

SUPPLY CHAIN DEPARTMENT

Corporate Sustainability Initiative

April 2020

Sustainable Supplier Partnership Playbook

1021 Main Street, Houston, TX 77002



Introduction

In 2018, WM announced a new goal to offset four times the emissions we generate in our own operations by 2038. Last year, we identified interim goals to make sure we get there.

By 2025:

- 70% of our fleet will run on compressed natural gas (CNG)
- 50% of CNG trucks will run on renewable natural gas
- 100% of our purchased electricity will run on renewable energy
- We will have 7 new energy projects online at our landfills
- We will recycle 700,000 more tons of materials, avoiding an addition 1,811,352 metric tons CO₂e from recycling
- Inbound recycling contamination will be reduced to less than 10%
- We will develop a fugitive emissions measurement system at our landfills
- A living wage is assured for all of our employees.

Everyone at WM plays a part in achieving these goals. WM Supply Chain's role is significant in ensuring that procurement aligns with the goals. Sometimes that role is straight-forward: as electricity contracts are renewed, make sure they are for green energy. Sometimes we have to think outside the box: if our goal is to recycle more, how can we help create demand for the recyclable material we collect? By purchasing products, made of recycled content, like paper for example, we increase the sustainability of our operations while driving demand for recycled paper. And sometimes we have to think big: by working with our cart suppliers to add recycled content to the carts we buy, we help those suppliers create a new product that is a differentiator in a carbon constrained world. Their customers will demand carts made of recycled plastic, which WM collects and sells to them. Win-Win!

It's also important to note that up to three quarters of the greenhouse gas (GHG) emissions associated with many industry sectors come from their supply chains. We estimate that ~35% of WM's emissions are from our supply chain. So as we continue to incorporate systems and initiatives to reduce our direct GHG emissions, we also seek ways to decrease emissions from our supply chain.

Scope

The purpose of this document is to provide a process that can be used as a tool to initiate discussions around sustainability by providing a guidance on how to interact with suppliers on Sustainability activities. This document presents examples of previous projects that have been initiated. We will collect all existing Sustainability Projects in one place on the Share drive, where further details of the Projects will reside. This document should provide detail around the benefit of the programs to WM and the supplier partner. A goal of the document is to determine the availability of viable and innovative procurement options, for WM and for our suppliers, and to outline the process for creating new Sustainability Projects.

Sustainability Project Development Procurement Process

High-level Approach for Environmental Sustainability Projects

Step	Approach	Responsible Party
1	Communicate Waste Management’s Initiative for carbon foot-print reduction to the suppliers providing material, equipment and services to our various areas of operation.	ASCM, SSM
2	Determine if the supplier has a Sustainability program.	ASCM, SSM
3	Work with supplier to develop a collaborative Sustainability Project.	ASCM, SSM, Supplier

What are Sustainability Projects?

Waste Management has positioned itself as a 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. Waste Management is willing to partner with suppliers to reduce raw material and energy use, cut waste, use recycled materials and maximize the use of their resources to help us meet our Sustainability goals.

We are dividing our Sustainability Projects into two groupings - Direct and Indirect Sustainability Projects:

Direct Sustainability Projects tend to be initiated by Waste Management and implemented through partnerships with our suppliers, resulting in a product that is used in our operations.

Projects in that grouping include, but not restricted to:

Eco Carts	Biofuel	Renewable Energy
Eco friendly uniforms	Recycled Oil	Retread of Tires
Scrap Steel	Use of CNG or RNG	Recycled Liners
Eco friendly plastic truck parts	Marathon Remanufacturing	Eco friendly work boots

Indirect Sustainability Projects tend to be an existing product or service purchased by Waste Management for use in our offices.

