

# **2020 EXECUTIVE SUMMARY**

# **BUILDING VALUE TOGETHER**



# **BUILDING VALUE TOGETHER**

The end-of-life for materials can often be the start of something new. That's why we work not only to manage waste responsibly, but also to collaborate with our stakeholders to find ways to create new value—**together**.

# About this report

Waste Management is committed to consistent public disclosure and discussion of our progress through the publication of our Sustainability Report. We are taking a new approach to reporting by publishing content in two different formats to further enhance reporting transparency: our annual Sustainability Report details the progress on our most material issues over the past year and is now available as an interactive website and PDF. Complementing our report is a new Environmental, Social and Governance (ESG) Resource Hub that houses easily accessible, detailed information and data related to many aspects of our ESG performance, policies and initiatives, as well as an archive of past reports and updates to recent initiatives.



# Waste Management At-A-Glance

(as of and for the year ended December 31, 2019)

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





# **CEO Message**

The past year has been a time of awakening to the many challenges we face as a society. From the COVID-19 pandemic, to growing calls for racial justice, to the continued urgency of the climate crisis, it's clearer than ever that our lives are interconnected—and that understanding and collaboration are the right way forward.

When Waste Management faces difficult times, we respond and work to recover and become stronger than before. As the coronavirus crisis began to unfold, we reacted swiftly, taking care of employees with strong safety protocols and financial assurance. We took care of customers by continuing our waste and recycling collection services without interruption, supplying an essential feedstock for markets that use recycled material to produce the products and packages that we rely on each day.

Likewise, in the aftermath of the death of George Floyd in Minneapolis, Waste Management's Inclusion and Diversity staff activated a series of dialogues and programs to further inclusivity among all employees, and to facilitate constructive discussions in our workplaces. We will continue to establish new cultural norms and to ensure consistent practices around education and equity, with goals established to guide this effort. I've always been proud of Waste Management's People First culture, and that's never been more true than in recent months.

Amidst all of these crises, we haven't lost sight of our essential role in protecting the environment and contributing to a circular economy. As of the fall of 2020. we are processing a growing volume of residential recyclables, we continue to reduce our fleet emissions, and we are

creating value from waste at our landfills to generate clean, renewable energy. Record investments in our recycling infrastructure and fleet will help us continue on this path.

As you read our 2020 Sustainability Report, I hope you see a thoughtful, mature yet progressive company with a balanced approach to our social and environmental commitments—one with management systems in place, a track record of environmental investment and processes, and a commitment to our people. Close partnerships among our employees, customers, suppliers, community partners and others have made it possible.

In spite of trying times, our **Commitments & Values have** not changed. We are the same company with the same dedication, always working for a sustainable tomorrow. As we continue to build value, I'm optimistic about what the future holds.

In Fish

**Jim Fish** President and **Chief Executive Officer** 

In spite of trying times, our **Commitments & Values** have not changed. We are the same company with the same dedication, always working for a sustainable tomorrow. As we continue to build value, I'm optimistic about what the future holds.

Watch Jim Fish's interview with Fortune Magazine.

# **Building Value Together in 2019**

Our 2020 Sustainability Report proves our commitment to continuous improvement. Throughout this report, you'll find stories that describe how Waste Management and our stakeholders are Building Value Together. In addition to these stories, we're proud to share the following highlights from the past year.

# **People First**

Our **Commitments & Values** are the foundation by which we are elevating our dedication to a People First organization. Putting our people first means achieving success with integrity. These guiding principles ensure that we'll never lose sight of the things we value most: our people, our customers, our environment, our dedication to safety and our continuous goal to create great places to work for all.

# **National Recognition**

We're proud to have been recognized for our efforts to create a rewarding workplace and operate a sustainable business. Below are a few awards and recognitions we received in 2019 and 2020.



# **Environmental Highlights**

# **Emissions Intensity Reduction**

Over the past decade, we have consistently decreased the intensity of our emissions. Even as we are managing more waste today than we were 10 years ago, our emissions per ton of waste disposed have continued to decline. We are investing in the latest fleet technology to produce and use renewable energy, and we are exploring ways to better measure landfill emissions in order to develop more precise approaches to managing these emissions.

