

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	Legal & Compliance	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	Governance	Does the counterparty have an ESG or sustainability policy or governance structure?	Policy existence (Yes/No)	Basic requirement; not evaluated for sophistication.
3	Environmental Management	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	Energy Use & GHG	Does the counterparty track energy consumption and greenhouse gas emissions?	Basic reporting in tCO ₂ e or fuel usage	Optional for small counterparties; encourage improvement over time.
5	Health & Safety	Does the counterparty follow basic occupational health & safety standards?	Accident rate / HSE policy (Yes/No)	Focus on legal compliance; encourage reporting incidents.
6	Human Rights & Labor	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	Supply Chain / Subcontractors	Are key suppliers or subcontractors screened for ESG risks?	Yes/No	Optional, proportional to trade size and risk.
8	Incident Management	Are there procedures for reporting ESG incidents (spills, violations, fines)?	Yes/No	Focus on awareness and ability to report/manage issues.
9	Climate Risk Awareness	Does the counterparty consider climate-related risks in operations?	Evidence of assessment (Yes/No)	TCFD-aligned principles recommended, not mandatory.
10	Engagement & Improvement	Will the counterparty cooperate with Enerdealers for ESG improvement initiatives?	Yes/No	Voluntary engagement for better transparency.