

**ESG Due Diligence Report for Proposed  
Working Women’s Hostel  
at Guduvanchery**

Prepared by Tamil Nadu Infrastructure Fund Management Corporation Ltd. (TNIFMC), Government of Tamil Nadu for the Asian Development Bank.

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## Contents

## Contents

List of abbreviations .....	3
Chapter 1 Project Overview.....	4
1.1 Objectives and scope of work.....	4
1.2 Applicable reference frameworks.....	4
1.3 Approach and methodology .....	4
About project developer .....	5
2.1 Structure of TNWWHCL .....	5
Description of the proposed project site .....	6
Chapter 2 Regulatory Requirements and Status of Applicable Permits.....	8
Chapter 3 Applicability of International Standards.....	11
Chapter 4 Key Findings Section .....	21
Chapter 5 ESG Risk Rating .....	28
Chapter 6 Mitigation Action Plan.....	30
Chapter 7 Informal Public Consultation.....	33
Chapter 8 Grievance Redressal Mechanism .....	34
Chapter 9 Conclusion.....	35
Annexures .....	36
Annexure I- Site Pictures.....	37
Annexure II- Involuntary Resettlement Impact Assessment with COVID-19 Screening Checklist .....	38
Annexure III - Indigenous People Impact Assessment with COVID-19 Screening Checklist	40

## List of abbreviations

ADB	Asian Development Bank
CMDA	Chennai Metropolitan Development Authority
CRZ	Coastal regulation zone
CTE	Consent to Establish
CTO	Consent to Operate
Dept.	Department
DSW	Department of Social Welfare
DFR	Detailed Feasibility Report
EIA	Environmental Impact Assessment
EMP	Environment Management Plan
ESG	Environment, Social and Governance
ESGMS	Environment, Social and Governance Management System
GoTN	Government of Tamil Nadu
GRM	Grievance Redressal Mechanism
IFC	International Finance Corporation
MoEFCC	Ministry of Environment Forest and Climate Change
NOC	No Objection Certificate
OSD	Officer on Special Duty
PMU	Project Management Unit
SPV	Special Purpose Vehicle
TN	Tamil Nadu
TNIFMC	Tamil Nadu Infrastructure Fund Management Corporation Limited
TNSF	Tamil Nadu Shelter Fund
TNWWHCL	Tamil Nadu Working Women's Hostels Corporation Limited

# Chapter 1

## Project Overview

1. Considering the huge demand for safe, professionally run and affordable rental accommodation with basic amenities for working women, the Tamil Nadu Shelter Fund (TNSF) along with the Department of Social Welfare (DSW) of the Government of Tamil Nadu (GoTN) have proposed to develop working women's hostel at Guduvanchery, Chennai in the state of Tamil Nadu in India.
2. TNSF is committed towards integrating environment, social and governance (ESG) into its investee companies and proposed project. KPMG Assurance and Consulting services LLP (hereinafter referred to as "KPMG") was commissioned by Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) to conduct ESG due diligence of the proposed construction of the working women's hostel. The assessment included desk-based review of corporate governance of project owner, on-site investigations, on-site consultations with relevant stakeholders, identifying gaps and propose environmental and social action plan.

### 1.1 Objectives and scope of work

3. The objectives of conducting the ESG due diligence is to assess and rate the various ESG risks associated with the proposed project. The scope of work for the current assessment includes the following:

- Desk based review of project related information provided by the special purpose vehicle (SPV) established for construction, operation and maintenance of the working women hostel;
- Consultations with relevant stakeholder to obtain information of the site and its present status;
- Review adequacy of the organizational capacity to address environmental and social impacts at the site level
- Review the status of permits/licenses applicable to the project
- Review of publicly available information on the SPV and proposed project site on any environmental and social issue representing a potential risk (e.g. any litigation, liabilities, protest, complaints etc.); and
- Provide an environment and social action plan.

### 1.2 Applicable reference frameworks

4. The assignment has been conducted in accordance to the following framework:

1. TNSF ESGMS
2. Applicable local and national environmental and social regulations
3. World Bank, International Finance Corporation, Asian Development Bank guidelines

### 1.3 Approach and methodology

5. The ESG due diligence has been carried out based on the review of the documents provided by the SPV and the Department of Social Welfare from ESG perspective, site visit to the project site and consultations with the relevant stakeholders

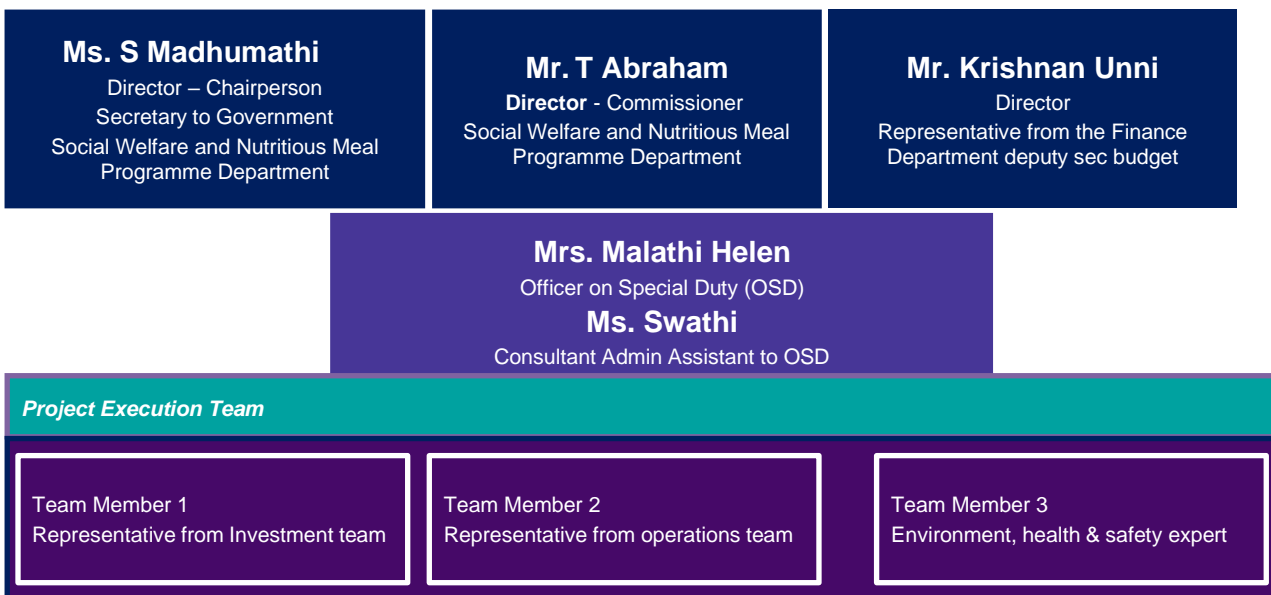
- Review of documents: KPMG reviewed Detailed Feasibility Report (DFR) of the project site, maps and site-specific EMP.