Metric Tons of Carbon Dioxide per Ton of Waste Disposed





## **Fleet Leadership**

We are also consistently reducing our **GHG emissions** per mile driven. By the end of 2019, for every 1,000 miles driven, we had reduced our GHG emissions by 32%, and total GHG emissions by 36% for our collection and support fleet. We've achieved these reductions through logistical efficiencies, transitioning to natural gas vehicles, and by increasing our use of renewable fuel.

#### Million Tons of Recyclables Managed



# **Recycling Growth and Investment**

Over the past decade, Waste Management has become an industry leader in our commitment to invest in recycling infrastructure with long-term sustainability in mind. We invested more than \$100 million in recycling infrastructure in both 2018 and 2019, and set a new record in 2019, with over 15.5 million tons of material processed for beneficial use.

5

# **Goals & Progress**

## **Environmental Goal**

Our overarching environmental goal is to reduce GHG emissions while protecting the environment. Currently, the services we provide avoid three times (3X) more GHG emissions than we generate in our operations. Our 2038 goal calls for reducing even more GHG emissions—four times (4X) the GHG emissions we generate through our operations. All of our environmental goals contribute to this overarching goal of emitting less and reducing, avoiding and offsetting more. To achieve this goal, our strategy is to reduce emissions from our landfills, fleet and electricity use, while increasing the emissions-avoidance services that we provide to our customers. Between now and 2038, the bar above the zero line will decrease as we reduce operational emissions, while the bar below the zero line will increase.



#### How We Measure Our 4X Goal

Million MTCO2e

community events and social media engagement campaigns.

×D

# In 2019, Waste Management Committed to Six Goals With a 2025 Target:



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# Key Performance Indicators—Planet

![](_page_8_Picture_2.jpeg)

GHG Emissions From Operations (MMTCO2e)<sup>1</sup>

![](_page_8_Figure_4.jpeg)

![](_page_8_Figure_5.jpeg)

**Collection Fleet**<sup>3</sup>

![](_page_8_Figure_7.jpeg)

**2016 2017 2018 2019 2038** \*This is a 45% reduction in fleet emissions from the base year, 2010.

![](_page_8_Figure_9.jpeg)

![](_page_8_Figure_10.jpeg)

#### GHG Emissions Avoided (MMTCO2e)<sup>6</sup>

# Renewable Energy Generation<sup>7</sup>

# Recycling of Materials<sup>8</sup> 40 39.08 32.57 32.59 31.32 30.06 25 2016 2017 2018 2019 2038

#### **Carbon Permanently Sequestered**

![](_page_8_Figure_15.jpeg)

Supply Chain

![](_page_8_Figure_17.jpeg)

![](_page_8_Figure_18.jpeg)

10% increase in annual spend on sustainability-related products and services

2016 2017 2018 2019

Goals & Progress

# Key Performance Indicators—People

![](_page_9_Figure_2.jpeg)

![](_page_9_Figure_3.jpeg)

#### Social Impact

#### Number of Wildlife Habitat Programs

![](_page_9_Figure_6.jpeg)

## Charitable Giving<sup>11</sup>

![](_page_9_Figure_8.jpeg)

#### **Community Events Supported/Hosted**

![](_page_9_Figure_10.jpeg)

#### **Safety Performance**

#### **Total Recordable Incident Rate**

Incidents per 100 Full-Time Employees per Year

![](_page_9_Figure_14.jpeg)

#### WM Vehicle Accident Recordable Rate (VARR)<sup>12</sup>

Driver Hours Without a Vehicle-on-Vehicle Accident, in Thousands

![](_page_9_Figure_17.jpeg)

# 0 —

#### **Key Performance Indicator Footnotes**

 These four graphs represent 100% of Waste Management's Scope 1 and 2 greenhouse gas inventory, which is third-party verified and reported to CDP. These emissions make up the numerator portion of our environmental goal to reduce, avoid or offset four times the emissions we generate in our operations, represented in the part of the 2019 bar chart that is above the 0 line of the How We Measure Our 4X Goal infographic. For a discussion of the protocols that govern these calculations, please visit our ESG Resource Hub, Carbon Footprint Calculation Methodology.

