

WM Purchasing Program

July 2023



INTRODUCTION

WM 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.

WM Supply Chain Sustainability Strategy

Our supply chain management team executes the following objectives to impact WM Sustainability Initiatives:

- Collaborate with suppliers to influence sustainability project generation within their supply chains to contribute to emission avoidance opportunities.
- Deliver projects that impact Green House Gas emission avoidance by contracting with suppliers to utilize renewable energy & recycled material, reuse and recycle internal assets as applicable and increase the use of WM recycled material.
- 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, leverage shared or existing data where available and communicate 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 WM achieve its sustainability goals.

SUPPLY CHAIN MANAGEMENT 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. WM includes sustainability language in all contract agreements to stress its importance.
3. **Delivery** – Completing the supply chain loop to ensure 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.

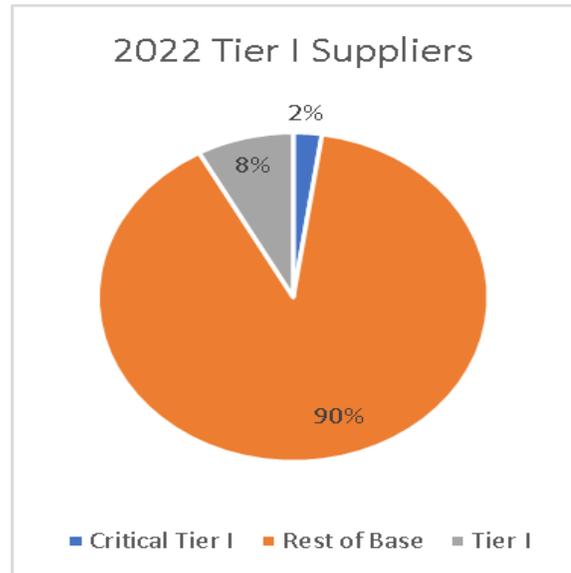
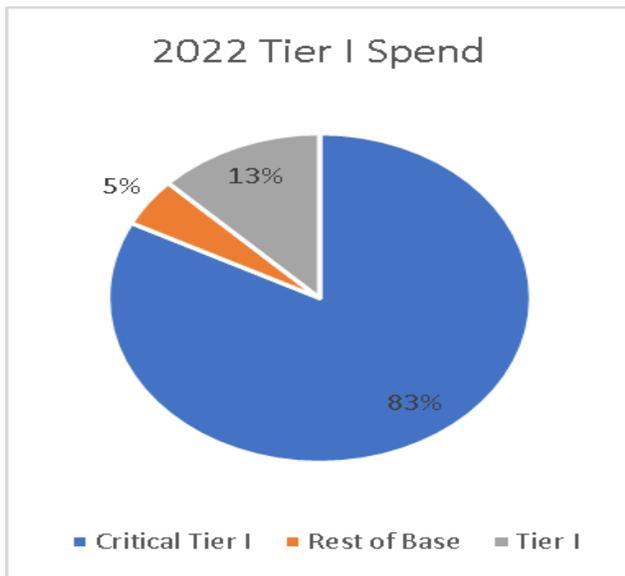
5. **Service technology** – Verify suppliers can efficiently and effectively satisfy our needs.
6. **Risk Reduction** – We have established processes to identify and mitigate key risk factors. We evaluate suppliers on the preceding five factors by analyzing our suppliers’ operations and mitigating any 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. 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.

For 2022, we reduced the number of non-Tier I suppliers compared to 2021, through consolidation of suppliers from better utilization of our operating systems, and consistent execution of established supplier evaluation processes and procedures. We targeted reducing the tail of our overall supply base to allow better management of risk within our overall supply base. This focus has led to a slight 1% reduction in non-Tier I spend.

