
ESG Due Diligence Report for Retrofit of Government Working Women's Hostels at Thanjavur

Final Report

(Strictly confidential for controlled circulation)

Date: 5th May 2021

Submitted by,



Emergent Ventures India Pvt Ltd

Magnum Tower 1, 8th Floor,

Golf Course Extension Road,

Sector-58, Gurgaon

Haryana, India - 122001

Table of Contents

| | |
|---|----|
| List of abbreviations | 3 |
| 1. Introduction | 4 |
| 1.1 Background | 4 |
| 1.2 Objectives and scope of work | 4 |
| 1.3 Applicable reference frameworks | 5 |
| 1.4 Approach and methodology | 5 |
| 2. Project overview | 6 |
| 2.1 About project developer | 6 |
| 2.2 Description of the proposed project site | 6 |
| 2.3 Proposed Retrofitting requirements of the site | 7 |
| 3. Regulatory requirements and status of applicable permits | 8 |
| 4. Applicability of International Standards | 10 |
| 5. Key findings section | 14 |
| 6. ESG Risk Rating | 19 |
| 7. Mitigation Action Plan | 22 |
| 8. Conclusion | 25 |
| Annexure | 26 |

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 |
| DSWO | District Social Welfare Officer |
| 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 |
| LEED | Leadership in Energy and Environmental Design |
| MoEFCC | Ministry of Environment Forest and Climate Change |
| NOC | No Objection Certificate |
| OSD | Officer on Special Duty |
| OSR | Open space reservation |
| 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 |
| ULB | Urban Local Bodies |

1. Introduction

1.1 Background

The Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) is an Asset Management Company (AMC) promoted by the Government of Tamil Nadu (GoTN) for the purpose of raising and managing alternative asset funds focused on sectors like infrastructure, affordable housing etc. TNIFMC is currently managing two Alternative Investment Funds (AIF), viz., Tamil Nadu Infrastructure Fund (TNIF) and Tamil Nadu Shelter Fund (TNSF). Tamil Nadu Shelter Fund (TNSF) is registered as a Category I (Social Venture) Alternative Investment Fund, with a mandate to invest in affordable housing in Tamil Nadu. TNSF invests in affordable housing projects in the private, PPP or Government and/or its agencies. The primary focus of TNSF is:

- Affordable housing – housing for the economically weaker (EWS) and low-income groups (LIG),
- Hostels - for working women from all sections of the society
- Industrial accommodation for workers in SIPCOT Industrial Complexes/ Parks
- Senior and assisted living

Tamil Nadu Working Women's Hostels Corporation Limited (TNWWHCL) is a Special Purpose Vehicle (SPV) established in 2019 and incorporated on 6th February 2020 as per Companies Act 2013 by Department of Social Welfare and Nutritious Meal Programme under Government of Tamil Nadu in order to handle the social infrastructure projects in the state such as Working Women's Hostel, Senior Citizen Homes, Inclusive Living, etc. Owing to the huge demand for safe and affordable accommodation for working women, the TNWWHCL has initiated the process of retrofitting existing Working Women Hostel so as to provide affordable accommodation and protection to working women. TNSF is planning to invest in TNWWHCL for the retrofitting of existing Working Women Hostel at eight locations (Salem, Tiruppur, Perambalur, Villupuram, Vellore, Tirunelveli, Thanjavur and Chennai)

TNSF is committed towards integrating ESG- Environmental, Social, Governance factors into investee companies and proposed projects. For the same, TNIFMC has engaged EVI, a TNSF empanelled consultant, to further conduct a due diligence on the TNWWHCL, the investee Company for the proposed project of retrofitting existing working women hostel and to identify the risks and provide a mitigation plan.

1.2 Objectives and scope of work

The objective of the assignment is to conduct an ESG Due Diligence of the proposed retrofitting of working women's hostel at Thanjavur with reference to the TNSF's ESG Management System, local and the national regulations, ADB Safeguard Framework, IFC Performance Standards, and World Bank Safeguard Standards.

The scope of work is:

- Review the extent of Building & Construction process of the investee company in accordance with the local laws and regulations including:
 - Status of permits and approvals.
 - Environmental, health, governance & safety management policies and practices;
 - Human resources management policies and practices with specific focus on workplace conditions, child labor, forced labor and sexual harassment (prevention, prohibition and redressal mechanisms) , and other aspects highlighted in the relevant labor laws and VISHAKA guidelines.
- Review the applicability of international standards - ADB Safeguard framework, IFC performance Standards, and World Bank Safeguard Standards. The ADB requirements are specified as below:
 - Degradation of cultural property
 - Loss of cultural heritage & tourism revenues
 - Short-term and/or long-term ecological disturbances
 - Waste management plan (construction & demolition waste, hazardous waste, sanitation, municipal solid waste for construction)
 - Environment management plan (potential impacts & mitigation, monitoring & implementation and performance indicators)
 - Public Health Hazards as a result of ambient, household and occupational pollution, thermal inversion, and smog formation.

