



# APPENDIX

This appendix provides supplemental information to Waste Management, Inc.'s 2014 Sustainability Report, which is available at [www.wm.com/sustainability](http://www.wm.com/sustainability).

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## ADDITIONAL INFORMATION ON OUR COMPANY

How we govern and manage our own company and footprint raises issues vital to the communities in which we operate, the people we employ and the customers we serve. How we address these issues is also vital to demonstrating the sincerity of our commitment to sustainability. While many companies work hard to protect the environment from their business, at Waste Management, protecting the environment *is* our business. That's why our sustainability strategy is fully integrated into our governance and management systems and reflected in a set of ambitious sustainability goals.

In this section of the Appendix, we discuss the governance and environmental management systems that help us to both deliver services with the highest environmental standards and identify emerging opportunities to capture additional value from waste streams. For additional information on our governance strategies, please see [www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights](http://www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights).

### STRATEGY AND MANAGEMENT PROCESSES

Environmental excellence and compliance are hallmarks of sustainability and core elements of our management framework. An important tool for integrating sustainability into our business has been our strategic business framework, which includes “scorecard” tracking of key metrics to reinforce alignment with key objectives. (See figure at right.) Using this performance framework, we align stakeholder perspectives and market opportunities that will guide the entire organization for the year and beyond. Compensation is affected by alignment with company goals (including, as applicable to a business unit, sustainability goals), and compliance and sustainability are part of our performance review structure.

Our senior leadership uses this performance process to ensure that our entire organization (field operations and staff functions) focuses on strategic objectives. The measures also assist with legal and regulatory compliance and support environmental performance, stewardship goals and promotion of our values.



### OUR PERFORMANCE SCORECARD PROCESS

1. When establishing our strategic objectives, we take into account the perspectives of our customers, shareholders, employees, community members, regulators and other stakeholders, as well as our performance against key internal metrics and our reputation as measured with key audiences. We then employ “heat maps” that identify the geographic scope and intensity of risks and opportunities.

**2 and 3.** We align our major financial, operational, environmental, community, people, safety, compliance and customer objectives with those specific company-wide programs and initiatives that have been approved and funded as critical to achieving our strategic objectives. Performance expectations are communicated throughout the organization, and senior leadership assigns quarterly and annual targets to which our field operations are held accountable.

**4.** We set targets as part of our annual budgeting process. The targets represent commitments we have made to our stakeholders and include improvements and metrics that are factored into employee evaluations. For example, targets have been created on the following topics:

- **Financial:** Traditional financial measures that our investors have found to be important to our success.
- **Customer/Community:** Customer engagement, improving customer interactions and service, and our community relations programs. We seek to improve Waste Management's reputation by developing and maintaining strong community partnerships and measuring our reputation among key stakeholders.
- **Process:** Efficiency and cost-per-unit measures across our collection, disposal, recycling and waste-to-energy operations.
- **Compliance:** Our primary safety measures and overall environmental scores.
- **Learning and People:** Employee engagement, recruitment, development, retention and training.

**5.** Our operations at all levels report progress in reaching the targets. At the corporate level, monthly and quarterly reports are prepared and presented to the Board of Directors at each of its meetings. There are Monthly Performance Review and Quarterly Performance Review meetings to continually engage layers of management on progress toward company goals. This format and target-setting process (using specific key performance indicators) was integrated into our annual performance planning process to ensure consistency among strategy, performance planning, and performance measurement and accountability. A key initiative begun in 2011 and a measure of the utility of these integration strategies has been our "transformation" campaign, which focuses all employees on knowing our customers better, optimizing assets, innovating in technologies, creating more-efficient systems and extracting maximum value from the waste stream. Notably, our transformation initiative closely aligns with our 2020 sustainability goals.

## SUSTAINABILITY OVERSIGHT

Waste Management's sustainability services are discussed at most Board of Directors' meetings because these services are linked so closely with company strategy. Topics discussed include recycling goals, market conditions and operations; generation of renewable energy and related acquisitions; and innovations in operations to increase efficiency and provide environmentally superior service. Customers' sustainability goals (e.g., waste reduction, recycling and materials reuse, expansion of renewable energy capacity) are discussed annually during Waste Management's Senior Leadership Team strategic planning meeting.

The Audit Committee of our Board governs the company's environmental, safety and health compliance. Our Compliance Audit Services department supports these efforts and oversees compliance audits at all company-owned, -operated and -controlled facilities and operations.

For more than seven years, Waste Management's annual strategic planning initiative has included benchmarking of national accounts and municipal customers to determine the scope and nature of our customers' sustainability goals. The Senior Leadership Team reviews these data annually to ensure that new developments in sustainability are an integral part of our business strategies. This strategic planning process helped to identify trends that were a key factor in our decision to acquire new recycling assets in 2011 and again in 2012, and helped to set our transformation strategy.

## **GOVERNANCE**

Eight members serve on the Waste Management Board of Directors, seven of whom, including the Chairman of our Board, are independent as defined by the New York Stock Exchange. Waste Management's CEO, David Steiner, is the eighth director, and he does not hold the Board chairmanship. Board members are each elected annually. There are three standing committees: the Audit Committee, the Management Development and Compensation Committee, and the Nominating and Governance Committee. Our Board of Directors' biographies and our governance guidelines are posted on our website.<sup>1</sup>

## **BOARD OF DIRECTORS DIVERSITY**

The Nominating and Governance Committee seeks Board candidates who bring a variety of perspectives and industry knowledge relevant to Waste Management's business. Candidates are evaluated for personal and professional integrity and sound judgment, business and professional skills and experience, independence, potential conflicts of interest, diversity and potential for effectiveness in serving the long-term interests of shareholders. While there is no formal policy with regard to weighting diversity in identifying director nominees, the Nominating and Governance Committee considers diversity in business and professional expertise as well as gender and ethnic background when evaluating director nominees. The Committee uses a matrix of functional and industry experiences to develop criteria to select candidates.

Before being nominated, director candidates are interviewed by a minimum of two members of the Nominating and Governance Committee, including the Non-Executive Chairman of the Board. Of the current directors, one is female and one is African-American.

## **RISK MANAGEMENT**

Waste Management initiated an enterprise risk management process several years ago, coordinated by the company's Internal Audit department and under the supervision of the Chief Financial Officer, Chief Operating Officer, General Counsel and Vice President of Internal Audit.

Under the program, Board members are polled in the middle of each year to collect their thoughts on significant risks facing the company and how the risk-reporting format should be revised to improve

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<sup>1</sup> See [www.wm.com/wm/about/governance.asp](http://www.wm.com/wm/about/governance.asp).

management's communication of enterprise risks to the Board of Directors. An open-ended survey is sent to more than 100 senior personnel across the company requesting input on risks, including an assessment of the likelihood and severity of those risks, and known controls and metrics to monitor them. These senior personnel participate in follow-up interviews with members of senior management to identify and address any perceived gaps between their responses and those of their direct reports.

In addition, external stakeholders are interviewed annually on risks that they perceive could have a significant impact on the company or the industry. Responsible risk owners are asked to perform in-depth analyses of their assigned risks to update their previous assessment and to assess whether appropriate mitigating and/or monitoring activities are in place.

In general, risks and opportunities are evaluated by magnitude and timing. The information is factored into the company's strategic planning process, which categorizes the potential risks according to their ability to jeopardize company strategies. The Audit Committee is responsible for ensuring the risk assessment process is effective, and quarterly reports are made to the Committee on all financial and compliance risks in accordance with New York Stock Exchange requirements.

In 2013, we implemented an enhanced monthly Performance Management process, which includes a review of the primary risks of each operationally critical business and business support function. These reviews include an assessment and update of all outstanding risks. The reviews keep relevant risks in the purview of operational leaders. We go through several steps to capture the impact and sensitivity of risks based on the operational or economic driver of

the risk. We also developed a mapping tool that predicts changes in the market based on economic forecasts, market development and operational trends. This tool will be used to identify operational risks prior to their becoming visible within the markets.

In terms of specific risks, we have taken steps in recent years to reduce risk relating to our relationship with startup companies. Since 2007, we have built up an over \$400 million portfolio of investments in "clean tech" startup companies that have technologies that convert waste into products of value. Over time, that investment has shifted from broad equity exposure to startups to a narrowed focus on strategic leverage and time to commercialization in investment. The general global retrenchment in clean technology by venture capitalists caused us to modify our investment criteria to reduce risk, although it has not reduced our interest in external innovation. We continue to have an active pipeline process, seeing 600 to 1,000 potential opportunities per year.

The expertise of the entire company is leveraged by our Technology Council, which is composed of internal experts in logistics, finance, chemistry and engineering, and regulatory and market impacts. In 2013, the head of our Organic Growth Group oversaw this process. He was a member of the Senior Leadership Team reporting directly to the CEO. In 2014, our Executive Vice President and Chief Financial Officer directed this function.

### **Risks and Opportunities Related to Climate Change**

We report on the physical and financial risks and opportunities arising from climate change in our annual submission to the CDP (formerly the Carbon Disclosure Project) ([www.cdp.net/en-US/Results/Pages/responses.aspx](http://www.cdp.net/en-US/Results/Pages/responses.aspx)) and in our Annual Report. The key risks and opportunities are summarized below. Periodically, the Board is

briefed on potential regulatory and market responses to climate change that may have near- or longer-term impact on our finances or the value of services we provide.

- **Regulatory Risks:** Emerging greenhouse gas (GHG) policies at the state and federal levels will likely affect our operations, though the nature of the impacts is uncertain. Regulatory programs to address reductions of GHG emissions will present significant challenges and opportunities for the company since we have operations that emit GHGs but also employ innovative technologies that reduce and prevent GHG emissions.
- **Disaster Preparedness:** To prepare for the possibility of extreme weather emergencies that have the potential to disrupt our business, we have instituted emergency contingency plans and staged emergency equipment and fuel to ensure continuity of service or a return to service in the shortest time period possible. These plans are based on an assessment of the types of disasters that could affect each business region and the ways in which each type of disaster would impact our employees, business operations and community needs.
- **Opportunities:** Renewable energy and GHG cap-and-trade policies could provide opportunities for Waste Management to develop additional landfill methane offset projects and waste-based energy projects. Similarly, emerging low-carbon fuel standards and other incentives may allow us to realize benefits from our continuing investment in innovative alternative fuel technologies, including converting landfill gas to liquefied natural gas and biodiesel.

## CODE OF CONDUCT

Waste Management's Code of Conduct is entitled "Focus on Integrity and Inclusion." Compliance with our Code is central to our business success, and each employee of the company, as well as all officers and directors, is given a copy of the Code of Conduct yearly. It provides standards for ethical behavior across the scope of our business, including providing equal employment opportunities, ensuring employee safety, maintaining quality in our services, honoring relationships with suppliers and vendors, and complying with all applicable rules and regulations, including those related to bribery and corruption. All employees receive training on the Code of Conduct when they join the company and periodically thereafter. The Code applies to all employees, and signed acknowledgments are required attesting that each recipient understands the responsibilities outlined. We expect employees to report violations, and we provide an anonymous and confidential Waste Management Compliance and Ethics Help Line should a concern arise. The Help Line reporting, an annual Business Ethics questionnaire and whistleblower processes in accordance with the Code of Conduct are reviewed by an outside auditing firm. Amendments to the Code require Board of Directors' approval.

The Code is published in English, Spanish, French, Polish and Vietnamese, and can be found at [www.wm.com/about/company-profile/ethics/pdfs/WM%20downloadable%20Code\\_English.pdf](http://www.wm.com/about/company-profile/ethics/pdfs/WM%20downloadable%20Code_English.pdf).

## ENVIRONMENTAL MANAGEMENT

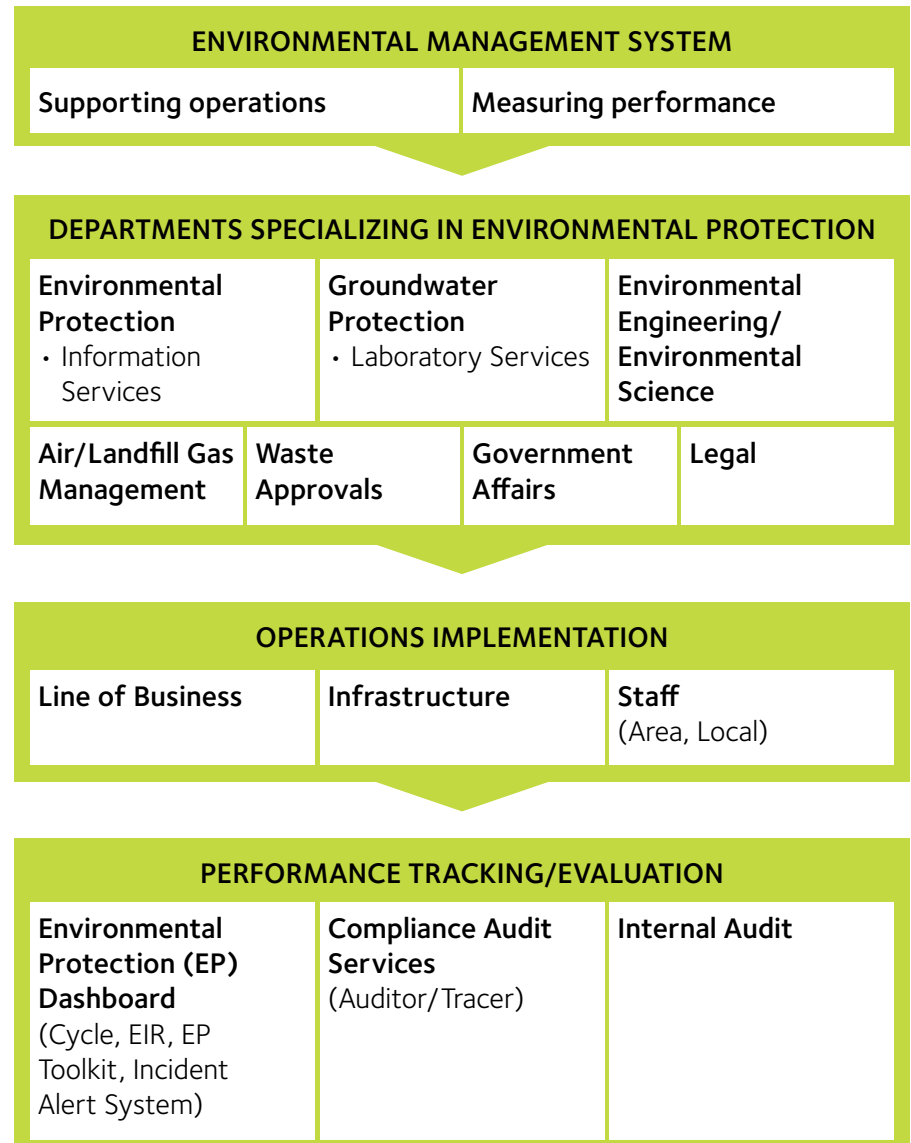
Environmental stewardship is the core of our business — our promise to customers, our competitive advantage and our obligation to the communities in which we operate. How we manage potential environmental impacts and opportunities is a critical element of being a sustainable enterprise. In a business as highly regulated as ours, protecting the environment, maintaining compliance and innovating to improve operations require unwavering focus, expertise, comprehensive systems and internal checks and balances. Our approach has evolved over decades, with a focus on integrating environmental functions into key management systems. The figure on this page shows the major components of environmental management at Waste Management, and the sections that follow elaborate on its contents. Information on our environmental policies, as well as on our management team, practices and training, is available on our website.