WM actively works to rely on multiple suppliers in multiple locations to avoid “non-substitutable” suppliers. In 2022 our spend breakdown is as followed:



SUPPLIER DIVERSITY

WM's Supplier Diversity Program mission is to be an Advocate & Ally for often overlooked and underutilized small diverse businesses. We do this by taking a grassroots effort through Research & Analytics to help us identify businesses that can support our operations at a market area level. Additionally, we believe that through Education, Training & Development, we not only help these businesses become great partners for WM but also for other large corporations. Finally, empowering our organization to drive DEI initiatives at the ground level, will enable our Supply Chain to increasingly utilize a supplier base which truly reflects the diversity of our customer base.

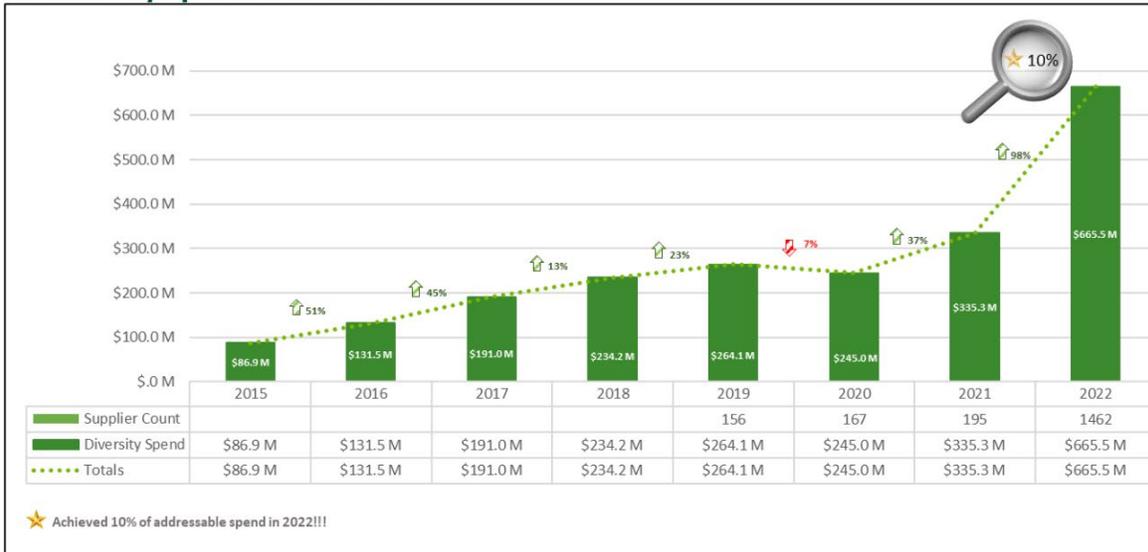
Our Supplier Diversity objectives support the organization on growing and expanding the WM overall business and shareholder value by engaging and developing diverse value-added suppliers thus creating a sustainable competitive advantage.

It is WM's privilege, policy and practice to proactively seek diverse suppliers. Through WM's Supplier Diversity program, we currently build relationships with businesses that are at least 51% owned by minorities, women, members of the LGBTQ+ Community, and veterans or 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.

Our overall program goal is to have 10% of our addressable 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), but WM is also now a corporate member of The National LGBT Chamber of Commerce (NGLCC), which is the business voice of the LGBTQ community, and The National Veteran-Owned Business Association (NaVOBA) which provides a direct link for contracting between corporate America and Certified Veteran's Business Enterprises™ (VBE) and Certified Service-Disabled Veteran's Business Enterprises™ (SDVBE).

