



# United Nations Global Compact

## DE-LISTING AND RE-JOINING POLICY

### DE-LISTING

The UN Global Compact is an inclusive initiative for companies that commit to align with the ten universal principles on human rights, labour, environment and anti-corruption. In order to maintain the integrity and reputation of the initiative, the UN Global Compact has developed criteria for de-listing Participants/Signatories.

Companies and organizations that are de-listed from the initiative:

- Will be reflected as such on the UN Global Compact website;
- Will have all formal relationships with the UN Global Compact and/or Global Compact Local Network(s) terminated (whether held in an individual or company/organizational capacity)<sup>1</sup>;
- Are not allowed to use the UN Global Compact name or logo, even if such permission had been granted prior to their removal; and
- May result in the forfeiture of financial contributions, including required annual contributions or contributions made to support any engagement opportunity such as Action Platforms, sponsorships, etc.

All companies or organizations that are no longer part of the initiative are given the status of “de-listed,” with a reason for de-listing, and it is reflected as such on the UN Global Compact website. De-listings can either occur for integrity reasons or for administrative reasons, which are usually based on a request by the participant.

### Integrity reasons for de-listing:

- 1. Failure to communicate on progress** - The UN Global Compact requires all business Participants/Signatories to submit an annual Communication on Progress (COP) that outlines the company's efforts to operate responsibly. Since 2015, all non-business entities have also been required to submit a biennial Communication on Engagement (COE). If a company or organization is unable to meet its annual or biennial submission requirement, it will be listed as “non-communicating” on the UN Global Compact website. If the status persists for another year, the company or organization will be de-listed for failure to communicate. For more information, please read the [COP](#) and [COE](#) policies.

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<sup>1</sup> This could include, but is not limited to, participation in an Expert Group, Participants or Patron Sponsors of Action Platforms and LEAD.

**2. Failure to engage in dialogue** – Under the integrity measures' dialogue facilitation process, participants are required to respond to third party concerns raised with the UN Global Compact Office within a two-month deadline. If a participant fails to respond within the required deadline, it may be listed as “non-communicating” on the UN Global Compact website until such dialogue commences. If the status persists for a year, the company will be de-listed for failure to engage in dialogue. For more information, please read the [Integrity Measures Policy](#).

**3. Other reason related to integrity**

The UN Global Compact reserves the right to de-list participants for:

- Egregious or persistent misuse of the UN and/or UN Global Compact name and/or logo. The UN Global Compact reserves the right to refer cases to the United Nations Office of Legal Affairs;
- Learning after an applicant is accepted that the participant provided false or misleading information in the application form;
- Suspension or removal from the UN Vendor List<sup>2</sup>;
- When egregious or systematic abuse of the Ten Principles is admitted by an authorized company representative or there is a finding of guilt in a court of law, as a last resort the company may be de-listed if their continued participation in the initiative is detrimental to the reputation and integrity of the overall UN Global Compact and its Local Networks.

In addition, as of October 2017, the initiative no longer accepted companies that derive revenue from the production and/or manufacturing of tobacco. Participants that fell within the tobacco exclusion were de-listed on 15 October 2017. Should an active participant be subsequently found to meet the tobacco exclusion the UN Global Compact reserves the right to de-list them. For more information, please read the [Integrity Policy Update](#).

**Other reasons for de-listing:**

- 1. Participant requested withdrawal** – The UN Global Compact is a voluntary initiative, and signatories are free to end their participation at any time. Participants may decide to withdraw if they determine they are not in a position to continue their participation in the initiative or if they are unable to uphold their commitment to the Ten Principles. The intention to withdraw should be communicated in writing by an authorized representative of the participating company or organization and specify the reasons for ending the commitment.
- 2. Merger or acquisition/ Organization no longer exists** – A participant no longer exists as a separate entity.
- 3. Consolidation of commitment under the parent company** – A company's commitment to join the UN Global Compact applies not only to its headquarters, but also to all subsidiaries, local branches and country offices. Parent companies that prefer that their

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<sup>2</sup> Participants that are suspended or removed for ethical reasons from the UN Vendor List for Procurement may also be suspended or removed from the UN Global Compact, or other restrictions may be imposed, as appropriate, for the duration of the suspension or removal.

subsidiaries do not remain individual participants of the initiative can consolidate their commitment. In this instance, the parent company's COP is required to cover all subsidiaries' activities. For more information, please read the [Subsidiary Policy](#).

- 4. Non- Responsive:** The UN Global Compact asks all business organizations to select an engagement tier – either Participant or Signatory. Based on the level of engagement and the size (annual sales/revenue in USD) of the company, there may be a required annual financial contribution to be paid to the Foundation for the Global Compact. Payment terms are 120 days upon receipt of invoice. After this time, the UN Global Compact reserves the right to de-list companies for **failure to meet their annual financial commitment**. In 2018, companies may also be de-listed for this reason if they fail to select an engagement tier.

## ANNUAL CONTRIBUTIONS

	SIGNATORY	PARTICIPANT	ACTION PLATFORMS (each)
COMPANY REVENUE TIERS BY ANNUAL GROSS SALES/REVENUE	REQUIRED ANNUAL CONTRIBUTION (USD)		
> 5 billion	10,000	20,000	20,000
1–5 billion	7,500	15,000	15,000
500 million – 1 billion	5,000	10,000	10,000
250–500 million	3,750	7,500	7,500
50–250 million	2,500	5,000	5,000
25–50 million	Local fee may apply	2,500	2,500
<25 million	Local fee may apply	1,250	1,250

## RE-JOINING

All participants de-listed from the UN Global Compact that wish to re-join the initiative will have to submit the below documents:

- Letter of Re-commitment to the UN Secretary-General from the chief executive (or equivalent) pledging to make progress on the UN Global Compact Ten Principles and take action in support of UN goals. The Letter shall also include an explanation of the reason for de-listing along with corrective measures; and
- Valid COP or COE

The UN Global Compact reserves the right to request proof of payment for any outstanding invoice related to the required annual financial contribution.

The UN Global Compact will consider the following during the re-admission process:

- The results of a due diligence review;
- The substance of the Letter of Re-commitment and COP or COE.

These additional documents/criteria are required as applicable to the specific reason for de-listing:

Reason for De-listing	Process for Re-joining
Failure to engage in dialogue	Submit a response letter to the third party in the dialogue facilitation process
Suspension or removal from the UN Vendor List	Submit proof of re-instatement in the UN Vendor database
Other reasons related to integrity (Reputational concerns as a result of a finding of guilt or admission of wrongdoing)	<p>All de-listings for this reason will be reviewed on a case-by-case basis. The UN Global Compact generally recommends for companies that are de-listed for this reason to wait at a minimum three years before re-applying in order to provide sufficient time to address the issues of concern. This requirement also applies to companies who decided to voluntarily withdraw for their inability to continue to uphold their commitment to the Ten Principles.</p> <p>Re-admission will be based on a substantive review of the following:</p> <ul style="list-style-type: none"> <li>• Whether the COP sufficiently describes actions taken to remedy the situation detailing alignment to the Ten Principles.</li> <li>• If applicable, the company should provide the outcome of an assessment conducted by a regulatory body or independent third party.</li> </ul>
Other reasons related to integrity (Egregious abuse of the UN/UN Global Compact name or logo)	Submit clearance from the UN Office of Legal Affairs.
Non-Responsive	Submit proof of payment for forthcoming 12 months.
Product based exclusionary criteria	Demonstrate that revenue is no longer derived from the production and/or manufacturing of tobacco

*Last Update: February 2020*