

REFINITIV

DELTA REPORT

10-Q

WM - WASTE MANAGEMENT INC
10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	2535
CHANGES	168
DELETIONS	1004
ADDITIONS	1363

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **March 31**, **June 30**, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-12154

Waste Management, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

73-1309529

(I.R.S. Employer
Identification No.)

800 Capitol Street

Suite 3000

Houston, Texas 77002

(Address of principal executive offices)

(713) 512-6200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.01 par value	WM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the

Exchange Act.

Large accelerated filer ☒
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of shares of Common Stock, \$0.01 par value, of the registrant outstanding as of April 22, 2024 at July 22, 2024 was 401,083,098 401,314,827 (excluding treasury shares of 229,199,363 228,967,634).

PART I.

Item 1. Financial Statements.

WASTE MANAGEMENT, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In Millions, Except Share and Par Value Amounts)

	March 31, 2024 (Unaudited)	December 31, 2023	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 322	\$ 458	\$ 172	\$ 458
Accounts receivable, net of allowance for doubtful accounts of \$27 and \$30, respectively	2,530	2,633		
Other receivables, net of allowance for doubtful accounts of \$5 and \$4, respectively	155	237		
Accounts receivable, net of allowance for doubtful accounts of \$29 and \$30, respectively			2,728	2,633
Other receivables, net of allowance for doubtful accounts of \$4 and \$4, respectively			252	237
Parts and supplies	189	173	183	173
Other assets	333	303		
Other current assets			1,104	303
Total current assets	3,529	3,804	4,439	3,804
Property and equipment, net of accumulated depreciation and depletion of \$23,144 and \$22,826, respectively	17,044	16,968		
Property and equipment, net of accumulated depreciation and depletion of \$23,310 and \$22,826, respectively			17,420	16,968
Goodwill	9,246	9,254	9,363	9,254
Other intangible assets, net	728	759	753	759
Restricted funds	524	422	465	422
Investments in unconsolidated entities	589	606	552	606
Other assets	1,006	1,010		
Other long-term assets			1,007	1,010
Total assets	\$ 32,666	\$ 32,823	\$ 33,999	\$ 32,823

LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	\$ 1,617	\$ 1,709	\$ 1,785	\$ 1,709
Accrued liabilities	1,410	1,605	1,525	1,605
Deferred revenues	586	578	584	578
Current portion of long-term debt	336	334	242	334
Total current liabilities	3,949	4,226	4,136	4,226
Long-term debt, less current portion	15,762	15,895	16,501	15,895
Deferred income taxes	1,880	1,826	1,826	1,826
Landfill and environmental remediation liabilities	2,912	2,888	2,936	2,888
Other liabilities	1,085	1,092		
Other long-term liabilities			1,149	1,092
Total liabilities	25,588	25,927	26,548	25,927
Commitments and contingencies (Note 6)				
Equity:				
Waste Management, Inc. stockholders' equity:				
Common stock, \$0.01 par value; 1,500,000,000 shares authorized; 630,282,461 shares issued	6	6	6	6
Additional paid-in capital	5,352	5,351	5,433	5,351
Retained earnings	14,738	14,334	15,104	14,334
Accumulated other comprehensive (loss) income	(60)	(37)	(73)	(37)
Treasury stock at cost 228,979,512 and 228,827,218 shares, respectively	(12,954)	(12,751)		
Treasury stock at cost, 229,183,391 and 228,827,218 shares, respectively			(13,013)	(12,751)
Total Waste Management, Inc. stockholders' equity	7,082	6,903	7,457	6,903
Noncontrolling interests	(4)	(7)	(6)	(7)
Total equity	7,078	6,896	7,451	6,896
Total liabilities and equity	\$ 32,666	\$ 32,823	\$ 33,999	\$ 32,823

See Notes to Condensed Consolidated Financial Statements.

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WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In Millions, Except per Share Amounts) (Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Operating revenues	\$ 5,159	\$ 4,892
Costs and expenses:		
Operating	3,140	3,086
Selling, general and administrative	491	476
Depreciation, depletion and amortization	514	505
Restructuring	—	3
(Gain) loss from divestitures, asset impairments and unusual items, net	(2)	(3)
	4,143	4,067
Income from operations	1,016	825
Other income (expense):		
Interest expense, net	(130)	(120)

Equity in net losses of unconsolidated entities	(19)	(11)		
Other, net	2	2		
	<u>(147)</u>	<u>(129)</u>		
Income before income taxes	869	696		
Income tax expense	162	164		
Consolidated net income	707	532		
Less: Net income (loss) attributable to noncontrolling interests	(1)	(1)		
Net income attributable to Waste Management, Inc.	<u>\$ 708</u>	<u>\$ 533</u>		
Basic earnings per common share	<u>\$ 1.76</u>	<u>\$ 1.31</u>		
Diluted earnings per common share	<u>\$ 1.75</u>	<u>\$ 1.30</u>		

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Operating revenues	<u>\$ 5,402</u>	<u>\$ 5,119</u>	<u>\$ 10,561</u>	<u>\$ 10,011</u>
Costs and expenses:				
Operating	3,291	3,186	6,431	6,272
Selling, general and administrative	501	467	992	943
Depreciation, depletion and amortization	543	521	1,057	1,026
Restructuring	—	1	—	4
(Gain) loss from divestitures, asset impairments and unusual items, net	58	—	56	(3)
	<u>4,393</u>	<u>4,175</u>	<u>8,536</u>	<u>8,242</u>
Income from operations	<u>1,009</u>	<u>944</u>	<u>2,025</u>	<u>1,769</u>
Other income (expense):				
Interest expense, net	(136)	(125)	(266)	(245)
Equity in net income (losses) of unconsolidated entities	22	(12)	3	(23)
Other, net	(1)	2	1	4
	<u>(115)</u>	<u>(135)</u>	<u>(262)</u>	<u>(264)</u>
Income before income taxes	894	809	1,763	1,505
Income tax expense	214	196	376	360
Consolidated net income	680	613	1,387	1,145
Less: Net income (loss) attributable to noncontrolling interests	—	(2)	(1)	(3)
Net income attributable to Waste Management, Inc.	<u>\$ 680</u>	<u>\$ 615</u>	<u>\$ 1,388</u>	<u>\$ 1,148</u>
Basic earnings per common share	<u>\$ 1.70</u>	<u>\$ 1.52</u>	<u>\$ 3.46</u>	<u>\$ 2.82</u>
Diluted earnings per common share	<u>\$ 1.69</u>	<u>\$ 1.51</u>	<u>\$ 3.44</u>	<u>\$ 2.81</u>

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Consolidated net income	<u>\$ 707</u>	<u>\$ 532</u>
Other comprehensive income (loss), net of tax:		
Derivative instruments, net	—	5
Available-for-sale securities, net	1	5
Foreign currency translation adjustments	(24)	2
Post-retirement benefit obligations, net	—	—
Other comprehensive income (loss), net of tax	<u>(23)</u>	<u>12</u>
Comprehensive income	684	544
Less: Comprehensive income (loss) attributable to noncontrolling interests	(1)	(1)
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 685</u>	<u>\$ 545</u>

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Consolidated net income	\$ 680	\$ 613	\$ 1,387	\$ 1,145
Other comprehensive income (loss), net of tax:				
Derivative instruments, net	(1)	6	(1)	11
Available-for-sale securities, net	(1)	—	—	5
Foreign currency translation adjustments	(10)	20	(34)	22
Post-retirement benefit obligations, net	(1)	(1)	(1)	(1)
Other comprehensive income (loss), net of tax	(13)	25	(36)	37
Comprehensive income	667	638	1,351	1,182
Less: Comprehensive income (loss) attributable to noncontrolling interests	—	(2)	(1)	(3)
Comprehensive income attributable to Waste Management, Inc.	\$ 667	\$ 640	\$ 1,352	\$ 1,185

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		June 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Consolidated net income	\$ 707	\$ 532	\$ 1,387	\$ 1,145
Adjustments to reconcile consolidated net income to net cash provided by operating activities:				
Depreciation, depletion and amortization	514	505	1,057	1,026
Deferred income tax expense (benefit)	57	42	14	31
Interest accretion on landfill and environmental remediation liabilities	33	32	66	65
Provision for bad debts	10	9	26	20
Equity-based compensation expense	30	26	57	47
Net gain on disposal of assets	(10)	(10)	(50)	(20)
(Gain) loss from divestitures, asset impairments and other, net	(2)	(3)	56	(3)
Equity in net losses of unconsolidated entities, net of dividends	19	11		
Equity in net (income) losses of unconsolidated entities, net of dividends			(3)	23
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:				
Receivables	176	138	(127)	(105)
Other current assets	(45)	(51)	(30)	(29)
Other assets	(4)	22	63	43
Accounts payable and accrued liabilities	(102)	(145)	85	(22)
Deferred revenues and other liabilities	(16)	(64)	(80)	(147)
Net cash provided by operating activities	1,367	1,044	2,521	2,074
Cash flows from investing activities:				
Acquisitions of businesses, net of cash acquired	(11)	(34)	(243)	(118)
Capital expenditures	(668)	(660)	(1,335)	(1,180)
Proceeds from divestitures of businesses and other assets, net of cash divested	15	11	58	46
Other, net	(91)	(95)	(839)	(87)

Net cash used in investing activities	(755)	(778)	(2,359)	(1,339)
Cash flows from financing activities:				
New borrowings	4,412	6,885	9,180	11,356
Debt repayments	(4,570)	(6,548)	(8,752)	(11,074)
Common stock repurchase program	(250)	(350)	(262)	(620)
Cash dividends	(307)	(289)	(608)	(572)
Exercise of common stock options	32	12	36	25
Tax payments associated with equity-based compensation transactions	(48)	(28)	(48)	(28)
Other, net	(6)	(1)	(10)	(6)
Net cash used in financing activities	(737)	(319)	(464)	(919)
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(2)	—	(4)	2
(Decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(127)	(53)	(306)	(182)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	552	445	552	445
Cash, cash equivalents and restricted cash and cash equivalents at end of period	\$ 425	\$ 392	\$ 246	\$ 263
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents at end of period:				
Cash and cash equivalents	\$ 322	\$ 257	\$ 172	\$ 144
Restricted cash and cash equivalents included in other current assets	34	62	4	43
Restricted cash and cash equivalents included in restricted funds	69	73	70	76
Cash, cash equivalents and restricted cash and cash equivalents at end of period	\$ 425	\$ 392	\$ 246	\$ 263

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Millions, Except Shares in Thousands)
(Unaudited)

	Waste Management, Inc. Stockholders' Equity									
	Accumulated									Noncontrolling Interests
	Total	Common Stock		Paid-In Capital	Retained Earnings	Other Comprehensive (Loss) Income	Treasury Stock			
		Shares	Amounts				Shares	Amounts		
2024										
Balance, December 31, 2023	\$ 6,896	630,282	\$ 6	\$ 5,351	\$ 14,334	\$ (37)	(228,827)	\$ (12,751)	\$ (7)	
Consolidated net income	707	—	—	—	708	—	—	—	(1)	
Other comprehensive income (loss), net of tax	(23)	—	—	—	—	(23)	—	—	—	
Cash dividends declared of \$0.75 per common share	(307)	—	—	—	(307)	—	—	—	—	
Equity-based compensation transactions, net	51	—	—	(12)	3	—	1,075	60	—	
Common stock repurchase program	(253)	—	—	10	—	—	(1,228)	(263)	—	
Other, net	7	—	—	3	—	—	—	—	4	
Balance, March 31, 2024	\$ 7,078	630,282	\$ 6	\$ 5,352	\$ 14,738	\$ (60)	(228,980)	\$ (12,954)	\$ (4)	
2023										
Balance, December 31, 2022	\$ 6,864	630,282	\$ 6	\$ 5,314	\$ 13,167	\$ (69)	(222,396)	\$ (11,569)	\$ 15	
Consolidated net income	532	—	—	—	533	—	—	—	(1)	

