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

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*Final Report*

(Strictly confidential for controlled circulation)

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Submitted by,



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## 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 6<sup>th</sup> 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 Villupuram 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, detailed feasibility report, 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 Villupuram, Tamil Nadu was carried out on 16<sup>th</sup> March 2021.
- **Site Visit & 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)
    - K.Vijayalakshmi, District Social Welfare Officer (DSWO), Villupuram
- **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 6<sup>th</sup> 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 Villupuram, Tamil Nadu. The hostel will be retrofitted with environmentally friendly interventions suited to the needs of the occupants.
Location	The hostel is located in Vaidretti, Villupuram. Latitude: 11°55'47.96"N, Longitude: 79°28'24.61"E
Total area	Total land area of the site is 1246 Sq.m and build up area is 663.50 Sq.m
Present and Past land use	The site is presently being utilized as a Government Welfare hostel for working women.
Adjoining area	The hostel is in an established residential area. Numerous industries falling within a radius of 5 km
Access road	The locality is accessible via NH 332, NH 38 and SH 69
Building	Own building Structure (number of floors) – Ground + 1 floor Number of Rooms – 20
Operational Since	2017
Present Strength (as on 15.10.20)	Total 20 Rooms with 42 Beds. The hostel is currently 78% occupied (33 beds) <ul style="list-style-type: none"> <li>• 4-seater - 1 rooms,</li> <li>• 2-seater – 19 rooms.</li> </ul>
Present Staff Details	OA-1(Govt.), Night watchman -1, Sweeper-1



### 2.3 Proposed Retrofitting requirements of the site

The feasibility report prepared by Cushman and Wakefield details out the present status of the Villupuram Working Women Hostel, requirements of retrofitting and proposed enhancements.

The retrofitting plan is proposed for the all the hostel floors. As per the plan, a covered parking for two wheelers will be built in the hostel premise. A security cabin will also be provided with a toilet. A separate laundry area will also be provided. The layout of the 2 bedded rooms and 4 bedded rooms will be retrofitted to include foldable study units. Additional storage will be provided in 4 bedded rooms.

Fire extinguisher is present but is expired hence garbage bins and fire extinguisher will be provided as part of the retrofitting process

The summary of proposed retrofitting is mentioned in the table below:

Table 2. Proposed retrofitting for women hostel Villupuram

S. No	Proposed Retrofitting
Site Level Retrofitting	
1	2-Wheeler parking with GI sheet roofing
2	Facade treatment with standardisation scheme
3	Security room with attached toilet
4	Laundry area

For Existing 2 Bedded Room	
5	Wardrobe shutters
6	Foldable study unit
For Existing 4 Bedded Room	
7	Wardrobe shutters
8	Foldable study unit
9	Additional Storage



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

<b>Performance Standard 6</b> 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
<b>Performance Standard 7</b> Indigenous Peoples	No	-
<b>Performance Standard 8</b> 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
<b>Safeguard Requirement 1 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 and Abatement</li> <li>○ Health and safety</li> <li>○ Physical Cultural Resources</li> </ul>	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"> <li>~ G. 3 - Monitoring and reporting</li> <li>~ G. 4 – Contractor management</li> </ul>
<b>Safeguard Requirement 2</b> Involuntary Resettlement	No	<ul style="list-style-type: none"> <li>~ E. 1 - Past land use</li> <li>~ E. 2 - Any disputes/claims/ arbitration to the land</li> <li>~ E 3 - Surrounding land use</li> </ul>
<b>Safeguard Requirement 3</b> Indigenous Peoples	No	-

## WB Safeguards Requirements

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

World Bank Standards Requirements	Applicability	Coverage in the report
		<ul style="list-style-type: none"> <li>~ E. 14 - Loss of accessibility to the local community</li> <li>~ E. 15 - Serious environmental and social incidents</li> <li>~ G. 7 - Adverse media articles</li> </ul>
<b>Environmental and Social Standard 5</b> Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	No	<ul style="list-style-type: none"> <li>~ E. 1 - Past land use</li> <li>~ E. 2 - Any disputes/claims/ arbitration to the land</li> <li>~ E. 3 - Surrounding land use</li> </ul>
<b>Environmental and Social Standard 6</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources	No	<ul style="list-style-type: none"> <li>~ E. 5 - Loss of biodiversity due to land clearing</li> </ul>
<b>Environmental and Social Standard 7</b> Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	No	
<b>Environmental and Social Standard 8</b> Cultural Heritage	No	<ul style="list-style-type: none"> <li>~ E. 12 - Sensitive areas such as environmental, cultural and heritage site</li> <li>~ E. 13 - Adverse impact of air water, aesthetic pollution on the environmental, cultural and heritage sites due to project activity</li> </ul>
<b>Environmental and Social Standard 9</b> Financial Intermediaries	No	
<b>Environmental and Social Standard 10</b> Stakeholder Engagement and Information Disclosure	No	