- Stakeholder identification: Based on the review of the Detailed Feasibility Report (DFR) about the project and consultations with TNSF, KPMG identified relevant stakeholders who might impact or get impacted by the project activities
- Site visits: KPMG undertook half day site visit at the proposed project site in Guduvanchery on 2nd February 2021.
- Stakeholder consultations: KPMG also undertook discussions with the relevant project related stakeholders like- the District Social Welfare Officer, officer from sub-registrar office and local residents.
- Reporting: This report presents key ESG issues and risks and mitigation measures for high-risk issues

## About project developer

The Tamil Nadu Social Welfare Department has established Tamil Nadu Working Women’s Hostels Corporations Ltd. (TNWWHCL) in May 2019 as a Special Purpose Vehicle (SPV) under the Companies Act 2013. TNWWHCL will be responsible to undertake infrastructure projects, management and maintenance of certain projects of social welfare department such as working women hostels, creches, senior citizen homes, childcare institutions including creches and projects for third gender welfare and all related infrastructure with funding through TNIFMC.

### 2.1 Structure of TNWWHCL



## Description of the proposed project site

Parameters	Description
Project details	Construction of working women's hostel building G+4 level comprised bathrooms, lavatories. Total proposed beds: 120
Location	The proposed project site is located in Nandhivaram village, Nandhivaram- Guduvancherry selection grade municipality, taluk and district- Chengalpattu in Tamil Nadu
Survey no	601/5
Total area	Proposed built up area: 1704 sq.meter Site area: 1010 sq.meter
Topography	The proposed land is flat and rectangular in shape.
Present land use	During site visit, it was observed that the proposed project site is used for temporary car parking.
Past land use	As informed by the site staff, the site was a barren land and has not been used for any other purpose.
Boundary	North side: Sub-registrar office Southern side: Vacant land belongs to govt. revenue department Eastern side: Nandhivaram Veterinary Hospital Western side: 15ft wide concrete pavement road
Adjoining area	1. Sub-registrar office 2. Nandhivaram Veterinary Hospital 3. Animal birth control center 4. Private residential area (Defense colony) 5. Govt. Girls school
Access road	A 15 feet width concrete pavement road with lamp post on the side of access road.
Land acquisition	Based on the documents available, it is understood that land has been transferred from revenue department to social welfare department. Based on the stakeholder consultation, no concerns noted with respect to the government land acquisition.



*Google image of the proposed project site*

## Land

The SW&WE department is in possession of the land at all three sites for construction of working women's hostels. TNWWHCL is in the process of executing lease agreements with SW&WE department for a nominal lease rent of Rs.1000 per annum per site

## Chapter 2

### Regulatory Requirements and Status of Applicable Permits

S. No	Applicable legal requirements	Regulatory authority/Agency responsible	Status	Remarks
1.	Environmental Clearance as per Environment Impact Assessment (EIA) Notification 2006 and amendments	Ministry of Environment Forest and Climate Change (MoEFCC) or State Environmental Impact Assessment Authority (SEIA)	Not applicable	Applicable if the project site is more than 20,000 sq. mts.
2.	Consent to Establish (CTE)/Consent to Operate (CTO) under The Air Prevention and Control of Pollution Act, 1981 and The Water Prevention and Control of Pollution Act, 1974	Tamil Nadu Pollution Control Board	Applicable	Applicable during construction phase for following activities: 1. Batching plant, crushers and hot mix plant set up 2. Discharges from construction activities 3. Storage, handling and transport of hazardous materials
3.	No Objection Certificate (NOC) for tree cutting	District revenue department/Tehsil office	Not applicable	No trees in the proposed project site.
4.	NOC for ground water withdrawal	State Ground and Surface Water Resources Data Centre-Water resources Department	Not Applicable	Water shall be obtained from water tankers.
5.	Disposal of waste under the Construction and Demolition Waste (Management) Rules 2016	Tamil Nadu Pollution Control Board	Applicable	During construction phase, to dispose demolition and construction waste such as debris, wood, metal scrap etc.
6.	Clearance for Coastal Regulation Zone under CRZ notification dated Jan,1991 and amendments under The Environment Protection Act 1986	Government of Tamil Nadu, Department of Environment	Not Applicable	As the proposed project site does not fall within the 500 m from the High Tide Line.
7.	Forest clearance under the Forest (Conservation) Act, 1980.	Forest Department	Not applicable	The proposed project site does not fall under forest area.



S. No	Applicable legal requirements	Regulatory authority/Agency responsible	Status	Remarks
8.	Fire NOC	Fire and Rescue Services Department, Tamil Nadu	Not Applicable	As the NOC is required for multi storied buildings, with a height of 17.25 m and above.
9.	Approval from Electrical Inspectorate for DG and other electrical equipment installation	Tamil Nadu Electrical Inspectorate	Not Applicable	As it is applicable only when there is an installation of DG and other electrical equipment.
10.	Clearance for High Tension(HT) line	Tamil Nadu Electrical Inspectorate	Not applicable	No HT lines pass through the proposed project site
11.	NOC for height clearance	Airports Authority of India	Not applicable	The clearance is required for multi-stored buildings with a height above 18 m.
12	NOC from Railway Authority	Railway Authority	Not applicable	The proposed project site does not fall within 30 m from the railway track.
13.	Land conversion certificate	Directorate of Town and Country Planning, Government of Tamil Nadu / Revenue Department	Not Applicable	The proposed project site is in residential area. The land allocated for women's hostel building does not require reclassification.
14.	NOC from Gram Panchayat for development of the project	Gram Panchayat	Not Applicable	The land is already transferred to Social Welfare Department.
15.	Land lease agreement	Social Welfare Department/TNWWHCL/ TNPHC	Not Applicable	The proposed project land has been transferred from revenue department to Social Welfare Department.
16.	Planning permit and approved building plan	Revenue department, Local Municipality body	Applicable	The project plan has been approved by local authority.
17.	Registration under the building and other construction workers (regulation of employment and conditions of service) act 1996	Department of Labour, Government of Tamil Nadu	Applicable	During construction phase

