.F.R. 60-1.34, 41 C.F.R. 60-300.63, and/or 41 C.F.R. 60-741.63 will govern:
    - i. OFCCP will send GKN Sanford a written notice stating the alleged violation(s) and summarizing any supporting evidence.
    - ii. GKN Sanford 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 GKN Sanford 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.
    - iv. In the event of a breach of this Agreement by GKN Sanford, 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 in the Agreement.

- b. GKN Sanford 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. 60-741.66, or 41 C.F.R. 60-300.66, and/or other appropriate relief for violating this Agreement.
- 11. GKN Sanford does not admit any violation of the Executive Order, Section 503 or VEVRAA, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity, nor has there been an adjudication on the merits regarding any such violation.
- 12. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- 13. 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.
- 14. Each party shall bear its own fees and expenses with respect to this matter.
- 15. 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.
- 16. 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**

- 1. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford 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, GKN Sanford failed to monitor its hiring processes, nor did it internally report on or review with all levels of management, its affirmative action program.

**REMEDY:** GKN Sanford 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, GKN Sanford will:

- a. 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;
- b. Require internal reporting on a scheduled basis as to the degree to which equal employment opportunity and organizational objectives are attained;

- c. Review report results with all levels of management who supervise other associates and who have responsibility for hiring, promotions/transfers, terminations, and compensation decisions; and
- d. Advise top management of program effectiveness and submit recommendations to improve unsatisfactory performance.

2. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to design and implement an audit and reporting system, as required by 41 CFR 60-300.44(h). Specifically, GKN Sanford failed to conduct an audit and reporting system that (i) measured the effectiveness of GKN Sanford's affirmative action program; (ii) indicated need for remedial action; (iii) determined the degree to which GKN Sanford's objectives had been attained; and (iv) measured GKN Sanford's compliance with the affirmative action program's specific obligations.

**REMEDY:** GKN Sanford will include the audit and reporting system element described in 41 CFR 60-300.44(h) in its VEVRAA AAP, as required by 41 CFR 60-300.44. Specifically, GKN Sanford will design and implement an audit and reporting system that measures the effectiveness of its affirmative action program; indicates any need for remedial action; determines the degree to which GKN Sanford's objectives have been attained; determines whether known protected veterans have had the opportunity to participate in all company sponsored educational, training, recreational and social activities; measures GKN Sanford's compliance with the affirmative action program's specific obligations; and documents the actions taken to comply with these obligations.

3. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to design and implement an audit and reporting system, as required by 41 CFR 60-741.44(h). Specifically, GKN Sanford failed to conduct an audit and reporting system that (i) measured the effectiveness of GKN Sanford's affirmative action program; (ii) indicated need for remedial action; (iii) determined the degree to which GKN Sanford's objectives had been attained; and (iv) measured GKN Sanford's compliance with the affirmative action program's specific obligations.

**REMEDY:** GKN Sanford 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. Specifically, GKN Sanford will design and implement an audit and reporting system that measures the effectiveness of its affirmative action program; indicates any need for remedial action; determines the degree to which GKN Sanford's objectives have been attained; determines whether known individuals with disabilities have had the opportunity to participate in all company sponsored educational, training, recreational and social activities; measures GKN Sanford's compliance with the affirmative action program's specific obligations; and documents the actions taken to comply with these obligations.

4. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to state in all solicitations or advertisements for employees placed by or on behalf of GKN Sanford, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin, as required by 41 CFR 60-1.4(a)(2).

**REMEDY:** GKN Sanford will state in all solicitations or advertisements for employees placed by or on behalf of GKN Sanford, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin, as required by 41 CFR 60-1.4(a)(2).

5. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to include (or ensure the inclusion of), in all solicitations and advertisements for employees, a statement that all qualified applicants will be considered for employment and will not be discriminated against based on their protected veteran status, in violation of 41 CFR 60-300.5(a)(12).

**REMEDY:** GKN Sanford will include (or ensure the inclusion of), in all solicitations and advertisements for employees, a statement that all qualified applicants will be considered for employment and will not be discriminated against on the basis of their protected veteran status, in accordance with 41 CFR 60-300.5(a)(12).

6. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to state in all solicitations and advertisements for employees placed on behalf of GKN Sanford that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability, as required by 41 CFR 60-741.5(a)(7).

**REMEDY:** GKN Sanford will state in all solicitations and advertisements for employees placed on behalf of GKN Sanford that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability, as required by 41 CFR 60-741.5(a)(7).

7. **VIOLATION:** During the period January 1, 2019 through November 4, 2020, GKN Sanford failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified protected veterans, as required by 41 CFR 60-300.44(f)(3).

**REMEDY:** GKN Sanford will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-300.44(f)(3). If GKN Sanford concludes that the totality of its efforts were not effective

in identifying and recruiting qualified protected veterans, it shall identify and implement alternative efforts listed in 41 CFR 60-300.44(f)(1) or (f)(2).