## 5. Key findings section

### Environment

S. No.	Topic	Key findings
E. 1	Past land use	The working women hostel has been operational since 01.04.17. The hostel is built on Government land.
E. 2	Any disputes/claims/arbitration to the land	The working women hostel has been operational since 01.04.17. There is no evidence of any dispute/claims/arbitration to the land.
E. 3	Surrounding land use	The immediate surroundings of hostel are empty land. However, it is located in residential area with small commercial shops.
E. 4	Potential soil and ground water contamination	As per the retrofitting requirements mentioned in feasibility report, 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	<p>For construction waste, as there will be no construction activity there will be no construction waste generation. Small amount of debris, if any, generated during the retrofit operations will be disposed off as per the regulatory norms.</p> <p>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 on main road adjacent to the hostel boundary.</p>
E. 7	Source and availability of water	Ground water from borewell will be used for domestic purposes. Drinking water is procured privately by inmates from the bottled water suppliers.
E. 8	Consumption of water	Records of consumption of water are not maintained.
E. 9	Impact on water availability in the local community	As water is sourced from ground, there may be an impact on ground water level. 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

S. No.	Topic	Key findings
		generated.
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 retrofitting requirements mentioned in feasibility report, 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 retrofitting requirements mentioned in feasibility report, 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,	The establishment of baselines for retrofitting project is not applicable as no major changes are made to the hostel.



S. No.	Topic	Key findings
	livelihoods, social interactions, support systems, other social and cultural 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. Water may stagnate temporarily during heavy rains due to blockages in storm water drain and are cleared just after stoppage of rains
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 with provision of a Government appointed security guard. However, security guard is available only during night and no guard is appointed for daytime. Boundary walls do not have barbed wired fence for security purpose. 4 Security cameras are installed. However, they are found to be not working at the time of visit. Fire extinguishers are available in each lobby but have expired. Scope of retrofitting includes fixing of security cameras and fire extinguishers which will enhance safety and security. For safety/ security the local police night petrol checks

S. No.	Topic	Key findings
		upon the hostel every night (this visit is recorded in a register).
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. 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 policy 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	Corporate level governance policies on: <ul style="list-style-type: none"> <li>• Governance Structure</li> <li>• Prevention of sexual harassment</li> <li>• Anti-bribery and corruption, Child labour</li> <li>• Forced labour</li> <li>• Whistle- blower</li> <li>• Environment health and safety policies</li> </ul>	<p>TNWWHCL (the SPV) was incorporated on 6<sup>th</sup> 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 &amp; 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	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 is applicable. GRM guidelines should be displayed and 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	A feasibility study has been conducted by a third party. 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

### 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:

<b>List of Material Topics</b>	
<b>Category</b>	<b>Material Topics</b>
<b>Governance</b>	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"> <li>The security guard is not available during daytime.</li> <li>Scope of retrofitting includes installation of security cameras and fire extinguishers which will enhance safety and security.</li> </ul>	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,	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"> <li>Prevention of sexual harassment</li> </ul>	TNWWHCL & DSW	150,000	-

		the government regulation and guidelines shall be applicable	<ul style="list-style-type: none"> <li>• Anti-bribery and corruption,</li> <li>• Child labor and Forced labor</li> <li>• Whistle- blower</li> <li>• Environment health and safety policies</li> </ul>			
4	Grievance Redressal Mechanism	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.	A Grievance Redressal Mechanism (GRM) may be put in place with clear process of grievance receiving, documenting, closure and contact details of GRO.	TNWWHCL & DSW	100,000	-
5	Monitoring and Reporting	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	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	TNWWHCL & DSW	100,000	-



		start of retrofitting of hostels.	each ESG risk shall be prepared.			
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 Villupuram. 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 Villupuram 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



Adjoining area



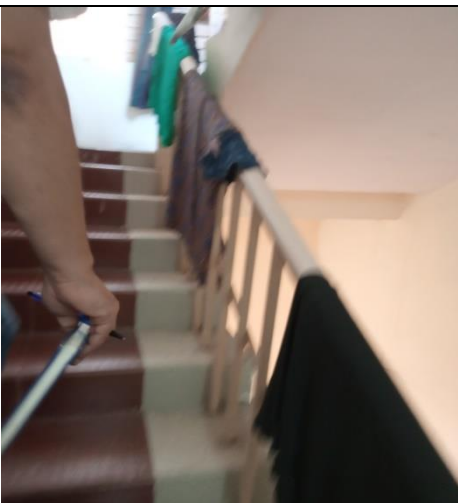
Adjoining area



Access road



Terrace



Staircase



Hostel premise



**Kitchen**



**Kitchen**



**Hostel premise**



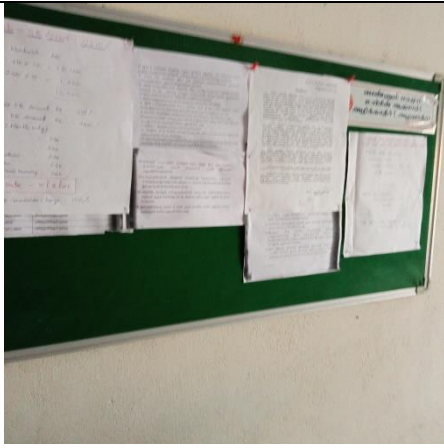
**Storage**



**Hostel premise**



**Hostel premise**



**Notice Board**



**Hostel premise**

#### **List of documents reviewed**

1. Detailed feasibility report
2. TNWWHCL - Certificate of Incorporation
3. GO's stating TNWWHCL Under SPV- formation
4. GST Certificate TNWWHCL