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INDEPENDENT REASONABLE ASSURANCE REPORT

Hindustan Platinum Private Limited (HPPL)

LBMA Responsible Silver Sourcing Assurance Engagement

23-24 May 2024



1. REPORT SUMMARY

Assurance firm	RCS Global Ltd. 1 Bartholomew Lane, EC2N 2AX, London UK. contact@rcsglobal.com
Type of assessment	LBMA ISAE 3000 Reasonable Assurance Assessment
Refiner	HPPL, Ground c-122/c-154, TCC. Indl Area, Pawane Village, Navi Mumbai, Thani, Maharashtra, 400703
Assessment date	23-24 May 2024
Assessed timeframe	1 April 2023 to 31 March 2024

1. INTRODUCTION

We were engaged by HPPL ("The Refiner") to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 March 2024.

The assurance scope consists of the Refiner's Compliance Report.

2. REFINER RESPONSIBILITIES

The Compliance Officer of the Refiner are responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA Responsible Silver Guidance (RSG) Version 1. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Refiner as relevant for demonstrating compliance with *the Guidance* are the activities described within the Refiner's Compliance Report.

3. ASSURANCE PRACTITIONER RESPONSIBILITIES

Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the Refiner's activities described within the Refiner's Compliance Report. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Refiner's Compliance Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

The procedures performed depend on our judgment as assurance practitioners, including the assessment of the risks of material misstatement in the Refiner's Compliance Report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Refiner's Compliance Report to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Refiner.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the guidance set out in the LBMA Responsible Silver Guidance (RSG) Version 1.

This report has been prepared for the Refiner for the purpose of assisting the Compliance Officer in determining whether the Refiner's Compliance Report has complied with *the Guidance* and for no other purpose. Our assurance report is made solely to the Refiner in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than the Refiner for our work, or for the conclusions we have reached in the assurance report.

4. INHERENT LIMITATIONS

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with *the Guidance* may differ. It is important to read the Refiner's silver supply chain policy available on their website <https://www.hp.co.in/policies-and-terms.php>. Such information and methods do not fall within the scope of *the Audit Guidance*, and we have not undertaken any assessment in this regard.

5. INDEPENDENCE AND COMPETENCY STATEMENT

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in out in *the Audit Guidance* to carry out the assurance engagement.

6. CONCLUSION

In our opinion, the Refiner's Compliance Report for the year ended 31 March 2024, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of *the Guidance*.

Signature	
Assurance Firm	RCS Global Ltd.
Date	31 May, 2024
City, Country	Berlin, Germany

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Company Name:	Hindustan Platinum Private Limited
Location:	India
Reporting year-end:	Year ended March 2024
Date of Report	24 th May 2024 (Revised on 30 th Aug 24)
Senior management responsible for this report	Mr. Gautam Choksi – Executive Director

Audit Team	
Team Leader:	Team Member:
	Xavier Amoros
	Arifzal Adrianto

HPPL nature of Business.

Founded in 1961, Hindustan Platinum is a leading industrial refiner of various precious metals and manufacturer of various products using precious metals. The company is known for its unwavering focus on using state-of-the-art technology and providing exemplary service in refining. The company also manufactures fresh catalysts, electrical contacts, engineered products (like crucibles, spinnerets, platinum wire etc.) using various precious metals. Steered by a community of visionary leaders, creative scientists, dedicated engineers and committed partners, Hindustan Platinum is now ushering in an era of discovery and innovation that can turn possibilities in the precious metal space into real world answers. Please refer said link for further details. <https://www.hp.co.in/>

HPPL operates as a secondary refiner of precious metals, primarily sourcing spent catalyst from various industries and refraining from direct engagement with mine materials.

[Refiner]'s evaluation : The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the LBMA Responsible Silver Guidance to demonstrate compliance. Refiners should complete the table and provide reasons for their responses in the space provided. All boxes not shaded should be completed.

