

Waste Management Purchasing Program

2020



INTRODUCTION

Waste Management develops strategies and implements actions to deliver goods and services to satisfy our customer's needs. Supply Chain strategies are developed to combine quality, cost, delivery, service technology, and risk mitigation to our environmental, social and governance strategies. The interconnectivity of these strategies involves environmental programs to reduce our carbon footprint, social policy considerations that address workplace and safety issues, and company governance responsibilities ensuring that business rules of engagement are properly followed internally and with our suppliers and customers externally.

Waste Management Supply Chain Sustainability objectives are to:

- Include a Sustainability Clause in all our Master Products and Service Agreements
- Educate our supply chain personnel on sustainability basics, Values and Commitments, and initiatives to reduce WM and our customer's carbon footprint
- Provide tools to initiate discussions about sustainability
- Seek disclosure of relevant sustainability information from suppliers, leveraging shared or existing data where available and communicating preferences for innovative, sustainable solutions
- Determine the availability of viable and innovative procurement options
- Engage and reward key suppliers for establishing and meeting sustainability goals

Tracking and reporting on these efforts are an important part of the strategy. Supply Chain along with other Corporate functions work together to help Waste Management achieve its sustainability goals.

STRATEGY

Our supply chain management strategy identifies the top priorities as the best combination of:

1. **Quality** – Supply Chain ensures the service or equipment provided meet our criteria and standards. The evaluation of the deliverable is a team effort between Supply Chain and the Operations. We ensure that any new sustainable products and services meet our current quality levels.
2. **Sustainability** – We work with suppliers who can help us deliver sustainable products and services, and we engage with suppliers on their sustainability programs and their impact on the environment. We are in the process of including sustainability language in all master service agreements to stress its importance to WM.
3. **Delivery** – Completing the supply chain loop and ensuring the service and/or material is delivered on time at the agreed to price.
4. **Cost** – Supply Chain's fundamental responsibility is to provide value to the Company by working with our suppliers to deliver high quality services and equipment. We work closely on the costing of sustainable products and services to maintain our current price point.
5. **Service technology** – Verify suppliers can efficiently and effectively satisfy our needs.

6. **Risk Reduction** – We have established a process to be used to identify key risk factors and how we mitigate those factors. We evaluate suppliers on the preceding five factors through a process of analyzing key factors of our suppliers’ operations and mitigating any gaps. In addition to those key corporate factors, we also focus on:

7. **Safety** – We have a safety-first culture and work closely with the operations team to verify and monitor that our suppliers are performing to the levels of our agreements.

8. **Environmental Assessments** – As we work with suppliers who can help us deliver sustainable projects, we also engage with suppliers on their sustainability programs and their impact on the environment.

