

Early Resolution Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
And
Daikin Industries, Ltd.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Daikin Applied Staunton Facility (Daikin) located at 207 Laurel Hill Road, Verona, VA 24482-2601, mailing address P.O. Box 2510, Staunton, VA 24402-5210, beginning on August 6, 2021. OFCCP found that Daikin failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order), and its respective implementing regulations at 41 Code of Federal Regulations (CFR) Parts 60-1, 60-2, and 60-3.

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 Daikin enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

The attachments to this Agreement are deemed incorporated into this Agreement.

II. General Terms and Conditions

1. In exchange for Daikin's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Daikin 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 Daikin'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. Daikin 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 Daikin of its obligation to fully comply with the requirements of E.O. 11246, 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), their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.
4. Daikin and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246.

5. Daikin 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, including its attachments, 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 Regional Director (Effective Date).
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 Daikin submits its final progress report required in Section VIII, below, unless OFCCP notifies Daikin in writing before the expiration date that Daikin 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 Daikin has met all of its obligations under the Agreement.
11. If Daikin violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34 will govern:
 - i. OFCCP will send Daikin a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. Daikin 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 Daikin 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 Daikin, 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. Daikin may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27 and/or other appropriate relief for violating this Agreement.
12. Daikin denies any violation of the Executive Order and its implementing regulations at 41 Chapter 60 and there has not 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 OFCCP.
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, and in the Timeline included as Attachment B, 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. Discrimination Violation

1. **VIOLATION:** OFCCP preliminarily found that Daikin is not in compliance with the nondiscrimination requirements of the equal opportunity clause of E.O. 11246 section 202 and 41 CFR 60-1.4 (a)(1). OFCCP identified a statistically significant disparity (equivalent to a shortfall of five (5)), not otherwise explained, in the hiring of Black Line Assembler applicants on the basis of their race.

IV. Financial Remedy

1. **Settlement Amount.** Daikin agrees to a settlement amount of \$100,000.00 to resolve the specific violations set forth above. The total settlement amount includes \$88,734.20 in back pay and \$11,265.80 in interest (Settlement Fund).
2. **Allocation**
 - a. **Total Amount to be Allocated.** The back pay and interest amounts of the Settlement Fund will be distributed among the Eligible Applicants as explained in this Section. The settlement fund is an amount that represents estimated back pay and accrued

interest. Daikin's share of statutory taxes/contributions on the portion representing back pay, such as Federal Income Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA), or other state and/or local taxes is not part of the Settlement Fund. Daikin will be responsible for any banking account fees related to the Settlement Fund. Individual shares will include appropriate deductions for each individual's share of payroll deductions required by law on the portion representing back pay only, such as federal (FICA), state or local insurance premiums or taxes.

- b. **Affected Applicants Eligible to Receive Payments.** The Settlement Fund will be distributed to all Affected Applicants (identified in Attachment A) who timely respond to the Notice Process as explained below, and whose eligibility is verified (hereinafter, Eligible Applicants). These individuals will be listed on the Final List of Eligible Applicants (Final List). The process of determining the Final List is explained below under Notice Process. OFCCP will determine the final amount for each Eligible Applicant based on the formula or other terms provided in this Agreement. All Eligible Applicants are entitled to their share of the monetary settlement regardless of whether they are currently interested in employment with Daikin.
- c. **Payments to Eligible Applicants.** OFCCP will provide Daikin a list of the payment amount for each Eligible Applicant on the Final List by the date set forth on the Timeline. Daikin will issue checks or make electronic payments to each Eligible Applicant in the stated amount, along with appropriate tax reporting forms (such as W-2 and Internal Revenue Service (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 180 days after the initial date the check was mailed to the Eligible Applicant will be void. With respect to any uncashed funds, Daikin will make a second distribution in equal shares to all Eligible Applicants who cashed their first check, but only if the total amount that would be distributed to each Eligible Applicant exceeds \$30 (thirty dollars). Daikin will mail the second distribution to such participants by the date specified in the Timeline. Any undistributed funds will be deposited with the Virginia Department of the Treasury, Unclaimed Property Division.
- d. **Tax Payments, Forms and Reporting.** Daikin shall pay Daikin's share of social security withholdings, and any other tax payments required by law from additional funds separate from the Settlement Fund. Daikin shall mail to each Eligible Applicant 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 the Eligible Applicants either at the time of payment, electronically or with the settlement checks, or at the end of the year. No Eligible Applicant will be required to complete a W-4 or W-9 in order to receive payments

