

## **DELISTING AND REJOINING POLICY**



**United Nations**  
Global Compact

## DELISTING

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 delisting participants.

Companies and organizations that are delisted 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 “delisted,” with a reason for delisting, and it is reflected as such on the UN Global Compact website. Delistings can either occur for integrity reasons or for administrative reasons, which are usually based on a request by the participant.

### Integrity reasons for delisting:

#### 1. **Failure to communicate on progress:**

- a. Business participants: The UN Global Compact requires all business participants to submit an annual Communication on Progress (CoP) that outlines the company’s efforts to implement the Ten Principles. A business participant will be designated as “non-communicating” on the UN Global Compact website if it fails to submit all elements of the CoP by the end of the submission period on 31 July. If a “non-communicating” business participant fails to submit a CoP by 31 December, it will be delisted from the UN Global Compact for “failure to communicate on progress” on 1 January of the new year. For more information, please refer to the 2024 [CoP Policy](#).
- b. Non-business participants: Since 2015, all non-business entities have been required to submit a biennial Communication on Engagement (CoE). If a non-business entity is unable to meet its biennial submission requirement, it will be listed as “non-communicating” on the UN Global Compact website. If the status persists for another year, the organization will be delisted for “failure to communicate on progress.” For more information, please read the [CoE Policy](#).

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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 delisted for failure to engage in dialogue. For more information, please refer to the [Integrity Measures Policy](#).
3. **Other reason related to integrity:** The UN Global Compact reserves the right to delist 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;
  - 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 delisted 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 delisted on 15 October 2017. Should an active participant be subsequently found to meet the tobacco exclusion the UN Global Compact reserves the right to delist them. For more information, please refer to the [Integrity Policy Update](#).

#### **Other reasons for delisting:**

1. **Participant requested withdrawal:** The UN Global Compact is a voluntary initiative, and participants 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 subsidiaries do not remain individual participants of the initiative can

consolidate their commitment. In this instance, the parent company's CoP will cover all subsidiaries' activities. For more information, please refer to the [Subsidiary Policy](#).

4. **Non-responsive:** All business participants are required to make an annual financial contribution to the Foundation for the Global Compact based on their annual sales/revenue in USD. Payment terms are 120 days upon receipt of invoice. After this time, the UN Global Compact reserves the right to delist companies for failure to meet their annual financial commitment.

COMPANY REVENUE BY ANNUAL GROSS SALES/REVENUE (USD)	REQUIRED ANNUAL CONTRIBUTION (USD)
>30 billion	30,000
10-30 billion	25,000
5-10 billion	20,000
1-5 billion	15,000
500 million – 1 billion	7,500
250 million – 500 million	5,000
50-250 million	2,500
25-50 million	Local Network fee will apply
<25 million	Local Network fee will apply

## REJOINING

All participants delisted from the UN Global Compact that wish to rejoin the initiative will have to submit the below documents:

- Letter of Recommitment to the UN Secretary-General from the chief executive (or equivalent) pledging to make progress on the Ten Principles of the UN Global Compact and take action in support of UN goals. The Letter shall also include an explanation of the reason for delisting along with corrective measures; and
- Valid CoP or CoE reporting requirement.

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 readmission process:

- The results of a due diligence review;
- The substance of the Letter of Recommitment and CoP or CoE.

These additional documents/criteria, depending on the specific reason for delisting, are required:

Reason for Delisting	Process for Rejoining
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 reinstatement 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 delistings for this reason will be reviewed on a case-by-case basis. The UN Global Compact generally recommends for companies that are delisted for this reason to wait at a minimum three years before reapplying 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>Readmission 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 the forthcoming 12 months.
Product-based exclusionary criteria	Demonstrate that revenue is no longer derived from the production and/or manufacturing of tobacco

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