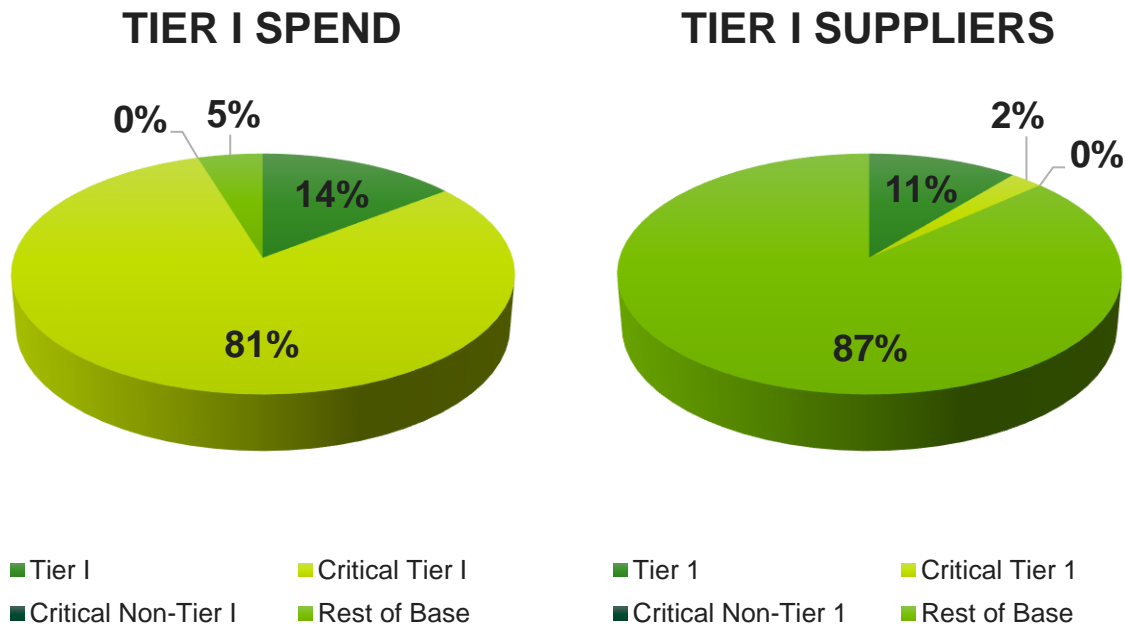
TIER I AND CRITICAL TIER I SUPPLIERS

TIER I suppliers are defined as providing goods and/or services indirectly impacting fleet and/or facility operations specific to the waste industry. For 2019 TIER I suppliers represented approximately 13% (5k) of the total suppliers servicing WM and 95% of the spend.

Critical TIER I suppliers include high volume suppliers, suppliers that provide critical components/services that directly impact our fleet or facility operations specific to the waste industry and are non-substitutable. Critical TIER I suppliers represented 2% (1k) of the total suppliers servicing WM and 81% of the spend.

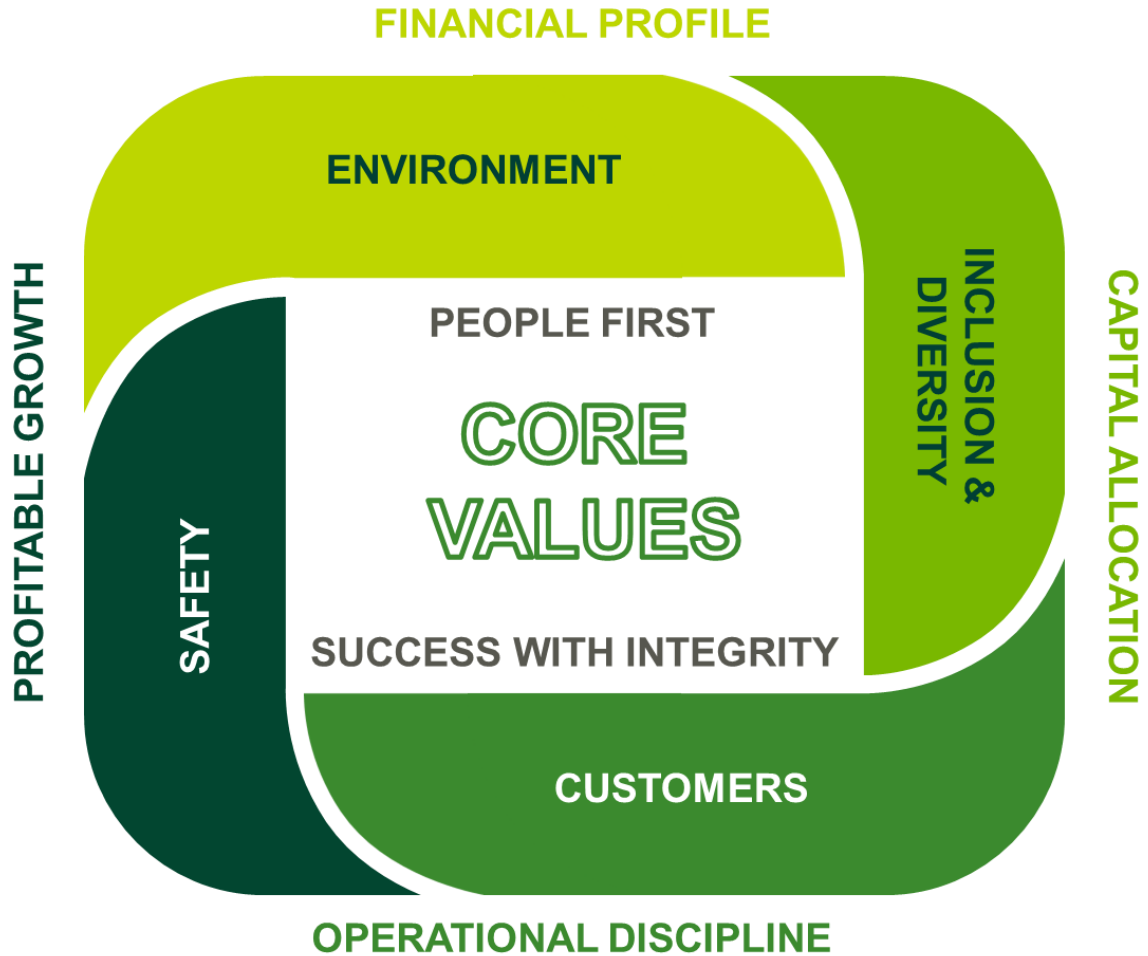
WM actively works to rely on multiple suppliers in multiple locations to avoid “non-substitutable” suppliers.

