EMBRACING THE ZERO WASTE CHALLENGE

SUSTAINABILITY REPORT 2012

WASTE MANAGEMENT

OUR COMPANY

This report is structured in three major sections, or "books."

Book 1 **Our Company**
A high-level overview of our operations, sustainability goals and progress

Book 2 **Our Performance: Committed to Sustainability**
Detailing our efforts and performance in running our company sustainably

Book 3 **Our Future: Maximizing Value from Waste**
Highlighting our work to convert waste into resources

In keeping with our commitment to sustainability, and to save paper, we have created this report in a modular fashion. If you are reading a shorter, executive summary version, you will have Book 1 and Book 3. If you are reading the longer, full report, you will also have Book 2. The table of contents for Book 1 is above; the tables of contents for Books 2 and 3 can be found on their respective covers. We have also developed an Appendix, which includes supplemental information and is referred to in a number of places in this report. All three Books and the Appendix can be read online at: www.wm.com/sustainability.

ZERO WASTE = TRANSFORMING WASTE INTO VALUABLE RESOURCES

IN 2011, WE MANAGED NEARLY **13M TONS** OF RECYCLED COMMODITIES

IN 2011 WE CREATED ENOUGH ENERGY TO POWER **1.17+M** HOMES

WE HAVE DEDICATED **26K** ACRES TO WILDLIFE HABITATS

MESSAGE FROM THE CEO

Dear Valued Stakeholder,

Sustainability is a central motivation for our transformation from a waste collection and disposal company to one that views and uses waste as a resource.

At Waste Management, environmental stewardship is linked inextricably to our business performance. As recycling volumes rise and the demand for recycled commodities grows, our revenues from this part of the business rise. As the demand for renewable energy increases, driven by governmental and customer sustainability goals, so do Waste Management revenues from green energy. And, of course, as demand falls or the value of recycled goods or renewable energy declines, our revenues from these activities fall as well.

We take a long-term outlook, however. Despite periodic dips in recycling and green energy prices, we continue to develop new ways to convert waste into valuable resources. In 2011, for example, we expanded our recycling capacity by 1 million tons, and we are setting up "eco-opportunities" at our transfer and disposal facilities to extract and repurpose recyclables otherwise destined for landfill. We also extended our efforts to educate consumers and provide incentives for them to recycle by partnering with Recyclebank on our Greenopolis and Oceanopolis programs.

Waste Management has provided recycling services for decades, but today we are determined to expand recycling to more, and more challenging, venues and waste streams. For example, as the title sponsor of the Waste Management Phoenix Open in 2012, we issued a "Zero Waste Challenge" to make the golf tournament the "Greenest Show on Grass." We set goals to divert more than 90 percent of the discards from the tournament away from landfill, and to recover more than 70 percent for further use through donation to charity, recycling and composting. We exceeded those goals — diverting 97 percent of the waste and recovering 82 percent. We also encouraged the more than half a million people who attended this event — and the millions of others who watched the tournament on TV — to think about ways to repurpose materials and avoid waste.

As our own business evolves, we are determined to help our customers meet their sustainability goals — and perhaps even to inspire new goals. Our vision is to remake our company into a "one-stop shop" for customers seeking sustainability solutions. The progress we are making toward our sustainability goals, which were first announced in 2007, also reflects the success of our long-term business strategy. Despite the economic headwinds of 2010 and 2011, I'm pleased to report on major milestones in our progress.

Recycling Our recycling business prospered in 2011. Although volatility in the commodity markets has continued into 2012, we have seen an expansion in revenue from our recycling operations. With almost 13 million tons of recyclables handled in 2011, we are nearly two-thirds of the way to meeting our 2020 sustainability goal. We are building our capacity to take on difficult-to-recycle materials such as electronics, as we partner with our customers and outside experts to certify the safety of these processes. We also have grown our organics processing to over 2.5 million tons handled in 2011.

Green Energy Waste Management alone produces more energy than the entire U.S. solar industry. And we continue on a steady pace to increase our renewable energy generation. In 2011, we produced enough energy to power more than 1.17 million homes. To meet our 2020 goal of generating enough energy to power 2 million households, we will need to expand our overall capacity with new ways of generating energy. This focus is a main driver of our investments in new technologies to convert waste to fuel. It also motivates our expansion into partnerships in Europe and Asia to help meet the growing global interest in low-carbon, waste-based energy production.

We are committed to finding the "next big things" — or even the small profitable things — that will relegate the landfill to the last resort for waste after all possible value has been extracted. We recognize that it takes time to develop the innovative technologies necessary to derive new uses for waste streams, and we are realistic about the challenge of finding the right innovations. That is why we have invested in a portfolio of more than 30 partnerships focused on alternative energy technologies. In this way, we function as venture capitalists for entrepreneurs looking for new ways to transform waste into useful products such as fuels and chemicals. As we work together, we gain insights from what fails as well as what succeeds.

Fleet Efficiency In 2011, we exceeded our 2020 goal to reduce carbon dioxide (CO_2) emissions from our fleet, and we can report dramatic improvement in per-mile emissions of nitrogen oxides (NOx) and particulate material. After several years of experimentation, we have determined that converting our fleet to natural gas is our best option today to improve efficiency and reduce greenhouse gas emissions. As of second quarter 2012, we operate more than 1,600 natural gas collection vehicles — the largest heavy-duty natural gas fleet in the country. We continue to invest in public fueling stations for our fleet, as well as other local natural gas fleets. We are also improving fuel efficiency with steps such as optimizing routing and maintaining proper tire pressure.

Our innovative services help, too. The Bagster collection bag eliminates half the transport of a disposal bin, and our Solar Compactors mean we avoid trips to pick up half-full containers — minimizing emissions, saving fuel and saving our customers money.

Habitat Conservation We met our 2020 goal of creating 100 certified wildlife habitat sites and protecting 25,000 acres a decade ahead of time. These certified habitats are a source of pride for our employees, are good for the environment and are assets to the communities we serve. We've established habitats at our large facilities; now we're beginning to focus on smaller, more urban sites where wildlife preservation is a valuable community amenity.

We are charting new territory at Waste Management. We're no longer merely in the business of picking up the trash and putting it somewhere safe. Keeping the environment — and our people and neighbors — safe remains our most fundamental commitment. We increasingly recognize, however, that we have a new role to play. Our customers, and the communities in which we operate, want more sustainable ways to deal with what they discard. When they generate waste, we see opportunities to produce low-carbon power and turn what can be recycled into feedstocks. We're realistic in our approach. Each year we get better at finding ways to recycle more and recycle more challenging commodities. We also believe that what can't be recycled at a price the customer is willing to pay can be transformed into energy, fuel or chemicals — and in the process generate fewer emissions and a lower carbon footprint. The fact that more customers each year come to us for sustainable waste management solutions tells us that this direction is a solid base on which to transform our business for 21st century success.

Respectfully,

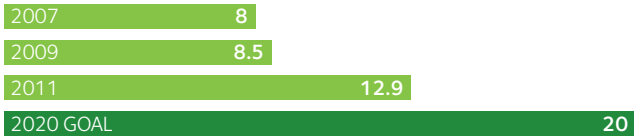
David P. Steiner
Chief Executive Officer

WASTE MANAGEMENT IN SUMMARY

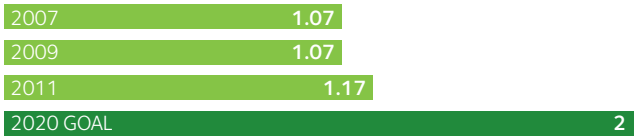
Waste Management is the leading provider of comprehensive waste management and environmental services in North America. We are also a leading developer, operator and owner of waste-to-energy and landfill-gas-to-energy facilities in the United States. Headquartered in Houston, Texas, the company is publicly traded (NYSE:WM) and operates through subsidiaries providing a full range of environmental services. We serve over 21 million customers with environmentally sound management of solid wastes and the transformation of waste into usable resources.

2020 SUSTAINABILITY GOALS AND PROGRESS TO DATE, 2011

TONS OF RECYCLABLES MANAGED
(million tons)



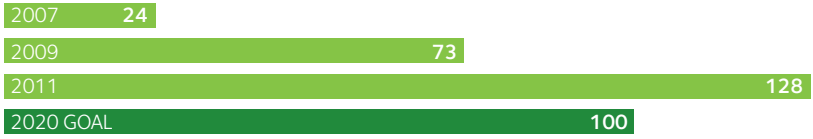
WASTE-BASED ENERGY PRODUCTION
(million households)



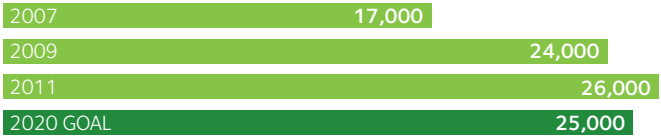
FLEET EMISSIONS
(percent reduction in CO_2 equivalent (CO_2e) emissions)

2007 emissions: 2.14M tons CO_2e

NUMBER OF WILDLIFE HABITAT SITES



NUMBER OF ACRES PROTECTED



OUR BUSINESS MIX

Four years ago, we began reporting on our activities in a new way. We distinguished our operations that extract value from waste — what we term "green services" — from those that isolate it in a safe disposal site (the traditional landfill model). We described this allocation in terms of the revenue generated from each of these activities. (The top two pie charts at right illustrate the revenue percentages for 2011 and 2007.)

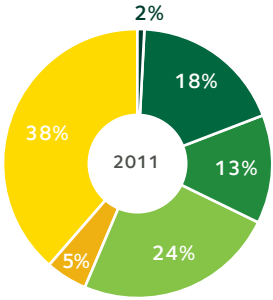
Green services include all forms of recycling, as well as waste-to-energy and landfill-gas-to-energy projects and revenue from collections that feed these projects. The green category includes our consulting work helping other enterprises reduce and recycle waste as well as produce green energy. It also includes our work with partners to develop new ways to convert waste into a valuable resource, in particular the development of new low-carbon fuels and even chemicals not derived from fossil fuels.

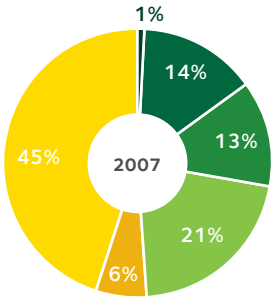
Our ultimate goal is to use all of the waste we receive and leave nothing discarded. When that happens, we will have only one revenue chart — green services. But we are realistic about the effort — and the time — it will take to get there. In 2011, we saw very promising signs. The revenues from our innovative services lines, for example, doubled from 1 percent to 2 percent. That number is a comparatively small contribution to our revenue today, but it tells an interesting story. We are working with over a dozen teams of scientists, engineers and entrepreneurs to develop new ways to convert wastes into high-value goods. Some of these partnerships may revolutionize the way we think of waste; all tell us something about what's practical as we work to convert waste into new products.

Another way to look at our mix of business is to separate our revenues from the collection of waste from what we make for "doing something" with the waste – whether it's processing, recycling or converting the waste to fuel or power. Looking at our 2011 revenues in this way, we can see that we made more than $5 billion from activities other than waste collection. The pie chart at the bottom of the opposite page indicates our allocation of revenue among disposing, recycling, treating and generating energy or fuels from waste and our work consulting with others on how to manage their waste.

This way of looking at our non-collection revenues captures the importance of recycling to Waste Management, as well as the promise of the innovative services we describe later in this report. We already make nearly half as much revenue from our innovative service lines as we do from disposal at traditional landfills. That tells us we are on the right track.

WASTE MANAGEMENT MIX OF BUSINESS





GREEN SERVICES

Newest Innovative Service Lines
Includes Organic Growth Group/Upstream revenues, and Healthcare Solutions.

Recycling
Includes Waste Management Recycling Services, Recycling Material Sales and Brokerage, landfill revenues from Revenue Generating Cover and Redirected Waste, Organics and recycling revenue within the collection line of business.

Green Energy Production Facilities
Includes Wheelabrator Technologies' green energy facilities, Waste Management renewable energy and landfill-gas-to-energy facilities, and landfills with bioreactors.

Green Collection/Transfer
Includes inter-company revenues from collection/transfer station operations to Waste Management "green" facilities (landfills generating energy, waste-to-energy facilities, recycling facilities).

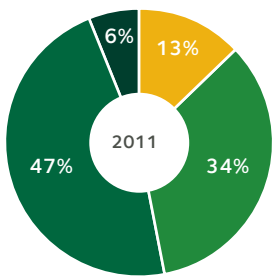
TRADITIONAL SERVICES

Traditional Landfill
Includes revenues from disposal in landfills not used for energy recovery. Hazardous waste revenue is included in this category.

Traditional Collection/Transfer
Includes traditional collection and transfer station lines of business.

Source: Full-year 2007 and 2011 revenue data

MIX AMONG NON-COLLECTION REVENUES



- Traditional Landfill
- Green Energy
- Recycling
- Innovative Service Lines

AWARDS

We were honored to receive the following awards and accolades.

2012

Dow Jones Sustainability Indexes
Member 2012/13

Top Waste and Disposal Service Company: World and North America indexes

CR Magazine Best Corporate Citizens 2012

Top 10 Best Corporate Citizen, *Corporate Responsibility Magazine*, Services Category

CARBON DISCLOSURE PROJECT

Top 10 percent of industrial companies for efforts to reduce emissions and mitigate the risks of climate change

FTSE4Good

Global Benchmark Index Company

2011

2011 World's Most Ethical Companies — www.ethisphere.com

Diversity Journal 2011 Diversity Leader Award

Diversity Inc Top 100 Employer

Best for Vets 2010

G.I. Jobs 2011 Top 100 Military Friendly Employers

Military Jobs

10

Universum Top 100 Ideal Employer 2010 Student Survey

Houston Chronicle chron.com Top Workplaces 2010

Best Places to Work — Corporate Equality Index 2011

Waste Management a "Most Ethical Company"

For the fifth consecutive year, Waste Management in 2012 was named one of the world's most ethical companies by the Ethisphere Institute, a research-based organization advancing recognition of corporate social responsibility, business ethics, anti-corruption and sustainability best practices. One hundred and forty-five companies representing over three dozen industries were listed on their 2012 "WME Index," with Waste Management the only environmental services or waste industry company to be named. Collectively, Ethisphere reports that these companies performed significantly better than the S&P 500 — even through the worldwide recession.

MOST ETHICAL COMPANY AWARD
5 YEARS RUNNING

SUSTAINABILITY KEY PERFORMANCE INDICATORS, 2009–2011

KEY PERFORMANCE INDICATORS	2009	2010	2011
Greenhouse Gas (GHG) Footprint[1] (Metric Tons CO_2 Equivalents)			
• Process	21,552,559	22,503,371	16,448,441
• Transportation	1,754,977	1,817,830	1,773,307
• Energy use	357,141	479,356	488,738
Potential avoided GHG emissions from[2]			
• Renewable energy generation	3,504,234	3,502,225	4,005,380
• Waste-derived fuels produced and sold	23,976	13,954	18,647
• Reuse and recycling of materials	5,621,788	6,659,259	8,447,023
• Carbon permanently sequestered in landfills[3]	17,703,584	16,268,622	15,593,412
Waste-Based Energy Benefits[4]			
• Tons of coal equivalent	5,591,000	5,350,000	6,089,000
• Barrels of oil equivalent	21,563,000	20,462,000	23,494,000
Resource Savings Achieved through Recycling			
• Energy savings – equivalent (number of households/year)	1.4 million	1.5 million	1.8 million
• GHG savings – per passenger car equivalent (number taken off the road/year)	4.8 million	5 million	6.3 million
Total Recordable Injury Rate	3.1	3.3	3.1
Vehicle Accident Rate (driver hours without accident)	12,066	12,981	13,298
Percent of Waste Management's Modern Landfills with Offsite Contaminated Groundwater[5]	0	0	0
Charitable Giving	$12,861,665	$13,331,857	$13,983,472

[1] 2009 was the base year for Waste Management's carbon footprint, so data from previous years are not available. Please see pp. 18–21 of Book 2 for discussion of the footprint and data notes.

[2] We are reporting this data to inform our customers and the public about the potential GHG reduction benefits associated with carbon storage in landfills, our renewable energy production and the recyclable materials we collect and process. We are not presuming to characterize how emerging regulatory programs will allocate credit for these avoided emissions, so we do not claim these greenhouse gas reduction benefits as our own, nor attempt to deduct these reductions from our carbon footprint.

[3] For a discussion of the protocols that govern this calculation of carbon storage or sequestration, see p. 23 of the Appendix.

[4] Equivalent number of households that could be powered by Waste Management's energy production. Note that standard industry assumptions about household energy use differ for the waste-to-energy and landfill-gas-to-energy sectors. See pp. 7–11 of Book 2 for details.

[5] Modern landfills are post-1993 and permitted under 40 CFR Part 258 Subtitle D. Offsite contamination is regulatory corrective action required to address offsite impacts to groundwater.

ABOUT THIS REPORT

Waste Management is committed to issuing a detailed sustainability report every two years. This report updates our 2010 Sustainability Report, providing data for 2010 and 2011 and discussing key developments in 2012 where information was available prior to publication. Notes on the scope of the data are included with the data charts or in endnotes.

This report covers Waste Management's wholly owned operations, all of which are located in North America. In 2009, Waste Management entered into new business partnerships to develop waste-to-energy projects in the United Kingdom, Western Europe and China, and we had planned to report on those partnerships in this report. At this time, however, Waste Management is a minority partner in these projects, and most are still in the development phase. Should this change, we will include these projects in the scope of our reporting.

We focus our reporting on the following themes that we have identified through internal and external consultation to be the most material:

- Focusing on our customers' sustainability needs
- Reducing and recycling wastes generated by others
- Converting waste into renewable energy, fuels and chemicals
- Managing our waste treatment, materials processing and disposal facilities to exceed regulatory obligations
- Serving as responsible stewards of the land

GLOBAL REPORTING INITIATIVE

This report is aligned with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines at a self-checked application level of "B." The Appendix contains a complete index of GRI indicators. More information on GRI and the application levels can be found on the GRI website.

We welcome your feedback on this report, as it helps us to improve future reports. Please contact:

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OUR FUTURE MAXIMIZING VALUE FROM WASTE

WORKING TO MINIMIZE WASTE & MAXIMIZE VALUE

At Waste Management, we care about the planet. We feel a responsibility to leave it to future generations in better shape than we were given it. We're doing our part by helping businesses and communities transform what they used to send to landfill into valuable resources.

CAPTURING VALUE FROM WASTE

We are contributing to a more sustainable world by:

- advancing technologies to reduce waste
- increasing recycling and reuse
- developing sources of renewable energy
- sharing the benefits of our learning and innovation with our clients and collaborators

WHAT DOES *ZERO WASTE* MEAN?

The term *zero waste* has become a common phrase. While it means different things to different customers, it universally represents a commitment to reducing waste and recycling as much as possible. Many of Waste Management's commercial customers have taken the concept a step further and created their own "zero waste to landfill" goals. Through waste reduction and recycling efforts, combined with waste-to-energy solutions, we are helping our customers lessen or eliminate waste.