Table 2: <u>Summary of activities undertaken to demonstrate compliance.</u> <u>Note : Please define how the requirements have been full filled and attach policies and procedures wherever relevant</u>
Step 1: Establish strong company management systems Compliance Statement with Requirement: HPPL is complied with Step 1 through the implementation of various crucial aspects. These include the establishment of robust management systems and the adoption of best practices, ensuring effective handling and management of our precious metal refining and manufacturing business. HPPL is complied with Step 1 through the implementation of various crucial aspects. These include the establishment of robust management systems and the adoption of best practices, ensuring effective handling and management of our precious metal refining and manufacturing business. We are fully complied with Step 1 : Risk assessment and KYC play a pivotal role in the comprehensive management of precious metal transactions. To ensure clarity and effectiveness in handling these transactions, HPPL has established a well-defined process encompassing various key elements. These include conducting vendor and customer KYC through standardized assessment forms, gathering and reviewing publicly available information (as many vendors and customers are either publicly listed or owned by respective government entities), regularly reviewing UBO details, providing periodic training to relevant personnel, and quarterly reporting by the Compliance Officer to the Board, outlining the status of transactions with both ongoing and new customers/vendors. This comprehensive approach ensures a robust and transparent handling of precious metal transactions throughout the organization. To create awareness the company has designed a training module (Do's and Don'ts) for its vendors, which is explained and handed over to vendors at the time of onboarding and also put up on the company website. At the same time this module is also part of the employee induction program for the new employees. As part of continuous improvement and medium risk point raised during last audit, we have further enhanced and strengthened our KYC processes by using digital platforms, external KYC software and outsourcing KYC verification process to professional renowned third party – "IDFY". The agency is providing experts solutions in the area of KYC, Background verifications, risk & fraud, video solutions, bank statement analysis, crime check etc. Their customers include the banking sector, Fintech, Insurance companies, Capital Market companies, eCommerce and manufacturing companies. This will ensure independence and robustness of the KYC process. This also addresses clear guidance and due diligence mechanism on Conflict affected and high-risk areas list. We are also utilizing information from authentic publicly available sources like MCA (Ministry of Corporate affairs, Government of India), NSE (National Stock Exchange) BSE (Bombay Stock Exchange) and authentic search engines. This approach enabled us to maintain robust KYC documentation in accordance with OECD guidelines, ensuring greater effectiveness and accuracy in our KYC processes. The company maintains comprehensive records of due diligence documents and supply chain information, including the risk level assessments of our suppliers.

Has the Refiner adopted a company policy regarding due diligence for supply chains of silver?
HPPL operates as a secondary refiner of precious metals, primarily sourcing spent catalyst from various industries and refraining from direct engagement with mined materials. To ensure compliance with relevant due diligence guidelines and corrective action on points raised as medium risk during last year's audit, HPPL has established/upgraded policies and procedures. This include : a) Updating supply chain policy in July- 2023, and last reviewed by the board of directors in July 23. The annual review of the same is in process b) Adoption of new AML policy, and last reviewed by the board of directors on July 23 and annual review is in process c) Processes for vendor onboarding including KYC as explained in the para in the earlier section. d) Vendor onboarding deck towards our commitment to OECD guidelines and cover the risks listed in Annex II of OECD guidelines For ready reference refer this link for updated policies https://www.hp.co.in/about-us/responsible-sourcing.php . Further we have trained 100% employees who are involved in the silver supply chain and also covered some employees from the support functions critical to the overall business. To ensure medium risk point raised during last audit the company has already strengthened/Incorporated the expectation and requirements for responsible sourcing practices in the contracts / agreements with suppliers along with supplier capacity building, which the suppliers are bound to adhere to. The measures taken for strengthening the contract with suppliers include: a) HPPL LBMA LPPM introduction to RSG – to create awareness on OECD guidelines and Responsible Sourcing compliance. b) Revision in purchases order terms and conditions to include various declarations and policy acknowledgement. HPPL is committed to review and update supply chain policy in every 12-15 months' time in order to update policy and process as per OECD updated guidelines and we will convey this updated review to our suppliers via email and placing supply chain policy in public domain for external as well as internal stakeholders. We have incorporated more robust processes in order to strengthen KYC and vendor onboarding processes. Our partnerships are primarily with reputable organizations, including public sector units in India and esteemed international entities, adhere to responsible sourcing practices. Clear guidelines defining roles and responsibilities have been established for personnel involved in transactions. The implementation of our WMS system enables effective monitoring and review of records by the designated officer. Before engaging with suppliers, we conduct thorough monitoring, including financial assessment, adherence to social responsibility policies (such as no human rights violations and no employment of child labor), and verification of absence of connections to sanctioned countries or entities. We also prioritize AML measures and conduct UBO verification. Throughout the reporting year, we have diligently complied with the KYC guidelines for Silver as prescribed by LBMA, conducting risk-based assessments for due diligence, and implementing robust screening and transaction monitoring processes. During the last fiscal year, we suspended one of non-silver supplier from our supply chain due to sanction imposed on the UBO of the supplier. This shows the effectiveness and robustness of our systems and controls implementation.
Has the Refiner set up an internal management structure to support supply chain due diligence?
Yes, an internal process has been established to proactively mitigate any non-compliances or lapses in the due diligence policies and procedures. The Company diligently follows the due diligence process before engaging with