- Community related health & safety risks and impacts
- Occupational health & safety risks and vulnerability (for employees / workers)
- Occupational health and safety management
- Community health and safety management plan
- Number of persons displaced by the project (physical/economic, permanent/temporary)
- Right of Way (ROW) used by local people and RoW to be created for maintaining access to project and adjoining sites.
- Loss of crops, trees, and fixed assets resulting in loss of income to titleholders or non-titleholders
- Loss of access to natural resources, communal facilities, and services by the people
- Restriction on access to communally or state owned land and resources
- Vulnerability of project location to climatic conditions including extreme weather related events such as floods and /or landslides
- Grievance Redressal Mechanism (GRM)
- On-site visit and Stakeholder Consultations
- Conduct high-level Gap Assessment; and
- Provide mitigation plan to address the identified gaps/risks (along with approximate budget, responsibilities and timeline).

1.3 Applicable reference frameworks

The assignment has been conducted in accordance with 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

1.4 Approach and methodology

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

- **Project Preparation:** EVI team held a kickoff call with TNIFMC to apprise the team of the process for initiating the project. Project manager/focal point responsible for providing required information and documentation at TNIFMC end were identified. In addition, the site visit plan was also agreed upon at this stage.
- **Desk Review:** This includes a review of documents relevant to environmental, health and safety management i.e., environmental permits / licenses and associated applications, health and safety management plan, emergency plan, consultation plans and consultations done till date, concession and construction contracts, any other additional environmental, health and safety studies etc. (Refer Annexure)
- **Site Investigation:** A one day site investigation of the Working Women's Hostel located at Thanjavur, Tamil Nadu was carried out on 17th March 2021.
- **Site Visit and consultations:** EVI Team undertook discussions with the relevant stakeholder (investor, investee and local community people) related to project to discuss the ESG issues, capture their perspectives and obtaining additional information beyond the statutory documents –
 - Investor (TNFIMC):
 - Mr. N Prabakaran (Vice President - Technical), TNIFMC
 - Ms. Nithya (Assistant Manager), TNIFMC
 - Special Purpose Vehicle (TNWWHCL):
 - Ms. Malathi Helen, Officer on Special Duty (OSD), Social Welfare and Nutritious Meal Programme Department
 - Department of Social Welfare (DSW)
 - Rajeswari, District Social Welfare Officer (DSWO), Thanjavur
- **Reporting:** This report presents key ESG issues and risks and mitigation measures for high-risk issues.

2. Project overview

2.1 About project developer

The proposed project is being developed by Tamil Nadu Working Women's Hostels Corporation Limited (TNWWHCL), a SPV established by the Department of Social Welfare and Nutritious Meal Programme (DSW) under Government of Tamil Nadu. DSW focuses on improving the lives of women, children, senior citizens and third genders through several schemes to ensure good health, education, nutrition, employment and protection of women, children, senior citizens and third-party genders.

TNWWHCL was established in May 2019 and incorporated on 6th February 2020 by the Commissioner of Social Welfare under the Companies Act 2013. TNWWHCL is a Government Owned SPV formed to oversee construction, maintenance and operations of selected Government Hostels. TNWWHCL also looks into the maintenance & management of other special project of DSW related to working women hostels, creches, senior citizen homes, child-care institutions including creches and projects for third gender welfare and all related infrastructure with funding through TNIFMC.

2.2 Description of the proposed project site

Table 1. Description of proposed project site

| Parameters | Description |
|-----------------------------------|---|
| Project details | The project aims to retrofit the existing hostel for working women and girls in Thanjavur, Tamil Nadu. The hostel will be retrofitted with environmentally friendly interventions suited to the needs of the occupants. |
| Location | The hostel is located in Melavastaj Chavady, Melavastaj Chavady (PO), Pudhukottai Road, Thanjavur Latitude: 10°44'2.11"N , Longitude: 79°6'20.37"E |
| Total area | |
| Present and Past land use | A Government Welfare hostel for working women is presently being constructed at the site |
| Adjoining area | The hostel is surrounded by residential apartments. |
| Access road | The hostel can be accessed via the Pudhukottai Road. NH 226 and NH 67 are the closest National Highways to the hostel. |
| Building | Own building Structure (number of floors) – Ground + 1 floor |
| Operational Since | Yet to be inaugurated. |
| Present Strength (as on 15.10.20) | 4 rooms (Sanctioned strength – 50) |
| Present Staff Details | Govt. Cook- 2; Cook-1 |