## ENVIRONMENTAL MANAGEMENT PROCESSES

We have a long track record of both supporting high regulatory standards and striving to go beyond them. Our environmental management approach has led us to undertake the following actions:

- Urge the U.S. Environmental Protection Agency (EPA) in 1991 to revise regulations implementing the Resource Conservation and Recovery Act's Subtitle D and to establish strong and prescriptive federal standards for managing municipal solid waste (MSW). We supported specific, rigorous, governmentally sanctioned and publicly reviewed standards to ensure environmental protection at all MSW landfills.

## OVERVIEW OF WASTE MANAGEMENT'S ENVIRONMENTAL MANAGEMENT APPROACH



- Innovate beyond compliance. As part of Waste Management's internal formal performance review, the results of regulatory inspections, internal audits, external audits, and regulatory compliance issues and their precursors are all tracked, managed and remedied as part of the company's continuous improvement process. Members of senior management, up to and including the Board of Directors, review performance, and management review has been made stronger by the inclusion of environmental matters in the company's monthly and quarterly business reviews. Environmental performance also remains a factor in determining employees' compensation. After four years of improving compliance scores, we increased management oversight in light of some challenges experienced in 2012. In 2013, this increased oversight began to bear fruit.
- Extend the company's commitment to continuous improvement in environmental performance to events that are not necessarily regulatory in nature but that nonetheless are public concerns, such as noise, litter and odors. Such events are tracked, managed and remedied on a real-time basis. We also employ best management practices and conduct routine training to eliminate the dissemination of dust from our facilities.
- Test our internal systems to ensure their thoroughness and accuracy. We periodically conduct gap analyses of our Corporate Environmental Management System against the International Organization for Standardization (ISO) 14001 standards to ensure the sufficiency of our systems for landfills, transfer stations, hauling operations, waste-to-energy plants, hazardous waste treatment and disposal facilities and recycling facilities. These systems continue to be evaluated and supplemented as appropriate.
- Certify all of our Waste Management Sustainability Services United States' operations projects (formerly Upstream), including projects at more than 100 customer-operated locations, plus our Canadian operations projects and our Canadian consulting services (formerly Green Squad), to the globally recognized ISO 14001 and ISO 9001 standards.
- Audit the rest of our operations through an independent environmental audit team that employs nationally recommended compliance audit practices approved by the American Standards for Testing and Materials (ASTM) and the Board of Environmental, Health and Safety certification standards for professional auditors. Nearly all of Waste Management revenues come from operations subject to environmental management systems that are audited.
- Test our facilities to assure stakeholders that our operations protect human health and the environment. Our environmental experts hold a number of patents on innovative monitoring and analysis technologies, and we often provide monitoring data to outside parties to evaluate how our systems are performing.

## **ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)**

Our environmental policy, practices and procedures are applicable globally to Waste Management-owned and -operated facilities and operations.

### **1. Environmental Policy**

Our Corporate Environmental Policy establishes the vision for our EMS. The Policy states, in part:

*Waste Management is committed to protecting human health and the environment. This commitment is a keystone of all that we do, reflected in the services we*



provide to customers, the design and operation of our facilities, the conditions under which employees work, and our interactions with the communities where we live and do business. We will be responsible stewards of the environment and protect the health and well-being of our employees and neighbors.

We have policies and standards for specific environmental and related aspects of our operations.



## 2. Planning

Our EMS focuses on preventing, correcting and ultimately reducing impacts associated with our operational activities. Specifically, we focus on the following:

- **Eliminating environmental impacts**, including spills or leaks from vehicles, landfill gas impacts on the air or subsurface and releases to surface water or groundwater
- **Eliminating community impacts**, including odors, litter, noise, dust and spills or leaks
- **Eliminating regulatory impacts**, including regulatory inspection-alleged issues, warning letters, violations and enforcement actions

We also use several databases, systems and processes specifically designed to help facility managers plan, implement, check and respond to their site-specific environmental requirements.

### Legal and Other Requirements

Our EMS tools continually evaluate and determine what regulations, permit conditions and contract requirements apply to facilities. These tools include the following:

- **CyberRegs**: An online source for all state and federal statutes and regulations
- **Regulatory Outreach**: Active involvement by our technical professionals in state and local activities associated with environmental regulation development and policy making

Waste Management’s environmental teams work closely with our Legal and Government Affairs departments, and they utilize the above resources to ensure that all facilities have access to relevant laws and regulations.

### *Objectives and Targets*

We use the following indicators/targets to quantify environmental performance:

- Environmental impacts / No impacts to the environment
- Community environmental concerns / No community environmental impacts
- Regulatory violations / No violations

Our Environmental Incident Rate (EIR) measures our performance and tracks progress toward these goals at the facility level. The EIR is used to drive continuous environmental improvement on a year-over-year basis.

### **3. Implementation**

#### *Roles and Responsibilities*

Our EMS relies on our corporate, geographic Market Area and facility-level personnel with job-specific functions, roles and responsibilities for planning, implementing and evaluating the EMS components. The specific departments and personnel involved include the following:

- **Environmental Protection (EP):** Develops environmental policies, tools and training, and provides strategic or technical advice, with the goal of 100 percent compliance. Oversees environmental performance and ensures environmental impacts and issues are resolved, including correction and prevention.
- **Corporate Engineering Science:** Manages research and engineering science to develop an understanding of the interrelationships between our disposal processes and the environment.

- **Environmental Engineering (EE):** Provides expertise in the planning and design of our facilities to ensure that operational activities have limited environmental impact. Performs annual planning and forecasting of life-of-site costs for our landfills, including Financial Accounting Standard 143 retirement obligations; the engineering and accounting controls exercised during this process are extensive and are subject to SOX 404 controls (from section 404 of the Sarbanes-Oxley Act) that are reviewed annually by independent external auditors.
- **Air/Landfill Gas Management (AGM):** Develops and implements the corporate GHG and carbon emissions tracking and reduction strategies. Sets policies and standards. Is responsible for the planning and development of air quality and landfill gas management tools.
- **Groundwater Protection (GP):** Provides expertise and direction on groundwater protection programs and ensures that environmental monitoring networks are installed and operating to specifications. Provides laboratory services that ensure accuracy and quality control in the analytical testing of environmental samples.
  - **Laboratory Services (LS):** Provides oversight and guidance to the commercial laboratories that support Waste Management's monitoring programs in order to manage risk associated with the analytical testing of environmental samples. Provides support to all facilities that collect certain routine environmental data as detailed by the Groundwater Protection Program.
- **Waste Approvals:** Ensures permit compliance and safe and environmentally sound waste acceptance procedures and controls.

- **Government Affairs:** Monitors and interfaces with key federal, state and local governmental entities to ensure that we are at the forefront of developing trends and regulations.
- **Legal:** Provides guidance, support and advice to our sites and Market Areas. Monitors compliance trends. Manages the company's process of analyzing the root cause of any failures.
- **Site Managers and Frontline Employees:** Are responsible for all environmental aspects at the site level, with key environmental tasks assigned to appropriately trained local staff.

### *Training*

Waste Management recognizes that in order to achieve environmental performance goals, employees must possess the knowledge and skills to manage and conduct operations in environmentally responsible ways. Our environmental training targets a range of operational and functional levels within the company. All new employees participate in corporate ethics and compliance training, which includes our company's standards for environmental practices. Corporate and Market Area staff with responsibility for environmental leadership are trained in the company's environmental practices.

Employees with environmental leadership responsibility are provided training through the following programs:

- **Waste Management University (WMU) — Environmental Protection Learning Series (EPLS) online modules:** Monthly online site management trainings on a different environmental subject each month. Attendance is mandatory and tracked, and knowledge is tested and tracked.

- **In-person training sessions:** On-site trainings conducted by our field EP professionals for facility management and technical staff on environmental and compliance subjects.

In addition, Waste Management has environmental training programs targeting operational and functional levels. Our **Environmental Compliance Awareness Program (ECAP)** provides mandatory monthly training for frontline employees and managers, covering a different environmental subject each month. Knowledge is tested and tracked at the site level.

Monthly topics are aligned between these programs whenever possible.

Local training is also provided periodically via in-house classroom training, on-the-job training and out-sourced training. In addition, staff with responsibilities related to specific environmental requirements for our operations sometimes need job-specific training, which is provided to employees and managers at all Waste Management operations.

### *Communications*

Communication is vital to ensuring environmental issues are part of everyday activities at Waste Management. Internal communications regarding environmental commitment and performance help to create an atmosphere where all employees work toward the common goal of continuous improvement. Communicating environmental commitment and performance to our customers, communities, regulators and investors strengthens our ability to be an environmental leader in our industry.

We communicate within the company using the following methods:

- **Waste Management’s Environmental Incident Alert Notification System** gives immediate notification of significant environmental or regulatory events — including reportable quantity (RQ) spills, environmental impacts (e.g., storm water, leachate), alleged violations and enforcement actions — company-wide.
- **Waste Management’s CASES Database and Public Commenter Systems** provide real-time notification of any customer-related environmental issues to site managers for response and resolution.
- **Environmental performance results**, including the following impacts, are tracked monthly and communicated company-wide and to senior leadership via the EP Dashboard:
  - Environmental impacts such as spills, leaks, gas migration, groundwater contaminant exceedances, certain releases to ambient air, and storm water discharges in excess of applicable standards
  - Regulatory impacts such as alleged violations, inspections and enforcement actions
  - Community impacts such as off-site spills/leaks, odors, noise, pests, mud and litter
- **Waste Management Visor**, our intranet system, updates reporting systems to help manage tracking of landfills, tanks, authorized vendors and environmental compliance.
- **Overall compliance performance** is reported to management according to the EP reporting structure, via routine activity reports.

- **Monthly environmental and operations leadership calls** provide opportunities to coordinate and assess strategy, progress toward goals and program evolution.

We communicate with our communities, customers, regulators and investors through other methods, including the following:

- Waste Management’s corporate website highlights significant research, environmental awards and unique achievements in environmental management.
- Community comments are centrally managed, tracked and followed through response and, if necessary, correction.
- Our environmental scientists and professionals present achievements and research at national and international environmental conferences.
- Our Corporate Communications department is responsible for communication of environmental issues at the company.
- Our local managers support community outreach programs in the Market Area and site offices.

#### *Documents and Operational Controls*

Waste Management has several internal systems for maintaining documents and records related to the EMS. The location of any particular document or record depends on the specific application, since many of the EMS tools are multiple-purpose programs. The two main internal systems are the following:

- **Waste Management Visor Environmental Protection website:** Visor is the company’s intranet, with links to all formal corporate environmental policies, standards, documentation and resources, including the EMS, training materials, web-based tracking systems and databases (see below). Visor

is available to all company employees or their managers. Visor is reviewed and revised on a routine basis to ensure that it is up to date and includes the most recent documents.

- **Waste Management Environmental Program Share-Point:** The EP SharePoint webpage is used to store and share environment-related documents, guidance, training materials and other electronic resources. All Environmental Program and Technical Managers have access to the EP SharePoint website. The SharePoint is available for interactive program tracking (e.g., site visits, odor tracking), document development, idea development and sharing, and document sharing. The EP SharePoint page is regularly reviewed and updated.

We have a wide range of environmental databases including the following:

- **Cycle:** The compliance assurance task calendar program for identifying and tracking completion of site environmental tasks regarding permits, regulations, site plans, policies, etc.
- **Environmental Reporting System (Incident Alerts):** The repository for reported agency-identified violations (AIVs), environmental exceedances and public comments.
- **Dakota Auditor and Tracer:** A third-party audit management system used to manage the Environmental Self-Assessment issue identification and compliance representation letters. Also used to track environmental (and safety) audit findings and corrective actions.
- **Environmental Enforcement Database (EED):** The Legal department's violation tracking database for tracking significant violations through completion and reporting the results to senior management and corporate governance.

- **Storage Tank Database:** Used to manage aboveground and underground storage tanks, including registrations for insurance purposes.
- **Applied Landfill Information Analysis System (ALIAS):** A relational database used to cross-reference landfill characteristics (e.g., cover, liner, waste type) to monitoring points and results.
- **EQulS:** Contains our groundwater, surface water and other analytical data provided by contract laboratories. Used for reporting, data integrity and management purposes.
- **Landfill Gas Management System (LGMS):** Houses operational and performance data relating to landfill gas collection and control systems (GCCS).

In addition to the above, each facility is responsible for maintaining its own operating record, including documents, inspections and reports required by regulation.

#### *Emergency Preparedness and Response*

Since Superstorm Sandy, we have continued to refine and improve our disaster response and preparation plans for our facilities. We maintain an Emergency Situations and Evacuation Plan Policy, which communicates management objectives for addressing emergency situations. Facilities may also be required to maintain specific emergency response plans including the following:

- **Hurricane Preparedness Plans** and annual simulation exercises
- **Disaster Preparedness and Management Plans** in areas subject to natural disasters (e.g., tornados, fires, earthquakes), for safe handling of disaster-generated debris

- **Spill Prevention Control and Countermeasures (SPCC) Plans** for facilities that store certain volumes of petroleum products and are required to prevent, contain and control spills

Our employees are trained and drilled to comply fully with Emergency Situations and Evacuation Plans, Local Preparedness Plans and Spill Plans.