8. **VIOLATION:** During the period January 1, 2019 through November 4, 2020, GKN Sanford failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified individuals with disabilities as required by 41 CFR 60-741.44(f)(3).

**REMEDY:** GKN Sanford will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-741.44(f)(3). If GKN Sanford concludes that the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities, it shall identify and implement alternative efforts listed in 41 CFR 60-741.44(f)(1) or (f)(2).

9. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to immediately list all employment openings with either the state workforce agency job bank or a local employment service delivery system serving the location where the openings occurred in violation of 41 CFR 60-300.5(a)2-6.

**REMEDY:** GKN Sanford will list all employment openings as they occur with an appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS) where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans to GKN Sanford, as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, GKN Sanford will also advise the employment service delivery system that it is a federal Contractor that desires priority referrals of protected veterans for job openings at all locations within the state, and provide the employment service delivery system with the name and address of each of its hiring locations within the state and the contact information for the GKN Sanford official responsible for hiring at each location, in accordance with 41 CFR 60-300.5(a)4. Should any of the information in the disclosures change since it was last reported to the ESDS, GKN Sanford shall provide updated information simultaneously with its next job listing.

10. **VIOLATION:** During the period November 5, 2018 through November 4, 2020, GKN Sanford failed to maintain and/or have available records where possible showing the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c). Specifically, GKN Sanford failed to keep applicant gender, race, and ethnicity data on individuals who applied but were not selected for the job.

**REMEDY:** GKN Sanford will maintain and/or have available records showing where possible the gender, race, and ethnicity of each applicant or Internet applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c).

#### **IV. OFCCP Monitoring Period**

1. **Recordkeeping.** GKN Sanford agrees to retain all records relevant to the violation(s) 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 (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. GKN Sanford will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. **Contractor Reports.**

GKN Sanford agrees to furnish OFCCP with the following reports during the Monitoring Period. Each report will contain the documentation specified according to the dates scheduled:

- a. Progress Report 1: Due on January 31, 2024, covering the period from the Effective Date of this Agreement through December 31, 2023.
  - i. Pursuant to Remedy 1: Documentation of the internal audit and reporting system GKN Sanford implemented to periodically measure the effectiveness of its total affirmative action program. This documentation will include, but not be limited to, documentation that demonstrates GKN Sanford: monitored records of all personnel activity at all levels to ensure the nondiscriminatory policy is carried out; the schedule implemented for internal auditing that is designed to ensure equal employment opportunity and organizational objectives are attained; conducted a review of report results with all levels of management; and, top management was advised of program effectiveness and recommendations submitted to improve unsatisfactory performance, as required by 41 CFR 60-2.17(d).
  - ii. Pursuant to Remedies 2 and 3: Documentation that demonstrates GKN Sanford designed and implemented an audit and reporting system that measured the effectiveness of its affirmative action program; indicated any need for remedial action; determined the degree to which GKN Sanford's objectives were attained; determined whether protected veterans and known individuals with disabilities had the opportunity to participate in all company sponsored educational, training, recreational and social activities; measured GKN Sanford's compliance with the affirmative action program's specific obligations; and documented the actions taken to comply with these obligations, as required by 41 CFR 60-300.44 and as required by 41 CFR 60-741.44.

- iii. Pursuant to Remedies 4, 5, and 6: Documentation of notices of solicitations or advertisements for employees placed by or on behalf of GKN Sanford, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or status as a protected veteran as required by 41 CFR 60-1.4(a)(2), 41 CFR 60-300.5(a)(12), and 41 CFR 60-741.5(a)7.
- iv. Pursuant to Remedies 7 and 8: Documentation of GKN Sanford's outreach and positive recruitment activities taken during the progress reporting period to recruit qualified individuals with a disability and protected veterans, including evidence of job vacancy announcements sent to, responses from and communications with recruitment sources used during this period.

A list of hires during the progress reporting period that self-identified as an individual with a disability and/or as a protected veteran, including the job group, job title and annualized salary for each hire.

Results of the evaluation of the assessment of the effectiveness of outreach and recruitment efforts that were intended to identify and recruit qualified individuals with a disability and protected veterans during the 2023 AAP year. This evaluation will identify the criteria used to evaluate the effectiveness of each effort and the company's conclusion as to whether each effort was effective. Among these criteria shall be the data collected pursuant to 41 CFR 60-300.44(k) and 41 CFR 60-741.44(k).