In 2019 our spend breakdown is as followed:



SUPPLY CHAIN INTEGRATION WITH OPERATIONS

Supply Chain works closely with Operations to deliver business solutions that meet multiple requirements, including WM sustainability goals. We work holistically with the entire organization to deliver results, with environment, social and governance factors providing focus for us and the entire organization. Supply Chain's role within WM's Operational strategy is foundational, through structured end-to-end continuous improvement. To deliver the needs of the business we pull many different levers to achieve the goal. The levers are integrated throughout the organization in the following manner:



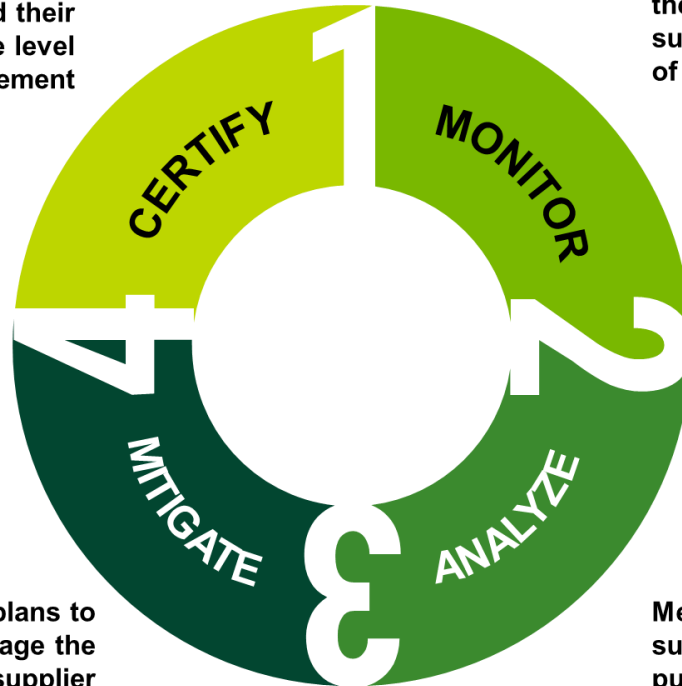
Combining these factors allows us the opportunity to demonstrate our environmental and social commitments through collaborative purchases with our Operations. Working more closely with Operations allows us to make procurement choices that are sustainable due to (1) the positive social impact we can make by choosing suppliers with a healthy safety culture (2) the avoidance of potential environmental impacts, (3) the reduction of potential risk to brand and reputation, (4) the operational risk reduction to workers while satisfying service obligations, and (5) controlling costs not only in the short term, but in terms of potential future liabilities.

