

Open, transparent and engaging

Positive relationships with our stakeholders, who have an interest in our business and may be impacted by the decisions we make, are key to our long-term success.

We asked – what matters most?

This year, Biffa carried out a materiality assessment with the dual aims of identifying material sources of Environmental, Social and Governance (ESG) risk and opportunity and informing our sustainability reporting processes. We asked our key stakeholders to rate the 'ESG topics' that matter most to them. These topics were informed by internationally accepted reporting frameworks set out by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), sector trends, and investor perceptions.

A list of the most material issues for Biffa, identified via this process, is summarised below:

- Recycling (see page 34)
- Health & Safety (see page 63)
- Plastics (see page 35)
- Greenhouse Gas (GHG) emissions from operations [see page 47]
- Modern slavery (see page 67)
- Energy from Waste see page 39
- Fair employment and wellbeing (see page 64)
- Consumer behaviour (see page 40)
- Food waste (see page 38)

Outputs of the internal and external consultation process are displayed on the matrix below. The vertical axis values are made up of the importance to stakeholder scoring and the horizontal axis values of the importance to Biffa scoring.

The topics of highest strategic importance to Biffa, in terms of meeting the expectations of our key stakeholders, are related to the circular economy and waste disposal. Investment in these areas is both core to Biffa's commercial offering and central to our sustainability strategy.

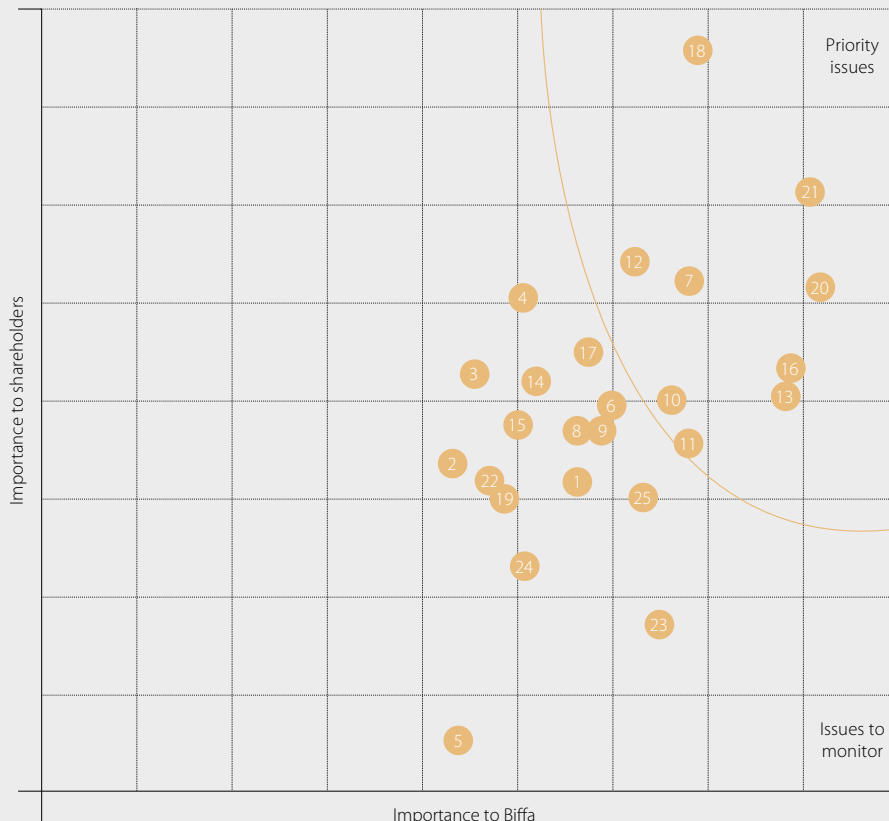
We've summarised what each of our core stakeholder groups (Employees, Customers, Investors, Suppliers, Government and Regulators and Environment and Communities) key interests were in the 'what matters to them' section in the following pages, along with some other key topics raised in the year.

Issues identified as most material will be prioritised within Biffa's sustainability activities and reporting, enabling us to address our ESG risks, capture opportunities, and increase our overall resilience as a business.

Engaging our stakeholders

We have set out on the following pages an overview of how our business and our Board directly and indirectly engage with our stakeholders to understand what matters to them and the outcomes of that engagement.

You can also read more about how our Board take into account stakeholders and other factors in their decision making in the Section 172 (s172) Statement on pages 12-13 of our Annual Report.