2.3 Proposed Retrofitting requirements of the site

The summary of an indicative retrofitting work for the Thanjavur Working Women hostel is mentioned in the table below. The retrofitting plan is proposed for the all the hostel floors. As per the plan, repair work in terms of external painting will be carried out. CCTV camera, Fly Mesh Screen for Windows, power backup etc. will be provided as part of the retrofitting process.

However a detailed plan for retrofitting is being prepared.

Table 2. Indicative retrofitting for women hostel Thanjavur

| S. No | Indicative Retrofitting |
|-------|--|
| 1 | External painting in accordance with the standardisation scheme |
| 2 | Cup-board Shutter using termite / waterproof plywood |
| 3 | PVC / Fibre Glass Framed 5.5mm thick Mirror and Shelf Type with Hard Board Backing |
| 4 | Fly Mesh Screen for Windows (Sliding) & Ventilators (Fixed) |
| 5 | CCTV cameras installation |
| 6 | 5KVA inverter for power backup |
| 7 | Computers, WIFI, LED TV, PRINTER, TV DISH |

3. Regulatory requirements and status of applicable permits

| S. No | Applicable legal requirements | Regulatory authority/ Agency responsible | Status | Remarks |
|-------|---|--|----------------|---------|
| 1 | Tree Cutting Clearances from the authorities as per the Tamil Nadu Timber Transit Rules, 1968 as amended | District Revenue Department | Not Applicable | |
| 2 | Consent to establish and consent to operate under Air Act, 1981 | Tamil Nadu Pollution Control Board (TNPCB) | Not Applicable | |
| 3 | Consent to establish and consent to operate under Water Act, 1974 | Tamil Nadu Pollution Control Board (TNPCB) | Not Applicable | |
| 4 | Approval for storage, handling and transport of hazardous materials under Hazardous Wastes (Management and Handling) Rules. 1989 Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989 | Tamil Nadu Pollution Control Board (TNPCB) | Not Applicable | |
| 5 | Groundwater extraction under Tamil Nadu Groundwater Development and Management Act 2000 | Public Works Department | Not Applicable | |
| 6 | Approval for Disposal of Construction and Demolition waste under Construction and Demolition (C&D) Waste Management Rules, 2016 | Public Works Department | Not Applicable | |
| 7 | Certificate of registration under Interstate Migrant Worker Act | Industrial Safety and Health, Government of Tamil Nadu | Not Applicable | |
| 8 | Fire NOC | Tamil Nadu Fire and Rescue Services Department | Not Applicable | |
| 9 | Registration of project under RERA, The Real Estate (Regulation and development) Act, 2016 | Tamil Nadu Real Estate Regulatory Authority | Not Applicable | |
| 10 | NOC from AAI | Airports Authority of India | Not Applicable | |
| 11 | NOC from Traffic Police | Superintendent of Police, District | Not Applicable | |
| 12 | NOC from local Panchayat | Panchayat Union | Not Applicable | |
| 13 | Certificate of Registration under Building and Other | The Tamil Nadu Construction Workers | Not Applicable | |

| S. No | Applicable legal requirements | Regulatory authority/ Agency responsible | Status | Remarks |
|-------|---|--|----------------|---------|
| | Construction workers (Regulation Of Employment and Conditions of Service) Act, 1996 | Welfare Board | | |
| 14 | Environment Clearance | State Level Environment Impact Assessment Authority – Tamil Nadu | Not Applicable | |

