

# DRIVING CHANGE

2018 Sustainability Report  
Executive Summary





**Jim Fish**  
President and Chief Executive Officer

# BETTER COMPANY

*Thoughtful, focused and resilient amid a changing industry.*

**The world is changing more rapidly than ever. To sustain and succeed in the face of this change requires agility, adaptability and, above all, a resilient spirit. We see these qualities tested *and* proven countless times daily by our employees who manage the environmental needs of our customers.**

In 2017, we found these qualities tested as our organization managed — and prevailed over challenges, including a series of natural disasters and a seismic change in the recycling industry. Waste Management's resilience has enabled us to adapt and propel our business forward.

As we have publicly advocated in recent years, it's time for the recycling industry to focus on GHG emissions reduction as the life cycle goal of waste and materials management programs. Matching words to action, we have set ambitious new goals for our business. Over the next 20 years, we intend for our waste solutions and services to result in an overall reduction of GHG emissions four times greater than generated by our own operations. In 2017, that ratio was three. Our journey to four will be supported by two additional goals:

**Waste Management's resilience has enabled us to adapt and propel our business forward.**

reducing fleet emissions by 40 percent through renewable fuel use in our growing fleet of natural gas vehicles; and collecting 2 million more tons of recycled materials to offset emissions associated with raw material used by 20 percent.

We are pleased to share this Executive Summary of our 2018 Sustainability Report. It offers a snapshot into the many programs and successes we're proud to have sustained this year at Waste Management. But it is just that — a snapshot; there is so much more to our story. Please visit our website to review the report in its entirety (<https://sustainability.wm.com/>).

Managing change isn't enough. Driving change, and change for the better, remains our focus for ourselves and those we serve.

Respectfully,

**Jim Fish**  
President and Chief Executive Officer

# WASTE MANAGEMENT AT-A-GLANCE

(as of and for the year ended December 31, 2017)

Waste Management, Inc. (NYSE: WM), based in Houston, Texas, is the leading provider of comprehensive waste management environmental services in North America.

**\$17.2M**

total donated in charitable giving



**GIVING**

**\$1.9M**

in-kind services

**6,536**

alternative fuel vehicles



**ENERGY**

**107**

natural gas fueling stations

**127**

landfill gas-to-electricity facilities

**42.3K**

employees



**OPERATIONS\***

**305**

transfer facilities

**20M**

entities served

**90**

wildlife habitat programs

**38**

pollinator programs

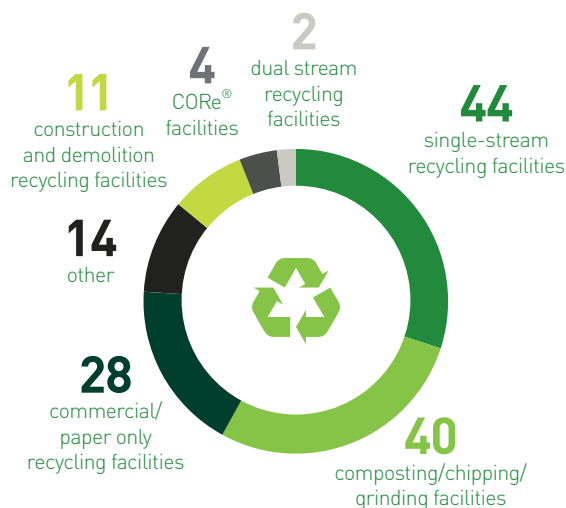
**20K**

acres of certified habitats



**CONSERVATION**

## RECYCLING



## FINANCIALS



**\$14.5B Total Revenue**

## LANDFILLS



\*Waste Management, Inc. is a holding company, and all operations are conducted by its subsidiaries. References to "Waste Management," "the Company" or "WM" refer to Waste Management, Inc. and its consolidated subsidiaries, unless context provides otherwise.

# New Sustainability Goals 2038

Since 2007, we have been working toward a set of goals to achieve by 2020, all designed to position Waste Management as the leader in environmental services, reduce our overall impact on the environment and differentiate us from competitors. Since then, we're proud to say significant progress has been made.