Other comprehensive income (loss), net of tax	12	—	—	—	—	12	—	—	—
Cash dividends declared of \$0.70 per common share	(289)	—	—	—	(289)	—	—	—	—
Equity-based compensation transactions, net	42	—	—	—	3	—	766	39	—
Common stock repurchase program	(353)	—	—	(70)	—	—	(1,862)	(283)	—
Other, net	—	—	—	—	—	—	1	—	—
Balance, March 31, 2023	\$ 6,808	630,282	\$ 6	\$ 5,244	\$ 13,414	\$ (57)	(223,491)	\$ (11,813)	\$ 14

	Waste Management, Inc. Stockholders' Equity									
	Accumulated									Noncontrolling Interests
	Total	Common Stock		Paid-In Capital	Retained Earnings	Other Comprehensive (Loss) Income	Treasury Stock			
		Shares	Amounts				Shares	Amounts		
Three Months Ended June 30:										
2024										
Balance, March 31, 2024	\$ 7,078	630,282	\$ 6	\$ 5,352	\$ 14,738	\$ (60)	(228,980)	\$ (12,954)	\$	(4)
Consolidated net income	680	—	—	—	680	—	—	—	—	—
Other comprehensive income (loss), net of tax	(13)	—	—	—	—	(13)	—	—	—	—
Cash dividends declared of \$0.75 per common share	(301)	—	—	—	(301)	—	—	—	—	—
Equity-based compensation transactions, net	31	—	—	29	(1)	—	62	3	—	—
Common stock repurchase program	(12)	—	—	50	—	—	(266)	(62)	—	—
Adoption of new accounting standard	(12)	—	—	—	(12)	—	—	—	—	—
Other, net	—	—	—	2	—	—	1	—	—	(2)
Balance, June 30, 2024	\$ 7,451	630,282	\$ 6	\$ 5,433	\$ 15,104	\$ (73)	(229,183)	\$ (13,013)	\$	(6)
2023										
Balance, March 31, 2023	\$ 6,808	630,282	\$ 6	\$ 5,244	\$ 13,414	\$ (57)	(223,491)	\$ (11,813)	\$	14
Consolidated net income	613	—	—	—	615	—	—	—	—	(2)
Other comprehensive income (loss), net of tax	25	—	—	—	—	25	—	—	—	—
Cash dividends declared of \$0.70 per common share	(283)	—	—	—	(283)	—	—	—	—	—
Equity-based compensation transactions, net	33	—	—	27	(2)	—	157	8	—	—
Common stock repurchase program	(275)	—	—	70	—	—	(2,074)	(345)	—	—
Other, net	7	—	—	—	—	—	1	—	—	7
Balance, June 30, 2023	\$ 6,928	630,282	\$ 6	\$ 5,341	\$ 13,744	\$ (32)	(225,407)	\$ (12,150)	\$	19

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — (Continued) (In Millions, Except Shares in Thousands) (Unaudited)

Waste Management, Inc. Stockholders' Equity									
Accumulated									
Additional									
Other									

		Common Stock		Paid-In	Retained	Comprehensive	Treasury Stock		Noncontrolling
	Total	Shares	Amounts	Capital	Earnings	(Loss) Income	Shares	Amounts	Interests
Six Months Ended June 30:									
2024									
Balance, December 31, 2023	\$ 6,896	630,282	\$ 6	\$ 5,351	\$ 14,334	\$ (37)	(228,827)	\$ (12,751)	\$ (7)
Consolidated net income	1,387	—	—	—	1,388	—	—	—	(1)
Other comprehensive income (loss), net of tax	(36)	—	—	—	—	(36)	—	—	—
Cash dividends declared of \$1.50 per common share	(608)	—	—	—	(608)	—	—	—	—
Equity-based compensation transactions, net	82	—	—	17	2	—	1,137	63	—
Common stock repurchase program	(265)	—	—	60	—	—	(1,494)	(325)	—
Adoption of new accounting standard	(12)	—	—	—	(12)	—	—	—	—
Other, net	7	—	—	5	—	—	1	—	2
Balance, June 30, 2024	<u>\$ 7,451</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,433</u>	<u>\$ 15,104</u>	<u>\$ (73)</u>	<u>(229,183)</u>	<u>\$ (13,013)</u>	<u>\$ (6)</u>
2023									
Balance, December 31, 2022	\$ 6,864	630,282	\$ 6	\$ 5,314	\$ 13,167	\$ (69)	(222,396)	\$ (11,569)	\$ 15
Consolidated net income	1,145	—	—	—	1,148	—	—	—	(3)
Other comprehensive income (loss), net of tax	37	—	—	—	—	37	—	—	—
Cash dividends declared of \$1.40 per common share	(572)	—	—	—	(572)	—	—	—	—
Equity-based compensation transactions, net	75	—	—	27	1	—	923	47	—
Common stock repurchase program	(628)	—	—	—	—	—	(3,936)	(628)	—
Other, net	7	—	—	—	—	—	2	—	7
Balance, June 30, 2023	<u>\$ 6,928</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,341</u>	<u>\$ 13,744</u>	<u>\$ (32)</u>	<u>(225,407)</u>	<u>\$ (12,150)</u>	<u>\$ 19</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

The financial statements presented in this report represent the consolidation of Waste Management, Inc., a Delaware corporation; its wholly-owned and majority-owned subsidiaries; and certain variable interest entities for which Waste Management, Inc. or its subsidiaries are the primary beneficiaries as described in Note 11.13. Waste Management, Inc. is a holding company and all operations are conducted by its subsidiaries. When the terms "the Company," "we," "us" or "our" are used in this document, those terms refer to Waste Management, Inc., together with its consolidated subsidiaries and consolidated variable interest entities. When we use the term "WMI," we are referring only to Waste Management, Inc., the parent holding company.

We are North America's leading provider of comprehensive environmental solutions, providing services throughout the United States ("U.S.") and Canada. We partner with our customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. Our business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, and recycling and resource recovery services. Through our subsidiaries, including our Waste Management Renewable Energy ("WM Renewable Energy") business, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and renewable natural gas ("RNG"), which is a significant source of fuel that we allocate to our natural gas fleet.

Our senior management evaluates, oversees and manages the financial performance of our business through four reportable segments, referred to as (i) Collection and Disposal - East Tier ("East Tier"); (ii) Collection and Disposal - West Tier ("West Tier"); (iii) Recycling Processing and Sales and (iv) WM Renewable Energy. Our East and West Tier, along with certain ancillary services ("Other Ancillary") not managed through our Tier segments, but that support our collection and disposal operations, form our "Collection and Disposal" businesses. We also provide additional services not managed through our four reportable segments, which are presented as Corporate and Other. Refer to Note 7 for further discussion.

The Condensed Consolidated Financial Statements as of **March 31, 2024** **June 30, 2024** and for the three **and six** months ended **March 31, 2024** **June 30, 2024** and 2023 are unaudited. In the opinion of management, these financial statements include all adjustments, which, unless otherwise disclosed, are of a normal recurring nature, necessary for a fair presentation of the financial position, results of operations, comprehensive income, cash flows, and changes in equity for the periods presented. The results for interim periods are not necessarily indicative of results for the entire year. The financial statements presented herein should be read in conjunction with the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine, and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments, intangible asset impairments and the fair value of assets and liabilities acquired in business combinations. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

Revenue Recognition

We generally recognize revenue as services are performed or products are delivered. For example, revenue typically is recognized as waste is collected, tons are received at our landfills or transfer stations, or recycling and other commodities,

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

such as RNG, electricity and capacity, Renewable Identification Numbers ("RINs") and Renewable Energy Credits ("RECs"), are sold.

We also bill for certain services prior to performance. Such services include, among others, certain commercial and residential contracts, and equipment rentals. These advanced billings are included in deferred revenues and recognized as revenue in the period service is provided. Substantially all our deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

Contract Acquisition Costs

Our incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are generally deferred and amortized to selling, general and administrative expense over the estimated life of the relevant customer relationship, ranging from five to 13 years. Contract acquisition costs that are paid to the customer are deferred and amortized as a reduction in revenue over the contract life. Our contract acquisition costs are classified as current or noncurrent based on the timing of when we expect to recognize amortization and are included in other assets in our Condensed Consolidated Balance Sheets. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, we had **\$209 million** **\$217 million** and \$207 million, respectively, of deferred contract costs, of which **\$150** **\$151** million and \$148 million, respectively, were related to deferred sales incentives.

Leases

Amounts for our operating lease right-of-use assets are recorded in long-term other assets and the current and long-term portion of our operating lease liabilities are reflected in accrued liabilities and other long-term liabilities, respectively, in our Condensed Consolidated Balance

Sheets. Amounts for our financing leases are recorded in property and equipment, net of accumulated depreciation and depletion, and current or long-term debt in our Condensed Consolidated Balance Sheets, as appropriate.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, investments held within restricted funds, and accounts receivable. We make efforts to control our exposure to credit risk associated with these instruments by (i) placing our assets and other financial interests with a diverse group of credit-worthy financial institutions; (ii) holding high-quality financial instruments while limiting investments in any one instrument and (iii) maintaining strict policies over credit extension that include credit evaluations, credit limits and monitoring procedures, although generally we do not have collateral requirements for credit extensions. We also control our exposure associated with trade receivables by discontinuing service, to the extent allowable, to non-paying customers. However, our overall credit risk associated with trade receivables is limited due to the large number and diversity of customers we serve.

Other Current Assets

As of June 30, 2024, other current assets included \$778 million of investments in certain WM tax-exempt bonds. We purchased these bonds because they were subject to mandatory scheduled remarketings during a period of time that we determined that we were unable to remarket the bonds to third-party investors because we were in possession of material non-public information about the pending announcement of our planned acquisition of Stericycle, Inc. ("Stericycle"). These investments are classified as current because we have the intent and ability to remarket the bonds within the next twelve months. The related tax-exempt debt is included in our Condensed Consolidated Balance Sheet as of June 30, 2024 as a component of long-term debt. In July 2024 we received \$349 million from the successful remarketing of these tax-exempt bonds and expect to successfully remarket the remaining bonds held within the third quarter of 2024.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Reclassifications

When necessary, reclassifications have been made to our prior period financial information to conform to the current year presentation and are not material to our consolidated financial statements. Condensed Consolidated Financial Statements.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2. Landfill and Environmental Remediation Liabilities

Liabilities for landfill and environmental remediation costs are presented in the table below (in millions):

	March 31, 2024			December 31, 2023			June 30, 2024			December 31, 2023		
	Environmental			Environmental			Environmental			Environmental		
	Landfill	Remediation	Total	Landfill	Remediation	Total	Landfill	Remediation	Total	Landfill	Remediation	Total
Current (in accrued liabilities)	\$ 142	\$ 32	\$ 174	\$ 143	\$ 31	\$ 174	\$ 144	\$ 31	\$ 175	\$ 143	\$ 31	\$ 174
Long-term	2,733	179	2,912	2,710	178	2,888	2,759	177	2,936	2,710	178	2,888

	\$2,875	\$ 211	\$3,086	\$2,853	\$ 209	\$3,062	\$2,903	\$ 208	\$3,111	\$2,853	\$ 209	\$3,062
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The changes to landfill and environmental remediation liabilities for the **three** six months ended **March 31, 2024** **June 30, 2024** are reflected in the table below (in millions):

	Landfill	Environmental Remediation	Landfill	Environmental Remediation
December 31, 2023	\$ 2,853	\$ 209	\$2,853	\$ 209
Obligations incurred and capitalized	20	—	43	—
Obligations settled	(20)	(6)	(58)	(11)
Interest accretion	33	—	66	—
Revisions in estimates	(10)	8	1	10
Acquisitions, divestitures and other adjustments	(1)	—	(2)	—
March 31, 2024	\$ 2,875	\$ 211		
June 30, 2024			\$2,903	\$ 208

At several of our landfills, we provide financial assurance by depositing cash into restricted trust funds for purposes of settling final capping, closure, post-closure and environmental remediation obligations. Generally, these trust funds are established to comply with statutory requirements and operating agreements. See Note **11** **13** for additional information related to these trusts.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