18.	License under the Contract Labour (Regulation and Abolition act, 1970 Women and Children (Regulation) Act, 2014.	Department of Labour Government of Tamil Nadu	Applicable	During construction phase
20.	Private Security Registration License for Security Service Providers	State's designated controlling Authority	Applicable	During operation phase

## Chapter 3

### Applicability of International Standards

#### IFC PERFORMANCE STANDARDS

IFC Performance Standards	Applicability	Coverage in the report	Remarks
<b>Performance Standard 1</b>  Assessment and Management of Environmental and Social Risks and Impacts	Yes	<input type="checkbox"/> E. 17 - Availability and validity of the environmental clearance <input type="checkbox"/> E. 18 - Environmental management plan implementation  <input type="checkbox"/> E. 19 - Assessment of environmental risks, impacts  <input type="checkbox"/> G. 2 - Grievance redressal mechanism <input type="checkbox"/> G. 3 - Monitoring and reporting	<input type="checkbox"/> The requirements of the performance standard have been met by the project developer/owner through the Environment Management Plan (EMP) <input type="checkbox"/> The EMP covers: a. Potential environmental impacts and mitigation measures b. Monitoring and reporting c. Grievance redressal mechanism
<b>Performance Standard 2</b>  Labor and Working Conditions	Applicable only in construction phase	<input type="checkbox"/> G. 1 - Corporate level governance policies <input type="checkbox"/> G. 4 - Contractor management	<input type="checkbox"/> The requirements of the performance standard to be met by the contractor during construction of hostel building.

		<input type="checkbox"/> E. 13 - Adverse impact of air water, aesthetic pollution on the environmental,cultural and heritage sites due to projectactivity <input type="checkbox"/> E. 16 - Significant environmental liabilities	
<b>Performance Standard 4</b> Community Health, Safety, and Security	Yes (community health and safety)	<input type="checkbox"/> S. 1 - Safety and security <input type="checkbox"/> S. 2 - Community concerns <input type="checkbox"/> S. 3 - Past legal non -compliance <input type="checkbox"/> S. 4 - Adverse media articles,  Background check of SPV, Background check of Social Welfare Department <input type="checkbox"/> E. 14 - Loss of accessibility to the local community <input type="checkbox"/> E. 15 - Serious environmental and social incidents	<input type="checkbox"/> The requirements of the performance standard have been met by the project developer/owner through the Environment Management Plan.
<b>Performance Standard 5</b> Land Acquisition and InvoluntaryResettlement	No	<input type="checkbox"/> E. 1 - Past land use <input type="checkbox"/> E. 2 - Any disputes/claims/ arbitration tothe land <input type="checkbox"/> E 3 - Surrounding land use	<input type="checkbox"/> There was no human habitation or agricultural and commercial activities onthe proposed project land. <input type="checkbox"/> The proposed project land has been transferred to social welfare department from the revenue department. <input type="checkbox"/> No land disputes have been reported so far. <input type="checkbox"/> Hence, this performance standard is not

			applicable for the project site.
<b>Performance Standard 6</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources	No	<input type="checkbox"/> E. 5 - Loss of biodiversity due to land clearing <input type="checkbox"/> E. 12 - Sensitive areas such as environmental, cultural and heritage site	<input type="checkbox"/> Based on the site visit and review of detailed feasibility report, it is understood that the project site is not within 10 km of any protected areas (such as national park, wildlife sanctuary, biosphere reserves) or biodiversity areas.

			<input type="checkbox"/> Hence, this performance standard is not applicable for the project site
<b>Performance Standard 7</b> Indigenous Peoples	No	-	<input type="checkbox"/> This performance standard is not applicable for the project site.
<b>Performance Standard 8</b> Cultural Heritage	No	<input type="checkbox"/> E. 12 - Sensitive areas such as environmental, cultural and heritage site	<input type="checkbox"/> This performance standard is not applicable for the project as the project site is not located near to any cultural heritage or protected sites.

### ADB Safeguard Requirements

ADB Safeguard Requirements	Applicability	Coverage in the report	Remarks
<b>Safeguard Requirement 1</b> <b>Environment</b> <ul style="list-style-type: none"> <li>○ Environmental Assessment</li> <li>○ Environmental Planning and Management</li> <li>○ Consultation and Participation</li> <li>○ Grievance Redress Mechanism</li> <li>○ Monitoring and reporting</li> <li>○ Unanticipated Environmental Impacts</li> <li>○ Biodiversity Conservation and Sustainable Natural Resource Management</li> <li>○ Pollution Prevention</li> </ul>	Yes (Health and safety covered in terms of community health and safety)	<input type="checkbox"/> E. 4 - Potential soil and ground water contamination <input type="checkbox"/> E. 6 - Construction and other waste disposal <input type="checkbox"/> E. 7 - Source and availability of water <input type="checkbox"/> E. 8 - Consumption of water <input type="checkbox"/> E. 9 - Impact on water availability in the local community <input type="checkbox"/> E. 10 - Potential impact on soil and water body nearby <input type="checkbox"/> E. 11 - Effluent management <input type="checkbox"/> E. 12 - Sensitive areas such as environmental, cultural and heritage site	<input type="checkbox"/> The requirements of the performance standard have been met by the project developer/owner through the Environment Management Plan (EMP) <input type="checkbox"/> The EMP covers: <ul style="list-style-type: none"> <li>a. Potential environmental impacts and mitigation measures</li> <li>b. Monitoring and reporting</li> <li>c. Grievance redressal mechanism</li> <li>d. Capacity building program</li> </ul>