OUR VISION

WE WANT TO HELP OUR CUSTOMERS ACHIEVE THEIR ZERO WASTE GOALS

GOALS BY 2020

2 MILLION HOMES **POWERED BY WASTE**

20 MILLION TONS OF **RECYCLABLES RECOVERED**

THINK GREEN® AWARD AND THE LIFECYCLE OF INNOVATION

Our investment in innovation reaches into universities for the best new green ideas. We partner with scientists on promising and practical ways to convert waste into resources. We also see a benefit to supporting the pipeline of new environmental innovators. As part of this "lifecycle of innovation," we have partnered with Rice University as sponsor of the Think Green® Award, the world's largest graduate-level business plan competition.

Organized by the Rice Alliance for Technology and Entrepreneurship, the competition provides funding and guidance for young entrepreneurs working to commercialize promising technologies. Waste Management's Think Green $100,000 investment prize is designed to encourage the development of new and innovative technologies in the clean tech area, including recycling and renewable energy.

Since its inception in 2010, the Think Green Award has been awarded to Biogas & Electric, LLC, and ReGenerate Solutions, LLC. A startup from the University of California, Los Angeles, Biogas & Electric has developed technology to significantly reduce emissions of nitrous oxide generated during the combustion of methane-rich biogas from anaerobic digestion facilities. Improving the emissions of turbines and engines powered by biogas can help these systems generate more renewable energy while enhancing local air quality.

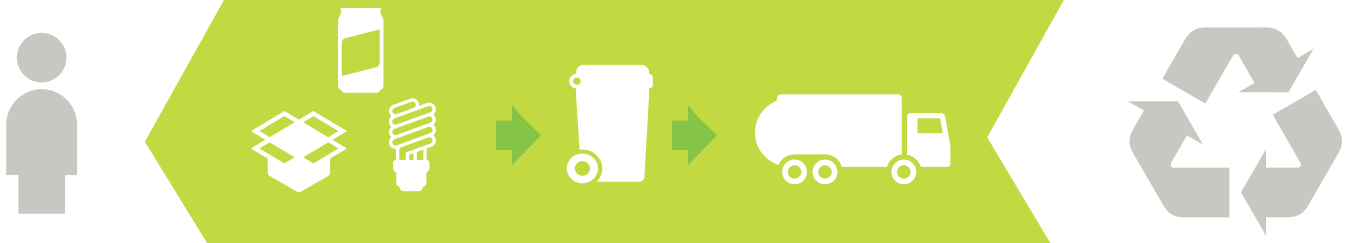
ReGenerate Solutions, a startup from the University of Michigan, developed technology that uses bacteria in a sealed metal bioreactor to convert food waste — onsite — at restaurants, cafeterias and supermarkets. The process converts waste into methane that can be used to heat water and into nonhazardous composting material that can be packaged and sold.

FUELING OUR FUTURE

We are partnering with universities to find innovations in clean technology. The sky is the limit!

WHAT WE DO TO MINIMIZE WASTE

Together with our customers, we're reinventing the way we all think about waste. And we're working to give a second life to items that have served their use and been discarded, by converting them back into raw materials, energy and new products.



CONSULTING

We work with customers to help them reduce waste, and to find new and better uses for the waste they do create.

GOODS

DISCARDS

COLLECTION

We work to find the best possible use for the waste streams we are charged with managing. Landfilling is the last option.

RECYCLING

We work to recapture val
streams by using new re
(see Innovative Recyc
pp. 4–5 in this Boo

SORTED MSW TO ELECTRICITY FUEL, OR CHEMICALS

(see Post-Recycling Processing, pp. 12-15)

POST-RECYCLING PROCESSING

PLASTIC TO FUEL OR CHEMICALS

(see Post-Recycling Processing, pp. 12-15)

INVESTING IN TECHNOLOGY

Emerging technologies help us process residual materials into renewable energy and fuels, compost and chemicals.

ORGANICS PROCESSING

ORGANICS TO ELECTRICITY, FUEL OR CHEMICALS

(see Transforming Organics, pp. 10-11)

COMPOST

(see Transforming Organics, pp. 10-11)

RESIDUALS TO ENERGY

LANDFILL GAS TO ENERGY AND WASTE TO ENERGY

lue from waste
ecycling technologies
cling Technologies,
k).

INNOVATIVE RECYCLING TECHNOLOGIES

According to the EPA, recycling rates in the United States have reached more than 34 percent. But we clearly can do more. Curbside recycling is the backbone of residential recycling, and it is evolving.

We believe that we can continue to make recycling easier, more efficient and more productive. Single-stream recycling, where all recyclables are mixed together in one collection bin, is one way to improve recycling rates. In addition to being easy on consumers, single-stream collection reduces vehicle miles for collection trucks and related tailpipe emissions.

A typical single-stream plant

SINGLE-STREAM RECYCLING

The amount of material processed in our single-stream plants has nearly tripled since 2002. In 2011, our 36 single-stream facilities processed 2.77 million tons of material. An even bigger increase is in store in 2012 and beyond as we steadily grow our investment in single-stream recycling facilities.

We continually improve the technology of our single-stream plants to improve the quality of the commodities we can produce. In 2011, we purchased 1 million tons of additional recycling capacity, including nearly 750,000 tons of capacity to improve our network of facilities and expand our single-stream service area, and 250,000 tons of capacity for organics processing.

Single-Stream Recycling...

Greatly increases recovery — on average at least **50 percent more recyclable materials collected.**

Helps **lower costs and emissions** associated with collection.

Employs **advanced technologies,** including magnets, screens and optical scanners to automate and maximize the sorting of recyclables.

Recycling sorting technology innovations such as disc screens (left) and optical sorters (right) have led to more efficient processing of recyclable materials.

1

2

MATERIAL IN-FEED
Trucks are weighed and directed to the tip floor. Material is unloaded, inspected and stored, until it's ready to be fed to a conveyor.

PRE-SORT STATIONS
Sorters remove rejected items and film, which is vacuumed away. Bulky materials, inert materials and large pieces of plastic are also removed and in some cases sent for additional recycling.

3

CORRUGATED SCREENS
Material crosses a triple-deck Old Corrugated Cardboard (OCC) screen, which skims off the OCC from the rest of the material stream. The OCC floats over the screen, where it is inspected before being conveyed to storage bunkers.

5

4

PAPER MAGNET
Material left in the main flow is now mostly containers. These materials flow over a paper magnet, designed to extract paper from the stream. It uses powerful vacuum technology to hold two-dimensional paper flat to the conveyor, while round three-dimensional containers continue on the flow.

NEWSPAPER SCREENS
At this stage, the materials pass through a series of disc screens, which separate containers, cans and bottles from old newspapers and remove any remaining fiber material.

6

STEEL MAGNET
Next, a steel magnet removes and stores ferrous materials from the material stream.

7

GLASS SORTER
Whole glass bottles are broken and fed via conveyor belt to the glass crusher, which crushes the glass and moves it to a storage area.

8

9

OPTICAL SORTING
Bottles and cans that make it through the glass sorting area run through a series of optical scanners. These scanners separate out the last of the paper from the commingled stream, as well PET soda/water bottles, HDPE milk/detergent bottles, and aseptic milk/juice cartons. Each are stored separately.

EDDY CURRENT
The remaining material is delivered to an eddy current that automatically separates aluminum by use of a rare earth electro current, which repels the aluminum over a baffle where it drops to a chute and is blown into a bunker for storage.

12

SHIPPING
Bales are shipped to end users around the world via truck, rail or ship, where they are used as feedstock for new products.

11

FINISHED PRODUCT
Forklifts move the bales to a finished product storage area where they are checked for quality.

10

BALING
Interior storage bunkers accumulate large quantities of each separated material stream, which are subsequently processed in ultra-high-efficiency equipment for compaction into "bales" for shipment to end-use markets.

INCREASING RECYCLING RATES

Our customers often ask for our help to increase recycling rates across their operations, or to recycle more of specific materials. Our commitment to helping them maximize the benefits of recycling is stronger than ever.

RECYCLEBANK PARTNERSHIP

In 2011, we announced a strategic investment in Recycle Rewards, Inc., whose subsidiary, Recyclebank®, rewards people for taking everyday green actions by offering discounts and deals from local and national businesses. As part of the investment, Recyclebank assumed Waste Management's Greenopolis recycling platform, and Waste Management agreed to provide its North American customers access to Recyclebank's green rewards program over the next several years. The investment brings together Waste Management's curbside collection infrastructure — the largest in the nation — with Recyclebank's vast online community and incentive platform, enhancing growth prospects for both companies and motivating and mobilizing more people, communities and schools to recycle.

Recyclebank's rewards-for-recycling program is currently in more than 300 communities in the United States and the United Kingdom. Greenopolis's web-based rewards catalog will be incorporated into Recyclebank's rewards program to offer even greater incentives to its member base. Recyclebank will also assume management of the Greenopolis social media platforms, including Greenopolis.com, RecyclePix and Oceanopolis, the Facebook game that uses social gaming to reward recycling in real life and the virtual world.

Recyclebank, a Philadelphia-based startup-turned-international-service-provider, develops programs that incentivize green activities through an emerging science called "gamification," or the use of game mechanics to modify behavior. By engaging in online activities, users are prompted to adjust their lifestyles offline in ways that let them live a little lighter on the planet. The company calls this "gaming for good." Research commissioned by Recyclebank has found that 8 percent of users who engaged in their Green Your Home Campaign were more likely to turn off the lights in their houses, and 10 percent switched to compact fluorescent or eco-friendly light bulbs after participating in the campaign.

8%
of users were more likely to turn off lights

10%
of users switched to CFLs or eco-friendly light bulbs

Recyclebank has been recognized as a Technology Pioneer by the World Economic Forum, a Champion of the Earth by the United Nations Environment Programme and for Outstanding Excellence in Public/Private Partnerships from the U.S. Conference of Mayors. Recyclebank was also named as one of the top 10 percent of B Corp companies for its overall impact on the world by the nonprofit organization B Lab, which is dedicated to using the power of business to address the world's most pressing challenges.

REVERSE VENDING MACHINES

Working in partnership with Keep America Beautiful, Recyclebank and beverage manufacturers, Waste Management is a proud sponsor of an initiative to encourage consumers to recycle plastic and aluminum by using a "reverse vending machine" to return drink containers and reap rewards. Located in high-traffic areas, the machines allow individuals to earn reward points or donate cash to charities for each recycled container deposited. Some manufacturers enhance this incentive by making annual contributions to charities.

DART DIVERSION TOOL

Our Diversion and Recycling Tracking Tool (DART) helps project planners, contractors, architects and building owners measure their green performance during construction, renovation and demolition projects. The service, available across the United States and Canada, operates online and is accessible 24 hours a day to monitor recycling, tabulate total diversion rates and provide documentation to support LEED certification.

2,673

tons construction and demolition waste diverted in 2011

MAKING PROGRESS ON HARD-TO-HANDLE RECYCLABLES

Items like cell phones, computers, batteries and compact fluorescent light bulbs have traditionally been difficult to recycle. Yet many of their component parts can be reused, and when disposed of improperly, they can leak toxins into the environment. Waste Management is working to provide recycling alternatives.

HANDLING SPECIAL WASTES IN THE MAIL... OR AT CURBSIDE

Compact fluorescent light bulbs (CFLs) are energy-efficient and save money over the long term. But they also contain mercury, and if broken they can release mercury vapor, which is harmful to humans. Waste Management's LampTracker service provides mail-in containers that enable the safe transport and recycling of fluorescent bulbs and tubes for businesses across the United States, as well as for residential consumers through Waste Management's Think Green from Home program. LampTracker also provides mailable recycling services for other common wastes such as batteries, small electronics and computers.

In 2010, Waste Management launched a new program enabling communities to recycle used CFLs in standard curbside pickup, alongside existing residential recycling programs. In a pilot program in Florida, residents received specially designed VaporLok™ containers that can safely store up to 12 standard CFLs. In addition to CFLs, customers can safely recycle syringes and lancets as well as bottles and paper, using Think Green from Home mail-in kits. Waste Management processed and recycled approximately 80 million lamps in 2011, up from 75 million in 2010 and 58 million in 2009.

DIVERTING PLASTICS FROM LANDFILL WITH MICROGREEN

In 2010, we made a strategic investment in MicroGREEN, an innovative start-up working to ensure that plastics used for food containers, product displays and point-of-purchase materials end up having many lives instead of a one-way trip to the landfill.

The company's Ad Air® technology inserts bubbles into virgin, blended or recycled PET plastic, increasing the length and width of plastic sheeting by 150 percent and the thickness by 200 percent. The technology expands the plastic while it's still in a solid state, allowing for very precise control, while eliminating the need to use the potentially harmful foaming agents found in other types of plastics.

A lifecycle analysis by Franklin Associates found that the MicroGREEN technology took the least amount of energy to produce a hot beverage cup and had the lowest total solid waste, as measured in both volume and density, when compared to other cups. The technology greatly reduces the environmental impact of plastic containers by reducing the amount of source material used, thanks to incorporating up to 50 percent recycled content and being 100 percent recyclable as #1 PET plastic. The product was honored by *The Wall Street Journal* as a 2010 runner-up for its Technology Innovation Award.

200+

collection depots in North America, gathering phones, batteries, laptops and more

E-CYCLING GROWS

Electronics recycling, or e-cycling, is the fastest growing commodity in the waste stream. According to the 2011 Electronics Recycling Industry Survey, the U.S. market for electronics recycling now stands at about $5 billion a year.

As of 2012, Waste Management operated more than 200 collection depots in North America, gathering phones, batteries, laptops and other manufactured products. To process the material we gather, we operate eight Product Recovery Centers. In addition to recovering component parts, we mine the electronics for rare earth elements, which are of increasing importance in technology applications but can also be difficult and costly to extract from mining and subject to price swings.

All of these centers have earned the Responsible Recycling (R2) and Recycling Industry Operating Standard (RIOS) certification. R2/RIOS is a major certification process that covers, among other things, the way that e-waste is separated from traditional waste streams to ensure materials such as lead, mercury and cadmium are handled properly. Our facilities have also earned the Basel Action Network eStewards certification, as well as ISO 9001 certification.

TRANSFORMING ORGANICS

As much as 30 percent of the waste stream across the United States can be counted as organic waste, with certain sectors — such as grocery stores and restaurants — running as high as 60 percent organic waste. We see a big opportunity for resource recovery. We've established strategic partnerships with the following organic innovators, each of which specializes in a different process for recovering value from organic waste.

PENINSULA

INVESTMENT SINCE 2011
WILMINGTON, DELAWARE

Peninsula owns and operates the Wilmington Organics Recycling Center, in Wilmington, Delaware, the largest composting facility in the eastern United States. The company uses an innovative system to protect compost material from the elements for a reliable composting process, while efficiently trapping odors and other emissions such as dust and VOCs.

GARICK LLC

INVESTMENT SINCE 2010
CLEVELAND, OHIO

Our investment in Garick has resulted in an expansion of market demand for the value-added products they create from organics, such as compost and soils, organic fertilizer, mulch products and nursery/greenhouse growers' blends.

GROWING ORGANICS MANAGEMENT

2011 was a year of growth for us in organics waste management. By the end of 2011, our network of 36 company-operated compost facilities, partners' facilities and third-party operations had expanded to manage more than 2 million tons of organics, converting it to beneficial uses such as mulch and compost. To help increase the amount of organic material we manage, we broadened our portfolio of investments to encompass a range of emerging technologies. In 2011, Waste Management was recognized by *Biofuels Digest* as one of the top 50 hottest bioenergy companies.

HARVEST POWER

INVESTMENT SINCE 2010
UNITED STATES & CANADA

This company, named to the prestigious 2011 Global Cleantech 100 list by Cleantech Group, a research firm focused on global clean technology innovation, uses an-aerobic digestion to create clean biogas and nutrient-rich compost. We first invested early in 2010, providing raw materials for composting and working to help the company expand to serve more cities.

RENMATIX

INVESTMENT SINCE 2012
KING OF PRUSSIA, PENNSYLVANIA

Renmatix's proprietary Plantrose™ process converts cellulosic-rich materials into sugars using supercritical hydrolysis (water-based) technology. This technology cost-effectively transforms organic wastes into base sugars for manufacturing bio-based renewable chemicals and fuels.

POST-RECYCLING PROCESSING

To extract the most value possible from the materials we handle, we have partnered with a portfolio of over 30 technology companies. Our partnership with these emerging technologies helps us process residual materials from waste streams into renewable energy, renewable fuel and even green chemicals.

RECOVERING VALUE AFTER RECYCLING

After the waste stream has been mined for recyclable material, residual material remains. Waste Management is investing in conversion technologies to turn this "leftover" material into useful products. We expect to develop a suite of technology solutions over time, working with our partners to divert more material to higher-value uses. Many of these newest technologies are in the pilot phase and will remain so for the next several years. This is an industry that is evolving quickly, and the technologies themselves are likely to change as they develop. We recognize that there is no single solution. That's why we're helping to develop promising technologies, such as those of our partner companies.

FULCRUM

INVESTMENT SINCE 2011
PLEASANTON, CALIFORNIA

Focused on producing ethanol from municipal solid waste, Fulcrum uses a dual-stage gasification process that has been tested over the past two years at smaller scales. The company's first plant is fully permitted and will be built in Storey County, Nevada.

ENERKEM

INVESTMENT SINCE 2010
MONTRÉAL, CANADA

The feedstocks at Enerkem plants include carbon-rich waste such as nonrecyclable municipal solid waste. The company's gasification technology converts these wastes into fuel and chemicals, made without petroleum. Use of this fuel can reduce GHG emissions by more than 60 percent compared to gasoline. Enerkem has facilities in development in Edmonton, Alberta, and Pontotoc, Mississippi, each of which is designed to have a capacity of 10 million gallons of ethanol per year.

AGILYX

INVESTMENT SINCE 2011
BEAVERTON, OREGON

Agilyx converts low-value, hard-to-recycle and contaminated plastics into a high-value, synthetic crude oil. This provides an economical and environmentally responsible solution for processing mixed plastic resins from industrial/residential waste. The company's pilot plant is operating in the Portland, Oregon, area, and a second plant is in development.

INENTEC

INVESTMENT SINCE 2009
BEND, OREGON

Plasma gasification technology will produce flexible, clean fuels and energy from feedstocks such as nonhazardous medical waste and other segregated industrial and commercial wastes. The company's first facility has been constructed in Arlington, Oregon, with commissioning beginning in 2012.

AGNION

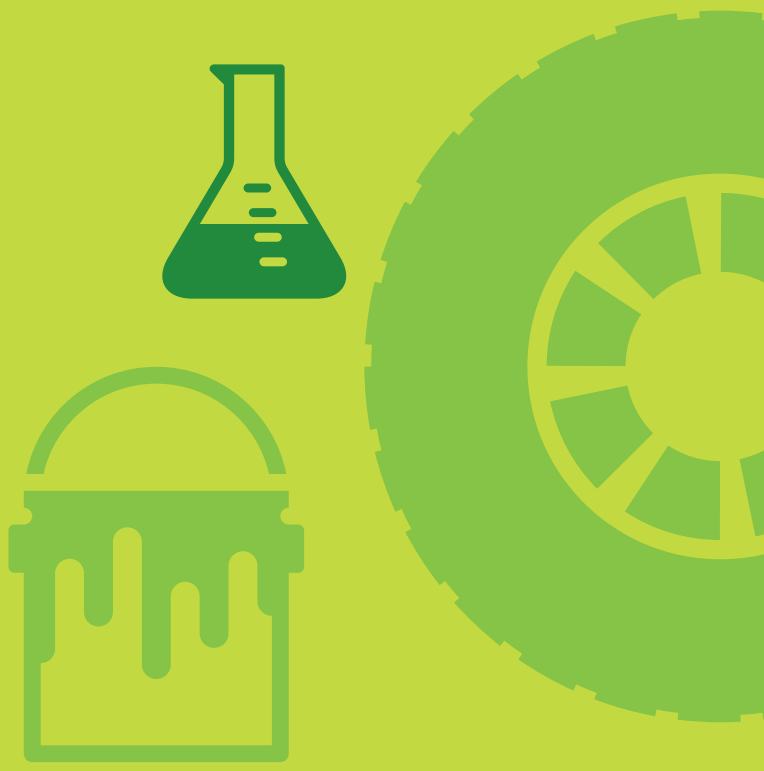
INVESTMENT SINCE 2012
PFAFFENHOFEN, GERMANY

Innovative gasification technology converts solid biomass feedstock into a high hydrogen and carbon monoxide-rich synthesis gas with exceptionally high heating value. Typical customers would include schools, universities, warehouses and distribution centers, shopping malls, hotels and hospitals. Agnion's first commercial biomass gasification plant is currently under construction in the Bavarian town of Grassau.