We use the modified 100-year global warming potentials (GWPs) promulgated by the U.S. EPA. Pertinent to our carbon footprint, our Scope 1, 2 and 3 emissions calculations use the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (FAR) GWP. However, prior to 2019 our Scope 2 emissions from purchased electricity used the IPCC Second Assessment Report (SAR) GWP.

- Our landfill emissions are from both active and closed facilities. The amount of landfill gas that is collected can be measured; the amount of landfill gas generated and the amount emitted to the atmosphere as fugitive emissions must be estimated using prescribed calculation methodologies. The applicable methodologies are the Solid Waste Industry for Climate Solutions (SWICS) Protocol and the U.S. EPA Greenhouse Gas Reporting Program (GHGRP) rules.
- 3. The methodology for calculating fleet emissions conforms to U.S. EPA's SmartWay Truck Tool. SmartWay calculations use records compiled for tax credit and fee purposes. The tax documentation reflects fuel purchased in a year, including some insignificant amounts of fuel stored rather than used in a given year. The graph excludes biogenic emissions, as per The Greenhouse Protocol. Biogenic emissions are reported separately.

Note that in previous reports, this graph was named "Transportation" and emissions included those from both our collection fleet and our non-collection "yellow iron" (i.e., off-road equipment such as forklifts and excavators) used on site. These emissions have been moved to "Other Energy Use" to more clearly track progress on our collection fleet goals.

- 4. Emissions in this graph were previously reported in a graph named "Energy Use," which included all non-transportation energy use. We have separated electricity emissions (Scope 2) from other energy use (Scope 1) because they are different scopes and to more clearly show progress toward our goal to purchase 100% renewable electricity by 2025.
- 5. This graph includes emissions from our "yellow iron" (i.e., off-road equipment such as forklifts and excavators), heating fuel, jet fuel, propane and a small amount of other fuels. Emissions in this graph were previously reported in a graph named "Energy Use," which included all non-transportation energy use. We have separated electricity emissions (Scope 2) from other energy use (Scope 1).
- These emissions make up the denominator portion of our environmental goal to reduce, avoid or offset four times the emissions we generate in our operations, represented in the part of the 2019 bar chart that is below the 0 line of the How We Measure Our 4X Goal infographic. For a discussion of the protocols that govern these calculations, please visit our ESG Resource Hub, Carbon Footprint Calculation Methodology.

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 value of 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 GHG reduction benefits as our own nor attempt to deduct these reductions from our carbon footprint.

- 7. At 124 of our landfills, Waste Management captures the methane for beneficial use, recognized by the U.S. EPA as a **renewable energy resource**.
- 8. The U.S. EPA's Waste Reduction Model (WARM) is used to calculate the life cycle GHG emission benefits from recycling. Note that instead of using the WARM "national average landfill" defaults, WM uses company-specific settings to account for our own landfill gas-to-energy capacity. Additionally, the increase in emissions reductions realized by recycling does not correspond arithmetically to the increase in total tons recycled. That is because, for example, paper recycling (80% of all recyclables) achieves very high emissions reductions, while the emissions reduction potential associated with glass recycling (20% of recyclables) is nominal on a per ton basis.
- 9. Waste Management aims to achieve ethnic diversity in each segment of our workforce, with emphasis on leadership, that is greater to or equal to that of the U.S. workforce standards. U.S. workforce averages are from the most recent data available, based on 2018 Equal Employment Opportunity Commission reports data.
- 10. Waste Management aims to lead the industry in female representation at all levels with a special emphasis on frontline employees and women in leadership. Industry averages are from the most recent data available, based on 2018 Equal Employment Opportunity Commission reports.
- 11. Due to the extraordinary devastation caused by hurricanes in the fall of 2017, Waste Management donated \$3 million to Hurricane Harvey aid relief and \$1 million to Hurricane Irma recovery efforts.
- 12. We have adjusted all years after 2016 to exclude "Other Vehicle Initiated Impact" incidents.