The recycling market has changed around us, as has our business strategy. We've taken a hard look at recalibrating our goals based on environmental burden-reduction attributes such as energy or emissions reductions, in particular greenhouse gas (GHG) reductions. We want to clearly communicate the environmental benefits our services provide.

## 1. ENVIRONMENTAL GOAL

Waste Management will offset four times the GHG emissions we generate through our operations by 2038.

In 2017, the services that Waste Management provided offset the emissions of our own operations by three times. Waste Management's new goal, a jump from three times to four, will require us to decrease the emissions from our operations while increasing the emissions-reduction services we provide for ourselves and our customers.

## 2. COMMUNITY GOAL

Waste Management will help make communities in which we live and work safe, resilient and sustainable.

We concentrate on initiatives that enhance our environment, promote education and improve the livability of our communities. Focus areas include:

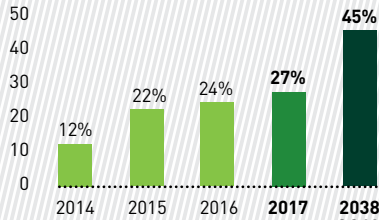
- › Projects that reduce environmental impacts, including beautification and litter control efforts
- › Providing environmental education and outreach
- › Support of wildlife preservation efforts
- › Support of safe neighborhood programs
- › Support of a variety of charitable giving projects



# Goals & Progress

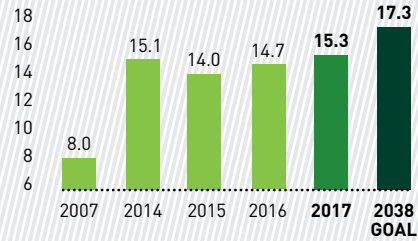
## On-Road Fleet Emissions Reductions

(percent reduction in MTCO<sub>2</sub>e emissions)

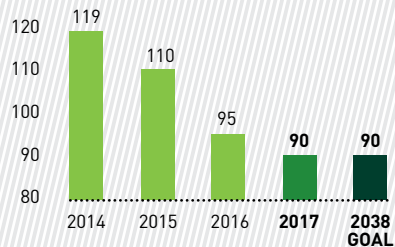


## Recyclables Managed

(MTCO<sub>2</sub>e avoided)

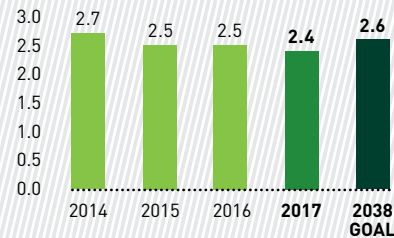


## Number of Wildlife Habitat Programs



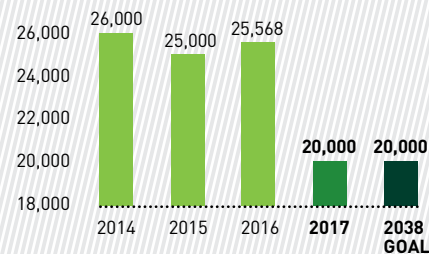
## Waste-Based Energy Production

(MTCO<sub>2</sub>e)



Numbers reflect both "Lands for Learning" projects and specific habitat sites. Note that in 2017, the WHC program was revised to emphasize site quality and impact rather than quantity. Our program has taken that approach as well.