- v. Pursuant to Remedy 9: Documentation that demonstrates all employment openings were listed with the appropriate state workforce agency job bank or a local ESDS. Should any of the information in the disclosures change since it was last reported to the ESDS, GKN Sanford shall provide documentation demonstrating that it updated information simultaneously with its next job listing.
- vi. Pursuant to Remedy 10: Documentation that confirms and describes how GKN Sanford has implemented a record retention policy and system to preserve personnel and employment records including the tracking of applicants, hires, decisions at each step in the hiring process and that documents are retained in accordance with the requirements of 41 CFR 60-1.12, 41 CFR 60-3.4 and 41 CFR 60-3.15.

For the progress report period, GKN Sanford will provide an applicant flow log that includes the gender, race, and ethnicity of each applicant, the job title applied for, the date they applied, date of hire (as applicable), job title hired into (as applicable), and the disposition of each applicant.



b. Progress Report 2: Due on January 31, 2025, covering the period of January 1, 2024 through December 31, 2024.

- i. Pursuant to Remedy 1: Documentation of the internal audit and reporting system GKN Sanford implemented to periodically measure the effectiveness of its total affirmative action program. This documentation will include, but not be limited to, documentation that demonstrates GKN Sanford: monitored records of all personnel activity at all levels to ensure the nondiscriminatory policy is carried out; the schedule implemented for internal auditing that is designed to ensure equal employment opportunity and organizational objectives are attained; conducted a review of report results with all levels of management; and, top management was advised of program effectiveness and recommendations submitted to improve unsatisfactory performance, as required by 41 CFR 60-2.17(d).
- ii. Pursuant to Remedies 2 and 3: Documentation that demonstrates GKN Sanford designed and implemented an audit and reporting system that measured the effectiveness of its affirmative action program; indicated any need for remedial action; determined the degree to which GKN Sanford's objectives were attained; determined whether protected veterans and known individuals with disabilities had the opportunity to participate in all company sponsored educational, training, recreational and social activities; measured GKN Sanford's compliance with the affirmative action program's specific obligations; and documented the actions taken to comply with these obligations, as required by 41 CFR 60-300.44 and as required by 41 CFR 60-741.44
- iii. Pursuant to Remedies 4, 5, and 6: Documentation of notices of solicitations or advertisements for employees placed by or on behalf of GKN Sanford, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or status as a protected veteran as required by 41 CFR 60-1.4(a)(2), 41 CFR 60-300.5(a)(12), and 41 CFR 60-741.5(a)7.
- iv. Pursuant to Remedies 7 and 8: Documentation of GKN Sanford's outreach and positive recruitment activities taken during the progress reporting period to recruit qualified individuals with a disability and protected veterans, including evidence of job vacancy announcements sent to, responses from and communications with recruitment sources used during this period.

A list of hires during the progress reporting period that self-identified as an individual with a disability and/or as a protected veteran, including the job group, job title, and annualized salary for each hire.

Results of the evaluation of the assessment of the effectiveness of outreach and recruitment efforts that were intended to identify and recruit qualified individuals with a disability and protected veterans during the 2024 AAP year. This evaluation will identify the criteria used to evaluate the effectiveness of each effort and the company's conclusion as to whether each

effort was effective. Among these criteria shall be the data collected pursuant to 41 CFR 60-300.44(k) and 41 CFR 60-741.44(k).

- v. Pursuant to Remedy 9: Documentation that demonstrates all employment openings were listed with the appropriate state workforce agency job bank or a local ESDS. Should any of the information in the disclosures change since it was last reported to the ESDS, GKN Sanford shall provide documentation demonstrating that it updated information simultaneously with its next job listing.
- vi. Pursuant to Remedy 10: For the progress report period, GKN Sanford will provide an applicant flow log that includes the gender, race, and ethnicity of each applicant, the job title applied for, the date they applied, date of hire (as applicable), job title hired into (as applicable) and the disposition of each applicant.

GKN Sanford will submit reports to Assistant District Director Tamara Simpson, 3800 Arco Corporate Drive, Suite 465, Charlotte, NC 28273, or electronically to (b) (6), (b) (7)(C)@dol.gov. GKN Sanford 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 GKN Sanford provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and GKN Sanford believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, GKN Sanford will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify GKN Sanford of the FOIA request and provide GKN Sanford an opportunity to object to disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

- b. **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 GKN Sanford's final progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify GKN Sanford in writing within sixty (60) days of the date of the final progress report that GKN Sanford 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 GKN Sanford within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines GKN Sanford has met all of its obligations under the Agreement.

## V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and GKN Driveline North America, Inc., 4901 Womack Road, Sanford, North Carolina 27330.

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

Todd Gilmore  
Plant Director, Sanford  
GKN Driveline North America, Inc.  
4901 Womack Road  
Sanford, North Carolina 27330

DATE: July 19, 2023

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

George Rouse, III  
District Director — Charlotte  
Southeast Region  
OFCCP

DATE: \_\_\_\_\_

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

Tamara Simpson  
Assistant District Director  
Southeast Region  
OFCCP

DATE: \_\_\_\_\_