



BUREAU VERITAS CERTIFICATION

Third-Party Audit report for LBMA Responsible Silver Guidance

Type of Audit : Reasonable Assurance

For

SITE(s): Hindustan Platinum Private Limited

Navi Mumbai 400703, India

AUDIT DATE(s): 18/07/2022 to 20/07/2022

Reporting Period : 1st April 2021 to 31st March 2022



Move Forward with Confidence



ASSESSMENT INFORMATION	
Refiner Name:	Hindustan Platinum Private Limited
Refiner Location:	C-122 TTC Industrial Area, Pawane, Navi Mumbai 400703, India
Refiner Contact Person: Name, Title: Email: Phone:	Vijay Bhatt , Chief Financial Officer vijay.bhatt@hp.co.in +912261904000
Type of Assessment	Reasonable assurance Assessment
Date(s) of Assessment:	18/07/2022 to 20/07/2022
Assessment Team Name(s):	Krish Sriram
Assessment Period	01 st April 2021 to 31 st March 2022

ASSESSMENT CONCLUSIONS							
Refer to the LBMA Third-Party Audit Guidance, Appendix 1 to determine the level of conformance for each sub-category ¹ .							
				Non Compliance – risk level			
	CATEGORY	SUBCATEGORY	Compliant	Low	Medium	High	Zero Tolerance
A.	General Information						
B.	Step 1: Establish strong Refiner management systems	1.1:	X				
		1.2	X				
		1.3	X				
		1.4	X				
		1.5	X				
C.	Step 2: Identify and assess risk in the supply chain	2.1	X				
		2.2	X				
		2.3	X				
D.	Step 3: Design and implement a management strategy to respond to identified risks	3.1	X				
		3.2	X				
E.	Step 4: Arrange for an independent third-party audit of the supply chain due diligence	4.1	X				
F.	Step 5: Report on supply chain due diligence	5.1	X				

¹ LBMA Responsible Sourcing Programme-Third Party Audit Guidance. Appendix 1: Definitions of Non-compliances. Pg. 23.

Auditors are required to apply the audit methodology as defined in the LBMA Third-Party Audit Guidance, relevant sections based on ISO19011:2011 Standard, for this assessment. In particular, auditors are expected to take into account any applicable sampling guidelines.

GENERAL INFORMATION		
A.	What types of Silver-bearing material does the Refiner refine?	<p><i>Spent catalyst, Spent Silver nitrate, silver platinum salt and silver unwrought for refining in the form of industry Scrap waste/ By product. The Input material is from various Industries such as Electrical Industries, Oil & gas, Fertilizers & chemicals & Pharma industries in the form of powder, crystals, and granules and scrap.</i></p> <p><i>Also Pure metal from Bank and other bullion metal dealers purchased in the form of Grains, and Bullion Bars 99.99purity</i></p>
B.	What types of products does the Refiner produce for commercialization?	<p><i>The Refinery produces 999.9 Grade Silver in the form of</i> <i>Grains</i> <i>Crystals</i> <i>Plate</i> <i>Wire</i> <i>Rods</i> <i>Bars for Good delivery</i></p> <p><i>The silver is further made into different forms and specs as per customer requirements and sent as below :</i> <i>Alloys to engineering , Electrical and Jewellery industries</i> <i>Catalyst and chemical as wet compound</i> <i>Salts & solutions of Silver Nitrates & Silver Carbonates to Pharma industries & chemical industries.</i></p> <p><i>Further the silver is used in their captive consumption in the production of products like Electrical Contacts,</i></p> <p><i>The Refinery has produced 82 LBMA Bars during the assessment period.</i></p>
C.	What are the main processes carried out onsite?	<p><i>HPL Depending on the type of material to be reclaimed, hydrometallurgical and/or pyrometallurgical process are followed. The broad flow of process starts with Weight measurement, Sampling, Analysis for Metal content, Assaying Batching, Refining & Melting & casting Bars.</i></p>
D.	Does the Refiner process any “excluded material”? Refer to the definition of “excluded material” in the LBMA Third Party Audit Guidance.	No

E.	How many direct Silver supplying counterparties does the audited Refiner have?	<p><i>HPL has received supplies from 15 Silver supplying counterparties who were engaged during 1st April 2021 till 31st March 2022</i></p> <p><i>Job work</i> <i>8 supplier sent spent catalyst carbonates & Nitrates, for refining on a job work basis from Qty –Apprx 20,653.Kgs to be supplied back to them as per the requirements as per clients specifications</i></p> <p><i>Purchases</i> <i>In put material was purchased from 8 counter parties during 1st April 2021 till 31st March 2022.</i></p> <p><i>A total of 18603.299 Kgs of silver/silver bearing material in form spent catalyst, Sponge, Grains & Bars</i></p> <p><i>The suppliers of these materials consist of Petro chemical industries, Pharma companies.</i></p> <p><i>5 suppliers who made the maximum supplies and which had a higher % of Silver were selected as samples for the review period.</i></p> <p><i>The refiner receives the material from the clients in the form of spent catalyst, silver nitrate, Silver chlorides and manufactured electrical and engineering components for job work to refine Silver. Also purchases directly the material in above form from some of the suppliers to refine pure silver.</i></p> <p><i>Further in order to make up purchases Pure silver from bullion dealers.</i></p> <p><i>Spent Catalyst :</i></p> <ol style="list-style-type: none"> <i>1. LAURUS LABS PRIVATE LIMITED</i> <i>2. MYLAN LABORATORIES LIMITED</i> <i>3. RELIANCE INDUSTRIES LIMITED</i> <i>4. DIVIS LAB LIMITED</i> <i>5. EUROFINS ADVINUS BIOPHARMA SERVICES INDIA PVT LTD</i> <i>6. PAR ACTIVE TECHNOLOGIES PVT LTD</i> <i>7. HETERO LABS LIMITED</i>
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		<p>8. HINDUSTAN PLATINUM DMCC</p> <p>9. BR METALS PTE LTD</p> <p>Pure Silver :</p> <ol style="list-style-type: none"> 1. STONEX FINANCIAL LIMITED (INTL FCSTONE LTD) – Silver grain 2. STANDARD CHARTERED BANK – silvergrain 3. EUROFINS ADVINUS BIOPHARMA SERVICES INDIA PVT LTD – silver grains 4. HINDUSTAN ZINC LTD. – Bars
F.	Indicate the estimated percentage for each category of the Silver supplying counterparties in the Refiner's supply chain during the assessed period.	<p>Industrial mining operations (large or small scale): None</p> <p>Artisanal mining operations: None</p> <p>Traders / brokers: None</p> <p>Recycled material/collectors: None</p> <p>Industrial scrap providers: Purchase directly from the companies</p> <p>Others: 100% of the silver supplied to the refinery during the assessment period are in the form of Spent silver Catalyst, Spent Silver Nitrates , Spent Silver chlorides</p> <p>Pure silver in the form of sponge, Bars and Grains received for Makeup</p>
G.	Where are these Silver supplying counterparties primarily located?	<p>The Spent material for refining and returning to clients on Job work basis as per the client specs are mostly from India, Material purchased in the form of spent catalyst and grains for refining are sourced from India,UK,USA & Singapore</p>
H.	How are Silver supplying counterparties selected?	<p>HPPL has established robust risk based processes for selecting, evaluating and accepting suppliers The Company deals with spent catalyst & Spent Silver Nitrates from industries. The Company does not deal with mined material/ dore/ or material from high risk areas. Also the company deals with big industrial organizations who cater to high standards of compliance.</p> <p>The Company uses the LBMA Assessment form to assess the risk. At the same time, prior to entering into transactions, the supplier onboarding is completed which involves checking the details about the supplier over internet and checking the policies of the suppliers which are publically available. Majority of the suppliers are large listed organizations</p>
I.	Were there any limitations to the assessment?	<p>None, An onsite assessment was carried out at their Refinery in Navi Mumbai and</p>

		HO in BKC Mumbai. Access to all information was provided and client was cooperative and transparent in sharing the details needed for the assessment.
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I. Step 1: Establish strong Refiner management systems			
1.1 Adopt a Refiner policy regarding due diligence for supply chains of Silver			
Provide an overview of the management systems governing the due diligence policy for Silver supply chains.			
1.1.1	Does the Refiner have a Silver supply chain policy in compliance with the LBMA Responsible Silver Guidance*? (For all sources, including mined Silver, recycled Silver and other sources).	Yes	<p>Summarize key points of the policy and add effective date established and/or dates of main revisions.</p> <p>HPL has established a Responsible Sourcing Policy, The policy is reviewed periodically and updated when required. Reviewed the Policy and found reviewed by the Management during the management meeting in 2021 in December and made as current for 2022. The policy explicitly make a commitment to maintain the highest standards of business conduct and ethics by commercial practice or applicable laws, rules or regulations and to set up the mechanism to monitor the functioning of the policy along with the applicability. Also the policy has a commitment that employees shall be treated fairly, with dignity and respect.</p> <p>1. not tolerate our counterparties with any forms of violations to human rights and laws.</p> <p>2) Not to enter into any dealing with counterparties who do not have adequate procedures for compliance and remedial of human rights violations.</p> <p>3) not tolerate any forms of forced, compulsory labour or any form of child labour, discrimination in hiring and employment practices. Discrimination includes but is not limited to ethnicity, caste, national or social origin, religion, age, disability, gender, marital status, political opinion.</p> <p>The policy found adequate.</p>
1.1.2	Is the policy publicly available?	Yes	https://www.hp.co.in/policies-and-terms.php
1.1.3	Does the policy require that Silver supplying counterparties not participate in any of the following activities at any point in their supply chain?		