GENOMATICA

INVESTMENT SINCE 2010
SAN DIEGO, CALIFORNIA

Winner of the Presidential Green Chemistry Challenge Award, Genomatica researches and advances the production of chemicals from municipal solid waste. The company creates specially designed organisms and manufacturing processes to convert syngas into chemical products. Theirs is the first biology-based process making this conversion.



WASTE MANAGEMENT SUSTAINABILITY SERVICES

We're in an age when businesses are expected to run smarter: produce less waste, recycle more and create more efficient operations. Operating sustainably is the new business imperative. Waste Management Sustainability Services was created to help our customers meet the challenge.

Waste Management Sustainability Services is a nationwide network of environmental professionals combining environmental expertise and project management to help clients advance along the path toward sustainability. The consulting group has already helped hundreds of clients in the United States and Canada realize their environmental goals by recommending business practices that reduce waste, save energy and provide a "next life" for resources they no longer need. The new group combines the professional service divisions formerly known as Green Squad and Upstream, and provides integrated environmental solutions that are sustainable, cost-effective and ISO 9001/14001 certified.

ZERO WASTE INITIATIVES

Helps customers meet goals ranging from "zero waste to landfill" to source material reduction to closed-loop, fully recyclable products.

CARBON FOOTPRINTING

Helps measure and assess customers' carbon footprints as well as suggest opportunities to reduce them.

SUSTAINABLE EVENT PLANNING

As "greening" large public and privately sponsored events grows in popularity, builds strategies that incorporate waste reduction, diversion and recycling.

SUSTAINABILITY REPORTING

Generates the data needed to meet external stakeholders' demands for information about sustainability efforts and results.

SUSTAINABILITY ROADMAPPING

Provides a practical, valuable, head-to-toe assessment of customers' sustainability performance and innovative ways to improve.

LEED CONSULTING

Implements LEED principles into construction planning.

SUSTAINABLE INITIATIVE PROJECT MANAGEMENT

Supports company sustainability teams in achieving milestones.

WASTE MANAGEMENT SUSTAINABILITY CENTER

Launched in 2011, the Waste Management Sustainability Center, located in Rogers, Arkansas, enables us to use "white board" techniques to brainstorm zero waste strategies with customers. LEED Gold certified on January 2012, the Sustainability Center features nontoxic and highly recycled and recyclable construction. Filled with technological thought-starters, the Center is designed to help businesses envision the specific strategies, tactics and solutions needed to make their environmental goals a reality.

Waste Management Sustainability Center, Rogers, Arkansas, a LEED Gold Facility

Achieving Zero Waste to Landfill with General Motors

General Motors has a global goal to send zero waste to landfill. Many assembly plants have already met the challenge. GM's Fort Wayne, Indiana, plant employs more than 3,300 people and produces 870 full-size pickup trucks each day. Using recycling, waste-to-energy technology and other creative reuse programs, Waste Management Sustainability Services (WMSS) helped the plant become GM's first in North America to achieve a zero-waste-to-landfill status.

Among GM's zero waste achievements:

- Achieved zero-waste-to-landfill status in January 2011
- Recycled 15,915 tons in 2011
- Has enjoyed more than $17 million in savings and rebates since 2000

$17M

in savings and rebates since 2000

Reducing, Reusing and Recycling at Allison Transmission

Since 2008, WMSS has been partnering with Allison Transmission, a manufacturer of commercial-duty automatic transmissions and hybrid propulsion systems, to uncover every opportunity to eliminate, reduce, reuse and recycle. Since we began our work, we've reduced the general plant trash volume by 56 percent and greatly increased recycling.

In 2011, we expanded the company's plastics recycling program, installing centralized recycling stations within each plant and point-of-use recycling bins in high-volume areas, increasing the amount of plastic recycled by more than 17 percent from the previous year. We also began a styrofoam recycling program, reducing disposal costs. Other achievements include a more than 55 percent increase in aluminum recycling, an overall reduction in plant trash volume of 7 percent from 2010 levels. and the recycling of 132 tons of cardboard. Proceeds from the sale of the cardboard were donated to local charities near the company's headquarters.

55%

increase in aluminum recycling

Soaring Recycling Rates at Brandywine Realty Trust

In 2011, Brandywine Realty Trust, a full-service real estate company, asked WMSS to help them reach a goal of recycling 80 percent of the waste generated at properties where they use Waste Management for waste removal.

Following a detailed assessment of their waste stream, WMSS designed a custom program incorporating best practices for placing, labeling and lining bins; improved signage in interior workstations, common areas, break rooms and kitchens; and a comprehensive education program for janitorial staff and building tenants. Detailed monthly reports helped to monitor the success of the program and identify areas for improvement in real time.

Within only four months, Brandywine was recycling more than 83 percent of their waste and achieving cost savings of more than 30 percent. Their recycling rates continue to increase, due to changes implemented through the WMSS program.

83%

of waste recycled, saving more than 30 percent in disposal costs

Coaching Caterpillar to Cut Waste

We've been working with a Caterpillar manufacturing plant in Illinois to help them significantly reduce waste, identifying and collecting materials from the assembly line that can be recycled, including scrap wood and metal, concrete, light bulbs, and even the gloves worn by employees. To make it easier for employees to recycle, we installed a conveyor belt system to sort waste on the spot, onsite. Three months after the system's installation, the plant was able to divert 40 percent of its assembly line trash away from landfill, instead recycling the equivalent of 200 tons a year and saving the company more than $200,000 annually.

To boost recycling in other plant areas as well, we installed Greenopolis recycling kiosks, solar-powered recycling bins and food digesters in the cafeteria. In a little over a year, the plant increased its overall monthly recycling rate from 30 percent to more than 80 percent.

40%

of assembly trash diverted away from landfill after 3 months

The Waste Management Phoenix Open: The Greenest Show on Grass

In 2010, when Waste Management became the title sponsor of the Phoenix Open, the best-attended golf tournament on the PGA Tour, we saw an enormous opportunity to put sustainability principles to work and use the event as an educational platform.

In 2011, we issued ourselves a "zero waste challenge" for the event. Together with the tournament organizers, Waste Management's Sustainability Services team worked to develop creative solutions to achieving zero waste at an event attracting more than 500,000 people. For the first time in PGA Tour history, no trash cans were present at the course. Vendors were required to use compostable or recyclable serving materials and containers and to educate patrons about the proper disposal of materials in either recycling or compost bins. Volunteer recycling ambassadors were stationed throughout the course to ensure materials went in the appropriate bins, and a dedicated operations team behind the scenes sorted materials.

Everything was measured and captured in a master sustainability scorecard, and our tally of the final diversion and recovery rates was better than expected.

- More than 97 percent of waste generated at the tournament was diverted from landfills, exceeding the 90 percent tournament goal.
- Eighty-two percent of materials were recovered from the waste stream through recycling, composting, material reuse and charitable donations — far exceeding the goal of 70 percent.

A variety of methods were used to recover materials at the 2012 Waste Management Phoenix Open. Highlights include:

RECYCLING

Plastics (including LDPE, HDPE and PET), aluminum, paper, cardboard, glass and metal were sent to our Waste Management Community EcoCenter Material Recovery Facility for processing.

COMPOSTING

Food, napkins, plates and cups used during the tournament were processed in a digester to produce high-quality compost for surrounding communities.

REDUCING ENERGY USE & EMISSIONS

Energy use and greenhouse gas emissions were reduced by using 60 Solar Compactors, solar light towers and the first solar array on the PGA Tour, as well as purchasing 100 percent renewable energy from the local utility provider and replacing diesel waste hauling trucks with trucks run on compressed natural gas.

TRANSFORMING EVENT MATERIALS

All of the scrap wood from the event was processed (i.e., ground into mulch) by a local organic lawn and garden company. Turf and green mesh were sent to a company that recovers the energy and mineral components from waste for use as fuel and product additives for manufacturing processes.

PROMOTING REUSE THROUGH CHARITABLE DONATIONS

The hosts of the tournament, Phoenix-based organization The Thunderbirds, distributed $5.6 million to local charities through proceeds raised at the tournament.

Carpet was donated to a local Habitat for Humanity ReStore to be sold to the public. Proceeds from the carpet sales will help Habitat achieve its mission of building homes, communities and hope.

While not included in the tournament recovery goals, the approximately 140,000 used golf balls filling the Waste Management water feature on the lake at the 18th hole were donated to The First Tee, a youth charity teaching life skills through the game of golf.

FINAL LANDFILL DIVERSION RATE

97.58%

GOAL: 90%

FINAL MATERIAL RECOVERY RATE

82.08%

GOAL: 70 %

PARTNERING WITH COMMUNITIES

Our transformation from a company focused on safely disposing of wastes to a company focused on repurposing discarded resources has been shaped in profound ways by the communities in which we operate.

Through one-on-one conversations, small and larger meetings with those living around our operations, polling, surveys, and participation in more structured dialogues as part of multi-stakeholder groups, communities over the years have told us:

Focus less on developing and expanding landfills, and more on **alternatives to landfilling**.

Extract greater benefits from the wastes you handle – in the form of recycling and generating renewable energy.

Use your size and the skills of your staff to find **better technologies** to reduce emissions and environmental impacts from handling waste.

Commit to making your properties a **community resource** and places where **native habitat is preserved**.

These perspectives are reflected in our sustainability goals, and we give credit to the visions of these host communities, which have helped point us to what we believe is a more sustainable business strategy. We've learned from what we've heard, and we appreciate the dialogue.

Monroe Ecopark Leads the Way in Hazardous Disposal

With the opening of its innovative **eco**park, residents of Monroe County, near Rochester, New York, now have the opportunity to protect their local environment in a hands-on way. Operated by Waste Management, the park offers a one-stop drop for difficult-to-dispose hazardous waste, pharmaceuticals, and recyclables such as tires, scrap metal, fluorescent lights and bulky plastics. The property operates as a disposal, recycling and hands-on education center in one.

Houston Marathon Gets Silver

Waste Management Sustainability Services consultants were key in helping the Chevron Houston Marathon earn Silver ReSport Certification in June 2012. The Council f or Responsible Sport (ReSport) Certification takes into account waste, energy and water use, procurement and giveaways, transportation, greenhouse gas emissions and community relations. Initiatives such as paperless race registration, unused food donations, environmentally conscious portable toilets and compost collection allow Waste Management to help raise the sustainability bar for athletes and sporting events. Eighty-three percent of the trash from the marathon was diverted from landfill. The team also worked to "green" a U.S. Olympic Trials marathon event, held the same weekend, diverting 79 percent of trash from it, as well as recent Ironman events in Florida, Texas and Arizona, achieving diversion rates of 45-65 percent at these events.

Portland, Oregon, Targets Citywide Zero Waste Goal
Long considered one of the most sustainable cities in the country, Portland, Oregon, a Waste Management customer, became the largest city in the United States to move to every-other-week garbage collection service, in the fall of 2011. At the same time, food waste was added to the city's existing yard waste collection program. The next move for Portland? The city is targeting a zero waste goal by increasing the diversion of food waste from commercial businesses and banning food waste from the garbage of large commercial generators.

Composting in Oakland Schools
In the San Francisco Bay Area, the power of partnership is helping transform the public schools of Oakland. Superintendent Dr. Anthony (Tony) Smith asked businesses and the community to work together to improve the overall well-being of Oakland students and their families. With decades of service in the Oakland Unified School District, Waste Management rose to the challenge. A bilingual recycling coordinator gave hands-on demonstrations showing students, teachers and staff how to recycle, and implemented a composting program at 30 schools throughout the district (with more on the way), explaining nature's process of decay and renewal and how composting returns valuable nutrients to the soil.

The results of our partnership:

- The District achieved a 43 percent diversion rate through recycling and food waste collection programs.
- Trash was reduced by 20,000 pounds/week during the 2010-2011 school year.

Going Zero Waste at California Farmers Market
The city of West Sacramento worked with the local Chamber of Commerce to open the city's first farmers market in the spring of 2011. With Waste Management's guidance and support, it became one of the region's first "zero waste" farmers markets. Thousands of customers attended the weekly market during its first season. As a result of this community effort, 4,800 pounds of material were composted and recycled in the market's first year.

Helping the Bronx Get Green
Waste Management of New York is a founding partner and driving force behind Get Green: South Bronx Earth Fest, an annual community festival designed to build environmental awareness and foster sustainability. Waste Management's Harlem River Yard transfer station is located in the South Bronx, which historically has had one of the lowest recycling rates in New York City. Every year since 2007, environmental and community groups have come together with Waste Management to organize a day of free, eco-oriented activities, education and entertainment for local residents. The event typically draws over 1,500 local residents to St. Mary's Park in the South Bronx, as well as numerous New York City officials and community leaders, to discuss the importance of sustainability.

CHARITABLE GIVING AND VOLUNTEERISM

Waste Management also supports communities through charitable giving and company volunteerism. In 2011, our employees self-reported just over 11,700 volunteer hours. Our Greenworks program, in which employees who volunteer at least 40 hours at a nonprofit organization can request that charity receive a $250 grant from Waste Management, logged 137 requests, for a total of $34,250 in donations.

CASH CONTRIBUTIONS

2011 **$11,044,496**

2010 **$9,731,474**

IN-KIND DONATIONS

2011 **$2,938,976**

2010 **$3,199,190**

NATIONAL PARTNERSHIPS

Waste Management is proud to have longstanding relationships with three bellwether organizations at the national level.

Keep America Beautiful

For more than 25 years we've been supporting Keep America Beautiful (KAB), contributing in recent years more than $1 million annually through cash contributions and in-kind support to promote the prevention of litter, reduce waste, promote recycling and improve communities through beautification projects.

Waste Management is a national sponsor of KAB's signature event, the Great American Cleanup,™ the nation's largest community improvement program, providing in-kind equipment, manpower and logistical support to millions of volunteers in local efforts. We also support numerous smaller activities in local communities through associated KAB chapters.

Habitat for Humanity

Waste Management has partnered with Habitat for Humanity since 2008, providing a variety of disposal services to help keep Habitat build sites organized, clean and safe. Our financial support has enabled Habitat for Humanity International to help families in 28 states and 111 cities in North America, and Waste Management employees have provided hundreds of hours of volunteer support at build sites across the United States and in Canada. In addition to working to improve the quality of life in communities, we share Habitat's commitment to being environmentally conscious. Waste Management sponsored the first-ever LEED-certified Habitat house, in the Minneapolis-St. Paul metropolitan area.

Wildlife Habitat Council

The Wildlife Habitat Council (WHC) shares our desire to restore and enhance wildlife habitat. Our work with the WHC has enabled us to establish 110 sites with WHC-certified programs, including 26,000 acres created, enhanced and protected for wildlife. Waste Management is active in two of the WHC's marquee programs: Corporate Lands for Learning, a certification program for lands used to promote community learning around conservation, and Wildlife at Work, a management certification tool helping to create, conserve and restore wildlife habitats on corporate lands.

ENVIRONMENTAL JUSTICE

In recent decades, low-income communities and communities of color in the United States have raised the concern that, when compared to more affluent communities, they have borne a disproportionate environmental burden. These communities and their advocates have called for fairness in the siting of landfills, waste-processing facilities and other industrial facilities — an element of what is frequently referred to as "environmental justice." This is a concern that Waste Management takes very seriously. For more than 20 years, we have expressed our commitment to environmental justice through our collaboration with regulators, community groups, academics, advocates and others in industry to ensure that communities that host our facilities are treated fairly. But more than that, we want to assure our stakeholders that our facilities are distributed equitably across the country and are not concentrated in communities where race or lower income might affect fair access to the local decision makers who determine where industrial facilities can be sited.

We disclosed our company's demographic footprint in our 2010 Sustainability Report. We believe we were the first company to do so. Using the methodology designed by environmental justice experts and recommended by the EPA, we mapped our landfills and waste-to-energy facilities — the sites for which local community groups and national advocacy organizations most frequently raised concern. Following the 2010 report, we reached out to environmental justice advocates and other stakeholders for feedback. They told us they were encouraged by our disclosure, but they urged us to go further and map the location of all of our operations. In response, we are disclosing our comprehensive footprint in this report, which can be found in the Appendix on p. 32.

Our facilities are generally as likely to be located in communities above the state average income level as below. Out of 1,423 facilities, 58 percent are located in communities with higher non-Hispanic white representation than the state average, and 48 percent are in communities with higher incomes than the state average.

We will update our footprint again in 2014, when block-level data from the 2010 U.S. Census become available.

Out of 1,423 facilities, 58% are located in communities with higher non-Hispanic white representation than the state average, and 48% are in communities with higher incomes than the state average

Waste Management
Sustainability Report 2012

APPENDIX

This appendix provides supplemental information to Waste Management, Inc.'s 2012 Sustainability Report, which is available at **www.wm.com/sustainability**.

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MANAGING A SUSTAINABLE ENTERPRISE

How we govern and manage our own business and footprint are issues vital to the communities in which we operate, the people we employ and the customers we serve. They're also vital for demonstrating the sincerity of our commitment to sustainability. While many companies work hard to protect the environment from their business, at Waste Management, protecting the environment *is* our business. That's why our sustainability strategy is fully integrated into our governance and management systems and reflected in a set of ambitious sustainability goals.

In this section of the Appendix we discuss the governance and environmental management systems that help us to both deliver services with the highest environmental standards and identify emerging opportunities to capture additional value from waste streams.

STRATEGY AND MANAGEMENT PROCESSES

Environmental excellence and compliance are hallmarks of sustainability and core elements of our management framework.[1] Two important tools for integrating sustainability into our business have been our Strategic Business Framework, which evolved into a "scorecard" form of management process. (See figure below.) In this way, we align stakeholder perspectives and market opportunities that will guide the entire organization for the year and beyond. Compensation is affected by alignment with company goals (including, as applicable to a business unit, sustainability goals), and compliance and sustainability are part of our performance review structure.

Our senior leadership uses the performance scorecard process to ensure that our entire organization (field operations and staff functions) focuses on strategic objectives. The performance measures also assist with legal and regulatory compliance and support environmental performance, stewardship goals and promotion of our values.

OUR PERFORMANCE SCORECARD PROCESS

1. When establishing our strategic objectives, we take into account the perspectives of our customers, shareholders, employees, community members with whom we interact, regulators and other stakeholders, as well as our performance against key internal metrics and our reputation as measured with key audiences.

