

Environmental, Social and Governance

Strategy

2023



Liquid Friday Limited Environmental, Social and Governance Strategy

1. What are Environmental, Social & Governance (ESG) Issues?

Growing concerns about social and environmental issues in society as well as more attention being given to corporate governance issues and increasing legal obligations on companies, has led to greater interest in how companies are governed, overseen and should operate to ensure that they carry on their business and behave in a responsible way. Specifically, companies are increasingly expected to consider purpose as well as profit, and the future of our planet and its peoples. All these various issues are collectively referred to as **ESG**.

Each ESG issue is usually placed under one of the following headings: environmental, social and governance issues. Each issue is a discrete area but increasingly they are collectively grouped together and considered under the title, ESG.

ESG issues include, amongst other things, climate change and greenhouse gas emissions; energy efficiency and resource depletion; emissions to air, water and land pollution and waste; health and safety considerations; diversity, inclusion and equal pay; stakeholder and community engagement; bribery and corruption; conflicts of interest and anti-money laundering.

ESG will however mean different things to different companies depending on their size and the sector they operate in.

2. Why have an ESG strategy?

ESG issues have recently assumed greater prominence and importance by regulators, employees, customers and other stakeholders. Failure to tackle ESG issues that are relevant may lead to, amongst other things, regulatory enforcement as well as posing a litigation, physical, commercial, financial and reputational risk to a company, that might adversely affect its sustainability. In addition, there is a growing trend for ESG requirements and compliance by a company to be a pre-requisite for it to contract with other parties.

Considering this, and to minimise any potential risks, the Liquid Friday Board wants to put in place an ESG strategy, commensurate with its size and sector focus, setting out the type of organisation that it aspires to be.

3. What should an ESG strategy cover?

Our ESG strategy will involve putting in place a framework of various policies and practices to cover amongst other things:

- Staff/people;
- customers;
- suppliers;
- health & safety;
- environment; and
- the community.

How ESG affects each of these different areas and how each is dealt with by a business will depend on the importance that the business attributes to each one.

This ESG strategy is, by its very nature, generic, but highlights the key areas that Liquid Friday will focus on when determining their ESG strategy.

ESG Strategy:

1. Introduction

We are, Liquid Friday, a leading provider of Employment Intermediary support services for UK Contractors and Employment Businesses. Our primary business activities are the provision of labour to existing supply chains, payroll administrative support and Invoice Financing.

The Company aims to implement the highest environmental, social and governance (ESG) standards appropriate to its size and sector. The success of the Company and of the communities within which it operates requires a commitment by it to the sustainable management of its activities.

Rapidly developing legal and voluntary frameworks, stakeholder demands and increasing environmental concerns, all mean that ESG is fast becoming a priority for businesses. To keep pace with this change, the Company wishes to:

- keep abreast of the most up to date information available to it;
- understand the risks and opportunities ESG presents; and
- take action to ensure that the Company continues to satisfy stakeholders and places itself in the best position for long term, sustainable development.

It is recognised that a failure to tackle ESG issues that are relevant to the Company may lead to, amongst other things, regulatory enforcement as well as to pose a litigation, physical, commercial, financial and reputational risk to the Company that may adversely affect its sustainability and resilience.

The directors of the Company already have a duty under Section 172 of the Companies Act 2006, to promote its success. This means that each of its directors must act in the way they consider, in good faith, would promote the success of the Company for the benefit of its members.

However, in addition, the directors have decided to develop a robust and transparent ESG strategy that goes further than this Companies Act duty and affects and enhances all areas of the Company's business in line with ESG issues, namely recruitment, procurement and delivery of its services.

The Company wishes to adopt this strategy as a framework for how the directors will manage ESG issues relevant to the Company's business.

2. ESG Audit

The Company operates in the Professional Services sector.

In the first instance, it will carry out a comprehensive ESG audit and material risk assessment across its business to establish:

- what ESG means for the Company;
- which stakeholders should be consulted; and
- an ESG baseline.

Materiality

The Company considers the following to be material to it:

- Its own operating activities & direct emissions (Scope 1)
- Its indirect emissions from the generation of energy purchased from a utility provider, such as heating, cooling, steam, and electricity. (Scope 2)
- Its procurement activities including upstream emissions from purchased goods and services etc (Scope 3)

Stakeholders

The Company will consult with:

- Employees
- Customers/ Clients
- Suppliers
- Shareholders
- Community partners

Baseline

It is important to identify an ESG baseline. The Company shall identify existing policies, processes and practices it already has in place that consider matters closely aligned with ESG.

The following policies, processes and practices are considered relevant:

- Environmental Policy
- Equity, Diversity and Inclusion Policy
- Ethics Policy
- Expenses Policy
- Flexible Working Policy
- Maternity & Parental Leave Policy
- Menopause Policy
- Modern Slavery Policy
- Whistleblowing Policy

These policies will be assessed for their usefulness in relation to ongoing ESG related activity and may also be useful to establish which ESG areas the Company should prioritise and which stakeholders it should consult.