	<ul style="list-style-type: none"> Conflict financing 	Yes	Ref : https://www.hp.co.in/policies-and-terms.php
	<ul style="list-style-type: none"> abuse of human rights 	Yes	Ref : https://www.hp.co.in/policies-and-terms.php
	<ul style="list-style-type: none"> money laundering 	Yes	Ref : https://www.hp.co.in/policies-and-terms.php
	<ul style="list-style-type: none"> terrorism financing 	Yes	Ref : https://www.hp.co.in/policies-and-terms.php
1.1.4	Does the policy include information on the following topics?		
	<ul style="list-style-type: none"> Scope 	Yes	The policy describes the functional framework of HPL towards RSSG.the scope identified in the policy Ref : https://www.hp.co.in/policies-and-terms.php
	<ul style="list-style-type: none"> Organisation and responsibilities 	Yes	Ref : HP Organisation chart Management structure. The Company has established the Compliance Organisation Chart depicting the job description of the individuals involved therein. Mr.Vijay Bhatt is the CFO and responsible person for the RSG activities and is supported by Mr.Sarika Dy Manager Finance as the compliance officer. The Compliance officer has a direct reporting to the Management. The responsibilities by Top management and other roles in the organization have been defined such as Board directors, Compliance officer and employees.
	<ul style="list-style-type: none"> Criteria for high risk Silver supply chain 	Yes	As a matter of policy, the Company does not obtain material from High Risk Area. Or mined areas or Dore materials, The organization does not accept or deal in the high risk materials. Process and Criteria to assess risk in the event of the client or during transaction if any situation of High risk encountered have been established.
	<ul style="list-style-type: none"> Supply chain due diligence, inclusive of the "Know Your Customer" process 	Yes	HPPL has good improvements to their established KYC process as part of their Supply chain due diligence. Prior to dealing with the supplier for any transaction, the Company completes an in depth check and KYC, and has started using World Check and OFAC watch list towards performing Due Diligence on the counterparty. This is in the form of obtaining information through World Check and OFAC watch list and uses LBMA assessment checklist and publically available information. Majority of the suppliers are listed entities or entities who are on the LBMA / LPPM list of approved of members.

			<p><i>Due diligence is performed using the established tools such as World check and OFAC list which are proven to assess the risk in dealing with the entity and assess about the UBOs</i></p> <p><i>Verified the KYC docs for the below counter parties sampled :</i> <i>BR METALS PTE LTD.</i> <i>STONEX FINANCIAL LTD, London</i> <i>Hindustan Zinc Limited</i> <i>Johson Maththey PLC</i></p>
	<ul style="list-style-type: none"> Monitoring of transactions 	Yes	<p><i>Compliance Officer is responsible to monitor</i></p>
	<ul style="list-style-type: none"> Maintaining records 	Yes	<p><i>Client information, Risk Assessment and Due Diligence records are maintained in client folders. Procurement, transaction and operational related documentation are retained in the enterprise/accounting system. Testing/Quality information is retained in the quality. Training documents are electronically stored with the Compliance Officer further has established WMS to track and trace and retain all the information related .</i></p>
	<ul style="list-style-type: none"> Training 	Yes	<p><i>The Company has trained its employees for the supplier due diligence and each year refresher training on the same is given.</i></p> <p><i>Compliance letter from the relevant employees confirming adherence to the sourcing policy is retained.</i></p> <p><i>The training for accounting systems with reference to recording of the transactions has been completed by the implementation team for the Newly established WMS enterprise tracking system</i></p> <p>Improvement Point :</p> <p><i>Periodic trg on RSG to the members as per the Compliance Org chart to be given and records maintained.</i></p>
1.1.5	Is the policy consistent with the model policy set forth in Annex II of the OECD Due Diligence Guidance ² ?	Yes	<p><i>The policy commits not to tolerate any forms of forced, compulsory labour or any form of child labour, discrimination in hiring and employment practices.</i></p> <p><i>Discrimination includes but is not limited to ethnicity, caste, national or social origin, religion, age, disability, gender, marital status, political opinion. To ensure</i></p>

²OECD Due Diligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Annex II: Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict Affected and High-Risk Areas. Pg. 17.

			<p><i>a safe and healthy working environment, including physical and psychosocial health. To observe neutrality or be transparent regarding support to political parties and political representatives.</i></p> <p><i>The policy has been reviewed and updated to align with the Model policy Latest policy dt: April 1, 2022, verified and found well aligned.</i></p>
1.1.6	Is the Refiner certified/validated in either of these programs:		
	<ul style="list-style-type: none"> Conflict-free smelter under the Electronic Industry Citizenship Coalition (EICC) – Global e-Sustainability Initiative (GeSI) Conflict Free Smelter Program (CFS), Silver Supply Chain Transparency – Refiner Audit Protocol 	No	Not Applicable
	<ul style="list-style-type: none"> Chain of Custody Certification from the Responsible Jewellery Council (RJC) 	No	Not Applicable
1.2	Set up an internal management structure to support supply chain due diligence		
	<i>Review the management structure for due diligence, including the methods of communication to internal and external parties.</i>		
1.2.1	<p>Has the facility assigned a person with necessary competence and experience from senior management* responsible for the implementation of the due diligence policy?</p> <p><i>*Not to be confused with the Compliance Officer.</i></p>	Yes	<p><i>Mr. Gautam A. Choksi, Executive Director Mr. Vijay Bhatt CFO along with the Compliance officer Ms Sarika Patil, Dy. Manager, Finance, have been assigned with responsibility for the implementation of the due diligence policy</i></p>
1.2.2	Does this person have the necessary knowledge, competence and experience to perform the tasks assigned to him/her?	Yes	<p><i>Mr Gautam Choksi has been instrumental in setting up relationship with various counterparties across the world and is highly experienced in the field of due diligence (both financial and non-financial) He has been in the company since 1998 and cherishes a laudable experience in the field of Accounting and Finance. He has obtained the Bachelors of Science in Business Administration from Bryant University, USA with majors in Accounting and Finance. In 2011, he completed the Post Graduate Programme in Management for Senior Executives from</i></p>

			<i>Indian School of Business, Hyderabad. Over the years, he has played a propelling role in setting up the risk management desk, and also offered his expertise in steering solid relationships between the company and domestic and overseas lenders, suppliers, etc. Mr. Gautam Choksi represents the company at London Bullion Market Association (LBMA) and London Platinum and Palladium Market (LPPM) since the last 18 years.</i>
1.2.3	Has the Refiner ensured that the necessary resources exist to support the operation and monitoring of the due diligence processes?	Yes	<p><i>The refinery has a strong team of professional who check the compliance and supply chain due diligence during receiving processing and delivery.</i></p> <p><i>The Sourcing, Sales and financial control activities including corporate functions have been located in HO, Chembur Mumbai, The HO has resources and IT infrastructure using different softwares, tools to perform the Client onboarding , KYC and supply chain due diligence . HPL has implemented a Enterprise application Based on MS, WMS to track the entire supply chain of material from receipt to delivery of Finished goods and GDL bars. The persons engaged in the activities have been trained on the requirments and the new application. Further periodic training conducted to improve the competency of the persons involved in the supply chain towards responsible sourcing.</i></p>
IT	<i>External communication</i>		
1.2.4	Has the Refiner communicated the procurement policy to all its Silver supplying counterparties?	Yes	<p><i>The Company has communicated a policy through various discussions with suppliers. Also, given that the suppliers are large corporate, the suppliers have an equally well established compliance policies and procedures in place. Further as part of Purchase order & the terms of purchase, the need to comply with policy is communicated.</i></p> <p><i>Verified the samples as below: BR METALS PTE LTD. PO/2122-04096 Dt: 21/10/21 EUROFINS ADVINUS BIOPHARMA SERVICES INDIA PVT LTD PO/2122-06164, Dt: 11-02-2022 STONEX FINANCIAL LTD, London</i></p>
1.2.6	If the Refiner sources from other Silver refiners, is the Silver bearing	No	<i>As a matter of policy, the company does not source from high risk areas. During the</i>

