

# ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM

<b>Policy Category</b>	<i>Environment</i>
<b>Title</b>	<i>Environmental &amp; Social Management System</i>
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<b>Policy Owner</b>	<i>Head of Credit &amp; Risk</i> <i>Company Secretary</i>
<b>Policy Custodian</b>	<i>Compliance</i>

## EXECUTIVE SUMMARY

The principal mandate of Housing Investment Partners (Pty) Limited (“HiP”) is to broaden and deepen access to affordable housing finance for the low-to-middle income South Africans. HiP achieves this by granting home loans to the end-user for acquiring homes either under development or pre-owned.

HiP recognizes the risks to the environmental and social facets that its business activities exposes it to. HiP is therefore committed to the principles of sustainable Environmental and Social development in its business activities and commits to partner with organisations that subscribe to similar principles. HiP is committed to complying with relevant environmental legislation and regulations applicable to its operations, as well as incorporating best practice, where appropriate.

An Environmental and Social Management System (ESMS) is therefore in place to manage environmental and social risks. This system was designed and is based on international best practice and benchmarks provided by the International Finance Corporation – Performance Standards.

The HiP ESMS comprises of:

- ✓ Environmental and social policy;
- ✓ Environmental and social risk management procedures encompassing an Exclusion List, due diligence and screening, environmental and social risk evaluation, assessment and review procedures;
- ✓ Organizational capacity;
- ✓ Awareness raising and training; and
- ✓ Communication and reporting procedures.

The ESMS is part of HiP’s overall risk management framework that defines organizational structure, allocates responsibilities, produces guidelines, develops procedures and creates resources to ensure the integration and maintenance of Environmental and Social risk management and evaluation of business activities.

The HiP ESMS further outlines the Environmental and Social Policy and incorporates its aspects into business activities in addition to incorporating good environmental and social practices to minimize harmful effects on the environment and society.

The applicability of each aspect of the Environmental and Social Policy is established during the Environmental and Social Assessment (ESA) process, while the implementation of necessary actions to meet the requirements of the policy is managed through the system. It also considers regional, national and international requirements.

The HiP ESMS is part of HiP Policies and it therefore applies to all employees and business activities of HiP including housing developments for which home loans will be granted to end-users and the developers.