4. Applicability of International Standards

IFC Performance Standards

| IFC Performance Standards | Applicability | Coverage in the report |
|--|-------------------------------------|---|
| Performance Standard 1 Assessment and Management of Environmental and Social Risks and Impacts | Yes | <ul style="list-style-type: none"> ~ E. 17 - Availability and validity of the environmental clearance ~ E. 18 - Environmental management plan implementation ~ E. 19 - Assessment of environmental pollution, risks, impacts (Dust, Air emission, Noise) ~ G. 2 - Grievance redressal mechanism ~ G. 3 - Monitoring and reporting |
| Performance Standard 2 Labour and Working Conditions | Yes | <ul style="list-style-type: none"> ~ G. 1 - Corporate level governance policies ~ G. 4 - Contractor management |
| Performance Standard 3 Resource Efficiency and Pollution Prevention | Yes | <ul style="list-style-type: none"> ~ E. 4 - Potential soil and ground water contamination ~ E. 6 - Construction and other waste disposal ~ E. 7 - Source and availability of water ~ E. 8 - Consumption of water ~ E. 9 - Impact on water availability in the local community ~ E. 10 - Potential impact on soil and water body nearby ~ E. 11 - Effluent management ~ E. 12 - Sensitive areas such as environmental, cultural and heritage site ~ E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity ~ E. 16 - Significant environmental liabilities |
| Performance Standard 4 Community Health, Safety, and Security | No (community health and safety) | <ul style="list-style-type: none"> ~ S. 1 - Safety and security ~ S. 2 - Community concerns ~ S. 3 - Past legal non-compliance ~ G. 7 - Adverse media articles, ~ E. 14 - Loss of accessibility to the local community ~ E. 15 - Serious environmental and social incidents |
| Performance Standard 5 Land Acquisition and Involuntary Resettlement | No | <ul style="list-style-type: none"> ~ E. 1 - Past land use ~ E. 2 - Any disputes/claims/ arbitration to the land ~ E. 3 - Surrounding land use |

| | | |
|---|----|--|
| Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources | No | ~ E. 5 - Loss of biodiversity due to land clearing ~ E.12 - Sensitive areas such as environmental, cultural and heritage site |
| Performance Standard 7 Indigenous Peoples | No | - |
| Performance Standard 8 Cultural Heritage | No | ~ E. 12 - Sensitive areas such as environmental, cultural and heritage site |

ADB Safeguard Requirements

| ADB Safeguard Requirements | Applicability | Coverage in the report |
|---|---------------|---|
| Safeguard Requirement 1 Environment <ul style="list-style-type: none"> ○ Environmental Assessment ○ Environmental Planning and Management ○ Consultation and Participation ○ Grievance Redress Mechanism ○ Monitoring and reporting ○ Unanticipated Environmental Impacts ○ Biodiversity Conservation and Sustainable Natural Resource Management ○ Pollution Prevention and Abatement ○ Health and safety ○ Physical Cultural Resources | Yes | ~ E. 4 - Potential soil and ground water contamination ~ E. 6 - Construction and other waste disposal ~ E. 7 - Source and availability of water ~ E. 8 - Consumption of water ~ E. 9 - Impact on water availability in the local community ~ E. 10 - Potential impact on soil and water body nearby ~ E. 11 - Effluent management ~ E. 12 - Sensitive areas such as environmental, cultural and heritage site ~ E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity ~ E. 14 - Loss of accessibility to the local community ~ E. 15 - Serious environmental and social incidents ~ E. 16 - Significant environmental liabilities ~ E. 17 - Availability and validity of the environmental clearance ~ E. 18 - Environmental management plan implementation ~ E. 19 - Assessment of environmental pollution, risks, impacts (Dust, Air emission, Noise) ~ S. 1 - Safety and security ~ S. 2 - Community concerns ~ S. 3 - Past legal non-compliance ~ G. 2 - Grievance redressal mechanism |

| ADB Safeguard Requirements | Applicability | Coverage in the report |
|--|---------------|---|
| | | <ul style="list-style-type: none"> ~ G. 3 - Monitoring and reporting ~ G. 4 – Contractor management |
| Safeguard Requirement 2 Involuntary Resettlement | No | <ul style="list-style-type: none"> ~ E. 1 - Past land use ~ E. 2 - Any disputes/claims/ arbitration to the land ~ E 3 - Surrounding land use |
| Safeguard Requirement 3 Indigenous Peoples | No | - |

WB Safeguards Requirements

| World Bank Standards Requirements | Applicability | Coverage in the report |
|---|---------------|---|
| Environmental and Social Standard 1 Assessment and Management of Environmental and Social Risks and Impacts | Yes | <ul style="list-style-type: none"> ~ E. 15 - Serious environmental and social incidents ~ E. 16 - Significant environmental liabilities ~ E. 17 - Availability and validity of the environmental clearance ~ E. 18 - Environmental management plan implementation ~ E. 19 - Assessment of environmental pollution, risks, impacts (Dust, Air emission, Noise) ~ G. 2 - Grievance Redressal mechanism ~ G. 3 - Monitoring and reporting |
| Environmental and Social Standard 2 Labour and Working Conditions | Yes | <ul style="list-style-type: none"> ~ G. 1 - Corporate level governance policies (Prevention of sexual harassment, Anti-bribery and corruption, Child labour, Forced labour, Whistle- blower) ~ G. 4 - Contractor management |
| Environmental and Social Standard 3 Resource Efficiency and Pollution Prevention and Management | Yes | <ul style="list-style-type: none"> ~ E. 4 - Potential soil and ground water contamination ~ E. 6 - Construction and other waste disposal ~ E. 7 - Source and availability of water ~ E. 8 - Consumption of water ~ E. 9 - Impact on water availability in the local community ~ E. 10 - Potential impact on soil and water body nearby ~ E. 11 - Effluent management |
| Environmental and Social Standard 4 Community Health and Safety | No | <ul style="list-style-type: none"> ~ S. 1 - Safety and security ~ S. 2 - Community concerns ~ S. 3 - Past legal non -compliance |