# **Solving Waste Together**

## Where We Create Value, Together

Creating a circular economy—one where we get the most possible value out of every type of material—takes everyone's help and happens in places you might not expect. See a few of the many ways Waste Management works with our stakeholders to create value out of waste:

#### • At a Championship Golf Tournament

At the Waste Management Phoenix Open, one of the largest zero waste events in the world, we divert waste from landfills and educate attendees on how they can do the same.

#### In the Compost Cart

Composting provides a sustainable alternative to landfills for the billions of pounds of food that are thrown away each year. The resulting organic matter is a valuable input for agriculture, landscaping and more.

#### In the Recycling Cart

We are dedicated to educating customers about the importance of recycling right—ensuring that everything that goes in the bin is fit for recycling. Encouraging good recycling practices allows us to operate more efficiently, which lowers the cost of recycling for everyone.

#### On the Front Lines of a Pandemic

Throughout the COVID-19 crisis, Waste Management continued residential collection without interruption-providing an essential service to customers while supplying critically needed recycled goods for manufacturing industries.

#### On Top of a Closed Landfill

It's possible that you've visited a closed landfill without even knowing it. We closely monitor landfills after closure and support their conversion into golf courses, parks, wildlife habitat and more.

#### At Our Customers' Businesses

Customers are looking for ways to operate more sustainably and reduce the waste they generate. Waste Management Sustainability Services (WMSS), our advisory services business, allows us to partner with customers to reduce their environmental impact.

![](_page_11_Picture_16.jpeg)

#### Underneath a Landfill

At more than half of our landfills, Waste Management converts landfill gas into energy, which can be captured and beneficially used as an alternative to fossil fuel. In some cases, this fuel is used to power Waste Management's own fleet.

#### At Our Landfill

Several of WM's landfills host solar and wind farms, which generate renewable energy that is placed into the electricity grid reducing the use of fossil fuel.

# Recycling

# **Driving End-Market Demand**

Waste Management has been a leading voice in the call to focus on creating domestic market demand for products made with post-consumer recycled content. From home delivery and pizza boxes, to soda cans and water bottles, to fleece clothing and carpeting, manufacturers across the globe rely on recyclables from our MRFs as material inputs for their products. But significant opportunity remains to expand these markets further, and Waste Management is looking for new ways to generate demand among customers and within our business.

#### **Demand From Our Customers**

In 2018, plastic recycler KW Plastics asked us to consider adding polypropylene (PP) to our recycling programs. Polypropylene plastic is used in products like yogurt cups and its use is growing, creating a demand for post-consumer PP resin. After auditing our available recyclables, we agreed and began to separate PP from other materials for recycling, even adding optical sorters at several of our facilities to efficiently sort this material. KW Plastics now has a reliable stream of PP that can be recycled into products such as paint cans. With our new capacity to sort PP, other markets for the material have the chance to develop as well. **Watch video.** 

![](_page_12_Figure_6.jpeg)

#### Demand From Our Collection Business

Waste Management purchases hundreds of thousands of residential curbside carts each year, which contain post-industrial recycled plastic. In 2019, we signed on to the Association of Plastics Recyclers (APR) Demand Champion Program and pledged to increase the use of post-consumer resin (PCR) in products we purchase, starting with our residential carts. Waste Management teams from our supply chain, operations, marketing/branding and other functions collaborated with Cascade Cart Solutions to test the use of PCR in our residential carts, and purchase the resulting carts made with 10% PCR. Cascade's Ecocarts are a first in our industry.

#### Demand From Major Events The Waste Management Phoenix Open

(WMPO) and concurrent Sustainability Forum are great opportunities for us to showcase recycling's potential. During the 2020 golf tournament, fans could purchase apparel made from Unifi's Repreve recycled fibers produced from plastic bottles. One popular style was Loudmouth Golf's "WMPO Party Pants," made from Repreve fabric with 50% recycled content. The importance of end-markets for recycled goods was also a focus of 2019 and 2020 Forum presentations. During the 2020 Forum, we organized a Circular Economy Showcase where we highlighted 15 companies using post-consumer recycled content to produce new products.

