ANNEX 7 – SAMPLE DUE DILLIGENCE RESEARCH QUESTIONS

Potential Partner Name (include the point of contact): ______________________
E-mail ______________________
Webpage ______________________
Leverage Type (in kind, expertise, cash, etc.) Cash: _____________In-kind: _____________
Level of Contribution (quantifiable amount) ______________________
Description of Partnership: ---

Sample Due Diligence Research Questions

1. **Corporate image**

a. Has there been anything in the media that would reflect negatively upon the company? If so, how has the company dealt with significant negative publicity?
b. Are there any pending lawsuits against the company?
c. Is the company looking *solely* for PR opportunities by aligning itself with USAID?
d. Is the company only or primarily looking for procurement opportunities or money from USAID?
e. Is the company willing to engage with USAID in a transparent manner without expecting an exclusive relationship (i.e., barring competitors)?
f. Is the company willing to accept limitations on the publicity (i.e., press and media coverage) of the alliance so as to ensure that USAID is not perceived to be endorsing the company or its products and services?

2. Social responsibility

a. Is the company primarily involved in the manufacture or sale of firearms or narcotics, i.e., involvement in these activities constitutes a significant share of company's total portfolio?
b. Does the company have a good reputation (no serious red flag issue areas), especially in areas of corporate social responsibility (CSR)? In the case of new companies or companies with past CSR troubles, are they committed to instituting/improving a sound CSR policy?
c. Does the company have policies barring harmful child labor or forced labor?
d. Does the company have a non-discrimination policy governing the hiring and promotion of minorities, women?
e. Is the company accepting of unions or attempts to organize a union?
f. Does the company have a health and safety action plan for workers, including the handling of hazardous materials and the prevention of environmental accidents?
g. Does the company have a policy for codes of conduct, labor standards?

3. Environmental accountability

a. Does the company collect and evaluate adequate and timely information regarding the environmental, health, and safety impacts of their activities?
b. Does the company set targets for improved environmental performance, and regularly monitor progress toward environmental, health, and safety targets?
c. Does the company assess, and address in decision-making, the foreseeable environmental, health, and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle? And provide the public and employees with adequate and timely information on the potential environment, health and safety impacts of the activities of the enterprise?
d. Does the company maintain contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations, including accidents and emergencies, and mechanisms for immediate reporting to the competent authorities?
e. Does the company continually seek to improve corporate environmental performance, by encouraging, where appropriate, the adoption of technologies and operating procedures in all parts of the enterprise that reflect environmental best practices? Are its products or services designed to have no undue environmental impacts, be safe in their intended use, and be efficient in their consumption of energy and natural resources? Can they be reused, recycled, or disposed of safely?

4. Financial soundness

a. Does the company appear to have the resources needed to fulfill its commitment in a non-binding agreement?
b. Is the company publicly traded and does it issue annual reports with audited financial?
c. For how long has the company been in business?
d. Does the company's structure appear to be stable?