| World Bank Standards Requirements | Applicability | Coverage in the report |
|---|---------------|---|
| | | ~ E. 14 - Loss of accessibility to the local community ~ E. 15 - Serious environmental and social incidents ~ G. 7 - Adverse media articles |
| Environmental and Social Standard 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | No | ~ E. 1 - Past land use ~ E. 2 - Any disputes/claims/ arbitration to the land ~ E. 3 - Surrounding land use |
| Environmental and Social Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources | No | ~ E. 5 - Loss of biodiversity due to land clearing |
| Environmental and Social Standard 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | No | |
| Environmental and Social Standard 8 Cultural Heritage | No | ~ E. 12 - Sensitive areas such as environmental, cultural and heritage site ~ E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity |
| Environmental and Social Standard 9 Financial Intermediaries | No | |
| Environmental and Social Standard 10 Stakeholder Engagement and Information Disclosure | No | |

5. Key findings section

Environment

| S. No. | Topic | Key findings |
|--------|---|---|
| E. 1 | Past land use | Working Women hostel is under Construction. The hostel is built on Government land. |
| E. 2 | Any disputes/claims/arbitration to the land | Working Women hostel is under Construction. There is no evidence of any dispute/claims/arbitration to the land. |
| E. 3 | Surrounding land use | The immediate surroundings of the hostel are empty land. However, it is residential area with small commercial shops |
| E. 4 | Potential soil and ground water contamination | As per the retrofitting requirements, retrofitting includes minor repair and patchwork and does not involve any construction or structural changes in the hostel building. Same was confirmed during the discussion with Social Welfare and Nutritious Meal Programme Department. Hence, no soil and ground water contamination anticipated |
| E. 5 | Loss of biodiversity due to land clearing | Retrofitting will be done in existing hostel building with no additional land clearing required. Hence no loss of Biodiversity is anticipated. |
| E. 6 | Construction and other waste disposal | For construction waste, as there will be no construction activity in retrofitting project there will be no construction waste generation. Small amount of debris, if any, generated during the retrofit operations will be disposed, as per the regulatory norms For domestic waste disposal, the hostel is dependent on city municipal corporation services. The waste is dumped in the waste collection boxes that are located outside of the hostel boundary. |
| E. 7 | Source and availability of water | Ground water from borewell and municipal corporation water supply is used for domestic purposes. |
| E. 8 | Consumption of water | Records of consumption of water are not maintained. |
| E. 9 | Impact on water availability in the local community | Hostel gets water both from borewell & Municipal Corporation. Only when the quantity is inadequate, borewell water is used. However water Meter may be installed and records of ground water usage may be maintained. |
| E. 10 | Potential impact water body nearby | There is no water body close to the hostel. |
| E. 11 | Effluent management | There is no industrial activity hence no effluent is generated. |

