

Screening and due diligence desk review – Information sources

E&S in the transaction cycle

	What does the Financial Institution (FI) want to assess?	Document/information source <i>Note: The information to be requested and reviewed will depend on the company's characteristics and the relevance of the E&S factors.</i>
Sectoral and contextual information	Geographical and local context	<ul style="list-style-type: none"> • Key regional political, economic, social and environmental factors and trends (including climate change risks), applicable laws, codes and regulations. Useful sources are internet searches, press coverage, local non-governmental organisations' information and local government offices. • Maps and other information that show the location of the company's assets and area of influence to help assess existing (or anticipated) impacts to the local economy, community and environment. Google Maps satellite imaging is particularly useful. Maps and aerial images are also helpful for site visit planning.
	Sector-specific E&S factors	<ul style="list-style-type: none"> • Relevant CDC Sector Profiles • IFC 2012 Performance Standards and related Guidance Notes • World Bank Group EHS Guidelines • Information on relevant sector initiatives/associations
Company general information	Understand the company's structure	<ul style="list-style-type: none"> • Company legal structure showing subsidiaries, parent companies, joint ventures, etc • Reporting structures and organograms • Information on investors and shareholders • Information on directors and other controllers of the company
	Understand the company's activities/ start to define the scope of the E&S assessment	<ul style="list-style-type: none"> • Business plan, including planned expansions and acquisitions • Information on current and expected number of staff and turnover • Overview of operations, company reports, process flow diagrams, feasibility studies, strategic growth plans. Understand where responsibility for aspects of E&S management sit, considering that this may be disbursed, e.g. human resources, site managers, company secretary, etc
	Existing/potential lenders	<ul style="list-style-type: none"> • Information about existing lenders' or potential co-lenders' E&S priorities and requirements, and transaction timelines

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Company legal information	Company's compliance with applicable laws and regulations	<ul style="list-style-type: none"> • Records/copies of permits and licences obtained • Details of any fines or complaints • Publicly available information (see below) <p>Refer to CDC Guidance: Assessing Company Management's Commitment Capacity and Track Record.</p>
Publicly available information	Media coverage/reputational risks. Further information on the company's E&S performance/legal compliance	<ul style="list-style-type: none"> • Company website and annual reports • Google and media searches • Comparison to competitors • DFI investors sometimes disclose the findings of their DD if they have invested in the company (e.g. IFC Project Data Base)
Company's E&S information	Management commitment, capacity and track record	<ul style="list-style-type: none"> • Meetings/discussions with management • Board/E&S committee minutes where E&S were matters discussed • Documentation related to company's E&S performance (see below) • Publicly available information (see below)
	Company's E&S performance	<ul style="list-style-type: none"> • External and internal E&S audit reports • Details of any fines or complaints • Occupational health and safety records (e.g. records of lost time due to injuries accident investigation reports, etc.) • Details on stakeholder engagement activities and grievance mechanisms for workers and external stakeholders, including complaints received and solved • Implementation status of any E&S action plans • Environmental records (e.g. water discharge data) • Publicly available information (see above)

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Company's E&S information Company's written statements on E&S management systems	<ul style="list-style-type: none"> • Occupational health and safety policy • Human resources policy/manual and employee handbook • Documented ESMS/standard operating procedures covering E&S aspects. <i>Note – some ESMSs are fully integrated into business operations (e.g. managed through integrated IT systems) rather than available on a separate documented system that would show up during a desk review. In these cases, the FI will need to understand how E&S management is integrated into business operations</i> • Grievance mechanisms and stakeholder engagement plans • Policies and procedures relating to contractors and/or suppliers • Key external E&S studies and audits (e.g. environmental and social impact assessment reports, DD reports commissioned by other investors). <i>Note – studies may have been conducted a long time ago and their relevance may be limited</i> • Any E&S action plans in place, including sub-action plans such as resettlement/livelihood restoration action plans, biodiversity action plans • Awards and certifications (e.g. ISO 14001, OHSAS 18001, SA 8000). • Any other information relevant to the company (e.g. information on food safety or biosecurity) • Copies of anti-corruption policies • Copies of corporate governance documents <p>For further guidance on how to assess this information, refer to Resources in the Toolkit for FIs.</p>
'Know your customer' documentation Obtain 'know your customer' documents	<ul style="list-style-type: none"> • Corporate structure charts • Registers of shareholders, or members • Lists of directors • Certified copies of passports and utility bills for major shareholders and the ultimate beneficial owners

Abbreviations: DD, due diligence; DFI, development finance institution; E&S, environmental and social; ESMS, E&S management system.