2 and 3. We align our major financial, operational, environmental, community, people, safety and compliance, and customer objectives with those specific company-wide programs and initiatives that have been approved and funded as critical to achieving our strategic objectives. Performance expectations are communicated throughout the organization, and senior leadership assigns quarterly and annual targets to which our field operations are held accountable.

[1] *Through the Strategic Business Framework, we have identified five major stakeholder categories – Employees, Customers, Environment, Community and Shareholders. For each stakeholder category, we have established long- and short-term strategies and specific targets and measures.*

4. We set targets as part of our annual budgeting process. The targets represent commitments we have made to our stakeholders and include improvements and metrics that are factored into employee evaluations. Illustrative targets include:

    - **Financial:** Traditional financial measures that our shareholders and debt holders have found to be critical to our success.
    - **Customer/Community:** Customer engagement, improving customer interactions and service, and our community relations programs. We seek to improve Waste Management's reputation by developing and maintaining strong community partnerships and measuring our reputation among key stakeholders.
    - **Process:** Efficiency and cost per unit measures across our collection, disposal, recycling and waste-to-energy operations.
    - **Compliance:** Our primary safety measures and overall environmental scores.
    - **Learning and People:** Employee engagement, recruiting, development and retention, and training.

5. Our operations at all levels report progress in reaching targets. At the corporate level, monthly and quarterly reports are prepared and presented to the Board of Directors at each of their meetings. There are Monthly Performance Review and Quarterly Performance Review meetings to continually engage layers of management on progress toward company goals. This format and target-setting process (using specific Key Performance Indicators) was integrated into our annual performance planning process to ensure consistency among strategy, performance planning, and performance measurement and accountability. A key initiative in 2011 and a measure of the utility of these integration strategies has been our "transformation" campaign, which focuses all employees on knowing our customers better, optimizing assets, innovating in technologies, creating more efficient systems and extracting maximum value from the wastes we receive. Notably, our transformation initiative closely aligns with our 2020 sustainability goals.

SUSTAINABILITY OVERSIGHT

Waste Management's sustainability services are discussed at most Board of Directors meetings, as these services are linked so closely with company strategy. Topics discussed include recycling goals, market conditions and operations; generation of renewable energy and related acquisitions; and innovations in operations to increase efficiency and provide environmentally superior service. Customers' sustainability goals (e.g., waste reduction, recycling and materials reuse, expansion of renewable energy capacity) are discussed annually during Waste Management's Senior Leadership Team strategic planning meeting. Our Board of Directors' biographies and our governance guidelines are posted on our website.[2]

The Audit Committee of our Board governs the company's environmental, safety and health compliance. Our Compliance Audit Services department supports these efforts and oversees compliance audits at all company-owned, -operated and -controlled facilities and operations.

For more than five years, Waste Management's annual strategic planning initiative has included benchmarking of national accounts and municipal customers to determine the scope and nature of our customers' sustainability goals. The Senior Leadership Team reviews these data annually to ensure that new developments in sustainability are an integral part of our business strategies. This strategic planning process helped to identify trends that were a key factor in our decision to acquire new recycling assets in 2011 and helped to set our transformation strategy.

GOVERNANCE

Nine members serve on the Waste Management Board of Directors, eight of whom are independent as defined by the New York Stock Exchange. Waste Management's CEO, David Steiner, is the ninth director, and he does not hold the Board chairmanship. Board members are each elected annually. There are three standing committees: the Audit Committee, the Management Development and Compensation Committee, and the Nominating and Governance Committee.

The head of our Organic Growth Group, who is a member of the Senior Leadership Team and reports directly to the CEO, manages our innovative technology offerings. We employ a "Phases and Gates" process to structure evaluation of technologies.

[2] *See www.wm.com/wm/about/governance.asp.*

BOARD OF DIRECTORS DIVERSITY

The Nominating and Governance Committee seeks board candidates who bring a variety of perspectives and industry knowledge relevant to Waste Management's business. Candidates are evaluated for personal and professional integrity and sound judgment, potential conflicts of interest and potential for effectiveness in serving the long-term interests of shareholders. Before being nominated, director candidates are interviewed by a minimum of two members of the Nominating and Governance Committee, including the Non-Executive Chairman of the Board. Of the current directors, one is female and Hispanic, and one is African-American.

RISK MANAGEMENT

Waste Management initiated an enterprise risk management process several years ago, coordinated by the company's internal Audit department and under the supervision of the Chief Financial Officer. This process initially involved the identification of programs and processes related to risk management and the individuals responsible for them. Under the program, senior personnel complete a risk assessment survey to identify perceived risks to the company, and participate in follow-up interviews with members of senior management to review any gaps. The information is factored into the company's strategic planning process, which categorizes the potential risks according to their ability to jeopardize company strategies. Next, an open-ended survey is conducted with several individuals with broad risk management and/or risk oversight responsibilities. The survey includes the identification of the top concerns, assessment of their risk impact and probability, and identification of the responsible risk owner internally at Waste Management. Finally, a condensed survey of top risks is completed by approximately 200 senior personnel to validate these risks and their relative rankings.

In 2011, additional steps were taken to enhance the enterprise risk management program and process. In mid-year, Board members were polled to collect their thoughts on significant risks facing the company and how the risk reporting format should be revised to improve management's communication of enterprise risks to the Board of Directors. An open-ended survey was also sent to over 100 senior personnel across the company requesting their input relating to risks, including assessment of likelihood and severity, and known controls and metrics to monitor the risks. In addition, external stakeholders were interviewed on risks that they perceived could have a significant impact on the company or the industry. Finally, responsible risk owners were asked to perform in-depth analyses of their assigned risks to ensure the accuracy of their previous assessment and to ensure that appropriate mitigating and/or monitoring activities are in place.

CODE OF CONDUCT

Waste Management's Code of Conduct is entitled "Focus on Integrity and Inclusion." Compliance with our Code is central to our business success, and each employee of the company, as well as all officers and Directors, are given a copy of the Code of Conduct yearly. It provides standards for ethical behavior across the scope of our business, including providing equal employment opportunities, ensuring employee safety, maintaining quality in our services, honoring relationships with suppliers and vendors and complying with all applicable rules and regulations, including those related to bribery and corruption. All employees receive training on the Code of Conduct when they join the company and periodically thereafter. The Code applies to all employees, and signed acknowledgments are required attesting that each recipient understands the responsibilities outlined. We expect employees to report violations, and we provide an anonymous and confidential Integrity Help Line should a concern arise. The Integrity Help Line reporting, an annual Business Ethics questionnaire and whistleblower processes in accordance with the Code of Conduct are reviewed by an outside auditing firm. Amendments to the Code require Board of Directors approval.

The Code is published in English, Spanish, French, Polish and Vietnamese, and can found at **www.wm.com/wm/ethics-diversity/code_of_conduct.asp**.

STAKEHOLDER ENGAGEMENT

Waste Management values open dialogue with the diverse stakeholders that have an interest in our business and hold us accountable to our principles. We engage broadly, and at every level, with business peers and with multi-stakeholder groups to discuss the issues affecting our business and the ways in which our operations may affect others. Insights from these engagements help shape our strategic plans and business targets.

During this reporting period, Waste Management has been part of hundreds of national, state and local organizations dedicated to solving environmental and social challenges. This diverse, extensive network helps us understand how we can provide value to the communities in which we operate through environmental stewardship and natural resource conservation.

All of our municipal solid waste (MSW) and hazardous waste landfills and waste-to-energy facilities have some form of stakeholder engagement process – ranging from formal advisory groups to conservation projects, ongoing service to schools, engagement in local community groups, issuance of newsletters and creation of dedicated facility-specific web pages. Customer feedback is actively solicited.[3]

The following is a list of our ongoing partnerships at all levels.[4]

NATIONAL PARTNERSHIPS

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
American Bar Association, Waste and Resource Recovery Committee (vice chair)	American Institute for Packaging and the Environment (AMERIPEN) (board member)
American Chemistry Council (affiliate member)	ASIS International
ALTe Powertrain Technologies (advisory board member)	Association of Climate Change Officers (board member)
American Biogas Council (board member)	ASTM E50.04, Green and Sustainable Corrective Action Task Group
Association of General Contractors of America	Board of Environmental, Health and Safety
Association of Lighting and Mercury Recyclers (board member)	Central Station Alarm Association
Association of Plastics Recyclers (board member)	Chicago Climate Exchange (founding member)
Business Network for Environmental Justice (steering committee member)	Climate Action Reserve
California State University Fullerton, College of Natural Sciences and Mathematics, Sustainability Working Group (Dean's Advisory Council member)	Conference Board, Council of Corporate Security Executives
Clean Air Network	Construction Materials Recycling Association (board member)
Coalition for American Electronics Recycling	Crime Stoppers (board member)
Council of Industrial Boiler Owners (board member)	Diversity Best Practices
Edison Electric Institute (affiliate member)	Electronics Recycling Coordination Clearinghouse
Energy Recovery Council (board member)	Environmental Media Association (Corporate Board member)
Energy Security Leadership Council (board member)	Habitat for Humanity
Environmental Industries Association (board member)	Institute of Hazardous Materials Management
Environmental Research and Education Foundation (board member)	International County and City Management Association
Geosynthetic Institute (board member)	International Security Management Association
Institute of Scrap Recycling, Inc.	Interstate Technology & Regulatory Council, Green and Sustainable Remediation team
National Association of Manufacturers (board member)	Keep America Beautiful (national board member)
National Minority Supplier Development Council	National Academies of Science, National Research Council (advisory council member)
National Solid Wastes Management Association	National Association of Counties, Green Government Initiative
RCRA Corrective Action Project	National Association of Latino Elected and Appointed Officials
Secure America's Future Energy (board member)	National Association of Local Government Environmental Professionals

[3] *See www.wm.com/contact-us.jsp.*

[4] *This list is representative of our most active engagement and is not exhaustive of all employee memberships in partnerships and associations.*

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
Security Industry Association	National Black Caucus of State Legislators, Corporate Roundtable (chair)
Superfund Settlements Project	National Burglar and Fire Alarm Association
U.S. Chamber of Commerce	National Conference of Black Mayors, Business Council (chair)
Women's Business Enterprise National Council	National Council of State Legislatures (Foundation member)
	National Environmental Conference Board (board member)
	National Recycling Coalition (board member)
	Northeast Recycling Council, Electronics Recycling Coordinating Clearinghouse (founding member)
	Product Stewardship Institute (advisory committee member)
	Society of Former Special Agents of the FBI
	Solid Waste Association of North America (board member, technical division director)
	Sustainability Innovators Working Group
	Sustainable Materials Management Coalition
	Sustainable Remediation Forum (SURF)
	The Auditing Roundtable
	U.S. Composting Council
	U.S. Conference of Mayors, Business Council (co-chair)
	U.S. Conference of Mayors, Climate Protection Council
	U.S. Environmental Protection Agency, Environmental Financial Advisory Board
	U.S. Environmental Protection Agency, National Environmental Justice Advisory Council
	U.S. Green Building Council
	Wheelabrator Technologies, Symposium for the Environment (annual)
	Wildlife Habitat Council (chair and board member)

STATE PARTNERSHIPS

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
Associated Industries of Massachusetts	American Public Works Association (New York and Michigan)
Association of Commerce & Industry, Environment Committee	Apogee Retail/Lupus Foundation
Association of Oregon Recyclers	Associated Recyclers of Wisconsin
California Chamber of Commerce	Association of Minnesota Counties
California Natural Gas Vehicle Coalition (board member)	Association of New Jersey Recyclers
California Waste Association (board member)	Association of Washington Businesses
CalStart	Association of Washington Cities
Chemical Industry Council of Illinois	Association of Washington Counties
Colorado Association of Commerce and Industry	California Cumulative Risk Advisory Committee
Colorado Motor Carriers Association (board member)	California Product Stewardship Council
Illinois Chamber of Commerce	California Stormwater Quality Association
Indiana Manufacturers Association	Children's Hospital of Wisconsin Foundation
Iowa Recycling Association	Clean Energy Coalition, Michigan
Michigan Chamber of Commerce	Colorado Alliance for Environmental Education
Michigan Manufacturers Association	Colorado Association for Recycling (board member)
Michigan Municipal League	Colorado Concern
Michigan Township Association	Colorado Counties, Inc.
Michigan Waste Industries Association	Colorado Environmental Coalition
Minnesota Chamber of Commerce	Colorado Municipal League
Minnesota Chamber of Commerce, Environment and Natural Resources Committee (vice chair)	Environment Virginia
Minnesota Chamber of Commerce, Recycling Committee	Epilepsy Foundation
Minnesota Chamber of Commerce, Waste Subcommittee (chair)	Goodwill
Minnesota Clerks and Finance Officers Association	Great Plains Institute
National Solid Wastes Management Association, Ohio Chapter (chair)	Illinois Recycling Association
National Solid Wastes Management Association, State Chapters	Indiana Recycling Association
New Hampshire Business & Industry Association	Indiana Hunter Education
North Dakota Solid Waste & Recycling Association	Iowa Governor's Anti-Litter Task Force
Ohio Chamber of Commerce (board member)	Iowa League of Cities
Ohio Manufacturers' Association	Ivey Tech College, Sustainable Energy Advisory Board (Indiana)
Oregon Refuse and Recycling Association	Kansas Governor's Energy and Environment Plan (KEEP)
Pennsylvania Chamber of Business and Industry, Environmental Executive Committee (board member)	Keep America Beautiful, State Chapters (board members and officers)
Professional Recyclers of Pennsylvania (board member, president)	Keep California Beautiful (gold sponsor)
Recycling Alliance of Texas (board member and officer)	Leadership Council of Southwestern Illinois
Recycling Association of Minnesota	League of Minnesota Cities

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
Rethink Recycling	Maryland Recycling Network
Ronald McDonald House	Michigan Association of Environmental Professionals (board member)
Texas State Bar	Michigan Department of Natural Resources and Environment, Solid Waste Advisory Committee
Utah Trucking Association	Minnesota Energy Smart (board member)
Virginia Waste Industries Association (chair)	Minnesota Environmental Initiative (board member)
Washington State Recycling Association	Minnesota Governor's Climate Change Advisory Task Force
Waste 2 Resources Advisory Committee	Minnesota Multi Housing Association
Western Washington Clean Cities Association	Minnesota Pollution Control Agency, Product Stewardship and Construction and Demolition Task Forces
Waste Cap Resource Solutions	Minnesota Pollution Control Agency, Solid Waste Stakeholder Group
Wisconsin Manufacturers & Commerce	Minnesota Waste Wise (board member)
	Muscular Dystrophy Association
	National Audubon Society (state chapters)
	Natural Resources Foundation of Wisconsin
	New Hampshire Businesses for Social Responsibility
	New Hampshire Waste Management Council
	New Mexico Environment Department, Working Groups on Environmental Justice and Recycling
	New Mexico Governor's Task Force on Greenhouse Gases
	New Mexico Recycling Coalition (board member)
	North Dakota League of Cities
	Ohio Organics Recycling Association
	Ohio Solid Waste Advisory Council
	Pennsylvania Department of Environmental Protection, Water Resource Advisory Committee's "Total Dissolved Solids" Stakeholder Group (board members)
	Pennsylvania Environmental Justice Advisory Committee (board member)
	Pheasants Forever
	Recycle Florida Today (board member)
	Regional Greenhouse Gas Initiative
	Salvation Army
	Solid Waste Districts Citizen Advisory Boards (multiple – Indiana)
	Southern Governors' Association (corporate affiliate)
	State Chapters, Solid Waste Association of North America (board members and officers)
	State of Texas Alliance for Recycling (board member and legislative committee chair)

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
	Susan G. Komen 3-Day
	Texas Audubon Society (board member)
	Texas Commission on Environmental Quality, Pollution Prevention Advisory Committee
	Texas Society for Ecological Restoration
	The California Climate Action Registry
	The Climate Registry
	Utah League of Cities and Towns
	Virginia Attorney General's Government & Regulatory Reform Task Force
	University of Wisconsin Arboretum
	Washington Conservation Voters, Western Climate Initiative

LOCAL PARTNERSHIPS

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
Battle Creek Chamber of Commerce (board member)	Air Alliance of Houston
Canton Road Business Association (board member)	Air and Waste Management Association, Alamo Chapter
Detroit Regional Chamber of Commerce	American Cancer Society, Metro Golf Classic (board member)
Eastpointe/Roseville Chamber of Commerce	American Leadership Forum
Ferris Main Streets Board	American Public Works Association, Monroe County
Greater DFW Recycling Alliance (secretary)	ARISE Detroit – Neighborhoods Day
Kalamazoo County Council of Government	Aurora Economic Development Council (board member)
Local Chambers of Commerce (New Hampshire, Illinois and Indiana) (board members)	Bayou Preservation Association (board member)
North Texas Corporate Recycling Alliance	Belleville Area Council for the Arts
Orion Area Chamber of Commerce	Benedictine University, Business with Science Applications Program (board member)
Pueblo Latino Chamber of Commerce	Big Brothers/Big Sisters (board member)
Richmond Chamber of Commerce	Boy Scouts of America, multiple chapters in many states
Rio Rancho Chamber of Commerce	Boys & Girls Clubs
Simi Valley Chamber of Commerce (board member)	Bremen, Indiana, Food Pantry
Simi Valley Kiwanis	Bucks County Park and Recreation Board (chair)
Southern California Sustainability Support Group	Buffalo Bayou Partnership (board member)
Spokane Chamber of Commerce	Cannon River Watershed Partnership
Sterling Heights Regional Chamber of Commerce & Industry	Chippewa Conservation District
Texas Society for Ecological Restoration (secretary)	Christian County, Illinois, Economic Development Corp. (board member)
The Greater Houston Partnership	City and County of Honolulu, Solid Waste Advisory Committee
The Houston Bar Association	City of Baltimore, Cleaner Greener Fund

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
	City of Elgin, Illinois, Sustainability Task Force
	City of Peoria, Illinois, Sustainability Commission
	City of Simi Valley, California, Sustainability Committee
	Clare County Solid Waste & Recycling Committee (2 board members)
	CLEAN (Committing to Litter Enforcement and Adopting Neighborhoods) (Peekskill, New York)
	Clinton River Watershed Council
	Cobb County Neighborhood Safety Commission (board member)
	Community Character Coalition, Elk Grove Village, Illinois
	County of Manitowoc, Clean Sweep Program
	De Kalb County, Illinois, Economic Development Corporation
	Detroit Keep It Moving, Keep America Beautiful Organization
	Detroit Motor City Makeover
	Drexel University, Office of Research, Biosafety Committee (board member)
	EASE (Emergency Assistance Service Effort) Foundation (Davie, Florida) (board member)
	Ecobots
	Fairmont Medical Center
	Friends of the Rouge (current supporter, former board member)
	Greater Houston Partnership (board member)
	Green Houston (board member)
	Hermann Park Conservancy (board member)
	Houston Arboretum and Nature Center (board member)
	Houston Food Bank
	Houston Wilderness (board member)
	Humble ISD
	Illinois Math and Science Partnership School, Aurora University (industry partner)
	Junior League of Houston
	Keep America Beautiful, Local Government Chapters (board members and officers)
	Keep Saginaw Beautiful
	King County Solid Waste Advisory Committee
	Lake Orion Education Foundation
	Lake St. Clair Channel Keepers