WM Diversity Spend 2015 - 2022

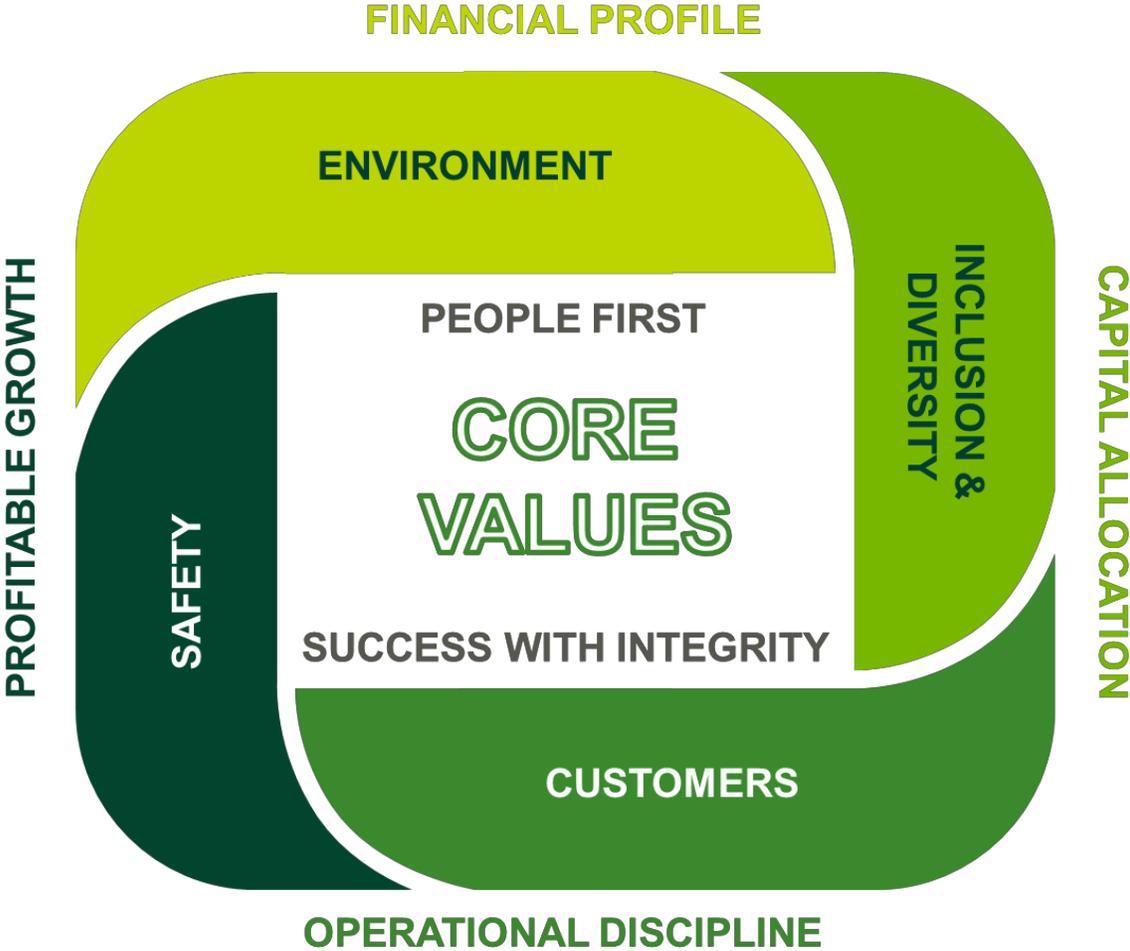


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The significant increase in 2022, for spend and number of suppliers, is primarily due to our investment in our supply chain business spend management system, which has a best-in-class Supplier Diversity suite, it allows WM to leverage its extensive database to scrub, clean and verify WM’s supplier database against its industry diversity supplier data sources. This audit resulted in WM seeing a jump in confirmed diverse suppliers, going from 195 confirmed diverse suppliers to almost 1,500 confirmed diverse suppliers. This, along with our continued commitment to hold events around the country to raise awareness about our supplier diversity efforts and inspire more diverse suppliers to reach out to us, is what has contributed to our success in 2022 and beyond.

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.