	material originating in high risk areas?		<i>year 2021-22 assessment period no silver has been sourced from other refiners from high risk areas. The pure metal in form if Grains or Bullion bars are purchased from Banks or LBMA approved refiners for alloying .</i>
1.2.7	If so, has the Refiner obtained evidence that the sourcing practices of these third party refineries has been independently verified?	N/A	<i>Not Applicable As a policy, the company does not source from high risk areas. During the year 2021-22 assessment period no silver has been sourced from other refiners</i>
<i>Internal communication</i>			
1.2.7	Is the policy clearly communicated to and understood by all employees affected by its implementation?	Yes	<p><i>The employees have signed off on the policy adherence document and further during the periodic meetings being reiterated by the compliance officer.</i></p> <p><i>Verified on the below persons during teams interview :</i> <i>Resp sc policy training: DT: 29/03/22</i></p> <p><i>Sarika Patil Deputy Manager - Finance</i> <i>Vijay Bhatt-CFO, Compliance officer</i> <i>Sanush Nair – Receiving and Dispatch</i> <i>Manish Chaudhari = Spent catalyst Purchase</i> <i>Rajesh D'Souza = Production Head</i> <i>Suhita Shirodkar = Vault</i> <i>Sanush Nair = Warehouse and Despatch</i> <i>Geeta Behra = Strong room</i> <i>Srinivas Poojari = IT Department</i></p> <p><i>Further the management staff were given a briefing on the supply chain policy & Resp metal audit LBMA/LPPM by the Compliance officer During the business kick off meeting.</i></p>
1.2.8	Is there a clear organization chart explaining the reporting structures in place for conducting due diligence tasks?	Yes	<p><i>Ref Doc: HPPL RSP ORGANOGRAM, JULY 2022</i></p> <p><i>The Company has framed the Compliance Organization Chart clearly defining reporting structure and the roles and responsibilities of the team members</i></p>
1.2.9	Have responsibilities related to supply chain due diligence clearly been communicated to all relevant employees and have employees been equipped with the required skill and resources to perform the tasks assigned to them? <i>Examples of relevant employees include:</i>	Yes	<p><i>The Company has framed the Compliance Organization Chart clearly defining the roles and responsibilities of the team members have been.</i></p> <p><i>Verified the records as below :</i> <i>Sarika Patil Deputy Manager - Finance</i> <i>Vijay Bhatt-CFO, Compliance officer</i> <i>Sanush Nair – Receiving and Dispatch</i> <i>Manish Chaudhari = Spent catalyst Purchase</i></p>

	<ul style="list-style-type: none"> Shipping and receiving personnel Purchasing/sales employees Refining back office employees 		<p>Rajesh D'Souza = Production Head Suhita Shirodkar = Vault Sanush Nair = Warehouse and Despatch Geeta Behra = Strong room Srinivas Poojari = IT Department</p>
1.2.10	Have the individuals responsible for implementation of due diligence measures on the Silver supply chain been adequately trained regarding their respective tasks?	Yes	<p>Ref Responsible sourcing program training record dt: 29/03/22 Verified the same it covers all the persons as per the Organogram.</p>
1.2.11	If yes: Does the Refiner provide regular refresher trainings?	Yes	Yes Once A year
1.2.12	Has the Refiner included this responsibility in relevant job descriptions?	Yes	Yes verified the same dt: July 22
1.3	Establish a strong internal system of due diligence, controls and transparency over Silver supply chains, including traceability and identification of other supply chain actors		
	Inventory Control Mechanism: Conduct a review of the inventory control mechanism and the documentation kept on file for Silver bearing material.		
1.3.1	Is each input of Silver bearing material assigned a unique reference number upon receipt?	Yes	<p>The Company is governed by strong internal controls which have been certified by the Statutory Auditors in the Audited Financials. The entire process is now automated and managed in an enterprise application WMS. Information are registered with a QR code which captures all the information. As soon as the material reaches the agate, the security along with the stores personnel generates the QR code and there after all information are tracked.</p> <p>As a process, every Purchase Order has a unique number, which gets tracked with the Goods Received Note which again has a unique number. On receipt of good Lot number is identified on each of the packing which is recorded. Once the production process for refining is initiated, the unique production order (JWIR) numbers are generated which are linked with the GRN.</p>
1.3.2	Do unique reference numbers correspond to information gathered on the supply chain for each input of Silver bearing material?	Yes	<p>The entire accounting system has the tracking and linkages, the unique ID from RM stage, WIP stage and FG stage, these are tracked and monitored and status is updated in the WMS enterprise application including the details of unique BAR ID when casted for GDL The process verified for the above and found adequate.</p> <p>Sample verified :</p>

		<p>1. ITEM CODE: FG01433/GOOD Lot no: LMF/2 122-32598 Bar slno: 10210001 to 10210042 Qty : 42Nos of 30kg LBMA GDL Bars</p> <p>2. ITEM CODE: FG01433/GOOD Lot no: LMF/2 122-38527 Bar slno: 11210001 to 11210040 Assay Report: QC Qty : 42Nos of 30kg LBMA GDL Bars Production Order No: RPO/EP/2 122-03372 DT: 22/11/21 WEIGHT: 1224816gms of Item as Grain item code WP00291 LMF/2 122-37302, 4,6,9,11,13, Item CODE Raw material: RM 00010 LOT/2 122/07423 – Production Order No: RPO/EP/2 122-03266 – Produces Gran -16/11/21 RM LOTNO 2 122/07423 Received GRN/2 122-05365- QTY RECEIVE 5000Kgs date: 3/11/21 Supplier: Standard chartered Bank, UK, Type of Material – Grains Grade: 9999 Bars shipped on 23/11/21 Custom Invoice ref: SCBB6879 DT: 29/10/21 COO: South Africa Suppliers/Supplier: Mfd by Rand Refinery, LBMA Qcp/2 122-01612 – Sample date: 12/11/21 Assay date: 16/11/21 Assay report: QCP/2 122-01612, ICP Test analysis Purity: 99.994</p> <p>3. PO : 2223-01300 date: 4/7/22 Supplier: Reliance Industries Ltd Item: Spent catalyst Silver PO Qty: 98035kGS Security: Gate controls for Truck inspection and approval of transport, Generation of QR code for the lot received. Gate entry ref: 02736 date: 17/7/22, Incoming Challan ref: 003616 date: 15/7/22 Qty received: 19192.465Kgs & 19252.055Kgs Vehicle details as per customer LR ref Verified by the security and released for delivery inside the plant. No of pkgs: 204Drums (SPSC-HP-001 TO204)</p>
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			<p>Supplier Seal ref: 69061-69170, 79201-69294</p> <p>Stores Receipt and inward verification: Inward challan creation on the WMS system Ref: 002664 DT: 17/7/22</p> <p>Pollution clearance and permit for transporting material ref: Central PCB date: 22/9/15</p> <p>Maharashtra PCB Permit: 25/7/18, valid till 31/5/23</p> <p>Weighment verification – Variance within allowed – 0.02%, +1.5%</p> <p>Material accepted and in warded.</p> <p>RM Batch no generated: LOT NO: 2223/03801 – 41.2Kg, & Lot no 2223/03800 – 764.95 Kg</p> <p>Moved for Inspection and sampling³. RM Purchase to processing</p>
1.3.3	<p>Does the Refiner quarantine any shipments, pending receipt of additional information, in the event that:</p> <ul style="list-style-type: none"> Shipments are suspected to be associated with any of the practices prohibited by the LBMA Responsible Silver Guidance, the Refiner's Silver supply chain policy and/or OECD Standards³; Shipments received are lacking information on Silver origin. Shipments from High-Risk areas are lacking key documentation (see definition of key documentation in question 2.2.3). 	Yes	<p>During the review period the Company has not purchased any Silver or spent catalyst from prohibited areas. HPPL has established process to deal with in the event suspicious shipment by which, the Company would get into discussion with the supplier to study the impact and root-cause and accordingly, take relevant action. As a practice, if the shipment received has seals broken, the weighment team informs the relevant purchase teams to discuss and escalate to the customer. Sample verified and found there were no incidents reported during 2021-2022</p>
1.3.4	<p>During observation, are the following material confirmed to fit the description of the type of material:</p> <ul style="list-style-type: none"> Mined material Recycled material Grandfathered material Excluded material? 	Yes	<p>The Company deals Spent Catalyst, Spent Silver Nitrates from industries and with pure Silver Material purchased from Banks & LBMA certified materials from suppliers whenever needed.</p> <p>The material purchased for refining were all found to be of Recycled Material</p>
1.3.5	Does the Refiner maintain any documentation regarding its implementation of the LBMA	Yes	<p>Refiner has implemented the LBMA RSG since 2018. The accounting records are maintained as per the general accounting principles for more than 8 years. HPPL is</p>