under this settlement.¹ Pursuant to the Tax Cuts and Jobs Act (TCJA) OFCCP will report to the IRS via a form 1098-F when an employer (or individual) is required to pay fines, penalties, restitution, remediation, or other costs in excess of \$50,000 as a result of a violation of law or an investigation or inquiry into a violation of law.²

3. Notice Process

- a. **OFCCP and Daikin's Obligations under the Notice Process.** The Notice Process set forth in this Agreement is intended to provide Affected Applicants a meaningful opportunity to understand their rights and obligations and act on them in a timely manner. This includes providing notice through multiple channels if appropriate and providing technical assistance to Affected Applicants seeking information about their rights and obligations under this Agreement. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, Daikin and OFCCP will regularly meet and confer in person, by phone and/or by email on the notice process to determine how best to carry out the Notice provisions of this Agreement, and to decide whether any activity, deadline or document should be modified. OFCCP and Daikin agree not to unreasonably withhold consent to reasonable modifications proposed by either party.
- b. **Notice Documents.** Daikin will distribute Notice Documents to Affected Applicants identified in Attachment A consistent with the sample Notice Documents contained in Attachment C. The Notice Documents will include a Notice, Release of Claims Under the Executive Order and Information Verification and Employment Interest Forms. The Notice Documents may also include other materials such as standard OFCCP or U.S. Department of Labor materials, instructions or a cover sheet, job applications, or other information that better enables Affected Applicants to understand their rights and obligations and act on them in a timely manner. The Notice Documents will make clear the information about the settlement is being provided by or on behalf of the U.S. Department of Labor. As specified in the Timeline and as otherwise necessary to fulfill this Agreement, the parties will meet and confer on any reasonable modifications of the sample Notice Documents or additions to the materials distributed by Daikin, if proposed by either party.
- c. **Timeline.** Attachment B sets forth the agreed Timeline for Notice and for the parties' other obligations under this Agreement. The parties will meet and confer on any reasonable modifications to the Timeline proposed by either party.

¹ IRS guidance states that an employer can assume a single deduction in the absence of a W-4 form. See 26 CFR 31.3402(f)(2)-1(a).

² The IRS issued its implementing regulations in January 2021.

<https://www.federalregister.gov/documents/2021/01/19/2021-00741/denial-of-deduction-for-certain-fines-penaltiesand-other-amounts-related-information-reporting>

- d. **Search for Affected Applicants.** OFCCP shall provide Daikin with complete contact information in its possession or its authority to obtain on the Affected Applicants by the date set forth in the Timeline.
- e. **Distribution of Mail Notice to Affected Applicants.** Daikin will provide initial Notice, Release of Claims under the Executive Order, and Information Verification and Employment Interest Forms by regular first-class mail. Daikin will send copies of all of the Notice Documents as defined above, including a postage-paid return envelope, by first class mail to the best available mailing address for each Affected Applicant, by the date set forth in the Timeline. If envelopes from the initial mail notice are returned with forwarding addresses, Daikin will re-mail the Notice Documents within five (5) days of receipt of the forwarding address.

Based on the response to the initial mail notice, the parties will meet and confer by the date set forth in the Timeline to assess the results of the initial mail notice and to ensure that the second round of mail notice maximizes the potential response rate. A second mail notice will be sent to Affected Applicants with valid addresses who fail to respond to the first mail notice unless the parties agree otherwise.

