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Contact:
Ecosystem Restoration Standard
25 Rue de Frémicourt
75015 Paris, FRANCE
info@ers.org

TEMPLATE

Due Diligence Report

SUMMARY

In line with the [Anti-Fraud Policy](#), to manage and mitigate all levels of risk, ERS has implemented a monitoring strategy based on three lines of defence: **prevention** (training, assessment of Third Parties, internal rules and procedures), **detection** (whistle-blowing system, internal and accounting controls) and **remediation** (implementation of corrective measures and disciplinary sanctions) in the event of non-compliance. Within this framework, this Due Diligence Report is part of the first line of defence: prevention.



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Due Diligence *Report*

SCOPE

This process is the default procedure for VVBs, Buyers and Project Developers. Other Third Parties may only undergo the Third Party Due Diligence process if they are flagged during the preliminary [Third Party Screening](#) process.

GUIDING PRINCIPLES

This report is used to ensure Third Party alignment with ERS' established [Anti-Fraud Policy](#) and [Code of Ethics and Business Conduct](#). By cross-referencing provided data with reputable sources, the intention is to confirm stakeholder integrity, verify factual accuracy, assess regulatory compliance, and thus, enable judicious decision-making in ERS' collaborative pursuits. Reputable sources include, but are not limited to:

- [WorldCheck](#) databases,
- [Dun & Bradstreet](#) registries,
- [Transparency International Corruption Perceptions Index](#),
- National and local official databases and registries,
- Industry-specific professional association registries.



THIRD PARTY SCREENING AND DUE DILIGENCE PROCESSES

	VVBs	Developers	Buyers	Other Third Parties (consultants, brokers, others)
Objective	To collect and cross-check identification information from essential Third Parties before ERS' enters any form of a contractual relationship with them			To quickly evaluate the reputation and basic credentials of Third Parties before establishing any form of business relationship with them
Required level of assessment	Third Party Due Diligence			Third Party Screening (Third Party Due Diligence if flagged during the screening)
When ?	Upon application or recruitment by ERS	Once the PD has created a registry account	Before entering the Coalition	Before entering a business relationship with ERS
Responsible ERS Entity	Secretariat	Certification Team	External Relations	Administrative Team



Report *Summary*

IDENTIFIED RISKS

The following table is a summary of the results for each investigated risk, with the corresponding risk level. For further precisions, the *Risk Categories* and the *Alert Level Typology* are available as appendix at the end of this report.

Risk category	Alert level	Results
Accessibility of information	3 MEDIUM ALERT LEVEL	
Conflicts of interests	4 HIGH ALERT LEVEL	
Corruption	3 MEDIUM ALERT LEVEL	
Ethics and governance	4 HIGH ALERT LEVEL	
Financial offences	2 LOW ALERT LEVEL	



Risk category	Alert level	Results
Legal and regulatory	1 VERY LOW ALERT LEVEL	
Politically Exposed Persons	5 VERY HIGH ALERT LEVEL	
Reputation	5 VERY HIGH ALERT LEVEL	
Sanction lists	1 VERY LOW ALERT LEVEL	
Social and environmental responsibility	4 HIGH ALERT LEVEL	



GLOBAL ALERT LEVEL

The Third Party presents an average alert level of 3.

💡 This average alert level is obtained by calculating the arithmetic mean of the alert level of each risk category. This section only serves as an example and must be updated based on the risk assessment.

3
MEDIUM ALERT

-

VIGILANCE IS ESSENTIAL.
SPECIFIC ACTIONS ARE REQUIRED TO CLARIFY CERTAIN POINTS.
THE COMPANY MUST PROVIDE ADDITIONAL INFORMATION.

RECOMMENDATIONS

Suggestions and actions based on the risk assessment results. Here is a non-exhaustive list of potential recommendations:

- **Enhance internal controls.** Strengthen the Third Party's internal control systems to ensure compliance and reduce risks (potential proofing documents: internal audit report, implementation plan, compliance training records).
- **Improve transparency and reporting.** Address gaps in communication, reporting, and accessibility of information to Third Parties. (potential proofing documents: annual transparency reports, financial statements, corporate governance documentation)
- **Address ethical concerns.** Rectify any identified ethical misconducts and ensure alignment with global standards. (potential proofing documents:



ethics training certificates, revised code of conduct, whistleblower policies and incident logs)

- **Correct legal and regulatory non-compliance.** Take steps to ensure full compliance with local and international laws and regulations (potential proofing documents: regulatory compliance certificates, legal review reports corrective action reports)
- **Address conflicts of interest and Politically Exposed Persons (PEPs).** Identify and manage any existing or potential conflicts of interest within the organisation (potential proofing documents: conflicts of interest policy, declaration forms from key personnel, conflict management action plans).
- **Reevaluate a business relationship.** Review and potentially reconsider associations with entities having a history of malpractices (potential proofing documents: financial due diligence reports, bank statement reviews, independent financial audits)

RECOMMENDATION #1

Enter suggestions to address the identified risks.