³ OECD Due Diligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

	Responsible Silver Guidance ⁴ for at least five years following the end of the Refiner's fiscal year?		<i>currently working on retaining the documents in electronic format.</i>
1.3.6	Has this requirement been formalized in the Refiner's record-keeping policy?	Yes	<i>As a policy all the records for responsible sourcing are retained for minimum of 5 years. All records are maintained in Electronic or and hard copy form</i>
Compliance Officer: Review the job description and organizational chart for the designated compliance officer.			
1.3.7	Is there an assigned compliance officer who is responsible for all matters regarding the Silver supply chain?	Yes	<i>Mr. Vijay Bhatt has been appointed as the new CFO & Compliance officer from September 2021. He is ably supported by Ms. Sarika, Dy manager Finance in these initiatives</i>
1.3.8	Does this Compliance Officer report directly to the member of Senior Management who is responsible for the supply chain due diligence process?	Yes	<i>Yes has a direct single line reporting to the executive Director</i>
1.3.9	Is this person responsible for the following tasks:		
	<ul style="list-style-type: none"> Silver supply chain due diligence. 	Yes	<i>This is well defined in the Job description and responsibilities document HPPL_RSP_organogram</i>
	<ul style="list-style-type: none"> Assessing if due diligence measures are adequate and requesting additional documentation or information if necessary. 	Yes	<i>This is well defined in the Job description and responsibilities document HPPL_RSP_organogram</i>
	<ul style="list-style-type: none"> Ensuring that appropriate measures are executed in case of high risk supply chains or transactions. 	Yes	<i>This is well defined in the Job description and responsibilities document HPPL_RSP_organogram</i>
	<ul style="list-style-type: none"> Training of employees with respect to the responsible sourcing of Silver bearing material. 	Yes	<i>This is well defined in the Job description and responsibilities document HPPL_RSP_organogram</i>
	<ul style="list-style-type: none"> Preparing and updating the Silver supply chain policy 	Yes	<i>The Compliance Officer ensures that the activities are managed according to the objectives of the policy. Review the activities undertaken by various business teams. Review various risks for the counterparties or processes. Oversee, review and ensure control mechanism for effective functioning of the policy. Reporting the risks/activities to the Board of Directors. Inform any changes in the market regulations, governing law and rules to all the relevant stakeholders. Monitor and propose changes to the Policy. This is well defined in the Job</i>

⁴ LBMA Responsible Silver Guidance.

			<i>description and responsibilities document HPPL_RSP_organogram</i>
	<ul style="list-style-type: none"> Providing reports on the risk assessment results to the Senior Management. 	Yes	<i>This is well defined in the Job description and responsibilities document HPPL_RSP_organogram</i>
1.4	Strengthen Refiner engagement with Silver supplying counterparties, and where possible, assist Silver supplying counterparties in building due diligence capacities		
	<i>Review the due diligence policy communicated to the Silver bearing counterparties.</i>		
1.4.1	Has the Refiner asked Silver supplying counterparties to commit to and acknowledge in writing compliance with the Refiner's own Silver supply chain policy?	Yes	<p><i>Click here to enter text. The Company's sourcing policy is available on the website. During the assessment period email communication have been sent and verbally communicated during the visit and meetings with the supplier.</i></p> <p><i>The account opening process has the details of commitment to comply with responsible sourcing practices. Further HPPL is also implementing a process wherein the sourcing policy shall be informed to the supplier in the Purchase Order or the Terms of Contract. Further during the site visit the same is communicated and emphasized</i></p>
1.4.2	Where Silver supplying counterparties commit to a policy that is not the Refiner's own Silver supply chain policy, has the Compliance Officer reviewed this policy to ensure it is consistent with Annex II of the OECD Due Diligence Guidance Model Policy for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ⁵ ?	Choose an item.	<i>The suppliers being large organizations with high standards of Compliance, many of them have their policies covering the aspects related to OECD</i>
1.5	Establish a Refiner-wide communication mechanism to promote broad employee participation and risk identification to management		
	<i>Review the internal communication mechanisms in place at the Refiner focusing on the mechanism for voicing concerns over the Silver supply chain.</i>		
1.5.1	Does the refiner have a communication mechanism in place that allows employees to voice concerns over the Silver supply chain or any newly identified risk?	Yes	<i>Addressed under the Code of Conduct Policy. As a part of Sourcing Policy, the employees are free to reach out to the immediate managers or to the Compliance Officer. All employees are required to follow the policy. All employees can raise their concerns by email to a company designated email id which is reviewed by Compliance Officer / Executive Director</i>

⁵ Model Supply Chain Policy for a Responsible OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Appendix II. Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas. Pages 20-24.

1.5.2	How can employees voice concerns?		<i>Summarize key points of the mechanism. Employees are encouraged to voice their concerns by reporting to their immediate line managers and to the Vice president of the company, in case any suspicious transaction/ material and or activities observed. The same have been also included in the Code of conduct. The Company follows an open door and friendly environment for the employees to raise concerns.</i>
1.5.3	Is there evidence that concerns raised have been effectively addressed?	Yes	<i>HPPL has established robust process for voicing concerns by employees. However there were no instances necessitating to raise concerns during the assessment period.</i>
1.5.4	Does this mechanism allow for concerns to be voiced anonymously?	Yes	<i>Click here to enter text.</i>
1.5.5	Are employees aware of this communication mechanism?	Yes	<i>It was verified during the workers interview and clarified.</i>

Step 2: Identify and assess risk in the supply chain			
2.1	Identify risks in the Silver supply chain		
	Assess the risk assessment policy for all Silver supply chains.		
2.1.1	Does the Refiner have a system for assessing risk among Silver supplying counterparties according to the LBMA Responsible Silver Guidance?	Choose an item.	<i>HPPL follows the LBMA SC assessment methodology and uses LBMA questionnaire – Recyclable material to collect the information needed and performs the Risk assessment. Apart from this, the Company also considers origin of the material and the level of compliance in the supplier entities. Given that the Company deals in Spent catalyst only, it is in an advantageous position for the purpose of sourcing. As a result, the concern of dealing in high risk area is eliminated.</i>
2.1.2	Does this system allow taking into account risks in the entire Silver supply chain, from the point of origin to the Refiner (e.g. transportation, hubs, and traders)?	Yes	<i>The Company deals with major secured transporters. In case of non-secured transportation, these are generally governed and restricted to local origination, Also, there are no intermediate traders involved in the dealing. Verified the same. Imports of pure silver when needed are transported thru Brinks and Spent catalyst and other industrial scrap are transported within the country using Safexpress</i>
2.1.3	Does this risk assessment system include, at a minimum, the following topics:		
2.1.4	<ul style="list-style-type: none"> Systematic or widespread human rights abuses associated with the 	Yes	<i>As a process this is considered in the risk assessment process</i>