- f. **Distribution of Notice by Other Means.** Daikin shall work with the OFCCP to develop a recommended plan for Notice by other means in addition to first class mail, including, as appropriate, use of email and telephone contact, distribution of information on websites, paid newspaper, web, radio or other advertisement, social media, or in-person community meetings. These other means will be designed to maximize the ability of Affected Applicants to understand their rights and obligations under this Agreement and act upon them. OFCCP will also conduct independent efforts to communicate with Affected Applicants about this Agreement through official U.S. Department of Labor channels and in partnership with community-based organizations.
- g. **Notice Deadline.** The final deadline for any Affected Applicant to respond to the notice is set forth in the Timeline. 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.
- h. **Technical Assistance.** The parties will timely respond to any inquiries from Affected Applicants using information consistent with this Agreement and the Notice Documents and will document all inquiries and the result. OFCCP will provide contact information for individuals to contact OFCCP regarding this Agreement. The parties will prominently display this contact information on all materials they distribute in paper or online form regarding this Agreement. Daikin will provide OFCCP contact information to any Affected Applicant with questions or concerns.

- i. **Exchange of Information Regarding Affected Applicants.** Daikin and OFCCP will timely exchange information regarding Affected Applicants, including updated contact information and the results of any technical assistance provided.
- j. **Final List of Eligible Applicants.** The Final List will include all Affected Applicants who timely respond to the Notice by the deadline set forth in the Timeline and whose eligibility is verified by OFCCP. The parties will establish the Final List by the date set forth in the Timeline. The parties will meet and confer on any outstanding issues or questions regarding the Final List. Either party may identify potentially eligible Applicants who may have been erroneously excluded from the original or any subsequent list. OFCCP shall make the final determinations of eligibility but will make every effort to negotiate in good faith to resolve any dispute about the Final List. Daikin will provide to OFCCP any information necessary to determine the Final List.
- k. **Documentation of Payments.** By the deadline set forth in the Timeline, Daikin will provide OFCCP with copies of cancelled checks or electronic documentation of all payments to Eligible Applicants, 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, Daikin will provide a similar documentation on the second distribution.
- l. **Daikin's Expenses.** Daikin 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.

V. Additional Individual Relief

1. Job Opportunities

- a. **Description of Job Opportunities.** As vacancies occur in the Line Assembler job title (or any renamed job title for this position), Daikin shall make bona fide full-time job offers with retroactive seniority to Eligible Applicants who have expressed interest in employment and are not currently employed in the job at issue by Daikin ("Job Offer Eligible Class Members"), until three (3)³ are hired or the list of Job Offer Eligible Class Members is exhausted, whichever comes first. Until that time, these Job Offer Eligible Class Members will have priority over all other candidates for hire into the Line Assembler (or any renamed job title for this position). As vacancies occur in the Line Assembler (or any renamed job title for this position), Daikin shall contact the Job Offer Eligible Class Members with a written job offer in the order in which they submitted their Information Verification, Employment Interest, and Release of Claims under the Executive Order forms, or, if the forms were received on the same day, in the order of their original application date. Offers

³ OFCCP and Daikin agreed to reduce the number of job offers required as a result of job offers Daikin previously extended to non-selected applicants.

of employment to the Job Offer Eligible Class Members shall be conditional and will require the individual to possess the minimum qualifications and satisfy any other conditions of employment as a Line Assembler outside of this Agreement. If the Job Offer Eligible Class Member rejects the job offer or fails to satisfy any of the conditions for employment, the Daikin may withdraw the job offer and shall be under no obligation to hire the individual or make any further job offers to the individual pursuant to the Agreement.

The report-to-work date for Job Offer Eligible Class Members hired pursuant to this Agreement shall be no later than fourteen (14) days after the date the written job offer is accepted. The Job Offer Eligible Class Member must report to work on the day designated or provide Daikin notice of good cause for their absence on or before that date. If good cause is provided, the Job Offer Eligible Class Member must report to work within five (5) days of the original designated start date. Otherwise, Daikin may withdraw the job offer and shall be under no obligation to hire the Job Offer Eligible Class Member under this Agreement, but remains obligated to hire until three (3) positions are filled or the list of Job Offer Eligible Class Members is exhausted, whichever comes first.

Daikin agrees to pay Job Offer Eligible Class Members hired under this provision at least the current entry level wage based on applicants' qualifications for the Line Assembler. Retroactive seniority will be given dating back to the date each hired Job Offer Eligible Class Member originally applied for employment. Daikin will also provide all regular and on-the-job training currently provided to employees in that position.

