

Procurement Policy

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LIQUID FRIDAY

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Purpose

This policy outlines Liquid Friday's commitment to ethical, sustainable, and socially responsible procurement practices. It provides guidance on how we source goods and services, ensuring our activities align with corporate values, legal requirements, and the highest standards of business conduct.

Key Principles

Human Rights and Ethical Trading

We are fully committed to protecting and promoting human rights throughout our supply chain. We believe that all workers deserve to be treated with dignity, fairness, and respect, and we expect our suppliers to comply with internationally recognised human rights standards. Suppliers must provide safe working conditions, ensure fair wages, and eliminate any forms of exploitation, such as forced or child labour.

We conduct thorough due diligence on all suppliers to ensure compliance with these principles. Where suppliers are found to be in violation of our human rights standards, we will take immediate corrective action, which could include terminating the relationship. Additionally, we seek partnerships with suppliers who are transparent about their labour practices and who actively work to improve the conditions of workers in their operations. Liquid Friday supports initiatives that advocate for human rights in the supply chain, and we encourage our suppliers to do the same.

Equal Opportunities and Diversity

We believe that fostering an inclusive supply chain is essential for innovation, creativity, and long-term success. Our procurement practices are designed to be fair and non-discriminatory, ensuring that all suppliers are treated equitably, regardless of race, gender, disability, or other protected characteristics.

We actively seek to engage with a diverse range of suppliers, including those owned by women, minorities, and other underrepresented groups. Supplier diversity is not only a business strategy but a core value that contributes to the economic empowerment of marginalised communities. We encourage our suppliers to adopt similar diversity and inclusion policies within their own organisations, ensuring that their workforce reflects these values.

Through initiatives such as supplier outreach programmes, we aim to create opportunities for diverse suppliers to participate in our procurement processes. We also monitor our own supply chain to ensure that these principles of equality and inclusion are consistently applied.

Corporate Governance

Strong corporate governance is the cornerstone of Liquid Friday's procurement processes. We adhere to the highest standards of transparency, accountability, and ethical conduct in all procurement activities. Our purchasing decisions are made based on objective criteria, including quality, cost-effectiveness, and the supplier's ability to meet our sustainability goals.

All procurement activities are subject to internal controls designed to prevent fraud, conflicts of interest, and unethical behaviour. We expect our suppliers to uphold strong corporate governance principles. This includes compliance with anti-corruption laws, financial transparency, and adherence to fair business practices. Suppliers who fail to meet these governance standards may be subject to termination of their contracts.

Regular reviews of our procurement processes help us ensure that we continue to meet best practices in corporate governance.

Sustainability

Sustainability is a core consideration in Liquid Friday's procurement strategy. We recognise that our purchasing decisions have an impact on the environment, and we are committed to minimising that impact. We prioritise suppliers who demonstrate strong environmental stewardship, including the use of renewable resources, energy-efficient processes, and waste reduction initiatives.

As part of Liquid Friday's commitment to sustainability, we aim to achieve net-zero carbon emissions by 2040. This ambitious target aligns with our broader Environmental, Social, and Governance (ESG) strategy. We are actively working to minimise our environmental footprint by partnering with suppliers who share our sustainability goals, focusing on reducing greenhouse gas emissions and implementing eco-friendly practices across the supply chain. Through continuous innovation and responsible resource management, we aim to play a key role in fostering a sustainable future.

Our procurement process considers the entire life cycle of the products we purchase, from raw material sourcing to disposal. We favour products that have a minimal environmental footprint, are made from recycled or renewable materials, and can be easily recycled or repurposed at the end of their life cycle.

We work with suppliers to encourage the adoption of environmentally responsible practices, and we regularly assess their environmental performance. Where possible, we seek to reduce our carbon footprint by optimising logistics and minimising waste. Our goal is to contribute to a more sustainable economy by making responsible purchasing decisions.

Social Value and Community Involvement

Liquid Friday is committed to creating positive social value through our procurement activities. We actively seek to support local communities by working with suppliers who share our

commitment to social responsibility. This includes supporting local employment, paying fair wages, and contributing to community development initiatives.

Social value is also a key consideration in our supplier selection process. We prioritise suppliers who demonstrate a commitment to social impact, whether through charitable initiatives, community involvement, or sustainable employment practices. By working with socially responsible suppliers, we aim to contribute to the well-being of the communities in which we operate.

We also encourage community engagement through partnerships with non-profit organisations and participation in social initiatives. Our procurement activities are not just about buying goods and services; they are also about creating a positive impact on society.

The 5 Rights of Procurement

Liquid Friday's procurement policy is guided by the 'Five Rights of Procurement', which form the foundation of our approach to responsible and efficient procurement. These five rights ensure that we meet our operational and ethical objectives while delivering value to the business:

- **Right Quality:** We ensure that all goods and services meet the required quality standards to serve the needs of both internal operations and external customers. This helps us avoid the costs associated with defective products, including returns, recalls, and reputational damage.
- **Right Quantity:** We carefully manage inventory levels to procure the exact quantity of goods needed. This helps to avoid both stock shortages, which can disrupt operations, and overstocking, which can tie up capital and lead to waste.
- **Right Place:** Ensuring goods are delivered to the correct location is critical to maintaining operational efficiency. We work closely with logistics providers to ensure safe, timely delivery, reducing the risk of delays, damage, or loss during transit.
- **Right Time:** We ensure that goods are delivered at the right time to meet production and customer demand, avoiding delays that could result in additional costs or lost business opportunities.
- **Right Price:** Liquid Friday is committed to securing goods and services at a fair, competitive price. We work with suppliers to ensure that prices reflect value for money, balancing cost with quality and sustainability objectives.

By adhering to these five rights, we are able to ensure that our procurement activities align with both our operational requirements and our commitment to ethical, sustainable business practices.

Top Level Commitment

This policy is reviewed annually to ensure fitness for purpose by the Board of Directors and adopted in full by the Liquid Friday management team and has the full support of the CEO and Senior Management.



Colin Gunnell
CEO



Joe Taffurelli
COO