#### 4. Assessment and Corrective Action

##### *Monitoring and Measurement*

We use the following programs as a multipurpose, integrated system to monitor, measure, report and track environmental aspects and impacts through closure/completion:

- **EP Dashboard – Environmental Incident Rate (EIR):** This online system is used to measure, track and report performance across three areas: the environment, our communities and regulations. Our performance goal is continuous year-over-year improvement in EIR performance (Environment, Community and Regulatory).
  - *Environment:* Environmental incidents that occur at our operations are compiled, including the following:
    - Spills/leaks that hit the ground from vehicles
    - Groundwater impacts that exceed regulatory criteria or that show increasing trends
    - Storm water impacts above benchmarks or reportable-release levels
    - Leachate impacts
    - Air impacts that include surface emission overages or reportable air emissions
    - Landfill gas impacts registered by perimeter gas probes

- *Community:* To underscore the company's commitment to the communities it serves, Waste Management developed and deploys a public comment management system. When a comment is received, the information necessary for a prompt response and remedy is routed to the closest responsible manager. The manager is empowered to take action appropriate to the circumstances and track remedies through to completion.
- *Regulatory:* Regulatory incidents and, more importantly, their precursors are tracked, managed and recorded for each occurrence as part of the company's compliance program and continuous improvement process. Lessons learned are shared via the company's EP Dashboard and program of weekly and monthly reporting. Senior management, including the Board of Directors, is briefed on performance on a regular basis. The position of Chief Compliance Officer has been created to elevate the issue of regulatory compliance (as it previously was one among many responsibilities of the Senior Vice President and General Counsel).

- **EP Dashboard – EP Toolkit:** The EP Toolkit is used to evaluate environmental performance system metrics for the company's business operations every month. EP Toolkit metrics help ensure that all Cycle tasks, environmental self-assessments, audit findings and environmental incidents are completed in a timely manner, and effective corrective actions and preventative measures are implemented.
- **EP Dashboard – System Reports:** A System Report is a month-end environmental performance summary that is automatically sent to EP Dashboard users of record. The EP

Dashboard reporting tool also provides users with the ability to review and report environmental performance results on a real-time or scheduled basis.

#### *Corrective Action and Preventative Measures*

Market Area EP Managers are responsible for ensuring resolution and prevention of issues identified through the EP Dashboard, EP Toolkit and other environmental database reports. Facility and EP Managers are responsible for ensuring that all identified incidents are closed out completely and correctly. Measures or actions that are not effective are subject to reopening of the incident.

- **Environmental Incident Rate** incidents are documented and tracked until all corrective actions and preventative measures are implemented. Performance related to completion of the corrective and preventative measures is tracked via the EP Toolkit.
- **Latent Cause Analysis (LCA)** is the process for identifying the underlying root causes of any environmental noncompliance or failures to prevent recurrence. Latent causes are communicated to upper management to ensure that the underlying reasons for incidents are known and are prevented from recurring company-wide. Over 100 Waste Management employees had been trained in the LCA process by the end of 2013.
- **Public Comment Management Program** is the process for addressing environment-related calls from our customers and communities. Environmental comments received at Customer Service Centers are entered into a program called CASES, while calls received directly by the facility are entered into Public Commenter by the site staff. Any comment requiring corrective action is routed to the local entity for response

and resolution. Environment-related comments uploaded into either system are centrally tracked through correction and preventative measure implementation.

- **The Waste Management Compliance and Ethics Help Line** is the portal that the company uses to internally identify potential instances of noncompliance with company or regulatory procedures. The 800 number is communicated to employees for their use. Every inquiry is logged and tracked to ensure that the issue is resolved, up to and including any required corrective actions. The Legal department and EP work together to assess whether the incident has any national implications and to ensure that the corrective action is spread across the organization — so that a lesson learned in one location is rippled across the organization. The Help Line is a confidential system, designed to protect employees' identities while ensuring that the reported issue is resolved.

Our facilities are expected to ensure that corrective actions and preventative measures are effective. Environmental issues are not closed out in any of these systems without the concurrence of the EP Manager.

#### *Audits*

Waste Management's Corporate Compliance Audit Services (CAS) conducts independent compliance audits at all facilities owned, operated and controlled by the company. CAS reports to the Vice President and Assistant General Counsel/Regulatory and Chief Compliance Office, Legal department, and audit practices are modeled on the nationally recommended compliance audit

practices approved by the American Standards for Testing and Materials and the standards for professional auditors approved by the Board of Environmental Health and Safety Certifications.

CAS evaluates and supports improvement of the company's environmental performance through the following activities:

- Conducting systematic, documented and objective evaluations to verify compliance with environmental regulatory requirements
- Assisting the company in evaluating and improving the effectiveness of existing environmental systems and policies
- Assisting the company and its managers in preventing, detecting, correcting and proactively addressing compliance issues

CAS processes and procedures include the following:

- Risk assessment process for selecting facilities to audit
- Training of staff conducting audits
- Development of audit protocol documents
- Planning and conducting audits
- Identification of noncompliant activities
- Resolution of audit findings
- Document management and retention
- Review and update of program directive and procedures
- Audit quality control and assurance
- Communication of audit results

Facility staff use designated programs (e.g., Dakota Auditor and Tracer) to document resolution of all audit findings. CAS reviews all findings before they are closed and conducts verification audits to ensure that the finding resolution was effective. CAS

communicates the audit results to relevant local and corporate management and follows up to ensure the timely resolution of issues identified through its compliance audits.

### *Records*

Certain data elements are reported with routine frequency, while others are reported on a nonspecified schedule.

Certain groundwater and surface water test data are collected on a routine basis and tied to sampling events specified in operating permits, licenses and applicable permits (usually quarterly or semi-annually). These results are housed centrally through our laboratory management program and are reported as they are generated. Incidents related to unanticipated releases to the environment (e.g., spills, environmental impacts) are required to be reported within 24 hours to the corporate office, on an "as they occur" basis. Notification of these incidents ensures the appropriate resources are made available to address the particular situation and to minimize potential impact to the environment. Response actions are also monitored for effectiveness and timeliness.

Records relating to analytical results, environmental performance elements and compliance assurance tasks are all maintained online within our IT, Legal and/or Environmental Protection departments. Documents and technical resources are available and maintained on our Visor and SharePoint intranet sites, as are training, guidance and standards resources.

Senior management requires that operations complete monthly environmental assessments, which are used to review and monitor environmental and compliance performance. In addition, key envi-



ronmental metrics are reported and compiled on a weekly basis, monitored and reported to senior management monthly, managed and stored online.

Environmental aspects of our business, including notices of violation, are reflected in senior management reporting and through an internal environmental metric system that is provided to senior management and housed in the Environmental Enforcement Database (EED).

Landfill gas collection system performance is monitored monthly with metrics designed to detect and correct upsets. Data are housed centrally, and performance metrics are published monthly and reviewed by senior management quarterly.

All of our facilities must certify annually their compliance with all applicable permits and regulatory requirements through our centralized Compliance Representation Letter process, which is reviewed by senior management yearly.

## 5. Management Review

Our management teams participate in a management review process to determine the level of success in achieving environmental goals. In doing so, they complete the following tasks:

- Review environmental policies
- Review Waste Management's EMS
- Review the EP Dashboard environmental performance, issues and incidents on a routine basis
- Evaluate Corporate and Market Area environmental goals and objectives
- Amend the EMS as needed, including policies, procedures, goals and objectives

Management review and response to environmental performance measures, incidents and issues are used to drive operational changes and ensure that continuous improvement goals are met. Our Internal Audit department performs compliance evaluations on an ongoing basis.

## SUSTAINABILITY IN OUR SUPPLY CHAIN

Through our Procurement department, Waste Management has the opportunity to demonstrate our environmental and social commitments by making purchases with an awareness of our impact on the environment. We also have unique opportunities to work collaboratively with suppliers to help them cut waste, use recycled materials and leverage their expertise to help us reach our sustainability goals.

Our Procurement Policy defines value as "the best combination of quality, cost, delivery, service technology, sustainability, and risk in equipment, materials, goods or services." For third-party waste service providers, we require environmental assessments that review compliance with all applicable environmental, health and safety requirements. (For a discussion of Waste Management's role in the global supply chain, see [www.thinkgreen.com/ceo](http://www.thinkgreen.com/ceo).)

The Waste Management Supply Chain team receives training on the Procurement Policy and Procedures when the procedures are updated and new members join the team.

Our suppliers are expressly bound by the Waste Management Code of Conduct for Consultants, Contractors and Suppliers, which is included in all contracts for all significant amounts (see [www.wm.com/about/company-profile/ethics/pdfs/WM\\_Supplier\\_Code.pdf](http://www.wm.com/about/company-profile/ethics/pdfs/WM_Supplier_Code.pdf)). We

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

- A ban on discrimination in hiring and employment practices
- Avoidance of even the appearance of a conflict of interest
- A ban on any conduct constituting harassment
- An affirmative duty to treat all with dignity, respect and fairness
- 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

The Supplier Code of Conduct also lists a domestic and international Waste Management Compliance and Ethics Help Line number. The Code is monitored through the Help Line, 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 estimate that no more than 1 percent of Waste Management's supply chain expenditures involve purchases from companies located outside North America and Europe.

We work with our suppliers to envision a closed-loop supply chain by purchasing recycled products and supplying our vendors with waste materials that can be recycled into new products. The following are some examples:

- We buy paper with a **minimum of 30 percent recycled content**.
- We **recycle our equipment** by grinding up plastic garbage cans to make new plastic containers, reclaiming steel from scrap containers, repurposing used tires into cutting edges for scrapers and dozers, and having used oil recycled for other purposes.
- We use new products such as enhanced longevity motor oil and new materials to **reduce the weight of fleet trucks**. We pay attention to the degree to which plastic containers can be recycled into other plastic containers and buy accordingly. All of our suppliers are working to increase the amount of recycled plastic in our products.
- Our Real Estate department oversees the deployment of **recycled and energy-efficient materials** in its Capital Projects and Construction Management Program, identifying vendors for controlled lighting and HVAC, occupancy sensors, recycled-content carpet and furniture, and low-emitting paints and adhesives.

The single-largest category in our supply chain spending in any given year is collection equipment and the fuel to run it (over 20 percent of total spending). Since 2007, Waste Management has focused on efficiency and equipment innovations to reduce the GHGs associated with this aspect of our supply chain. As discussed on p. 61 of our full report, we have been transitioning our truck fleet from diesel to natural gas (more than 90 percent of the trucks we purchased in 2013 had natural gas engines), cutting GHG emissions by 21 percent

with each new truck. In past reports, we described our years of work with truck suppliers to develop ways to lightweight our vehicles, the specifications for natural gas vehicles and the potential for practical hybrid vehicles for heavy-duty use. We realize that there also needs to be a broader, more formal structure to these discussions. For this reason, we helped found the Heavy-Duty Fuel Efficiency Leadership Group, which supported the EPA's two rounds of efficiency standards for heavy-duty vehicles.

We have been recognized for our leadership in this area of supply chain management. In Oregon, our green-fleet procurement policy received the highest, five-star certification with Evergreen Fleets. Included in this recognition were our overall plans for natural gas vehicle purchases, our engine right-sizing purchasing policy and our fuel-efficient driver training module.

In 2013, our Supply Chain team launched an effort with suppliers of third-party, long-haul waste transportation to consider compressed natural gas (CNG) as an alternative energy to diesel fuel in support of our waste and recycling transfer network. One supplier has committed to purchasing CNG-powered trucks to support our system, and several more suppliers were in discussion as of 2013. These efforts align with our corporate sustainability goal to lower GHG emissions.

Our Fleet Specification Governance team is evaluating our collection vehicle specifications to determine how to maximize investment in our fleet as we convert to natural gas, install a dozen new CNG fueling stations and investigate how to deliver a commercialized small station CNG solution. This team is also charged with investigating the potential for savings and emissions reductions through use of rail, bulk parts distribution, bulk carts purchase, building maintenance and several dozen other potential projects.

Finally, we have begun a leadership development program starting with Supply Chain employees. They are participating for a minimum of one week in field operations or staff functions and participating in professional development programs to support both employee development and to align our Supply Chain functions with the company's overall sustainability goals.

### **Supply Chain Stakeholder Engagement**

Waste Management believes that active engagement in business groups and broadly based stakeholder groups is one of the best ways to continually challenge ourselves to do better (see p. 36). Improving the sustainability of our fleet takes strong partnerships, and we were pleased to be recognized in 2013 by the President of the United States for our leadership as a member of the National Clean Fleets Partnership. This partnership operates more than 1 million commercial vehicles nationwide, and it is committed to finding ways to improve the fuel efficiency of American trucks. We are also members of the EPA's SmartWay Transport partnership and of the Energy Security Leadership Council of Securing America's Future Energy (SAFE), both of which are dedicated to improving heavy-duty vehicle efficiency and reducing emissions throughout the transport supply chain.

### **Supplier Diversity**

Waste Management's ongoing supplier diversity program ensures that businesses owned by underrepresented groups (i.e., women-, minority- and service-disabled veteran-owned businesses) participate in each bid process (where such a supply base exists). In 2013, we purchased more than \$310 million in products and services from diverse suppliers. From 2005 through 2010, we tracked — and in every year exceeded — our goals to continually increase

subcontracting with women-, minority- and service-disabled veteran-owned businesses in the segments of our supply chain with potential suppliers sufficient to assure adequate competition.

In 2011, we realized that the scope of materials and services with a competitive field of qualified women-, minority- and service-disabled veteran-owned contracts had expanded. Focusing on our old target was limiting — rather than expanding — our ability to use diverse contractors. Now our goal is to open competition as far as possible and to track year-over-year progress in expanding the number of contracts to businesses owned by women, minorities and service-disabled veterans. To facilitate this process, we provide online registration for small businesses, including those owned by minorities, women and service-disabled veterans.<sup>2</sup>

In 2012, we received an “Accountability Champion Award” from the Houston Minority Supplier Development Council “in recognition of commitment to minority business development evidenced by continued willingness to be held accountable by reporting annual expenditures with Minority Business Enterprises.”

## **PARTICIPATING IN PUBLIC POLICY PROCESSES**

Our goal for environmental compliance is simple: zero deviations from regulatory standards and sound environmental practice. The goal of our Environmental Management System is to correct conditions that could lead to a violation before the violation happens. We have not yet achieved our goal of zero violations, but we continue to take every departure from regulations, no matter how small, very seriously.