- b. **Reporting.** Daikin will document the job offers and hires, including job offers made, reasons for rejection, and Job Offer Eligible Class Members hired and terminated during the monitoring period as set forth in Section VIII, OFCCP Monitoring Period, below.

VI. Modifications to Employment Practices and Other Non-Monetary Relief

1. **Review of Selection Procedures.** Daikin will evaluate its selection procedures for Line Assemblers (or any renamed job title for this position) to ensure that they do not result in unlawful discrimination. Specifically, Daikin will evaluate its hiring process for Line Assemblers (or any renamed job title for this position) to ensure equal access to opportunities for all eligible and willing applicants and employees, regardless of sex, sexual orientation, gender identity, race/ethnicity, color, national origin, and/or religion, as required by Executive Order 11246, as amended.
 - a. Daikin will cease and desist in the use of all selection procedures, including any pre-employment tests used during the review which resulted in the discrimination against Black applicants for Line Assembler positions. Daikin will examine, monitor, and modify its

selection procedures as necessary to ensure that selection criteria are applied uniformly and the hiring decisions for the Line Assembler positions are made in a non-discriminatory manner, and to ensure that all stages of its revised selection procedures are in compliance with 41 CFR 60-1.4(a) and 41 CFR 60-3, the Uniform Guidelines on Employee Selection Procedures (“UGESP”).

- b. Daikin will create a job description and selection process for the Line Assembler position that describes the essential functions, the basic written qualifications which are objective, non-comparative, and job related, and the criteria used in each step of the hiring process, including any application steps, screens, interviews, or other selection procedures.
 - c. Daikin will list clearly on its recruiting materials and job postings the minimum qualifications, if any, for the Line Assembler position.
2. Daikin will ensure all policies and qualifications are uniformly applied to all applicants.
3. Daikin will evaluate its recruitment efforts (methods and sources) for Line Assemblers to increase the representation of qualified Black applicants.
4. Daikin will review its procedures to limit subjectivity and implicit bias in the hiring process, including identifying objective qualifications and criteria to be used to select and/or eliminate from further consideration persons expressing an interest in employment at each step of the hiring process (i.e., application screen, interview, post-offer screen, etc.).
5. Daikin will ensure that persons expressing an interest in employment are tracked and dispositions are recorded and documented at each step in the hiring process.
6. Daikin will ensure that each step of the total hiring process is analyzed and that information on individual components of the process are collected, maintained and available. This will include for example, information on any knockout questions, data management techniques, artificial intelligence, algorithms, automated systems, or other technology-based selection procedures used in the recruitment and/or the total selection and hiring process.
7. Daikin will ensure that documents are retained in accordance with 41 CFR 60-1.12(a) and Part 60-3.

8. Daikin will ensure that adverse impact analyses are conducted in accordance with 41 CFR Part 60-3, including an evaluation of the individual components and qualifications, if statistical disparities exist.

VII. Technical Violations and Remedies

1. **VIOLATION:** During the period January 1, 2020 to December 31, 2020, Daikin failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-1.12(a) and (e) and 60-3.4(A) and (C). Specifically, Daikin failed to keep applicant, testing, interview, hiring, promotion, or other general personnel or employment records such as promotion bidding sheets and an applicant flow log which would disclose the impact which its tests and other selection procedures, including any artificial intelligence, algorithms, automated systems, or other technology-based selection systems, have upon employment opportunities of persons by identifiable race, sex, or ethnic group.

REMEDY: Daikin shall keep and preserve complete and accurate personnel and employment records, in accordance with 41 CFR 60-1.12(a) and (e), and 60-3.4(A) and (C), and will 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. However, if Daikin has a total workforce of 150 or fewer employees or does not have a government contract of at least \$150,000, the minimum record retention period shall be one year from the making of the record or the personnel action, whichever occurs later, as permitted by 41 CFR 60- 1.12(a). Daikin will evaluate the impact that its tests and other selection procedures, including any artificial intelligence, algorithms, automated systems, or other technology-based selection systems, have upon employment opportunities of persons by identifiable race, sex, or ethnic group, in accordance with 60-3.4(A) and (C).