<p>and Abatement</p> <ul style="list-style-type: none"><li>○ Health and safety</li><li>○ Physical Cultural Resources</li></ul>		<p><input type="checkbox"/> E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity</p>	
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ADB Safeguard Requirements	Applicability	Coverage in the report	Remarks
		<input type="checkbox"/> E. 14 - Loss of accessibility to the local community <input type="checkbox"/> E. 15 - Serious environmental and social incidents <input type="checkbox"/> E. 16 - Significant environmental liabilities <input type="checkbox"/> E. 17 - Availability and validity of the environmental clearance <input type="checkbox"/> E. 18 - Environmental management plan implementation <input type="checkbox"/> E. 19 - Assessment of environmental risks, impacts <input type="checkbox"/> S. 1 - Safety and security <input type="checkbox"/> S. 2 - Community concerns <input type="checkbox"/> S. 3 - Past legal non-compliance <input type="checkbox"/> G. 2 - Grievance redressal mechanism <input type="checkbox"/> G. 3 - Monitoring and reporting <input type="checkbox"/> G. 4 - Contractor management	
<b>Safeguard Requirement 2</b> Involuntary Resettlement	No	<input type="checkbox"/> E. 1 - Past land use <input type="checkbox"/> E. 2 - Any disputes/claims/ arbitration to the land <input type="checkbox"/> E. 3 - Surrounding land use	<input type="checkbox"/> There was no human habitation or agricultural and commercial activities on the proposed project land. <input type="checkbox"/> The proposed project land has been transferred to social welfare department from the revenue department. <input type="checkbox"/> No land disputes have been



			<p>reported so far.</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Hence, this performance standard is not applicable for the project site.</li></ul>
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ADB Safeguard Requirements	Applicability	Coverage in the report	Remarks
<b>Safeguard Requirement 3</b> Indigenous Peoples	No	-	<input type="checkbox"/> This performance standard is not applicable for the project site.

### World Bank Environmental, Health, and Safety Guidelines

Requirements	Applicability	Coverage in the report	Remarks
<b>1. Environmental</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Air Emissions and Ambient Air Quality</li> <li><input type="checkbox"/> Energy Conservation</li> <li><input type="checkbox"/> Wastewater and Ambient Water Quality</li> <li><input type="checkbox"/> Water Conservation</li> <li><input type="checkbox"/> Hazardous Materials Management</li> <li><input type="checkbox"/> Waste Management</li> <li><input type="checkbox"/> Noise</li> <li><input type="checkbox"/> Contaminated land</li> </ul>	Applicable during construction and operational phase	Nil	<input type="checkbox"/> The requirements of the performance standard to be met by the contractor during construction of hostel building.  <input type="checkbox"/> Although, the project developer has established control measures in the Environment Management Plan.
<b>2. Occupational Health and Safety</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> General Facility Design and Operation</li> <li><input type="checkbox"/> Communication and Training</li> <li><input type="checkbox"/> Physical Hazards</li> <li><input type="checkbox"/> Chemical Hazards</li> <li><input type="checkbox"/> Biological Hazards</li> <li><input type="checkbox"/> Radiological Hazards</li> <li><input type="checkbox"/> Personal Protective Equipment (PPE)</li> <li><input type="checkbox"/> Special Hazard Environments</li> </ul>	Applicable during construction phase	Nil	<input type="checkbox"/> The requirements of the performance standard to be met by the contractor during construction of hostel building

Requirements	Applicability	Coverage in the report	Remarks
<input type="checkbox"/> Monitoring			
<b>3. Community Health and Safety</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Water Quality and Availability</li> <li><input type="checkbox"/> Structural Safety of Project</li> <li><input type="checkbox"/> Infrastructure</li> <li><input type="checkbox"/> Life and Fire Safety</li> <li><input type="checkbox"/> Traffic Safety</li> <li><input type="checkbox"/> Transport of Hazardous Materials</li> <li><input type="checkbox"/> Disease Prevention</li> <li><input type="checkbox"/> Emergency Preparedness and Response</li> </ul>	Applicable during construction phase	Ni 1	<input type="checkbox"/> The requirements of the performance standard to be met by the contractor during construction of hostel building.
<b>4. Construction and Decommissioning</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Environment</li> <li><input type="checkbox"/> Occupational Health and Safety</li> <li><input type="checkbox"/> Community Health and Safety</li> </ul>	Applicable	<ul style="list-style-type: none"> <li><input type="checkbox"/> E. 4 - Potential soil and groundwater contamination</li> <li><input type="checkbox"/> E. 6 - Construction and other waste disposal</li> <li><input type="checkbox"/> E. 7 - Source and availability of water</li> <li><input type="checkbox"/> E. 10 - Potential impact on soil and waterbody nearby</li> <li><input type="checkbox"/> E. 11 - Effluent management</li> <li><input type="checkbox"/> E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity</li> <li><input type="checkbox"/> S. 1 - Safety and security</li> </ul>	<input type="checkbox"/> The requirements of the performance standard have been met by the project developer/owner through the Environment Management Plan (EMP)

Requirements	Applicability	Coverage in the report	Remarks
		<input type="checkbox"/> S. 2 - Community concerns	

## Chapter 4

### Key Findings Section

#### Environment

S. No.	Topic	Key findings
E. 1	Past land use	As informed by District Social Welfare Officer, there was no human habitation or agricultural and commercial activities on the land allocated for the hostel building construction.
E. 2	Any disputes/claims/arbitration to the land	As confirmed during interview with the District Social Welfare Officer and local residents, no land disputes have been reported so far.
E. 3	Surrounding land use	The area surrounding the project site is a completely residential area. Since the working women's hostel facility is of institutional residential type, there will be no adverse impact on the current land use of the area.
E. 4	Potential soil and ground water contamination	There are no sources of industrial pollution in the immediate vicinity of the site. There are no other sources of ground water contamination in the site.
E. 5	Loss of biodiversity due to land clearing	There are no schedule trees in the site. Hence, the land clearance activities for construction of the hostel does not result into the cutting of schedule trees. There are no protected biodiversity hotspots around the site. The project site does not fall under forest area and ecologically sensitive zone.
E. 6	Construction and other waste disposal	Currently solid wastes are dumped at the site. The project construction activity will additionally generate empty paint containers, construction debris, wood, metal scrap etc.
E. 7	Source and availability of water	Currently there is no water source in the proposed project site. As confirmed during interview with the local residents, water is being sourced from bore well and corporation's piped water supply. The depth of borewell is approximate 700 ft from the ground level. No test report of the borewell was available, however the residents did not report any potential contamination of the water or its unsuitability for domestic and drinking purpose.