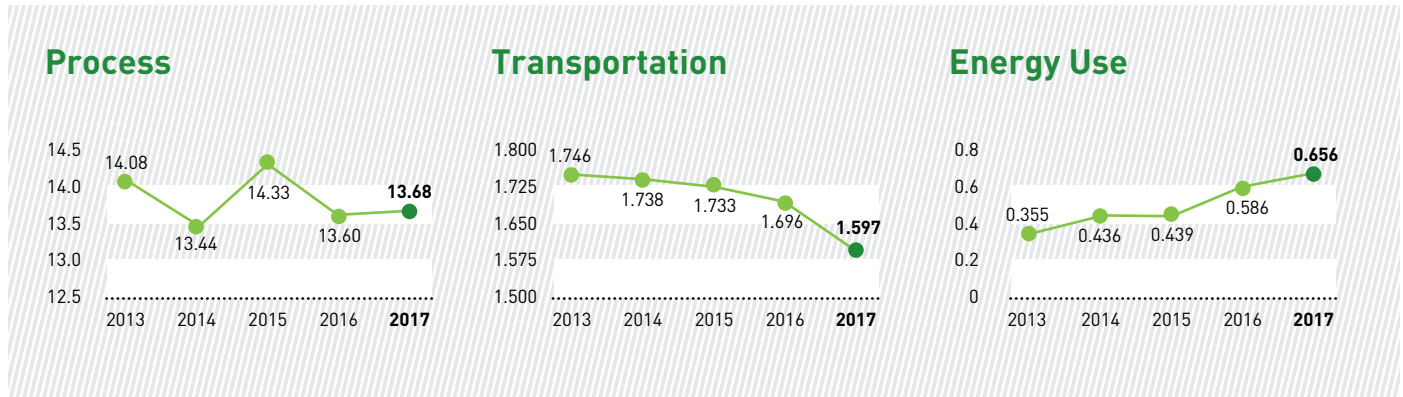
## Number of Acres Protected



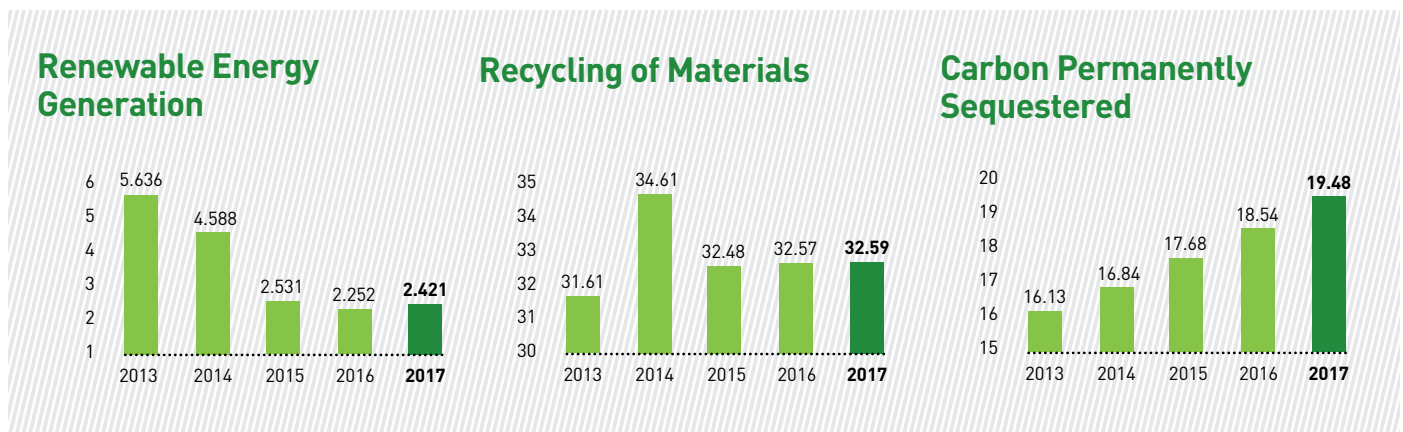
Our WHC partner has changed its emphasis from acreage to site quality and impact of project, and we are shifting our goal accordingly.

# 2017 Sustainability Key Performance Indicators

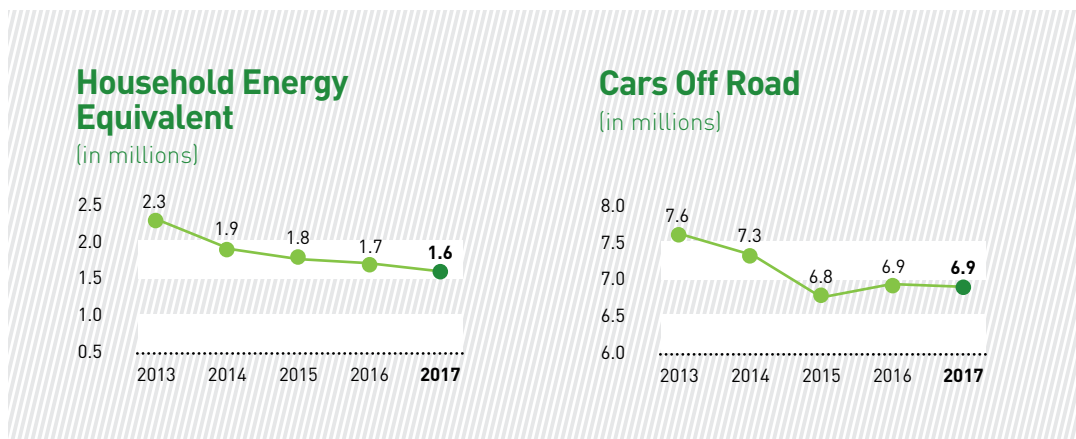
## GHG EMISSIONS ASSOCIATED WITH OPERATIONS (MMTCO<sub>2</sub>e)