2. **VIOLATION:** During the period January 1, 2020 through December 31, 2020, Daikin 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). Specifically, Daikin failed to evaluate its hiring selection for the Line Assembler position to determine whether there were race-based disparities. Daikin also failed to evaluate promotions to determine whether there were selection disparities and failed to evaluate its selection, recruitment, referral, and other personnel procedures to determine whether they result in disparities in the employment or advancement of minorities or women.

REMEDY: Daikin shall 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). Specifically, Daikin will evaluate its hiring selection for the Line Assembler position to determine whether there were race-based disparities. Daikin will evaluate promotions to determine whether there were selection disparities and failed to evaluate its selection, recruitment, referral, and

other personnel procedures to determine whether they result in disparities in the employment or advancement of minorities or women.

3. **VIOLATION:** During the period January 1, 2020 through December 31, 2020, Daikin 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, Daikin failed to design and implement an internal audit and reporting system to monitor all aspects of personnel activity, including promotions.

REMEDY: Daikin shall 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, Daikin will monitor its records of all personnel activity, including promotions, at all levels to ensure its nondiscriminatory policy is carried out; require internal reporting on a scheduled basis as to the degree to which equal employment opportunity and organizational objectives are attained; review report results with all levels of management; advise top management of program effectiveness; and submit recommendations to improve.

VIII. OFCCP Monitoring Period

1. **Recordkeeping.** Daikin shall retain all records relevant to the violations cited in Sections III and VII 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. Daikin will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. **Daikin's Reports.**

- a. **Schedule and Instructions.** Daikin agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

- i. **Progress Report 1:** Due January 31, 2024, covering the period of July 1, 2023, through December 31, 2023.
- ii. **Progress Report 2:** Due January 31, 2025, covering the period of January 1, 2024 through December 31, 2024.

Daikin will submit reports to Queena Villere, District Director at [\(b\) \(6\), \(b\) \(7\)\(C\)@dol.gov](mailto:(b) (6), (b) (7)(C)@dol.gov). Daikin 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 Daikin provides in accordance with this agreement are customarily kept private or closely held, and Daikin believes should remain confidential under Exemption 4 of FOIA in the event of a FOIA request, Daikin will provide such reports to OFCCP marked as "Confidential".

In the event of a FOIA request, OFCCP will promptly notify Daikin of the FOIA request and provide Daikin an opportunity to object to disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

- b. **Reports on Job Offers.** In each Progress Report, Daikin will report on all job offers and hires made to date pursuant to the Agreement until all of the job opportunities for the reviewed establishment are filled or the list of Job Offer Eligible Class Members is exhausted. This includes:
- i. Documentation of all job offers made to Job Offer Eligible Class Members, including the names of individuals offered jobs, the date of their application, the date of the offer, the date the offer was accepted or rejected, and the starting pay.
 - ii. Documentation of Job Offer Eligible Class Members who expressed interest in job offers who did not successfully complete the application process, including the names of these individuals, the date of their application, if any, and the reason Daikin determined they did not successfully complete the application process. This provision includes individuals who did not receive job offers because all available positions were filled.
 - iii. Documentation of Job Offer Eligible Class Members who were hired and terminated during the life of this Agreement and the reason for the termination.
 - iv. Documentation of the number of available positions remaining to be filled and the number of Job Offer Eligible Class Members still on the list.
 - v. Documentation of the start dates for Job Offer Eligible Class Members who were hired.
 - vi. If Daikin has not filled all of the positions specified in this Agreement by the Progress Report date, Daikin will provide documentation of the reason(s) this action is not complete and provide evidence of the good faith efforts taken to date as well as the good faith efforts planned for the next reporting period to complete it.
 - vii. If Daikin fails to meet its hiring obligations under this Agreement by the close of the Monitoring Period, OFCCP reserves its rights under Section II, Paragraphs 10 and 11 of this Agreement to extend the monitoring period or to pursue enforcement remedies.
- c. **Reports on Modifications to Personnel Practices.** In each Progress Report, Daikin will report on all modifications of personnel practices made to date pursuant to Part VI of this Agreement and provide documentation of its compliance with the remedy provisions of this Agreement.

