

## SUBSIDIARY ENGAGEMENT POLICY

Companies joining the United Nations Global Compact commit to integrating the Ten Principles deep into their strategies and operations and to help make progress towards delivering the United Nations Sustainable Development Goals (SDGs). A company's commitment applies not only to the headquarters, but also to all subsidiaries, local branches and country offices.

Subsidiaries are encouraged to engage in the following ways:

### **1. A subsidiary can join individually irrespective of its parent company commitment.**

- Subsidiaries can become UN Global Compact Participants in their own right. This can be accomplished by submitting their own application and CEO commitment letter to the United Nations Secretary-General. In this case, they are expected to make the standard global financial contribution.
- These companies will be listed individually as Participants on the UN Global Compact website and annually communicate on their progress to implement the UN Global Compact principles and advance the SDGs.

### **2. A subsidiary of a company participating in the UN Global Compact can join linked to its parent company**

- If a parent company encourages its subsidiaries, they can join the initiative under the umbrella of that parent company in order to directly access both global and local engagement opportunities. In this case, they are expected to make the financial contribution that may be required by the Local Network in their geography.
- These subsidiaries will have a profile on the UN Global Compact website and be included in the list of active UNGC companies. They will enjoy their own access to the UNGC dashboard, the option to submit a COP, or request the "We Support" UN Global Compact logo.

If a parent company prefers that its subsidiaries do not engage at the global or local level, subsidiaries will not have a profile on the UN Global Compact website nor be included in the list of active UNGC participants. They will not have their own access to the UNGC dashboard to submit a COP or request the "We Support" UN Global Compact logo. The parent company's annual Communication on Progress (COP) will cover activities of all subsidiaries.

**Note:** Within this policy, the term "subsidiary" is defined as a company controlled by another company in the sense that the parent can dominate the decision-making process of the subsidiary in relation to its financial and operating policies in pursuance of the objectives of the parent company.