## AVOIDED GHG EMISSIONS (MMTCO<sub>2</sub>e)



## RESOURCE SAVINGS ACHIEVED THROUGH RECYCLING

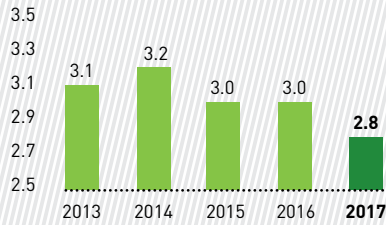


# Sustainability Key Performance Indicators (cont.)

## SAFETY PERFORMANCE

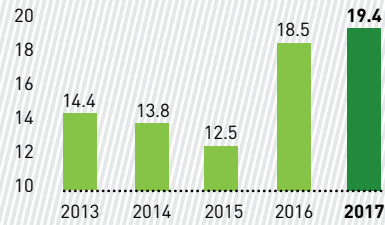
### Total Recordable Injury Rate

(incidents per 100 employees)



### Vehicle Accident Recordable Rate

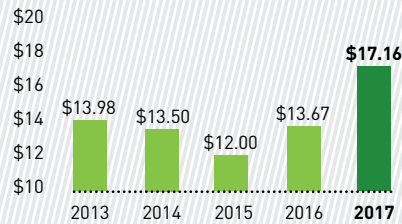
(driver hours without a vehicle accident, in thousands)



## PHILANTHROPY

### Charitable Giving

(in millions)



See 2018 Sustainability Report for details, <https://sustainability.wm.com>



# BETTER SOLUTIONS

*Capitalizing on Change through New Technologies and New Thinking*

As the leading environmental service and solutions company in North America, Waste Management works with our customers to meet their unique service needs. From residential customers, to small businesses, large corporations, manufacturing and even large public venues — we are tasked with providing comprehensive waste solutions to our varied customer base.

We have been leading change in the ever-growing and dynamic recycling industry for more than three decades. During this period, we've also invested more than \$1 billion in processing infrastructure alone, including almost \$22 million in 2017, up more than \$13 million year-over-year. This leadership resulted in 15.3 million tons of recycled goods in 2017, a 91.25 percent increase in recycling tons since 2007.

## 2017 Recycling Performance: What We Recycled (in tons)



## Organic Waste At-A-Glance 3.38 Million Tons of Organic Material Recycled

**15.4**  
**MILLION GALLONS**  
of EBS\* produced

Food converted to biogas produced enough renewable energy to power over 1,350 homes

\*Total gallons of the EBS® (organic slurry) produced as of 8/2018

**44**  
**ORGANICS RECYCLING FACILITIES**

The largest organics recycling infrastructure

- › 40 Waste Management managed composting and mulching facilities, 13 of which can accept food waste
- › 4 CORE® facilities