3. Debt

The following table summarizes the major components of debt at principal amounts as of each balance sheet date (in millions) and provides the maturities and interest rate ranges of each major category as of **March 31, 2024** **June 30, 2024**:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Commercial paper program (weighted average interest rate of 5.5% as of March 31, 2024 and 5.6% as of December 31, 2023)	\$ 750	\$ 860		
Senior notes, maturing through 2050, interest rates ranging from 0.75% to 7.75% (weighted average interest rate of 3.7% as of March 31, 2024 and 3.7% as of December 31, 2023)	11,376	11,376		
Commercial paper program (weighted average interest rate of 5.5% as of June 30, 2024 and 5.6% as of December 31, 2023)			\$ 1,565	\$ 860
Senior notes, maturing through 2050, interest rates ranging from 0.75% to 7.75% (weighted average interest rate of 3.7% as of June 30, 2024 and December 31, 2023)			11,220	11,376
Canadian senior notes, C\$500 million maturing September 2026, interest rate of 2.6%	369	378	366	378
Tax-exempt bonds, maturing through 2053, fixed and variable interest rates ranging from 0.55% to 5.0% (weighted average interest rate of 3.2% as of March 31, 2024 and 3.3% as of December 31, 2023)	2,883	2,883		
Financing leases and other, maturing through 2082 (weighted average interest rate of 4.9% as of March 31, 2024 and 5.0% as of December 31, 2023) (a)	838	855		
Tax-exempt bonds, maturing through 2053, fixed and variable interest rates ranging from 0.55% to 5.0% (weighted average interest rate of 3.3% as of June 30, 2024 and December 31, 2023)			2,853	2,883
Financing leases and other, maturing through 2082 (weighted average interest rate of 5.0% as of June 30, 2024 and December 31, 2023) (a)			856	855

Debt issuance costs, discounts and other	(118)	(123)	(117)	(123)
	16,098	16,229	16,743	16,229
Current portion of long-term debt	336	334	242	334
Long-term debt, less current portion	\$ 15,762	\$ 15,895	\$16,501	\$ 15,895

(a) Excluding our landfill financing leases, the maturities of our financing leases and other debt obligations extend through 2059.

Debt Classification

As of **March 31, 2024** **June 30, 2024**, we had approximately **\$3.1 billion** **\$3.8 billion** of debt maturing within the next 12 months, including (i) **\$750 million** **\$1.6 billion** of short-term borrowings under our commercial paper program (net of related discount on issuance); (ii) **\$1.6 billion** **\$1.6 billion** of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (iii) **\$156 million** of 3.5% senior notes that mature in May 2024; (iv) \$422 million of 3.125% senior notes that mature in March 2025 and (v) **\$180** **(iv) \$167** million of other debt with scheduled maturities within the next 12 months, including **\$60** **\$30** million of tax-exempt bonds. As of **March 31, 2024** **June 30, 2024**, we have classified **\$2.8** **\$3.6** billion of debt maturing in the next 12 months as long-term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$3.5 billion long-term U.S. and Canadian revolving credit facility ("3.5 billion revolving credit facility"), **as discussed below**, and our issuance of \$1.5 billion of senior notes in July 2024, the proceeds of which were used primarily to reduce outstanding borrowings under our commercial paper program. The remaining **\$336** **\$242** million of debt maturing in the next 12 months is classified as current obligations.

Access to and Utilization of Credit Facilities and Commercial Paper Program

\$3.5 Billion Revolving Credit Facility — **Our** In May 2024, we amended and restated our \$3.5 billion U.S. and Canadian revolving credit facility, extending the term through May 2029. The agreement includes a \$1.0 billion accordion feature that may be used to increase total capacity in future periods, and we have the option to request up to two one-year extensions. Waste Management of Canada Corporation and WM Quebec Inc., each an indirect wholly-owned subsidiary of WMI, are borrowers under the \$3.5 billion revolving credit facility, and the agreement permits borrowing in Canadian dollars up to the U.S. dollar equivalent of \$375 million, with such borrowings to be repaid in Canadian dollars. WM

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Holdings, a wholly-owned subsidiary of WMI, guarantees all the obligations under the \$3.5 billion revolving credit facility.

The \$3.5 billion revolving credit facility **maturing May 2027**, provides us with credit capacity to be used for cash borrowings, to support letters of credit and to support our commercial paper program. The interest rates we pay on outstanding U.S. or Canadian loans are based on the Secured Overnight Financing Rate ("SOFR") administered by the Federal Reserve Bank of New York or the Canadian **Dollar Offered Overnight Repo Rate Average ("CDOR" CORRA)**, administered by the Bank of Canada, respectively, plus a spread depending on **WMI's** **our** senior public debt rating assigned by Moody's Investors Service, Inc. and Standard and Poor's Global Ratings. The spread above SOFR or CORRA can range from 0.585% to 1.025% per annum, plus applicable credit adjustments. We also pay certain other fees set forth in the \$3.5 billion revolving credit facility agreement, including a facility fee based on the aggregate commitment, regardless of usage. As of **March 31, 2024** **June 30, 2024**, we had no outstanding borrowings under this facility. We had **\$181 million** **\$180 million** of letters of credit issued and **\$750 million** **\$1.6 billion** of outstanding borrowings (net of related discount on issuance) under our commercial paper program, both supported by the facility, leaving unused and available credit capacity of **\$2.6** **\$1.7** billion as of **March 31, 2024** **June 30, 2024**. **WM Holdings, a wholly-owned subsidiary of WMI, guarantees all of the obligations under the \$3.5 billion revolving credit facility.**

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Commercial Paper Program — We have a commercial paper program that enables us to borrow funds for up to 397 days at competitive interest rates. The rates we pay for outstanding borrowings are based on the term of the notes. The commercial paper program is fully supported by our \$3.5 billion revolving credit facility. As of **March 31, 2024** **June 30, 2024**, we had **\$750 million** **\$1.6 billion** of outstanding borrowings (net of related discount on issuance) under our commercial paper program. **In July 2024, we issued \$1.5 billion of new senior notes and used the proceeds primarily to repay outstanding commercial paper borrowings.**

Other Letter of Credit Lines — As of **March 31, 2024** **June 30, 2024**, we had utilized \$846 million of other uncommitted letter of credit lines with terms maturing through December 2027.

Debt Borrowings and Repayments

Commercial Paper Program — During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, we made cash repayments of **\$4.5** **\$8.5** billion, which were **partially more than** offset by **\$4.4** **\$9.2** billion of cash borrowings (net of related discount on issuance).

Financing Leases and Other Senior Notes — **The decrease in our financing leases and other debt obligations during** **During the three** **six** months ended **March 31, 2024** **June 30, 2024**, we repaid **\$156 million** of **cash repayments at debt** **WMI's 3.5% senior notes** **upon** maturity **partially offset by an increase of \$25 million primarily related to non-cash financing leases.** **in May 2024.**

4. Income Taxes

Our effective income tax rate was **18.6%** **23.9%** and **23.6%** **21.3%** for the three **and six** months ended **March 31, 2024** **June 30, 2024**, respectively, compared with **24.2%** and **2023**, **23.9%** for the three and six months ended **June 30, 2023**, respectively. The decrease in our effective income tax rate when comparing the three **and six** months ended **March 31, 2024** **June 30, 2024** and 2023 was primarily driven by **(i)** an increase in federal tax **credits** and **(ii)** an increase in the excess tax benefits associated with equity-based compensation; **credits**; partially offset by **(i)** the impacts of adopting Accounting Standards Update ("ASU") 2023-02 and **(ii)** an increase in pre-tax income in the current period. We evaluate our effective income tax rate at each interim period and adjust it as facts and circumstances warrant.

Investments Qualifying for Federal Tax Credits

Renewable Natural Gas — Through our subsidiaries, including our WM Renewable Energy segment, we have invested in building landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and RNG. We expect our new RNG facilities to qualify for federal tax credits and to realize those credits through 2027 under Sections 48 and 45Z of the Internal Revenue Code.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During the three **and six** months ended **March 31, 2024 and 2023**, **June 30, 2024**, we recognized a reduction in our income tax expense of \$37 million and **\$2** **\$74** million, respectively, due to federal tax credits expected to be realized from our RNG **investments**. **investments** compared with **\$2 million** and **\$4 million**, respectively, **for the comparable prior year periods.**

Low-Income Housing — We have significant financial interests in entities established to invest in and manage low-income housing properties. We support the operations of these entities in exchange for a pro-rata share of the tax credits they generate. The low-income housing investments qualify for federal tax credits that we expect to realize through **2033** **2035** under Section 42 or Section 45D of the Internal Revenue Code.

We account As a result of adopting ASU 2023-02, we amortize our investments in these entities using the proportional amortization method. Under the proportional amortization method, the equity investment is amortized in proportion to the income tax credits and other income tax benefits received. The amortization expense and the income tax credits are required to be presented on a net basis in income tax expense on the Condensed Consolidated Statements of Operations. Prior to fiscal year 2024, we accounted for our investments in these entities using the equity method of accounting, recognizing our share of each entity's results of operations and other reductions in the value of

our investments in equity in net **losses** income (losses) of unconsolidated entities, within our Condensed Consolidated Statements of Operations.

During the three and six months ended **March 31, 2024 and 2023**, **June 30, 2024**, we recognized **\$20** additional income tax expense of **\$37 million** related to amortization under ASU 2023-02 and a reduction in our income tax expense primarily due to federal tax credits of **\$22 million** and **\$50 million**, respectively. In addition, during the three and six months ended **June 30, 2024**, we recognized interest expense of **\$5 million** and **\$13** **\$11 million**, respectively, associated with our investments in low-income housing properties. See Note 13 for additional information related to these unconsolidated variable interest entities.

During the three and six months ended **June 30, 2023**, we recognized **\$12 million** and **\$25 million** of net losses, respectively, and a reduction in our income tax expense of **\$28 million** **\$26 million** and **\$22** **\$48 million**, respectively, primarily due to federal tax credits realized from these investments as well as the tax benefits from the pre-tax losses realized. In addition, during the three and six months ended **March 31, 2024 and 2023**, **June 30, 2023**, we recognized interest expense of **\$6** **\$3 million** and **\$4** **\$7 million**, respectively, associated with our investments in low-income housing properties. See Note 11 13 for additional information related to these unconsolidated variable interest entities.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Equity-Based Compensation — During the three months ended **March 31, 2024 and 2023**, we recognized a reduction in our income tax expense of **\$21 million** and **\$7 million**, respectively, for excess tax benefits related to the vesting or exercise of equity-based compensation awards.

5. Earnings Per Share

Basic and diluted earnings per share for the three months ended **March 31** were computed using the following common share data (shares in millions):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Number of common shares outstanding at end of period	401.1	404.9	401.1	404.9
Effect of using weighted average common shares outstanding	0.2	1.0	0.4	2.5
Weighted average basic common shares outstanding	401.3	405.9	401.5	407.4
Dilutive effect of equity-based compensation awards and other contingently issuable shares	1.9	1.8	1.8	1.7
Weighted average diluted common shares outstanding	403.2	407.7	403.3	409.1
Potentially issuable shares	4.9	5.4	4.9	5.4
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	1.2	1.3	1.3	1.7

	2024	2023
Number of common shares outstanding at end of period	401.3	406.8
Effect of using weighted average common shares outstanding	0.4	0.6
Weighted average basic common shares outstanding	401.7	407.4
Dilutive effect of equity-based compensation awards and other contingently issuable shares	1.8	1.6
Weighted average diluted common shares outstanding	403.5	409.0
Potentially issuable shares	4.9	5.6
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	1.6	1.8

Refer to the Condensed Consolidated Statements of Operations for net income attributable to Waste Management, Inc.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Commitments and Contingencies

Financial Instruments — We have obtained letters of credit, surety bonds and insurance policies and have established trust funds and issued financial guarantees to support tax-exempt bonds, contracts, performance of landfill final capping, closure and post-closure requirements, environmental remediation and other obligations. Letters of credit generally are supported by our \$3.5 billion revolving credit facility and other credit lines established for that purpose. These facilities are discussed further in Note 3. Surety bonds and insurance policies are supported by (i) a diverse group of third-party surety and insurance companies; (ii) an entity in which we have a noncontrolling financial interest or (iii) a wholly-owned insurance captive, the sole business of which is to issue surety bonds and/or insurance policies on our behalf.