476,645

metal

15,510,697

total materials

recycled

![](_page_13_Figure_1.jpeg)

# The Circularity of Recycling

Recycling gives materials new life—even enabling them to be used more than once by the same household. For this process to remain circular, every step matters. Not only must goods be recycled properly, there must be markets for recycled materials that allow them to reenter the value chain.

![](_page_13_Picture_4.jpeg)

#### **Residential Home**

Customers separate clean recyclables such as bottles, cans, paper and cardboard boxes before placing them in their recycling bins.

![](_page_13_Picture_7.jpeg)

#### Recycling Collection

Where single-stream recycling is available, a Waste Management collection truck picks up all these items in a single pass.

![](_page_13_Picture_10.jpeg)

#### Materials Recovery Facility

At one of our MRFs, we use advanced technology, as well as manual sorting, to organize recyclables by type before packaging them into bales.

![](_page_13_Picture_13.jpeg)

#### **Materials Processing**

Depending on material type, baled recyclables are processed into new forms, such as pulp, pellets or sheets, that prepare them to be made into new products.

![](_page_13_Picture_16.jpeg)

#### **Product Manufacturing**

New goods are created with these materials, such as boxes made from post-consumer paper or carpets with fibers made from recycled plastics.

![](_page_13_Picture_19.jpeg)

Consumers purchase products with packaging or other components that are made to be recycled.

# Organics

# Waste Management Organics Processing Sites

Waste Management is continually growing our capacity for processing organic material and making compost products available to local customers who can put them to good use. By partnering with stakeholders across the communities where our processing sites are located, we're all helping to maximize the value of organics.

![](_page_14_Figure_4.jpeg)

#### Alameda County Food Donation Program

Given a recent California initiative to reduce food waste, the Alameda County Community Food Bank was looking to expand its operations. Waste Management helped secure a grant to purchase a new truck—the first hybrid vehicle in the Food Bank's fleet—which will allow the Food Bank to expand its collection capacity by 1 million pounds annually. This new hybrid truck will also decrease GHG emissions, equivalent to removing 1,000 cars from the road for a year.

#### Redwood Compost Facility

Our Redwood facility uses aerated static pile composting, an approach that has allowed us to increase processing capacity while reducing air emissions. Yard waste and residential food scraps from the nearby community truly stay local when they are turned into compost used by organic wine growers in Sonoma and Napa, ranchers in Marin County, landscapers and home gardeners alike.

![](_page_14_Figure_9.jpeg)

#### **Boston CORe® Facility**

To help the state of Massachusetts meet its organics recycling goals, the Greater Lawrence Sanitary District entered a partnership with Waste Management to process additional organic material at our CORe® facility. The resulting agreement increased the district's production of renewable energy. Since 2017, we have tripled GLSD's biogas production to approximately 1 million cubic feet per day, and the district is well on its way to being a net energy exporter to the local grid.

#### New Jersev CORe<sup>®</sup> Facility

The CORe® process is a great solution for residential and municipal organic programs located near a facility. For example, Woodbridge Township now collects food waste from schools with a special organics collection vehicle, which is delivered to CORe® every day of the week. The nearby Westfield Township provides its residents with a food waste drop-off program. The centralized location of this CORe® facility allowed for a cost-effective solution requiring minimal transportation.

#### Okeechobee Compost Facility

In Okeechobee, Florida, high-quality compost is in demand from the region's citrus groves. Compost from Waste Management's facility there, which opened in 2012, is used exclusively in agricultural production, turf and other applications. The compost's high-organic matter helps boost crop production and reduces the impact of citrus greening disease. The facility can produce up to 10,000 cubic yards of mature compost each year.

# Landfills & Renewable Energy

The material we manage—across our recycling facilities, organics processing operations and landfills—is a function of what, and how much, people and businesses throw away.