**19**  
**BULKBIN™ PROGRAMS**  
Utilizing 2,500+ Bins

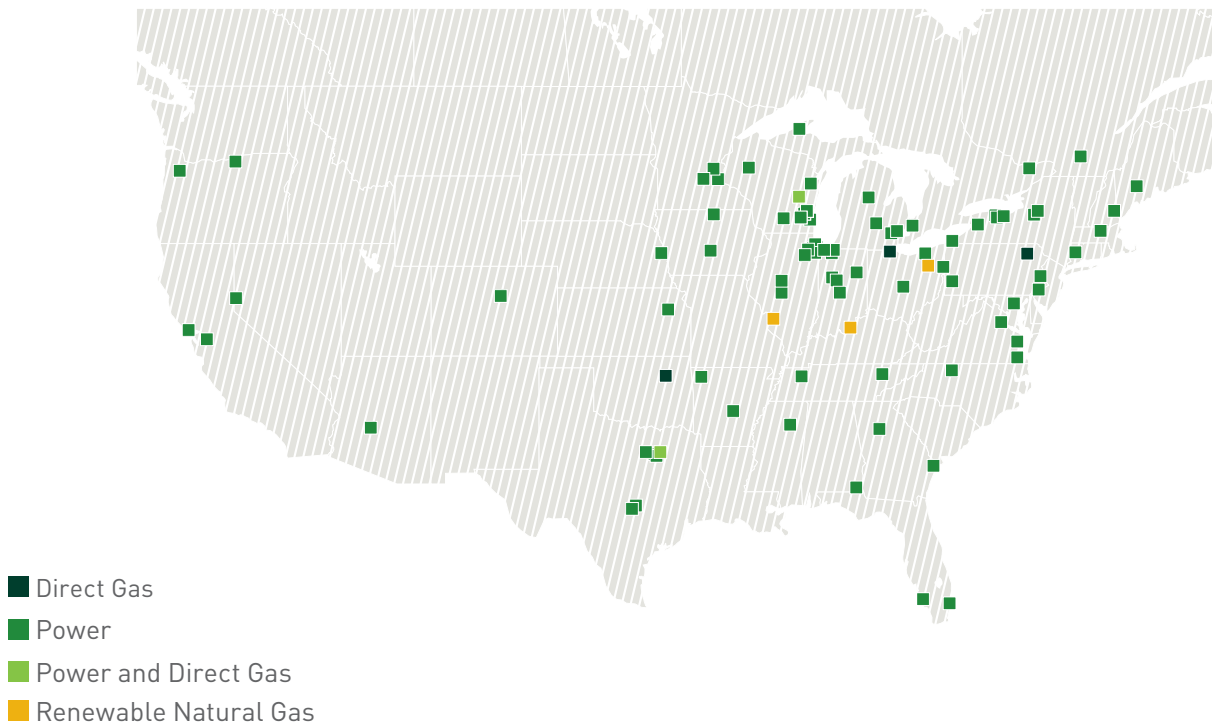
Serving customers across various industries, including manufacturing, distribution and retail



# Waste-Based Energy

As trash decomposes it produces gas, which is roughly half carbon dioxide and half methane. At our landfill gas-to-energy (LFGTE) facilities, we capture this methane and use it beneficially as an alternative to fossil fuel to power homes and provide fuel for industrial uses and commercial vehicles, including our own. The U.S. EPA endorses landfill gas as a renewable energy resource, putting it in the same category as wind, solar and geothermal resources. Today, Waste Management is the largest LFGTE developer and operator in North America, with projects generating the equivalent of nearly 4.5 million megawatt-hours per year, enough energy to power 460,000 homes, or the equivalent of replacing nearly 2.5 million tons of coal annually.

## Waste-Based Energy Facilities



## Waste Management Landfill Gas Beneficial Use Projects

Type of Project	Projects	MW
Power	97	528
Off-Site Power	5	56
Medium BTU Fuel	9	25
Liquid Waste Disposal	4	3
Renewable Natural Gas	4	36
<b>Total Projects</b>	<b>119</b>	<b>648</b>

Totals and Conversions	
Total LFG Utilized (mmbtu)	56,960,000
Equivalent Megawatt-Hours/Year	4,480,000
Equivalent No. of Households	460,000
Equivalent Tons of Coal/Year	2,480,000
Indirect CO <sub>2</sub> e Offset (tons/year)	2,400,000

# Waste Management Sustainability Services

As one of the leading environmental service and solutions companies in the world, we are experts at optimizing efficient operations, minimizing environmental impact, instilling a culture of safety and accelerating performance. We leverage this expertise to customers across a wide range of industries through Waste Management Sustainability Services (WMSS). In the process, customers gain access to Waste Management’s resources, technologies and innovations, which comprise the leading portfolio of environmental solutions in North America.