Management does not expect that any claims against or draws on these instruments would have a material adverse effect on our financial condition, results of operations or cash flows. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations. In an ongoing effort to mitigate risks of future cost increases and reductions in available capacity, we continue to evaluate various options to access cost-effective sources of financial assurance.

Insurance — We carry insurance coverage for protection of our assets and operations from certain risks including general liability, automobile liability, workers' compensation, real and personal property, directors' and officers' liability, pollution legal liability, cyber incident liability and other coverages we believe are customary to the industry. Our exposure to loss for insurance claims is generally limited to the per-incident deductible under the related insurance policy and any amounts that exceed our insured limits. Our exposure could increase if our insurers are unable to meet their commitments on a timely basis.

We have retained a significant portion of the risks related to our health and welfare, general liability, automobile liability and workers' compensation claims programs. "General liability" refers to the self-insured portion of specific third-party claims made against us that may be covered under our commercial general liability insurance policy. For our self-insured portions, the exposure for unpaid claims and associated expenses, including incurred but not reported losses, is based on an actuarial valuation or internal estimates. The accruals for these liabilities could be revised if future

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

occurrences or loss development significantly differ from such valuations and estimates. We use a wholly-owned insurance captive to insure the deductibles for our general liability, automobile liability and workers' compensation claims programs.

We do not expect the impact of any known casualty, property, environmental or other contingency to have a material impact on our financial condition, results of operations or cash flows.

Guarantees — In the ordinary course of our business, WMI and WM Holdings enter into guarantee agreements associated with their subsidiaries' operations. Additionally, WMI and WM Holdings have each guaranteed all of the senior debt of the other entity. No additional liabilities have been recorded for these intercompany guarantees because all of the underlying obligations are reflected in our Condensed Consolidated Balance Sheets.

As of **March 31, 2024** **June 30, 2024**, we have guaranteed the obligations and certain performance requirements of third parties in connection with both consolidated and unconsolidated entities, including guarantees to cover the difference, if any, between the sale value and

the guaranteed market or contractually-determined value of certain homeowner's properties that are adjacent to or near 19 of our landfills. We have also agreed to indemnify certain third-party purchasers against liabilities associated with divested operations prior to such sale. We do not believe that the remaining contingent obligations will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

Environmental Matters — A significant portion of our operating costs and capital expenditures could be characterized as costs of environmental protection. The nature of our operations, particularly with respect to the construction, operation and maintenance of our landfills, subjects us to an array of laws and regulations relating to the protection of the

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

environment. Under current laws and regulations, we may have liabilities for environmental damage caused by our operations, or for damage caused by conditions that existed before we acquired a site. In addition to remediation activity required by state or local authorities, such liabilities include potentially responsible party ("PRP") investigations. The costs associated with these liabilities can include settlements, certain legal and consultant fees, as well as incremental internal and external costs directly associated with site investigation and clean-up.

Estimating our degree of responsibility for remediation is inherently difficult. We recognize and accrue for an estimated remediation liability when we determine that such liability is both probable and reasonably estimable. Determining the method and ultimate cost of remediation requires that a number of assumptions be made. There can sometimes be a range of reasonable estimates of the costs associated with the likely site remediation alternatives identified in the environmental impact investigation. In these cases, we use the amount within the range that is our best estimate. If no amount within a range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we used the high ends of such ranges (where estimable), our aggregate potential liability would be approximately \$18 million higher than the \$211 \$208 million recorded in the Condensed Consolidated Balance Sheet as of March 31, 2024 June 30, 2024. Our ultimate responsibility may differ materially from current estimates. It is possible that technological, regulatory or enforcement developments, the results of environmental studies, the inability to identify other PRPs, the inability of other PRPs to contribute to the settlements of such liabilities, or other factors could require us to record additional liabilities. Our ongoing review of our remediation liabilities, in light of relevant internal and external facts and circumstances, could result in revisions to our accruals that could cause upward or downward adjustments to our balance sheet and income from operations. These adjustments could be material in any given period.

As of March 31, 2024 June 30, 2024, we had been notified by the government that we are a PRP in connection with 73 locations listed on the Environmental Protection Agency's ("EPA's") Superfund National Priorities List, or NPL. Of the 73 sites at which claims have been made against us, 14 are sites we own. Each of the NPL sites we own were was initially developed by others as a landfill disposal facility. At each of these facilities, we are working in conjunction with the government to characterize or remediate identified site problems, and we have either agreed with other legally liable parties on an arrangement for sharing the costs of remediation or are working toward a cost-sharing agreement. We generally expect to receive any amounts due from other participating parties at or near the time that we make the remedial expenditures. The

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

other 59 NPL sites, which we do not own, are at various procedural stages under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, known as CERCLA or Superfund.

The majority of proceedings involving NPL sites that we do not own are based on allegations that certain of our subsidiaries (or their predecessors) transported hazardous substances to the sites, often prior to our acquisition of these subsidiaries. CERCLA generally provides

for liability for those parties owning, operating, transporting to or disposing at the sites. Proceedings arising under Superfund typically involve numerous waste generators and other waste transportation and disposal companies and seek to allocate or recover costs associated with site investigation and remediation, which costs could be substantial and could have a material adverse effect on our consolidated financial statements. At some of the sites at which we have been identified as a PRP, our liability is well defined as a consequence of a governmental decision and an agreement among liable parties as to the share each will pay for implementing that remedy. At other sites, where no remedy has been selected or the liable parties have been unable to agree on an appropriate allocation, our future costs are uncertain.

In 2018, both of McGinnes Industrial Maintenance Corporation ("MIMC"), a subsidiary of Waste Management of Texas, Inc., and International Paper Company ("IPC") entered into an Administrative Order on Consent with the EPA as PRPs to develop a remedial design for the San Jacinto River Waste Pits Superfund Site in Harris County, Texas. We recorded a liability for MIMC's estimated potential share of the EPA's proposed remedy and related costs, although allocation of responsibility among the PRPs for the proposed remedy has not been established. MIMC and IPC have continued to work on a remedial design to support the EPA's proposed remedy; however, in the first quarter of 2024, the EPA publicly issued a letter alleging that the remedial design has serious deficiencies. MIMC and IPC have subsequently engaged with the EPA and provided responses to the EPA letter. Due in the second quarter of 2024, the EPA provided a

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

response that, while the parties had not remedied all concerns from its letter, the parties had sufficiently demonstrated a path forward and were given additional time to increase in submit a full remedial design. As of June 30, 2024 and December 31, 2023, the estimated cost of the remedy, we recorded an additional \$17 million liability for MIMC's estimated potential share of such costs in 2023. As of March 31, 2024 and December 31, 2023, for the recorded liability remedy was approximately \$85 million. MIMC's ultimate liability could be materially different from current estimates, including potential increases resulting from MIMC's continued engagement with the EPA regarding a final remedial design for the site.

Item 103 of the SEC's Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings, or such proceedings are known to be contemplated, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, below a stated threshold. In accordance with this SEC regulation, the Company uses a threshold of \$1 million for purposes of determining whether disclosure of any such environmental proceedings is required. As of the date of this filing, we are not aware of any matters that are required to be disclosed pursuant to this standard.

From time to time, we are also named as defendants in personal injury and property damage lawsuits, including purported class actions, on the basis of having owned, operated or transported waste to a disposal facility that is alleged to have contaminated the environment or, in certain cases, on the basis of having conducted environmental remediation activities at sites. Some of the lawsuits may seek to have us pay the costs of monitoring of allegedly affected sites and health care examinations of allegedly affected persons for a substantial period of time even where no actual damage is proven. While we believe we have meritorious defenses to these lawsuits, the ultimate resolution is often substantially uncertain due to the difficulty of determining the cause, extent and impact of alleged contamination (which may have occurred over a long period of time), the potential for successive groups of complainants to emerge, the diversity of the individual plaintiffs' circumstances, and the potential contribution or indemnification obligations of co-defendants or other third parties, among other factors. Additionally, we often enter into agreements with landowners imposing obligations on us to meet certain regulatory or contractual conditions upon site closure or upon termination of the agreements. Compliance with these agreements inherently involves subjective determinations and may result in disputes, including litigation.

Litigation — We are subject to various proceedings, lawsuits, disputes and claims arising in the ordinary course of our business. Many of these actions raise complex factual and legal issues and are subject to uncertainties. Actions that have been filed against us, and that may be filed against us in the future, include personal injury, property damage,

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

commercial, customer, and employment-related claims, including purported state and national class action lawsuits related to: alleged environmental contamination, including releases of hazardous material and odors; sales and marketing practices, customer service agreements and prices and fees; and federal and state wage and hour and other laws. The plaintiffs in some actions seek unspecified damages or injunctive relief, or both. These actions are in various procedural stages, and some are covered, in part, by insurance. We currently do not believe that the eventual outcome of any such actions will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

In June 2022, we and certain of our officers were named as defendants in a complaint alleging violation of the federal securities laws and seeking certification as a class action in the U.S. District Court for the Southern District of New York. A lead plaintiff has been appointed and an amended complaint was filed in January 2023. The amended complaint seeks damages on behalf of a putative class of secondary market purchasers of our senior notes with a special mandatory redemption feature issued in May 2019, asserting claims under the Securities Exchange Act based on alleged misrepresentations and omissions concerning the time for completion of our acquisition of Advanced Disposal. On March 27, 2024, The case is currently in the Court denied our motion to dismiss except as to one of our officers, discovery phase, and the case will proceed to discovery. We intend to vigorously defend against this pending suit. We believe any potential recovery by the plaintiffs, in excess of applicable deductibles, will be covered by insurance, and we do not believe that the eventual outcome of this suit will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

WMI's charter and bylaws provide that WMI shall indemnify against all liabilities and expenses, and upon request shall advance expenses to any person, who is subject to a pending or threatened proceeding because such person is or was

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

a director or officer of the Company. Such indemnification is required to the maximum extent permitted under Delaware law. Accordingly, the director or officer must execute an undertaking to reimburse the Company for any fees advanced if it is later determined that the director or officer was not permitted to have such fees advanced under Delaware law. Additionally, the Company has direct contractual obligations to provide indemnification to each of the members of WMI's Board of Directors and each of WMI's executive officers. The Company may incur substantial expenses in connection with the fulfillment of its advancement of costs and indemnification obligations in connection with actions or proceedings that may be brought against its former or current officers, directors and employees.

Multiemployer Defined Benefit Pension Plans — About 20% of our workforce is covered by collective bargaining agreements with various local unions across the U.S. and Canada. As a result of some of these agreements, certain of our subsidiaries are participating employers in a number of trustee-managed multiemployer defined benefit pension plans ("Multiemployer Pension Plans") for the covered employees. A complete or partial withdrawal from a Multiemployer Pension Plan may also occur if employees covered by a collective bargaining agreement vote to decertify a union from continuing to represent them. Any other circumstance resulting in a decline in Company contributions to a Multiemployer Pension Plan through a reduction in the labor force, whether through attrition over time or through a business event (such as the discontinuation or nonrenewal of a customer contract, the decertification of a union, or relocation, reduction or discontinuance of certain operations) may also trigger a complete or partial withdrawal from one or more of these pension plans.

We do not believe that any future liability relating to our past or current participation in, or withdrawals from, the Multiemployer Pension Plans to which we contribute will have a material adverse effect on our business, financial condition or liquidity. However, liability for future withdrawals could have a material adverse effect on our results of operations or cash flows for a particular reporting period, depending on the number of employees withdrawn and the financial condition of the Multiemployer Pension Plan(s) at the time of such withdrawal(s).