We have observed significant changes in municipal solid waste (MSW) streams over the years, including some encouraging findings. For example, between 1990 and 2017, the amount of MSW to landfills has decreased even as the U.S. population has grown. Nevertheless, large volumes of material that could be recycled or composted are still being sent to landfills. And even as we are managing more waste today than we were 10 years ago, our emissions per ton have declined.

As North America's leading environmental services provider, Waste Management is committed to ensuring that all discarded material is handled in the most environmentally beneficial way, which comes down to changing the behavior of industries and individuals alike. We are making progress by working across our supply chain to help develop new technologies and markets for postconsumer materials and educating consumers on how best to dispose of all forms of waste. Given currently available technology, there remain many waste streams that cannot be successfully or profitably processed into new materials. To ensure that these forms of waste do not enter natural land areas or waterways, where they can cause harm as they degrade, we manage them safely and sustainably through our network of 244 active MSW landfill sites across the U.S. and Canada. Combined, these sites process over 100 million tons of waste annually.

## Renewable Energy Generation: Capturing the Value of Waste

At 124 of our landfills, Waste Management creates economic and environmental value from waste by turning landfill gas into energy. As organic material decomposes in an anaerobic environment, it naturally produces landfill gas, which is roughly half carbon dioxide and half methane. We capture this methane and use it beneficially as an alternative to fossil fuel. This landfill gas, or biogas, is recognized by the U.S. EPA as a renewable energy resource.

In 2019, approximately 55% of biogas collected at Waste Management-owned and -operated facilities went to beneficial use projects. Waste Management is the largest developer and operator in North America.

We are continually looking for opportunities to develop new beneficial use projects. Proximity and accessibility to energy infrastructure makes projects more cost effective. While larger landfills tend to have greater potential, smaller landfills can also support beneficial use projects.

## **Renewable Electricity**

Today, our most frequent application for biogas is to generate electricity that is sold to public utilities, municipal utilities and power cooperatives.

In this arrangement, the amount of renewable electricity delivered into the grid by one user must equal the amount of renewable electricity taken off the same grid by another user. This process has been used to offset traditional electricity with renewable energy for decades.

# **Renewable Fuel**

Beyond electricity generation, we are also a leader in converting landfill gas into natural gas fuels that are distributed for use in residences, businesses and commercial vehicles, including our own. Renewable natural gas (RNG) produced from processed landfill gas now fuels over 40% of our natural gas trucks. Learn more about how we focus on sustainability within our fleet.

![](_page_15_Picture_16.jpeg)

# **Fleet & Energy Efficiency**

Our fleet of more than 17,000 collection vehicles provides reliable, everyday service to our customers. And it does so while reducing our environmental impact.

Waste Management is reducing our fleet's GHG emissions by transitioning from diesel to cleaner-burning natural gas, an increasing amount of which originates from our own landfill gas. Beyond using cleaner fuel, we are decreasing the amount of fuel we consume via logistics solutions, including route optimization technology that allows us to reach customers while traveling the least possible distance.

# Progress Toward Fleet Goals

Waste Management established our first fleet emissions reduction goal in 2007. By 2011, we reached our goal of 15% reduction, primarily by transitioning vehicles from diesel to natural gas. With a vision to create a near-zero emissions collection fleet, we're now working toward a science-based target to cut fleet emissions by 45% by 2038, against a 2010 baseline. In 2019, we set an interim goal for 70% of our collection fleet to use compressed natural gas (CNG) engines by 2025, with 50% running on renewable natural gas (RNG). We are investing in both fuel and routing technologies to achieve these goals and ensure that Waste Management remains the industry leader in transportation technology.

![](_page_16_Picture_6.jpeg)

### WM's Collection Fleet by the Numbers

17,000 trucks 450M miles driven each year 85% new purchases are natural gas vehicles

**8.9M** fewer miles driven 2017-2019 ↓36% fleet emissions\*

\*36% reduction in total fleet emissions, excluding biogenic emissions.