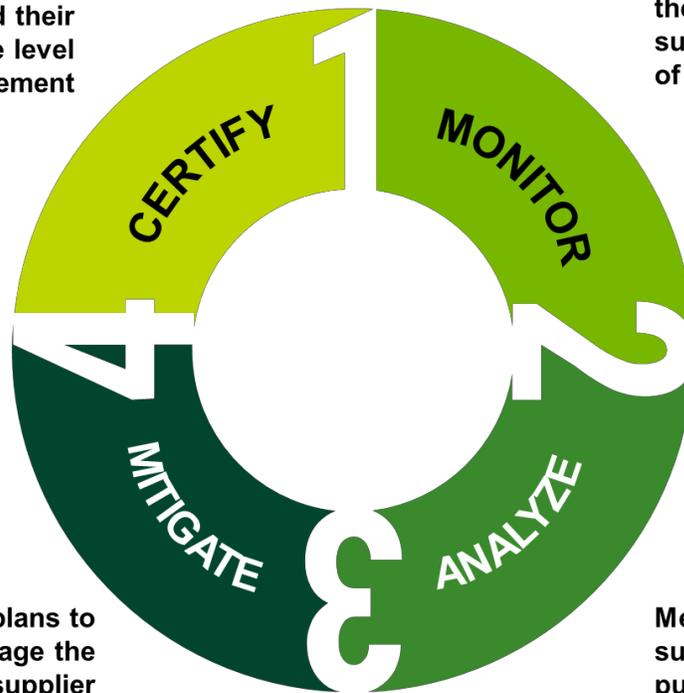


SUPPLY CHAIN RISK ASSESSMENT

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 WM
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

COLLABORATING WITH SUPPLIERS

For 2022, WM has included specific Sustainability Contract Language describing the importance of Sustainability to WM. In addition to communicating our Sustainability goals, we plan to update all our contracts by 2025. The contract section is included below:

“WM 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 Sustainability Supplier Partnership Playbook to direct the conversations with suppliers and 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.

Our procurement operating system has a risk monitoring system that can help identify suppliers that may pose a risk to our business. We are evaluating this tool as a potential part of our risk management strategy.

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 avoidance 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 avoidance initiatives considered along with sustainability, cost, risk and other factors. The WM 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.

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

ENVIRONMENTAL IMPACTS FROM SUPPLY CHAIN ACTIVITIES

The Supply Chain team is contributing to WM's Sustainability Goals, by tracking and reporting on Sustainability Projects that will avoid GHG emissions throughout our supply chain. Each supply chain project is input into a custom developed Project Management Tool that utilizes the EPA WARM methodology to calculate the environmental impacts including GHG emissions avoidance, energy saved, and landfill air space resulting from the efforts of each project. This tool represents the core of our Supply Chain Sustainability contribution and is reviewed within the Supply Chain team on a weekly basis.

WM Supply Chain works closely with our suppliers to reuse/recycle material to avoid emissions throughout our Supply Chain Network. In addition to this tool, 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 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.

COORDINATION WITH THE FLEET TEAM

The Supply Chain team works closely with the WM 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 avoids carbon emissions by 24%, air pollution by 21% and water consumption by 19%. In 2022 we repurposed 12K tons of tires, which contributed to 30% of all avoided emissions for the WM supply chain-based projects.

In addition to the Tire retread program, we are implementing a bio-diesel fuel program to utilize biodiesel for our fleet operations. The total emission avoidance from the bio-diesel program in 2022 was 13K MTCO₂E, which equates to 8% of all avoided emissions for the WM supply chain-based projects. We are also partnering with Fleet to work closely with our fleet truck suppliers to explore truck components that can be made from recycled materials. Our goal is to influence 3rd party suppliers into researching sustainability material opportunities in their processes.

COORDINATION WITH WM AREA OPS ON STEEL CONTAINER RECYCLING

Supply Chain, working closely with the WM Fleet team and the area Operational teams, documented results of steel equipment scrapped, recycled and reused. In 2022, we scrapped, recycled or reused over 49K tons of steel which translates to 57% of all avoided emissions resulting from the supply chain projects.

BETTER UTILIZATION OF RECYCLED PLASTIC

Supply Chain continued to partner with major uniform providers to utilize recycled plastics bottles in the fabrication of our work uniforms. In 2022, WM's field-based work force uniforms utilized over 72,973 pounds of recycled plastic.

Supply Chain has continued with our plan of partnering with key cart manufactures to increase the use curbside plastics in our carts. Our cart suppliers are using up to 30% of curbside recycle plastics in their carts. In 2022, we achieved an 85% usage rate of carts utilizing recycled material across all WM areas.