	extraction, transport or trade of Silver		<i>However the Company deals in Spent catalyst & Spent Nitrates from the Petrochemical, and pharma industries , Industrial scrap form industries These are purchased directly from the plant and hence the issue of human rights violation does not arise though the company follows complete due diligence.</i>
	<ul style="list-style-type: none"> • Direct or indirect support to non-state armed groups or public or private security forces 	Yes	<i>The Company deals with large organizations which have strong compliance policies and procedures in place thereby ensuring that they are not with the security forces Verified the same with Logistics provider Safe express , have CSR policy and practice ethical behavior</i>
	<ul style="list-style-type: none"> • Bribery and fraudulent misrepresentation of the origin of Silver 	Yes	<i>In line with the SC policy of the company , all the transactions are through banking channels and that of the large Corporates with whom the Company is dealing is also through banking channels.. The Company also conducts an extensive check to ensure that there are no cases of bribery etc against the suppliers</i>
	<ul style="list-style-type: none"> • Money laundering and terrorist financing 	Yes	<i>The Company checks the Compliance policies from publically available sources with reference to Money Laundering and Terrorist Financing and also uses world check to background check</i>
	<ul style="list-style-type: none"> • Contribution to conflict 	Yes	<i>Since the company does not deal in high risk areas, the changes of Conflict areas are less. But as a process considered.</i>
2.1.5	Does the risk assessment apply to all inputs of mined Silver and recycled Silver received within the assessment period?	Yes	<i>The Company does not deal in mined silver. Only deals with industrial waste and spent catalyst recycled material</i>
2.2	Assess risks in light of the standards of their supply chain due diligence system:		
	<u>Supply chain due diligence:</u> Review “Silver supplying counterparty” files to verify if the Refiner collects the following basic information <u>for all business</u> entities:		
2.2.1	What information does the Refiner systematically request, gather and maintain on file for each Silver supplying counterparty ?	Yes	<i>The company collects information to assess risks in line with LBMA Recyclable material questionnaire. Apart from this the Company also obtains the Compliance Policies from the supplier or publically available source. All the counterparties in the supply chain presently are ltd companies, and listed in the stock exchange, the following information are collected :</i> <i>Certificate of registration/Incorporation</i> <i>Balance sheet</i> <i>UBO</i> <i>Governance frame work for board of directors</i> <i>Licenses</i> <i>Nature of business</i> <i>Products dealt</i>

			<p>Banker details Customers dealt with Organisation sourcing/supply chain policy Any CSR Policy Declaration on the LBMA Questionnaire</p>
2.2.2	Does the information on file correspond to what the Refiner's policies and procedures prescribe?	Yes	<p>The files on the samples reviewed were verified and found adequate except for the limitations listed. The information are verified through the internet search from the relevant counter parties website which was demonstrated on the samples :</p> <p>1. Sun pharmaceutical Industries ltd RM for Palladium Spent catalyst Public limited company floated in the stock exchange. Certification of registration Erm Policy, Has a ESG Policy and raising concern and whistle blower policy Audited financial results Year ending March 31, 2022 Ref KYC questionnaire: Docs verified: LBMA KYC questionnaire used COO PM sourced: India, UK, Evidence of communication of policy Due diligence check list used to verify the details of the counter party LBMA Supply chain risk assessment performed and identified as Low risk Verified the Background check performed on the entity: World check report ref date: 18/7/22 and updated No hits No of UBO – 5 Director: 1 chairman, MD, 3 ED, 1 NON EX DIR World check report ref date: 18/7/22 and updated No hits</p> <p>2. DIVI Laboratories ltd Palladium - Spent PUBLIC LIMITED LISTED IN THE NSE/BSE Certificate of Incorporation – DT: 12/12/1994 Statutory Audit reports P & L Balance Dr.reddys's attached Ref KYC questionnaire: Docs verified: LBMA KYC questionnaire used COO PM sourced: India, UK, US Metals: PT, PD, AG, RH Payment thru bank Evidence of communication of policy Code of ethics and Business conduct Whistle blower policy Anti-corruption policy- Money laundering and gift and hospitality policy</p>

			<p><i>Aml-cft : Governed by RBI Rules</i> <i>Due diligence check list used to verify the details of the counter party</i> <i>LBMA Supply chain risk assessment performed and identified as Low risk</i> <i>Verified the Background check performed on the entity:</i> <i>World check report ref date: 18/7/22 and updated No hits</i> <i>No of UBO –</i> <i>World check report ref date: 18/7/22 and updated No hits</i></p>
2.2.3	As a minimum, does the Refiner require the following information to be maintained on file:		
	<ul style="list-style-type: none"> • Verification of the identity of the Silver supplier counterparty 	Yes	<i>The Identity is verified through checking the details in MCA(Ministry of corporate affairs) or Listed exchanges and also using World check Information.</i>
	<ul style="list-style-type: none"> • Identification of the beneficial owner(s) of the counterparty 	Yes	Click here to enter text.
	<ul style="list-style-type: none"> • Check that the counterparty and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists 	Yes	<i>The Identity is verified and Background check through checking the details in MCA(Ministry of corporate affairs) or Listed exchanges and also using World check Information</i>
	<ul style="list-style-type: none"> • Business and financial details of the counterparty 	Yes	<i>Business and financial details are verified with the Publicly available information and also the same is requested from the counter parties</i>
	<ul style="list-style-type: none"> • Purpose and intended nature of the business relationship. 	Yes	Click here to enter text.
2.2.4	If not, what percentage of suppliers reviewed lacked a given file?		<i>Please indicate percentages of supplier files that lacked specific documents.</i>
2.2.5	What sources does the Refiner use to verify the counterparty's identity?		<i>The Identity is verified through checking the details in MCA(Ministry of corporate affairs) or Listed exchanges and also using World check Information</i>
2.2.6	Are the sources used by the Refiner reliable and independent?	Yes	Click here to enter text.
2.2.7	Does the Refiner use sub-contractor(s) for any part of the value adding process for products bearing Silver material?	No	<i>Describe which processes and add number of sub-contractors.</i>
2.2.8	If yes:	N/A	Click here to enter text.

	Has the Refiner taken adequate steps to ensure all sub-contractor(s) either: <ul style="list-style-type: none"> maintain Silver-bearing material from the Refiner segregated from other material throughout the storage, processing and shipment; or carry out due diligence on their own Silver supply chain that fulfills the requirements of the LBMA Responsible Silver Guidance⁶? 		
2.2.9	Does the Refiner receive any Silver-bearing material from intra-company transfers?	No	Click here to enter text.
2.2.10	If yes: Has the Refiner taken adequate steps to ensure due diligence has been carried out on each intra-company transfer that is in accordance with the requirements of the LBMA Responsible Silver Guidance ⁷ ?	N/A	Click here to enter text.
<i>Verify that files contain complete information on the Silver supplying counterparties:</i>			
2.2.11	For Silver supplying counterparties of <u>mined Silver</u> , at a minimum, does the Refiner maintain the following documentation:		
	<ul style="list-style-type: none"> Identification of the origin of the Silver based on reasonable and good faith efforts; 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Mining license, if applicable; 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Import/export Silver license, if applicable; 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Collection and assessment of mining practice; 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Data on mining capacity; if available 	N/A	<i>Mined material is Not used by the refinery</i>
2.2.12	When available, does the Refiner maintain certificates or other supporting documentation related to other certification schemes for the	<i>Note: If the answer to the following points is yes, it should be noted that no further due diligence enquiries will be required for this material.</i>	

⁶ LBMA Responsible Silver Guidance. Step 2.2. Pages 7-9.

⁷ LBMA Responsible Silver Guidance. Step 2.2. Pages 7-9.

	<u>mined Silver bearing material</u> that it purchases?		
	<ul style="list-style-type: none"> RJC Chain of Custody Transfer Document has been issued by a RJC certified Entity. 	N/A	Click here to enter text.
	<ul style="list-style-type: none"> Management Statement of Conformance document is issued which accompanies the Silver shipments or Silver shipments over a period of time, in accordance with the World Gold Council Conflict-Free Gold Standard. 	N/A	Click here to enter text.
	<ul style="list-style-type: none"> FAIRTRADE and FAIRMINED Silver. 	N/A	Click here to enter text.
	<u>For mined Silver from artisanal and small-scale mining ("ASM")</u> , at a minimum, does the Refiner address the following areas:		
2.2.13	Does the Refiner assess whether ASM can be considered to be involved in legitimate artisanal and small-scale mining?	N/A	<i>Mined material is Not used by the refinery</i>
2.2.14	For any Silver containing material received from ASM operations that cannot be considered legitimate , does the Refiner take supporting measures to build secure, transparent, and verifiable Silver supply chains from mine to market?	N/A	<i>Mined material is Not used by the refinery</i>
2.2.15	If yes , please describe the measures the Refiner and/or other stakeholders (e.g. governments, civil society and other supply chain actors) are taking in accordance with Appendix 1 of the Supplement on Gold of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas: ⁸ :		<i>Mined material is Not used by the refinery</i>

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OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
 Supplement on Gold. Suggested measures to create economic and development opportunities for artisanal and small scale miners.
 Pg. 47.