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
	LaSalle County, Illinois, Citizens Advisory Board
	Leadership Broward (Broward County, Florida)
	Leadership Houston (board member)
	Leelanau County Solid Waste & Recycling Board (2 board members)
	Lifetime – Torchlight Run
	Macomb Conservation District (supporter)
	Marquette Area Blues Society
	Massachusetts Audubon Society
	Merrimack Valley Economic Development Council, Inc. (Lawrence, Massachusetts)
	Metro Mayors Caucus, Colorado
	Minooka, Illinois, High School Athletic Boosters, Golf Outing Fundraiser Committee
	Montgomery County, Ohio, Keep America Beautiful Chapter
	National Wild Turkey Federation (Tioga Chapter, Indiana)
	Nature Conservancy of Houston (board member)
	Neighborhood House, Peoria, Illinois
	New York City Center for the Urban Environment
	Orion Art Center
	Orion Boys & Girls Club
	Orion Solid Waste Committee (committee member)
	Orion Township, "Look for the Good" campaign
	Orion Township, Recycling Committee
	Partners in Education (Broward County, Florida)
	Pheasants Forever chapters (board member)
	Portland Metro Solid Waste Advisory Committee
	Recycling Task Force, Solid Waste Agency, Lake County, Illinois
	Relay for Life
	Richmond Regional Youth Facility
	Roundy's Foundation/Milwaukee Public Library
	Saugus Business Education Collaborative (Saugus, Massachusetts) (board member)
	SEARCH (board member)
	Seattle Solid Waste Advisory Committee
	Simi Valley Boys & Girls Club (board member)
	Simi Valley Cultural Arts Association (board member)
	Simi Valley Education Foundation (board member)

BUSINESS ASSOCIATIONS	MULTI-STAKEHOLDER GROUPS
	Simi Valley Family YMCA (board member)
	Simi Valley Police Foundation (board member)
	Simi Valley Police Officers Association (board member)
	Six Rivers Land Conservancy
	SOS Children's Villages – Florida (Broward County, Florida) (board member)
	South Baltimore Learning Center (board member)
	Southside Manor Apartments, Peoria, Illinois
	St. James Farm Forest Preserve (volunteer)
	Suburban Cities Association
	Sun Valley Beautiful
	Swim Teal Lake – Diabetes
	Taylorville, Illinois, Memorial Hospital (Board of Directors)
	Taylorville, Illinois, Development Assoc. (board member)
	The Nat Moore Foundation
	The Park People (board member)
	Three Rivers Festival Committee (Channahon, Illinois)
	University of Southern California, "SEER" Project
	Urban League (local board member)
	U.S. Green Building Council, Inland Empire Chapter
	Village of Lake Orion, Downtown Development Authority
	Washington DC Metropolitan Scholars (board members)
	Waterfowl U.S.A. (supporter)
	Will County, Illinois, Center for Economic Development
	Wisconsin Clean Cities, Southeast Area
	Women in Distress, Inc.
	Women's Center (board member)
	YMCA of Broward County
	YMCA of Miami-Dade County

CUSTOMER ENGAGEMENT AND EXPERIENCE

A core part of Waste Management's business strategy is helping customers meet their own sustainability goals. We provide our customers with new technologies to convert waste to resources, offer advice on how to avoid waste and recover more value from the waste stream, and innovate smart solutions for renewable energy and materials-handling challenges. In 2011, we formed Customer Experience, a new department tasked with making it easier for our customers to do business with us. Customer Experience focuses on four key areas:

- **Customer Insights:** Collects survey data, employee comments, call center metrics and information from social media to understand what our customers want and improve services to go beyond expectations.
- **Consolidated Call Center:** Assures consistency and efficiency through a single department.
- **Technology Roll-Out:** Pilots technological and software systems, including interactive voice response, streamlined customer setup and account management.
- **Giving Customers What They Need:** Trains call center employees in superior customer service delivery, including recommending appropriate Waste Management services such as Bagster, LampTracker or Think Green from Home.

AWARDS FOR CUSTOMER SERVICE

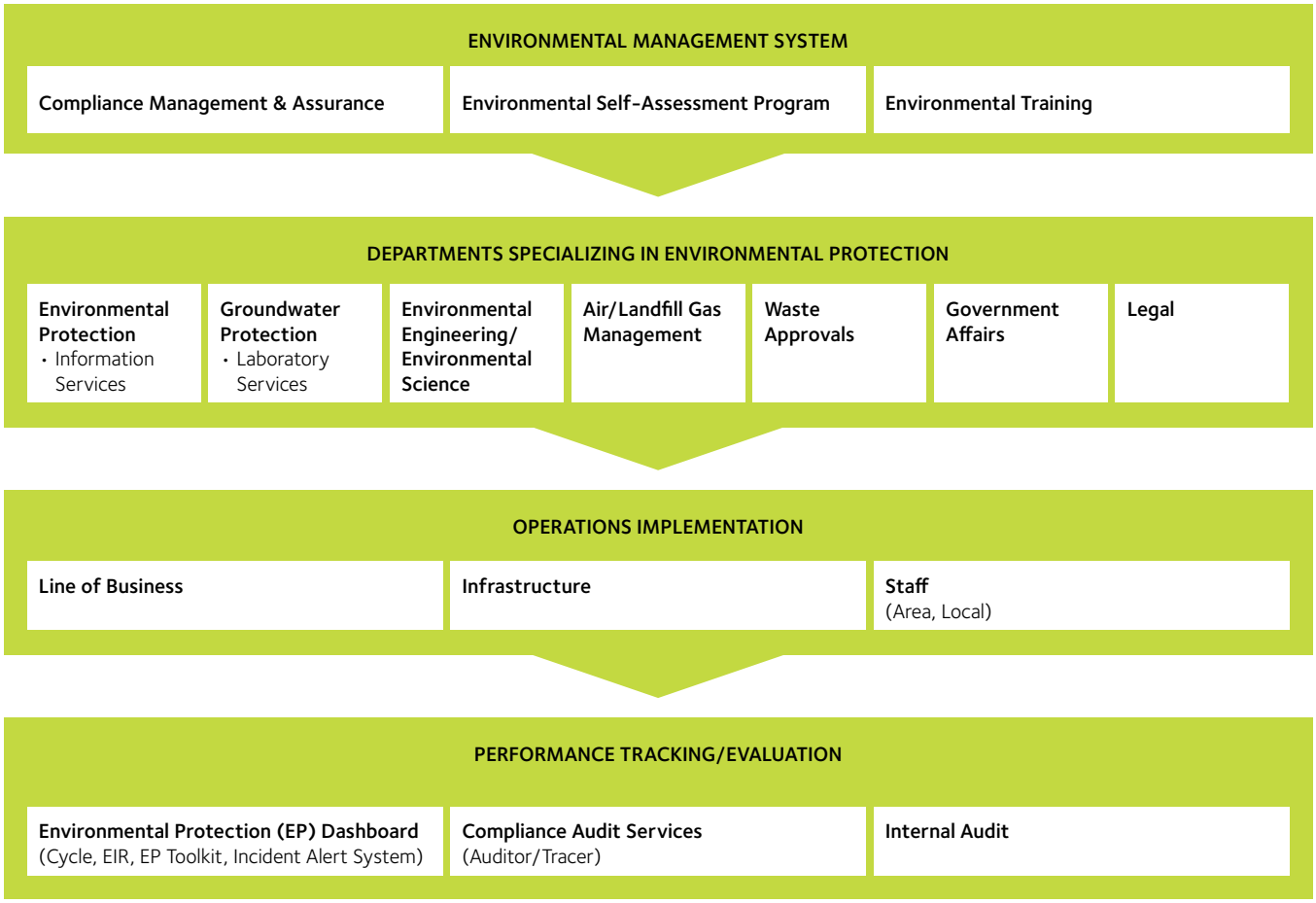
YEAR	NAME OF AWARD	GRANTEE
2010	Environmental Award	CSX Corporation
2011	Award for Excellence: Environmental Quality	NJ Business & Industry Association
2011	Green Company of the Year	East Peoria Chamber of Commerce
2011	Green Giant Award	Coral Gables Chamber of Commerce
2011	Crane Award	First Coast Manufacturers Association

Waste Management continues to partner with JD Power & Associates to benchmark, track and achieve our goal of having 55 percent of our customers "definitely recommend us." Customers calling into our call centers are given the option to take a survey and leave feedback on a recorded line. Through the survey, customers can voice their opinion on products and services. The surveys are administered monthly, with resulting action steps specific to each market area. These results are also being integrated into operational processes and communications to front-line employees. In 2012, we are working to develop more meaningful sustainability questions in these types of surveys, so we can better assess and address our customers' needs. We will also look at how customer loyalty metrics are tied to operational and service performance, so that we can further improve the overall customer experience.

ENVIRONMENTAL MANAGEMENT

Environmental stewardship is the core of our business – our promise to customers, our competitive advantage and our obligation to the communities in which we operate. How we manage potential environmental impacts and opportunities is a critical element of being a sustainable enterprise. In a business as highly regulated as ours, protecting the environment, maintaining compliance and innovating to improve operations require unwavering focus, expertise, comprehensive systems and internal checks and balances. We have evolved our approach over decades, with a focus on integrating environmental functions into key management systems. The figure on the following page shows the major components of environmental management at Waste Management, and the sections that follow elaborate on its contents. Information on our environmental policy, as well as our management team, practices and training, is available on our website for public review.

OVERVIEW OF WASTE MANAGEMENT'S ENVIRONMENTAL MANAGEMENT APPROACH



ENVIRONMENTAL MANAGEMENT PROCESSES

We have a long track record of both supporting high regulatory standards and striving to go beyond them. Our environmental management approach has led us to:

- Urge the U.S. Environmental Protection Agency (EPA) in 1991 to revise regulations implementing the Resource Conservation and Recovery Act Subtitle D and to establish strong and prescriptive federal standards for managing MSW. We supported specific, rigorous, governmentally sanctioned and publicly reviewed standards to ensure environmental protection at all MSW landfills.
- Innovate beyond compliance. As part of Waste Management's formal performance review process, employee salaries are informed by regulatory compliance, and repeat violations are tracked, are reviewed by senior managers and result in disciplinary consequences for those responsible. Our success has been apparent in our improving compliance and environmental performance indicators from 2007 to 2011.
- Develop a tracking system for public comments and complaints, including noise and odors, that are not regulatory violations but are nonetheless public concerns. Our management tool ensures that we respond to public comments, and senior management implements and reviews solutions.
- Test our internal systems to ensure their thoroughness and accuracy. We periodically conduct gap analyses of our Corporate Environmental Management System (EMS) against the International Organization for Standardization (ISO) 14001 standards to ensure the sufficiency of our systems for landfills, transfer stations, hauling operations, waste-to-energy plants, hazardous waste treatment and disposal facilities, and recycling facilities. These systems continue to be evaluated and supplemented as appropriate.
- Certify all of our Waste Management Sustainability Services United States operations projects (formerly Upstream), including projects at over 100 customer-operated locations, plus our Canadian operations projects and our Canadian consulting services (formerly Green Squad), to the globally recognized ISO 14001 and ISO 9001 standards.

- Audit the rest of our operations through an independent environmental audit team that employs nationally recommended compliance audit practices approved by the American Standards for Testing and Materials and the Board of Environmental, Health and Safety certification standards for professional auditors. Nearly all of Waste Management revenues come from operations subject to environmental management systems that are audited.
- Test our facilities to assure stakeholders that our operations protect human health and the environment. Our environmental experts hold a number of patents on innovative monitoring and analysis technologies, and we often provide monitoring data to outside parties to evaluate how our systems are performing.

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

1. Environmental Policy

Our Corporate Environmental Policy establishes the vision for our EMS. The Policy states, in part:

Waste Management is committed to protecting human health and the environment. This commitment is a keystone of all that we do, reflected in the services we provide to customers, the design and operation of our facilities, the conditions under which employees work, and our interactions with the communities where we live and do business. We will be responsible stewards of the environment and protect the health and well being of our employees and neighbors.

We have policies and standards for specific environmental and related aspects of our operations.

2. Planning

Environmental Aspects and Impacts

Our EMS focuses on preventing, correcting and ultimately reducing impacts associated with our operational activities. We focus on:

- **Eliminating environmental impacts**, including spills or leaks from vehicles, landfill gas impacts on the air or subsurface and releases to surface water or groundwater.
- **Eliminating community impacts**, including odors, litter, noise, dust and spills or leaks.
- **Eliminating regulatory impacts**, including regulatory inspection-alleged issues, warning letters, violations and enforcement actions.

We also use several databases, systems and processes specifically designed to help facility managers plan, implement, check and respond to their site-specific environmental requirements.

Legal and Other Requirements

Our EMS tools continually evaluate and determine what regulations, permit conditions and contract requirements apply to facilities. These tools include:

- **CyberRegs:** An online source for all state and federal statutes and regulations;
- **Environmental Regulation Monitoring and Alert report (ERMA):** A weekly report that identifies and ranks new or modified environmental regulations; and
- **Regulatory Outreach:** Active involvement by our technical professionals in state and local activities associated with environmental regulation development and policy making.

Waste Management's environmental teams work closely with our Legal and Government Affairs departments, and they utilize the above resources to ensure that all facilities have access to relevant laws and regulations.

Objectives and Targets

We use the following indicators/targets to quantify environmental performance:

- Environmental impacts / No impacts to the environment
- Customer environmental concerns / No customer environmental impacts
- Regulatory violations / No violations

Our Environmental Incident Rate (EIR) measures our performance and tracks progress towards these goals at the facility level. The EIR is used to drive continuous environmental improvement on a year-over-year basis.

3. Implementation

Roles and Responsibilities

Our EMS relies on our Corporate, Market Area and facility-level personnel with job-specific functions, roles and responsibilities for planning, implementing and evaluating the EMS components. The specific departments and personnel involved include the following:

- **Corporate Environmental Protection (EP):** Develops environmental policies, tools, and training, and provides strategic or technical advice to the Areas, with the goal of 100 percent compliance. Oversees environmental performance and ensures environmental impacts and issues are resolved, including correction and prevention.
- **Corporate Engineering Science:** Manages research and engineering science to develop an understanding of the interrelationships between our disposal processes and the environment.
- **Area-Level EP Managers and Engineers:** Implement the environmental program and assist operations and lines of business (LOBs) with their environmental programs, consistent with the EMS.
- **Corporate Environmental Engineering (EE):** Provides expertise in the planning and design for our facilities to ensure that operational activities have limited environmental impact.
- **Corporate Air / Landfill Gas Management (AGM):** Develops and implements the corporate greenhouse gas and carbon emissions tracking and reduction strategies. Sets policies and standards; responsible for the planning and development of air quality and landfill gas management tools.
- **Corporate Groundwater Protection (GP):** Provides expertise and direction on groundwater protection programs and ensures that environmental monitoring networks are installed and operating to specifications. Laboratory services ensures accuracy and quality control in the analytical testing of environmental samples.
- **Waste Approvals:** Ensures permit compliance and safe and environmentally sound waste acceptance procedures and controls.
- **Government Affairs:** Monitors and interfaces with key state, federal and local governmental entities to ensure that we are at the forefront of developing trends and regulations.
- **Legal:** Provides guidance, support and advice to our sites and Areas; monitors compliance trends; manages the company's failure root (latent) cause analysis process.
- **Site Managers and Front-Line Employees:** Responsible for all environmental aspects at the site level. Key environmental tasks are assigned to appropriately trained local staff.

Additional roles, responsibilities and authorities essential to the EMS programs are identified in corporate job descriptions, maintained by Human Resources.

Training

Our environmental training program targets operational and functional levels as follows:

- **EP Learning Series (EPLS):** An online training program provided to Corporate, Area and Site Managers with environmental leadership responsibility. Comprised of monthly topic and LOB-specific environmental training modules, knowledge tested and tracked.
- **Environmental Self-Assessment (ESA):** Required for managers with responsibility for facility-specific environmental programs. Comprised of a series of questions covering different environmental subjects each month, and used as both a training and compliance assurance tool.
- **Environmental Compliance Awareness Program (ECAP):** A mandatory training program for front-line employees and managers, covering a different environmental subject each month. The program is knowledge tested and tracked at the site level.

Monthly topics are aligned between these programs whenever possible. We also offer topical and job-specific training programs, including on-the-job training sessions conducted by EP professionals for facility management, to ensure that employees possess the knowledge and skills to manage and conduct operations in environmentally responsible ways.

Communications

We communicate environmental programs and issues using the following methods:

- **Waste Management Visor and SharePoint:** An intranet system that provides links and information on the company's environmental programs, including portals to the company's information systems.
- **Environmental Incident Alert Notification System:** Provides immediate notification of significant environmental events company-wide to corporate and environmental management.
- **Environmental Protection Dashboard:**
  - **Environmental Incident Rate:** Environmental performance metrics tracked and communicated to management at least monthly.
  - **EP Toolkit:** Compliance program operational metrics, environmental self-assessment metrics and other environmental task-related metrics, tracked and reported to management at least monthly.

Documents and Operational Controls

We have several internal systems for maintaining environmental documents and records, many of which are multiple purpose programs:

- **EP's Visor websites:** The main portal to the company's environmental program. This site contains the EMS information and links as well as links to all corporate-supported environmental information systems and databases. All company employees can access this website.
- **Waste Management Environmental Program SharePoint:** A dedicated website used to store and share documents and other electronic resources. Managers with environmental responsibilities have access to the SharePoint website.

Our Environmental Databases

- **Cycle:** The compliance assurance task calendar program for identifying and tracking completion of site environmental tasks in permits, regulations, site plans, policies, etc.
- **Environmental Reporting System (Incident Alerts):** The repository for reported agency-identified violations (AIVs), environmental exceedances and public comments.
- **Dakota Auditor and Tracer:** A third-party audit management system used to manage the ESA issue identification and compliance representation letters. Also used to track environmental (and safety) audit finding and self-assessment corrective actions.
- **Environmental Enforcement Database (EED):** The Legal department's violation tracking database, for tracking significant violations through completion and reporting the results to senior management and corporate governance.
- **Storage Tank Database (Cycle):** Used to manage aboveground and underground storage tanks, including registrations for insurance purposes.
- **Applied Landfill Information Analysis System (ALIAS):** A relational database used to cross-reference landfill characteristics (cover, liner, waste type) to monitoring points and results.
- **EQuIS:** Contains our groundwater, surface water and other analytical data provided by contract laboratories. Used for reporting and data integrity and management purposes.
- **Landfill Gas Management System (LGMS):** Houses operational and performance data relating to landfill gas collection and control systems (GCCS).

In addition to the above, each facility is responsible for maintaining its own operating record, including regulatory required documents, inspections and reports

Emergency Preparedness and Response

We maintain an Emergency Situations and Evacuation Plan Policy, which communicates management objectives for addressing emergency situations. Facilities may also be required to maintain specific emergency response plans including the following:

- **Hurricane Preparedness Plans** and annual simulation exercises.
- **Disaster Preparedness and Management Plans** in areas subject to natural disasters (e.g., tornados, fires, earthquakes), for safe handling of disaster-generated debris.
- **Spill Prevention Control and Countermeasures (SPCC) Plans** for facilities that store certain volumes of petroleum products and are required to prevent, contain and control spills.

Our employees are trained and drilled to comply fully with any Emergency Situations and Evacuation Plan, Local Preparedness Plans and Spill Plans.

4. Assessment & Corrective Action

Monitoring & Measurement

We use the following programs as a multipurpose, integrated system to monitor, measure, report and track environmental aspects and impacts through closure/completion.