Tax Matters — We maintain a liability for uncertain tax positions, the balance of which management believes is adequate. Results of audit assessments by taxing authorities are not currently expected to have a material adverse effect on our financial condition, results of operations or cash flows. We participate in the IRS's Compliance Assurance Process, which means we work with the IRS throughout the year towards resolving any material issues prior to the filing of our

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

annual tax return. Any unresolved issues as of the tax return filing date are subject to routine examination procedures. In the fourth quarter of 2022, the Company received a notice of tax due for the 2017 tax year related to a remaining disagreement with the IRS. In response to the notice, the Company made a deposit of approximately \$103 million with the IRS. The Company expects to seek a refund of the entire amount deposited with the IRS and litigate any denial of the claim for refund. As of March 31, 2024, June 30, 2024 and December 31, 2023, the IRS deposit, net of reserve for uncertain tax positions, is classified as a component of other long-term assets in the Company's Condensed Consolidated Balance Sheets.

In addition, we are in the examination phase of IRS audits for the 2023 and 2024 tax years and expect the audits to be completed within the next 18 months. We are also currently undergoing audits by the Canada Revenue Agency for the 2021 tax year and various state and local jurisdictions for tax years that date back to 2014. We maintain a liability for uncertain tax positions, the balance of which management believes is adequate. Results of audit assessments by taxing authorities are not currently expected to have a material adverse effect on our financial condition, results of operations or cash flows.

7. Segment and Related Information

Our senior management evaluates, oversees and manages the financial performance of our business through four reportable segments, referred to as (i) East Tier; (ii) West Tier; (iii) Recycling Processing and Sales and (iv) WM Renewable Energy. Our East Tier and West Tier, combined along with certain "Other Ancillary" Other Ancillary services that are not managed through the our Tier segments, but that support our collection and disposal operations, form our Collection "Collection and Disposal Disposal" businesses. We also provide additional services not managed through our four reportable segments, which are presented as Corporate and Other.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Summarized financial information concerning our reportable segments for the three months ended March 31 is shown in the following table (in millions):

	Gross Operating Revenues	Intercompany Operating Revenues(a)	Net Operating Revenues	Income from Operations(b)	Gross Operating Revenues	Intercompany Operating Revenues(a)	Net Operating Revenues	Income from Operations(b)
Three Months Ended June 30:								
2024								
Collection and Disposal:								
East Tier	\$ 2,616	\$ (535)	\$ 2,081	\$ 654	\$ 2,751	\$ (573)	\$ 2,178	\$ 692
West Tier	2,497	(504)	1,993	627	2,616	(540)	2,076	674
Other Ancillary	686	(44)	642	(2)	713	(45)	668	(7)
Collection and Disposal	5,799	(1,083)	4,716	1,279	6,080	(1,158)	4,922	1,359
Recycling Processing and Sales	436	(68)	368	19	475	(70)	405	29
WM Renewable Energy	70	(1)	69	21	70	(1)	69	18
Corporate and Other	12	(6)	6	(303)	12	(6)	6	(397)
Total	\$ 6,317	\$ (1,158)	\$ 5,159	\$ 1,016	\$ 6,637	\$ (1,235)	\$ 5,402	\$ 1,009
2023								

Collection and Disposal:								
East Tier	\$ 2,561	\$ (516)	\$ 2,045	\$ 531	\$ 2,673	\$ (550)	\$ 2,123	\$ 599
West Tier	2,392	(495)	1,897	531	2,512	(524)	1,988	576
Other Ancillary	625	(44)	581	2	672	(49)	623	(2)
Collection and Disposal	5,578	(1,055)	4,523	1,064	5,857	(1,123)	4,734	1,173
Recycling Processing and Sales	374	(80)	294	13	394	(78)	316	24
WM Renewable Energy	70	(1)	69	20	63	(1)	62	14
Corporate and Other	12	(6)	6	(272)	14	(7)	7	(267)
Total	\$ 6,034	\$ (1,142)	\$ 4,892	\$ 825	\$ 6,328	\$ (1,209)	\$ 5,119	\$ 944

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Gross Operating Revenues	Intercompany Operating Revenues(a)	Net Operating Revenues	Income from Operations(b)
Six Months Ended June 30:				
2024				
Collection and Disposal:				
East Tier	\$ 5,367	\$ (1,108)	\$ 4,259	\$ 1,346
West Tier	5,113	(1,044)	4,069	1,301
Other Ancillary	1,399	(89)	1,310	(9)
Collection and Disposal	11,879	(2,241)	9,638	2,638
Recycling Processing and Sales	911	(138)	773	48
WM Renewable Energy	140	(2)	138	39
Corporate and Other	24	(12)	12	(700)
Total	\$ 12,954	\$ (2,393)	\$ 10,561	\$ 2,025
2023				
Collection and Disposal:				
East Tier	\$ 5,234	\$ (1,066)	\$ 4,168	\$ 1,130
West Tier	4,904	(1,019)	3,885	1,107
Other Ancillary	1,297	(93)	1,204	—
Collection and Disposal	11,435	(2,178)	9,257	2,237
Recycling Processing and Sales	768	(158)	610	37
WM Renewable Energy	133	(2)	131	34
Corporate and Other	26	(13)	13	(539)
Total	\$ 12,362	\$ (2,351)	\$ 10,011	\$ 1,769

(a) Intercompany operating revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(b) For those items included in the determination of income from operations, the accounting policies of the segments are the same as those described in Note 1.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The mix of operating revenues from our major lines of business for the three months ended March 31 are as follows (in millions):

	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues	Gross Operating Revenues	Intercompany Operating Revenues (a)	Net Operating Revenues
Three Months Ended June 30:						
2024						
Commercial	\$ 1,501	\$ (185)	\$ 1,316	\$ 1,526	\$ (196)	\$ 1,330
Industrial	934	(187)	747	978	(199)	779
Residential	876	(22)	854	886	(23)	863
Other collection	751	(53)	698	781	(52)	729
Total collection	4,062	(447)	3,615	4,171	(470)	3,701
Landfill	1,177	(385)	792	1,291	(418)	873
Transfer	560	(251)	309	618	(270)	348
Total Collection and Disposal	5,799	(1,083)	4,716	6,080	(1,158)	4,922
Recycling Processing and Sales	436	(68)	368	475	(70)	405
WM Renewable Energy	70	(1)	69	70	(1)	69
Corporate and Other	12	(6)	6	12	(6)	6
Total	\$ 6,317	\$ (1,158)	\$ 5,159	\$ 6,637	\$ (1,235)	\$ 5,402
2023						
Commercial	\$ 1,412	\$ (161)	\$ 1,251	\$ 1,424	\$ (168)	\$ 1,256
Industrial	933	(177)	756	974	(192)	782
Residential	854	(25)	829	866	(25)	841
Other collection	689	(50)	639	745	(56)	689
Total collection	3,888	(413)	3,475	4,009	(441)	3,568
Landfill	1,150	(391)	759	1,263	(417)	846
Transfer	540	(251)	289	585	(265)	320
Total Collection and Disposal	5,578	(1,055)	4,523	5,857	(1,123)	4,734
Recycling Processing and Sales	374	(80)	294	394	(78)	316
WM Renewable Energy	70	(1)	69	63	(1)	62
Corporate and Other	12	(6)	6	14	(7)	7
Total	\$ 6,034	\$ (1,142)	\$ 4,892	\$ 6,328	\$ (1,209)	\$ 5,119

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Gross Operating Revenues	Intercompany Operating Revenues	Net Operating Revenues
Six Months Ended June 30:			
2024			
Commercial	\$ 3,027	\$ (381)	\$ 2,646

Industrial	1,912	(386)	1,526
Residential	1,762	(45)	1,717
Other collection	1,532	(105)	1,427
Total collection	8,233	(917)	7,316
Landfill	2,468	(803)	1,665
Transfer	1,178	(521)	657
Total Collection and Disposal	11,879	(2,241)	9,638
Recycling Processing and Sales	911	(138)	773
WM Renewable Energy	140	(2)	138
Corporate and Other	24	(12)	12
Total	<u>\$ 12,954</u>	<u>\$ (2,393)</u>	<u>\$ 10,561</u>
2023			
Commercial	\$ 2,836	\$ (329)	\$ 2,507
Industrial	1,907	(369)	1,538
Residential	1,720	(50)	1,670
Other collection	1,434	(106)	1,328
Total collection	7,897	(854)	7,043
Landfill	2,413	(808)	1,605
Transfer	1,125	(516)	609
Total Collection and Disposal	11,435	(2,178)	9,257
Recycling Processing and Sales	768	(158)	610
WM Renewable Energy	133	(2)	131
Corporate and Other	26	(13)	13
Total	<u>\$ 12,362</u>	<u>\$ (2,351)</u>	<u>\$ 10,011</u>

Our financial and operating results may fluctuate for many reasons, including period-to-period changes in the relative contribution of revenue by each line of business, changes in commodity prices and general economic conditions. Our operating revenues and volumes typically experience seasonal increases in the summer months that are reflected in second and third quarter revenues and results of operations.

Service or operational disruptions caused by severe storms, extended periods of inclement weather or climate events can significantly affect the operating results of the geographic areas affected. Extreme weather events may also lead to supply chain disruption and delayed project development, or disruption of our customers' businesses, reducing the amount of waste generated by their operations.

Conversely, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our revenues in the geographic areas affected as a result of the waste volumes generated by these events. While weather-related and other event-driven special projects can boost revenues through additional work for a limited time, due to significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Acquisitions

During the six months ended June 30, 2024, we completed solid waste and recycling acquisitions primarily in Florida, North Carolina, and Arizona with total consideration of \$240 million, which included \$234 million in cash paid and \$6 million of other consideration, specifically purchase price holdbacks. In addition, we paid \$16 million of holdbacks, primarily related to prior year acquisitions.

Total consideration for our 2024 acquisitions was primarily allocated to \$57 million of property and equipment, \$57 million of other intangible assets, primarily customer relationships, and \$127 million of goodwill. We remain in the measurement period for most of our acquisitions, and adjustments to our preliminary purchase price allocation may occur. The goodwill was primarily a result of expected synergies from combining the acquired businesses with our existing operations and substantially all was tax deductible.

Pending Acquisition of Stericycle

On June 3, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") to acquire all outstanding shares of Stericycle for \$62.00 per share in cash, representing a total enterprise value of approximately \$7.2 billion when including approximately \$1.4 billion of Stericycle's net debt. Stericycle is a U.S. based leading provider of compliance-based solutions for regulated waste, including medical waste, and secure information destruction. Stericycle serves customers in North America and Europe.

We expect the Stericycle acquisition to close as early as the fourth quarter of 2024, and we intend to finance the Stericycle acquisition through a combination of bank debt and proceeds from the issuance of senior notes. See Part II. Item 1A. Risk Factors in this Quarterly Report on Form 10-Q for information about certain risks and uncertainties related to the Stericycle acquisition.

9. (Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2024 primarily relates to a \$54 million charge required to increase the estimated fair value of a liability associated with the expected disposition of an investment the Company holds in a waste diversion technology business. This charge is reflected in our Corporate and Other measures within our segment reporting. (Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2023 were not material.

WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8.10. Accumulated Other Comprehensive (Loss) Income

The changes in the balances of each component of accumulated other comprehensive (loss) income, net of tax, which is included as a component of Waste Management, Inc. stockholders' equity, are as follows (in millions, with amounts in parentheses representing decreases to accumulated other comprehensive income):

	Derivative Instruments	Available- for-Sale Securities	Foreign Currency Translation Adjustments	Post- Retirement Benefit Obligations	Total
Balance, December 31, 2023	\$ 17	\$ 8	\$ (68)	\$ 6	\$ (37)
Other comprehensive income (loss) before reclassifications, net of tax expense (benefit) of \$0, \$0, \$0 and \$0, respectively	—	—	(24)	—	(24)
Amounts reclassified from accumulated other comprehensive (income) loss, net of tax (expense) benefit of \$0, \$0, \$0 and \$0, respectively	—	1	—	—	1
Net current period other comprehensive income (loss)	—	1	(24)	—	(23)
Balance, March 31, 2024	\$ 17	\$ 9	\$ (92)	\$ 6	\$ (60)

	Derivative Instruments	Available- for-Sale Securities	Foreign Currency Translation Adjustments	Post- Retirement Benefit Obligations	Total
Balance, December 31, 2023	\$ 17	\$ 8	\$ (68)	\$ 6	\$ (37)
Other comprehensive income (loss) before reclassifications, net of tax expense (benefit) of \$0, \$0, \$0 and \$0, respectively	—	—	(34)	—	(34)

Amounts reclassified from accumulated other comprehensive (income) loss,					
net of tax (expense) benefit of \$0, \$0, \$0 and \$0, respectively	(1)	—	—	(1)	(2)
Net current period other comprehensive income (loss)	(1)	—	(34)	(1)	(36)
Balance, June 30, 2024	\$ 16	\$ 8	\$ (102)	\$ 5	\$ (73)

9.11. Common Stock Repurchase Program

The Company repurchases shares of its common stock as part of capital allocation programs authorized by our Board of Directors.

In February 2024, we repurchased 0.2 million shares of our common stock through an October 2023 Accelerated Share Repurchase ("ASR") agreement that completed in February 2024, based on a final weighted average price of \$175.29. Also in February 2024, we entered into an accelerated share repurchase ("ASR") ASR agreement to repurchase \$250 million \$250 million of our common stock. At the beginning of the repurchase period, we delivered \$250 million \$250 million cash and initially received 1.0 million 1 million shares based on a stock price of \$199.16, exclusive of the applicable 1% excise tax. The ASR agreement completed in April 2024 and we received 0.2 million 0.2 million additional shares based on a final weighted average price of \$206.23.

In the second quarter of 2024 we repurchased 0.1 million shares of our common stock in open market transactions in compliance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act for \$12 million, inclusive of per-share commissions, at a weighted average price of \$209.20.

As of March 31, 2024 June 30, 2024, the Company has authorization for \$1.25 billion \$1,238 million of future share repurchases. Any As a result of the planned Stericycle acquisition discussed in Note 8, the Company previously announced that it has temporarily suspended share repurchases. The amount of future share repurchases pursuant to this authorization of executed under our Board of Directors will be made Directors' authorization is determined at the management's discretion, of management and will depend based on various factors, similar to those considered by the Board of Directors in making dividend declarations, including our net earnings, financial condition and cash required for future business plans, growth and acquisitions.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10.12. Fair Value Measurements

Assets and Liabilities Accounted for at Fair Value

Our assets and liabilities that are measured at fair value on a recurring basis include the following (in millions):

	March 31, 2024	December 31, 2023
Quoted prices in active markets (Level 1):		
Cash equivalents and money market funds	\$ 221	\$ 327
Equity securities	67	61
Significant other observable inputs (Level 2):		
Available-for-sale securities (a)	525	431
Total Assets	\$ 813	\$ 819

	June 30, 2024	December 31, 2023
Quoted prices in active markets (Level 1):		
Cash equivalents and money market funds	\$ 37	\$ 327

Equity securities	68	61
Debt securities (a)	778	—
Significant other observable inputs (Level 2):		
Available-for-sale securities (b)	496	431
Total Assets	\$ 1,379	\$ 819

(a) Includes \$778 million of investments in certain WM tax-exempt bonds as discussed further in Note 1.

(b) Our available-for-sale securities primarily relate to debt securities with maturities over the next ten years.

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WASTE MANAGEMENT, INC. See Note 9 for information related to our nonrecurring fair value measurements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fair Value of Debt

As of March 31, 2024 June 30, 2024 and December 31, 2023, the carrying value of our debt was \$16.1 \$16.7 billion and \$16.2 billion, respectively. The estimated fair value of our debt was approximately \$15.1 billion and \$15.6 billion \$15.6 billion as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Although we have determined the estimated fair value amounts using available market information and commonly accepted valuation methodologies, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The use of different assumptions or estimation methodologies could have a material effect on the estimated fair values. The fair value estimates are based on Level 2 inputs of the fair value hierarchy available as of March 31, 2024 June 30, 2024 and December 31, 2023. These amounts have not been revalued since those dates, and current estimates of fair value could differ significantly from the amounts presented.

11. 13. Variable Interest Entities

The following is a description of our financial interests in unconsolidated and consolidated variable interest entities that we consider significant:

Low-Income Housing Properties

We do not consolidate our investments in entities established to manage low-income housing properties because we are not the primary beneficiary of these entities as we do not have the power to individually direct the activities of these entities. Accordingly, we account for these investments under the equity method of accounting. Our aggregate investment balance in these entities was \$438 \$400 million and \$458 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The debt balance related to our investments in low-income housing properties was \$395 million \$383 million and \$408 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Additional information related to these investments is discussed in Note 4.

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WASTE MANAGEMENT, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Trust Funds for Final Capping, Closure, Post-Closure or Environmental Remediation Obligations

Unconsolidated Variable Interest Entities — Trust funds that are established for both the benefit of the Company and the host community in which we operate are not consolidated because we are not the primary beneficiary of these entities as (i) we do not have the power to direct the significant activities of the trusts or (ii) power over the trusts' significant activities is shared. Our interests in these trusts are accounted for as investments in unconsolidated entities and receivables. These amounts are recorded in other receivables, investments in unconsolidated

entities and long-term other assets in our Condensed Consolidated Balance Sheets, as appropriate. We also reflect our share of the unrealized gains and losses on available-for-sale securities held by these trusts as a component of our accumulated other comprehensive income (loss). income. Our investments and receivables related to these trusts had an aggregate carrying value of \$107 million and \$104 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Consolidated Variable Interest Entities — Trust funds for which we are the sole beneficiary are consolidated because we are the primary beneficiary. These trust funds are recorded in restricted funds in our Condensed Consolidated Balance Sheets. Unrealized gains and losses on available-for-sale securities held by these trusts are recorded as a component of accumulated other comprehensive income (loss). These trusts had a fair value of \$120 \$121 million and \$119 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

14. Subsequent Events

Senior Notes Issuance

In July 2024, WMI issued \$750 million of 4.950% senior notes due 2027 and \$750 million of 4.950% senior notes due 2031, the net proceeds of which were \$1.5 billion. The net proceeds were used primarily to reduce outstanding borrowings under our commercial paper program.

Acquisition

On July 15, 2024, we completed the acquisition of Winters Bros. Waste Systems, a large regional waste and recycling company based in Long Island, New York with total purchase price of \$550 million.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included under Item 1 and our Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023.

This Quarterly Report on Form 10-Q contains certain forward-looking statements that are made subject to the safe harbor protections provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by the words, "will," "may," "should," "continue," "anticipate," "believe," "expect," "target," "plan," "forecast," "project," "estimate," "intend," and words of a similar nature and include estimates or projections of financial and other data; comments on expectations relating to future periods; plans or objectives for the future; and statements of opinion, view or belief about current and future events, circumstances or performance. You should view these statements with caution. They are based on the facts and circumstances known to us as of the date the statements are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to failure to implement our optimization, automation, growth, and cost savings initiatives and overall business strategy; failure to obtain the results anticipated from strategic initiatives, investments, acquisitions, including the planned Stericycle acquisition, or new lines of business; failure to identify acquisition targets, consummate and integrate acquisitions; acquisitions, including our planned integration of Stericycle; our ability to consummate and finance the Stericycle acquisition and achieve the anticipated benefits therefrom, including cost synergies; legal, regulatory and other matters that may affect the costs and timing of our ability to complete, integrate and deliver all of the expected benefits of the planned Stericycle acquisition; environmental and other regulations, including developments related to emerging contaminants, gas emissions, renewable energy, extended producer responsibility and our natural gas fleet; significant environmental, safety or other incidents resulting in liabilities or brand damage; failure to obtain and maintain necessary permits due to land scarcity, public opposition or otherwise; diminishing landfill capacity, resulting in increased costs and the need for disposal alternatives; failure to attract, hire and retain key team members and a high quality workforce; increases in labor costs due to union organizing activities or changes in wage and labor related regulations; disruption and costs resulting from severe weather and destructive climate events; failure to achieve our sustainability goals or execute on our sustainability-related strategy and initiatives, including within planned timelines or anticipated budgets due to disruptions, delays, cost increases or changes in environmental or tax regulations; focus on, and regulation of, environmental

and sustainability-related disclosures, which could lead to increased costs, risk of non-compliance, brand damage and litigation risk related to our sustainability efforts; macroeconomic conditions, geopolitical conflict and large-scale market disruption resulting in labor, supply chain and transportation constraints, inflationary cost pressures and fluctuations in commodity prices, fuel and other energy costs; increased competition; pricing actions; impacts from international trade restrictions; competitive disposal alternatives, diversion of waste from landfills and declining waste volumes; weakness in general economic conditions and capital markets, including potential for an economic recession; instability of financial institutions; adoption of new tax legislation; fuel shortages; failure to develop and protect new technology; failure of technology to perform as expected; failure to prevent, detect and address cybersecurity incidents or comply with privacy regulations; inability to adapt and manage the benefits and risks of artificial intelligence; negative outcomes of litigation or governmental proceedings; and decisions or developments that result in impairment charges and other risks discussed in our filings with the SEC, including Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, as updated by Part II, Item 1A of this Quarterly Report on Form 10-Q. We assume no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

Overview

We are North America's leading provider of comprehensive environmental solutions, providing services throughout the United States ("U.S.") and Canada. We partner with our customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. We own or operate the largest network of landfills throughout the U.S. and Canada. In order to make disposal

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more practical for larger urban markets, where the distance to landfills is typically farther, we manage transfer stations that consolidate, compact and transport waste efficiently and economically. Our business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, recycling and resource recovery services. Through our subsidiaries, including our Waste Management Renewable Energy ("WM Renewable Energy") business, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and renewable natural gas ("RNG"), which is a significant source of fuel that

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we allocate to our natural gas fleet. Additionally, we are a leading recycler in the U.S. and Canada, handling materials that include paper, cardboard, glass, plastic and metal.

Our senior management evaluates, oversees and manages the financial performance of our business through four reportable segments, referred to as (i) Collection and Disposal - East Tier ("East Tier"); (ii) Collection and Disposal - West Tier ("West Tier"); (iii) Recycling Processing and Sales and (iv) WM Renewable Energy. Our East and West Tiers, along with certain ancillary services ("Other Ancillary") not managed through our Tier segments, but that support our collection and disposal operations, form our "Collection and Disposal" businesses.

Strategy

Our fundamental strategy has not changed; we remain dedicated to providing long-term value to our stockholders by successfully executing our core strategy of focused differentiation and continuous improvement. We have enabled a people-first, technology-led focus to drive our mission to maximize resource value, while minimizing environmental impact, and sustainability and environmental stewardship is embedded in all that we do. Our strategy leverages and sustains the strongest asset network in the industry to drive best-in-class customer experience and growth. Our strategic planning processes appropriately consider that the future of our business and the industry can be influenced by changes in economic conditions, the competitive landscape, the regulatory environment, asset and resource availability and technology. We believe that focused differentiation, which is driven by capitalizing on our unique and extensive network of assets, will deliver profitable growth and position us to leverage competitive advantages. Simultaneously, we believe that investing in automation to improve

processes and drive operational efficiency combined with a focus on the cost to serve our customer will yield an attractive profit margin and enhanced service quality. We are furthering our strategy of focused differentiation and continuous improvement beyond our traditional waste operations through our sustainability growth strategy that includes significant planned investments in our WM Renewable Energy and Recycling Processing and Sales segments, while increasing automation and reducing labor dependency. We are also evaluating and pursuing emerging diversion technologies that may generate additional value.