## **Political Contributions**

We periodically make financial contributions to candidates who we believe recognize the importance of the environmental services we provide and who support a fair, free-market approach as the best way to deliver cost-effective services. We do not expect the candidates to whom we contribute funds to agree with our positions on all issues at all times. Contributions made to political candidates must be authorized by our Government Affairs department and must comply with all applicable laws, including public disclosure of political contributions and lobbying expenses. Our contributions are reported under federal, state and local campaign finance laws and are available for review by the public. Each year, our Board of Directors receives a detailed accounting of all contributions. Our contribution policies and procedures appear online at [www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights](http://www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights) (Participation in the Political Process).

## **Our Approach to Public Policy Overseas**

To ensure compliance with international law, Waste Management has adopted an anti-bribery and corruption policy and established a Foreign Corrupt Practices Act (FCPA) Compliance Committee. All employees involved in foreign business projects must receive FCPA training. In addition, the Waste Management Code of Conduct includes a section on doing business overseas to ensure our compliance with local laws as well as U.S. laws that govern our activities in international markets. See [www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights](http://www.investors.wm.com/phoenix.zhtml?c=119743&p=irol-govhighlights).

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<sup>2</sup> See [www.wm.com/about/suppliers/index.jsp](http://www.wm.com/about/suppliers/index.jsp).

## Stances on Key Political Issues

The environmental services industry is highly regulated and complex. And it's in flux. More and more, Waste Management and other companies like us are doing much more than managing waste. We are producing energy, restoring habitats and helping local governments and citizens to reduce, reuse and recycle materials. As we work with our customers and the communities we serve to create a more sustainable future, we believe we have an important voice to add to the discussion around several key policy debates, as noted below.<sup>3</sup> These issues represent significant challenges for our industry and are areas of special focus for Waste Management. We welcome engagement from stakeholders around these issues and strive to work with representatives from government, the business sector, community groups and environmental advocates to build consensus for positive change.

As we have sought to maximize the value of the material we manage, we have reviewed the EPA's waste hierarchy — reduce, reuse, recycle, recover and then dispose — as well as state-level solid waste and recycling priorities. Our review revealed that current regulations regarding solid waste, recycling, energy policy and renewable fuels often compete with each other and produce unintended results. Newer technologies designed to divert material from landfills also do not fit neatly into the EPA's hierarchy. As the EPA and state governments address the environmental impacts of waste disposal, recovery and recycling, we encourage them to consider life cycle approaches that view waste not merely as a problem to be solved, but as a resource.

In 2011, Waste Management funded the Sustainable Materials Management Coalition to discuss these issues, and the Coalition issued its report in July 2012. The Coalition — composed

of representatives of business and industry, academic institutions, environmental and community organizations, and state and local government organizations — came together to develop consensus recommendations on the path forward for sustainable materials management. In 2013, the Coalition developed a second report urging stakeholders to use life cycle thinking to reduce the environmental footprint of products and services. Beginning in 2014, the Coalition will turn to how to improve the productivity of recycling.

### *Renewable Energy*

In the absence of federal clean-energy standards, state and provincial governments in the United States and Canada bear the burden of developing renewable energy requirements. This has resulted in widely divergent standards. Waste Management supports the development of a federal energy policy that would facilitate the widespread development of renewable energy sources, including municipal solid waste. Federal energy standards would also allow us to make significant strides in reducing GHG emissions associated with fossil fuel consumption.

### *Energy Security and Alternative Fuel Production*

Achieving energy security relies on lessening our dependence on foreign oil, and domestic production of fuel from renewable sources contributes to this goal. As a partner in energy security discussions, Waste Management supports policies, including existing federal renewable fuel standards, that encourage and facilitate the production of fuel from renewable sources such as municipal solid waste. Studies have shown that waste-derived fuels typically have the lowest carbon intensity of all biofuel sources.

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<sup>3</sup> See also the full report (p. 34) for a discussion of the key public policy issue of extended producer responsibility.

### *Natural Gas and Alternative Fuel Vehicles*

Waste Management's fleet policy calls for a transition to natural gas vehicles, which helps us to achieve our goal of reducing our fleet emissions by 15 percent and improving our fuel efficiency by 15 percent. In 2011, we encouraged federal and state regulatory support for the transition of heavy-duty fleets to natural gas as the preferred fuel for our industry. The natural gas vehicle platform provides an opportunity to use renewable natural gas derived from waste materials, improving emissions and efficiency.

### *Mandatory Recycling Programs and Policies*

Governments at all levels are seeking ways to divert waste from landfills through increased recycling and recovery. Some jurisdictions have implemented mandatory recycling programs, and we support such programs when they make economic sense, have the support of customers and communities, and reflect the planning and preparation sufficient to ensure success.

### *Climate Change*

Our CEO has set, and our Board has approved, aggressive sustainability goals with ambitious GHG emissions reduction benefits. There is no limit to the number of emissions reduction activities available to a highly diversified company like Waste Management. Opportunities presented to Waste Management from outside or inside the company that have the best potential to deliver high degrees of emission reduction at low cost or to deliver emission reductions combined with a positive return are given priority for implementation. Our goal setting and disclosure of progress on production of renewable energy, recycling and fuel efficiency drive our investment strategy. This approach to addressing the challenges of climate change is integrated into our evaluation of all activities and potential investments — from collection fleet and logistics to administrative

functions and operating facilities. As evidenced by our participation in the CDP (formerly the Carbon Disclosure Project) since 2004 (disclosed publicly since 2008), Waste Management is committed to the annual disclosure of our carbon footprint and to reporting in our sustainability reports on the innovations we are pursuing to reduce GHG emissions in our operations and for our customers.

We are actively working with stakeholders from all perspectives to assess how GHG emissions can be accurately inventoried and disclosed, as well as how that information can be used in climate change initiatives that improve environmental quality and are consistent with a healthy economy. We participate not only with the CDP, but also with the Dow Jones Sustainability Index and *Newsweek* Green Rankings, and we have made our voluntary reports to these organizations publicly available. We have also commented on federal, regional and state frameworks for addressing climate change. Extensive comments and recommended strategies have been discussed with the following:

- U.S. House of Representatives, Committee on Energy and Commerce
- U.S. House of Representatives, Committee on Science and Technology
- U.S. Senate, Energy and Natural Resources Committee
- U.S. Environmental Protection Agency
- California Air Resources Board
- Western Climate Initiative
- Regional Greenhouse Gas Initiative
- Climate Registry
- Climate Action Reserve

All comments are a matter of public record.

## ADDITIONAL AWARDS AND RECOGNITIONS

In addition to the awards and recognitions listed in the main report on pp. 9–11, we received the following community, individual and other recognitions in 2012–2014.

- Marketer of the Year, Business-to-Business Category — American Marketing Association
- Gold Excellence Award, for Wheelabrator Spokane — Solid Waste Association of North America
- Community Service Recognition Award, for Wheelabrator Saugus — Northeastern Conference
- Community Changemakers Distinction, for Waste Management of Manatee and Palm Beach, Florida — Environmental Industry Associations
- Civic Innovator Award, for Waste Management’s Pine Tree Acres Landfill in Lenox, Michigan — Macomb Conservation District
- Certificate of Recognition, for Waste Management’s Simi Valley Landfill and Recycling Center — Scott Wilk, Assembly Member, 38th District, California State Assembly
- Citizen of the Year, for Geneva Landfill Manager Evan Jahn — Geneva, Ohio
- Woman of Distinction, for Waste Management Community Relations Representative Lori Caso — Niagara Gazette
- Brooklyn Woman of Distinction, for Waste Management Public Affairs Director Rachel Amar — Community Newspaper Group
- Rosie Award, for Michelle Grossman, Managing Principal for Sustainability Services at Waste Management — Waste & Recycling News
- Environmental Quality Award, for Waste Management Public Affairs Manager John Wohlrab — Clean Communities
- Hall of Fame Award, for Waste Management employee Mike Tunney — Keep Chicago Beautiful
- Bay Area Achievers, Corporate Partner Award, for David Tucker, Waste Management Director of Community Relations for Northern California — National Forum for Black Public Administrators
- Lodi Community Hall of Fame Award, for Thom Sanchez, Waste Management Public Sector Solutions Area Manager — Lodi, California, Boys and Girls Club
- Driver of the Year, for Waste Management employee Ruben Alcantara — Environmental Industry Associations
- Driver of the Year, for Waste Management employee Dennis Burrell — DriveCam
- Coach of the Year (runner-up), for Waste Management employee Scott Speirs — DriveCam

## ADDITIONAL INFORMATION ON OUR BUSINESS

### CUSTOMER ENGAGEMENT AND EXPERIENCE

A core part of Waste Management's business strategy is helping customers meet their own sustainability goals. We provide our customers with new technologies to convert waste to resources, offer advice on how to avoid waste and recover more value from the waste stream, and innovate smart solutions for renewable energy and materials-handling challenges. In 2011, we formed Customer Experience, a new department tasked with making it easier for our customers to do business with us. Customer Experience focuses on five key areas:

- **Voice of the Customer:** In an effort to continuously improve the customer's experience, we collect feedback from customers at many different interaction points. Post-contact surveys from the customer's contact channel of choice allow us to measure satisfaction and monitor problem resolution so we can make improvements to the customer experience based on specific interactions. Customer loyalty surveys allow us to understand the overall relationship our customers have with us and to evaluate our performance by area and at the enterprise level. Our goal is to incorporate the "voice of the customer" into any decision-making process. These surveys allow us to do so.
- **Loyalty Study:** We survey a representative sample of our residential, commercial and industrial customers every month to evaluate overall customer satisfaction, service quality, customer service/sales, communication, and problem resolution. These surveys began in July 2012, and we have been continuously refining and updating processes and practices based on this specific customer feedback. Service is tracked weekly, and all scores are shared with the senior

leadership team and Market Area leadership monthly. Goals for 2014 were set for each line of business based on scores from 2013 (the first full year of this program). We use these scores in our strategic market assessment and planning by identifying best practices by region or service line, targeting "at-risk" customers for service improvement and analyzing any problems reported for recommended process changes.

- **Consolidated Call Center:** Our consolidated call center ensures consistency and efficiency through a single department. Call center best practices are captured in online training programs.
- **Technology Rollout:** We pilot technological and software systems, including interactive voice response, streamlined customer setup and account management.
- **Giving Customers What They Need:** We train call center employees in superior customer service delivery, including recommending appropriate Waste Management services such as Bagster or the Product Recovery Group.

We engage actively with our customers to determine their sustainability needs and provide innovative services through our National Accounts and Waste Management Sustainability Services groups. We provide detailed tracking of sustainability metrics to allow customers to demonstrate progress toward their waste-diversion goals. With many customers, we are part of an ongoing engagement to evaluate our success in meeting their needs. We engage actively in sustainability-focused stakeholder dialogues such as the Sustainable Product Index Consortium, Business for Social Responsibility,



and the Sustainable Materials Management Coalition, and we annually host a sustainability leadership forum in conjunction with the Waste Management Phoenix Open.

Following a three-year rollout of onboard computers on more than 18,000 collection vehicles, we are now using this capacity to improve customer service and engagement in the following areas:

- Automating the haul or call process, wherein Waste Management communicates with a customer in the event that something is preventing service, such as a locked gate
- Connecting operations data with customer service and sales to help identify the root causes of service failures, as well as opportunities to up-sell
- Allowing customers to visit Waste Management's website to see when their collection will take place, eliminating unnecessary calls to a call center

## ADDITIONAL INFORMATION ON OUR OPERATIONS

This section provides supplemental information about our sustainability performance, creating a good place to work, and engaging with communities.

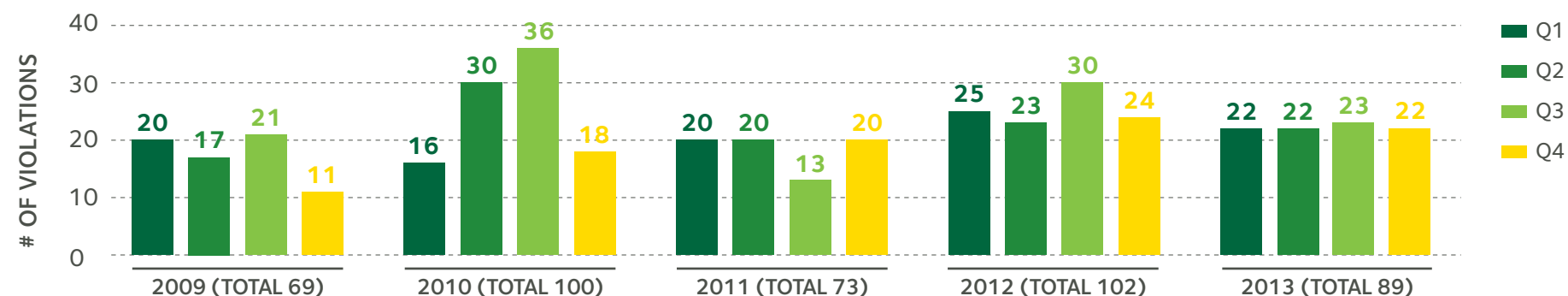
### SUSTAINABILITY PERFORMANCE

#### Environmental Compliance

Our goal for environmental compliance is simple: zero deviations from regulatory standards and sound environmental practice. The goal of our Environmental Management System is to correct conditions that could lead to a violation before the violation happens. We have not yet achieved our goal of zero violations, but we continue to take every departure from regulations, no matter how small, very seriously.

The figure below charts our year-over-year performance — from 2009 through 2013 — with respect to environmental notices of violation (NOVs)<sup>4</sup> received.

#### NOTICES OF VIOLATION, 2009-2013



<sup>4</sup> NOVs may be given for anything from a short delay in receipt of a required report to a deviation from any aspect of regulatory standards or permit conditions. Some violations could have the potential to impact the environment, but most do not. Upon investigation, not all NOVs are ultimately found to represent an actionable violation.

#### Environmental Expenditures

As an environmental service infrastructure provider, our “environmental expenditures” are necessarily interrelated with our operations. These expenditures properly include compliance, environmental protection, control and research costs, as well as the capital and operating costs for our waste handling options — from waste reduction and reuse consultation to recycling, waste-to-energy and disposal facility construction and operation. Our environmental expenditures for the reporting period are shown below.

