



Hudson Supplier ESG Program

Goal: Provide Hudson Technologies with an effective program to evaluate major suppliers and their performance with regards to ESG metrics and risks associated with doing business with each major supplier. The assessment of suppliers includes evaluation of the following:

- Initial ESG Assessment Questionnaire
 - Annual assessments on publicly available information and ESG violations
 - Cyber, Business/Financial, Reputational
1. Identification of major suppliers – How we determine major supplier
 - a. Our top 5 suppliers cover 80% of the product we buy, and 90% of the spend in dollars
 2. Initiate conversation with supplier contacts to get information on who to send the assessment to, and send it to the supplier at the beginning of each year.
 3. Get suppliers to acknowledge/sign our supplier assessment at beginning of the year.
 4. Hudson reviews publicly available information in December of each year to check suppliers against any recent violations or new risks associated with doing business with suppliers, including:
 - a. Cyber risk and security
 - b. Business Reputation
 - c. Financial Risk
 - d. Environmental risks to supplier assets/business
 5. Results of annual review, any negative information found will be brought to Executive Team to decide on the best course of action with supplier.

Program Stage 1: Sourcing and Selection

- Select Suppliers that provide quality products, are reliable partners, and pose the least amount of risk associated with security and reputation.

Program Stage 2: Intake and Onboarding

- Incorporating Supplier Code of Conduct into any onboarding of new suppliers, as well as acknowledgement from new suppliers that Hudson will be evaluating their performance, and potential risks, on an annual basis

Program Stage 3: Scoring Inherent Risks



- Establishing metrics to score a supplier based on annual money spent on supplier, geo location of supplier, ability to perform in the future, Financial Status, Environmental Risks, etc.

Program Stage 4: Assessing and Remediating Risks

- Annual surveys are sent to suppliers asking them to acknowledge compliance with code of conduct, and identification of any new risks or violations. Annual Surveys are filed with all other supplier documents.

Program Stage 5: Continuous Monitoring for Risks

- Procurement specialists will continuously monitor major suppliers for any changes in status that are publicly available.