E. 8 Consumption of water

As mentioned in detailed feasibility report, total water supply requirement for the project site is estimated at approximately 23,000 liters per day. As mentioned by site staff, the water requirement during the construction stage will be met from borewell.

S. No.	Topic	Key findings
E. 9	Impact on water availability in the local community	Based on the interaction with local residents, during summer season water availability through bore well is very less in the area. Although, they have not faced any water scarcity in the area during the recent past
E. 10	Potential impact on soil and waterbody nearby	There are no waterbodies in the immediate proximity to the project site. Hence, no adverse impacts on the waterbodies foreseen.
E. 11	Effluent management	There is no existing effluent treatment facility in the site. As confirmed during interview with the local residents, residents have septic tanks for collection and treatment of domestic sewage. The area is also served by municipal sewerage network. As per the DFR, a sewage treatment facility will be provided in the project site. Hence the overall risk on wastewater management is considered as low.
E. 12	Sensitive areas such as environmental, cultural and heritage site	There are no sites of cultural, archaeological importance in the immediate proximity to the project site. Hence, no such sensitive structures are likely to be impacted by the project construction.
E. 13	Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity	During construction phase, the movement of vehicles for transportation of construction materials and debris disposal may cause increase in air pollutants, dust pollution and high noise the surrounding area. Utilization of water for construction will create a stress on ground water or other water sources.
E. 14	Loss of accessibility to the local community	No such cases observed during the site visit. The site is connected to main road and has a 15 feet width concrete pavement road with lamp post on the side of access road.
E. 15	Serious environmental and social incidents	Based on the interaction with site personnel and local residents, no incidents of environmental emergencies have occurred. This was also verified through google search.
E. 16	Significant environment liabilities	The site does not store or handle any hazardous chemicals neither there is any ecologically sensitive receiving water body. Hence, there is no significant

environmental liabilities for

the proposed project site.

E. 17 Availability and validity of the environmental clearance.

The Environmental Clearance (EC) is not applicable as the proposed project construction area is less than 20,000 sq.meters. Forest and CRZ clearances are not applicable as the proposed project area does not fall under forest area and within 500m from the High Tide Line.



S. No.	Topic	Key findings
E. 18	Environmental management plan implementation	Environment Management Plan (EMP) has been prepared and documented along with e-tendering pre-qualification tender document. The contractor will be responsible for implementation and monitoring of EMP at the site.
E. 19	Assessment of environmental risks, impacts	Environmental issues have been identified and possible mitigation measures are documented in the EMP.

## Social and Governance

S. No.	Topic	Key findings
S. 1	Safety and security	The project site is located in government owned land and enclosed by government office, schools and residential buildings. Based on the interaction with local resident and officer from sub-registrar office, no safety and security concerns have been reported. Hence the overall risk is considered as low.
S. 2	Community concerns	Based on the interaction with local residents and officer from sub-registrar office, no concerns from the surrounding community have been reported.
S. 3	Past legal non-compliance	Based on the interaction with district social welfare officer, no incidents of legal non-compliance have occurred.
S. 4	a. Adverse media articles b. Background check of SPV c. Background check of Social Welfare Department	Based on google search, there are no adverse news for the proposed project site. Also, we did not come across any incidents of bribery, corruption, fraud, sexual harassment, child labour, forced labour against the SPV. While conducting background check for the Social Welfare Department, we came across a corruption case that has been filed against the district social welfare officer and a health inspector. Reference: <a href="https://www.dtnext.in/News/TamilNadu/2019/02/06044548/1105643/DVAC-registers-case-against-">https://www.dtnext.in/News/TamilNadu/2019/02/06044548/1105643/DVAC-registers-case-against-</a>

[two-govt- officials.vpf](#)

G.1	<p>Corporate level governance policies on:</p> <ol style="list-style-type: none"> <li>1 Prevention of sexualharassment</li> <li>2 Anti-bribery and corruption,Child labour</li> <li>3 Forced labour</li> <li>4 Whistle- blower</li> </ol>	<p>No governance related policies are yet drafted/formed bythe TNWWHCL.</p>
G.2	<p>Grievance RedressalMechanism</p>	<p>Based on the interaction with TNSF officials, it is understood that grievance redressal process has been drafted and documented in the EMP. The same has beenverified. As mentioned by TNSF officials, there are three levels of grievance mechanism.</p> <ol style="list-style-type: none"> <li>1. Project level: Investors can submit /raise their concernsto shelter fund through company secretariat.</li> <li>2. Site level: Site specific GRM officer is responsible for address grievances. After selection of contractor, grievance redressal mechanism will be implemented at the site.</li> <li>3. SPV level: SPV can submit/ raise their concerns toGRM committee. If concerns are not resolved within 14days, it will be escalated to principle of shelter fund. GRM committee will be comprised of one person fromESG team, one person from risk team and one personfrom admin team. The committee is not yet formed.</li> </ol>
G.3	<p>Monitoring and reporting</p>	<p>As mentioned in the e- tendering pre-qualification tender document, TNWWHCL in coordination with TNPHC will conduct internal environmental monitoring, compliance review and prepare Quarterly Progress reports for the project site. All applicable legal requirements are identified and documented in the EMP. The contractor will be responsible for obtaining permissions and licenses.</p>
G.4	<p>Contractor management</p>	<p>TNWWHCL in coordination with TNPHC has developed and documented pre-qualification criteria for the selection of contractor. As mentioned in tender document, thecontractor is responsible for preparing standard operatingprocedures for execution of work in the project site.</p>

## Chapter 5 ESG Risk Rating

We have used ESG risk rating tool developed by TNSF under its ESG management system, to identify and evaluate *material ESG risks* related to the project activities. Based on the site visit, stakeholder's consultation and documents review, issues have been identified and evaluated for its 'likelihood of occurrence' and 'severity of potential impact' for this project.

The issues identified are based on the current project status and may evolve during the course of construction and operational phase.