- **EP Dashboard – Environmental Incident Rate (EIR):** This online system is used to measure, track and report environmental performance across three areas: the environment, our communities and regulations:
  - *Environmental:* Environmental incidents that occur at our operations are compiled from various systems identified in the EIR, including:
    - Spills/leaks that hit the ground from vehicles
    - Groundwater impacts above regulatory criteria or with increasing trends
    - Storm water impacts above benchmarks or reportable releases
    - Leachate impacts off liner
    - Air impacts that include surface emission overages or reportable air emissions
    - Landfill gas impacts to perimeter gas probes
  - *Community:* Public comments relating to the environment are collected by Customer Service Representatives or Site Managers. Comments requiring corrective action are immediately routed to the local responsible manager via e-mail and are tracked to completion.
  - *Regulatory:* Regulatory incidents or agency-identified violations (AIVs) are recorded for each site. AIVs are reported to Corporate within 24 to 48 hours of receipt via the Environmental Incident Reporting System.

  Our performance goal is continuous year-over-year improvement in EIR performance.
- **EP Dashboard – EP Toolkit:** The EP Toolkit is used to evaluate environmental performance system metrics for the company business operations every month. EP Toolkit metrics help ensure that all cycle tasks, environmental self-assessments, audit findings and environmental incidents are completed in a timely manner, and effective corrective actions and preventable measures are implemented.
- **EP Dashboard – System Reports:** A System Report is a month-end environmental performance summary that is automatically sent to Dashboard users of record. The EP Dashboard reporting tool also provides users the ability to review and report environmental performance results on real-time or scheduled basis.

Corrective Action and Preventative Measures

Area EP Managers are responsible for ensuring resolution and prevention of issues identified through the Dashboard, Toolkit and other environmental database reports. Facility and EP Managers are responsible for ensuring that all identified incidents are closed out completely and correctly. Measures or actions that are not effective are subject to reopening of the incident.

- **Environmental Self-Assessment Program** issues are tracked until they are corrected and prevented from recurring. Area Managers and Supervisors are responsible for addressing all issues identified through any of the assessment stages in a timely manner.
- **Environmental Incident Rate** incidents are documented and tracked until all corrective action and preventative measures are implemented. Performance related to completion of the corrective and preventative measures is tracked via the EP Toolkit.
- **Latent Cause Analysis (LCA)** is the process for identifying the underlying root causes of any environmental noncompliance or failures to prevent recurrence. Latent causes are communicated to upper management to ensure that the underlying reason for the incident is known and is prevented from recurrence company-wide.
- **The Public Comment Management Program** manages and automatically routes public comments received to the local entity and centrally tracks them through correction and preventative measure implementation.
- **The National 800 Help Line** is the confidential system available to employees for use to internally report potential issues, including environmental incidents. Legal and the appropriate department work to investigate and resolve every reported incident, up to and including any required corrective and preventative actions.

Audits

Our Corporate Compliance Audit Services (CAS) department conducts compliance audits at all company-owned, -operated and -controlled facilities or operations. CAS conducts detailed environmental and safety assessments of each facility on a rotating basis and communicates audit results to relevant local and corporate management. CAS follows up to ensure the correction and prevention of all identified issues.

Records

Records relating to analytical results, environmental performance elements and compliance assurance tasks identified in the EMS are all maintained online within our IT, Legal and/or Environmental Protection departments. Documents and technical resources are available and maintained on our Visor and SharePoint intranet sites, as are training, guidance and standards resources. Sites are responsible for maintaining operating records.

5. Management Review

Our management teams, including Area, Corporate and senior management, participate in a management review process to determine the level of success in achieving environmental goals. In doing so, they:

- Review environmental policies;
- Review Waste Management's EMS;
- Review the EP Dashboard environmental performance, issues and incidents on a routine basis;
- Evaluate Corporate and Area environmental goals and objectives; and
- Amend the EMS, including policies, procedures, goals and objectives.

Management review and response to environmental performance measures, incidents and issues are used to drive operational changes and ensure that continuous improvement goals are met. Our Internal Audit department performs compliance evaluations on an ongoing basis.

ENVIRONMENTAL EXPENDITURES

As an environmental service infrastructure provider, our "environmental expenditures" are necessarily interrelated with our operations. These expenditures properly include compliance, environmental protection, control and research costs and also the capital and operating costs for our waste handling options – from waste reduction and reuse consultation to recycling, waste-to-energy and disposal facility construction and operation. Our environmental expenditures for the reporting period are shown below.

YEAR	ENVIRONMENTAL COSTS (IN MILLIONS)[5]	TOTAL ANNUAL EXPENSES (IN MILLIONS)	PERCENTAGE OF ENVIRONMENTAL COSTS TO TOTAL EXPENSES
2010	$3,999.1	$10,338.6	38.7%
2011	$4,182.1	$11,256.1	37.2%

SUSTAINABILITY IN PROCUREMENT AND OPERATIONS

Through our Procurement department, Waste Management has the opportunity to demonstrate its environmental and social commitment by making purchases with an awareness of their impact on the environment. We also have unique opportunities to work collaboratively with suppliers to help them cut waste, use recycled materials and leverage their expertise to help us reach our sustainability goals.

Our guidelines for suppliers set forth five criteria: product and technology leadership, service and support leadership, quality, delivery and lead-time performance, and total cost performance. For third-party waste service providers, we require environmental assessments that ensure compliance with all applicable environmental, health and safety requirements. (For a discussion of Waste Management's role in the global supply chain, see **www.thinkgreen.com/ceo**.)

We work with our suppliers to envision a closed-loop supply chain by purchasing recycled products and supplying our vendors with waste materials that can be recycled into new products. For example:

- We buy paper with a **minimum of 30 percent recycled content**.
- We **recycle our equipment** by grinding up plastic garbage cans to make new plastic containers, reclaiming steel from scrap containers, repurposing used tires into cutting edges for scapers and dozers, and having used oil recycled for other purposes.
- We use new products such as enhanced longevity motor oil and new materials to **reduce the weight of fleet trucks**. We pay attention to the degree to which plastic containers can be recycled into other plastic containers and buy accordingly. All of our suppliers are working to increase the amount of recycled plastic in our products.
- Our Real Estate department oversees the deployment of **recycled and energy-efficient materials** in its Capital Projects and Construction Management Program, identifying vendors for controlled lighting and HVAC, occupancy sensors, recycled-content carpet and furniture, and low-emitting paints and adhesives.

In pursuit of our sustainability goals for recycling and renewable energy, we look up the supply chain not only to our own suppliers, but to those who supply the materials that eventually come to us as waste. We help suppliers understand how to increase the lifecycle sustainability of their products. For example, we are working with the suppliers of compact fluorescent lamps (CFLs) to not only recycle the bulbs and recover the mercury and other materials for reuse, but to give them insights into how the plastics used in CFLs could become recyclable.

One central way we are encouraging sustainability in our supply chain relates to vehicle purchases for our fleet. We have a goal to invest in cleaner technologies and reduce emissions. We have committed to having up to 80 percent of our newly purchased collection vehicles run on natural gas. We are also working with four suppliers on different technologies for hybrid trucks and heavy equipment, each in a different stage of testing.

In 2011, we began preparation for the implementation of a company-wide "procure-to-pay" system that will integrate all sourcing and payment activities. It will replace legacy systems and enable a more streamlined, largely paperless process for our Procurement, Shared Services and IT organizations as well as our suppliers.

[5] *Includes costs associated with the environmentally responsible management of waste and the creation of renewable fuel. Excludes costs associated with sales, general collection operational and administrative costs, merger costs and unusual items.*

Our suppliers are expressly bound by the Waste Management Code of Conduct for Consultants, Contractors and Suppliers. Its obligations include:

- A ban on discrimination in hiring and employment practices
- A ban on even the appearance of a conflict of interest
- A ban on any conduct constituting harassment
- An affirmative duty to treat all with dignity, respect and fairness
- Strict bans on offering or accepting bribes, kickbacks, payoffs or other unusual or improper payments
- A ban on making a political contribution on behalf of Waste Management
- An affirmative obligation to be a good corporate citizen and a trusted and valued community partner and to safeguard the environment and natural resources

The Code of Conduct is monitored through Waste Management's Integrity Help Line, which is available to all consultants, contractors and suppliers as a resource in case of questions.

SUPPLIER DIVERSITY

Waste Management's ongoing supplier diversity program ensures that businesses owned by underrepresented groups (i.e., women-, minority- and service-disabled veteran-owned businesses) participate in each bid process (where such a supply base exists). In 2011, we purchased more than $300 million in products and services from diverse suppliers, representing approximately 10.8 percent of our total subcontracting budget for goods and services. This marks the seventh consecutive year the company has exceeded its corporate supplier diversity goals. To facilitate the process, we provide online registration for small businesses, including those owned by minorities, women and service-disabled veterans.[6]

PERCENT OF SUBCONTRACTING BUDGET FOR GOODS AND SERVICES SPENT ON DIVERSE SUPPLIERS[7]

YEAR	GOAL	ACTUAL
2005	6.5%	7.2%
2006	8.2%	9.0%
2007	8.5%	9.8%
2008	10.0%	10.5%
2009	10.0%	11.1%
2010	10.0%	11.2%
2011	10.0%	10.8%

Sustainability in Our Supply Chain

We estimate that no more than 1 percent of Waste Management's supply chain expenditures involve purchases from companies located outside North America and Europe. Our Wheelabrator Technologies division has begun to function as a minority partner developing waste-to-energy facilities in China. As this business partnership matures, we envision increased use of materials directly from Chinese and other foreign sources, both in China and in the U.S. We are currently developing a supply chain sustainability questionnaire for use with suppliers in the future as these purchases expand.

[6] *See www.wm.com/wm/procurement/diversity.asp.*

[7] *In 2011, we began using a new methodology that significantly expands the scope of contracts available for our supplier diversity program. This expanded contract opportunities but reduced the overall percentage achieved in 2011. For purposes of reporting year-over-year results, the numbers for 2011 have been normalized according to the previous methodology. In 2014 we will report using the new system.*

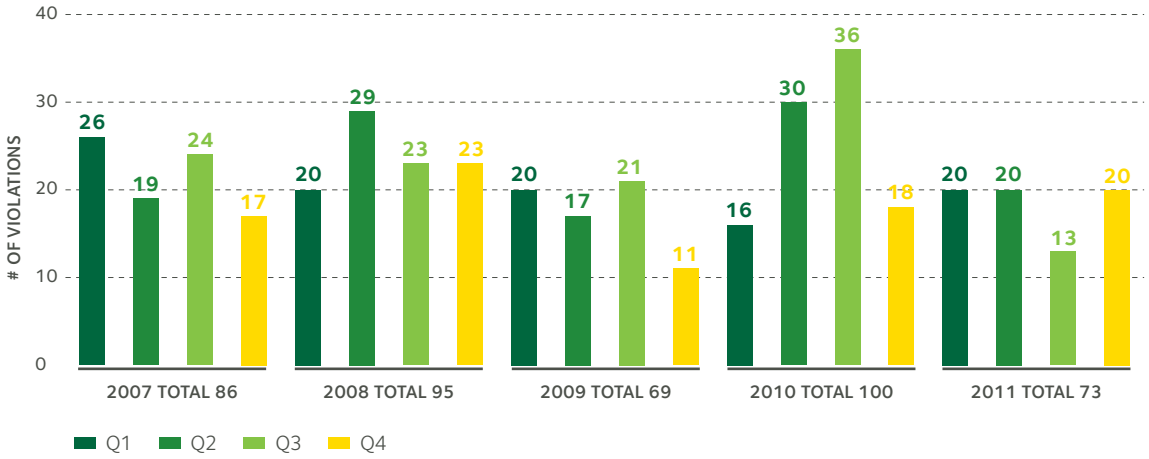
ADDITIONAL INFORMATION ON SAFEGUARDING THE ENVIRONMENT

ENVIRONMENTAL COMPLIANCE

Our goal for environmental compliance is simple: zero deviations from regulatory standards and sound environmental practice. The goal of our Environmental Management System is to correct conditions that could lead to a violation before the violation happens. We have not yet achieved our goal of zero violations, but we continue to take every departure from regulations, no matter how small, very seriously.

The figure below charts our year-over-year performance in environmental notices of violation (NOVs)[8] received since 2007.

NOTICES OF VIOLATION, 2007-2011



INTERNAL ENVIRONMENTAL METRICS: NUMBER AND VOLUME OF SIGNIFICANT SPILLS

Waste Management is committed to reducing the number and amount of leaks and spills that occur at our operations. We track fluids usage by our trucks, and we train drivers to report any leaks or spills they observe; we also require that all significant spills be reported to the Corporate office via the Environmental Incident Notification System. The table below summarizes, for our more than 1,200 operating locations, all spills of a size required to be reported to the National Response Center.

YEAR	# OF REPORTABLE SPILLS
2006	10
2007	6
2008	5
2009	4
2010	0
2011	2

METHODOLOGY USED TO CALCULATE OUR CARBON FOOTPRINT

Waste Management's carbon footprint comprises the anthropogenic Scope 1 (direct) emissions and Scope 2 (indirect) greenhouse gas (GHG) emissions from facilities and activities under Waste Management's operational control in the United States, the U.S. Territories and Canada. These emissions include direct emissions from vehicle

[8] NOVs may be given for anything from a short delay in receipt of a required report to a deviation from any aspect of regulatory standards or permit conditions. Some violations could have the potential to impact the environment, but most do not. Upon investigation, not all NOVs are ultimately found to represent an actionable violation.

and stationary facility fossil fuel use, landfill operations, waste-to-energy and power plants, management of medical wastes, and refrigerant use, as well as indirect emissions from electricity use. The carbon footprint relies on company operating data collected from auditable corporate business, legal and accounting records, which have undergone internal quality-assurance checks.

We use a three-step quality assurance and quality control process to ensure the validity of our carbon footprint data. Only director-level managers and above are involved in the review of data. Our landfills in Massachusetts, as well as the Altamont, Anderson, Bradley, El Sobrante, Redwood and Simi Valley landfills in California, are all subject to rigorous third-party verification by certified greenhouse gas professionals, as required by state regulations.

Our inventory reflects the most accurate means available to calculate GHG emissions within our industry sector. We worked with leaders in government, industry and academia in developing our inventory processes and protocols, including staff of the California Climate Action Registry, the multi-state Climate Registry and the EPA. Our GHG inventory employs the protocols embodied in the EPA's final Mandatory Greenhouse Gas Reporting Rule (74 Fed. Reg. 56260, October 30, 2009) and the Climate Registry's General Reporting Protocol (May 2008) for the majority of our GHG emission sources.

Because a broadly accepted protocol for estimating the carbon mass balance of landfills does not yet exist, Waste Management, along with other public and private owner/operators of landfills, funded development of the Solid Waste Industry for Climate Solutions (SWICS) protocol by SCS Engineers.[9] The protocol represents a first step in refining existing EPA models and protocols using peer-reviewed, published research to improve landfill GHG emission estimation. We employed the SWICS protocol in estimating the emissions associated with the landfill operations reported in our companywide carbon footprint and the voluntary GHG reporting protocols in which we participate.

Our calculation of the potential GHG reductions or "avoided emissions" that our operations enable includes:

- The production of renewable waste-based energy that replaces electricity generated from fossil fuels.[10]
- The potential avoided GHG emissions from one year's production of renewable fuel from landfill gas at our Altamont, California, landfill.
- Facilitation of the reuse and recycling of materials.
- Permanent carbon storage in landfills. Carbon storage in landfills can significantly offset GHG emissions from landfills. The decision to include these factors and how they are utilized in a statewide inventory will depend on the accounting protocol employed. A number of international and domestic protocols – including those of the United Nations Intergovernmental Panel on Climate Change, the EPA, the Oregon Climate Trust and the California Air Resources Board – recognize carbon storage in landfilled material as a "sink" in calculating carbon emissions inventories.[11] These protocols recognize that when wastes of a biogenic origin are deposited in landfills and do not completely decompose, the carbon that remains is effectively removed from the global carbon cycle, or sequestered. For example, the EPA has published reports that evaluate carbon flows through landfills to estimate their net GHG emissions. The methodology the EPA employed recognizes carbon storage in landfills. In these studies of MSW landfilling, the EPA summed the GHG emissions from methane generation and transportation-related carbon dioxide emissions, and then subtracted carbon sequestration (i.e., treated it as negative emissions).[12]

We have used the SWICS protocol to calculate the amount of carbon permanently stored in landfills from the annual disposal of organic waste that will not decompose in the landfill to produce methane. This carbon storage, or sequestration, is important because it removes carbon from the natural carbon cycle indefinitely, reducing net emissions of GHG. Both the UN Intergovernmental Panel on Climate Change and EPA National GHG Emissions Inventory account for carbon sequestration of un-decomposed wood products, yard trimmings and food wastes disposed of in landfills. Both entities consider carbon sequestration to be an integral component of the landfill carbon mass balance calculations.

[9] *SCS Engineers, Inc.*, Current MSW Industry Position and State-of-the Practice on LFG Collection Efficiency, Methane Oxidation, and Carbon Sequestration in Landfills for SWICS *(Long Beach, CA: SCS Engineers, January 2009).*

[10] *Avoided fossil fuel generated electricity emissions are calculated using megawatt hours of electricity supplied to the grid multiplied by U.S. EPA eGRID emission factors.*

[11] *SCS Engineers, Inc., 2009.*

[12] *EPA*, Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks, 3rd Edition *(Washington, DC: U.S. EPA, September 2006).*

OUR PARTICIPATION IN CLIMATE CHANGE PUBLIC POLICY

Waste Management is actively working with stakeholders from all perspectives to assess how GHG emissions can be accurately inventoried and disclosed, and how that information can be used in climate change initiatives that improve environmental quality and are consistent with a healthy economy. We participate with the Carbon Disclosure Project, the Dow Jones Sustainability Index and Newsweek Green Rankings Research, and we have made our voluntary reports to these organizations publicly available. We have also commented on federal, regional and state frameworks for addressing climate change. Extensive comments and recommended strategies have been discussed with:

- U.S. House of Representatives, Committee on Energy and Commerce
- U.S. House of Representatives, Committee on Science and Technology
- U.S. Senate, Energy and Natural Resources Committee
- U.S. Environmental Protection Agency
- California Air Resources Board
- Western Climate Initiative
- Regional Greenhouse Gas Initiative
- Climate Registry
- Climate Action Reserve

All comments are a matter of public record.

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

Climate change presents both risks and opportunities for Waste Management:

- **Regulatory Risks**: Emerging GHG policies at the state and federal levels will likely affect our operations, though the nature of the impacts is uncertain. Regulatory programs to address reductions of GHG emissions will present significant challenges and opportunities for the company, since we have operations that emit GHGs but also employ innovative technologies that reduce and prevent GHG emissions.
- **Disaster Preparedness**: To prepare for the possibility of extreme weather emergencies that have the potential to disrupt our business, we have instituted emergency contingency plans and staged emergency equipment and fuel to ensure continuity of service or a return to service in the shortest time period possible. These plans are based on an assessment of the types of disasters that could affect each business region, and the ways in which each type of disaster would impact our employees, business operations and community needs.
- **Opportunities**: Renewable energy and GHG cap-and-trade policies could provide opportunities for Waste Management to develop additional landfill methane offset projects and waste-based energy projects. Similarly, emerging low-carbon fuel standards and other incentives may allow us to realize benefits from our continuing investment in innovative alternative fuel technologies, including converting landfill gas to liquefied natural gas and biodiesel.

