

Company Name:	Hindustan Platinum Private Limited
Location:	India
Reporting year-end:	Year ended 31st March 2020
Date of Report	Nov 30, 2020
Senior management responsible for this report	Gautam Choksi, Executive Director, gautam.choksi@hp.co.in

Audit Team	
Team Leader:	Team Member:
Mr Krish Sriram	Mr.Ravindra Khot

Hindustan Platinum Private Limited’s evaluation

The following table lists the minimum requirements that must be satisfied by Refiners in accordance with the LPPM Responsible Platinum/Palladium 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>
Step 1: Establish strong company management systems
Compliance Statement with Requirement: We have fully complied with Step 1: Establish strong management systems.
Has the Refiner adopted a company policy regarding due diligence for supply chains of platinum/palladium?
<p>Comments and Demonstration of Compliance:</p> <p>HPPL is a secondary refiner of precious metal from spent catalyst from various industries. Though HPPL purchases or receives its spent catalyst from large organizations, HPPL has adopted the policy to ensure that the Company is in compliance with the relevant Due Diligence Guidance. Prior to the first transaction with the supplier, there is complete monitoring of the supplier with respect to Financials, Social responsibility. During the reporting year, we have fully complied with the relevant norms for compliance with KYC guidelines for Platinum/Palladium. We have ensure conducting a risk-based assessment for due diligence, screening and monitoring of transactions.</p>
Has the Refiner set up an internal management structure to support supply chain due diligence?
An internal process has been set up to ensure that there are no non-compliances or lapses in the policies or

procedures for due diligence. The Company follows the due diligence process actively prior to dealing with the supplier. There is a functional framework in place as laid in the policy for any escalations or non compliances.

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

The Company follows a robust internal compliance systems and processes. There is a step by step process followed by the Company which is as follows:

- 1) Visit the supplier prior to the deal / confirmation of the deal
- 2) Completion of KYC documentation with respect to compliance, financials, social responsibility, market news or research
- 3) The deal or transaction to be duly documented either through a PO or a contract. The PO or contract to be duly approved by the relevant authorized signatories
- 4) All receipts of materials to be acknowledged with a copy of the Goods Receipts

All payments to be executed through banking channels and post due approvals / authorizations.

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

The Company believes that it deals with very low risk areas or organizations given that its suppliers are large well established organizations or Government organizations. The Company does not deal with mining companies which are generally perceived to be from the high risk areas.

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

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.

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2: Identify and assess risks in the supply chain.

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

The Company follows a robust internal compliance systems and processes. There is a step by step process followed by the Company which is as follows:

- 1) Visit the supplier prior to the deal / confirmation of deal
- 2) Completion of KYC documentation with respect to compliance, financials, social responsibility, market news or research
- 3) The deal or transaction to be duly documented either through a PO or a contract. The PO or contract to be duly approved by the relevant authorized signatories
- 4) All receipts of materials to be acknowledged with a copy of the Goods Receipts
- 5) All payments to be executed through banking channels and post due approvals / authorizations.

Apart from the above, the Company also checks if the supplier is not a restricted entity by OFAC or SDN. Since most of the suppliers are large well established organizations or Government organizations which are from low

<p>risk areas, of which some are listed on major stock exchanges, we do not foresee major risks in dealing with them.</p>
<p>Does the Refiner assess risks in light of the standards of their due diligence system?</p>
<p>We conduct appropriate scrutiny before entering into the first transaction with the relevant supplier. We also ensure that on an ongoing basis the risks are monitored or checked for. The Company has an advantage wherein the company does not deal with High Risk areas or categories for procuring Silver. Also, given that the Company is a secondary refiner, the Company is not affected by High Risk areas. Most of the suppliers are big National and International Companies who deal only with major International Counterparties with high standards of compliance, human rights, Code of Conduct, Integrity.</p>
<p>Does the Refiner report risk assessment to the designated manager?</p>
<p>The Compliance Officer provides a report to the Executive Director on a quarterly basis to report dealings in any High Risk Areas or with High Risk Companies. Any deviations are studied and monitored by the Executive Director jointly with Board of Directors for future dealings.</p>
<p>Step 3: Design and implement a management system to respond to identified risks</p>
<p>Compliance Statement with Requirement:</p> <p>We have fully complied with Step 3: Design and implement a management system to respond to identified risks.</p>
<p>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?</p>
<p>Basis the quarterly report on High Risk areas or High Risk Companies, the Board Of Directors discuss the risks of various scenarios for operating the business. Basis the analysis, either the business continues with certain conditions or the business is discontinued. Till date, the Company has not faced a situation wherein the Company has dealt with a High Risk Area or Company.</p>
<p>Where a management strategy of risk mitigation is undertaken, it should include measureable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.</p>
<p>On a quarterly basis, the Compliance Officer and the Executive Director have discussed the monitoring of the dealings with all the relevant entities. Any deviations are reviewed and monitored on quarterly basis. Till date, the Company has not faced any such issues or concerns or non-compliances.</p>
<p>Step 4: Arrange for an independent third-party audit of the supply chain due diligence</p>
<p>We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.</p>

We have engaged Bureau Veritas S. A. Dubai Branch as an assurance provider.
Step 5: Report on supply chain due diligence
Compliance Statement with Requirement: We have fully complied with Step 5: Report on supply chain due diligence
The Company is a well knitted organization with full communication and coordination between the teams prior to execution of the transactions. As a result, the Company has the opportunity to check the compliance with respect to Code of Conduct, Business process Operations, Human Rights, etc.

Hindustan Platinum Private Limited’s overall conclusion

Table 3: Management conclusion	
Is the Refiner in compliance with the requirements of the LPPM Responsible Platinum/Palladium Guidance for the reporting period?	
Yes	The Company believes that it has effective management and strong internal controls, policies and procedures

Table 4: Other report comments
HPPL is a secondary refiner of precious metal from spent catalyst from various industries. Though HPPL purchases or receives its spent catalyst from large organizations, HPPL has adopted the policy to ensure that the Company is in compliance with the relevant Due Diligence Guidance. Prior to the first transaction with the supplier, there is complete monitoring of the supplier with respect to Financials, Social responsibility. During the reporting year, we have fully complied with the relevant norms for compliance with KYC guidelines for Platinum/Palladium. We have ensure conducting a risk-based assessment for due diligence, screening and monitoring of transactions.