3. ESG objectives and framework

Having carried out a thorough ESG audit as set out above, the Company will identify its priority areas and set out its ESG objectives. It will implement an ESG framework based on these priorities through new policies, processes and practices relevant to the Company's size and sector.

1) Board Terms of Reference & ESG Committee

The Company aims for its board of directors to achieve the highest board standards. It already has robust and transparent legal and professional standards in place but also aims to incorporate relevant ESG considerations into the board's terms of reference. This will include ESG matters becoming a routine consideration in the board's decision-making process going forward and the Company putting in place a committee to specifically consider ESG matters and advise the board accordingly.

2) Updating Existing Policies

The Company has implemented several policies appropriate to its business that consider staff/people, customers, suppliers, health & safety, the environment and the community. To bring these policies in line with the Company's ESG strategy and ESG requirements it will create an additional procurement strategy with the aim of reducing the Scope 3 Carbon Emissions identified during the 2022 benchmarking exercise (Appendix One), SECR Report 2022 (Appendix Two) and the 2021 ESOS report (Appendix Three).

3) Measuring and Reporting

The directors will regularly review, measure and report to stakeholders at suitable intervals on the Company's progress in implementing its ESG strategy. This will include:

- Annual Carbon Footprint monitoring
- ESOS & SECR Compliance reporting
- Annual Carbon Reduction Plan (Appendix Four)

4) Other

In addition to the above commitments the Liquid Friday Board is committed to reduce our Carbon Footprint Annually with the aim of being Carbon Neutral by 2030.



Colin Gunnell
CEO



Joe Taffurelli
COO

Appendix One – Carbon Footprint Estimates (2018 – 2022)

Estimated total emissions

tonnes CO₂e

143

Country

United Kingdom of Great Britain and Northern Ireland

Sector

Other service activities

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	22.2

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	22.5 %	27
Purchased goods and services	77.5 %	93.4

Estimated total emissions

tonnes CO₂e

133

Country

United Kingdom of Great Britain and Northern Ireland

Sector

Other service activities

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	21.3

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	31.6 %	35.2
Purchased goods and services	68.4 %	76.2

Estimated total emissions

tonnes CO₂e

107

Country

United Kingdom of Great Britain and Northern Ireland

Sector

Other service activities

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	11

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	12.5 %	12
Purchased goods and services	87.5 %	83.7

Estimated total emissions

tonnes CO₂e

141

Country

United Kingdom of Great Britain and Northern Ireland

Sector

Other service activities

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	11.7

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	7.0 %	9.07
Purchased goods and services	93.0 %	120

Estimated total emissions

tonnes CO₂e

213

Country

United Kingdom of Great Britain and Northern Ireland

Sector

Other service activities

Scope 2	% of emissions	tonnes CO ₂ e
Electricity	100.0 %	18.5

Scope 3	% of emissions	tonnes CO ₂ e
Business travel	9.4 %	18.3
Purchased goods and services	90.6 %	176

Appendix Four – 2022 Carbon Reduction Plan

CARBON REDUCTION PLAN

August 2022



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Commitment from the Board

Liquid Friday Limited is committed to achieve net zero emissions by 2040, through a combination of remaining committed in the abolition of any Scope 1 Emissions, Aggressive reduction and offset of Scope 2 Emissions and a strategy to reduce and offset any Scope 3 Emissions.



Colin Gunnell
CEO



Joe Taffurelli
Head of Group Operations

Baseline

Baseline Year: 2018

Our baseline emissions inventory includes all our measurable Scope 1, 2 and 3 emissions. We include all 7 Kyoto Protocol Greenhouse Gas groups in our emissions footprint calculations.

Emissions	Total tCO2 e
Scope 1	0
Scope 2	22.2
Scope 3	120
Total Emissions	142.5

Current Year: January to December 2021

Our baseline emissions inventory includes all our measurable Scope 1, 2 and 3 emissions. We include all 7 Kyoto Protocol Greenhouse Gas groups in our emissions footprint calculations.