Year	Environmental costs (in millions) <sup>5</sup>	Total annual expenses (in millions)	Percentage of environmental costs to total expenses
2010	\$3,999.1	\$10,338.6	38.7%
2011	\$4,182.1	\$11,256.1	37.2%
2012	\$4,490.1	\$11,798.3	38.1%
2013	\$4,644.1	\$12,904.3	36.0%

<sup>5</sup> Includes costs associated with the environmentally responsible management of waste and the creation of renewable fuel. Excludes costs associated with sales, general collection operational and administrative costs, merger costs and unusual items.

## Number and Volume of Significant Spills

Waste Management is committed to reducing the number and volume of leaks and spills that occur as part of our operations. We track all fluids our trucks use and train drivers to report any leaks or spills they observe; we also require all significant spills be reported to the corporate office via the Environmental Incident Notification System. The table below summarizes, for our more than 1,200 operating locations, all spills of a size significant enough that we were required to report them to the National Response Center.

Year	# of Reportable Spills
2006	10
2007	6
2008	5
2009	4
2010	0
2011	2
2012	1
2013	0

## Methodology Used to Calculate our Carbon Footprint

Waste Management's carbon footprint comprises the anthropogenic Scope 1 (direct) and Scope 2 (indirect) GHG emissions from facilities and activities under Waste Management's operational control in the United States, the U.S. Territories and Canada. Scope 1 emissions include direct emissions from vehicle and stationary facility fossil fuel use, landfill operations, waste-to-energy and power plants, management of special wastes, and refrigerant use. Scope 2 emissions include indirect emissions from electricity use. Our carbon footprint

calculation relies on company operating data collected from auditable corporate business, legal and accounting records, which have undergone internal quality-assurance checks.

Also, we participate in two forms of data verification. First, in conformance with applicable state or provincial GHG emission-reporting programs, an independent third party is hired to review original data and provide a verification certificate. Accordingly, the emissions from the landfill subject to the Alberta Provincial Mandatory GHG reporting program are third-party verified by AECOM Canada Limited; emissions from six landfills subject to the Massachusetts GHG inventory program are third-party verified by either Ruby Canyon Engineering or Cameron-Cole; emissions from two landfills (one in Ohio, one in West Virginia) are verified by Ruby Canyon Engineering as part of the Climate Action Reserve GHG credit registry program; and landfill-gas-to-energy emissions from the one landfill in California for which we are required to report third-party verified GHG emissions under the state of California's mandatory reporting program are verified by Analytical Environmental Services. All of our facilities subject to the federal Mandatory GHG Reporting Rule (which includes more than 200 landfills, 17 waste-to-energy plants and three power plants) are subject to rigorous validation checks by the EPA as part of its compliance assurance and enforcement program for the reporting rule.

In the second form of verification, we report to a different kind of third party, such as a government-affiliated data-tracking program, which provides quality-assurance and quality-control review of the data but does not provide a verification certificate. This would include fleet emissions reported to the EPA's SmartWay Program and Evergreen Fleets, methane emissions reported to the EPA's Landfill Methane Outreach Program, and hazardous waste facility emissions reported to the EPA's Toxics Release Inventory.

In these two ways, 92 percent of our carbon footprint is verified.

Our GHG inventory reflects the most accurate means available to calculate GHG emissions within our industry sector. We worked with leaders in government, industry and academia — including staff of the multi-state Climate Registry and the EPA — in developing our inventory processes and protocols. Our GHG inventory employs the protocols embodied in the EPA's final Mandatory GHG Reporting Rule (74 Fed. Reg. 56260, October 30, 2009) and the Climate Registry's General Reporting Protocol (March 2013) for the majority of our GHG emission sources.

Because a broadly accepted protocol for estimating the carbon mass balance of landfills does not yet exist, Waste Management, along with other public and private owners/operators of landfills, funded development of the Solid Waste Industry for Climate Solutions (SWICS) protocol by SCS Engineers.<sup>6</sup> The protocol represents a first step in refining existing EPA models and protocols using peer-reviewed, published research to improve landfill GHG emission estimation. We employed the SWICS protocol in estimating the emissions associated with the landfill operations reported in our company-wide carbon footprint and the voluntary GHG reporting protocols in which we participate. (The EPA's Science Advisory Board views some sources of biogenic carbon dioxide emissions — including landfill gas and biogenic materials in waste — as carbon neutral, so these are not included in our footprint.)

For 2013 emissions onward, we will align our reporting with that of the EPA, which continues to refine its default assumptions and the scope of reporting under its mandatory reporting program. If and when we find that the EPA's rule omits a facility previously included in our carbon footprint, we will calculate a default representing the proportion of emissions thereby omitted and increase the reported emissions

included in our footprint to allow our emissions to be compared year over year. As part of this process of aligning our reporting with that of the EPA, beginning with our 2013 emissions reporting, we are using the modified 100-year global warming potentials (GWPs) promulgated by the EPA in its November 29, 2013, revisions to 40 CFR Part 98 (78 Fed. Reg. 71904). Pertinent to Waste Management's carbon footprint, the EPA revised the GWP for methane from 21 to 25 and the GWP for nitrous oxide from 310 to 298.

In realigning our carbon footprint with the requirements of the EPA's GHG Reporting Program, we are no longer using the Climate Care subscription database that we used for previous years' reporting. By relying on internally developed databases, we can more readily interface with the EPA's electronic reporting tool, e-GRRT, and we have reduced our annual reporting costs by more than 25 percent.

Indirect emissions from electricity use and direct emissions from the combustion of natural gas have been calculated from usage data from monthly invoices. Waste Management completed a reorganization in 2012 that eliminated group-level management staff and reduced the number of Market Areas and associated facilities. Because group-level management performed data collection and energy use reporting, we are now developing a new, more streamlined system to calculate energy use emissions starting with 2014 emissions. This system will utilize proprietary analytics and cloud-based software called ENSPIRE™ to aggregate, analyze and manage electricity data. (See p. 20 in our full report for more on ENSPIRE.) Energy use continues to be a de minimis portion of our carbon footprint (less than 2 percent of total direct emissions).

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<sup>6</sup> SCS Engineers, Inc., *Current MSW Industry Position and State-of-the Practice on LFG Collection Efficiency, Methane Oxidation, and Carbon Sequestration in Landfills for SWICS* (Long Beach, CA: SCS Engineers, January 2009).

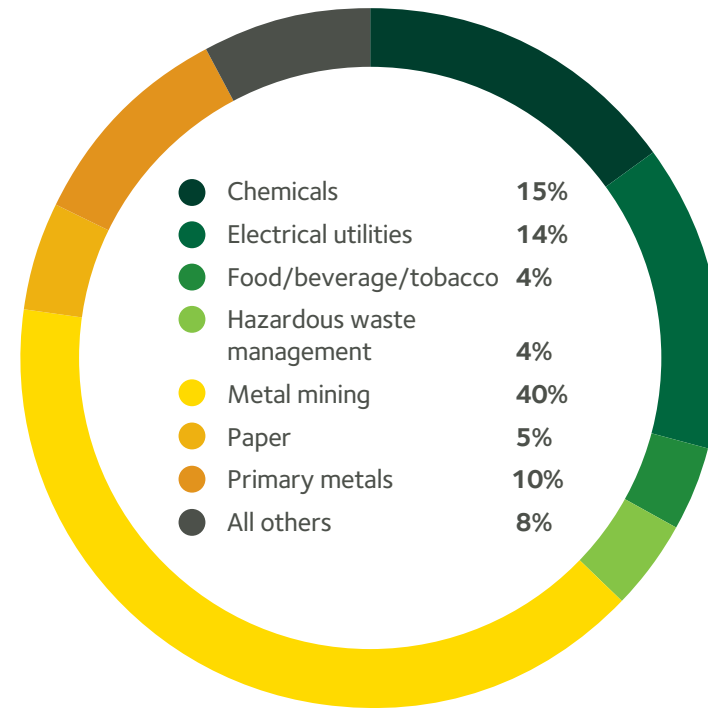
Our calculation of the potential GHG reductions or “avoided emissions” that our operations enable includes the following:

- Production of renewable waste-based energy that replaces electricity generated from fossil fuels.<sup>7</sup>
- Potential avoided GHG emissions associated with annual production and use of renewable liquefied natural gas at our landfill in Altamont, California.
- Recycling of post-consumer materials (e.g., paper, aluminum and plastics) using the EPA’s WARM Model ([www.epa.gov/epawaste/conserve/tools/warm/Warm\\_Form.html](http://www.epa.gov/epawaste/conserve/tools/warm/Warm_Form.html)).
- Permanent carbon storage in landfills of biogenic materials that do not decompose in an anaerobic, landfill environment. Carbon storage in landfills can significantly offset GHG emissions from landfills as recognized by the United Nations Intergovernmental Panel on Climate Change, the EPA’s U.S. Inventory of GHG Emissions and Sinks, the Oregon Climate Trust and the California Air Resources Board — all of which recognize carbon storage in landfilled material as a “sink” in calculating carbon emissions inventories.<sup>8,9</sup> We have used the SWICS protocol to calculate the amount of carbon permanently stored in landfills from the annual disposal of organic waste — i.e., carbon that will not decompose in the landfill to produce methane.

### Containing Hazardous Substances and Reducing Emissions

Waste Management owns seven hazardous waste treatment and disposal facilities subject to the EPA’s Toxics Release Inventory (TRI), a data repository compiled to inform the public about the presence of chemicals in their communities.<sup>10</sup> In the EPA’s most recent inventory of TRI releases (2012), 3.6 billion pounds of chemicals were reported to have been released in the United States, 4 percent of which came from the hazardous waste management sector.

### VOLUME OF TOXIC CHEMICAL RELEASES ACCORDING TO INDUSTRY<sup>11</sup>



<sup>7</sup> Avoided fossil-fuel-generated electricity emissions are calculated using megawatt hours of electricity supplied to the grid multiplied by EPA eGRID emission factors.

<sup>8</sup> SCS Engineers, Inc., 2009

<sup>9</sup> EPA, *Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks*, 3rd Edition (Washington, DC: U.S. EPA, September 2006).

<sup>10</sup> The seven facilities include five active landfills, one landfill no longer accepting commercial waste and one underground injection well. In addition, our Wheelabrator Frackville, Pennsylvania, waste coal plant reports under TRI as a utility. That facility’s air emissions have held relatively steady at 55,000 pounds per year on average, and it has no releases to water or containment in a RCRA Subtitle C unit. Note also that the annual totals include an acquisition — Waste Management Mercury Waste Solutions.

<sup>11</sup> Source: [www.enviro.blr.com/environmental-news/Emergency-Planning-Response/CRTK-community-right-to-know/Infographic-Toxic-chemical-releases-in-the-US/](http://www.enviro.blr.com/environmental-news/Emergency-Planning-Response/CRTK-community-right-to-know/Infographic-Toxic-chemical-releases-in-the-US/)

Through the TRI program, the EPA compiles information on what are termed “releases” of more than 650 chemicals. These releases take two very different forms:

- **Actual releases:** Releases of chemicals into the ambient environment, as specifically authorized by permit or regulation, from designated industrial sources.
- **Containment:** Disposal of chemicals at hazardous waste landfills and underground injection wells, as specifically authorized by permit. This requires permanent isolation in an engineered disposal unit.

Even though TRI-reportable releases must be within levels authorized by permit or regulation, the TRI was initiated to provide a supplement to the permitting process that would provide communities with information about chemicals from all of the facilities in their vicinity — those releasing emissions to air and water and those containing toxics within structures on their property. Disclosure of the total releases emitted in each community was intended as an indirect means of encouraging pollution prevention, and it has, in fact, served that purpose.

The EPA continues to reiterate its view that increased quantities of TRI materials in containment can represent “a generally positive environmental trend because these facilities are in the business of managing hazardous waste and do so under strict controls.”<sup>12</sup> For example, in explaining what TRI data mean to a community, the EPA, in its most recent commentary about the TRI inventory, prioritized sites by subtracting emissions to land reported by RCRA Subtitle C regulated units because those units were considered to be physically controlling toxic releases rather than emitting them.<sup>13</sup> Moreover, releases are reported differently based on whether they involve placement in RCRA Subtitle C landfills versus other kinds of landfills, in recognition of the stringent regulation of Subtitle C landfills.<sup>14</sup>

Waste Management’s emissions under TRI are reported annually to the EPA and are posted at [www.epa.gov/enviro/facts/tri/index.html](http://www.epa.gov/enviro/facts/tri/index.html).

Delays in obtaining permits for new units at two hazardous waste landfills have had two impacts: (1) a sharp decline in containment in the RCRA Subtitle C units on-site and (2) a corresponding increase in transfers off-site as new arrangements needed to be made to accommodate customer needs.

The EPA reports the actual releases and containment at the seven Waste Management hazardous waste facilities as follows:

### TRI CHEMICAL RELEASES AND CONTAINMENT AT WASTE MANAGEMENT HAZARDOUS WASTE FACILITIES (IN POUNDS)

	2009	2010	2011	2012 <sup>15</sup>
Air	19,047	62,128	19,838	2,246
Water	30	16	14	16
RCRA Subtitle C	34,040,988	24,479,007	26,143,719	24,214,088
Underground injection	5,025,712	9,574,712	9,253,272	7,374,493
Transfer off-site to treatment/containment	71,948	171,240	111,704	124,394

<sup>12</sup> EPA Toxics Release Inventory 2006 Public Data Release Key Findings, p. 10, [www.epa.gov/tri/tridata/tri06/pdr/key\\_findings\\_v12a.pdf](http://www.epa.gov/tri/tridata/tri06/pdr/key_findings_v12a.pdf). See also [www.epa.gov/tri/tridata/tri08/national\\_analysis/pdr/TRI\\_key\\_findings\\_2008.pdf](http://www.epa.gov/tri/tridata/tri08/national_analysis/pdr/TRI_key_findings_2008.pdf).

<sup>14</sup> See [www2.epa.gov/sites/production/files/2013-09/documents/tri\\_factors\\_to\\_consider\\_2013.pdf](http://www2.epa.gov/sites/production/files/2013-09/documents/tri_factors_to_consider_2013.pdf).

<sup>14</sup> *Ibid.*, p. 18.

<sup>15</sup> In addition to our reporting for hazardous waste facilities, Waste Management reports for one electrical generating unit. Its releases in 2012 were 54,510 pounds released to the air and 284,966 pounds transferred off-site for containment.