### Environmental risk rating

Category	Type of Issue	Source	Importance (In terms of financial risk to the Fund's performance)	Importance (In terms of Environmental or Social or Reputational risk to the Fund)	Total Risk Score	Dimensional Risk Score	Material Risk
Environmental	Plot land use	Due Diligence	1	1	2	60	No
	Disposal to the land	Due Diligence	1	1	2		No
	Adverse impact in surrounding land	Due Diligence	1	1	2		No
	Potential soil contamination	Due Diligence	1	2	3		No
	Potential water contamination	Due Diligence	1	2	3		No
	Loss of biodiversity due to land clearing	Due Diligence	1	2	3		No
	Construction and other waste disposal	Due Diligence	2	3	5		Yes
	Source and availability of water	Due Diligence	2	3	5		Yes
	Consumption of water	Due Diligence	2	2	4		Yes
	Impact on water availability in the local community	Due Diligence	2	1	3		No
	Potential impact on soil and waterbody nearby	Due Diligence	1	2	3		No
	Risk management	Due Diligence	1	2	3		No
	Sensitive areas such as environmental, cultural and heritage site	Due Diligence	1	1	2		No
	Adverse impact of air water, aesthetic pollution on the site (related due to construction activities)	Due Diligence	2	4	6		Yes
	Severe environmental incident	Desk-Based Research	1	2	3		No
	Equilibrium environmental liabilities	Due Diligence	1	2	3		No
	Availability and validity of the environmental clearance	Due Diligence	1	2	3		No
	Environmental management plan implementation in the project site	Due Diligence	1	1	2		No
	Assessment of environmental risks and impacts	Due Diligence	1	2	3		No

### Social risk rating

Category	Type of Issue	Source	Importance (In terms of financial risk to the Fund's performance)	Importance (In terms of Environmental or Social or Reputational risk to the Fund)	Total Risk Score	Dimensional Risk Score	Material Risk
Social	Safety and security	Due Diligence	1	2	3	11	No
	Community concerns around the project site	Due Diligence	2	1	3		No
	Land acquisition	Due Diligence	1	2	3		No
	Loss of accessibility to the local community	Due Diligence	1	1	2		No
	Adverse media articles	Desk-Based Research	1	1	2		No
					0		No
							No
							No
							No
							No

### Governance risk rating

Category	Type of Issue	Source	Importance (In terms of financial risk to the Fund's performance)	Importance (In terms of Environmental or Social or Reputational risk to the Fund)	Total Risk Score	Dimensional Risk Score	Material Risk
Governance	Non availability of anti-corruption policy	Due Diligence	3	1	4	44	Yes
	Non availability of anti-bribery policy	Due Diligence	3	1	4		Yes
	Non availability of whistle blower policy	Due Diligence	3	1	4		Yes
	Non availability of child labour policy	Due Diligence	3	1	4		Yes
	Non availability of forced labour policy	Due Diligence	3	1	4		Yes
	Prevention of sexual harassment policy	Due Diligence	3	1	4		Yes
	Gender equality mechanism	Due Diligence	1	2	3		No
	Monitoring and reporting	Due Diligence	1	2	3		No
	Contractor management	Due Diligence	1	2	3		No
Real legal non compliance	Due Diligence	1	1	2	No		

Material ESG risks for the project are listed below

Environmental	Social	Governance
1. Construction and other waste disposal	Nil	1. Non availability of governance policies such as anti-corruption, anti-bribery, whistle blower, forced labour, child labour and prevention of sexual harassment

2. Source, availability and consumption of water		
3. Adverse impact of air water, aesthetic pollution on the environmental due to construction activities		

## Chapter 6

### Mitigation Action Plan

Finding reference ,no	Key findings	Mitigation action plan	Responsibility	Timeline	Tentative cost
E. 6	<p><b>Construction and other waste disposal</b></p> <p>Currently solid wastes are dumped at the site. However, the project construction activity will generate empty paint containers, construction debris, wood, metal scrap etc.</p>	<ol style="list-style-type: none"> <li>Existing solid wastes to be disposed through authorized agency.</li> <li>The construction waste must be sent to authorized agency as per the Construction and Demolition Waste (Management) Rules 2016.</li> </ol>	Contractor at the project site	Before and during construction phase	Transportation charges based on the quantity of waste
E. 7, E. 8 and E. 13	<p><b>Source and availability of water</b></p> <p>There is no current water source in the proposed site. As mentioned by site staff, the water for construction stage will be met from borewell. Utilization of water for construction will create a stress on ground water or other water</p>	<ol style="list-style-type: none"> <li>If SPV/ contractor plans to install bore well at the site, prior approval from Tamil Nadu ground water board shall be obtained.</li> </ol>	TNWWHCL or Contractor at the project site	Before construction phase	Application fees

	sources.				
E.13	<p><b>Adverse impact of air, water, aesthetic pollution on the environment, cultural and heritage sites due to project activity</b></p> <p>During construction</p>	<ol style="list-style-type: none"> <li>1. It is recommended to conduct ambient air, noise and water monitoring at the project site during construction period.</li> <li>2. Water sprinkling to be carried out</li> </ol>	Contractor at the project site	<ol style="list-style-type: none"> <li>1. At least twice during peak time of construction</li> <li>2. Water sprinkling to be done on daily basis</li> <li>3. Avoidance of high</li> </ol>	<p>Approximate cost towards sampling - INR. 1000-2000 per sample</p> <p>Total about INR.300,000-350,000 based on</p>
	<p>phase, the movement of construction vehicles for transportation of construction materials and debris disposal may cause increase in air pollutants, dust pollution and high noise in the surrounding area.</p>	<ol style="list-style-type: none"> <li>3. Contractor shall ensure that equipment with high noise levels are not being used during night-time to avoid impact on local community.</li> </ol>		<p>noise equipment during nighttime, throughout construction period</p>	<p>number of samples (From NABL accredited laboratory)</p>
G. 1	Corporate governance	TNWWHCL to	TNWWHCL	Before	Nil

	<p>policies Non- availability of governance policies on prevention of sexual harassment, anti- bribery, anti- corruption, child labour, forced labour, whistle- blower.</p>	<p>develop and implement formal governance policiesfor prevention of corruption, bribery, child and forced labour and sexual harassment at the workplace.</p>		<p>construction phase</p>	
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## Chapter 7

### Informal Public Consultation

The objective of the stakeholder consultation process was to collect information on the project and its expected impact. It also helps to determine the concerns amongst the community.