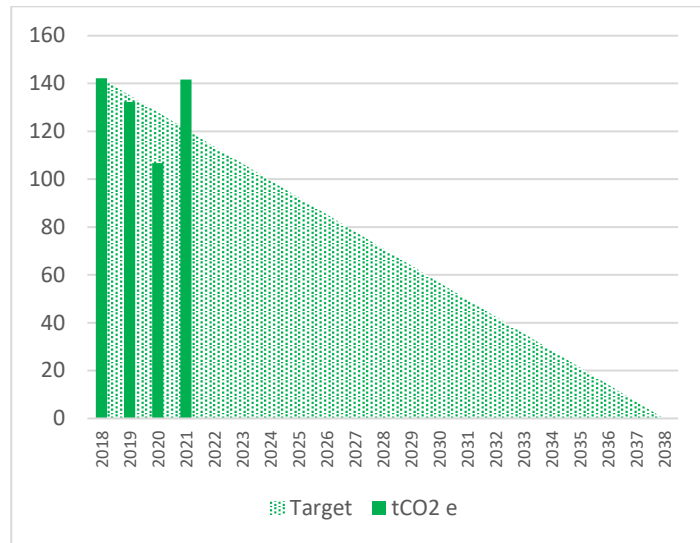
Emissions	Total tCO2 e
Scope 1	0
Scope 2	11.7
Scope 3	130
Total Emissions	141.7

Emissions reduction performance

We have previously set science-based targets from 2018 to 2030. We have prepared our targets in line with best practice from the SBTi Corporate Net zero standard. However, we have not validated our targets against SBTi standards.

We have committed to reaching Net Zero ahead of 2050 and have prepared a target to reach Net Zero by 2035.

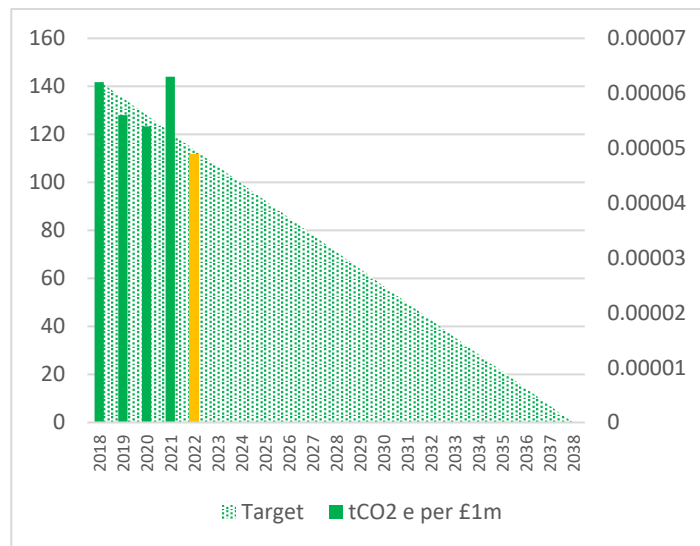
Progress against this target can be seen in the graph adjacent



The organisation is committed to aggressive growth plans and would like to review its carbon impact in line with its increasing growth.

Therefore, the organisation is tracking its Carbon impact per £1m of turnover as with the rapid growth of the business it is felt that this is an accurate measure of the impact of carbon reduction activities is having on the businesses carbon footprint.

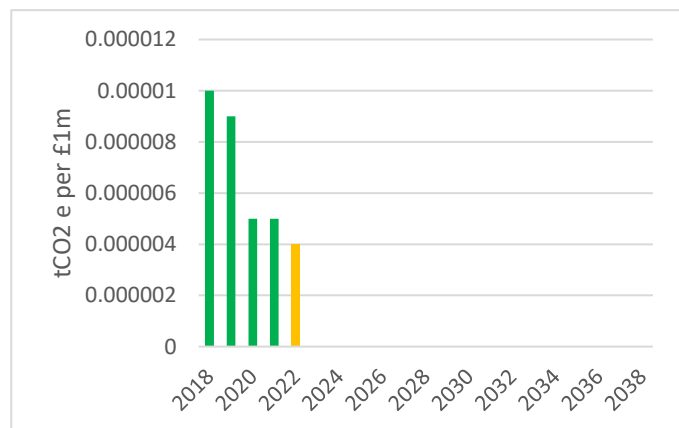
2022 is anticipated to return to target.



Scope 2 Reporting

Scope 2 emissions are directly attributable to the organisation and controllable by Liquid Friday directly.

Strong performance has been seen in this area, when considering turnover, reducing the carbon footprint per £1m of turnover by 60% since 2018.



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Carbon Reduction Projects

Completed Initiatives	Planned Initiatives
<ul style="list-style-type: none">• Removal of Gas consumption• Replacement of all Lighting units throughout the office to an energy efficient LED system• Replacement of poorly energy efficient Air Conditioning and Heating Systems through the office• Switch to Electric Vehicles for the companies fleet• Commitment from the Board of Directors to Net Zero and switch to Annual Monitoring	<ul style="list-style-type: none">• Reforestation commitment during the transition to Net Zero to offset Carbon Footprint• Creation of Procurement Policy focusing on Net Zero• Supplier education initiative to reduce emissions to achieve net zero in line with the SBTi corporate net zero standard.• Improved reporting of Carbon Footprint annually• Work with building owners to switch to 100% renewable energy• Reduce business travel by air, rail, and road through effective measurement and a sustainable travel policy.• Continue to educate our own staff to reduce their carbon impact both in and outside of work