Also integral to Waste Management's focus on eliminating exposure to hazardous substances is our work with customers, using our experience in safely containing hazardous waste in our permitted facilities to work in-plant, on-site with industrial customers to eliminate, reduce and avoid potential exposures from hazardous waste at their facilities. Our Waste Management Sustainability Services employees work with customers to reduce the generation of hazardous waste at the outset, in the design process. (See pp. 17–23 in our full report for more on these efforts.)

### **LEED Facility Highlights**

Several of our facilities are certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standards, a globally recognized green building certification program:

- **Philadelphia Material Recovery Facility, Philadelphia, Pennsylvania (LEED Gold, 2010)**

- Sorts and processes more than 20,000 tons of recyclables per month
- Constructed on a former brownfield site using 47 percent recycled content and 42 percent regionally sourced materials, promoting land reuse
- Includes a green roof made of 80 percent recycled content, reducing heating and cooling costs, contributing to water quality by controlling storm water runoff, improving air quality and extending the life of the roof
- Includes bike racks and preferred parking spaces for low-emission vehicles
- Features floor tiles made of 46 percent recycled material and 23 percent rapidly renewable material, carpet made of 50 percent recycled material, paints low in volatile organic

compounds (VOCs), lumber certified by the Forest Stewardship Council, and countertops made of 70 percent recycled material

- Reused or recycled over 95 percent of waste generated during construction

- **Vehicle Maintenance Facility, White Tank, Arizona (LEED Gold, 2011)**

- Reduced water use throughout the site by 61 percent
- Reuses 100 percent of truck-wash water through a biotreatment system
- Used 100 percent low-VOC paints and sealants in the interior space
- Earned certification for Green Cleaning from the GREEN-GUARD Environmental Institute
- Recycled 98 percent of waste generated during construction

- **Waste Management Community EcoCenter Material Recovery Facility, Surprise, Arizona (LEED Silver, 2011)**

- Processes 500 tons of recyclable municipal solid waste per day
- Built on a former brownfield site, promoting land reuse
- Offers educational opportunities through an Environmental Education Center on the premises for community groups to learn about recycling and waste management
- Maximizes the use of gravity-powered conveyors where possible in recyclable processing
- Features four TITECH optical sorters, which use a state-of-the-art scanner and air blowers to sort recyclables, reducing labor time and increasing efficiency and sorting accuracy
- Received a 2011 Bronze Recycling Systems Excellence award from the Solid Waste Association of North America

- **Vehicle Maintenance Facility, Moreno Valley, California (LEED Gold, 2011)**

- Reduced facility water use by 54 percent and water used for landscape irrigation by 59 percent
- Constructed with 30 percent recycled material
- Features 70 percent building materials that were extracted, mined, grown and manufactured within a 500-mile radius of the project, reducing energy used for construction and related GHG emissions
- Saves 44 percent annually in energy costs compared to similar buildings
- Features energy-efficient design, including evaporative cooling, interior lighting that adjusts to maintain constant levels as exterior conditions change, and fluorescent lighting
- Recycled or reused more than 95 percent of waste generated during construction

## **CREATING A GOOD PLACE TO WORK**

### **Diversity and Recruitment**

As part of our ongoing effort to attract a diverse and talented workforce, Waste Management has built relationships with many national and community-based organizations to advance fair employment opportunities, especially for minority groups. The following are some of the groups with whom we have partnered:

- **National Urban League**, Houston chapter
- **National Association for the Advancement of Colored People** (NAACP) and its local chapters throughout the country
- **Human Rights Campaign**
- **National Society of Professional Engineers** and its local chapters
- **Goodwill Industries**
- **Committee for the Employment of People with Disabilities**, Dallas chapter
- **Texas Diversity Council**
- **Women in Trucking**
- **SIRE** (therapeutic horseback riding for individuals with disabilities), Houston chapter

In addition, many of Waste Management's career opportunities are posted on career sites designed to target a diverse range of qualified candidates. These include the following:

- Hispanic-Today
- IMDiversity
- Women for Hire
- The Black Collegian Online
- Women in Business and Industry
- GettingHired
- VetCentral
- Disability.gov
- Military Spouse Employment Partnership

As part of our talent acquisition strategy, we also maintain a presence at recruitment fairs and events sponsored by a variety of military-related organizations, including Recruit Military, Noncommissioned Officers Association (NCOA) Veteran Job Fairs and Hiring Our Heroes.



## Employee Benefits

We offer our employees competitive wages and benefits, including medical, dental and prescription drug coverage; short- and long-term disability; life insurance and accidental death benefits; retirement plans; and a stock purchase plan. The company also offers other important benefits such as legal services (e.g., wills, power of attorney), flexible spending accounts, adoption assistance, paid vacation and holidays, employee discounts, education savings accounts and scholarship programs.

The Waste Management Health and Welfare Benefits Plan allows employees to choose among different levels and types of coverage. The program's approach allows each employee to put together a mix of benefits that meets his or her needs while receiving significant tax advantages by paying for benefits on a pre-tax basis (as allowed by law). About 96 percent of our employees participate in our health and welfare plans.

Waste Management pays the full cost to provide its employees with short-term disability benefits, long-term disability benefits, basic life insurance for the employee and dependents, and employee and family assistance benefits. The costs for some coverage, such as medical and dental, are shared with employees, with Waste Management picking up a majority of the expense.

Additional benefits, such as the legal services plan, flexible spending accounts and education savings account, are voluntary, and employees only participate if they choose to do so and make the required contributions.

We are particularly proud of our wellness programs. We have a team of "Get Well Guides" — a group of nurses and coaches who help employees and their families get access to the help they may need for a variety of life challenges. Employees can dial a toll-free

phone number for support and confidential assistance from reliable, compassionate professionals who are trained as nurses, coaches, dietitians, clinicians and financial counselors. They are available for assistance with the following types of issues:

- Health questions
- Tobacco cessation
- Weight loss
- Financial advice and assistance
- Discounts on gym memberships and other wellness programs
- Family counseling
- Help with stress reduction, pain and coping with chronic illness

Our wellness programs also include on-site flu clinics and health fairs, where we provide blood pressure tests, blood lipid tests and other screenings that aid in the early detection of health risks. A health coach also meets individually with all participants to review their results and suggest action items to improve their health. Enlistment in wellness programs offers points toward Waste Management's recognition program, in which points are redeemed for a large selection of merchandise.

Our Transition to Recovery program helps injured or ill employees return to work sooner in temporary assignments that are consistent with their medically documented capabilities. These assignments help the employees remain productive and speed their medical recovery.

## Human Rights

Waste Management has operations and relationships in the United States and Canada, as well as a cost center in India (WM Logistics) and investments in the United Kingdom and Hong Kong. In January

2014, Waste Management divested its investment in China but will continue to provide technical services. This entity has an employee handbook in place that covers local compliance policies and practices.

The Waste Management Code of Conduct provides the protections afforded by international human rights frameworks and covers Waste Management employees who are located in North America, India, China, Hong Kong and the United Kingdom. Employees are required to report any noncompliance with the Foreign Corrupt Practices Act (FCPA) Policy to the Chief FCPA Compliance Officer or to the Waste Management Compliance and Ethics Help Line at 1-800-265-9381 for the United States and Canada, and 00-800-2659-3810 for outside the United States and Canada. We are aware of the UN Framework and Guiding Principles and believe that our Code of Conduct and corporate policies are consistent with the principles of that Framework. We do not believe any of our operations are at risk of infringing on the right to freedom of association, nor do we believe our workforce is at risk for incidents of child or forced/compulsory labor.

All employees are trained in the Waste Management Code of Conduct, and we expect all to comply.

### **Collective Bargaining**

We recognize and strictly adhere to the principle that our employees have the right to self-organization; to form, join or assist labor organizations; and to bargain collectively through representatives of their own choosing. We also recognize that our employees have a statutory right to refrain from such activities. Our company policies and procedures adhere to all applicable domestic laws concerning freedom of association and collective bargaining, nondiscrimination, forced labor and underage workers in the workplace.

Through our various subsidiaries, our company has successfully negotiated and now administers collective bargaining agreements that cover about 10,000 employees — about 20 percent of our workforce — in approximately 220 facilities.

## **ENGAGING WITH COMMUNITIES**

### **Environmental Justice**

Our dialogue on issues of environmental justice continues to be highly productive. On pp. 92–95 of the full report, we describe key dialogues on environmental justice that we actively support.

The chart on the following page shows the distribution of all of Waste Management's operations. In the upper quadrants are our facilities that are located in communities with above the state average income (measured at the 5 kilometer radius); in the lower quadrants are facilities found in communities with lower than the average state income. In the right-hand quadrants are sites located in areas above the state average in non-Hispanic white representation; the left-hand quadrants show facilities in communities under the state average. Our methodology is that employed by noted environmental justice academic experts and by the EPA in its regulatory programs. For more information on the methodology used to formulate this chart, please see p. 35 of the Appendix to our 2010 report.

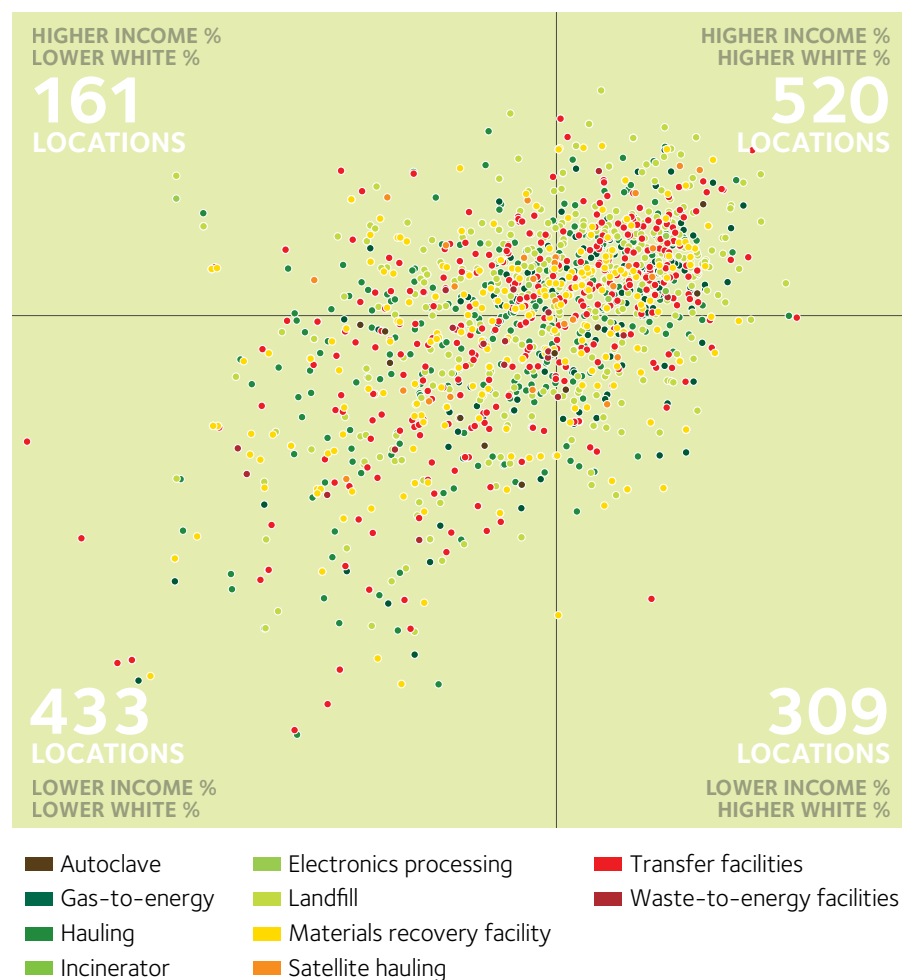
When we first released this type of demographic footprint for our landfills and waste-to-energy facilities in 2010, we reached out to environmental justice experts to determine whether this was useful and whether our disclosure could be improved. The response was a request to expand our reporting to include all of our facilities, and we provide this here. The following table includes the breakdown of the kinds of waste and recyclables management facilities we operate

and their demographics. The entire picture for Waste Management depicted in the “scatter chart” is generated automatically from a Microsoft Excel chart of our locations, U.S. census data, and state average race and income data. We will update this information when a new census is conducted or when Waste Management undergoes an acquisition or divestiture sufficient to change our demographic footprint (whichever comes earlier).

Facility type	% of facilities above average income	% of facilities above average white representation
Autoclave	64%	45%
Landfill gas to energy	35%	72%
Hauling companies	58%	56%
Medical waste incinerator	0%	100%
Electronics processing	50%	100%
Landfill	41%	68%
Materials recovery facilities	59%	47%
Satellite hauling	48%	66%
Transfer stations	54%	55%
Waste-to-energy	76%	41%
Total	48%	58%

## WASTE MANAGEMENT FACILITIES SITING<sup>16</sup>

This graphic shows that Waste Management’s facilities are located most frequently in upper-income white communities (the upper-right quadrant). They are least often found in upper-income non-white communities (upper-left quadrant).



<sup>16</sup> Note that each dot on the chart appears in relation to its deviation from the state average (50% white representation; 50% above average income). No adjustments or normalization has been made. When the chart is generated by Excel, the quadrants are proportioned to reflect the degree of deviation from the average represented by each axis.

## Stakeholder Engagement

During this reporting period, Waste Management has been one of hundreds of national, state and local organizations dedicated to solving environmental and social challenges. This diverse, extensive network helps us understand how we can provide value to the communities in which we operate through environmental stewardship and natural resource conservation.

All of our municipal solid waste and hazardous waste landfills and waste-to-energy facilities have some form of stakeholder engagement process — ranging from formal advisory groups to conservation projects, ongoing service to schools, engagement in local community groups, issuance of newsletters and creation of dedicated facility-specific web pages. Customer feedback is actively solicited.<sup>17</sup>

The following is a list of our ongoing partnerships at all levels.<sup>18</sup>

### NATIONAL PARTNERSHIPS

Business Associations	
ALTe Powertrain Technologies (advisory board member)	Coalition for American Electronics Recycling
American Bar Association, Waste and Resource Recovery Committee (vice chair)	Council for Sustainable Sport (ReSport)
American Biogas Council (board member)	Council of Industrial Boiler Owners (board member)
American Chemistry Council (affiliate member)	Edison Electric Institute (affiliate member)
American Trucking Association	Energy Recovery Council (board member)
Association of General Contractors of America	Energy Security Leadership Council (board member)
Association of Lighting and Mercury Recyclers (board member)	Environmental Industries Association (board member)
Association of Plastics Recyclers (board member)	Environmental Research and Education Foundation (board member)
Biomass Power Association	Food Industry Environmental Council
Business Council for Sustainable Energy	Geosynthetic Institute (board member)
Business for Social Responsibility	Green Sports Alliance
Business Network for Environmental Justice (chair)	Institute of Scrap Recycling, Inc.
Clean Air Network	National Association of Manufacturers (board member)

<sup>17</sup> See [www.wm.com/contact-us.jsp](http://www.wm.com/contact-us.jsp).