| S. No. | Topic | Key findings |
|--------|---|--|
| E. 12 | Sensitive areas such as environmental, cultural and heritage site | The project site is located in residential area. There are no environmental and culturally sensitive areas. Also, there are no heritage sites in the vicinity. |
| E. 13 | Adverse impact of air, water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity | There are no sensitive or cultural sites around the hostel hence there will be no adverse impact of air, water or aesthetic pollution on the same. Moreover, the project doesn't involve any construction activity hence there will be no impact of pollution due to project activity. |
| E. 14 | Loss of accessibility to the local community | All the retrofitting will be done within the hostel premises. Hence no loss of accessibility of any public resource to the local community will occur due to retrofitting. |
| E. 15 | Serious environmental and social incidents | Based on site visit and web search, no information was found about any serious environment and social incidents occurred at the project site. |
| E. 16 | Significant environmental liabilities | The site does not store or handle any hazardous chemicals, no significant environmental liabilities is envisaged |
| E. 17 | Availability and validity of the environmental clearance. | As per the indicative retrofitting requirements mentioned in BOQ, retrofitting will not involve any structural changes in the hostel building. Environment clearance is not required. |
| E. 18 | Environmental management plan implementation | As the proposed retrofitting works are very minor and mostly routine maintenance works, it does not require a separate Environment Management Plan. However, due care will be taken to follow 'Good Engineering Practices' to ensure least pollution (air, noise, etc.) during the retrofit works. Company may develop guidelines for the contractor to ensure good engineering practices. |
| E. 19 | Assessment of environmental pollution, risks, impacts (Dust, Air emission, Noise) | As per the indicative retrofitting requirements mentioned in BOQ, retrofitting will not involve any construction or structural changes in the hostel building. Hence no construction activity will take place. Any noise due to retrofitting will be short term and within the boundary walls of hostel. As per the existing information about the retrofitting, no environmental impacts are anticipated. |
| E. 20 | Transport, storage, and use and/or disposal of excavated spoils, materials such as explosives, fuel and other chemicals during construction | As the retrofitting doesn't involve structural changes hence no construction activity shall take place. |
| E. 21 | Established baseline for common natural resources, livelihoods, social interactions, support systems, other social and cultural | The establishment of baselines for retrofitting project is not applicable as no major changes are made to the hostel. |

| S. No. | Topic | Key findings |
|--------|--|---|
| | characteristics | |
| E. 22 | Due Diligence for the “associated facilities” | During the site visit, it was observed that no associated facilities are required for this project as this is a brownfield development with existing power and water supply. |
| E. 23 | Certified designs by licenses structural engineers | As the retrofitting project does not involve any structural changes certification from licensed structural engineers is not required. |
| E. 24 | Project location vulnerable and/or likely to be affected by climate conditions | Any major affect by climate conditions are not envisaged. |
| E. 25 | Impacts due to Batching Plant operation | As no concrete work is envisaged in the retrofitting report, hence this does not apply. |
| E. 26 | Topsoil Management | The retrofitting will be done inside the existing hostel building. Hence topsoil management not applicable. |
| E. 27 | Hazardous Waste Management | The retrofitting will not result in any hazardous waste generation hence the hazardous waste management is not applicable. |
| E. 28 | Environmental Performance Indicators in EMP | The women hostel is 100% owned by Government Of Tamil Nadu. Policies and guidelines of Department of Social Welfare and Government of Tamil Nadu are applicable As the proposed retrofitting works are very minor and mostly routine maintenance works, it does not require a separate Environment Management Plan |

Social

| S. No. | Topic | Key findings |
|--------|---------------------|---|
| S. 1 | Safety and security | Hostel is gated complex and has yet to start operations. There is no security guard appointed yet but the proposal for appointment of security guard is submitted. Boundary walls will have barbed wired fence for security purpose. CCTV cameras are not installed however BOQ and scope of retrofitting includes installation of security cameras. Fire extinguishers are available. The hostel ground floor has wheelchair access. |
| S. 2 | Community concerns | Retrofitting will be done within the boundary wall of hostel complex hence there will be no interaction or interference with nearby community. |

| S. No. | Topic | Key findings |
|--------|---|---|
| S. 3 | Past legal non-compliance | Based on the web search, no evidences of past legal non-compliance are found. |
| S. 4 | Health & Safety Management Plan | There is no project site specific health and safety management plan but as the hostel is 100% owned by the Government of Tamil Nadu, the policies and guidelines of Department of Social Welfare and Government of Tamil Nadu are applicable. Health and safety plan for the contractors is to be prepared before start of retrofitting. |
| S. 5 | Access to Right of Way (ROW) for local people. | Retrofitting will be done within the hostel premise hence there will be no interaction or interference with nearby community. |
| S. 6 | Number of persons that will be displaced, loss of crop or income by the Project | Retrofitting will be done in existing hostel complex. Hence no person will be displaced. Also there will not be any loss of crops or income by the project. |