SUPPLY CHAIN RISK ASSESSMENT

We have established a process to identify key supplier risk factors and determine how to mitigate those factors. We observe and check the progress of the supplier risk profile over a period of time. We methodically examine the supplier risk profile for the purpose of explanation and interpretation. A risk profile is established for the supplier and the overall category. In this way, we continually assess the strengths and weaknesses of our suppliers, and the impact these could have on our business.

Establish supplier risk profile and their current service level to Waste Management

Observe and check the progress of the supplier over a period of time



Establish plans to reduce and manage the risk profile of a supplier

Methodically examine the supplier risk profile for the purpose of explanation and interpretation

Potential sustainability risks include financial and insurance-related risks (including compliance and governance considerations), safety and health, and supplier diversity. In our mission of continuous improvement, we monitor insurance declarations through an automated system checking for expired or out of date insurance declarations, which triggers notification to the supply chain managers for corrective action; we conduct site visits and unannounced inspection of suppliers' facilities, particularly with our top fleet suppliers; and we work closely with the operations in the field to observe the service level provided to our operations. Any slippage observed from a safety or service disruption standpoint, will warrant a corrective action plan.

RISK ASSESSMENT CRITERIA TABLE

SUPPLIER RISK ASSESSMENT CRITERIA	
Financial	Review the financial strength and welfare of the supplier
Operational	Evaluate the service or product provided to Waste Management
Strategic	Long term viability of the supplier and the value of the relationship
Compliance	Supplier follows WM and Legal rules and regulations
Business Impact	How a supplier disruption will affect WM
Likelihood of Occurrence	WM evaluation of supplier's ability to provide business continuity
Outlook	Future barriers to supplier's ability to perform
Confidence	Supplier's ability to provide uninterrupted service

MITIGATING RISK & COLLABORATING WITH SUPPLIERS

For 2020, Waste Management has included specific Sustainability Contract Language describing the importance of Sustainability to Waste Management. In addition to communicating our Sustainability goals, we plan to update all our contracts by 2025. The contract section is included below:

"Waste management has positioned itself as the leader in environmental services, developing strategies and implementing actions to reduce our overall impact on the environment. We encourage our suppliers to develop and participate in sustainability programs and engage their supply chain networks to be aware of our joint impact on the environment. We will support supplier's efforts to cut waste, use recycled materials and maximize the use of their resources to help us meet our Sustainability goals."

The Supply Chain team has developed a Sustainable Supplier Partnership Playbook to direct the conversations with suppliers to maximize the opportunity to identify and implement new projects. A key component to this Playbook is the Supplier Sustainability Questionnaire, which will allow our suppliers to document their Sustainability Program and have ongoing dialog on joint sustainability activities. We are currently in the process of training our Supply Chain on this document and will be 100% complete by the end of 2020.

For 2020, key components of our Supplier/Project evaluation documentation include a section for evaluation of minority business opportunities and evaluation of sustainability opportunities. Supply Chain employees are required to include a sustainability and/or minority target in their annual goals this year.