2.2.16	When available, does the Refiner maintain certificates or other supporting documentation related to other certification schemes for the <u>ASM mined Silver bearing material</u> that it purchases?	<i>Note: If the answer to the following points is yes, it should be noted that no further due diligence enquiries will be required for this material.</i>	
	<ul style="list-style-type: none"> RJC Chain of Custody Transfer Document issued by a RJC certified Entity. 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Management Statement of Conformance document issued in accordance with the World Gold Council Conflict-Free Gold Standard. 	N/A	<i>Mined material is Not used by the refinery</i>
	<ul style="list-style-type: none"> Certificates related to FAIRTRADE and FAIRMINED Silver status. 	N/A	<i>Mined material is Not used by the refinery</i>
2.2.17	For Recycled Silver, does the Refiner collect and assess the Recycled Silver supplying counterparty's AML-CFT policy and practices?	N/A	<i>The Company only buys Spent Catalyst, Silver Nitrate and Un wrought Silver for the refining. However has the relevant policies in place</i>
2.2.18	When available, does the Refiner maintain RJC Chain of Custody Transfer Document issued by a RJC certified Entity for the <u>Recycled Silver-bearing material</u> that it purchases?	N/A	Click here to enter text.
<i>Review the Refiner's Risk Assessment for all "Silver supplying counterparties:</i>			
2.2.19	What process does the Refiner employ to assign risk to each Silver supplying counterparty?		<p>The Company completes the risk assessment by the following:</p> <ul style="list-style-type: none"> - Origin of material - Type of material - Type of supplier <p>Policies & Financials of the supplier</p>
2.2.20	Has the Refiner formalized the risk assessment process in a written procedure?	Yes	<p><i>The Company uses the LBMA supply chain assessment form and has established process for assessing risks and defined criteria for the same and implemented</i></p> <p><i>On a quarterly basis the Compliance Officer also submits reports to the Board with respect to the assessment.</i></p> <p><i>At the account opening time, Obtain business and financial details with regard to the silver-supplying counterparty and information on the purpose and intended nature of the business relationship;</i></p>

			<i>Further verification of the identity using reliable, independent source documents from the govt portal for limited companies, Chamber of commerce info and uses World check and OFAC sanction list information done for each company involved to check if located in conflict affected or human right abuse high-risk areas from the silver-supplying counterparty to the refinery (including transporters).</i>
2.2.21	When assigning a high risk rating to a supply chain, are the following minimum criteria considered:		
	<ul style="list-style-type: none"> The Mined Silver or Recycled Silver originates from, has transited or has been transported via a conflict-affected or human rights abuse high risk area; 	Yes	<i>The Company does not deal with Mined Silver</i>
	<ul style="list-style-type: none"> The Mined Silver is claimed to be originated from a country that has limited known reserves, likely resources or expected production levels of Silver; 	Yes	<i>The Company does not deal with Mined Silver</i>
	<ul style="list-style-type: none"> The Recycled Silver comes from a country where Silver from conflict-affected and human right abuse high-risk areas are known, or reasonably suspected to transit; 	Yes	<i>As a policy the Company does not deal with material originating from CAHRA areas</i>
	<ul style="list-style-type: none"> Silver supplying counterparty or other known upstream companies are located in a country representing high risk for money laundering, crime or corruption; 	Yes	<i>The Company does not deal with High Risk Areas</i>
	<ul style="list-style-type: none"> Silver supplying counterparty or other known upstream companies or their beneficial owners are politically exposed persons; 	Yes	<i>The Company does not deal with entities which are politically exposed</i>
	<ul style="list-style-type: none"> Silver supplying counterparties or other known upstream companies are active in a higher risk business activity such as arms, gaming and casino industry, antique and art, diamond merchants, sects and their leaders. 	Yes	<i>The Companies do not deal with such entities</i>
2.2.22	Does the Refiner apply any other criteria for determining risk	Yes	<i>The Company completes the risk assessment by the following:</i>

	associated with Silver supplying counterparties?		<ul style="list-style-type: none"> - Origin of material - Type of material - Type of supplier <i>Policies & Financials of the supplier</i>
2.2.23	Does the company use relevant criteria, based on reliable data, to determine areas that are conflict-affected, high risk transit areas that carry high risk of human rights abuses, high risk of money laundering, crime or corruption?	Yes	<p>.</p> <i>The company uses information on the internet and information collected from the industry to assess the risk in these areas, Further the Company does not deal in High risk areas. Also, it deals with only spent catalyst and large corporate with high compliance standards</i>
2.2.24	Does the Refiner collect information on the known reserves or stocks of countries of origin of Silver in order to determine high risk categories	Yes	<i>Presently Since the Company obtains spent catalyst from the supplier, the original Catalyst shall be procured by the suppliers from reputed ones. This is because there aren't catalyst manufacturers in high risk areas</i>
2.2.25	Has the Refiner assigned a risk level to each Silver supplying counterparty ?	Yes	<i>The risk level accepted on the supplying counter party during the assessment period was found to be Low risk. There were no Supplier with High risk transacted during the assessment period</i>
2.2.26	Provide estimated percentage of Silver supplying counterparties for each risk category:		100% of all the silver supplying counter parties have been identified as NoN High Risk
Additional Required Due Diligence: <i>Review "Silver supplying counterparty" files to verify if, based on the above Risk Assessment exercise, the Refiner conducts any further verification of business partner information:</i>			
<i>Describe additional due diligence measures for higher risk suppliers:</i>			
2.2.27	Have files of <u>existing</u> Silver supplying counterparties been updated to include all the information required under the LBMA Responsible Silver Guidance?	Yes	<i>The supplier files as above was verified and found the information was updated.</i>
2.2.28	Are Silver supplying counterparty accounts reviewed at least annually?	Yes	<i>The suppliers are listed entities which require regular reporting in the relevant stock exchanges. Presently this is being verified based on the reports available.</i>
2.2.29	Are changes to the Silver supplying counterparty's businesses reflected in the files?	Yes	<i>On an ongoing basis during the KYC these are verified as per the process have been established to review and update as and when need arises.</i>
2.2.30	Are changes to the government watch list information recorded in the files?	Yes	<i>Through media tracking, news, Currently none</i>
2.2.31	Are changes to the information regarding the affiliation of the Silver supplying counterparty to the government, political parties or military and criminal networks reflected in the files?	Yes	<i>Currently none, Internet searches and uses tools such as world check , OFAC listings are reviewed to identify and updated whenever need arises.</i>
2.2.32	Has the Refiner conducted onsite investigations / visits to substantiate	Yes	<i>Formal records of onsite investigations when conducted are maintained</i>

	the documentary supply chain due diligence findings?		
2.2.33	Does the Refiner verify the identity of the Company and identify the beneficial owners and check the name of the Company and its beneficial owners for each company involved in the Silver supply chain, including the following entities:		
2.2.34	<ul style="list-style-type: none"> For large scale mining, all companies, including Silver producers, intermediaries, Silver traders and exporters as well as transporters <u>from the mine to the Refiner?</u> 	N/A	<i>Organisation do not deal with mined material</i>
2.2.35	<ul style="list-style-type: none"> For ASM Silver companies, all companies, including Silver exporters, international Silver traders and transporters <u>from the Silver exporter to the Refiner.</u> 	N/A	<i>Organisation do not deal with mined material</i>
2.2.36	<ul style="list-style-type: none"> For recycled Silver: all companies, including transporters from the <u>Silver supplying counterparties to the Refiner.</u> 	Yes	<i>The Company only deals in spent catalyst and industrial scrap. However has established processes to perform whenever need arises.</i>
2.2.37	Does the Refiner use reliable and independent sources for this verification?	Yes	<i>HPPL uses the information gathered in the News, Internet verification of MCA records to rely on. The organisation further uses internet based search engines and tools such as world check, OFAC and CAHRA portal verifications.</i>
2.2.38	When was the verification last performed?		<i>During the review period during 2021/22 and as when the suppliers released the financials. The system was reviewed during the refiner compliance review in 1st Oct 2021</i>
Monitoring of transactions			
<i>Review a sample of transactions received by the Refiner during the assessment period ⁹.</i>			
		Full assessment transaction review sample size for all categories (mined recycled, grandfathered)	Assessment review transaction sample size for all categories (mined recycled, grandfathered))
	Low Risk	a. 2% of total transaction (Minimum 50, maximum 100)	a. 1% of total transactions (min. 10, maximum 50)
	High Risk	a. 2% of total transactions (Minimum 50, maximum 100) b. 25% of transactions from high risk supply chains. (Minimum 50, maximum 100)	a. 1% of total transactions b. 10% of transactions from high risk supply chains. (minimum 10, maximum 50)
2.2.39	Does the Refiner have a risk based approach for monitoring	Yes	<i>HPPL has established process for monitoring based on the risk profile.</i>