1. Air pollution
2. Anti-corruption
3. Biodegradable packaging
4. Biodiversity
5. Carbon pricing
6. Community relations
7. Consumer behaviour
8. Data and cyber security
9. Diversity and inclusion
10. Energy from waste
11. Fair employment and wellbeing
12. Food waste
13. GHG emissions from operations
14. GHG from landfill
15. GHG from value chain
16. Health & Safety
17. Leadership and governance
18. Modern slavery
19. Partnerships
20. Plastics
21. Recycling
22. Renewable energy
23. Sustainable investment
24. Training and development
25. Transparency and sustainability reporting

Engaging our Stakeholders



Employees

Our employees are the strength of our organisation and the >9,000 team of talented, experienced and diverse individuals help us to lead the way in sustainable waste management. We pride ourselves on having an open and honest relationship with our workforce, empowering them to have their say, whilst ensuring they remain supported. We engage with each other respectfully, encourage each other and help make Biffa a fair, inclusive and fun place to work.

What matters to them?

- Support during the pandemic, including Covid-secure arrangements and additional financial support.
- The processes we have in place to ensure the Health & Safety of our people, customers and communities.
- Communications and engagement, ensuring two-way communication with employees.
- Financial performance and recovery and how this impacts employees.
- Tackling modern slavery, teaching our people how to spot the signs of modern slavery.
- Strategy and business performance, how we are investing for the future.
- Development opportunities, how our employees can grow and develop at Biffa.
- Diversity and Inclusion (D&I), how we are improving D&I across Biffa.
- Fair employment, benefits and wellbeing, ensuring that Biffa takes care of employees and provides fair employment.

How our Board engaged

- The Board received updates throughout the year on how Covid-19 was impacting our employees, including how the Group is supporting employees' mental health and wellbeing.
- David Martin, our Non-Executive Director for Workforce Engagement attended a number of employee forums during the year and received a presentation on the employee engagement results, reporting back to the Board on the outcomes.
- In April 2020, the Board received an update on the 2020 employee engagement survey results.

How we engaged across the business

As face-to-face communication was difficult this year, we increased the frequency of our digital channels and launched new ones including:

- Our employee app Biffa Beat, company intranet, CEO vlogs.
- Printed and digital newsletters and employee letters.
- Employee video calls, with the opportunity to put questions to our Group Executive Team.
- Digital conferences and awards events, including a digital 'Diamond Awards' and Strategy Conference.

Outcomes of engagement

- Ensured our operational sites and offices were Covid-secure.
- Provided mental health training for all senior leaders in the business and launched E.N.E.R.G.Y programme to support employee wellbeing.
- £300 share award provided to all employees as a token of appreciation for their efforts throughout the pandemic.
- Modern slavery and D&I training for all managers across the business.
- Launched digital engagement survey 'Biffa Buzz' (see page 66).

Link to our principal risks (see pages 74 – 78 of Annual Report)

1. Changes in Government policy and legal and regulatory compliance
2. Strategic/competitive threat to business model
3. Mergers and Acquisitions strategy
4. Strategic project implementation
5. Long-term contracts and tendering
6. Health & Safety
7. Covid-19
8. Business continuity, cyber security and IT resilience
9. Availability of labour



Customers

We care about our customers and their needs. Every day we provide essential services to thousands of household and business customers across the UK. We focus on delivering excellent service by doing what we say we will do and ensuring that we deliver as promised, every time. Our sustainable approach, responsiveness to customer needs and delivery make us the first choice for customers. Our customers range from corporate customers to SMEs and local authorities.

What matters to them?

- The processes we have in place to ensure the Health & Safety of our people, customers and communities.
- Support through the pandemic, maintaining service delivery, updates on Covid-secure arrangements.
- Tackling modern slavery, how Biffa is mitigating the risks.
- Financial performance and recovery to ensure continuity of services.
- Biffa's role in a circular economy (including plastics recycling, biodegradable packaging and consumer behaviour) and how we can support customers in this area.
- Carbon emissions from operations and supply chain (including roll out of electric vehicles) to help customers reduce their emissions and environmental impact.
- Food waste, Biffa's actions to dispose of food waste.
- Energy from waste, as a means of diverting waste from landfill.
- Digital capabilities, the ability to purchase waste services online.

How our Board engaged

- The Board received presentations from management on the acceleration of customer digitalisation to transform customer experience including the launch of the new e-commerce platform and the plans for a new electronic Customer Zone.
- The Board received updates from the CEO and management on the business which included feedback on engagement with our customers, new customer wins and customer contract extensions, and the work with customers to support them with their sustainability goals.

How we engaged across the business

- Virtual customer meetings held to update customers on business performance, progress against sustainability strategy goals and opportunities ahead.
- Website news articles, blogs and social media updates.
- E-newsletters.

Outcomes of engagement

- Supported customers throughout the pandemic ensuring continuity of essential services and helped them source additional Covid-secure supplies, such as face masks and cleaning equipment, when stocks were low.
- Launched UK's largest fleet of electric refuse collection vehicles in Manchester.
- Launched new e-commerce platform for SME customers enabling them to purchase waste services online.
- Online training product to support our customers in how to segregate their waste, to help improve recycling rates.
- Supported customers with their ambition to achieve net zero emissions (see Annual Report page 27).