CONTAINING HAZARDOUS SUBSTANCES AND REDUCING EMISSIONS

Waste Management owns seven hazardous waste treatment and disposal facilities subject to the EPA's Toxics Release Inventory (TRI), a data repository compiled to inform the public about the presence of chemicals in their communities.[13] The TRI compiles information on what are termed "releases" of over 650 chemicals. These releases take two very different forms:

- **Actual releases:** Releases of chemicals into the ambient environment, as specifically authorized by permit or regulation, from designated industrial sources.
- **Containment:** Disposal of chemicals at hazardous waste landfills and underground injection wells, as specifically authorized by permit. This requires permanent isolation in an engineered disposal unit.

[13] The seven facilities include five active landfills, one landfill no longer accepting commercial waste and one underground injection well. In addition, our Wheelabrator Frackville waste coal plant reports under TRI as a utility. That facility's air emissions have held relatively steady at 55,000 pounds per year on average, and it has no releases to water or containment in a RCRA Subtitle C unit. Note also that the annual totals include an acquisition – Waste Management Mercury Waste Solutions.

TRI-reportable releases must be within emission levels authorized by permit or regulation, but the TRI was initiated to go beyond the permitting process to provide communities with information about chemicals from all of the facilities in their vicinity. Disclosure of the total releases emitted in each community was intended as an indirect means of encouraging pollution prevention, and has served that purpose.

Waste Management's emissions are reported annually to the EPA, and the most recent totals are provided on p. 19 of Book 2 in our main report. From 2000 to 2010, we reduced our overall emissions (from our hazardous waste facilities, waste coal plant and mercury waste treatment facilities) by 84 percent. Releases to surface water declined over 99 percent over the same 10-year period. In 2010, we saw a significant rise in air emissions over 2009 resulting from the receipt of increasing amounts of customer wastes containing methanol, nitric acid and hydrofluoric acid. These increases, as well as increases attributable to the EPA's decision to expand TRI reporting to include air emissions from municipal waste landfills adjacent to hazardous waste landfills, has resulted in a 66 percent rise in reported air emissions from 2000 to 2010.

The EPA continues to reiterate its view that increased quantities of TRI materials in containment can represent "a generally positive environmental trend because these facilities are in the business of managing hazardous waste and do so under strict controls."[14] Delays in obtaining permits for new units at two hazardous waste landfills had two impacts: sharp decline in containment in the RCRA Subtitle C units onsite, and sharp increase in transfers offsite as new arrangements needed to be made to accommodate customer needs. Our containment of hazardous waste in RCRA-regulated units declined from a high of 142,352,258 pounds in 2000 to 24,479,007 pounds in 2010. Transfers of waste we received and then transported to another site for treatment or disposal climbed from 278,376 pounds in 2009 to 409,673 pounds in 2010 (although down from 742,911 in 2000).

The EPA reports the actual releases and containment at the seven Waste Management hazardous waste facilities as follows:

TRI CHEMICAL RELEASES AND CONTAINMENT AT WASTE MANAGEMENT HAZARDOUS WASTE FACILITIES (IN POUNDS)

	2009	2010[15]
Air	19,047	62,128
Water	30	16
RCRA Subtitle C	34,040,988	24,479,007
Underground injection	5,025,712	9,574,712
Transfer offsite to treatment/containment	71,948	171,240

OUR WILDLIFE HABITAT SITES

During the reporting period, we lost two sites previously certified by the Wildlife Habitat Council (WHC). The closed Waterford Recreation site was sold, and the purchasing entity did not want to retain certification. At the other site, Barre, we decided not to seek an expansion of the facility.

Our closed landfill sites are regularly reviewed for potential beneficial use. Of these sites:

- Two have golf courses
- 19 have wildlife habitats (with five more planned)
- One has a learning center (with one more planned)
- Eight have passive recreation areas (with one more planned)
- Three have constructed wetlands (with two more planned)
- Five host model airplane clubs (with two more planned)
- Six have been transferred back to the community or a local conservancy (with one more planned)
- 11 have various forms of commercial redevelopment (with one more planned)
- Three are used to support local law enforcement training (with one more planned)
- 22 generate renewable power (with 11 additional systems planned, nine of which are solar power)

[14] U.S. EPA Toxic Release Inventory 2006 Public Data Release Key Findings, p. 10, www.epa.gov/tri/tridata/tri06/pdr/key_findings_v12a.pdf. See also www.epa.gov/tri/tridata/tri08/national_analysis/pdr/TRI_key_findings_2008.pdf.

[15] In addition to its reporting for hazardous waste facilities, Waste Management reports for one electrical generating unit. Its releases were 54,244 pounds released to the air and 217,224 pounds transferred off site for containment.

ADDITIONAL INFORMATION ON CREATING A GOOD PLACE TO WORK

OUR VALUES

Our values provide the foundation for our company's practices and standards. In times of uncertainty, the following principles guide our business and company culture:

- **Honesty:** We are truthful and use the highest levels of integrity and fairness in dealing with our customers and each other.
- **Accountability:** We are trained, knowledgeable and empowered. We take full responsibility for our actions, conduct and decisions.
- **Safety:** We take care of ourselves, our coworkers and our neighbors. We follow the rules and practices, and we don't do it unless it can be done safely.
- **Professionalism:** We are the best at what we do. We trust one another and follow through on our commitments.
- **Respect:** We appreciate the worth of others and treat everyone with dignity and consideration.
- **Inclusion:** We listen to and interact with others with an open mind.
- **Diversity:** We appreciate the unique talents we all bring to the Waste Management team.
- **Employee Empowerment:** We are valued employees, protecting the environment and the well-being of the communities where we live and work.

DIVERSITY AND RECRUITMENT

As part of our ongoing effort to attract a diverse and talented workforce, Waste Management has built relationships with many community organizations to advance fair employment opportunities, especially for minority groups. Among the groups we have partnered with include the following:

- **National Urban League** and its local chapters throughout the country
- **National Association for the Advancement of Colored People (NAACP)** and its local chapters throughout the country
- **Best Buddies** and its local offices throughout the country (focused on individuals with disabilities)
- **Human Rights Campaign** and various events (focused on LGBT issues)
- **National Society of Professional Engineers** and its local chapters

In our recruiting efforts, we also have worked with several organizations dedicated to specific populations. We maintain a presence at recruitment fairs and activities sponsored by, but not limited to, the following:

- **National Black MBA Association**
- **National Society of Hispanic MBAs**
- **National Association of Asian MBAs**
- **NAACP**
- **National Society for Hispanic Professionals**
- **Hispanic Alliance for Career Enhancement**
- **Hire Heroes USA**, as well as Non-Commissioned Officers Association, Milicruit, Marine For Life and other veterans' hiring associations.

We are also exploring opportunities to establish outstanding outreach efforts toward individuals with disabilities. We have partnered with National Business and Disability Council for several years, and are looking to expand our relationship with them.

WASTE MANAGEMENT WORKFORCE BY ETHNIC GROUP

ETHNIC GROUP	% IN WASTE MANAGEMENT'S U.S. WORKFORCE	% IN THE U.S. PRIVATE INDUSTRY WORKFORCE (ALL INDUSTRIES)[16]
American Indian or Alaskan Native	0.6%	0.5%
Asian	1.5%	5.5%
African-American	15.5%	13.7%
Caucasian	61.2%	65.7%
Hispanic	20.6%	13.3%
Multi-Race	0.3%	0.9%
Native Hawaiian or Pacific Islander	0.3%	0.4%

WASTE MANAGEMENT WORKFORCE BY AGE

AGE GROUP	% OF WASTE MANAGEMENT'S WORKFORCE IN THE U.S. AND CANADA
Veterans (Born 1922-1943)	0.8%
Baby Boomers (Born 1944-1960)	26.1%
GenXers (Born 1961-1980)	61.0%
Millennials (Born 1981-2000)	12.1%

EMPLOYEE BENEFITS

We offer our employees competitive wages and benefits, including health and dental coverage, prescription drug coverage, short- and long-term disability insurance, life insurance, education savings accounts and paid time off to participate in our Community Partners Volunteer Program. About 96 percent of employees participate in our health insurance plans or receive compensation for opting out. Employees choosing to opt out of participation, whether requesting compensation or simply waiving coverage, must demonstrate that they have alternative insurance coverage.

We are particularly proud of our wellness programs. We have a team of "Get Well Guides" – a group of nurses and coaches who help employees and their families get access to the help they may need for a variety of life challenges. Employees can dial a toll-free phone number for support and confidential assistance from reliable, compassionate professionals who are trained as nurses, coaches, dieticians, clinicians and financial counselors. They are available for assistance with:

- Health questions
- Tobacco cessation
- Weight loss
- Financial advice and assistance
- Discounts on gym memberships and other wellness programs

Our wellness programs also include onsite flu clinics and health fairs, where we provide blood pressure tests, blood lipid tests and other screenings that aid in the early detection of health risks. A health coach also meets individually with every participant to review their results and suggest action items to improve their health.

LEARNING PROGRAMS AND TRAINING

Through Waste Management University (WMU) – our virtual, online education and training program – we support continual learning for our employees to develop their skills and expertise. We provide a range of learning departments matched with specific business competencies, such as: professional development, sales, management, and technical and compliance training. Our approach centers on the needs of learners and provides a mix of options

[16] *Source: 2010 EEO-1 reporting data.*

accessible to employees. These include traditional instructor-led classes, online training, digital books and additional electronic resources for professional development. By the end of 2010, more than 42,000 employees had accessed company-provided training online or in the classroom.

Our learning and organizational development teams work to define appropriate learning paths for employees in their jobs. The initial orientation of new employees is followed by onboarding processes as well as lifelong learning opportunities, all of which help us generate continuous improvement in support of our organizational goals. In 2011, we made enhancements to WMU to improve content and presentation, including offering equipment-specific training for our technicians and removing the supervisory approval requirement for WMU courses.

Through our Learning and Educational Assistance Program (LEAP), every employee is eligible to receive up to $4,000 each year for tuition reimbursement. The LEAP benefit supports employees pursuing approved courses and degree programs offered outside WMU through traditional institutions. In 2011, 355 employees participated in this program, with nearly half earning credit toward bachelor's degrees.

EMPLOYEE ENGAGEMENT AND RETENTION

We encourage communication between company leaders and employees at all levels. Our senior leaders operate with an open door (and open email) policy. Each quarter, our senior leadership team hosts a town hall-style meeting at our Houston headquarters. Employees unable to attend are invited to submit questions by email, and direct responses are sent in reply. Responses are often included in our company's weekly internal newspaper.

We value employee engagement and are searching for the most effective means (be they surveys or other mechanisms) to measure and track how employees feel about their jobs over time. Our top officers and Senior Vice Presidents host "Trash Talk" meetings when they travel to local Waste Management sites. In these smaller settings, employees can pose questions directly to senior management. Our managers, meanwhile, gain the benefit of hearing ideas and recommendations directly from field employees.

Our employees participate in forms of coaching, feedback, annual performance review and development. We believe environmental excellence and compliance are the hallmarks of sustainability and reflect Waste Management's core values, and both are part of the performance review structure for all employees, according to their roles and responsibilities.

We believe that engagement with employees helps keep our employee turnover rate relatively low. In 2011, our voluntary employee turnover rate for the entire workforce was 9.48 percent, which represents more than half of our total terminations during the year.

COLLECTIVE BARGAINING

We recognize and strictly adhere to the principle that our employees have the right to self-organization; to form, join or assist labor organizations; and to bargain collectively through representatives of their own choosing. We also recognize that our employees have a statutory right to refrain from such activities.

Through our various subsidiaries, our company successfully negotiated approximately 150 collective bargaining agreements with unions during the three-year period ending in December 2011. The collective bargaining agreements cover about 10,000 employees – or about one-quarter of our workforce – in approximately 230 facilities.

We work with our unions to achieve mutually beneficial objectives. A quarter of our workforce is unionized, and we do not believe any of our operations are at risk with regard to possible infringement of the right to freedom of association. Nor do we believe our workforce is at risk for incidents of child or forced/compulsory labor.

PARTICIPATING IN PUBLIC POLICY PROCESSES

Waste Management is actively engaged in the political process at all levels of government. Through years of collaboration, we have developed an excellent track record of working with communities, environmental organizations, legislators, regulators and customers on public policy issues. Even when discussions are challenging and provoke disagreements, we remain committed to open communication and finding common ground with our stakeholders. We believe this engagement is an important part of our leadership the environmental services industry, and it ensures that we represent the best interests of our business and our employees.

POLITICAL CONTRIBUTIONS

We periodically make financial contributions to candidates who we believe recognize the importance of the environmental services we provide, and who support a fair, free-market approach as the best way to deliver cost-effective services. We do not expect the candidates to whom we contribute funds to agree with our positions on all issues at all times. Contributions made to political candidates must be authorized by our Government Affairs department and must comply with all applicable laws, including public disclosure of political contributions and lobbying expenses. Our contributions are reported under federal, state and local campaign finance laws and are available for review by the public. Each year, our Board of Directors receives a detailed accounting of all contributions.

OUR APPROACH TO PUBLIC POLICY OVERSEAS

To ensure compliance with international law, Waste Management has adopted an anti-bribery and corruption policy and established a Foreign Corrupt Practices Act (FCPA) Compliance Committee. All employees involved in foreign business projects must receive FCPA training.

STANCES ON KEY POLITICAL ISSUES

The environmental services industry is highly regulated and complex. And it's in flux. More and more, Waste Management and other companies like us are doing much more than managing waste. We are producing energy, restoring habitats and helping local governments and citizens to reduce, reuse and recycle materials. As we work with our customers and the communities we serve to create a more sustainable future, we believe we have an important voice to add to the discussion around several key policy debates. These issues represent significant challenges for our industry and are areas of special focus for Waste Management. We welcome engagement from stakeholders around these issues and strive to work with representatives from government, the business sector, community groups and environmental advocates to build consensus for positive change.

As we have sought to maximize the value of the material we manage, we have reviewed the EPA's waste hierarchy – reduce, reuse, recycle, recover and then dispose – as well as state-level solid waste and recycling priorities. Our review revealed that current regulations regarding solid waste, recycling, energy policy and renewable fuels often compete with each other and produce unintended results. Newer technologies designed to divert material from landfills also do not fit neatly into the EPA's hierarchy. As the EPA and state governments address the environmental impacts of waste disposal, recovery and recycling, we encourage them to consider lifecycle approaches that view waste not merely as a problem to be solved, but as a resource. In 2011, Waste Management funded the Sustainable Materials Management Coalition to discuss these issues, and the Coalition issued its report in July 2012. The Coalition, composed of representatives of business and industry, academic institutions, environmental and community organizations, and state and local government organizations, came together to develop consensus recommendations on the path forward for sustainable materials management.

Renewable Energy

In the absence of federal clean-energy standards, state and provincial governments in the United States and Canada bear the burden of developing renewable energy requirements. This has resulted in widely divergent standards. Waste Management supports the development of a federal energy policy that would facilitate the widespread development of renewable energy sources, including municipal solid waste. Federal energy standards would also allow us to make significant strides in reducing greenhouse gas emissions associated with fossil fuel consumption.

Energy Security and Alternative Fuel Production
Achieving energy security relies on lessening our dependence on foreign oil, and domestic production of fuel from renewable sources contributes to this goal. As a partner in energy security discussions, Waste Management supports policies, including existing federal renewable fuel standards, that encourage and facilitate the production of fuel from renewable sources such as municipal solid waste. Studies have shown that waste-derived fuels typically have the lowest carbon intensity of all biofuel sources.

Natural Gas and Alternative Fuel Vehicles
Waste Management's fleet policy calls for a transition to natural gas vehicles, which helps us to achieve our goal of reducing our fleet emissions by 15 percent and improving our fuel efficiency by 15 percent. In 2011, we encouraged federal and state regulatory support for the transition of heavy-duty fleets to natural gas as the preferred fuel for our industry. The natural gas vehicle platform provides an opportunity to use renewable natural gas derived from waste materials, improving emissions and efficiency.

Mandatory Recycling Programs and Policies
Governments at all levels are seeking ways to divert waste from landfills through increased recycling and recovery. Some jurisdictions have implemented mandatory recycling programs, and we support such programs when they make economic sense, have the support of customers and communities, and reflect the planning and preparation sufficient to ensure success.

Extended Producer Responsibility/Product Stewardship
Many states are implementing extended producer responsibility (EPR) or product stewardship programs that seek to expand recycling of difficult-to-handle commodities such as electronics, compact fluorescent lamps and batteries, and to make the manufacturers of these commodities part of the solution by assuming a role in financing recycling. Many of these programs have increased the volume of materials recycled by creating a collection and processing infrastructure where none previously existed. In some e-waste programs enhanced environmental protection is provided through voluntary compliance programs such as E-Steward and R2, programs we support. Some recently have advocated expanding EPR to include commodities already handled under the well-entrenched curbside recycling programs overseen by local governments. Because EPR for materials such as packaging, printed papers and bottles could conflict or compete with well-established and effective existing recycling programs, expansion of EPR beyond difficult-to-handle materials requires careful assessment of lifecycle impacts and a thoughtful evaluation of unintended consequences that could undermine thriving municipal recycling programs.

ADDITIONAL INFORMATION ON PARTNERING WITH COMMUNITIES

TAXES PAID IN 2010-2011

	2010 INCOME TAXES[17]	2010 REAL ESTATE TAXES	2011 INCOME TAXES	2011 REAL ESTATE TAXES
United States	$530.3 million	$57.8 million	$268.7 million	$61.1 million
Canada	$16.7 million	$3.7 million	$37.2 million	$4.3 million

WASTE WATCH

Our truck drivers often drive through community streets in the early hours of the morning. That puts them in an ideal position to spot unusual, and potentially dangerous, situations – especially if they are trained to recognize signs of trouble.

Our Waste Watch community safety program began in Forest Grove, Oregon, in 2004, and as of 2011 counted 227 communities participating across North America – more than double the number covered in 2009. The program trains drivers to look and listen for suspicious activities and emergency situations, and then report their observations to public safety and law enforcement agencies. Training is ongoing, and thousands of Waste Management drivers have become Waste Watch certified.

[17] The U.S. income tax reduction from 2010 to 2011 was driven largely by the 2011 provisions for bonus depreciation and increased federal tax credits.

To enter the program and be recognized as a Waste Watch Certified Driver, a driver must participate in a formal training program, which includes instruction from corporate security and local law enforcement personnel, and then pass a written examination.

Over the years, the program has received widespread national acclaim, earning recognition from local municipalities and the National Sheriffs' Association's Award of Excellence in Neighborhood Watch. Our drivers have been lauded for reporting suspicious activity ranging from thefts to vandalism. Drivers have also helped save lives by calling in emergency medical assistance for individuals observed to be in physical distress.

We also partner with other safety-related organizations and programs, including Amber Alert, the National Center for Missing & Exploited Children, Community Crime Stoppers and the U.S. Department of Homeland Security.

EMPLOYEE CHARITABLE CONTRIBUTIONS

Our employees have the opportunity to assist others in need, both inside and outside the company. Through our Employee Care Fund, which counts 3,370 employee contributors, more than 115 grants totaling nearly $175,000 were distributed to our workforce between 2009 and 2011. Many of these grant recipients were affected by disaster-related events, such as Hurricane Irene and the tornadoes that ravaged the Midwestern United States.