SUPPLIER DIVERSITY

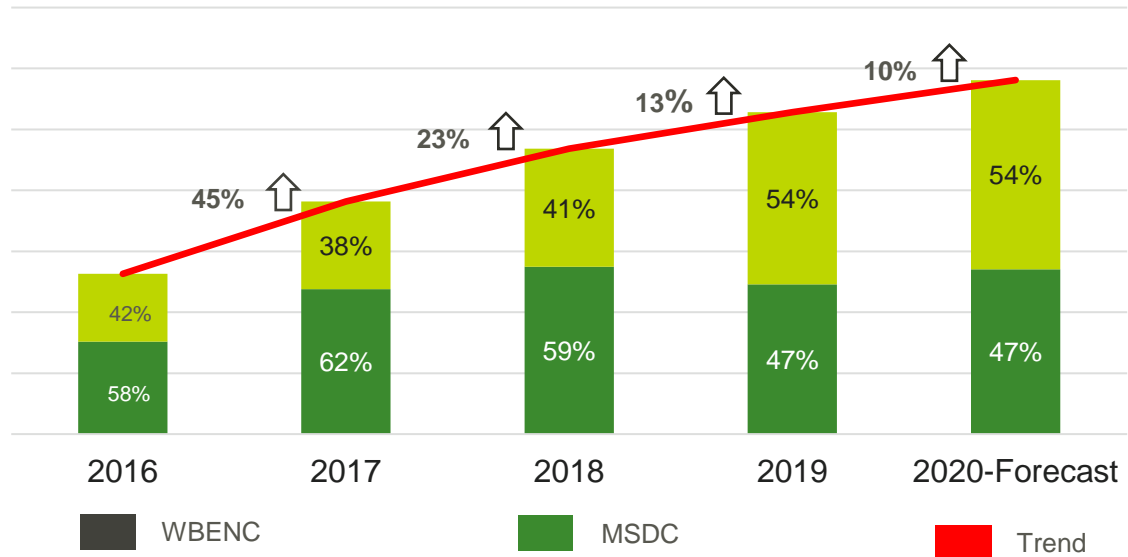
It is the company's current mission to develop a growing portfolio of viable and competitive small business, including those owned by minorities, women and service-disabled veterans, that will enable our company to increasingly utilize a supplier base which truly reflects the diversity of our customer base.

Our Supplier Diversity objectives support the organization on growing and expanding the WM overall business and shareholder value by engaging and developing diverse value-added suppliers thus creating a sustainable competitive advantage.

It is WM's privilege, policy and practice to proactively seek diversified suppliers. Through Supplier Diversity, we currently build relationships with businesses that are at least 51% owned by minorities, women and service-disabled veterans capable of providing commodities and services at competitive prices.

WM, in accordance with our business values and ESG strategies, strives to conduct business with all suppliers in an environment that demonstrates mutual trust, fairness, integrity and inclusion of different perspectives. As a critical review, we have added supplier diversity to our project review documentation that is reviewed throughout the year during category reviews and is a requirement on all Supply Chain member's yearly goals.

WM DIVERSITY SPEND 2016-2020



Our goal is to have 10% growth in annual spend with diverse suppliers through 2038. The two main agencies we use to impact our diversity spend is the Women's Business Enterprise National Council (WBENC) and the Minority Supplier Development Council (MSDC).

HOW ESG FACTORS ARE INTEGRATED INTO SUPPLY CHAIN DECISIONS

As the Supply Chain team interacts with suppliers to provide the services our internal customers need, we engage with suppliers on ESG opportunities, specifically minority-owned businesses and carbon footprint reduction opportunities. All ESG factors articulated in our Procurement Policy are considered essential balancing criteria and must be considered in supply selection. There is no formal weighting template. Compliance with the regulatory ESG standards is a mandatory threshold, with carbon footprint reduction initiatives considered along with sustainability, cost, risk and other factors. The Waste Management Supply Chain team receives training on the Procurement Policy and Procedures, when the procedures updated and when new members join the team.

To assist in prioritizing Supply Chain's sustainability efforts, we have included ESG elements as a required individual goal through the WM annual goal planning process. To ensure compliance with this initiative in our function, the project update template that is used for each Project has been updated to include minority business opportunities (MWBE opportunities) as well as carbon footprint reduction opportunities (sustainability opportunities). This project update template is reviewed by the entire Supply Chain team throughout the year.

Each of the Projects that our team manages gets put into a Project Management Tool that is used to manage and monitor Project activity. This tool represents the core of our Supply Chain function and is reviewed on a weekly basis.