Link to our principal risks (see pages 74 – 78 of Annual Report)

1. Changes in Government policy and legal and regulatory compliance
2. Strategic/competitive threat to business model
3. Mergers and Acquisitions strategy
4. Strategic project implementation
5. Long-term contracts and tendering
6. Health & Safety
7. Covid-19
8. Business continuity, cyber security and IT resilience
9. Availability of labour
10. Commodities market and pricing volatility
12. Economic environment

Engaging our Stakeholders continued



Investors

As a FTSE 250 listed Company we work with our investors, shareholders, analysts, banks and rating agencies to ensure they have a good understanding of our business and help them to recognise Biffa as a strong, sustainable investment opportunity.

What matters to them?

- Financial performance and recovery, the resilience we have demonstrated throughout the pandemic.
- Biffa's role in a circular economy (including plastics recycling, biodegradable packaging and consumer behaviour).
- Carbon emissions reduction, to prevent climate change impacts on the environment.
- Food waste, Biffa's actions to dispose of food waste.
- Energy from waste, as a means of diverting waste from landfill
- Tackling modern slavery, how we are mitigating potential risks in the supply chain.
- Strategy and business performance, including growth in green investments and acquisition pipeline.
- Leadership and governance, including greater transparency in sustainability reporting.
- Health & Safety, the processes we have in place to ensure the Health & Safety of our people, customers and communities.
- Biodiversity, Biffa's actions in maintaining diverse and functioning ecosystems and the services they provide to communities.

How our Board engaged

- The Chairman and Senior Independent Director consulted with key shareholders ahead of our AGM in June 2020.
- The CFO, Company Secretary and Director of Corporate Affairs held a series of calls with our major shareholders on corporate governance and sustainability issues.
- The CFO updated the Board on IR activities at each meeting, including feedback from 1:1 meetings.
- The Board received investor blast emails around key announcements.

How we engaged across the business

- Half and full year results virtual presentations and roadshows.
- Analyst webinars and trading updates.
- CEO and CFO have regular dialogue with investors, including virtual 1:1s with holders and non-holders.
- Attended virtual conferences throughout the year.

Outcomes of engagement

- Developed investor section of website in line with FTSE 250 best practice, with improved transparency of sustainability achievements.
- Invested in a new CRM database to track meeting notes and to send blast emails around key announcements to ensure investors remain up to date on our strategic activities.
- Site visit organised for investors and analysts to visit our plastics recycling facilities in the North East, so they can see our investments in green economy infrastructure first-hand.

Link to our principal risk (see pages 74 – 78 of Annual Report)

1. Changes in Government policy and legal and regulatory compliance
2. Strategic/competitive threat to business model
3. Mergers and Acquisitions strategy
4. Strategic project implementation
6. Health & Safety
7. Covid-19
11. Finance availability/investment
12. Economic environment



Suppliers

Our suppliers play an important role in helping our business deliver for our customers. We form strong, sustainable and trusted partnerships and look to secure excellent value for money, whilst minimising risk in our supply chain.

What matters to them?

- Support through the pandemic, mitigating risks in the supply chain and providing Covid-secure supplies.
- Tackling modern slavery throughout the supply chain, the policies we have in place to help mitigate the risks.
- Biffa's role in a circular economy (including plastics recycling and consumer behaviour) and opportunities for suppliers to collaborate.
- Carbon emission reductions in the supply chain, to prevent climate change impacts on the environment.
- Anti-corruption activities, the anti-fraud and corruption standards expected throughout the supply chain.
- Partnerships, including support of Biffa's charity partner WasteAid.
- Leadership and governance, the governance structures and policies in place to ensure effective oversight and management.
- Brexit, how Biffa has mitigated the risk of disruption across our supply chain.

How our Board engaged

- The Board received a report on the work the Company has undertaken on modern slavery and approved the Company's Modern Slavery Statement, which is available on our website.
- The Board received information about our suppliers and our payment practices through the Board reports.
- The Board approved a number of material supply contracts during the year.

How we engaged across the business

- Modern slavery questionnaire to all new suppliers.
- Virtual supplier meetings.
- Website news articles, blogs and social media updates.
- All strategic suppliers approached with net zero carbon survey.

Outcomes of engagement

- Increased support from suppliers throughout the pandemic, including expanding our supplier network to ensure continuity of supply.
- Over 500 respondents to our zero-carbon questionnaire and offers of joint initiatives to reduce carbon from supply chain, including sourcing new ranges of electric trucks, vans and cars.
- Increased collaboration on modern slavery prevention, including supporting our suppliers to develop their policies in this area.
- Suppliers offering more environmentally friendly products, including LED lighting and cleaning products in support of our sustainability goals.