#### Identification of Stakeholders

40. The stakeholders consulted for the project included the officer from revenue department, officer from TNPHC and officer from employment office. The consultation was undertaken during the site visit on 3<sup>rd</sup> February 2021.

#### Details of Discussion

41. The details of the proposed hostel were informed and discussed with the stakeholders. They were supportive about the project and no concerns were raised during the stakeholder consultation.

Following stakeholders were consulted:

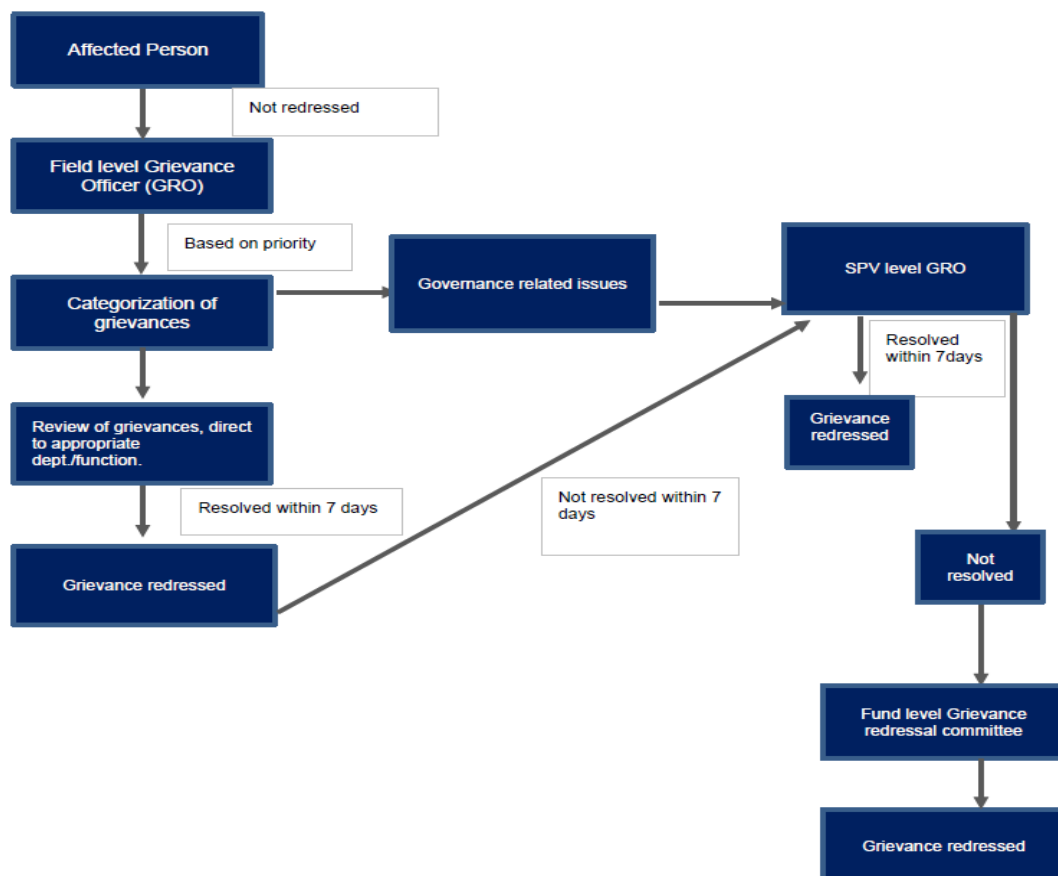
Social Welfare Department	Sub- Registrar office	Local residents
Mrs. Sangetha- District social Tumbaranamwelfare officer	Mrs. Vasanthi - Revenue officer	Mr.

## Chapter 8 Grievance Redressal Mechanism

42. The main objective of the grievance redressal mechanism is to provide a transparent mechanism to resolve complaints in the project site. The field level grievance redressal officer (GRO) will be responsible for handling grievances at the site. All complaints to be logged in writing and maintained in a database. A log of all the grievances to be maintained by field GRO in an excel. Every grievance received will be identified with a grievance number and the same shall be communicated to aggrieved party as an acknowledgement by the field level GRO. Grievances will be redressed within 7 days from the date of lodging the complaints. If resolution attempts at the site level fail, the site will refer the complaints to the SPV level. In case, after 7 days, if there are still any unresolved issues, the complaints will be transferred to the Fund level Grievance Redressal Committee. The grievance log will be shared by the field level GRO with SPV level GRO and project lead of the shelter fund on fortnightly basis.

Note: The GRM Policy is currently under internal review by TNIFMC. The current version is subject to further changes once final.

Flow chart of Grievance Redressal Mechanism



## Chapter 9

### Conclusion

Based on the due diligence conducted, no major ESG risk to the proposed project was noted. Overall, 34 ESG issues were evaluated using the ESG risk rating tool of which 10 are considered as *material ESG risks* for the proposed project. **Project risk level is 28.67%**. Hence, it is *medium risk level project*. Key findings of the study in connection to environmental, social and governance issues are:

- Governance related policies to be drafted by TNWWHCL
- No concerns are noted with respect to land acquisition
- There is no human habitation, trees or any other establishments on the proposed project site, as a result no dislocation, demolition of houses or structures will be required due to the construction activities
- No potential negative impact has been identified for this project.

## Annexures

### List of documents reviewed

1. Detailed feasibility report
2. e – tendering pre-qualification tender document
3. Environment Management Plan for the project site
4. Approved building plan
5. Approved site plan
6. G.O. for land allotment

## Annexure I- Site Pictures

Project site



Access road to the site



Old building beside veterinary hospital



Old wastes dumped in the site



Interviewed local residents

## Annexure II- Involuntary Resettlement Impact Assessment with COVID-19 Screening Checklist

### Introduction

Each subsection/section needs to be screened for any involuntary resettlement impacts which will occur or have already occurred. This screening determines the necessary action to be taken by the project team.

### Information on subsection/section:

District/administrative name: Chengalpettu

Location (km): Nandhivaram village

Civil work dates (proposed):

Technical description: The project involves construction of a single block with a G+4 level structure and a total capacity of 120 beds.