Projects in this grouping include, but not restricted to:

Recycled paper	Paper shredding	Video conferencing (Instead of flying for meetings)
Paperless billing	Recycling of aluminum cans	Eco friendly pesticides (Orkin)

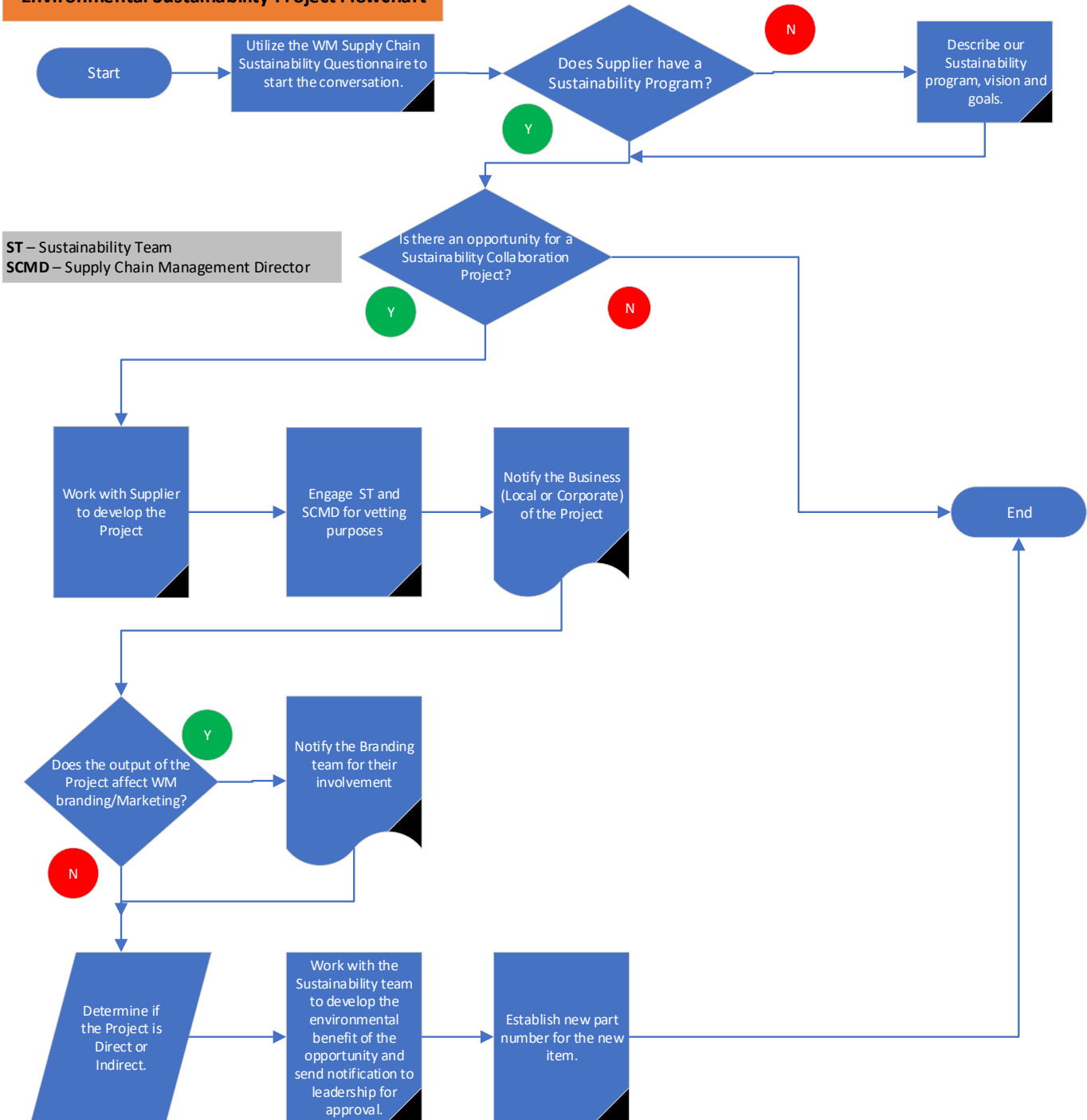
Environmental Sustainability Process Notes