## Waste Management Sustainability Services

### At-A-Glance

**FOUNDED IN**  
**1997**

**\$200M+**  
**CUSTOMER**  
**COST SAVINGS**  
Since 2003

**\$14.8M**  
**SAVED IN 2017**

**>400**  
**PROFESSIONALS**

## 2017 Customer Cost Savings by Industry Sector

Industry Sector	2017 Revenues	2017 Cost Savings	Savings as % of Revenue	% of 2017 WMSS Cost Savings
Automotive	\$ 22,781,383	\$ 4,013,576	17.6%	27.3%
Chemical	\$ 23,793,391	\$ 1,312,923	5.5%	8.9%
Metals / Manufacturing	\$ 18,635,614	\$ 2,869,124	15.4%	19.5%
Petrochemical	\$ 65,880,445	\$ 3,933,757	6.0%	26.8%
Remote	\$ 19,584,530	\$ 410,403	2.1%	2.8%
Other	\$ 38,691,805	\$ 2,161,808	5.6%	14.7%
<b>Totals</b>	<b>\$189,367,168</b>	<b>\$14,701,591</b>	<b>7.8%</b>	<b>100.0%</b>

### Cost Savings by Solutions Type

- Strategic Sourcing: 22%
- Process Improvement: 47%
- Optimized Logistics: 9%
- Recycle/Reuse: 22%



# BETTER OPERATIONS

*A Changing Footprint that is Lighter, Cleaner and Safer*

Waste Management provides solid waste collection services to nearly 20 million customers in North America — from households to public venues to large companies. All told, after recycling or diverting various materials for reuse, we safely manage the disposal of nearly 100 million tons of waste annually, including common municipal trash and highly specialized materials such as medical and industrial waste. To handle this volume, Waste Management operates the largest network of landfills in our industry and works hard to minimize the impact of those facilities on neighbors and the environment.

We are transforming our business model to seize opportunities to compete in tomorrow’s climate-constrained world. Each day, our customers look for our help to reduce their GHG emissions, and this is also a strategic imperative for our business.

We continue to expand the productivity of our recycling operations and explore the many options to reduce our footprint and the footprints of our customers. This includes:

- › Producing low-carbon fuels from waste.
- › Transitioning our fleet to renewable natural gas vehicles.
- › Improving the energy efficiency of our facilities.
- › Increasing our generation and use of renewable energy.
- › Expanding the productivity of our recycling operations, with an emphasis on increasing the recycling of those materials that provide the greatest GHG reduction benefit.
- › Providing climate-related sustainability consulting services to customers who want to improve tracking, reduce their carbon footprints, and/or prepare for potential carbon cap-and-trade or carbon tax scenarios.

## Our GHG Footprint

### 2017 EMISSIONS (METRIC TONS CO2E)

	CANADA	U.S.	TOTAL
Scope 1	776,646	14,913,347	15,689,993
Scope 2	12,119	232,709	244,828
Scope 3	725,693	7,939,892	8,665,585

Scope 1 includes emissions from Waste Management-owned and -operated facilities and vehicles, Scope 2 includes indirect emissions from purchased electricity, and Scope 3 includes purchased goods and services; capital goods; fuel- and energy-related activities; business travel; employee commuting; downstream leased assets.

# Natural Gas Vehicles (NGVs) By-The-Numbers

12/13/17

We charge our fleet of more than 32,000 vehicles with providing reliable everyday waste collection for our customers while minimizing its environmental impact. Waste Management is committed to invest approximately \$400 million annually in the cleanest near-zero-emissions trucks available. At the end of 2017, our natural gas fleet comprised the largest heavy-duty natural gas truck fleet of its kind in North America.



