

# ESG Due Diligence Checklist for Counterparties

**Objective:** To proportionally assess the ESG risks of suppliers, traders, and customers, to ensure compliance with basic standards and good practices, without limiting trading activity.

#	Area	Assessment Question / Requirement	KPI / Indicator	Notes / Guidance
1	<b>Legal &amp; Compliance</b>	Does the counterparty comply with applicable laws, sanctions, anti-bribery and anti-corruption regulations?	Yes/No	Screening against international sanctions lists (UN, EU, OFAC).
2	<b>Governance</b>	Does the counterparty have an ESG or sustainability policy or governance structure?	Policy existence (Yes/No)	Basic requirement; not evaluated for sophistication.
3	<b>Environmental Management</b>	Does the counterparty monitor environmental impacts of its operations (emissions, spills, waste)?	Evidence of monitoring/reporting (Yes/No)	Focus on operational awareness; not requiring full ISO 14001.
4	<b>Energy Use &amp; GHG</b>	Does the counterparty track energy consumption and greenhouse gas emissions?	Basic reporting in tCO <sub>2</sub> e or fuel usage	Optional for small counterparties; encourage improvement over time.
5	<b>Health &amp; Safety</b>	Does the counterparty follow basic occupational health & safety standards?	Accident rate / HSE policy (Yes/No)	Focus on legal compliance; encourage reporting incidents.
6	<b>Human Rights &amp; Labor</b>	Does the counterparty follow labor laws, human rights, and non-discrimination principles?	Policies in place / No known violations	Reference to UNGP and local regulations.
7	<b>Supply Chain / Subcontractors</b>	Are key suppliers or subcontractors screened for ESG risks?	Yes/No	Optional, proportional to trade size and risk.
8	<b>Incident Management</b>	Are there procedures for reporting ESG incidents (spills, violations, fines)?	Yes/No	Focus on awareness and ability to report/manage issues.
9	<b>Climate Risk Awareness</b>	Does the counterparty consider climate-related risks in operations?	Evidence of assessment (Yes/No)	TCFD-aligned principles recommended, not mandatory.
10	<b>Engagement &amp; Improvement</b>	Will the counterparty cooperate with Enerdealers for ESG improvement initiatives?	Yes/No	Voluntary engagement for better transparency.