<sup>18</sup> This list is representative of our most active engagement and is not exhaustive of all employee memberships in partnerships and associations.

## NATIONAL PARTNERSHIPS (CONTINUED)

Business Associations (continued)	
National Minority Supplier Development Council	Sustainable Packaging Coalition
National Waste & Recycling Association (board member)	Sustainable Purchasing Leadership Council
RCRA Corrective Action Project	Superfund Settlements Project
Renewable Natural Gas Coalition	The Sustainability Consortium (CorpExec council member)
Secure America's Future Energy (board member)	Women's Business Enterprise National Council
Security Industry Association	
Multi-Stakeholder Groups	
Air & Waste Management Association	Habitat for Humanity
American Institute for Packaging and the Environment (AMERIPEN) (board member)	Institute of Hazardous Materials Management
ASIS International	International County and City Management Association
Association of Climate Change Officers	International Security Management Association
ASTM E50.04, Green and Sustainable Corrective Action Task Group	Interstate Technology & Regulatory Council, Green and Sustainable Remediation team
Board of Environmental Health and Safety	Keep America Beautiful (national board member)
Central Station Alarm Association	National Academies of Science, National Research Council (advisory council member)
Chesapeake Bay Foundation	National Association of Counties, Green Government Initiative
Climate Action Reserve	National Association of Latino Elected and Appointed Officials
Conference Board, Council of Corporate Security Executives	National Association of Local Government Environmental Professionals
Construction Materials Recycling Association (board member)	National Black Caucus of State Legislators, Corporate Roundtable
Crime Stoppers (board member)	National Burglar and Fire Alarm Association
Diversity Best Practices	National Conference of Black Mayors, Business Council
Electronics Recycling Coordination Clearinghouse	National Environmental Conference Board (board member)
Environmental Media Association (corporate board member)	National Recycling Coalition (board member)

## NATIONAL PARTNERSHIPS (CONTINUED)

Multi-Stakeholder Groups (continued)	
Northeast Recycling Council, Electronics Recycling Coordinating Clearinghouse (founding member)	U.S. Composting Council
Product Stewardship Institute (advisory committee member)	U.S. Conference of Mayors, Business Council (co-chair)
Society of Former Special Agents of the FBI	U.S. Conference of Mayors, Climate Protection Council
Solid Waste Association of North America (board member, technical division director)	U.S. Environmental Protection Agency, Environmental Financial Advisory Board
Sustainability Innovators Working Group	U.S. Environmental Protection Agency, National Environmental Justice Advisory Council
Sustainable Materials Management Coalition	U.S. Green Building Council
Sustainable Remediation Forum (SURF)	Wheelabrator Technologies, Symposium for the Environment (annual)
The Auditing Roundtable	Wildlife Habitat Council (chair and board member)

## STATE PARTNERSHIPS

Business Associations	
Arizona Chamber of Commerce (board member)	California Waste Association (board member)
Associated Industries of Massachusetts	CalStart
Association of Commerce & Industry, Environment Committee	Chemical Industry Council of Illinois
Association of Oregon Recyclers	Coalition for Clean Energy
BioEnergy Association of California (board member)	Colorado Association of Commerce and Industry
California Biomass Energy Association	Colorado Motor Carriers Association (board member)
California Chamber of Commerce	First Tee of the Virginia Peninsula (board member)
California Natural Gas Vehicle Coalition (board member)	Illinois Chamber of Commerce
California Refuse Recycling Council	Independent Energy Producers Association
California Resource Recovery Association	Independent Oil and Gas Association
California State University Fullerton, College of Natural Sciences and Mathematics, Sustainability Working Group (Dean's Advisory Council member)	Indiana Manufacturers Association

## STATE PARTNERSHIPS (CONTINUED)

Business Associations (continued)	
Iowa Recycling Association	Oregon Refuse and Recycling Association
James River Association	Pennsylvania Business Council
Keep Virginia Beautiful (board member)	Pennsylvania Chamber of Business and Industry
Leadership New Mexico	Pennsylvania Resource Council
Marcellus Shale Coalition	Professional Recyclers of Pennsylvania (board member, president)
Maryland Delaware Solid Waste Association	Recycling Alliance of Texas (board member and officer)
Michigan Chamber of Commerce	Recycling Association of Minnesota
Michigan Manufacturers Association	Rethink Recycling
Michigan Municipal League	Ronald McDonald House
Michigan Township Association	Salt Lake City Chamber of Commerce
Michigan Waste Industries Association	Texas Association of Business
Minnesota Chamber of Commerce	Texas State Bar
Minnesota Chamber of Commerce, Environment and Natural Resources Committee (vice chair)	Utah Trucking Association
Minnesota Chamber of Commerce, Recycling Committee	Utilities Telecommunications & Energy Coalition of West Virginia (board member)
Minnesota Chamber of Commerce, Waste Subcommittee (chair)	Virginia Forever (board member)
Minnesota Clerks and Finance Officers Association	Virginia Recycling Association
Municipal Solid Waste & Resource Advisory Council (chair)	Virginia Waste Industries Association (chair)
National Solid Wastes Management Association, Ohio Chapter (chair)	Washington State Recycling Association
National Solid Wastes Management Association, State Chapters	Waste 2 Resources Advisory Committee
New Hampshire Business & Industry Association	Waste Cap Resource Solutions
North Dakota Solid Waste & Recycling Association	West Virginia Chamber of Commerce
Ohio Manufacturers' Association	West Virginia Haulers Association
Ontario Environmental Industry Association	West Virginia Landfill Managers Association
Ontario Waste Management Association	West Virginia Oil and Natural Gas Association

## STATE PARTNERSHIPS (CONTINUED)

### Business Associations (continued)

Western Washington Clean Cities Association	Wisconsin Manufacturers & Commerce
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### Multi-Stakeholder Groups

American Public Works Association (New York and Michigan)	Great Plains Institute
Apogee Retail/Lupus Foundation	Illinois Recycling Association
Arizona League of Cities and Towns	Indiana Hunter Education
Associated Recyclers of Wisconsin	Iowa Governor's Anti-Litter Task Force
Association of Minnesota Counties	Iowa League of Cities
Association of New Jersey Recyclers	Ivey Tech College, Sustainable Energy Advisory Board (Indiana)
Association of Washington Businesses	Kansas Governor's Energy and Environment Plan (KEEP)
Association of Washington Cities	Keep America Beautiful, State Chapters (board members and officers)
Association of Washington Counties	Keep America Beautiful (gold sponsor)
California Cumulative Risk Advisory Committee	Leadership Council of Southwestern Illinois
California Product Stewardship Council	League of Minnesota Cities
California Stormwater Quality Association	Maryland Recycling Network (board member)
Children's Hospital of Wisconsin Foundation	Michigan Association of Environmental Professionals (board member)
Clean Energy Coalition, Michigan	Michigan Department of Natural Resources and Environment, Solid Waste Advisory Committee
Colorado Alliance for Environmental Education	Minnesota Energy Smart (board member)
Colorado Association for Recycling (board member)	Minnesota Environmental Initiative (board member)
Colorado Counties Foundation (board member)	Minnesota Governor's Climate Change Advisory Task Force
Colorado Environmental Coalition	Minnesota Multi Housing Association
Colorado Municipal League	Minnesota Pollution Control Agency, Product Stewardship and Construction and Demolition Task Forces
Environment Virginia	Minnesota Pollution Control Agency, Solid Waste Stakeholder Group
Epilepsy Foundation	Minnesota Waste Wise (board member)
Goodwill	Muscular Dystrophy Association



## STATE PARTNERSHIPS (CONTINUED)

Multi-Stakeholder Groups (continued)	
National Audubon Society (state chapters)	Solid Waste Association of North America, State Chapters (board members and officers)
Natural Resources Foundation of Wisconsin	Solid Waste Districts Citizen Advisory Boards (multiple – Indiana)
New Hampshire Businesses for Social Responsibility	State of Texas Alliance for Recycling (board member and legislative committee chair)
New Hampshire Waste Management Council	Susan G. Komen 3-Day
New Mexico Association of Counties	Texas Audubon Society (board member)
New Mexico Environment Department, Working Groups on Environmental Justice and Recycling	Texas Commission on Environmental Quality, Pollution Prevention Advisory Committee
New Mexico Governor’s Task Force on Greenhouse Gases	Texas Society for Ecological Restoration
New Mexico League of Cities and Towns	The California Climate Action Registry
New Mexico Recycling Coalition	The Climate Registry
North Dakota League of Cities	University of Wisconsin Arboretum
Pennsylvania Department of Environmental Protection, Water Resource Advisory Committee’s “Total Dissolved Solids” Stakeholder Group (board members)	Utah League of Cities and Towns
Pennsylvania Environmental Justice Advisory Committee (board member)	Utah Recycling Coalition
Pheasants Forever	Virginia Municipal League
Recycle Florida Today (board member)	Washington Conservation Voters, Western Climate Initiative
Regional Greenhouse Gas Initiative	Young Professional Women in Energy (board member)
Salvation Army	

## LOCAL PARTNERSHIPS

Business Associations	
Battle Creek Chamber of Commerce (board member)	Chamber of Commerce of the Mid-Ohio Valley
Canton Road Business Association (board member)	Eastpointe/Roseville Chamber of Commerce

## LOCAL PARTNERSHIPS (CONTINUED)

Business Associations (continued)	
Ferris Main Streets Board	Rio Rancho Chamber of Commerce
Greater DFW Recycling Alliance (secretary)	Simi Valley Chamber of Commerce (board member)
Harrison County Chamber of Commerce	Simi Valley Kiwanis
Kalamazoo County Council of Government	Southern California Sustainability Support Group
Local Chambers of Commerce (New Hampshire, Illinois and Indiana) (board members)	Spokane Chamber of Commerce
North Texas Corporate Recycling Alliance	Sterling Heights Regional Chamber of Commerce & Industry
Orion Area Chamber of Commerce	Texas Society for Ecological Restoration (secretary)
Phoenix Chamber of Commerce	The Greater Houston Partnership
Richmond Chamber of Commerce	The Houston Bar Association
Multi-Stakeholder Groups	
Air Alliance of Houston	Bremen, Indiana, Food Pantry
Air and Waste Management Association, Alamo Chapter	Bucks County Park and Recreation Board (chair)
American Cancer Society, Metro Golf Classic (board member)	Buffalo Bayou Partnership (board member)
American Leadership Forum	Cannon River Watershed Partnership
American Public Works Association, Monroe County	Chippewa Conservation District
ARISE Detroit – Neighborhoods Day	Christian County, Illinois, Economic Development Corp. (board member)
Aurora Economic Development Council (board member)	City and County of Honolulu, Solid Waste Advisory Committee
Bayou Preservation Association (board member)	City of Baltimore, Cleaner Greener Fund
Belleville Area Council for the Arts	City of Elgin, Illinois, Sustainability Task Force
Benedictine University, Business with Science Applications Program (board member)	City of Peoria, Illinois, Sustainability Commission
Big Brothers/Big Sisters (board member)	City of Simi Valley, California, Sustainability Committee
Boy Scouts of America (multiple chapters in many states)	Clare County Solid Waste & Recycling Committee (2 board members)
Boys & Girls Clubs	CLEAN (Committing to Litter Enforcement and Adopting Neighborhoods) (Peekskill, New York)

## LOCAL PARTNERSHIPS (CONTINUED)

Multi-Stakeholder Groups (continued)	
Clinton River Watershed Council	Keep America Beautiful, Local Government Chapters (board members and officers)
Cobb County Neighborhood Safety Commission (board member)	Keep Saginaw Beautiful
Community Character Coalition, Elk Grove Village, Illinois	King County Solid Waste Advisory Committee
County of Manitowoc, Clean Sweep Program	Lake Orion Education Foundation
De Kalb County, Illinois, Economic Development Corporation	Lake St. Clair Channel Keepers
Detroit Keep It Moving, Keep America Beautiful Organization	LaSalle County, Illinois, Citizens Advisory Board
Detroit Motor City Makeover	Leadership Broward (Broward County, Florida)
Drexel University, Office of Research, Biosafety Committee (board member)	Leadership Houston (board member)
EASE (Emergency Assistance Service Effort) Foundation (Davie, Florida) (board member)	Lifetime – Torchlight Run
Ecobots	Macomb Conservation District (supporter)
Fairmont Medical Center	Marquette Area Blues Society
Friends of the Rouge (current supporter, former board member)	Massachusetts Audubon Society
Greater Houston Partnership (board member)	Merrimack Valley Economic Development Council, Inc. (Lawrence, Massachusetts)
Green Houston (board member)	Minooka, Illinois, High School Athletic Boosters, Golf Outing Fundraiser Committee
Hermann Park Conservancy (board member)	Montgomery County, Ohio, Keep America Beautiful Chapter
Houston Arboretum and Nature Center (board member)	National Wild Turkey Federation (Tioga Chapter, Indiana)
Houston Food Bank	Nature Conservancy of Houston (board member)
Houston Wilderness (board member)	Neighborhood House, Peoria, Illinois
Humble ISD	New York City Center for the Urban Environment
Illinois Math and Science Partnership School, Aurora University (industry partner)	Orion Art Center
Junior League of Houston	Orion Boys & Girls Club

## LOCAL PARTNERSHIPS (CONTINUED)

Multi-Stakeholder Groups (continued)	
Orion Solid Waste Committee (committee member)	St. James Farm Forest Preserve (volunteer)
Orion Township, "Look for the Good" Campaign	Suburban Cities Association
Orion Township, Recycling Committee	Sun Valley Beautiful
Partners in Education (Broward County, Florida)	Sustainable DC Working Group
Pheasants Forever Chapters (board member)	Swim Teal Lake – Diabetes
Portland Metro Solid Waste Advisory Committee	Taylorville, Illinois, Development Association (board member)
Recycling Task Force, Solid Waste Agency, Lake County, Illinois	Taylorville, Illinois, Memorial Hospital (board member)
Relay for Life	The Nat Moore Foundation
Richmond Regional Youth Facility	The Park People (board member)
Roundy's Foundation/Milwaukee Public Library	Three Rivers Festival Committee (Channahon, Illinois)
Saugus Business Education Collaborative (Saugus, Massachusetts) (board member)	University of Southern California, "SEER" Project
SEARCH (board member)	Urban League (local board member)
Seattle Solid Waste Advisory Committee	U.S. Green Building Council, Inland Empire Chapter
Simi Valley Boys & Girls Club (board member)	Village of Lake Orion, Downtown Development Authority
Simi Valley Cultural Arts Association (board member)	Washington DC Metropolitan Scholars (board members)
Simi Valley Education Foundation (board member)	Waterfowl U.S.A. (supporter)
Simi Valley Family YMCA (board member)	Will County, Illinois, Center for Economic Development
Simi Valley Police Foundation (board member)	Wisconsin Clean Cities, Southeast Area
Simi Valley Police Officers Association (board member)	Women in Distress, Inc.
Six Rivers Land Conservancy	Women's Center (board member)
SOS Children's Villages – Florida (Broward County, Florida) (board member)	YMCA of Broward County
South Baltimore Learning Center (board member)	YMCA of Miami-Dade County
Southside Manor Apartments, Peoria, Illinois	

## GRI INDEX

Waste Management used the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) to prepare this report at a self-declared application level of “B.” This index outlines which of the GRI disclosures and performance indicators we have fully or partially reported and where in the report or other public documents information on each disclosure or indicator can be found. Core indicators are shown in regular font; additional indicators are in green. Please visit [www.globalreporting.org](http://www.globalreporting.org) for additional information on the Guidelines.

### STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

Profile Disclosure	Description	Reported	Cross-Reference/ Direct Answer
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization.	Fully	pp. 3–4
1.2	Description of key impacts, risks, and opportunities.	Fully	pp. 3–4, 6–8, 15–16, 48–56 Appendix pp. 2–6
<b>2. Organizational Profile</b>			
2.1	Name of the organization.	Fully	p. 13
2.2	Primary brands, products, and/or services.	Fully	pp. 5, 7–8
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	pp. 5, 7–8, 13 Please also see <a href="#">Waste Management’s 2013 Form 10-K</a> .
2.4	Location of organization’s headquarters.	Fully	p. 5
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	p. 13
2.6	Nature of ownership and legal form.	Fully	p. 5

Profile Disclosure	Description	Reported	Cross-Reference/ Direct Answer
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	pp. 7–8, 13, 15–16, 18–22, 25–26, 28, 35–42, 44–56 Appendix pp. 33–34 Please also see <a href="#">Waste Management's 2013 Form 10-K</a> pp. 3–8.
2.8	Scale of the reporting organization.	Fully	pp. 5, 13
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	pp. 3, 26, 60 Please also see <a href="#">Waste Management's 2013 Form 10-K</a> pp. 4, 132–136.
2.10	Awards received in the reporting period.	Fully	pp. 9–11, 22, 42, 50, 54, 56, 62, 74, 77, 99 Appendix p. 23

### 3. Report Parameters

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	p. 13
3.2	Date of most recent previous report (if any).	Fully	p. 13
3.3	Reporting cycle (annual, biennial, etc.).	Fully	p. 13
3.4	Contact point for questions regarding the report or its contents.	Fully	p. 13
3.5	Process for defining report content.	Fully	p. 13
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	p. 13
3.7	State any specific limitations on the scope or boundary of the report.	Fully	p. 13
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Please see <a href="#">Waste Management's 2013 Form 10-K</a> pp. 83–97.

Profile Disclosure	Description	Reported	Cross-Reference/ Direct Answer
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	pp. 12–13, 100–101 Appendix pp. 27–29 Data measurement techniques are included as notes to data tables throughout the report.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	pp. 44, 101 Re-statements of information provided in earlier reports are noted as relevant in footnotes and data notes throughout the report.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	p. 13 Changes to data measurement methods are provided as relevant in footnotes and data notes throughout the report. There were no significant changes in reporting scope or boundaries from the previous report.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	p. 13
<b>4. Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Appendix pp. 3–4
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Appendix p. 4
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Appendix p. 4

Profile Disclosure	Description	Reported	Cross-Reference/ Direct Answer
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Appendix pp. 2, 4 For more details on shareholder communications please see <a href="#">Investor Relations</a> .
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Appendix pp. 2–3, 8 Please also see <a href="#">Waste Management's 2014 Proxy Statement</a> pp. 22–51.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Appendix pp. 4, 6
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Please see the <a href="#">charter</a> for the Nominating and Governance Committee of our Board of Directors.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Appendix pp. 6, 17–18, 34
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Appendix pp. 2–6
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Please see <a href="#">Waste Management Board Mission and Responsibilities</a> .
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Appendix pp. 4–6
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	pp. 62, 63, 66, 73 Appendix pp. 8, 28, 34



Profile Disclosure	Description	Reported	Cross-Reference/ Direct Answer
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	pp. 63, 66 Appendix pp. 28, 36–44
4.14	List of stakeholder groups engaged by the organization.	Fully	Appendix pp. 36–44
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Appendix pp. 2, 36
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	pp. 13, 78, 91, 92–95 Appendix pp. 2–3, 11–12, 14–15, 19, 24–25, 34–36 Also please see our <a href="#">Code of Conduct</a> pp. 22–23.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	pp. 92–95 Appendix pp. 34–35

## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DMA	Description	Reported	Cross-Reference/Direct Answer
<b>DMA EC</b>	<b>Disclosures on Management Approach Economic Aspects</b>		
	Economic performance	Fully	pp. 3–5 Appendix pp. 5–6 Please also see <a href="#">Waste Management’s 2013 Form 10-K</a> pp. 33–34.
	Market presence	Fully	Please see <a href="#">Waste Management’s 2013 Form 10-K</a> p. 3.
	Indirect economic impacts	Fully	pp. 49–50

DMA	Description	Reported	Cross-Reference/Direct Answer
<b>DMA EN</b>	<b>Disclosures on Management Approach Environmental</b>		
<b>Aspects</b>			
	Materials	Fully	p. 72 Appendix pp. 31–32
	Energy	Fully	pp. 44–46, 48–52, 54–56, 61–70, 72 Appendix pp. 6, 21–22, 27–29, 31–32
	Water	Fully	pp. 60, 71, 72 Appendix pp. 7–17, 26–27, 30, 31–32
	Biodiversity	Fully	pp. 73–74 Appendix pp. 7–17
	Emissions, effluents and waste	Fully	pp. 59–69 Appendix pp. 7–17, 27–32
	Products and services	Fully	pp. 43–56, 59–74 Appendix pp. 7–17, 26–27, 29–31
	Compliance	Fully	Appendix pp. 7–17, 26
	Transport	Fully	pp. 56, 61–69 Appendix pp. 7–17, 27
	Overall	Fully	Appendix pp. 5–6, 7–17, 26–32
<b>DMA LA</b>	<b>Disclosures on Management Approach Labor Practices and Decent Work</b>		
<b>Aspects</b>			
	Employment	Fully	pp. 76, 78–79 Appendix p. 33 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Labor/management relations	Fully	Appendix p. 34 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.

DMA	Description	Reported	Cross-Reference/Direct Answer
	Occupational health and safety	Fully	pp. 81–82 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Training and education	Fully	pp. 61, 79, 83–86 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.
	Diversity and equal opportunity	Fully	p. 77 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing issues of labor affairs.

**DMA HR Disclosures on Management Approach Human Rights**

Aspects			
Investment and procurement practices	Fully	Appendix pp. 17–20 Also please see our <a href="#">Code of Conduct</a> . <a href="#">Mark Schwartz</a> is Waste Management’s Senior Vice President of Human Resources and holds the senior leadership position overseeing human rights issues.	
Non-discrimination	Fully	p. 78 Appendix pp. 18, 34 Also please see our <a href="#">Code of Conduct</a> .	
Freedom of association and collective bargaining	Fully	Appendix pp. 18, 33–34 Also please see our <a href="#">Code of Conduct</a> .	
Child labor	Fully	Appendix pp. 18, 33–34 Also please see our <a href="#">Code of Conduct</a> .	
Forced and compulsory labor	Fully	Appendix pp. 18, 33–34 Also please see our <a href="#">Code of Conduct</a> .	
Security practices	Not		
Indigenous rights	Not		

DMA	Description	Reported	Cross-Reference/Direct Answer
<b>DMA SO</b>	<b>Disclosures on Management Approach Society</b>		
<b>Aspects</b>			
	Community	Fully	pp. 88, 92–93, 94–95 Also please see our <a href="#">Code of Conduct</a> .
	Corruption	Fully	Appendix pp. 6, 34
	Public policy	Fully	Appendix pp. 20–22 Also please see our <a href="#">Code of Conduct</a> pp. 17–18. <a href="#">Barry Caldwell</a> is Waste Management’s Senior Vice President of Corporate Affairs and Chief Legal Officer, which is the senior leadership position overseeing public policy.
	Anti-competitive behavior	Fully	Appendix p. 6 Please see <a href="#">Code of Conduct</a> pp. 20–21.
	Compliance	Fully	Appendix pp. 7–17, 26 Steve Morgan is Waste Management’s Chief Compliance Officer and holds the senior leadership position overseeing compliance issues.
<b>DMA PR</b>	<b>Disclosures on Management Approach Product Responsibility</b>		
<b>Aspects</b>			
	Customer health and safety	Fully	Through our environmental management and compliance systems, we assess and manage environmental health and safety risks associated with our products and services, and in this way, work to ensure safety for our customers. pp. 59–69 Appendix pp. 7–17, 26–27, 29–31 Jeff Martin is Waste Management’s Vice President of Safety Services and holds the leadership position overseeing safety issues.
	Product and service labeling	Partially	Appendix p. 7
	Marketing communications	Fully	<a href="#">Barry Caldwell</a> is Waste Management’s Senior Vice President of Corporate Affairs and Chief Legal Officer, which is the most senior position with responsibility for communications.
	Customer privacy	Fully	Please see our <a href="#">Privacy Policy</a> .
	Compliance	Fully	Appendix pp. 7–17, 26

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Economic</b>			
<b>Economic performance</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	pp. 5, 98 Appendix p. 26 Please also see <a href="#">Waste Management's 2014 Proxy Statement</a> p. 22.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Appendix pp. 5-6
EC3	Coverage of the organization's defined benefit plan obligations.	Not	
EC4	Significant financial assistance received from government.	Not	
<b>Market presence</b>			
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Partially	Appendix p. 18
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	pp. 60, 61-63, 70, 73-74
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partially	pp. 49-50

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Environmental</b>			
<b>Materials</b>			
EN1	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Partially	Appendix pp. 18, 31–32
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Partially	pp. 61–63, 67–70 Appendix pp. 27–29
EN4	Indirect energy consumption by primary source.	Not	
EN5	Energy saved due to conservation and efficiency improvements.	Partially	pp. 63–65, 70, 72 Appendix pp. 31–32
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	pp. 43–56, 63–65, 69, 70
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	p. 72 Appendix pp. 31–32
<b>Water</b>			
EN8	Total water withdrawal by source.	Partially	p. 71
EN9	Water sources significantly affected by withdrawal of water.	Partially	pp. 59–60, 71 Appendix p. 30
EN10	Percentage and total volume of water recycled and reused.	Partially	pp. 71, 72 Appendix pp. 31–32
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	p. 73
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	pp. 73–74

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
EN13	Habitats protected or restored.	Fully	pp. 73–74
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	pp. 73–74
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	pp. 61, 65–69 Appendix pp. 27–29
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	pp. 61–65, 65–69, 70, 72 Appendix pp. 27–29, 31–32
EN19	Emissions of ozone-depleting substances by weight.	Not	
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	Partially	pp. 61–62 Appendix pp. 29–30
EN21	Total water discharge by quality and destination.	Partially	p. 60 Appendix pp. 29–30
EN22	Total weight of waste by type and disposal method.	Not	
EN23	Total number and volume of significant spills.	Fully	Appendix p. 27
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	pp. 43–56, 58–74
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Partially	Appendix p. 26
<b>Transport</b>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	pp. 61–65, 67–69 Appendix pp. 27–29
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Fully	Appendix p. 26
<b>Social: Labor Practices and Decent Work</b>			
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region.	Fully	p. 77
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	p. 78
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Partially	Appendix p. 33



Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Partially	Appendix p. 34
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	
<b>Occupational health and safety</b>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	pp. 83–84
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	Appendix p. 33
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	
<b>Training and education</b>			
LA10	Average hours of training per year per employee by employee category.	Partially	pp. 61, 84
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	Appendix p. 33
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	p. 78

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Diversity and equal opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	p. 77
LA14	Ratio of basic salary of men to women by employee category.	Not	
<b>Social: Human Rights</b>			
<b>Investment and procurement practices</b>			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Partially	Please see our <a href="#">Code of Conduct</a> .
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	
<b>Non-discrimination</b>			
HR4	Total number of incidents of discrimination and actions taken.	Not	
<b>Freedom of association and collective bargaining</b>			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Appendix pp. 33–34
<b>Child labor</b>			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Appendix pp. 33–34

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Forced and compulsory labor</b>			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Appendix pp. 33–34
<b>Security practices</b>			
HR8	Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
<b>Indigenous rights</b>			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
<b>Social: Society</b>			
<b>Community</b>			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	p. 71 Appendix pp. 7–17
<b>Corruption</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not	
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.	Fully	Appendix pp. 6, 20, 33–34
SO4	Actions taken in response to incidents of corruption.	Not	
<b>Public policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Appendix pp. 20–22
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Partially	Appendix pp. 20–22

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Anti-competitive behavior</b>			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	
<b>Compliance</b>			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Partially	Please see <a href="#">Waste Management's 2014 Proxy Statement</a> pp. 117–118.
<b>Social: Product Responsibility</b>			
<b>Customer health and safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Through our environmental management and compliance systems, we assess and manage environmental health and safety risks associated with our products and services, and in this way, work to ensure safety for our customers. pp. 59–74 Appendix pp. 7–17, 26–27, 29–31
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	
<b>Product and service labeling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	Appendix pp. 24–25

Performance Indicator	Description	Reported	Cross-Reference/ Direct Answer
<b>Marketing communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	
<b>Customer privacy</b>			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Partially	Please see <a href="#">Waste Management's 2014 Proxy Statement</a> pp. 117–118.