vendors/suppliers and customers. Furthermore, a functional framework, as outlined in the policy, is in place to address escalations or instances of non-compliance effectively.

In accordance with the companywide roles and responsibility structure, the designated officers are well-informed about their review and diligence responsibilities and carry out their duties with utmost care. The Compliance officer maintains regular communication with the relevant officers to provide guidance and receive feedback on the due diligence process. The Compliance officer is accountable for updating the Board on the implementation of Responsible Sourcing Policy's due diligence policies and ensuring compliance with related regulations.

As per company policy all the concern and responsible officers of the company review and discuss status of responsible sourcing/KYC related matters on regular basis and keep records of all the meetings.

Has the Refiner established a strong internal system of due diligence, controls and transparency over silver supply chain, including traceability and identification of other supply chain actors?

The Company adheres to a comprehensive internal compliance system and follows a systematic step-by-step process, which is outlined as follows:

1. Conduct a pre-deal visit to the supplier before confirming any transactions. Normally every silver supplier is visited by Supply Chain / Sales & Marketing team members to ensure the reliability and the sourcing of the material containing silver. As such the majority of silver requirement is through Spent Catalyst which is supplied by major Petro Chemical and Pharmaceuticals Companies.
2. Complete the necessary KYC documentation in accordance with LBMA guidelines, ensuring compliance with financial requirements and conducting inquiries regarding adherence to social responsibility policies (such as human rights and child labor).
3. Obtain and verify information regarding the supplier's Country of Origin, UBO, and absence of links to sanctioned countries, including logistic movements.
4. Make inquiries and obtain confirmation of adherence to AML policies.
5. Maintain comprehensive records with end-to-end traceability in the integrated ERP system and WMS, allowing for monitoring and review of the entire supply chain by management and external auditors.
6. Document the transaction through a PO or contract, ensuring proper approval by authorized signatories.
7. Acknowledge all material receipts with accompanying copies of Goods Receipts.

The company processes all the payments exclusively through authorized banking channels using an electronic platform/network following appropriate approvals and authorizations by Board of Directors via the authorized bank signatories.

For ready reference refer this link for updated policies <https://www.hp.co.in/about-us/responsible-sourcing.php>

Silver supply in this business is dependent on the life cycle of catalyst used by various customers like petrochemical and pharma companies and hence every year the quantities of silver supplies will not be comparable. This also depends on the expansion projects of the customers. In view of this the country of supply can also vary year on year and may not be comparable.

Has the Refiner strengthened company engagement with silver supplying counterparties, and where possible, assisted silver supplying counterparties in building due diligence capabilities?

HPPL places great emphasis on fostering long-term relationships built on mutual trust and recognition with its suppliers. The management actively encourages suppliers to cooperate and provide all necessary information for the purpose of due diligence. In the case of PSU units, we utilize publicly available tools and databases, along with website checks, to obtain relevant documents.

As a standard process and policy, HPPL maintains regular engagement with suppliers through personal meetings, ensuring ongoing interaction during the execution of business orders. We also participate in various forums, seminars, and events organized by the company or reputable associations and agencies in the industry.