RECOMMENDATION #2

Enter suggestions to address the identified risks.

RECOMMENDATION #3

Enter suggestions to address the identified risks.



Gathered *Data*

THIRD PARTY

Overview of the Third Party's profile.

Corporate ID	
Registration name(s)	
Trade name	
Other name	
Entity legal form (NGO, Corporate, Holding, ...)	
Capital	
Registration number	
Registration date	
Place of registration	



Homonymy	
Number of employees	
ISIC Code	
Description of core activities	
Subsidiaries and affiliates	

Contact information

Address (Headquarters)	
Former address(s)	
Telephone number	
Email	
Website	

**Commercial relationships**

Private clients	
Public clients	
Major partnerships (optional)	
Countries of implementation	
Major suppliers (optional)	
Banking partner(s)	
Involvement in prohibited industry ¹	

Conclusions

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¹ Alcohol, tobacco, gambling, firearms, weapons, or munitions, pornography, fossil-fuel-based oil, natural gas, or coal extraction, distribution, sale, etc., mining, nuclear power



LEADERSHIP

Highlights of the Third Party's three highest-ranking executives. If relevant, please add more than three executives.

Executive #1	
Name	
First name	
Date of birth	
Position(s)	
ID number	
Nationality	
Appeared in sanction lists ?	
Politically exposed person (PEP) ?	
Other activities	



Shares held	
Judicial situation	
Reputation	
Remarks	

Executive #2	
Name	
First name	
Date of birth	
Position(s)	
ID number	
Nationality	
Appeared in sanction lists ?	



Politically exposed person (PEP) ?	
Other activities	
Shares held	
Judicial situation	
Reputation	
Remarks	

Executive #3	
Name	
First name	
Date of birth	
Position(s)	
ID number	



Nationality	
Appeared in sanction lists ?	
Politically exposed person (PEP) ?	
Other activities	
Shares held	
Judicial situation	
Reputation	
Remarks	

Conclusions

SHAREHOLDING

Understanding of ownership structures, significant shareholders, and influence dynamics.



Major shareholders			
Shareholder name	Entity type	Nationality	Held shares (%)

Moral person shareholders	
Official name	
Local name	
Registration number	
Country	
Registration date	



Business sector	
Official address	
Legal representatives	
Shareholders	
Penalty lists ?	
Customer references	
Reputation	

Other entities owned or managed by shareholders

Name	Registration number	Address	Activity	Name of CEO



Conclusions



COMPLIANCE

Review of regulatory and legal compliance, including licences, permissions, and related documents.

Reporting and information accessibility	
Legal and regulatory reporting	
Information accessibility	

Ethics and governance	
Governance	
Certification	
Ethics	
Anti-corruption	

Corporate Social and Environmental Responsibility



Social	
Human rights	
Environment	

Conclusions

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LEGAL STATUS AND REPUTATION

Details about the Third Party's legal standing, past litigations, sanctions, penalties, and public reputation.

Legal standing

Prosecutions and convictions	
Commercial and administrative litigations	

Reputation

Third Party's reputation	
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Leadership's reputation	
Shareholders' reputation	

Conclusions

FINANCIAL SITUATION

Analysis of the Third Party's financial health, solvency, assets, and debts.

Key figures

Turnover (\$)	
Net income (\$)	
Debt (\$)	
Creditsafe Commercial Credit Score	



Ratios	
Turnover growth rate	
Operating margin rate	
Net margin rate	

Conclusions



Third Party can be generally characterised as:	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Partially cooperative	<input type="checkbox"/> Not cooperative

ANALYSIS OF OBSERVED DIFFERENCES

Identification of discrepancies between the submitted information and independent findings.

OBSERVATION #1

Analyse identified discrepancies and, if applicable, suggest potential remediation measures.

OBSERVATION #2

Analyse identified discrepancies and, if applicable, suggest potential remediation measures.



SIGNATURE

By signing below, the investigator acknowledges the completion and submission of the Due Diligence Report in accordance with ERS' protocols, and guarantees the accuracy of the results presented.

The investigator must sign and submit the Due Diligence Report to the Secretariat for validation. If the Secretariat is the investigating team, please only fill out the "Secretariat" section.

[Investigator's team]

Secretariat

[Date of signature]

[Date of signature]

[Name and position]

[Name and position]

[Investigator's signature]

[Director of the Secretariat's signature]



Appendix

RISK CATEGORIES

Definitions and potential sources for each risk category.