Governance


| S. No. | Topic | Key findings |
|--------|---|--|
| G.1 | <p>Corporate level governance policies on:</p> <ul style="list-style-type: none"> Governance Structure Prevention of sexual harassment Anti-bribery and corruption, Child labour Forced labour Whistle- blower Environment health and safety policies | <p>TNWWHCL (the SPV) was incorporated on 6th February 2020 as per Companies Act 2013. The purpose of the SPV is to oversee construction, maintenance and operations of selected Government Hostels</p> <p>The Chairperson and Directors are of the company are from Government Departments. Hence it can be said that TNWWHCL shall be owned and operated by Government of Tamil Nadu. The first board meeting was held on 04.03.2020.</p> <p>As TNWWHCL is in early stage the corporate policies i.e. prevention of sexual harassment, anti-bribery & corruption etc. have not been developed so far. However, the company is owned and operated by Government of Tamil Nadu, the government regulation and guidelines shall be applicable.</p> <p>The operational rules specific to the hostel complex are displayed publicly.</p> <p>Policies and system specific to company are to be prepared before start of retrofitting of hostels.</p> |
| G.2 | Grievance redressal mechanism | <p>At present grievance redressal is done through District Social Welfare Officer (DSWO). Evidence of documented records of grievances is not available.</p> <p>Grievance redressal system for the company needs to be put in place before start of retrofitting of hostels.</p> <p>However, GRM of TNIFMC as a Fund Manager is applicable. GRM guidelines should be displayed and</p> |

| | | |
|------|-----------------------------|---|
| | | communicated to women staying in hostel. |
| G.3 | Monitoring and reporting | At present Monitoring and reporting of hostel is through DSWO. A periodic monitoring and reporting system for the retrofitting project needs to be prepared before the start of the operations. |
| G.4 | Contractor management | Contractor for retrofitting work will be appointed through tender process. Guidelines of the Government of Tamil Nadu (Tamil Nadu Tender Transparency Act) will be followed to the extent applicable. |
| G.5 | Stakeholder Engagement | At present, all the stakeholder concerns are handled by DSWO. However, the nature of work for proposed retrofitting doesn't require local stakeholders' consultation. |
| G. 6 | Consents/permits/clearances | There is no construction or change in structure suggested in the retrofitting. There are no additional consents and permits required for the project. However, all working women hostels are required to get license as per Tamil Nadu hostel and homes act for Women and Children. |
| G. 7 | Adverse media articles | No adverse records found in web search. |

6. ESG Risk Rating

TNSF has developed as ESG risk rating tool 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. The overall risk rating is coming 23.61% which falls on “medium” risk on project risk rating scale with overall score of **17**. The separate scores for environment, social and governance are discussed below:

| Project Risk Rating | | |
|---|-----------------------|------------------------|
|  | <i>Risk Level (%)</i> | <i>ESG Risk Rating</i> |
| | 23.61 | Med |

Environmental risk rating

As per the ESG risk rating tool, there is 1 environmental risk identified in the project which doesn’t qualify as material ESG risk. The dimensional risk score is **3**. The screen shot of ESG risk rating tool is shown below:

| 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 | Ground water | Due Diligence | 1 | 2 | 3 | 3 | No |

Social risk rating

As per the ESG risk rating tool, there are total 2 social risks identified in the project out of which none qualify as material ESG risks. The dimensional risk score is 5. The screen shot of ESG risk rating tool for Social risk is shown below:

| 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 | Health, Safety and security | Due Diligence | 1 | 2 | 3 | 5 | No |
| | Non-compliance | Due Diligence | 1 | 1 | 2 | | No |

Governance risk rating

As per the ESG risk rating tool, there are total 3 governance risks identified in the project out of which 1 qualify as material ESG risk. The dimensional risk score is 9. The screen shot of ESG risk rating tool for Governance risk is shown below:

| 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 | Grievance redressal | Due Diligence | 1 | 2 | 3 | 9 | No |
| | Contractor management issues | Due Diligence | 2 | 2 | 4 | | Yes |
| | Stakeholder Engagement issues | Due Diligence | 1 | 1 | 2 | | No |

Material ESG risks for the project are listed below

Based on the ESG risk rating tool assessment, there is 1 material ESG risk identified with individual dimensional rating equal to/above 4. The mitigation and management plan for these material risks are provided in next section. The screen shot of ESG risk rating tool for showing list of Material Topics is shown below:

| List of Material Topics | |
|--------------------------------|------------------------------|
| Category | Material Topics |
| Governance | Contractor management issues |