In addition to the work Supply Chain does, the local operational locations play a vital role in ensuring our ESG goals are met. We align our processes and procedures to the operational needs for services. We rely heavily on their daily interactions with our business partners to provide feedback through our collaborative supplier vetting process.

HOW WE MEASURE PROGRESS

WM Supply Chain has set measurable targets to ensure continuous progress toward our goals. Each supply chain manager has responsibility to update their project status at minimum on a yearly basis which allows the opportunity to make sure annual targets are achievable and discuss any mitigation for targets that may be off track.

SUSTAINABILITY OPPORTUNITIES

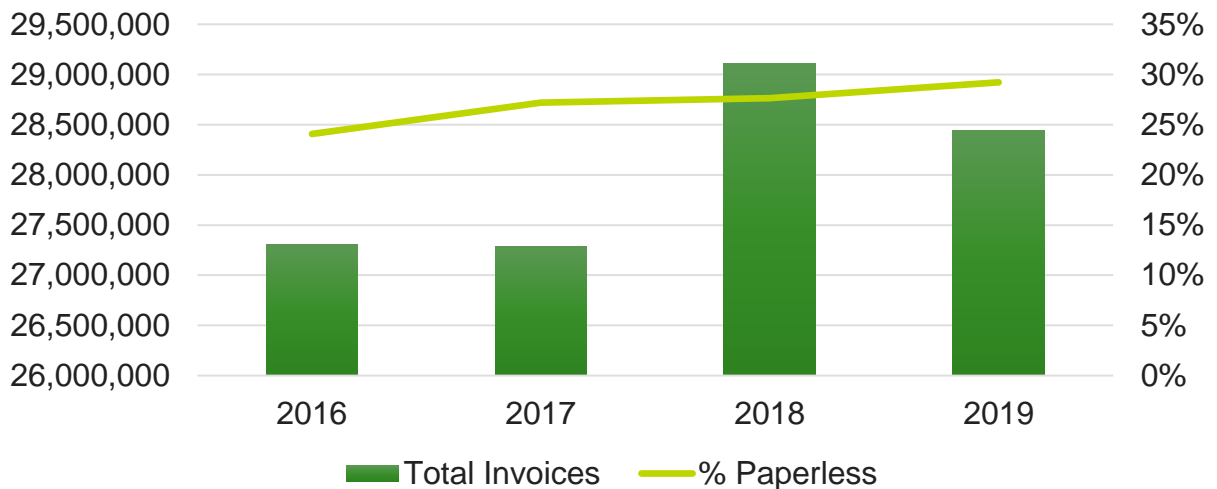
SPEND ON SUSTAINABILTIY PROJECTS

WM Supply Chain team has established a focused effort on adding Sustainability Projects into our Project Management portfolio and set a target to increase sustainability spend by 10% each year through 2038. To be considered a Sustainability Project, the initiative must have a proven Environmental or Social benefit, such as material reduction, use of recycled content materials, reduce GHG emissions, etc.

For 2019, our verified spend on sustainability-based projects was \$263,893,811. With the new tools, including the Sustainable Supplier Partnership Playbook and requirements for each supply chain person to include sustainability targets in their yearly goals, we are confident this number will increase steadily in the future.

PAPERLESS BILLING

The Supply Chain team worked closely with the Accounts Payable team to implement a supplier billing paperless program. This program started in 2016 and as of 2019 over 30% of our customer billings being processed are paperless. Over that four-year period, WM reduced our paper usage by 377 tons and avoided 2,290 metric tons of carbon dioxide equivalent (MTCO2e).