The Company continually evaluates potential acquisitions that provide the opportunity for strategic growth. On June 3, 2024, we announced that we have entered into an Agreement and Plan of Merger (the "Merger Agreement") to acquire all outstanding shares of Stericycle, Inc. ("Stericycle") for \$62.00 per share in cash, representing a total enterprise value of approximately \$7.2 billion when including approximately \$1.4 billion of Stericycle's net debt. Stericycle is a U.S. based leading provider of compliance-based solutions for regulated waste, including medical waste, and secure information destruction. Stericycle serves customers in North America and Europe. We believe that the planned Stericycle acquisition will expand the Company's comprehensive environmental solutions in the growing healthcare market while advancing the Company's sustainability commitments.

Business Environment

The waste industry is a comparatively mature and stable industry. However, customers increasingly expect more of their waste materials to be recovered and those waste streams are becoming more complex. In addition, many state and local governments mandate diversion, recycling and waste reduction at the source and prohibit the disposal of certain types of waste at landfills. We monitor these developments to adapt our service offerings. As companies, individuals and communities look for ways to be more sustainable, we promote our comprehensive services that go beyond our core business of collecting and disposing of waste in order to meet their needs. This includes expanding traditional recycling services, increasing organics collection and processing, and expanding our renewable energy projects to meet the evolving needs of our diverse customer base. As North America's leading provider of comprehensive environmental solutions, we are taking big, bold steps to catalyze positive change – change that will impact our Company as well as the communities

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we serve. Consistent with our Company's long-standing commitment to sustainability and environmental stewardship, we have published our 2023 Sustainability Report providing details on our sustainability-related performance and outlining progress towards our 2030 sustainability goals. The Sustainability Report conveys the strong linkage between the Company's sustainability goals and our growth strategy, inclusive of the planned and ongoing expansion of the Company's Recycling Processing and Sales and WM Renewable Energy segments. The information in this report can be found at <https://sustainability.wm.com> but it does not constitute a part of, and is not incorporated by reference into, this Quarterly Report on Form 10-Q.

We encounter intense competition from governmental, quasi-governmental and private service providers based on pricing, and to a much lesser extent, the nature of service offerings, particularly in the residential line of business. Our industry is directly affected by changes in general economic factors, including increases and decreases in consumer spending, business expansions and construction activity. These factors generally correlate to volumes of waste generated and impact our revenue. Negative economic conditions and other macroeconomic trends can and have caused customers to reduce their service needs. Such negative economic conditions, in addition to competitor actions, can impact our strategy to negotiate, renew, or expand service contracts and grow our business. We also encounter competition for acquisitions

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and growth opportunities. General economic factors and the market for consumer goods, in addition to regulatory developments, can also significantly impact commodity prices for the recyclable materials we sell. Significant components of our operating expenses vary directly as we experience changes in revenue due to volume and inflation. Volume changes can fluctuate significantly by line of business and volume

changes in higher margin businesses can impact key financial metrics. We must dynamically manage our cost structure in response to volume changes and cost inflation.

We believe the Company's industry-leading asset network and strategic focus on investing in our people and our digital platform will give the Company the necessary tools to address the evolving challenges impacting the Company and our industry. In line with our commitment to continuous improvement and a differentiated customer experience, we remain focused on our automation and optimization investments to enhance our operational efficiency and change the way we interact with our customers. Advancements made through these initiatives are intended to seamlessly and digitally connect all enterprise functions required to service customers and provide the best experience.

Macroeconomic pressures continue, including sustained inflationary pressures and high interest rates, with geopolitical events causing further market disruptions. Inflation moderately improved from the high levels observed during the first half of 2023; however, inflation remained above typical levels during the first quarter half of 2024. While supply chain activity has begun to normalize, largely normalized, risks persist related to higher operating costs, ongoing supply shortages, labor and transportation challenges and impacts from global events.

We continue to sometimes experience margin pressures and variability in earnings and margins from our commodity-driven businesses, specifically within our Recycling Processing and Sales and WM Renewable Energy segments. While recycling commodity prices have recovered nicely in 2024 from the low levels experienced in 2023, commodity values are still below prices seen at the beginning of 2022, recycling commodity prices began to improve in the fourth quarter of 2023 and continued to improve in the first quarter of 2024. While there may be short term fluctuations in our commodity-driven businesses as prices change, we 2022. We continue to take proactive steps to adjust our business models to protect against the down-side risk of changes in commodity prices.

The extent and duration of the impact of labor, supply chain, transportation and commodity price challenges are subject to numerous external factors beyond our control, including broader macroeconomic conditions; recessionary fears and/or an economic recession; size, location, and qualifications of the labor pool; wage and price structures; adoption of new or revised regulations; geopolitical conflicts and responses and supply and demand for commodities. As we experience inflationary cost pressures, we focus on our pricing efforts, as well as operating efficiencies and cost controls, to maintain our earnings and cash flow and facilitate growth. With these macroeconomic pressures, we remain committed to putting our people first to ensure that they are well positioned to execute our daily operations diligently and safely. We remain focused on delivering outstanding customer service, managing our variable costs with changing volumes and investing in technology that will enhance our customers' experience and provide operating efficiencies intended to reduce our cost to serve.

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Current Quarter Financial Results

During the first second quarter of 2024, we continued to focus on our priorities to advance our strategy—enhancing employee engagement, permanently reducing our cost to serve through the use of technology and automation, and investing in growth through our Recycling Processing and Sales and WM Renewable Energy segments. This strategic focus, combined with strong operational execution resulted in increased revenue, income from operations and income from operations margin. We remain diligent in offering a competitively profitable service that meets the needs of our customers, and we are focused on driving operating efficiencies and reducing discretionary spend. We continue to invest in our people through paying a competitive market wage, investments in our digital platform and training for our team members. We also continue to make investments in automation and optimization to enhance our operational efficiency and improve labor productivity for all lines of business. During the first second quarter of 2024, we allocated \$668 \$667 million of available cash to capital expenditures and \$557 \$313 million to our shareholders through dividends and common stock repurchases.

Key elements of our financial results for the first second quarter include:

- Revenues of \$5,159 \$5,402 million, compared with \$4,892 \$5,119 million in the prior year period, an increase of \$267 \$283 million, or 5.5%. The increase is primarily attributable to higher yield in our Collection and Disposal businesses and

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the increase in market value for recycled commodities, which increased revenues for our Recycling Processing and Sales segment, partially offset by, (i) decreased revenue from our energy surcharge program due to a decline in the price of fuel, particularly diesel, and (ii) lower industrial and residential collection volumes; segment;

- Operating expenses of \$3,140 million, \$3,291 million, or 60.9% of revenues, compared with \$3,086 \$3,186 million, or 63.1% 62.2% of revenues, in the prior year period. The \$54 million \$105 million increase in operating expenses is primarily attributable to (i) commodity-driven business impacts from higher recycling rebates; rebates from an increase in the market value for the commodities we process; (ii) an increase in volumes in our Strategic Business Solutions ("WMSBS") business, which increases our subcontractor costs, (iii) an increase in landfill operating costs, largely due to wet weather driving leachate costs higher, and (iii) inflationary pressures, (iv) and increase in risk management costs. These increases were offset in part by (i) lower diesel fuel prices and (ii) improved operating efficiency reduced repair and maintenance costs due to cost control initiatives in our Collection and Disposal businesses. Although our operating expenses increased overall, efficiency gains, improved employee retention, and momentum in truck deliveries, and cost control; positioned us to significantly reduce our operating expenses as a percentage of revenue when compared to the second quarter of 2023;
- Selling, general and administrative expenses were \$491 \$501 million, or 9.5% 9.3% of revenues, compared with \$476 \$467 million, or 9.7% 9.1% of revenues, in the prior year period. The \$15 \$34 million increase is primarily attributable to (i) increased labor costs from higher annual and long-term incentive compensation costs and annual wage increases and increases; (ii) increased technology spend; professional fees to support strategic initiatives, including our planned acquisition of Stericycle and (iii) increases in our bad debt expenses. These increases were offset, in part, by lower litigation costs;
- Income from operations was \$1,016 \$1,009 million, or 19.7% 18.7% of revenues, compared with \$825 \$944 million, or 16.9% 18.4% of revenues, in the prior year period. The increase in the current year earnings was primarily driven by revenue growth and improved business performance in our Collection and Disposal businesses partially offset by higher annual incentive compensation; a \$54 million charge associated with an investment in a waste diversion technology business;
- Net income attributable to Waste Management, Inc. was \$708 million, or \$1.75 per diluted share, compared with \$533 million, or \$1.30 per diluted share, in the prior year period. The primary drivers of the increase in net income are the increase in income from operations, discussed above and, to a lesser extent, a reduction in income tax expense of \$37 million, or \$0.09 per diluted share, associated with federal tax credits expected to be realized from our RNG investments. These increases were partially offset by higher interest expense and an increase in net losses of our unconsolidated entities.
- Net cash provided by operating activities was \$1,367 \$1,154 million compared with \$1,044 \$1,030 million in the prior year period, with the increase driven by (i) higher earnings in our Collection and Disposal businesses, and Recycling Processing and Sales segment, (ii) favorable changes which were modestly offset by an unfavorable change in working capital, net of effects of acquisitions and divestitures, and (iii) lower incentive compensation payments. This increase was partially offset by higher cash interest payments; capital; and
- Free cash flow was \$714 \$530 million compared with \$395 \$545 million in the prior year period. The increase in free cash flow is attributable to the increase in net As described above, cash provided by operating activities discussed above, increased by \$124 million during the quarter, but this was more than offset by a \$147 million increase in capital expenditures. The increase in capital expenditures is related to our strategic focus on sustainability growth investments in recycling and renewable energy. Free cash flow is a non-GAAP measure of liquidity. Refer to Free Cash Flow below for our definition of free cash flow, additional information about our use of this measure, and a reconciliation to net cash provided by operating activities, which is the most comparable GAAP measure.

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Results of Operations

Operating Revenues

The mix of operating revenues for the three months ended March 31 from our major lines of business are as follows (in millions):

	Gross Operating Revenues	Intercompany Operating Revenues (a)	Net Operating Revenues	Gross Operating Revenues	Intercompany Operating Revenues (a)	Net Operating Revenues
Three Months Ended June 30:						
2024						
Commercial	\$ 1,501	\$ (185)	\$ 1,316	\$ 1,526	\$ (196)	\$ 1,330
Industrial	934	(187)	747	978	(199)	779
Residential	876	(22)	854	886	(23)	863

Other collection	751	(53)	698	781	(52)	729
Total collection	4,062	(447)	3,615	4,171	(470)	3,701
Landfill	1,177	(385)	792	1,291	(418)	873
Transfer	560	(251)	309	618	(270)	348
Total Collection and Disposal	5,799	(1,083)	4,716	6,080	(1,158)	4,922
Recycling Processing and Sales	436	(68)	368	475	(70)	405
WM Renewable Energy	70	(1)	69	70	(1)	69
Corporate and Other	12	(6)	6	12	(6)	6
Total	\$ 6,317	\$ (1,158)	\$ 5,159	\$ 6,637	\$ (1,235)	\$ 5,402
2023						
Commercial	\$ 1,412	\$ (161)	\$ 1,251	\$ 1,424	\$ (168)	\$ 1,256
Industrial	933	(177)	756	974	(192)	782
Residential	854	(25)	829	866	(25)	841
Other collection	689	(50)	639	745	(56)	689
Total collection	3,888	(413)	3,475	4,009	(441)	3,568
Landfill	1,150	(391)	759	1,263	(417)	846
Transfer	540	(251)	289	585	(265)	320
Total Collection and Disposal	5,578	(1,055)	4,523	5,857	(1,123)	4,734
Recycling Processing and Sales	374	(80)	294	394	(78)	316
WM Renewable Energy	70	(1)	69	63	(1)	62
Corporate and Other	12	(6)	6	14	(7)	7
Total	\$ 6,034	\$ (1,142)	\$ 4,892	\$ 6,328	\$ (1,209)	\$ 5,119