Risk Category	Definition	Potential sources
Accessibility of Information	The ease with which data or records related to an entity can be obtained or understood.	Third Party websites, public filings, online databases, annual reports, Third Party communications.
Conflicts of Interest	A situation in which an individual or entity could exploit a professional or official role for personal or another's benefit, potentially at the expense of others.	Third Party disclosure statements, board minutes, internal audit reports, personnel, financial disclosures.
Corruption	Dishonest actions taken by those in power which could involve bribery, fraud, or other forms of exploitation.	Transparency International's Corruption Perceptions Index, local anti-corruption agencies, news articles, whistle-blower reports.
Ethics and Governance	Existence of proper policies and practices regarding potentially controversial subjects and the system of rules, practices, and processes by which an entity is directed and controlled.	Third Party's code of conduct, corporate governance reports, NGO reviews, ethics board statements.



Financial Offences	Misconducts that violate financial laws, including embezzlement, money laundering, fraud, or other financial crimes.	National regulators' financial reports, financial news outlets, credit rating agencies, court records.
Legal and Regulatory	Formal rules, regulations, and standards that companies need to adhere to, set by official governing bodies.	Regulatory filings, national legislation databases, industry regulatory bodies, official gazettes.
Politically Exposed Persons (PEPs)	Individuals who hold or have held significant public office or are close associates of such persons, and thus pose a potential risk in terms of bribery or corruption.	National PEP databases, World-Check, FATF guidelines, international PEP lists.
Reputation	The beliefs or opinions held by the general public or Third Parties about an entity or individual.	Media articles, customer reviews, public opinion surveys, social media sentiments, Third Party feedback.
Sanction Lists	Lists of individuals, entities, or countries that are subjected to economic or trade restrictions, usually because of political reasons.	Lists from bodies like UN, EU, OFAC, country-specific sanction lists, international cooperative databases.
Social and Environmental Responsibility	The duty to conduct operations in a way that respects the environment and society at large, ensuring a positive impact and minimising harm.	Sustainability reports, environmental impact assessments, NGO publications, certifications by bodies like the Rainforest Alliance or Fair Trade.



ALERT LEVEL TYPOLOGY

Detailed criteria and matrix for risk assessment, providing clarity on how risks are classified and measured.

<p>1 VERY LOW RISK - NO ACTION REQUIRED</p>	<p>Accessibility of Information: The Third Party has a transparent reporting policy.</p> <p>Conflicts of Interest: The Third Party regularly reviews potential conflicts and discloses any that arise. No significant conflicts have been identified at this time.</p> <p>Corruption: Nothing to report.</p> <p>Ethics and governance: The Third Party has strong ethical standards and governance rules.</p> <p>Financial Offences: Nothing to report.</p> <p>Legal and Regulatory: No legal liabilities.</p> <p>Politically Exposed Persons (PEPs): The Third Party has no known affiliations with individuals holding significant public office or their close associates.</p> <p>Reputation: The Third Party has a good reputation both within its sector and with the general public.</p> <p>Sanction Lists: The Third Party is not present on any sanction list. They have no known economic or trade restrictions imposed upon them.</p> <p>Social and Environmental Responsibility: Nothing to report. The Third Party respects environmental and social laws.</p>
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2
LOW ALERT LEVEL
-
NO SPECIFIC ACTION
REQUIRED, BUT
VIGILANCE IS
RECOMMENDED.

Accessibility of Information: The Third Party meets its legal obligations and complies with standard reporting norms.

Conflicts of Interest: No evidence of any personal or financial interests that could compromise impartiality. The Third Party maintains transparency in its dealings.

Corruption: No indication of wrongdoing, but the Third Party operates in high-risk sectors or countries.

Ethics and Governance: The Third Party complies with recognized principles of corporate governance.

Financial Offences: No wrongdoing detected. The Third Party is not involved in money laundering or terrorist financing.

Legal and Regulatory: No convictions. The Third Party may be involved in reprehensible acts, but none of these are detrimental to its reputation or probity (fraud committed by individuals).

Politically Exposed Persons (PEPs): No affiliations with individuals holding significant public office or positions. The Third Party does not engage with or rely on PEPs for its operations.

Reputation: No negative elements identified.

Sanction Lists: The Third Party is not listed on any national or international sanctions lists and has no affiliations with sanctioned entities.

Social and Environmental Responsibility: No acts of criticism have been detected, but the Third Party operates in high-risk sectors.



