



Think Green.®

ENVIRONMENTAL Stewardship

WASTE MANAGEMENT GOALS FOR SUSTAINABLE GROWTH

By 2020 WM will:

Help power over two million homes with the waste we collect.

Manage more than 20 million tons of recyclables each year.

Provide over 25,000 acres of wildlife habitat at our landfills.

Make investments to reduce our fleet's emissions by 15 percent and increase its efficiency by 15 percent.

Waste Management is the leading provider of comprehensive waste and environmental services across North America and for decades has pioneered environmentally smart ways to manage the 4.5 pounds of garbage that each of us produces every day. That's how we have become North America's largest recycler and a leader in waste-based energy technologies. We're a company that protects and enhances the environment through what we do, and we have made it a very successful business.

We announced an environmental initiative that will serve as a platform for sustainable growth between now and 2020 to leverage what we do today and do it better and more efficiently.

These actions will further position Waste Management as the industry leader in waste and environmental services, reduce our overall impact on the environment and differentiate us from our competitors. Because they take advantage of our existing expertise to generate organic growth, these actions will certainly be good for our shareholders, but they will also be good for our employees, our communities, our customers and the environment.



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**Landfill Gas to Energy****Waste to Energy****Recycling****Clean Technology****Wildlife Habitats****We will:****Increase our waste-based energy production.**

Garbage is a renewable energy source. Today we use it to create enough energy to power the equivalent of 1 million homes each year. By 2020 we expect to double that output, producing enough energy for the equivalent of more than 2 million homes. We've been in the renewable, waste-based energy business for decades, but in the last decade there has been little growth in the waste-to-energy business. We now see an emerging business opportunity from increased interest in alternative energy sources, including both landfill gas to energy and waste-to-energy combustors. This will involve expanding our partnerships with local governments to develop new waste-to-energy plants and landfill gas projects on our landfills and other publicly and privately owned landfills.

Increase the volume of recyclable materials processed.

Today we manage 8 million tons of recyclables per year and expect to triple the amount of recyclable materials we process by 2020. As the largest recycler in North America, we are committed to growing recycling. The efficiency of the single-stream process can improve local recycling programs by increasing capacity, resulting in an average recovery of up to 30 percent more recyclable material while maintaining material quality equal to if not better than traditional recycling processes. We want Waste Management to be the first company a city considers when it decides that it wants to increase its recycling rates; and to be first in our customers' minds, we have to be first in the use of technology. We also plan to continue investing in recycling commodities that we have not recycled before and for which we see the potential of higher returns.

Invest in cleaner technologies.

We expect to direct capital spending of up to \$500 million per year over a 10-year period to increase the fuel efficiency of our fleet by 15 percent and reduce our emissions by 15 percent by 2020. We also expect to invest in technologies to enhance our waste business. This capital spending will be done while maintaining total capital spend of approximately 10 percent of revenue and accomplishing our primary financial objectives, which include earnings growth, margin expansion and higher returns on invested capital. We are working with different manufacturers to make our fleet more efficient; however, today there are no readily available technologies to make dramatic improvements. Through this expenditure for up to 2,000 trucks per year, we are providing an incentive to our manufacturers to deliver more efficient equipment. We are committed to leading the call for cleaner, more efficient heavy-duty trucks. We hope this incentive will be a catalyst for a breakthrough technology and we ask that our manufacturers partner with us to make this goal a reality. We will be looking for others in the industry to join us in leveraging our buying power and demanding innovation in fuel conservation and emissions reduction for solid waste vehicles.

WM is also committed to continuing its capital investment in the green technologies we've pursued for many years—like recycling, waste to energy and landfill gas to energy—as well as investing in future technologies for exploiting and managing waste as renewable energy, like landfill gas to diesel and liquid natural gas. In addition, we are paying attention to other emerging technologies, like the gasification of waste, to judge their promise for commercialization and economic feasibility. We are prepared to invest in new opportunities for managing waste so that we increase earnings, grow margins and continue returning strong free cash flow to our investors, while at the same time enhancing the environment.

Preserve and restore more wildlife habitat across North America.

By 2020, we plan to increase by more than four times the number of Waste Management facilities—from 24 to 100—certified by the Wildlife Habitat Council, and increase the number of acres set aside for conservation and wildlife habitat from 17,000 acres today to approximately 25,000. This is invaluable to the communities we serve and the environment in which we operate. And this is in addition to the recreational facilities we make available to communities at many of our sites in the form of ball fields, hiking trails, golf courses and the like. We want to continue to work with our communities to make the best beneficial use of our landfill space.

Reporting on our progress.

We will report periodically on our progress toward these goals.



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