⁹ LBMA Responsible Sourcing Programme-Third Party Audit Guidance, p.23

	transactions to ensure that these are consistent with information on the counterparties' supply chain and risk profile?		<p><i>However as a policy monitors all transactions presently though all the counterparties engaged are low risk.</i></p> <p><i>1. Supplier: Standard chartered Bank, UK, GRN/2122-05365- QTY RECEIVE 5000Kgs date: 3/11/21</i></p> <p><i>COO: South Africa</i></p> <p><i>Suppliers/Supplier: Mfd by Rand Refinery, LBMA</i></p> <p><i>Type of Material – Grains</i></p> <p><i>Grade: 9999</i></p> <p><i>Bars shipped on 23/11/21</i></p> <p><i>Custom Invoice ref: SCBB6879 DT: 29/10/21</i></p> <p><i>Qcp/2122-01612 –</i></p> <p><i>2. PO : 2223-01300 date: 4/7/22</i></p> <p><i>Supplier: Reliance Industries Ltd</i></p> <p><i>Item: Spent catalyst Silver</i></p> <p><i>PO Qty: 98035kGS</i></p> <p><i>Security: Gate controls for Truck inspection and approval of transport, Generation of QR code for the lot received.</i></p> <p><i>Gate entry ref: 02736 date: 17/7/22,</i></p> <p><i>Incoming Challan ref: 003616 date: 15/7/22</i></p> <p><i>Qty received: 19192.465Kgs & 19252.055Kgs</i></p> <p><i>Vehicle details as per customer LR ref</i></p> <p><i>Verified by the security and released for delivery inside the plant.</i></p> <p><i>No of pkgs: 204Drums (SPSC-HP-001 TO204)</i></p> <p><i>Supplier Seal ref: 69061-69170, 79201-69294</i></p> <p><i>Stores Receipt and inward verification:</i></p> <p><i>Inward challan creation on the WMS system</i></p> <p><i>Ref: 002664 DT: 17/7/22</i></p> <p><i>Pollution clearance and permit for transporting material ref: Central PCB date: 22/9/15</i></p> <p><i>Maharashtra PCB Permit: 25/7/18, valid till 31/5/23</i></p> <p><i>Weighment verification – Variance within allowed – 0.02%, +1.5%</i></p> <p><i>Material accepted and in warded.</i></p> <p><i>RM Batch no generated: LOT NO: 2223/03801 – 41.2Kg, & Lot no 2223/03800 – 764.95 Kg</i></p> <p><i>Moved for Inspection and sampling.</i></p>
2.2.40	If so, please describe:		Click here to enter text.
2.2.41	Does the Refiner systematically request, gather and maintain the following documentation on file for each lot of Silver-bearing material received?		

2.2.42	For mined Silver:		
	○ Estimated weights and assay results (from counterparty)	N/A	Mined material is not received for refining,
	○ Shipping/transportation documents (e.g. Waybill/airway bill, pro-forma invoice)	N/A	Mined material is not received for refining,
	○ Export and import form for high risk transaction	N/A	Mined material is not received for refining
2.2.43	For recycled Silver:		<i>HPPL buys only Spent Catalyst, Silver Nitrate and industrial scrap for refining. Does not buy other forms of silver at this point in time</i>
	○ Estimated weight (from counterparty)	Yes	<i>The details of estimated weights are well maintained and Documents available</i>
	○ Shipping/transportation documents (Waybill/airway bill, pro-forma invoice)	Yes	<i>The details of of shipping and transportation are well maintained and Documents available</i>
	○ Export and import form for high risk transaction	N/A	<i>The Company does not deal with High Risk Areas</i>
2.2.44	Based on the transactional documentation reviewed, characterize the Refiner's due diligence mechanisms:	Yes	<p><i>Sufficient.</i></p> <p><i>The Companies records are maintained electronically and due diligence through hard copy. Verified records of transaction and found the process followed as adequate. The full track and trace is well established in the WMS enterprise system . Sample from the files verified given below :</i></p> <p><i>Receiving</i> 1.PO : 2223-01300 date: 4/7/22 Supplier: Reliance Industries Ltd Item: Spent catalyst Silver PO Qty: 98035kGS Security: Gate controls for Truck inspection and approval of transport, Generation of QR code for the lot received. Gate entry ref: 02736 date: 17/7/22, Incoming Challan ref: 003616 date: 15/7/22 Qty received: 19192.465Kgs & 19252.055Kgs Vehicle details as per customer LR ref Verified by the security and released for delivery inside the plant. No of pkgs: 204Drums (SPSC-HP-001 TO204) Supplier Seal ref: 69061-69170, 79201-69294 Stores Receipt and inward verification: Inward challan creation on the WMS system Ref: 002664 DT: 17/7/22</p>

			<p>Pollution clearance and permit for transporting material ref: Central PCB date: 22/9/15 Maharashtra PCB Permit: 25/7/18, valid till 31/5/23 Weighment verification – Variance within allowed – 0.02%, +1.5% Material accepted and in warded. RM Batch no generated: LOT NO: 2223/03801 – 41.2Kg, & Lot no 2223/03800 – 764.95 Kg Moved for Inspection and sampling.</p> <p>2. RM LOTNO 2122/07423 Received GRN/2122-05365- QTY RECEIVE 5000Kgs date: 3/11/21 Supplier: Standard chartered Bank, UK, Type of Material – Grains Grade: 9999 Bars shipped on 23/11/21 Custom Invoice ref: SCBB6879 DT: 29/10/21 COO: South Africa Suppliers/Supplier: Mfd by Rand Refinery, LBMA Qcp/2122-01612 – Sample date: 12/11/22 Assay date: 16/11/22 Assay report: QCP/2122-01612, ICP Test analysis Purity: 99.994</p>
	<ul style="list-style-type: none"> Sufficient Silver supplying counterparty transactional documentation is maintained on file 	Yes	As sampled above
	<ul style="list-style-type: none"> Occasional failure to request and obtain transactional documentation 	No	During the audit for the assessment period no such incidents noticed
	<ul style="list-style-type: none"> Recurrent failure to request and obtain transactional documentation 	No	During the audit for the assessment period no such incidents noticed
	<ul style="list-style-type: none"> Systemic failure to request and obtain transactional documentation. 	No	During the audit for the assessment period no such incidents noticed
2.2.45	Are transactional documents verified to ensure that they are consistent with the information about this entities' supply chain?	Yes	Each material on receipt is verified against the registered category in the system by the receiving person and updated in the system on line.
2.2.46	Where documents are not found to be consistent, has the Refiner investigated the discrepancy and recorded the findings of this investigation in writing?	Yes	HPPL has established process to deal with discrepancies. In such cases, the refiner does not go ahead with the transaction till the discrepancy is resolved. None encountered during the assessment period.

2.2.47	Is there a / are there designated person(s) responsible for reviewing the documentation?	Yes	<i>Compliance officer and Executive Director</i>
2.3	Risk assessment reporting		
	<i>Evaluate the risk assessment reporting mechanisms, organization chart and communication.</i>		
2.3.1	Are risk assessment procedures clearly defined as part of the Compliance Officer's tasks? <i>Review SOP or job description.</i>	Yes	<i>The compliance officers task are identified under the responsibilities and under the Functional Framework in the Sourcing policy</i>
2.3.2	Is a member of Senior Management responsible for approving each new supply chain that is assessed as high risk?	Yes	<i>HPPL has established process to deal in the event if any occurs during the supply chain, it gets escalated to the Executive Director. As a policy the Company do not deal with High Risk in the supply chain</i>
2.3.3	Are there documented consequences if the risk assessment reporting tasks are not completed?	Yes	<i>No transaction processing is allowed if not completed.</i>
2.3.4	Has this been communicated to relevant departments and personnel? (e.g. Sales, customer service, shipping/receiving)	Yes	<i>HPPL has communicated the requirements to all involved in the supply chain process. This was verified in one of the email communication where in the Compliance Officer has raised questions to the Purchasing Departments for verification and resolved.</i>
2.3.5	Does the member(s) of Senior Management review these high risk supply chains on an annual basis in order to determine whether to continue the business relationship?	Yes	<i>HPPL do not deal with any High risk in supply chain as the input material is spent catalyst. Further As a policy HPPL does not accept any High risk situations in the supply chain. Have established process to this effect. If any encountered the same is discontinued, and the Company does not deal further.</i>
	STEP 3: RISK MITIGATION STRATEGY		
3.1	<i>Policy: Please provide the following information on the formal risk mitigation strategy in place.</i>		
3.1.1	Does the facility have a formalized risk mitigation strategy?	Yes	<i>HPPL has established process and strategy to mitigate the risks when encountered.</i> <i>The Compliance team periodically monitors the risks in the counter party and the supply chain through market sources, news and during transaction and if any noticed escalated to the Top management.</i> <i>The Board of Directors review the said non-compliance and reserves the right to terminate any contract or terminate business relationship.</i>
3.1.2	Who is responsible for ensuring that this strategy is carried out?		<i>Executive Director and Compliance Officer</i>