- d. **Reports on Technical Violations.** In each Progress Report, Daikin will report the following information for the Line Assembler job title (or any renamed job title for this position):
- i. An applicant flow log containing the following information: the name, race, ethnicity (Hispanic or non-Hispanic), gender, referral source, job title applied for, application date, and if applicable, interview status, interview date, hire date, job title hired into, and/or other disposition. For all applicants not selected, the applicant flow log must identify the reason for non-selection. The applicant flow log must also identify the pass/fail stage in the selection process for each applicant, and any step or component of the selection process that has adverse impact;
 - ii. A new hire log identifying the name, race, ethnicity gender, job title hired into, and the date of hire for each hired applicant;
 - iii. A report detailing the results of Daikin's applicant-to-hire analysis and any actions taken to address statistical discrepancies identified. This report must include, but is not limited to, documentation of the results of Daikin's statistical analyses, including any adverse statistical findings, as detailed in 41 CFR 60-3.4 and 60-1.12 (a) (e), and the actions taken to resolve the adverse impact; and
 - iv. Documentation to confirm that Daikin developed and implemented 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).
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 Daikin's final progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify Daikin in writing within sixty (60) days of the date of the final progress report that Daikin 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 Daikin within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Daikin has met all of its obligations under the Agreement or OFCCP determines that Daikin is in violation of the Agreement, at which point the procedures at 41 C.F.R. 60-1.34 will govern.

IX. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Daikin Industries, Ltd.

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

SCOTT CRICKENBERGER
Senior Director of Manufacturing
Daikin Applied Americas Chiller
Verona, VA

DATE: 9/27/2023

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

SAMUEL MAIDEN
Regional Director
Mid-Atlantic Regional Office

DATE: 09/29/2023

Attachments:

- A. List of Affected Applicants
- B. Timeline
- C. Notice Documents

Attachment A – List of Affected Applicants

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Attachment A – List of Affected Applicants

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Attachment A – List of Affected Applicants

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Attachment B – Timeline

ACTIVITY	DATE
Daikin Mails Notice Documents (First Mailing)	10/15/2023
Deadline for Affected Applicants to Reply to Notice	11/15/2023
Daikin and OFCCP meet to discuss results of initial mail notice and/or Contractor notifies OFCCP of undeliverable mailings and provides OFCCP with a list of individuals who have not responded to the first mailing (name and last known contact information)	11/27/2023
OFCCP Provides Updated Contact Information to Daikin	12/7/2023
Daikin Mails Notice Documents (Second Mailing)	12/18/2023
Deadline for Affected Applicants to Reply to Second Notice	01/17/2024
Daikin Provides List of its Determination of Eligible Applicants	02/01/2024
OFCCP Reviews and Approves Final List and Distribution Amounts	02/16/2024
Daikin Mails Back Pay Checks	03/04/2024
Daikin Notifies OFCCP of Any Checks Returned as Undeliverable	03/29/2024
OFCCP Provides Updated Addresses	04/08/2024
Daikin Mails Back Pay Checks to New Addresses	04/18/2024
Distribution of Remaining Funds to Eligible Applicants	08/19/2024
Daikin provides OFCCP with copies of cashed checks or electronic documentation from back pay disbursement to Eligible Applicants	09/18/2024

Attachment B – Timeline

Additional Reporting Requirements

ACTIVITY	DATE
Daikin will submit its first progress report.	01/31/2024
Daikin will submit its second progress report.	01/31/2025

Attachment C-1

NOTICE TO AFFECTED CLASS

Dear [name]:

Daikin Applied Americas Chiller (Daikin) and the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) have entered into a Conciliation Agreement (Agreement) to remedy alleged violations of Executive Order 11246, as amended, (E.O. 11246), that OFCCP found during a compliance review of Daikin's Verona, Virginia facility. Based on its analysis of Daikin's hiring process and selection procedures during the period of January 1, 2020, through December 31, 2020 (Review Period) OFCCP found that there was a disparity in the hiring of Line Assemblers based on race. Daikin has not admitted to any violation of E.O. 11246, and there has not been any adjudicated finding that Daikin violated any laws. OFCCP and Daikin entered into the Agreement to resolve the matter without resorting to further legal proceedings. You have been identified as an individual who applied for a Line Assembler position during that time period but was not hired.