<p>3</p> <p>MEDIUM ALERT LEVEL</p> <p>-</p> <p>VIGILANCE IS REQUIRED.</p> <p>SPECIFIC ACTIONS ARE REQUIRED TO CLARIFY CERTAIN POINTS.</p> <p>THE COMPANY MUST PROVIDE ADDITIONAL INFORMATION.</p>	<p>Accessibility of Information: Access to information about the Third Party is difficult or can only be obtained from the Third Party itself. It does not disclose its financial results or publish annual reports, or these cannot be obtained from Third Party registries.</p> <p>Conflicts of Interest: The Third Party may have individuals or entities involved that could exploit a professional or official role for personal or another's benefit. It raises concerns about impartiality.</p> <p>Corruption: The Third Party presents risks (politically exposed persons, conflicts of interest, etc.). It has been sanctioned or convicted in the past, or has faced several charges but has not (yet) been prosecuted. Suspicion of wrongdoing is high.</p> <p>Ethics and Governance: A number of weaknesses in corporate governance.</p> <p>Financial Offences: Sporadic reprehensible practices or allegations of offences exist, but none of them put the Third Party at risk, and the Third Party has not been prosecuted for money laundering or terrorist financing.</p> <p>Legal and Regulatory: The Third Party has been convicted or prosecuted for occasional reprehensible acts, but these do not jeopardise its existence.</p> <p>Politically Exposed Persons (PEPs): The Third Party is associated with individuals who hold or have held significant public office, posing a potential risk of bribery or corruption.</p> <p>Reputation: The Third Party has been the target of critics, none of which threaten its existence.</p> <p>Sanction Lists: The Third Party or its associates might be listed on economic or trade restriction lists, usually due to political reasons or legal actions.</p> <p>Social and Environmental Responsibility: There is a high level of suspicion of irregularities, which may entail social or environmental risks. The Third Party has been accused of wrongdoing or convicted, but this has not jeopardised its existence.</p>
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<p>4 HIGH ALERT LEVEL - HIGH VIGILANCE IS REQUIRED.</p> <p>REMEDIAION MEASURES ARE REQUIRED BEFORE STARTING OR CONTINUING BUSINESS RELATIONS WITH THIS COMPANY.</p>	<p>Accessibility of Information: Information on the Third Party is scarce, including via pay services, databases, and legal registers.</p> <p>Conflicts of Interest: The Third Party may exploit professional roles for personal or another's benefit, leading to biased decisions or actions.</p> <p>Corruption: The Third Party has been prosecuted for a serious offence, or a reason for conviction is clearly identified, even if the Third Party has not yet been sanctioned.</p> <p>Ethics and Governance: Absence of a serious ethics and compliance policy. Suspicion of wrongdoing is high.</p> <p>Financial Offences: Serious offences have been committed (financial embezzlement, fraud, misappropriation of public funds), but do not involve money laundering or terrorist financing.</p> <p>Legal and Regulatory: The Third Party has been the subject of numerous convictions (litigation, bankruptcies, fraud and regulatory infringements, anti-competitive practices, etc.) which undermine its credibility.</p> <p>Politically Exposed Persons (PEPs): The Third Party or its affiliates hold or have held significant public office, posing potential bribery or corruption risks.</p> <p>Reputation: The Third Party is the target of major criticism. This can have a negative impact on the Third Party's reputation locally, in its sector, and with the general public.</p> <p>Sanction Lists: The Third Party or its affiliates are subjected to economic or trade restrictions, often for political reasons.</p> <p>Social and Environmental Responsibility: Serious irregularities have been reported (discrimination, harassment, unpaid hours, difficult working conditions, environmental damage, etc.).</p>
<p>5 VERY HIGH ALERT LEVEL - IT IS RECOMMENDED TO AVOID OR CEASE ALL BUSINESS RELATIONS WITH THIS COMPANY.</p>	<p>Accessibility of Information: The Third Party has engaged in fraudulent communication concerning its business, finances or projects. It has deliberately concealed facts, falsified documents or used front companies and front men. Its legal existence cannot be confirmed.</p> <p>Conflicts of Interest: The Third Party, or individuals associated with it, may have personal interests that conflict with their professional responsibilities, possibly leading to biased decisions.</p> <p>Corruption: The Third Party has been convicted of major offences (influence peddling, bribery of public officials, illegal commissions, overbilling and kickbacks, etc.) which illustrate its penchant for corruption, deprive it of public contracts, cause serious damage to its reputation and threaten its existence.</p> <p>Ethics and Governance: The Third Party does not comply with legal requirements. Unethical practices have been clearly identified (conflicts of interest, misuse of Third Party assets, etc.) and The Third Party is or could be liable to prosecution for non-compliance.</p>



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info@ers.org | www.ers.org