Employees also contribute to a variety of charitable organizations. The United Way received the most contributions in 2011, with a total of $202,168 given by employees at the corporate office. In addition, Waste Management employees are generous with their time, reporting that they volunteered nearly 12,000 hours of their own time in 2011.

ENVIRONMENTAL JUSTICE

Waste Management has engaged with grassroots community groups and environmental justice leaders for more than 20 years. This dialogue continues to be highly productive. In 2010 and 2011, we were active members of the following:

- **The EPA's National Environmental Justice Advisory Council**, which provided recommendations to the EPA Administrator on how to incorporate environmental justice into the permitting process.
- **The National Environmental Justice Conference and Training Program** sponsored by the EPA, the U.S. Department of Agriculture's Forest Service, the U.S. Department of the Interior's Fish and Wildlife Service, the U.S. Department of Energy, Sodexo, Waste Management, URS, MDB, Inc., Restoration Services, Inc., Beveridge & Diamond, P. C., and Pepco. This annual conference brings together community and environmental advocates, business, government officials and academics.
- **Sustainable Materials Management Coalition**, a Waste Management-funded initiative to bring together grassroots and environmental justice leaders, business, academia and federal, state and local government to discuss how regulatory regimes can facilitate the transformation from waste disposal to maximum beneficial use of discarded materials.

Participation in these policy discussions supplements our dialogue the local level. It ensures that we are working with stakeholders from many perspectives and that we are aware of the best opportunities for sustainable materials handling.

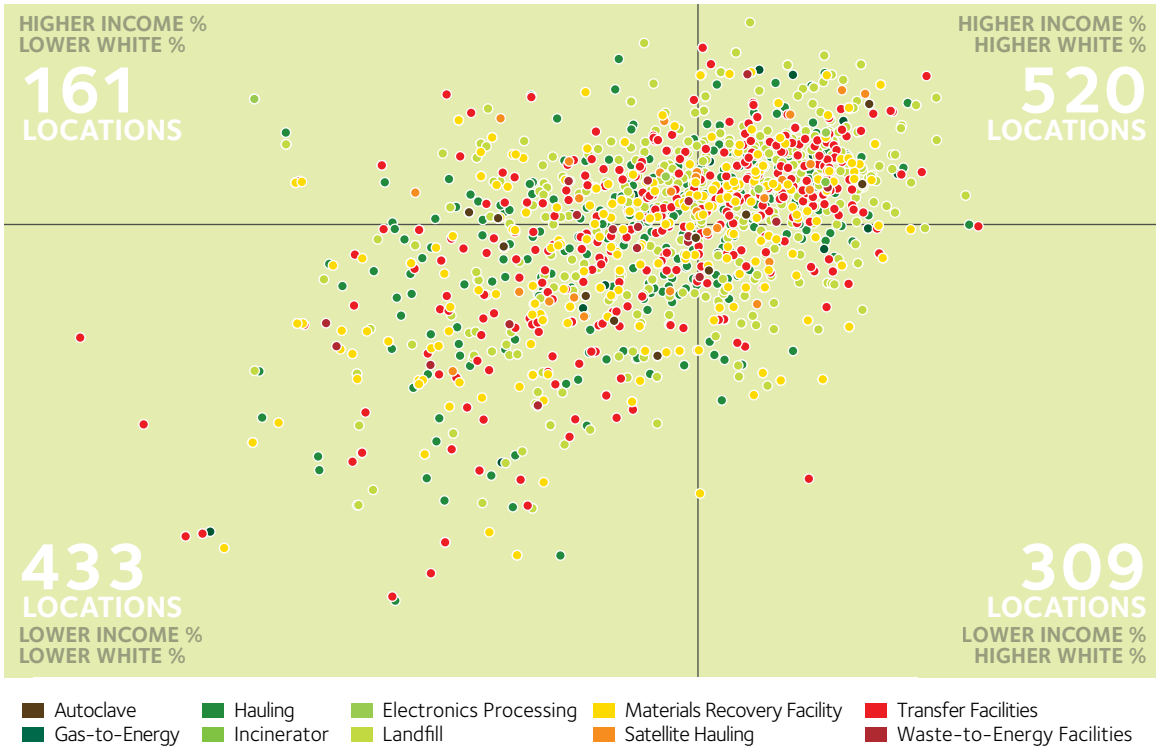
The chart on the following page shows the distribution of all of Waste Management's operations. In the upper quadrants are our facilities that are located in communities with above the state average income (measured at the 5 kilometer radius); in the lower quadrants are facilities found in communities with lower than the average state income. In the right-hand quadrants are sites located in areas above the state average in non-Hispanic white representation; the left-hand quadrants show facilities in communities under the state average. Our methodology is that employed by noted environmental justice academic experts and by the EPA in its regulatory programs. For more information on the methodology used to formulate this chart, please see the relevant Appendix section of our 2010 report.

When we first released this type of demographic footprint for our landfills and waste-to-energy facilities in 2010, we reached out to environmental justice experts to determine whether this was useful and whether our disclosure could be improved. The response was a request to expand our reporting to include all of our facilities, and we provide this here. The following table includes the breakdown of the kinds of waste and recyclables management facilities we operate and their demographics. The entire picture for Waste Management depicted in the "scatter chart" is generated automatically from a Microsoft Excel chart of our locations, U.S. census data, and state average race and income data.

FACILITY TYPE	% OF FACILITIES ABOVE AVERAGE INCOME	% OF FACILITIES ABOVE AVERAGE WHITE REPRESENTATION
Autoclave	64%	45%
Landfill gas to energy	35%	72%
Hauling companies	58%	56%
Medical waste incinerator	0%	100%
Electronics processing	50%	100%
Landfill	41%	68%
Materials recovery facilities	59%	47%
Satellite hauling	48%	66%
Transfer stations	54%	55%
Waste-to-energy	76%	41%
Total	48%	58%

WASTE MANAGEMENT FACILITIES SITING[18]

This graphic shows that Waste Management's facilities are located most frequently in upper-income white communities (the upper-right quadrant). They are least often found in upper-income non-white communities (upper-left quadrant).



[18] *Note that each dot on the chart appears in relation to its deviation from the state average (50% white representation; 50% above average income). No adjustments or normalization has been made. When the chart is generated by Excel, the quadrants are proportioned to reflect the degree of deviation from the average represented by each axis.*

GRI INDEX

Waste Management used the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) to prepare this report at a self-declared application level of "B." This index outlines which of the GRI disclosures and performance indicators we have fully or partially reported and where in the report or other public documents information on each disclosure or indicator can be found. Core indicators are shown in regular font; additional indicators are in green. Please visit **www.globalreporting.org** for additional information on the Guidelines.

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	Book 1 pp. 2-3
1.2	Description of key impacts, risks, and opportunities.	Fully	Book 1 pp. 2-3, p. 5, and p. 9; Appendix pp. 2-4 and p. 24
2. Organizational Profile			
2.1	Name of the organization.	Fully	Book 1 p. 4
2.2	Primary brands, products, and/or services.	Fully	Book 1 p. 6-7
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Book 1 p. 4, pp. 6-7, and p. 10 Please see Waste Management's 2011 Form 10-K.
2.4	Location of organization's headquarters.	Fully	Book 1 p. 4
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Book 1 p. 10
2.6	Nature of ownership and legal form.	Fully	Book 1 p. 4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Book 1 p. 4; Book 2 pp. 2-17; Appendix pp. 31-32. Please see Waste Management's 2011 Annual Report Form 10-K pp. 4-8 and pp. 24-25 for a detailed overview of the geographic breakdown of our operations and sectors served.
2.8	Scale of the reporting organization.	Fully	Book 1 p. 4
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Please see Waste Management's 2011 Annual Report Form 10-K pp. 125-128 for information on major acquisitions.
2.10	Awards received in the reporting period.	Fully	Book 1 p. 8
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Book 1 p. 10
3.2	Date of most recent previous report (if any).	Fully	Book 1 p. 10
3.3	Reporting cycle (annual, biennial, etc.).	Fully	Book 1 p. 10
3.4	Contact point for questions regarding the report or its contents.	Fully	Book 1 p. 10
3.5	Process for defining report content.	Fully	Book 1 p. 10

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Book 1 p. 10
3.7	State any specific limitations on the scope or boundary of the report.	Fully	Book 1 p. 10
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Please see Waste Management's Annual Report Form 10-K pp. 82-84 for accounting and reporting practices on these items.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Book 1 pp. 9-10; Appendix pp. 22-23. Data measurement technicques are included as notes to data tables throughout the report.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Book 1 p. 10. Restatesments of information provided in earlier reports are noted as relevant in footnotes and data notes throughout the report.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Book 1 p. 10. Changes to data measurement methods are provided as relevant in footnotes and data notes throughout the report. There were no significant changes in reporting scope or boundaries from the previous report.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Book 1 p. 10
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Appendix pp. 2-4
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Appendix p. 3
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Appendix p. 3
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Appendix p. 2 and p. 4. For more details on shareholder communications please see Investor Relations.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Appendix pp. 2-3. Please see Waste Management's 2011 Annual Report Proxy Statement pp. 22-54
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Please see Code of Conduct pp. 9-11 and Waste Management's 2011 Annual Report Form 10-K p. 11
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Please see Waste Management's 2011 Annual Report Proxy Statement pp. 14-16.

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Book 2 p. 34; Appendix p. 4 and p. 26 Also please see our Code of Conduct.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Appendix pp. 2-4
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Please see Waste Management Board Mission and Responsibilities
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Appendix p. 4
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Book 2 p. 18, p. 23, p. 27, and p. 37; Book 3 p. 9, p. 26, and p. 27; Appendix pp. 14-15
4.13	Memberships in associations (such as industry associations) and/ or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	Fully	Appendix pp. 4-12, pp. 29-30, and p. 31
4.14	List of stakeholder groups engaged by the organization.	Fully	Appendix pp. 4-12
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Appendix pp. 2-3 and pp. 4-5
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Book 1 p. 10; Appendix pp. 2-3, pp. 4-5, p. 13, pp. 29-30, p. 24, and p. 28. Also please see our Code of Conduct pp. 22-23.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Book 3 p. 22 and p. 27; Appendix pp. 2-3, pp. 4-5, and p. 13

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DMA	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
DMA EC	**Disclosures on Management Approach Economic**		
Aspects			
	Economic performance	Fully	Book 1 pp. 2-3 and p. 4; Book 3 pp. 4-20; Appendix p. 24. Please see Waste Management's Annual Report and Form 10-K pp. 28-65 for financial performance and economic strategy; pp. 14-24 for risk factors.
	Market presence	Fully	Appendix p. 20 and p. 21. Please see Waste Management Corporate Governance Compensation Charter.
	Indirect economic impacts	Fully	Book 1 pp. 2-3; Book 3 pp. 22-27

DMA	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
DMA EN	**Disclosures on Management Approach Environmental**		
Aspects			
	Materials	Fully	Book 1 pp. 2-3, p. 5, and p. 9; Book 2 p. 3, pp. 12-17, and pp. 28-30; Appendix pp. 2-3, 14-19, and p. 20
	Energy	Fully	Book 1 pp. 2-3, p. 5, and p. 9; Book 2 pp. 18-21, pp. 28-33; Appendix pp. 2-3, pp. 14-19, p. 20, and pp. 22-25
	Water	Fully	Book 2 pp. 22-25; Appendix pp. 2-3, pp. 14-19, p. 20, and pp. 22-25
	Biodiversity	Fully	Book 2 pp. 26-27; Appendix pp. 2-3, pp. 14-19, and p. 25
	Emissions, effluents and waste	Fully	Book 1 pp. 2-3, p. 5, and p. 9; Book 2 pp. 18-21, pp. 28-30, and pp. 31-33; Appendix pp. 2-3, pp. 14-19, p. 20, and pp. 22-25
	Products and services	Fully	Book 1 pp. 2-3, p. 5, and p. 9; Book 2 pp. 18-21, pp. 22-25, pp. 26-27, pp. 28-30, and pp. 31-33; Appendix pp. 2-3, pp. 14-19, p. 20, and pp. 22-25
	Compliance	Fully	Appendix pp. 14-19 and p. 22. Rick Whittenbacker is Waste Management's Chief Compliance Officer and holds the senior leadership position overseeing compliance issues.
	Transport	Fully	Book 2 pp. 3-5, pp. 18-21, and pp. 31-33; Appendix pp. 22-25
	Overall	Fully	Appendix pp. 2-3, pp. 14-19, p. 20, and pp. 22-25
DMA LA	**Disclosures on Management Approach Labor Practices and Decent Work**		
Aspects			
	Employment	Fully	Book 2 pp. 34-35; Appendix pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Management's Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Labor/management relations	Fully	Book 2 pp. 34-35; Appendix pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Management's Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Occupational health and safety	Fully	Book 2 pp. 34-35, and pp. 45-47; Appendix pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Management's Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Training and education	Fully	Book 2 pp. 34-35; Appendix pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Management's Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Diversity and equal opportunity	Fully	Book 2 pp. 34-35, and pp. 35-37; Appendix pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Management's Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.

DMA	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
DMA HR	**Disclosures on Management Approach Human Rights**		
Aspects			
	Investment and procurement practices	Fully	Book 2 pp. 34-35; Appendix p. 21 and pp. 26-28. Also please see our Code of Conduct. Mark Schwartz is Waste Mangement's Vice President of Human Resources and holds the senior leadership position overseeing human rights issues.
	Non-discrimination	Fully	Book 2 pp. 34-35; Appendix p. 21 and pp. 26-28. Also please see our Code of Conduct.
	Freedom of association and collective bargaining	Fully	Book 2 pp. 34-35; Appendix p. 21 and pp. 26-28. Also please see our Code of Conduct.
	Child labor	Fully	Book 2 pp. 34-35; Appendix p. 21 and pp. 26-28. Also please see our Code of Conduct.
	Forced and compulsory labor	Fully	Book 2 pp. 34-35; Appendix p. 21 and pp. 26-28. Also please see our Code of Conduct.
	Security practices	Not	
	Indigenous rights	Not	
DMA SO	**Disclosures on Management Approach Society**		
Aspects			
	Community	Fully	Book 3 pp. 22-27; Appendix pp. 30-32. Also please see our Code of Conduct.
	Corruption	Fully	Appendix p. 4 and pp. 29-30
	Public policy	Fully	Appendix pp. 29-30. Also please see our Code of Conduct pp. 17-18. Barry Caldwell holds the senior leadership position overseeing public policy.
	Anti-competitive behavior	Fully	Please see Code of Conduct pp. 20-21.
	Compliance	Fully	Appendix pp. 14-19 and p. 22. Rick Whittenbacker is Waste Management's Chief Compliance Officer and holds the senior leadership position overseeing compliance issues.
DMA PR	**Disclosures on Management Approach Product Responsibility**		
Aspects			
	Customer health and safety	Fully	Through our environmental management and compliance systems, we assess and manage environmental health and safety risks associated with our products and services, and in this way, work to ensure safety for our customers. Please see Book 2 pp. 18-27 and pp. 35-37; Appendix pp. 14-19, p. 22, and pp. 24-25. Jeff Martin is Waste Management's Vice President of Safety Services and holds the leadership position overseeing safety issues.
	Product and service labelling	Partially	Appendix p. 13
	Marketing communications	Fully	David Aardsma is Waste Management's Chief Sales and Marketing Officer and holds the most senior position with responsibility for marketing and communications.
	Customer privacy	Fully	Please see Privacy Policy
	Compliance	Fully	Book 2 pp. 35-37; Appendix pp. 14-19 and p. 22

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
Economic			
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Book 1 p. 4; Book 3 p. 25; Appendix p. 20 and p. 30. Please see Waste Management's Annual Report and Form 10-K p. 28 for financial performance.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Appendix p. 24
EC3	Coverage of the organization's defined benefit plan obligations.	Not	
EC4	Significant financial assistance received from government.	Not	
Market presence			
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Partially	Appendix p. 21
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Book 1 pp. 2-3; Book 2 pp. 18-27; Book 3 pp. 22-27
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partially	Book 3 pp. 22-27
Environmental			
Materials			
EN1	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Partially	Appendix p. 20
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Book 2 pp. 18-21; Appendix pp. 22-23
EN4	Indirect energy consumption by primary source.	Not	
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Book 2 pp. 18-21, pp. 28-30, and pp. 31-33; Appendix pp. 22-23
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Book 2 pp. 2-11; Book 3 pp. 10-11; pp. 12-15, and p. 17
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Appendix pp. 20-21
Water			
EN8	Total water withdrawal by source.	Partially	Book 2 pp. 22-24
EN9	Water sources significantly affected by withdrawal of water.	Partially	Book 2 p. 22
EN10	Percentage and total volume of water recycled and reused.	Partially	Book 2 pp. 28-30 and pp. 21-22

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	Book 2 pp. 26-27; Appendix p. 25
EN13	Habitats protected or restored.	Fully	Appendix p. 25
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Appendix p. 25
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Book 2 pp. 18-21; Appendix pp. 22-23
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Book 2 pp. 28-30 and pp. 31-33; Appendix pp. 22-23
EN19	Emissions of ozone-depleting substances by weight.	Not	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Partially	Book 2 pp. 31-33; Appendix pp. 24-25
EN21	Total water discharge by quality and destination.	Not	
EN22	Total weight of waste by type and disposal method.	Not	
EN23	Total number and volume of significant spills.	Fully	Appendix p. 22
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Book 1 p. 5 and p. 9; Book 2 pp. 3-5, pp. 6-7, pp. 12-14, p. 15, and pp. 18-33
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Partially	Appendix p. 20 and p. 22
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Book 2 pp. 18-21 and pp. 31-33; Appendix pp. 22-23
Overall			
EN30	Total environmental protection expenditures and investments by type.	Fully	Appendix p. 20

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
Social: Labor Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract, and region.	Fully	Appendix p. 28
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	Appendix p. 28
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Partially	Appendix p. 27
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Appendix p. 28
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Book 2 pp. 35-37
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	Appendix p. 27
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	
Training and education			
LA10	Average hours of training per year per employee by employee category.	Partially	Book 2 p. 36; Appendix pp. 27-28
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	Appendix pp. 27-28
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Appendix p. 28
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Book 2 p. 34; Appendix p. 26
LA14	Ratio of basic salary of men to women by employee category.	Not	
Social: Human Rights			
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	Please see Code of Conduct.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Not	
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Appendix p. 28
Child labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Appendix p. 28
Forced and compulsory labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Appendix p. 28
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
Social: Society			
Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Book 3 pp. 23-28; Appendix p. 4 and p. 18
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Appendix p. 4 and pp. 29-30
SO4	Actions taken in response to incidents of corruption.	Not	
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Appendix pp. 29-30
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Partially	Appendix pp. 29-30
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Partially	Please see Waste Management's Form 10-K Notes to Financial Statements Note 11 pp. 11-13

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER
Social: Product Responsibility			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Through our environmental management and compliance systems, we assess and manage environmental health and safety risks associated with our products and services, and in this way, work to ensure safety for our customers. Please also see: Book 2 pp. 18-27 and pp. 35-37; Appendix pp. 14-19, p. 22, and pp. 24-25
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	Appendix p. 13
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Partially	Please see Waste Management's Form 10-K Notes to Finanical Statements Note 11 pp. 11-13

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