**6,536**

NGVs IN OPERATION

**38%**  
ROUTED  
COLLECTION  
TRUCKS ARE NGVs

**80%**  
NEW PURCHASES  
ARE NGVs

**107**  
NATURAL GAS  
STATIONS

**195,000**  
METRIC TONS

GHGs Reduced  
Annually Using Fossil  
and Renewable Natural  
Gas Fuel

**>60**  
MILLION

Gallons of Natural Gas  
Supplied at 107 Natural  
Gas Stations Each Year

**855**  
MILLION

Diesel Gallons  
Displaced Over  
the Useful Life of  
Existing NGVs

**>16**  
MILLION

RNG Gallons Produced  
by Harnessing Methane  
in Landfills



# BETTER WORKPLACE

## *Opportunities for Change that Result in Engagement and Professional Growth*

Waste Management provides services to nearly 20 million customers — a big job. But we do it one city, one neighborhood, one business and one home at a time. This makes us an integral part of every community where we operate. We have a stake in helping to make our cities, towns and counties better places in which to work and live — not just for today, but for the future. We can't play this important role in the community without the daily contributions of our over 42,000 employees. The success of each employee is what enables Waste Management to succeed, and we strive to give our employees the tools they need to develop and excel in their careers.

### Safety Programs

We track safety monthly performance by area, service function and even equipment use — monitoring accident trends such as slips, trips, falls, sprains, lost wheels and more. The Waste Management Safety Services team leads regular performance reviews for our fleet operations, focusing on leading indicators and any areas needing attention.



**Standardized Training:** Waste Management offers standardized training to ensure understanding of our operating policies and procedures. Standardized training delivers a consistent message to all new hires going through the program and identifies opportunities for [continuous improvement](#).



**Driver Science Series:** Each month, drivers and managers view a defensive driving awareness video, typically 8-12 minutes in length, that reinforces safer driving behaviors. Sample topics include managing intersections, pedestrians, bicyclists, rollover prevention, following distance and braking. These awareness videos align nicely with discussions, observations and coaching.



**Employee Observation Program:** Waste Management has a structured observation program for all front-line employees to bring safety into employee behavior at all times. The practice of structured observation covers all aspects of our operations, from driving, loading, unloading, lifting and lowering, and arriving prepared for work. At disposal operations, significant accidents are subject to root-cause briefings, with company standard rules updated to eliminate recurrence as part of our continuous improvement programs.



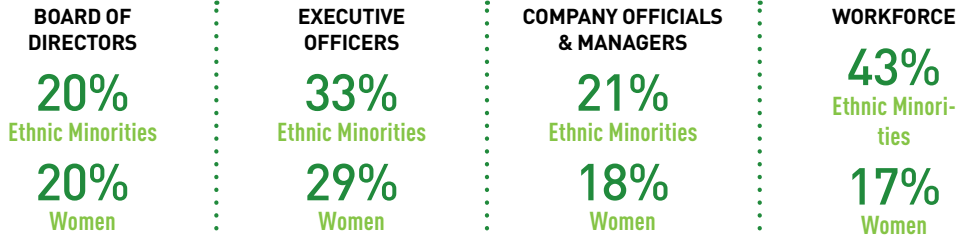
**Injury and Illness Prevention Program:** The Waste Management Injury and Illness Prevention Program is a data-based approach to identifying injury and illness causes and testing the success of interventions on prevention. The program examines equipment, processes, policies and other potential causes of injury and illness for employees and will evaluate possible interventions for these potential causes.



**Performance Management:** The Waste Management Safety Services team leads regular performance reviews, focusing on leading indicators and lagging results. Each month, a Monthly Safety Call is broadcast via video webcast that offers a suite of key metrics, opportunities for Waste Management, industry issues and special guests, including Senior Leadership. These performance reviews and routine report distribution drive accountability and recognition, while encouraging healthy competition among field managers to outperform one another.

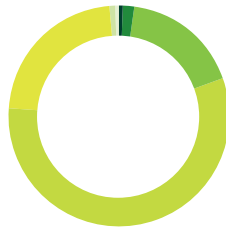
# Diversity at Waste Management

Fostering mutual trust and respect for one another is a cornerstone of being an inclusive and welcoming workplace — one that is well-positioned to serve our customers and communities. It's also important that our workforce reflect the diverse customers and neighbors that make up these communities.



## Waste Management Workforce

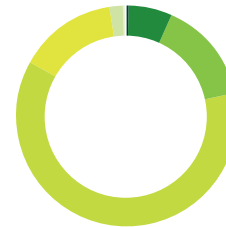
- American Indian or Alaskan Native: 0.68%
- Asian: 1.56%
- African-American: 17.37%
- Caucasian: 56.60%
- Hispanic: 22.57%
- Multiracial: 0.82%
- Native Hawaiian or Pacific Islander: 0.40%



## All Private Industry Workforce\*

- American Indian or Alaskan Native: 0.55%
- Asian: 6.33%
- African-American: 15.02%
- Caucasian: 61.38%
- Hispanic: 14.45%
- Multiracial: 1.81%
- Native Hawaiian or Pacific Islander: 0.47%

\*Total does not equal 100 percent due to rounding.