As part of our commitment to continuous improvement, we are conducting responsible sourcing seminars on a half-yearly basis from external faculties. These seminars provide training and guidance to our employees, as well as suppliers and customers, regarding adherence of OECD guidelines. This shows our dedication to responsible sourcing practices.

To improve the due diligence capabilities of the supplying counter-parties, we are sharing with them our Responsible Sourcing Policy and OECD guidelines at initial stages of contract along with self-explanatory PPT as "HPPL LBMA LPPM Introduction to RSG" (refer link <https://www.hp.co.in/about-us/responsible-sourcing.php>)

For external suppliers/outsider stakeholders it is mandatory to go through the training module before completion of the onboarding process along with discussion with our Supply Chain team to clarify any queries on the policy and compliance requirements.

Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?

The company has established a clear Roles and Responsibility matrix regarding the handling of precious metal transactions, accompanied by the necessary policies. All employees have been informed about these policies and are expected to adhere to them.

To ensure implementation of medium risk points raised during last audit, the company has created annual communication process, training module refer link <https://www.hp.co.in/about-us/responsible-sourcing.php> for internal as well as external stakeholders. HPPL has also included Responsible sourcing training as part of induction program for new Joiners at the time of onboarding and conduct frequent training sessions for all the concerned employees. In FY2023 HPPL trained more than 100 employees which are directly part of procurement and refining process of Silver.

This training is conducted by a compliance officer internally twice a year and a third-party consultant who has expertise in OECD guidelines and LBMA responsible sourcing processes. We have included responsible sourcing training as a part of induction program from Feb 2024 irrespective of direct indirect involvement of employee role in RSP as we are aiming each employee who is part of HPPL to be aware of RSP processes. In addition to this, in FY 2024 we have planned a training session for our suppliers where they will get insights into responsible sourcing requirements which will help us to get more information from suppliers for background verification.

In case of any concerns, employees/suppliers/outside stakeholders have the option to raise them via email compliance@hp.co.in to a designated company email ID or through a web link on the company website <https://www.hp.co.in/about-us/responsible-sourcing.php>. These concerns are promptly reviewed by the Compliance Officer and report the Executive Director. This ensures communication effectiveness along with record keeping for the same.

As a part of awareness of company LBMA good delivery status for new joiners our compliance team conduct LBMA guidelines training session as a part of employee induction training session every month, this enables everyone involved with dealing with any silver supplier counterparty is well aware about the requirement and companies' commitment to adhere with required due diligence for all silver and non-silver counter parties.

Regular interactions between the concerned executives, functional heads, and compliance heads ensure that the policy is followed prior to engaging with suppliers. Additionally, the management conducts periodic training programs to effectively communicate and educate all relevant executives about the due diligence process. Furthermore, knowledge sharing initiatives are undertaken within the team to enhance the overall compliance process.

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:**HPPL Fully complied with Step 2:**

HPPL Identify and assess risks in the supply chain. As mentioned earlier, HPPL utilizes KYC processes to identify risks by gathering information related to human rights violations, involvement in illegitimate or illegal activities, financial irregularities, adherence to CSR, AML, and UBO documents pertaining to the company and its management.

As per corrective action plan, we have formalized our KYC processes where we are investigating supplier as per OECD requirement stated in Annex II. Where we are communicating all our suppliers about our responsible sourcing policy and OECD guidelines via email at initial stage of contract along with self-explanatory Power point presentation about RSP guidelines and importance of KYC processes, we have also uploaded RSP on our company website along with self-explanatory Power point presentation which is in public domain and has access to internal as well as outside stakeholders. In addition to this the compliance department takes care of all the queries and questions from suppliers. HPPL is also using reputed third-party software/vendor to identify such risks.

As part of continuous improvement and medium risk point raised during last audit, we have further enhanced and strengthened our KYC processes by using digital platforms, external KYC software and outsourcing KYC verification process to professional renowned third party – “IDFY”. The agency is providing experts solutions in the area of KYC, Background verifications, risk & fraud, video solutions, bank statement analysis, crime check etc. Their customers include the banking sector, Fintech, Insurance companies, Capital Market companies, eCommerce and manufacturing companies. This will ensure independence and robustness of the KYC process. This also addresses clear guidance and due diligence mechanism on Conflict affected and high-risk areas list. We are also utilizing information from authentic publicly available sources like MCA (Ministry of Corporate affairs, Government of India), NSE (National Stock Exchange) BSE (Bombay Stock Exchange) and authentic search engines. This approach enabled us to maintain robust KYC documentation in accordance with OECD guidelines, ensuring greater effectiveness and accuracy in our KYC processes.

