

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
Flow International Corporation

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated Flow International Corporation's establishment located at 23500 64th Avenue South, Kent, WA 98032 beginning on May 23, 2024. OFCCP found that Flow International Corporation failed to comply with Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and their respective implementing regulations at 41 CFR Parts 60-741 and 60-300.

OFCCP notified Flow International Corporation of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on August 19, 2024.

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 Flow International Corporation enter into this Conciliation Agreement (Agreement), and the parties agree to all the terms therein.

II. General Terms and Conditions

1. In exchange for Flow International Corporation's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under Section 503, and/or VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Flow International Corporation 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 Flow International Corporation'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. Flow International Corporation 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 Flow International Corporation of its obligation to fully comply with the requirements of Executive Order 11246, as amended (E.O. 11246 or the Executive Order), Section 503, VEVRAA, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

4. Flow International Corporation 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, Leigh Jones (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 Flow International Corporation submits its final progress report required in Section IV, below, unless OFCCP notifies Flow International Corporation in writing before the expiration date that Flow International Corporation 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 Flow International Corporation has met all of its obligations under the Agreement.
10. If Flow International Corporation violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-300.63 and/or 41 C.F.R. 60-741.63 will govern:
 - i. OFCCP will send Flow International Corporation a written notice stating the alleged violation(s) and summarizing any supporting evidence.
 - ii. The Flow International Corporation 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 Flow International Corporation 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 the Flow International Corporation, 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. Flow International Corporation may be subject to the sanctions set forth in 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. Flow International Corporation does not admit any violation of the Executive Order, Section 503 or VEVRAA, 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 January 1, 2023 through July 15, 2024, Flow International Corporation 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: As of July 16, 2024, Flow International Corporation has started to list employment openings with the employment service delivery system (ESDS), specifically WorkSourceWA. Going forward, it will list all employment openings as they occur with an appropriate 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 Flow International Corporation, as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, Flow International Corporation 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 contractor 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, Flow International Corporation will provide updated information simultaneously with its next job listing.

2. **VIOLATION:** During the period January 1, 2023 through December 31, 2023, Flow International Corporation failed to invite its employees to voluntarily self-identify as an individual with a disability, using the OMB-approved form for this purpose, in violation of 41 CFR 60-741.42(c). Specifically, Flow International Corporation failed to conduct self-identification in five-year intervals for all employees.

REMEDY: Flow International Corporation will immediately invite its employees to voluntarily inform it whether the employee believes that he or she is an individual with a disability, as that term is defined in 41 CFR 60-741.2(g)(1)(i) or (ii). All invitations to self-identify will be made using the OMB-approved form for this purpose (available on the OFCCP website). In addition, Flow International Corporation shall extend this invitation again at five year intervals, thereafter. At least once during each interval, Flow International Corporation shall remind its employees that they may voluntarily update their disability-related self-identification information at any time. Flow International Corporation will keep all self-identification information confidential and maintain it in a separate data analysis file, rather than in its personnel or medical files, in accordance with 41 CFR 60-741.42(e).

3. **VIOLATION:** During the period January 1, 2023 through December 31, 2023, Flow International Corporation failed to evaluate its utilization of individuals with disabilities using the goal established by OFCCP, in violation of 41 CFR 60-741.45. Specifically, Flow International Corporation identified underutilization of individuals with disabilities but failed to provide a description of the steps taken to determine whether and where impediments for equal employment opportunity exist.

REMEDY: Flow International Corporation will annually evaluate its utilization of individuals with disabilities using the 7 percent goal established by OFCCP, as required by 41 CFR 60-741.45. When conducting this utilization analysis, Flow International Corporation will use the job groups established for utilization analyses required by Executive Order 11246, as required by 41 CFR 60-741.45(d)(2). However, if Flow International Corporation has a total workforce of 100 or fewer employees, it may, instead, choose to measure the representation of individuals with disabilities in its

workforce as a whole, using the 7 percent goal established by OFCCP, as permitted by 41 CFR 60-741.45(d)(2)(i). Should the percentage of individuals with disabilities in one or more job groups or in Flow International Corporation's workforce be less than the utilization goal, it will take steps, as required by 41 CFR 60-741.45(e), including providing a description of the steps taken to determine whether and where impediments to equal employment exist, and will develop and execute action-oriented programs to correct any identified problems, as required by 41 CFR 60-741.45(f).

- 4. VIOLATION:** During the period January 1, 2023 through December 31, 2023, Flow International Corporation failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified individuals with disabilities, in violation of 41 CFR 60-741.44(f)(1)(i). Specifically, Flow International Corporation used recruitment sources that were not specifically designed to target and effectively recruit qualified individuals with disabilities.