As part of this Agreement, you are eligible to receive a distribution of at least \$1,020.40 less lawful payroll deductions. Under the terms of this Agreement it may take up to eight months from the date of this letter before you receive your distribution. In order to be eligible for a payment, you must complete, sign, and return **both** the enclosed Information Verification and Employment Interest Form and Release of Claims Form. You should complete and mail back the form as soon as possible; it must be postmarked to the address below no later 30 days after the date this Notice was mailed out (postmarked) by for you to be entitled to participate in this settlement.

[Name]
[Position]
[Daikin]
[Address]

You may use the enclosed postage-paid return envelope to return the completed and signed Information Verification and Employment Interest Form and Release of Claims Form.

In addition to the monetary distribution, Daikin will be making job offers for Line Assemblers to a limited number of individuals receiving this notification. It is not certain that you will receive a job offer. If you are still interested in employment with Daikin, please check the appropriate box on the enclosed Information Verification and Employment Interest Form. Those receiving this notice will be considered for Line Assembler positions in the order that Daikin receives the Information Verification and Employment Interest Form expressing an interest in employment. All individuals hired pursuant to this Agreement will be provided with retroactive seniority for purposes of benefits. If you have any questions you may call [name] at [Daikin] at [phone number], or OFCCP Compliance Officer (b) (6), (b) (7)(C) at (b) (6), (b) (7)(C). Your call will be returned as soon as possible.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO

Attachment C-1

DAIKIN]WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.

Sincerely,

[Name]

Enclosures

Information Verification and Employment Interest Form
Release of Claims Form

Attachment C-2

INFORMATION VERIFICATION & EMPLOYMENT INTEREST FORM

You must complete this form in order to be eligible for the monetary payment and/or employment opportunities under the terms of the Conciliation Agreement ("Agreement") between Daikin and the Department of Labor's Office of Federal Contract Compliance Programs. Please print all information legibly, then sign and date this document at the bottom of the page.

Name: _____

Address: _____

Telephone Nos.: Home: _____ Cell: _____ Work: _____

Email: _____

Notify Daikin at the address below if your address, email address or phone number changes within the next twelve months.

Your Social Security Number (to be used for tax purposes only): _____ - _____ - _____

Please indicate below whether you are currently interested in employment as a Line Assembler with Daikin. If you complete, sign, and return this Information Verification and Employment Interest Form, you remain eligible for the monetary payment whether or not you are interested in employment at this time.

Yes, I am still interested in employment with Daikin as a Line Assembler.

No, I am not currently interested in employment with Daikin as a Line Assembler.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS BELOW WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING TIDS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT OR TO BE CONSIDERED FOR A JOB OFFER.

[Name]
[Address]

I, (print name) _____, certify the above is true and correct.

Signature

Date

Attachment C-3

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

This Release of Claims (Release) under Executive Order 11246, as amended, is a legal document. This document states that in return for Daikin Applied Americas Chiller (Daikin) paying you money, you agree that you will not file any lawsuit against Daikin for allegedly violating Executive Order 11246 in connection with its selection procedures for applicants for Line Assembler positions. It also says that Daikin does not admit it violated any laws. 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 the payment of at least \$1,020.40 (less deductions required by law) by Daikin to me, which I agree is acceptable, I, (print name) _____, agree to the following:

I.

I hereby waive, release and forever discharge Daikin, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have had which relate to my non-selection for employment as a Line Assembler on the basis of my race at any time through the effective date of this Release. By signing this agreement, I agree that I have been made whole for any claim that could have been brought Executive Order 11246, as amended, relating to my non-selection with Daikin through the Effective Date of this Release.

II.

I understand that Daikin denies that it treated me unlawfully or unfairly in any way and that Daikin 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 hiring and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP on August 6, 2021. I further agree that the payment of the aforesaid sum by Daikin to me is not to be construed as an admission of any liability by Daikin.

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.

Attachment C-3

IV.

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

IN WITNESS WHEREOF, I have signed this document on this ____ day of _____,
20__.

Printed Name

Signature