This helps to ensure that HPPL engages only with suppliers who are not involved in any illegal, criminal, or sanctioned transactions across the world.

During the last fiscal year, we suspended one of non-silver supplier from our supply chain due to sanction imposed on the UBO of the supplier. This shows the effectiveness and robustness of our systems and controls implementation.

Does the Refiner have a process to identify risks in the supply chain?

The Company has implemented robust internal compliance systems and processes. The following step-by-step process is followed by the Company:

1. Before onboarding a new supplier, suppliers are visited and assessed.
2. Completion of KYC documentation is done, covering compliance, financials, social responsibility, and market research.
3. Information regarding the supplier's financial standing and compliance with AML-CFT regulations is obtained.
4. The deal or transaction is documented through a PO or a contract, which is approved by authorized signatories. Traceability is maintained in the ERP system through the WMS.
5. Receipts of materials are acknowledged with a copy of the Goods Receipt Note.
6. All payments are processed exclusively through banking channels, following necessary approvals and authorizations.

In addition to the above steps, the Company also verifies that suppliers are not restricted to entities listed by the Office of Foreign Assets Control (OFAC) or the Specially Designated Nationals (SDN) list. It is important to note that most of the suppliers are large, well-established organizations or government entities and again to reiterate that HPPL operates as a

secondary refiner of precious metals, primarily sourcing spent catalyst from various industries and refraining from direct engagement with mined materials.

To ensure medium risk point raised during last audit the company has already strengthened/Incorporated the expectation and requirements for responsible sourcing practices in the contracts / agreements with suppliers along with supplier capacity building, which the suppliers are bound to adhere to. The measures taken for strengthening the contract with suppliers include HPPL LBMA LPPM introduction to RSG, revision in purchases order terms and conditions to include various declarations and policy acknowledgement.

Does the Refiner assess risks in light of the standards of their due diligence system?

Comments and Demonstration of Compliance:

As mentioned earlier, HPPL primarily engages in secondary refining and collaborates with reputable corporate houses and government-owned enterprises that adhere to high governance standards.

However, to ensure ongoing compliance with LBMA guidelines, the Company actively engages with suppliers to assess any potential risks or non-compliance issues. If any observations or information regarding non-compliance are identified, they are promptly reported to the compliance officer, who takes appropriate actions, including the possibility of not engaging or refusing to onboard such suppliers.

Due to HPPL's established supply chain, the number of suppliers is relatively limited. These suppliers include LBMA members and PSU units from India and international markets, which significantly reduces the risk associated with the supply chain.

Furthermore, it's important to note that HPPL does not directly engage with mining companies for sourcing silver. This mitigates potential risks associated with factors like country of origin and ultimate beneficial ownership (UBO), which are typically relevant in mining-related transactions. Therefore, such risks are not applicable or relevant to HPPL's sourcing practices.

Does the Refiner report risk assessment to the designated manager?

The senior management holds control and accountability for the silver supply chain at HPPL, ensuring compliance and maintaining high governance standards. They delegate authority and responsibility to the Compliance Officer and functional heads to facilitate effective implementation.

The continues monitoring is done by the compliance officer and his/her team. The team consists of experienced staff to uphold knowledge of OECD, PMLA and supply chain management of precious metal industries. They are professionals having expertise in KYC and supplier onboarding and also worked in banking / Fintech / eCommerce industries in their career for onboarding supplier/customers.

HPPL Supply Chain and Risk Management Process clearly outline the roles and responsibilities of compliance team.

Furthermore, for supply chains assessed as "High Risk," senior management conducts enhanced due diligence and makes final decisions regarding engagement. They may choose to conditionally engage or disengage with suppliers based on the outcome of the assessment. For high-risk suppliers HPPL has a policy of half yearly review. For low-risk suppliers an annual review is applicable. The compliance officer is responsible for reviewing and signing off the risk assessment process with approval of compliance director.