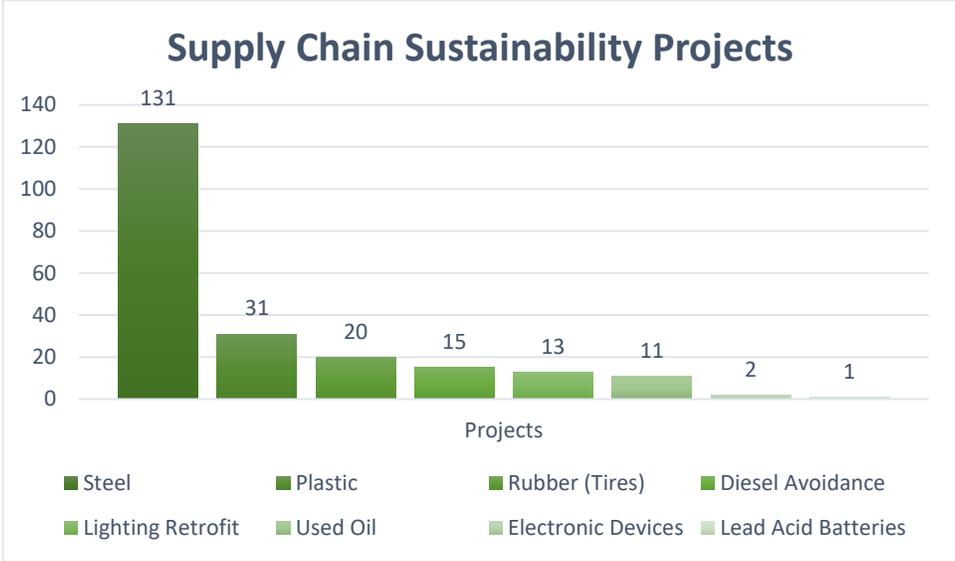
These WM supply chain plastic projects repurposed over 6K tons of plastics and represent 5% of WMs supply chain avoided emissions.

WM ENERGY STRATEGY

WM 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 Energy Credits (RECs), Virtual Power Purchase Agreements (VPPAs), Power Purchase Agreements (PPAs) and WM internally generated RECs, we plan to achieve our 100% renewable electricity goal by the end of 2025. In addition to our efforts to utilize alternative fuel sources, we are also addressing our consumption of energy, through the utilization of rooftop solar programs, LED retrofit programs, and LEED certified facilities throughout our operations.

WM SUPPLY CHAIN SUSTAINABILITY TOOL

To help maintain, capture and manage the Sustainability projects we initiate with our suppliers, we have developed a Sustainability tool. The tool captures the number of projects we have initiated and the emission avoidance. Our goal is to have 500 projects by 2025. Through 2022 we have 402 projects. The chart below captures the project results in 2022.



EXAMPLES OF PROJECTS CONTRIBUTING TO EMISSION AVOIDANCE

- Steel – Scrap containers, Scrap truck cabs, Scrap metal at OPS facilities
- Plastic – Recycled content in carts, Recycled Container lids, Recycled uniforms
- Rubber – OPS Fleet Tire Retreads
- Diesel Avoidance (Non CNG trucks) – Utilizing Renewable Fuel (B5/B10/B15/B20 Diesel), Utilization of Rail, Route Optimization
- Lighting Retrofits – Replacing existing lighting with environmentally friendly LED lighting
- Recycled Oil – Capturing and recycling used Fleet Oil
- Recycled Electronic Devices – Fleet and OPS Recycled Handheld Devices
- Recycled Batteries – Fleet Acid Battery Recycle



SUPPLIER CODE OF CONDUCT

The WM Code of Conduct applies to every WM 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 WM 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 WM contract purchases are governed by the WM 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.

WM is the leading environmental service and solutions company in North America and has limited international operations. To ensure compliance with international laws, WM 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. WM 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 WM 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 WM
- 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 WM 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, WM 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

WM 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.

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.