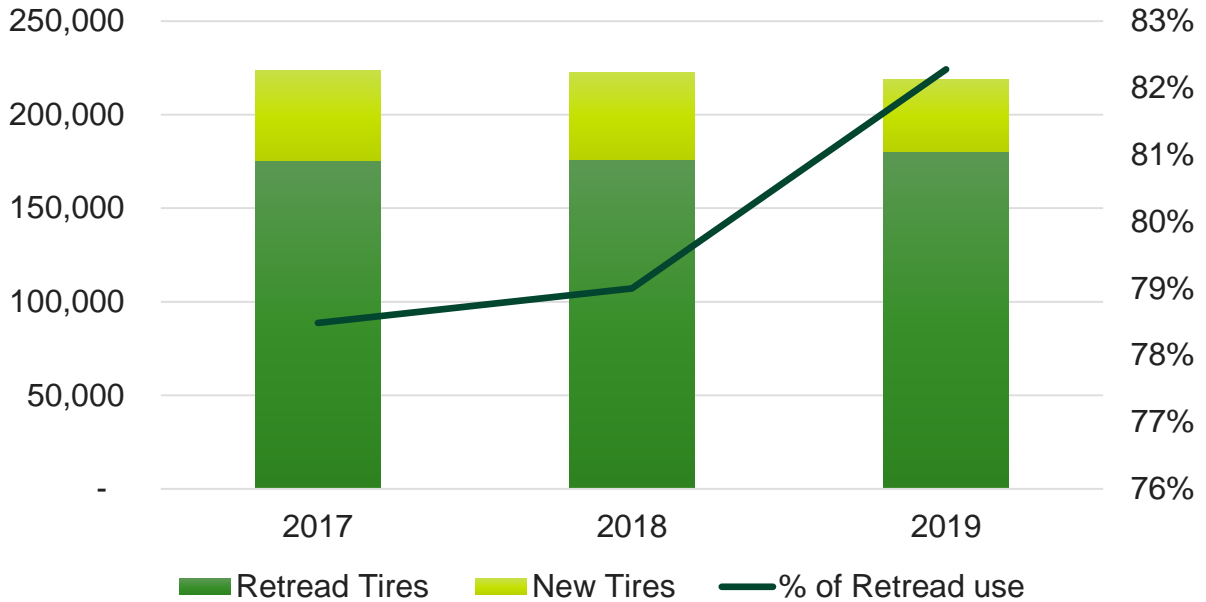


RETREAD TIRE PROGRAM

The Supply Chain team works closely with the Waste Management Fleet Operations team to assist in reducing the Environmental impact associated with new tire use and disposal. The process of applying



new treads to our existing tire core extends the life of the tire core. Retreaded tires use 15 gallons less oil and approximately 90-100 pounds less total material than a new tire. This reduces carbon emissions by 24%, air pollution by 21% and water consumption by 19%



RENEWABLE ENERGY

Waste Management has committed to purchasing 100% renewable electricity for all WM-controlled sites. This initiative supports our goal to offset four times the Green House Gases (GHGs) we generate through our operations by 2038. Utilizing renewable electricity provides Waste Management the opportunity to demonstrate our environmental and social commitments by making purchases with an awareness of our impact on the environment.

Waste Management is currently developing a strategy to ensure all market areas work toward our 100% renewable electricity goal. As current utility contracts expire, the strategy options to achieve this goal will include replacing expired contracts with Green Energy electricity providers through our standard bid process and exploring options to purchase Renewable Energy Certificates (REC's).

SUPPLIER CODE OF CONDUCT

The WM Code of Conduct applies to every Waste Management employee and our Board of Directors. Signed acknowledgments are periodically required, attesting that each recipient understands the responsibilities outlined. The Code of Conduct also highlights the expectation that our consultants, contractors, vendors, and other business partners will act in a manner consistent with our Code of Conduct when conducting business on behalf of the company. It is available in print and online and is available in English, Spanish, and French.

The Waste Management Supplier Code of Conduct (Code) was launched and rolled out in 2012, and revised in 2016, 2017, and 2019 and includes information and links to the UN Global Compact principles. It also includes information on how to report compliance and ethics issues or concerns and our Integrity Helpline. From that time, all suppliers, contractors, and service providers received this Code as part of their contract signing (and with all renewals and modifications of existing contracts). All



Waste Management contract purchases are governed by the Waste Management Supplier Code of Conduct. Although our Code is provided online for our suppliers and is appended to all new contracts, renewals, and modifications of existing contracts, we do not retain a file of acknowledgement from our suppliers.