Escalation Matrix:

Stage 1 : Compliance Executive

Stage 2 : Compliance Officer

Stage 3 : Compliance Director

HPPL instituted a formalized procedure tailored to identify conflict-affected and high-risk areas within the supply chain. This procedure encompasses a well-defined methodology for conducting enhanced due diligence, enabling us to assess and mitigate risks in a comprehensive manner. We integrated this procedure into the KYC and risk assessment process during supplier onboarding, ensuring consistent monitoring accompanied by proper documentation as evidence.

Nevertheless, HPPL refrain from conducting business with any sanctioned countries or entities. Moreover, since we do not directly source from mines, representatives from each business unit personally visit the suppliers plant, where we obtain spent catalyst for refining, to ensure compliance with human rights, ESG (environmental, social, and governance), and associated standards.

Our supplier base mainly comprises of good delivery members, PSU (Public Sector Undertaking) units from various countries, including India and reputed companies from pharma, Petrochem etc., where the risk level is relatively low.

Step 3: Design and implement a management system to respond to identified risks

Compliance Statement with Requirement:

We have complied with Step 3:

Designing and implementing a management system to respond to identified risks. The Compliance Officer actively monitors all risk categories of vendors and customers and takes appropriate measures to address them.

In addition to other review activities, the Company utilizes the LBMA Assessment form to assess the risk prior to entering transactions, the suppliers undergo an onboarding process that includes checking their financial status, ownership details, risk assessment policies, AML compliance, and more.

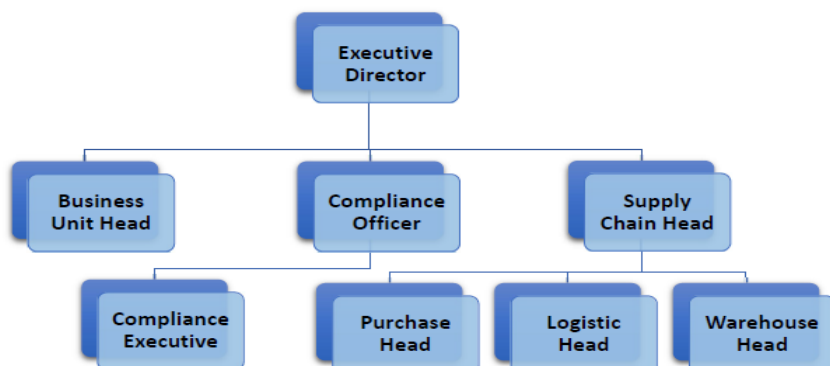
HPPL has a policy of not engaging with high-risk vendors, such as mining companies and suppliers from sanctioned countries. As mentioned earlier, during regular business interactions, the concerned executives exchange information with the Compliance Officer, and necessary remedial actions for compliance, including non-engagement if required, are taken as needed.

At present, we ascertain the country of origin for each supply and possess all pertinent information, as evidenced during the audit. In order to bolster our risk management endeavors, we established a clearly defined procedure that provides explicit guidance on effectively addressing risks within our supply chain.

As part of the supplier onboarding process, we integrate this aspect into the KYC and risk assessment procedures. Additionally, we implemented regular monitoring and evaluation of high-risk suppliers, requesting Certificates of Origin (COO) and declaration letters to confirm their non-involvement with conflict countries, sanctioned entities, or any money laundering activities. As per the corrective action plan to ensure effective risk management, we have established a well-defined process for escalation, management review, and resolution of actions, to be complete with specific timelines for each step. Compliance officers conduct quarterly review of responsible sourcing related matters and update management and related stakeholders about progress and status of Responsible sourcing.

HPPL compliance team consists of experienced staff to uphold knowledge of OECD, PMLA and supply chain management of precious metal industries.

Responsible Sourcing Organogram



During the course of due diligence review process various risk may arise such as Ownership details, Sanction obligation if any, Sourcing profile, Human rights violation, CAHRA related risk etc, which can be mitigated with our compliance process as explained in the document.