3.1.3	Does Senior Management provide support for this strategy?	Yes	<i>The Company follows an open door policy to ensure that any employee can raise their concerns</i>
3.1.4	If the due diligence carried out under Step 2 concludes that <u>there is evidence</u> that a business or actor in a Silver supply chain engages in money laundering, terrorist financing, contribution to conflict, human right abuses, or if the possibility of the same is deemed too high does the risk mitigation strategy <u>require the Refiner to stop refining such Silver immediately</u> ?	Yes	<i>The Supply chain policy established clearly indicates to stop any further activities until resolved. HPPL has established due diligence process to identify any conflicts and risks on account of that in the responsible sourcing with mitigation actions. However as a policy company do not allow any situation of High Risk. During the assessment period, there were no such situation encountered.</i>
3.1.5	If the due diligence carried out under Step 2 concludes <u>that it is possible</u> for an actor in a Silver supply chain to engage in money laundering, terrorist financing, contribution to conflict, human right abuses, does the risk mitigation strategy <u>require the Refiner to suspend refining Silver from this provenance until it can obtain additional information or data refuting or confirming the preliminary findings</u> ?	Yes	<i>As a policy HPPL does not accept any such high risk and hence not applicable for the review period and also because the Company deals with spent catalyst. HPPL has further established process which requires, the Compliance officer will review and discuss the same with the supplier. Ask for further in discussion with the ED actions taken to discontinue and or with draw relationship</i>
3.1.6	Are materials in the above mentioned cases quarantined pending further investigation and/or are they returned to the Silver supplying counterparties?	Yes	<i>Process has been established, However during the Assessment period there were no situation that required to quarantine. The company is dealing with industrial waste/Bye product from Registered Listed companies limited by shares the process industries for refining</i>
3.1.7	What process does the Refiner use to determine that a business relationship should be terminated?		<i>HPPL has established processes which takes into consideration the conditions referred in LBMA and OECD towards conflict free Responsible sourcing in the various stages from client on board process and through the entire supply chain process such as Situations and evidenced instances of money laundering, terrorist financing, human rights violation</i>
3.1.8	Who is responsible for that decision?		<i>Compliance officer identifies and escalates to Board of Directors for decision.</i>
3.1.9	How is this decision communicated to the Silver supplying counterparty? Are any reasons communicated to them?		<i>Process established to Immediately communicate by a formal letter and email to the counter party. However there were no situations encountered during the assessment period.</i>
3.1.11	What process does the Refiner apply to quarantined material after additional information has been collected and a decision has been made to suspend the business relationship?		<i>As a policy No suspicious material is accepted, in the event if suspicious material detected the material is Quarantined sent back to the supplier. Further any further relationship and any business is suspended with the supplier. During the assessment</i>

			<i>year there were no such situation encountered.</i>
3.1.12	Has the Refiner suspended the business relationship with any Silver supplying counterparty during the assessment period, based on the Silver supply chain due diligence measures?	No	<i>Since the Company was dealing with large corporate in the review period and material purchased was of low risk being spent catalyst, there were no such situation encountered.</i>
3.1.13	If yes: Please describe the case(s).		<i>Not Applicable</i>
3.1.14	Has the Refiner required that a Silver supplying counterparty provide evidence for reasonable and good faith efforts and a timeframe for their implementation where the result of the due diligence is not fully satisfactory (improvement plan)?	N/A	<i>Not Applicable However process established</i>
3.2	<i>Improvement plans: Please describe the strategy regarding the procedures for following up on improvement plans.</i>		
	Where a Refiner adopts an improvement strategy:		
3.2.1	Are there clear performance objectives that include qualitative and/or quantitative indicators for measuring progress?	Yes	<i>HPPL Has established qualitative improvement goals</i>
3.2.2	Please describe what these performance objectives are.		<i>Adapting professional tools for due diligence, Better Internal controls, Automated and Implementation of Enterprise wide Full tracking system. Producing LBMA Silver bars of GD</i>
3.2.3	Who is responsible for their implementation?		<i>Relevant process owners as identified in the Compliance Organisation chart are responsible in the supply chain process as identified in the organization chart are responsible under the leadership of ED and compliance officer</i>
3.2.4	Are reasonable deadlines communicated to all parties concerned?	Yes	
3.2.5	Is advancement in the plan regularly reviewed? If yes , by whom?	Yes	<i>This is reviewed in the qtrly management review with the compliance officer</i>
3.2.6	Is advancement communicated to senior management?	Yes	<i>During the periodic review meeting</i>
3.2.7	Are the actors in the Silver supply chain informed as to the expected response times and deliverables?	Yes	<i>Action items in the review meeting references</i>
3.2.8	Once the deadline for remediation has been met, are subsequent document-based reviews performed in order to determine if the actor in the Silver supply chain has completed the expected measures?	Yes	<i>None during the assessment period. Though the points are reviewed and implementation the measures taken are under various stages at this point in time.</i>

3.2.9	Are there clearly stated repercussions if an actor in the Silver supply chain does not provide sufficient follow up information on improvement?	Yes	<i>The importance of the improvement objectives and consequences of not achieving are being discussed during the review meetings</i>
3.2.10	Is there any evidence on record that these repercussions have been carried out?	N/A	<i>None during the assessment period. The implementation and the measures taken are under various stages at this point in time.</i>
STEP 4: Arrange for an independent third-party audit of the supply chain due diligence			
4.1.1.	Has the Refiner undergone third-party audits in the frequency and according to requirements defined in Step 4 and the Audit Guidance document*? <i>*Not relevant for first audits, but applicable for all subsequent audits.</i>	Yes	Bureau Veritas has been engaged to perform the third party audit in accordance with the LBMA Third-Party Audit Guidance The Reasonable assurance assessment was completed on 20th July, 2022 for the assessment period 1 st April 2021 to 31 st March 2022.
4.1.2	Has the refiner ensured that these audits are completed within the established timeframes in Step 4?	Yes	The Reasonable assurance assessment was completed on 20th July, 2022 for the assessment period 1 st April 2021 to 31 st March 2022.
4.1.3	If the Refiner has affirmed that they are certified/validated under one of the initiatives listed in question 1.1.6 (EICC-GeSI CFS, RJC CoC), do these certification periods cover at least ¾ of the LBMA assessment period?	N/A	<i>None at present</i>
STEP 5: Report on supply chain due diligence			
5.1	Has the Refiner published the following information?		
	• Refiner details and date of the audit.	Yes	<i>Ref to the reports published in the portal.</i>
	• Audit activities and methodology.	Yes	<i>Ref to the reports published in the portal</i>
	• Audit conclusion for each step of the LBMA Responsible Silver Guidance.	Yes	<i>Ref to the reports published in the portal</i>
5.2	Has the Refiner published the LBMA Summary Report in accordance with the LBMA Third-Party Audit Guidance? ¹⁰	Yes	<i>Bureau Veritas has been engaged to perform the third party audit in accordance with the LBMA Third-Party Audit Guidance . Bureau Veritas has completed the 1st Limited assurance for the period 1ST April 2020 – 31st March 2021 on 30th November 2021 and the reports are published in the portal. Further, Bureau Veritas has completed the Reasonable assurance audit for the period 1ST April 2021 – 31st March 2022 on 18th to</i>

¹⁰ LBMA Responsible Sourcing Programme-Third Party Audit Guidance. 3.1 Public Reporting by Refiners. Page. 17.

			<i>20th July 2022 and the reports are awaited. will be published upon receipt from Bureau Veritas</i>
5.3	Has the Refiner published its Responsible Supply Chain Policy?		<i>Yes, https://hp.co.in/Responsible-sourcing-policy.html</i>
5.4	What (if any) information has the Refiner published on the due diligence approach?		<i>The Responsible sourcing policy that defines the Due diligence approach broadly is published</i>



Signature :

Bureau Veritas , Dubai , UAE



Company Stamp:

Date : 20/07/2022