Link to our principal risk (see pages 74 – 78 of Annual Report)

1. Changes in Government policy and legal and regulatory compliance
2. Strategic/competitive threat to business model
4. Strategic project implementation
5. Long-term contracts and tendering
6. Health & Safety
7. Covid-19
8. Business continuity, cyber security and IT resilience
9. Availability of labour
12. Economic environment



Government and Regulators

The UK waste sector's policy framework is devised by the UK Governments (including England, Wales, Scotland and Northern Ireland). As leaders in the UK waste industry, we are working closely with the UK Governments as they develop their new Resources and Waste Strategies and climate change prevention plans. Our industry is regulated by Environment Agency (and equivalents in the UK devolved nations), local authorities and HMRC/Revenue Scotland. We work closely with our regulators to keep them up to date with our activities and strategic priorities.

What matters to them?

- Tackling modern slavery, how we are mitigating the risks to support our people.
- Health & Safety, the processes we have in place to ensure the Health & Safety of our people, customers and communities.
- Diversity and inclusion, improving gender balance and other areas of D&I across the waste industry.
- Fair employment and wellbeing, ensuring that Biffa takes care of employees and provides fair employment.
- Biodiversity, Biffa's actions in maintaining diverse and functioning ecosystems and the services they provide to communities.
- Community relations, how Biffa engages with local communities and investment in those communities.
- Sustainable investment, investing in UK recycling infrastructure and alternative fuels.
- Leadership and governance, including transparency in sustainability reporting.

How our Board engaged

- The Board received a report on the key reform elements of the UK Government's Waste Policy and how the Company, as part of its sustainability strategy, will pro-actively engage with regulators and key stakeholder groups.

How we engaged across the business

- Participation in expert working groups.
- Government consultations.
- Waste sector liaison groups and councillor training.
- Regular website articles, blogs and social media updates.

Outcomes of engagement

- Input to, and member of, industry working groups.
- Continued investment in UK circular economy infrastructure.
- Significant progress made in restoring landfill sites in respect to biodiversity targets.
- Joined Science Based Targets initiative and committed to achieving net zero emissions by no later than 2050.
- Publication of Biffa 'Reality Check' report series on website.
- Developed sustainability pages of Biffa website to increase transparency in sustainability reporting.

Link to our principal risk (see pages 74 – 78 of Annual Report)

1. Changes in Government policy and legal and regulatory compliance
2. Strategic/competitive threat to business model
3. Mergers and Acquisitions strategy
6. Health & Safety
7. Covid-19
12. Economic environment



Environment and Communities

Sustainability is at the heart of our business. We're committed to changing the way people think about waste and doing the right things to protect our planet, which includes minimising our carbon footprint whilst delivering the most environmental, social and financial value from the resources we collect. We are also proud to give something back to the communities we serve and in doing so create value for all our stakeholders.

What matters to them?

- Tackling modern slavery, how we are mitigating the risks to support local communities.
- Health & Safety, the processes we have in place to ensure the Health & Safety of our people, customers and communities.
- Biffa's role in a circular economy (including plastics recycling and consumer behaviour).
- Biodiversity, restoring former landfill sites to enable new species to be introduced.
- Food waste, Biffa's actions to dispose of food waste.
- Energy from waste, as a means of diverting waste from landfill.
- Carbon emission reductions, to prevent climate change impacts on the environment.
- Community relations, how Biffa's engages with local communities and investment in those communities.
- Biodiversity, Biffa's actions in maintaining diverse and functioning ecosystems and the services they provide to communities.
- Leadership and governance, including transparency in sustainability reporting.

How our Board engaged

- The Company provides an essential service to over 95% of UK postcodes and, as such, plays an important role in the communities in which it operates. The Board is cognisant of the impact that certain decisions it makes can have on the community and receives relevant information in management reports.
- The Board, through the Sustainability Committee receives information and reports on the work undertaken on the environment and our communities.

How we engaged across the business

- Attend parish council and local liaison meetings
- Invite community members to our sites (outside of Covid-19 restrictions)
- Participate in volunteering and fundraising activities
- Regular newsletters, website articles, blogs and social media updates

Outcomes of engagement

- Direct contributions through community, sponsorship and fundraising
- Continued investment in UK circular economy infrastructure.
- Local project funding through Biffa Award scheme.
- Significant progress made in restoring landfill sites in respect of biodiversity targets.
- Joined Science Based Targets initiative and committed to achieving net zero emissions by no later than 2050.
- Developed sustainability pages of Biffa website to increase transparency in sustainability reporting.

Link to our principal risk (see pages 74 – 78 of Annual Report)

3. Mergers and Acquisitions strategy
4. Strategic project implementation
6. Health & Safety
7. Covid-19
12. Economic environment