This process is aligned with Step 3, section 3.1 of the OECD guidelines, allowing us to address any changes in supplier risk levels promptly.

Has the Refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?

Regarding compliance and demonstration of adherence:

Based on the due diligence and KYC reports, appropriate actions are taken to ensure compliance with the prescribed LBMA guidelines. Depending on the findings, the business may continue with certain conditions, such as ensuring the material does not pass through sanctioned countries' territory if the supplier's country is landlocked or ensuring that payments are settled through international SWIFT arrangements from the supplier's account and not from any unconnected third party.

Alternatively, if deemed necessary, the business may be discontinued. While the Company has established processes and policies for risk identification and mitigation, as of now, there haven't been any instances where the Company had to deal with a High-Risk Area or Company or engage conditionally.

Please note that the Company remains vigilant and prepared to implement appropriate measures if such situations arise in the future.

It is important to note that HPPL has not been involved in business dealings with any sanctioned countries or entities. Moreover, since our source does not directly come from mines, representatives from each business unit personally visit the suppliers' plant, where we procure spent catalyst for refining purposes. This visit aims to ensure adherence to human rights, ESG (environmental, social, and governance), and other relevant standards.

Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

The Compliance Officer and the Executive Director hold quarterly discussions regarding the monitoring of dealings with relevant entities. Any deviations from the established procedures are thoroughly reviewed and monitored during these quarterly assessments. It is worth noting that, to date, the Company has not encountered any issues, concerns, or instances of non-compliance. As per suggestion from last year RSP audit and as continuous improvement process, we have formalized management review process where compliance department along with supply chain head and compliance director and discuss relevant points for that specific quarter and maintain records of each meeting.

Furthermore, we integrated specific documents into our management review discussions to evaluate the effectiveness of our due diligence management system. This includes a focus on responsible sourcing objectives and performance indicators.

Step 4: Arrange for an independent third-party audit of the supply chain due diligence

We have complied with Step 4:

As part of our commitment to maintaining robust supply chain due diligence process, we engaged for LBMA Reasonable Assurance audit with the LBMA approved reputable audit firm **RCS Global**, to assess the effectiveness of our supply chain due diligence measures.

Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

During the assessment period, HPPL has successfully refined/recycled/bought a total of 2,26,675.737 kgs Spent/Industrial products/ which has silver contents of 76,984.05 kgs

Detailed records of the purchase and job work transactions are available for reference.

The Company operates as a cohesive organization, fostering effective communication and coordination among its teams prior to executing transactions. This enables the Company to ensure compliance with various aspects such as the Code of Conduct, Business Process Operations, and Human Rights.

HPPL has implemented a Responsible Sourcing Policy. The policy is publicly accessible on the Company's website. It includes a commitment to upholding business conduct and ethics in accordance with relevant commercial practices, laws, rules, and regulations. The policy also emphasizes the fair and respectful treatment of employees.

In its pursuit of responsible refiner, HPPL is committed to its KYC, Due Diligence, and management review processes as defined in the OECD guidelines. Refer link for all policies and other documents.

<https://www.hp.co.in/about-us/responsible-sourcing.php>

[Refiner's] overall conclusion

Table 3: Management conclusion	
Is the Refiner in compliance with the requirements of the LBMA Responsible Silver Guidance for the reporting period?	
[Yes/No]	The Company has all the required internal controls, comprehensive policies and procedures for engaging with suppliers and customers to comply with responsible sourcing/ OECD guidelines. HPPL is committed to adhering to current and future policy guidelines.

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Table 4: Other report comments

HPPL, as a secondary refiner of precious metals sourced from various industries, procures spent catalysts from reputable entities including large organizations, PSUs, and LBMA members. To uphold the highest standards, HPPL has implemented a comprehensive KYC policy aligned with the Due Diligence Guidance prescribed by LBMA.

Before entering any transaction with suppliers, a monitoring process is carried out, encompassing financial analysis and assessment of social responsibility practices. Throughout the reporting year, we have diligently adhered to the applicable KYC guidelines for Silver, ensuring a meticulous risk-based assessment for due diligence, transaction screening, and ongoing monitoring.

For Hindustan Platinum Private Limited

Authorized Signatory