Waste Management is the leading environmental service and solutions company in North America and has limited international operations. To ensure compliance with international laws, Waste Management has established an International Compliance Committee, which manages the Company's international compliance activities and oversees related processes, policies, and guidelines. These activities include monitoring the Company's anti-bribery, corruption, and trade compliance performance. Waste Management provides periodic and targeted anti-corruption and Foreign Corrupt Practices Act (FCPA) training to employees that are involved in international activities. In addition to this training, every employee receives an annual Code of Conduct training which includes topics related to anti-corruption such as bribery, gifts and business entertainment, and interacting with government officials. The Waste Management employees involved in joint ventures also receive the training described above.

ENSURING COMPLIANCE

We conduct periodic business reviews with tier I critical suppliers to ensure contract and Code of Conduct compliance. The Code of Conduct includes these obligations:

- 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;
- A guideline strictly limiting gifts and entertainment
- An expectation of accurate books and records
- A requirement to comply with all applicable laws and regulations; and
- An obligation to report all work-related incidents relevant to the contract immediately
- Environmental standards for the suppliers' processes, products or services
- Child labor
- Fundamental human rights (e.g. labor rights, freedom of association, ILO conventions)
- Working conditions (e.g. working hours, lay-off practices)
- Remuneration
- Occupational health and safety
- Business ethics (e.g. corruption, anti-competitive practices)
- Our suppliers should have a sustainable procurement policy in place for their own suppliers)

The Supplier Code of Conduct also lists a domestic and international Waste Management Compliance and Ethics Helpline number. The Supplier Code of Conduct is monitored through the Helpline, which is available to all consultants, contractors and suppliers as a resource in case of questions. All consultants, contractors and suppliers are obligated to report any known or perceived violation of laws, regulations, Waste Management policies or our Code of Conduct. We reserve the right to audit and inspect supplier operations during the term of the contract and for a limited time after termination.

COMMITMENTS AND VALUES PROGRAM

Waste Management has instituted a Commitment and Values Program into our everyday work activities to ensure we are focused on the correct behaviors to help us become a world class company. The Commitments are: 1) Our People First; 2) Success with Integrity and our four Values are: 3) Inclusion and Diversity; 4) Customers; 5) Safety; 6) Environment. This demonstrates the WM focus on internalizing ESG factors into our daily work mindset.

The infographic features the WM logo at the top left. The title 'EMBEDDING COMMITMENTS AND VALUES IN THE WAY WE WORK' is centered at the top. Below the title, the content is organized into two columns. The left column is headed 'Our Commitments' and lists 'Our People First' and 'Success with Integrity'. The right column is headed 'Our Values' and lists 'Inclusion & Diversity', 'Customers', 'Safety', and 'Environment'. A green banner at the bottom contains the slogan 'Do the Right Thing. The Right Way.' The background of the infographic is a grayscale image of a construction site with a large truck.

WM
WASTE MANAGEMENT

EMBEDDING COMMITMENTS AND VALUES IN THE WAY WE WORK

Our Commitments

Our People First
The proud, caring and resilient members of the WM family are the foundation for 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 commit to being accountable, honest, trustworthy, ethical and compliant in all we do.

Our Values

Inclusion & Diversity
We embrace and cultivate respect, trust, open communications 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 and make safety a core value without compromise.

Environment
We are responsible stewards of the environment and champions for sustainability.

Do the Right Thing. The Right Way.

The objective is to involve our employees in contributing to improving the WM culture so we can achieve the World Class status we are pursuing. Supply Chain will always be judged by our ability to deliver goods and services safely, while meeting quality, cost, delivery, service technology, sustainability, and risk requirements. To ensure we deliver to our internal customers, participation in the Values and Commitments program will help improve our interactions with Operations through improved internal communications.