#### Waste Management RNG Facilities

![](_page_17_Figure_2.jpeg)

# **Fueling Our Fleet**

Key to achieving our fleet emissions goal is a commitment to invest nearly \$400 million annually in the cleanest near-zeroemissions trucks available. At the end of 2019, our natural gas fleet totaled 8,924 trucks, comprising the largest heavy-duty natural gas truck fleet of its kind in North America. Vehicles powered by natural gas emit almost zero particulate emissions, cut GHG emissions by 15% and are quieter than diesel trucks. For every diesel truck we replace with natural gas, we reduce annual use of diesel fuel by an average of 8,000 gallons, thereby reducing GHG emissions by 14 metric tons.

Vehicles receive CNG fuel through our network of Waste Management-owned and -operated fueling stations. As of the end of 2019, we operated 145 natural gas fueling stations across North America, with 25 of these also open to the public. Waste Management finances and constructs the stations, as well as purchasing the fuel. We currently fuel over 40% of our natural gas fleet with RNG produced from **our own landfills and third-party landfills**. In 2019, these third parties expanded to include dairy farms. Using RNG reduces GHGs and nitrous oxide emissions (NOx) by over 90%.

Our long-term and ongoing investments in RNG production facilities, coupled with a natural gas fleet that can operate on RNG, are moving us closer to a near-zero emissions collection fleet. In 2019, Waste Management's fleet consumed over 9,752,000 MMBtu of natural gas. Of that total usage, approximately 40% is biogas. In California, Oregon and Washington, 100% of our natural gas fleet runs on RNG.

# Mitigating Climate Change

![](_page_18_Picture_1.jpeg)

# How Waste Management Is Addressing Climate Change

Waste Management has the opportunity to tackle climate change through reductions in greenhouse gas (GHG) emissions from our landfills, fleet and facilities, through the recycling services we provide our customers and the renewable natural gas generated at our landfills. We continue to develop and implement solutions to reduce our own and our customers' carbon footprints, including:

#### **RECYCLING SERVICES**

- Investing in technology to improve the quality of recycled material that we sell
- Focusing on recycling materials that provide the greatest GHG reduction benefits
- Turning food waste into energy or compost
- Purchasing products made with recycled content

#### **CUSTOMER SOLUTIONS**

- Providing climate-related sustainability consulting services to customers who want to reduce their carbon footprints
- Helping create new markets for recycled products
- Educating customers on how and what to recycle

#### **FLEET TRANSFORMATION**

- Transitioning our fleet to near zero emission natural gas vehicles
- Using renewable fuel, including landfill gas, in our fleet
- Piloting electric vehicles
- Using smart logistics technologies to reduce fleet miles traveled
- Using hybrid dozers at our landfills

![](_page_18_Picture_19.jpeg)

#### **RENÉWABLE ENERGY**

- Creating renewable electricity and fuel from biogas at our landfills
- Creating renewable energy from food waste at our CORe® facilities
- Hosting solar farms and turbines at our landfills for renewable electricity generation into the electric grid
- Using renewable electricity at our sites

# **Putting People First**

Waste Management is a company committed to People First, knowing that the daily contributions of our 45,000 employees are what enable us to play a vital role in the communities we serve. The success of Waste Management depends upon the success of each employee, and we strive to give them the tools they need to develop and excel in their careers.

Waste Management employees span four generations—**Baby Boomers, Gen Xers, Millennials and Gen Z**—each with their own preferences and expectations when it comes to ways of working. Beyond generational differences, our workforce is diverse in terms of race, sexual orientation, gender identity, ethnicity, language and life experience. We are committed to promoting and fostering equal opportunity for all employees, and we strive to maintain a workplace where everyone is valued and respected.

![](_page_19_Picture_4.jpeg)

## Waste Management Commitments & Values

In the simplest terms, our values come down to this: Do the Right Thing. The Right Way. This idea sets the standard for our fundamental commitments and core values, guiding our daily actions and decisions.