### Screening Questions for Involuntary Resettlement Impact

Below is the initial screening for involuntary resettlement impacts and due diligence exercise. Both permanent and temporary impacts must be considered and reported in the screening process.

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
<b>Involuntary Acquisition of Land</b>				
1. Will there be land acquisition?		√		The land has been acquired for the purpose of construction of the project through a government order.
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				The land was previously owned by Revenue department of GoTN and was a vacant land.
4. Will easement be utilized within an existing Right of Way (ROW)?	√			
5. Will there be loss of shelter and residential land due to land acquisition?		√		
6. Will there be loss of agricultural and other productive assets due to land acquisition?		√		The land is a barren land and there will be no loss of agricultural or other productive assets.
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?		√		The site is filled with wild growth of weeds and shrubs and there are no trees in the site.
8. Will there be loss of businesses or enterprises due to land acquisition?		√		The land is vacant, and no business has been established at the site.
9. Will there be loss of income sources and means of livelihoods due to land acquisition?		√		The site is a barren land at time of acquisition
<b>Involuntary restrictions on land use or on access to legally designated parks and protected areas</b>				
10. Will people lose access to natural resources, communal facilities, and services?		√		
11. If land use is changed, will it have an adverse impact on social and economic activities?		√		

1. Will access to land and resources owned communally or by the state be restricted?		√		
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? ] N/A If yes, approximately how many?	[ ]	No	[ ]	Yes [√]
Are any of them poor, female-heads of households, or vulnerable to poverty risks? ] N/A	[ ]	No	[ ]	Yes [√]
Are any displaced persons from indigenous or ethnic minority groups? ] N/A	[ ]	No	[ ]	Yes [√]

#### D. COVID-19 Risk Screening for Involuntary Resettlement Impact Assessments

Risk screening questions	Yes	No	Not sure	Remarks
Will project preparation be affected by the inability of experts/consultants, to visit the project site because of the pandemic?		√		COVID-19 has not affected the project evaluation.
Is the project likely to face challenges in achieving meaningful consultation because of the pandemic? If yes, please clarify the types of consultations to be affected and at what stages in social safeguards planning and implementation.  Examples: Project consultants are unable to travel to the project site and meet with affected people for RP planning; the project will face challenges in conducting with communities, etc.		√		
Is the project likely to face challenges in preparing safeguards assessments/planning instruments and/or implementing social safeguards plans because of the pandemic? Please be as specific as you can in the remarks section.  Example: The project might face challenges in conducting inventory of assets/DMS, arranging for adequate valuations, or conducting other related due diligence (e.g., cadastral mapping or title search) due to COVID-19 restrictions.		√		

Note: The project team may attach additional information on the project, as necessary.

## Annexure III - Indigenous People Impact Assessment with COVID-19 Screening Checklist

### A. Introduction

Each project/subproject/component needs to be screened for any indigenous people impacts which will occur or have already occurred. This screening determines the necessary action to be taken by the project team.

### B. Information on project/subproject/component:

District/administrative name: Chengalpet District

Location (km):

Civil work dates (proposed):

Technical description: The project involves construction of a single block with a G+4 level structure and a total capacity of 120 beds.

### C. Screening Questions for Indigenous People Impact

KEY CONCERNS (Please provide elaborations in the "Remarks" column)	YES	NO	NOT KNOWN	Remarks
A. Indigenous People Identification				
1. Are there socio-cultural groups present in or using the project area who may be considered "tribes" (hill tribes, scheduled tribes, tribal people), "minorities" (ethnic or national minorities), or "indigenous communities" in the project?		√		The land is uninhabited.
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities," scheduled tribes, tribal people, national minorities, or cultural communities?		√		
3. Do such groups self-identify as being part of a distinct social and cultural group?		√		
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?		√		
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?		√		
6. Do such groups speak a distinct language or dialect?		√		
7. Have such groups been historically, socially, and economically marginalized, disempowered, excluded, and/or discriminated against?		√		
8. Are such groups represented as "indigenous people," "ethnic minorities," "scheduled tribes," or "tribal populations" in any formal decision-making bodies at the national or local levels?		√		
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target indigenous people?		√		
10. Will the project directly or indirectly affect indigenous people' traditional sociocultural and belief practices (e.g., child-rearing, health, education, arts, and governance)?		√		



<b>KEY CONCERNS (Please provide elaborations in the "Remarks" column)</b>	<b>YES</b>	<b>NO</b>	<b>NOT KNOWN</b>	<b>Remarks</b>
11. Will the project affect the livelihood systems of indigenous people (e.g., food production system, natural resource management, crafts and trade, employment status)?		√		
12. Will the project be in an area (land or territory) occupied, owned, or used by indigenous people, and/or claimed as ancestral domain?		√		
<b>C. Identification of Special Requirements</b> Will the project activities include:				
13. Commercial development of the cultural resources and knowledge of indigenous people?		√		
14. Physical displacement from traditional or customary lands?		√		
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, and spiritual uses that define the identity and community of indigenous people?		√		
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied, or claimed by indigenous people?		√		
17. Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by indigenous people?		√		

#### D. Indigenous People Impact

After reviewing the answers above, executing agency/ safeguard team confirms that the proposed subsection/ section/subproject/component (tick as appropriate)

Has indigenous people (indigenous people) impact, so an indigenous people plan (IPP) or specific indigenous people action plan is required.

Has No indigenous people impact, so no IPP/specific action plan is required

#### E. COVID-19 Risk Screening for IP Impact Assessments

<b>Risk screening questions</b>	<b>Yes</b>	<b>No</b>	<b>Not sure</b>	<b>Remarks</b>
Will project preparation be affected by the inability of experts/consultants, to visit the project site because of the pandemic?		√		All the site visits and consultations have been completed and were not disrupted due to the COVID pandemic.
Is the project likely to face challenges in achieving meaningful consultation because of the pandemic? If yes, please clarify the types of consultations to be affected and at what stages in social safeguards planning and implementation. Examples: Project consultants are unable to travel to the project site and meet with affected		√		

<p>people for IPP planning; the project will face challenges in conducting culturally appropriate consultations with IP communities, etc.</p>				
<p>Is the project likely to face challenges in preparing safeguards assessments/planning instruments and/or implementing social safeguards plans because of the pandemic? Please be as specific as you can in the remarks section.</p>		√		