REMEDY: Flow International Corporation will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disabilities, such as those described at 41 CFR 60-741.44(f)(2). Additionally, Flow International Corporation 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 Flow International Corporation concludes that the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities, it will identify and implement alternative efforts listed in 41 CFR 60-741.44(f)(1) or (f)(2).

At a minimum, Flow International Corporation will direct its recruitment efforts to the following entities:

Jeannine Chandler, Business Relations Manager
Washington State Department of Social and Human Services (DSHS)
Division of Vocational Rehabilitation (DVR)
Phone: (206) 450-2216
Email: (b) (6), (b) (7)(C)@dshs.wa.gov

(b) (6), (b) (7)(C)
Employment Specialist
Cares of Washington (WA)
Phone: (425) 418 (b) (6), (b) (7)(C)
Email: (b) (6), (b) (7)(C)@caresofwa.org

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Flow International Corporation agrees to retain all records relevant to the violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. Flow International Corporation will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Flow International Corporation Report.**

Flow International Corporation agrees to furnish OFCCP with the following report during the Monitoring Period. The report will contain the documentation specified according to the dates scheduled:

Progress Report: Due on March 1, 2026 covering the period of January 1, 2025 through December 31, 2025.

Pursuant to Remedy 1:

Documentation (e.g., copies of job orders and correspondence with the ESDS) demonstrating that all required jobs have been listed with the appropriate local ESDS (either the state workforce agency or a local ESDS); and in a manner and format that will allow the ESDS to provide priority referrals of protected veterans. Flow International Corporation shall also provide documentation showing that it has advised ESDS that it is a federal contractor, that it desires priority referrals of protected veterans, and that it has provided the name and address for the contractor official responsible for hiring at each of its locations, as required by 41 CFR 60-300.5(a)(4).

Pursuant to Remedy 2:

A. Copies of completed OMB-approved self-identification forms and any related email correspondence or internal communications showing that Flow International Corporation invited its employees to voluntarily self-identify as an individual with a disability, in accordance with 41 CFR 60-741.42.

B. Summary count showing the total number of invitations offered to employees and the number of responses received from employees during the covered period (regardless of whether or not the employee self-identified as an individual with a disability).

Pursuant to Remedy 3:

A copy of Flow International Corporation's Section 503 utilization analysis for individuals with disabilities. If the percentage of individuals with disabilities in one or more job groups, or in Flow International Corporation's entire workforce (applicable

only if there are 100 or fewer employees), is less than the utilization goal of 7 percent, provide a written description of the steps taken to determine whether and where impediments to equal employment exist under 41 CFR 60-741.45(e), and the action-oriented programs that will be developed and executed to correct any identified problems, as required by 41 CFR 60-741.45(f).

Pursuant to Remedy 4:

- A. Documentation demonstrating that Flow International Corporation has engaged in appropriate outreach and positive recruitment efforts targeting qualified individuals with disabilities, which will include at a minimum, Flow International Corporation directing its recruitment efforts to DVR and Cares of Washington. This may also include efforts such as job fair participation, university recruitment, online job postings, networking events, brown bag lunch information sessions, employer staff briefing events, hosting hiring events, and other contractor activities, events and participations;
- B. A list of all Flow International Corporation's outreach and positive recruitment activities for qualified individuals with disabilities, including a brief description and the date of each activity;
- C. An assessment of the effectiveness of each of Flow International Corporation's outreach and positive recruitment activities for qualified individuals with disabilities, including the criteria used to assess each activity;
- D. An assessment of the effectiveness of the totality of Flow International Corporation's outreach efforts for qualified individuals with disabilities;
- E. A list of the alternative efforts that were or will be implemented, if Flow International Corporation concludes the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities; and
- F. Documentation of the computations or comparisons described in 41 CFR 60-741.44(k) for the covered period.

Flow International Corporation will submit its Progress Report to Quanda Evans, Assistant District Director, OFCCP, 909 First Avenue, Suite 201, Seattle, WA 98104, or at (b) (6), (b) (7)(C)@dol.gov. Flow International Corporation 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 Flow International Corporation provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and the Flow International Corporation believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Flow International Corporation will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify Flow International Corporation of the FOIA request and provide Flow International Corporation an opportunity to object to

disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

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

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V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Flow International Corporation, 23500 64th Avenue South, Kent, WA 98032.

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

Laurie Johnston
Chief People Officer
Shape Technologies Group (parent to Flow International Corporation)
Kent, WA

DATE: 8/29/24

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

Leigh D. Jones
District Director
Seattle District Office
Office of Federal Contract Compliance Programs
Pacific Region

DATE: 09/09/24

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

Quanda Evans
Assistant District Director
Seattle District Office
Office of Federal Contract Compliance Programs
Pacific Region

DATE: 09/09/2024