Supplier Sustainability Program	Engage with supplier to determine the Sustainability programs they have established to address impacts to the environment. Including Sustainability questions (sample questions below) in a Request for Information (RFI) and Request for Proposal (RFP) are very efficient ways of initiating this conversation.
Sustainability Collaboration Opportunity	If the supplier has a Sustainability program, find out the details of the program and begin working collaboratively with them to achieve WM's Sustainability goals. Corporate goals are included in this playbook.
Internal vetting	Once the collaboration leads to a potential opportunity, engagement with the SCMD is critical, as the Director can notify the Sustainability team and begin to vet the opportunity internally. Aligning and consolidating the results in a consistent manner is important for credibility.
Internal Collaboration and Communication	Keeping the ST involved is very important and Sustainability project information needs to have ST involvement and support, as they are very influential in this process. We want to leverage their experience and influence when possible.
Key Internal Groups	Depending on your project, there are multiple teams that may need to be involved in the process. Examples include: WMRE team, Brand/Marketing Team, Real Estate, Fleet, AP. Please make sure to engage with your Director to ensure the proper teams are included in the process.
Key SCM personnel	The expectation is that anyone in the Supply Chain team can initiate a Sustainability Project. Including the Category Manager associated with the category of the opportunity is important for the Supply Chain alignment and communication. Please engage the Category Manager early and often for alignment and ease of communication.
Sustainability Team	WM internal team establish to document and extract eco-friendly benefits from the Projects we are developing.
Repeatability	After establishing the Project, we will need to continue to generate environmental benefits annually. Please make sure you document thoroughly and can replicate the process the following year. There will be space on the Sustainability Share Point to store documents.

Questions to include in RFIs and RFPs

- Do you have a recycled material program?
- If so, is there a way to trace the origin of your raw sustainable material?
- If so, does your recycled material supplier buy any recyclables from Waste Management?
- If not, are you open to working with your supplier on developing a collaboration with Waste Management to supply your recycle material needs?

Environmental Sustainability Project Flowchart



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WM Supply Chain Sustainability Questionnaire

Once we have issued the RFI/RFP and begun clarifying conversations, use the questions below to get more detail on their Sustainability program. These questions were developed by the Sustainability team with the intent of providing WM a better understanding of their Sustainability program and their ability to help us reach our Sustainability goals:

The following questions are intended to allow you to provide information on your environmental and social initiatives, with the goal of better understanding our mutual goals and ways we can increase our collaboration. Please answer these questions, and attach for each question the relevant link or refer to an attachment if you prefer:

1. Do you publish a sustainability, environmental or corporate responsibility report? Please provide a link or attachment.
2. Do you report to any of the following CDP questionnaires?
 - a. Climate Change
 - b. Water
 - c. Forest
3. Please list any Supply Chain surveys you respond to (e.g., CDP, Ecovadis, etc.).
4. Please respond to the following questions. If your response is 'yes', provide supporting documentation or data via link to online information, attachment(s), and/or written response following each question.
 - a. Do you track your greenhouse gas emissions and environmental footprint?
 - b. Do you have sustainability goals to decrease your on-road fleet emissions and/or footprint and if so, what are they?
 - c. Do you have initiatives to reduce emissions from transportation (e.g., increasing transport by lower carbon vehicles) and if so, what are they?
 - d. Do you have initiatives to produce or use alternative or renewable energy (e.g., biomass, solar, wind) and if so, what are they?
 - e. Do you track the amount or proportion of waste you generate, how much of your waste streams are recyclable, how do you reduce waste and create more recyclable opportunities?
 - f. Do you have initiatives to conserve water and if so, what are they?
 - g. Do you have initiatives to save energy and if so, what are they?
 - h. Do you undertake projects related to land use conservation or habitat preservation (e.g., participation with the Wildlife Habitat Council or pollinator projects) and if so, what are they?
 - i. Do you have initiatives to reduce environmental impacts in communities (e.g., beautification, litter control, environmental education) and if so, what are they?
 - j. Do you contribute to community development or make charitable donations that you report publicly and if so, how? Please list any recognition or awards associated with procurement, supply chain, or any of the efforts mentioned above (e.g., CDP A-list, DJSI, etc.), with links if applicable.
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6. Does your company utilize or conduct any inhouse Sustainability Forum's? If so, please describe?
7. Does your company send any employees to outside Sustainability Symposium or do you conduct any internal ones with your own staff?
8. Does your company have a 2020 Vision Statement on Sustainability? If so, please attach.
9. Does your company have an internal Environmental Policy used to communicate objectives for commitment to the environment? If so, please describe and attach.

Sustainability Goal: 2025 Goals



Waste Management Supply Chain Sustainability Contacts

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Waste Management			
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FURTHER READING

[CDP Supply Chain: Changing the Chain](#)

[Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)

[Emerging Trends in Supply Emissions Engagement](#)