## Employees by Age Group

(generational breakdown, in U.S. and Canada)

- Veterans (born 1922–1943): 0.28%
- Baby Boomers (born 1944–1960): 16.14%
- GenXers (born 1961–1980): 57.28%
- Millennials (born 1981–2000): 26.30%



## Employees by Age Group

- Under 30 (born after 1986): 14.76%
- 31–50 (1966–1985): 53.90%
- Over 50 (before 1965): 31.34%



## Employees by Region

- Canada: 2,057
- India: 490
- U.S.: 39,625



## Employees by Payment Type

- Hourly: 81%
- Salaried: 19%



# Training By-The-Numbers

Providing the opportunity for every employee to reach their full potential is perhaps the most important way that we can maximize workforce engagement and retention. This is why we offer expansive learning and development solutions to meet the needs of our business and our people, as well as providing coaching, feedback and annual performance reviews on a consistent basis.

**42,000**  
EMPLOYEES TRAINED  
ANNUALLY

**100%**  
EMPLOYEES OFFERED  
TRAINING

**29**  
AVERAGE HOURS  
OF TRAINING  
Per Employee

**\$500**  
AVERAGE SPENT  
ON TRAINING  
Per Full-time Employee

**>275,000**  
ANNUAL TRAINING HOURS  
Per Full-time Employee

**100%**  
DRIVERS RECEIVE  
SAFETY TRAINING  
ANNUALLY

**100%**  
ENVIRONMENTAL  
PROFESSIONALS  
RECEIVE SAFETY  
TRAINING ANNUALLY

**100%**  
CURRENT EMPLOYEES  
TRAINED ON CODE OF  
CONDUCT

**100%**  
WASTE MANAGEMENT  
OPERATIONAL  
DIVISIONS RECEIVE  
TRAINING ANNUALLY



# BETTER COMMUNITIES

*Contributions that Bring Positive Change to Where We Live and Work*

## How We Give Back

Though our operations span nearly 20 million customers in the U.S. and Canada, we are very much a local business that is an integral part of the communities we serve. We want to help make our communities, cities, towns and counties better places to work and live — today and for the future. To do so, we support events, programs and organizations that are as varied as the thousands of communities and individuals we serve.

**20,000**

**PROTECTED ACRES OF WILDLIFE HABITAT**

**90**

**WILDLIFE HABITAT PROGRAMS**

**>4,000**

**COMMUNITY EVENTS**

Hosted and/or Participated in by Waste Management

**\$17 Million**

**PROGRAM TOTAL CHARITABLE CONTRIBUTIONS**

(cash and in-kind donations)

**300,000**

**PEOPLE**

Participating in Environmental Stewardship and Community Betterment Activities

Including K-12 Youth and College Students







# AWARDS & RECOGNITION

## CORPORATE AWARDS



**World's Most Ethical Companies:**  
The Ethisphere Institute, 11 of the past 12 years



**CDP (formerly Carbon Disclosure Project):** Reporting since 2004; CDP A-List 2016 and 2017



**DJSI North American and/or World Indices:** 13 of the past 16 years; DJSI S&P 500 Sector Leader in Commercial Services and Supplies 2018



## CORPORATE SUSTAINABILITY

- › **100 Best Corporate Citizens:**  
Corporate Social Responsibility Magazine 2015-2018
- › **Change the World:**  
Fortune Magazine 2015
- › **FTSE4 Good Index Series:** 2011-2018
- › **Euronext Vigeo World 120 Index:**  
2012-2015
- › **Ecovadis:**  
Silver (2017), Bronze (2016, 2018)

To read our full report, please visit [sustainability.wm.com](https://sustainability.wm.com)



To read our full report, please visit [sustainability.wm.com](https://sustainability.wm.com)  
Recycling is a good thing. Please recycle any printed copies of this report.