#### Commitments

- People First: The proud, caring and resilient members of the Waste Management family are the foundation of our success. We commit to taking care of each other, our customers, our communities and the environment.
- Success With Integrity: Our success is based not only on the results we achieve, but how we achieve them. We are committed to being accountable, honest, trustworthy, ethical and compliant in all that we do.

#### Values

- Inclusion & Diversity: We embrace and cultivate respect, trust, open communication and diversity of thought and people.
- **Customers:** We place our customers at the center of what we do and aspire to delight them every day.
- Safety: We have zero tolerance for unsafe actions and conditions, making safety a core value without compromise.
- Environment: We are responsible stewards of the environment and champions for sustainability.

![](_page_20_Figure_1.jpeg)

**Employees by Region** 

![](_page_20_Figure_3.jpeg)

![](_page_20_Figure_4.jpeg)

(born 1995-Current)

![](_page_20_Figure_5.jpeg)

#### **Employees by Payment Type**

![](_page_20_Figure_7.jpeg)

![](_page_20_Figure_8.jpeg)

\*Based on U.S. employee/population data. Total does not equal 100% due to rounding.

#### BUILDING VALUE TOGETHER Taking Care of Each Other During Times of Uncertainty

COVID-19 touched every aspect of our business, from our customers and communities to employees and operating procedures. As an essential service, Waste Management continued to operate as much of the country paused, taking on the logistical challenge of adapting our operations to a new working environment. With many businesses closed, we re-routed our commercial collection trucks to residential routes where waste and recyclables increased up to 25%. With thousands of collection routes in North America, this was no small task.

We never took our attention off our primary focus of people and safety as we adjusted to changes in our services and market conditions. For example, we:

- Continued to provide glasses, masks and gloves as necessary for frontline employees.
- Created configurations and procedures to promote social distancing, including plexiglass shield separators.
- Developed policies regarding team meetings, breaks and public spaces to ensure social distancing.
- Instituted regular and enhanced cleaning procedures at all facilities.
- Guaranteed 40 hours pay to all full-time employees, regardless of COVID-related service decreases, and companysubsidized care for children and elderly parents.
- Moved 20,000 employees to workfrom-home conditions, upgrading software company-wide to handle additional online traffic.

Knowing they were safe and taken care of, our employees were inspired to help others during the crisis. We launched the Million Meals Campaign, a two-week employee match program that raised funds for Feeding America and Food Banks Canada. Through our combined efforts, Waste Management provided 1.9 million meals to those experiencing food insecurity due to the pandemic. In addition, facilities across the country pitched in to help neighbors and local organizations:

- Sites in the Greater Mid-Atlantic region donated money and supplied fruit, vegetables and other essentials to a Delaware food bank supporting more than 7,000 community members.
- The Varick Transfer station in New York City, participated in a food distribution program, helping to unload produce that is delivered to local families on a weekly basis. The facility was recognized as a Queens Chamber of Commerce Business of the Week for its efforts.
- An account manager for Delaware Valley South and his family expanded the Little Free Library in front of their house to include a community food pantry, inviting community members to take what they needed and contribute what they could.
- When students at Reed College and Lewis & Clark College in the Pacific Northwest had to leave campus on short notice, Waste Management teams provided drop boxes and front-load containers to collect recyclables and trash. This helped move-outs proceed more smoothly, reducing the burden on students and school administrators.

#### **40** hours of guaranteed pay to all full-time employees

20,000 employees moved to work from home

**1.9M** meals donated to those experiencing food insecurity

# How We Support the UN Sustainable Development Goals

The United Nations introduced 17 Sustainable Development Goals (SDGs) in 2015 to provide targets and indicators for broad global sustainability achievements. Waste Management has been contributing to each of these goals since, and in 2020 we refined our approach by aligning our 2025 and 2038 goals with eight SDGs targeted. WM is committed to action that provides the greatest contributions locally to affect positive change globally.

![](_page_22_Figure_2.jpeg)

To explore our commitment to the UN SDG's and how we use targets and indicators to refine and measure our approach, please visit our <u>ESG Resource Hub</u>.

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To read our full report, please visit sustainability.wm.com Recycling is a good thing. Please recycle any printed copies of this report.