7. Mitigation Action Plan

| S. NO | Material Risk | Related Key findings | Mitigation action plan | Responsibility | Tentative cost (INR) | |
|---------------|-------------------------------------|--|---|----------------|----------------------|--------------|
| Environmental | | | | | One time | Recurring |
| 1 | Consumption of water | Records of consumption of water are not maintained. | A monitoring mechanism shall be developed to record the daily and monthly consumption of water. The hostel staff i.e. security guard may be assigned this responsibility. Water meter may be installed to monitor and record the ground water withdrawal. | TNWWHCL & DSW | 10,000 | NA |
| Social | | | | | | |
| 2 | Health, Safety and security | <ul style="list-style-type: none"> The security guard is not available. Scope of retrofitting includes installation of security cameras and fire extinguishers which will enhance safety and security. | A 24/7 security guard should be appointed for the hostel premises | TNWWHCL & DSW | - | 10,000/month |
| Governance | | | | | | |
| 3 | Corporate level governance policies | As TNWWHCL is in early stage the corporate policies i.e. prevention of sexual harassment, anti-bribery & corruption etc. have not been developed so far. However, the company is owned and operated by Government of Tamil Nadu, the government regulation | As TNWWHCL is a Government owned company registered under company act 2013, it would be good to have company's corporate policies on following: <ul style="list-style-type: none"> Prevention of sexual harassment Anti-bribery and | TNWWHCL & DSW | 150,000 | - |

| | | | | | | |
|---|-------------------------------|---|---|---------------|---------|---|
| | | and guidelines shall be applicable | <p>corruption,</p> <ul style="list-style-type: none"> • Child labor and Forced labor • Whistle- blower • Environment health and safety policies | | | |
| 4 | Grievance Redressal Mechanism | <p>At present grievance redressal is done through District Social Welfare Officer (DSWO). Evidence of documented records of grievances is not available. Grievance redressal system for the company needs to be put in place before start of retrofitting of hostels. However, GRM of TNIFMC as a Fund Manager will be in effect. This further requires company to appoint field level GRO. GRM guidelines should be displayed and communicated to women staying in hostel.</p> | <p>A Grievance Redressal Mechanism (GRM) may be put in place with clear process of grievance receiving, documenting, closure and contact details of GRO.</p> | TNWWHCL & DSW | 100,000 | - |
| 5 | Monitoring and Reporting | <p>At present Monitoring and reporting of hostel is through DSWO. A periodic monitoring and reporting system specific to company as well as project sites needs to be prepared before start of retrofitting of hostels.</p> | <p>A periodic inspection or monitoring mechanism may be developed. The mechanism can include the key ESG risk i.e. floods, GRM, Contractor management etc. inspection/audit template for each ESG risk shall be prepared.</p> | TNWWHCL & DSW | 100,000 | - |

| | | | | | | |
|---|-----------------------|--|--|---------------|---|---|
| 6 | Contractor management | Contractor for retrofitting work will be appointed through tender process. Guidelines of the Government of Tamil Nadu (Tamil Nadu Tender Transparency Act) will be followed to the extent applicable | Company may ensure that site specific ESG aspects are integrated in tender and contractor's agreement. This should include monitoring and reporting system, system to ensure non ethical practices, anti-bribery and anti-corruption measures, guidelines for prevention of sexual harassment, system to handle grievances of contractor, ensuring presence of designated officer at the time of retrofitting done by workmen. | TNWWHCL & DSW | - | - |
|---|-----------------------|--|--|---------------|---|---|

8. Conclusion

The ESG Due Diligence study reveals that there are no potential impacts of the project for retrofitting of working women hostel in Thanjavur. The project site is located in residential area and no environmentally or culturally sensitive areas are present in the vicinity. The hostel complex is Government owned hence there shall be no issues of land acquisition. Above all the proposed retrofitting doesn't involve any structural changes in the building hence no construction activity is anticipated at the site.

From corporate governance point of view, the company (TNWWHCL) is managed and operated by Government of Tamil Nadu hence all the government policy, rules and regulations related to prevention of sexual harassment, anti-bribery, anti-corruption, child labour, forced labour etc. shall be applicable. However, it is suggested in mitigation action to develop these policies over the period of time.

No major ESG issues related to project implementation were found in the due diligence process by EVI team. Potential risks were identified and mitigation action plan for the same have been suggested for implementation.

Based on the findings of ESG DD study at the project site, it can be concluded that the project of retrofitting of working women hostel at Thanjavur is compliant with ESG requirements of TNSF ESGMS, IFC (PS), World Bank (ESS) and ADB (SPS). Further it can be added to conclusion that the project is likely to have minimal or no environmental and social impacts.

Annexure

Site Photographs



Hostel Facade



Hostel Entrance



Construction work at site



Construction work at site



Adjoining area



Adjoining area



Washroom



Corridor



Storage



Kitchen



Hostel premises



Hostel premises



Hostel premises



Adjoining area



Hostel premises



Construction work at site

List of documents reviewed

- | |
|---|
| 1. BOQ_ Thanjavur Indicative (Vellore Base).xls |
| 2. TNWWHCL - Certificate of Incorporation |
| 3. GO's stating TNWWHCL Under SPV- formation |
| 4. GST Certificate TNWWHCL |