	Gross Operating Revenues	Intercompany Operating Revenues (a)	Net Operating Revenues
Six Months Ended June 30:			
2024			
Commercial	\$ 3,027	\$ (381)	\$ 2,646
Industrial	1,912	(386)	1,526
Residential	1,762	(45)	1,717
Other collection	1,532	(105)	1,427
Total collection	8,233	(917)	7,316
Landfill	2,468	(803)	1,665
Transfer	1,178	(521)	657
Total Collection and Disposal	11,879	(2,241)	9,638
Recycling Processing and Sales	911	(138)	773
WM Renewable Energy	140	(2)	138
Corporate and Other	24	(12)	12
Total	\$ 12,954	\$ (2,393)	\$ 10,561
2023			
Commercial	\$ 2,836	\$ (329)	\$ 2,507
Industrial	1,907	(369)	1,538
Residential	1,720	(50)	1,670
Other collection	1,434	(106)	1,328

Total collection	7,897	(854)	7,043
Landfill	2,413	(808)	1,605
Transfer	1,125	(516)	609
Total Collection and Disposal	11,435	(2,178)	9,257
Recycling Processing and Sales	768	(158)	610
WM Renewable Energy	133	(2)	131
Corporate and Other	26	(13)	13
Total	\$ 12,362	\$ (2,351)	\$ 10,011

(a) Intercompany operating revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

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The following table provides details associated with the period-to-period change in revenues and average yield (dollars in millions):

	Period-to-Period Change for the Three Months Ended March 31, 2024 vs. 2023				Period-to-Period Change for the Three Months Ended June 30, 2024 vs. 2023				Period-to-Period Change for the Six Months Ended June 30, 2024 vs. 2023			
	As a % of Related		As a % of Total		As a % of Related		As a % of Total		As a % of Related		As a % of Total	
	Amount	Business(a)	Amount	Company(b)	Amount	Business(a)	Amount	Company(b)	Amount	Business(a)	Amount	Company(b)
Collection and Disposal	\$ 218	5.1 %			\$ 205	4.6 %			\$ 424	4.8 %		
Recycling Processing and Sales and WM Renewable Energy (c)	60	15.7			67	17.3			127	16.6		
Energy surcharge and mandated fees (d)	(28)	(11.3)			(8)	(3.2)			(36)	(7.4)		
Total average yield (e)			\$ 250	5.1 %			\$ 264	5.2 %			\$ 515	5.1 %
Volume (f)			(1)	—			5	0.1			3	—
Internal revenue growth			249	5.1			269	5.3			518	5.1
Acquisitions			19	0.4			18	0.3			37	0.4
Divestitures			(1)	—			—	—			(1)	—
Foreign currency translation			—	—			(4)	(0.1)			(4)	—
Total			\$ 267	5.5 %			\$ 283	5.5 %			\$ 550	5.5 %

(a) Calculated by dividing the increase or decrease for the current year period by the prior year period's related business revenue adjusted to exclude the impacts of divestitures for the current year period.

- (b) Calculated by dividing the increase or decrease for the current year period by the prior year period's total Company revenue adjusted to exclude the impacts of divestitures for the current year period.
- (c) Includes combined impact of commodity price variability in both our Recycling Processing and Sales and WM Renewable Energy segments, as well as changes in certain recycling fees charged by our collection and disposal operations.
- (d) Our energy surcharge was revised in the second quarter of 2023 to incorporate market prices for both diesel and compressed natural gas ("CNG").
- (e) The amounts reported herein represent the changes in our revenue attributable to average yield for the total Company.
- (f) Includes activities from our Corporate and Other businesses.

The following provides further details about our period-to-period change in revenues:

Average Yield

Collection and Disposal Average Yield — This measure reflects the effect on our revenue from the pricing activities of our collection, transfer and landfill operations, exclusive of volume changes. Revenue growth from Collection and Disposal average yield includes not only base rate changes and environmental and service fee fluctuations, but also (i) certain average price changes related to the overall mix of services, which are due to the types of services provided; (ii) changes in average price from new and lost business and (iii) price decreases to retain customers.

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The details of our revenue growth from Collection and Disposal average yield are as follows (dollars in millions):

	Period-to-Period Change for the Three Months Ended March 31, 2024 vs. 2023		Period-to-Period Change for the Three Months Ended June 30, 2024 vs. 2023		Period-to-Period Change for the Six Months Ended June 30, 2024 vs. 2023	
	As a % of Related Business		As a % of Related Business		As a % of Related Business	
	Amount		Amount		Amount	
Commercial	\$ 86	6.8 %	\$ 84	6.5 %	\$ 170	6.6 %
Industrial	49	5.8	43	4.8	92	5.3
Residential	51	6.4	52	6.5	103	6.4
Total collection	186	6.1	179	5.7	365	5.9
Landfill	17	2.4	11	1.4	29	1.9
Transfer	15	5.5	15	4.9	30	5.2
Total Collection and Disposal	\$ 218	5.1 %				
Total collection and disposal			\$ 205	4.6 %	\$ 424	4.8 %

Our overall pricing efforts are focused on keeping pace with the increasing costs and capital needs of our business. Average yield growth in our collection line of business was 5.7% and 5.9% for the three and six months ended June 30, 2024, respectively. We are also continuing to focus on price increases see growth in our disposal business with average yield in our municipal solid waste business experiencing average yield of 4.6% 2.1% and 3.2% for the first quarter of 2024, three and six months ended June 30, 2024, respectively.

Recycling Processing and Sales and WM Renewable Energy— Recycling Processing and Sales revenues attributable to yield increased \$58 million in \$60 million and \$118 million for the first quarter of 2024 three and six months ended June 30, 2024, as compared with prior year period. During the first quarter of 2024, average periods. Average market prices for single-stream recycled commodities were up 57% increased nearly 60% for the three and six months ended June 30, 2024, as compared with the prior year period. periods. Yield from the WM Renewable Energy segment was essentially flat increased \$7 million and \$9 million for the three and six months ended June 30, 2024, as compared with the prior year periods, primarily driven by increases in Renewable Identification Numbers ("RINs") values largely offset by a decrease in market prices for power. values. While there may be short-term fluctuations in our commodity-driven businesses as prices change, we continue to take proactive steps to adjust believe that our business models to and processes appropriately protect against the downside risk of changes in commodity prices.

Energy Surcharge and Mandated Fees — These fees, which include our energy surcharge program and other mandated fees, decreased \$28 \$8 million and \$36 million for the first quarter of 2024, three and six months ended June 30, 2024, respectively, as compared with the prior year period. periods. Beginning in the second quarter of 2023, our energy surcharge was revised to incorporate market prices for both diesel and CNG. The decrease in energy surcharge revenues in the first quarter of 2024 is primarily due to a decline of approximately 10% 2% and 6% in market prices for diesel fuel for the three and six months ended June 30, 2024, respectively, as compared to the prior year period. periods. The mandated fees are primarily related to fees and taxes assessed by various state, county and municipal government agencies at our landfills and transfer stations. These amounts have not significantly impacted the change in revenue for the first quarter of 2024, three and six months ended June 30, 2024, respectively, as compared with the prior year period. periods.

Volume

Our revenues from volume (excluding volumes from acquisitions and divestitures) decreased \$1 million increased \$5 million and \$3 million for the first quarter of 2024 three and six months ended June 30, 2024, respectively, as compared with the prior year period. Special periods. We have experienced volume increases in special waste volumes projects at our landfills, continue to be strong primarily due to higher contributions from event-driven projects. In addition, recycling, and our WMSBS business volumes grew as a result of our continued focus on a differentiated service model for national accounts customers. However, these increases have been were largely offset by a decline in our industrial collection volumes primarily due to lower contributions from temporary business as well as our intentional shedding of low-margin and residential collection volumes. Furthermore, our construction and demolition landfill volumes have declined on a year-over-year basis due to the impact of clean-up efforts in our East Tier from Hurricane Ian in the prior year.

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Operating Expenses

The following table summarizes the major components of our operating expenses for the three months ended March 31 (in millions of dollars and as a percentage of revenues):

					Three Months Ended				Six Months Ended			
	2024		2023		June 30,		June 30,		2024		2023	
					2024	2023	2024	2023				
Labor and related benefits	\$ 893	17.3 %	\$ 914	18.7 %	\$ 925	17.1 %	\$ 923	18.0 %	\$1,818	17.2 %	\$1,837	18.4 %
Transfer and disposal costs	315	6.1	307	6.3	327	6.1	323	6.3	642	6.1	630	6.3
Maintenance and repairs	489	9.5	491	10.0	522	9.7	504	9.8	1,011	9.6	995	10.0
Subcontractor costs	536	10.4	509	10.4	561	10.4	552	10.8	1,097	10.4	1,061	10.6
Cost of goods sold	228	4.4	185	3.8	256	4.7	189	3.7	484	4.6	374	3.7
Fuel	112	2.2	139	2.8	111	2.0	120	2.3	223	2.1	259	2.6
Disposal and franchise fees and taxes	172	3.3	170	3.5	190	3.5	193	3.8	362	3.4	363	3.6
Landfill operating costs	129	2.5	117	2.4	134	2.5	117	2.3	263	2.5	234	2.3
Risk management	77	1.5	73	1.5	96	1.8	76	1.5	173	1.6	149	1.5
Other	189	3.7	181	3.7	169	3.1	189	3.7	358	3.4	370	3.7
	\$ 3,140	60.9 %	\$ 3,086	63.1 %	\$3,291	60.9 %	\$3,186	62.2 %	\$6,431	60.9 %	\$6,272	62.7 %

Our operating expenses for the first quarter of 2024 increased as compared with the first quarter of 2023, primarily due to (i) commodity-driven business impacts from higher recycling rebates reflected from an increase in costs the market value of goods sold; the commodities we process; (ii) an increase in volumes in our WMSBS business, which relies more extensively on subcontracted hauling and services than our Collection and Disposal businesses; (iii) an increase in landfill operating costs, largely due to wet weather driving leachate costs higher, and (iii) inflationary pressures which have moderately declined from the high levels observed during the first half of 2023. (iv) an increase in risk management costs. These increases were offset, in part, by (i) commodity-driven business impacts from lower diesel fuel prices and (ii) improved operating efficiency and cost control initiatives in our Collection and Disposal businesses, as reflected in lower labor and benefits and maintenance and repairs costs as compared with the first quarter of 2023. businesses. Although our operating expenses increased overall, efficiency gains, improved turnover, employee retention, and momentum in truck deliveries combined with the benefit of price

increases positioned us to significantly reduce our operating expenses as a percentage of revenue when compared with the prior period, year periods.

Significant items affecting the comparison of operating expenses for the reported periods include:

Labor and Related Benefits — The slight increase in labor and related benefits costs for the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, was primarily driven by annual employee wage increases, offset, in part, by (i) lower headcount; (ii) decreased overtime and (iii) a reduction in training hours. The decrease in labor and related benefits costs for the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, was largely primarily driven by efficiency improvements in the Collection and Disposal businesses as demonstrated by (i) lower headcount; (ii) decreased overtime and (iii) a significant reduction in training hours. Improved driver retention was an important contributing factor to accomplish this result. The efficiency and turnover driven decreases in costs were offset, in part, by annual employee wage increases.

Transfer and Disposal Costs— The increase in transfer and disposal costs was primarily due to inflationary cost increases, which includes increased disposal fees at third-party sites and higher rates from our third-party haulers offset, in part, by decreases in industrial and residential collection volumes.

Maintenance and Repairs — The slight decrease increase in maintenance and repairs costs was largely primarily driven by inflationary cost increases for parts, supplies and third-party services, although the impact of such inflationary cost increases has moderated from the high levels observed during the first half of 2023. These cost increases were offset in part by an improvement in new truck deliveries, which lowered average fleet age and reduced demand for third-party services, parts and supplies, supplies and has resulted in improvements in operational efficiencies.

Subcontractor Costs —The increase in subcontractor costs was primarily due to (i) an increase in volumes in our WMSBS business, which relies more extensively on subcontracted hauling and services than our Collection and Disposal businesses and (ii) continued inflationary cost increases, particularly labor costs from third-party haulers, haulers although this

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impact has moderated from the high levels observed during the first half of 2023. These increases were offset, in part, by the impact of lower fuel prices on third-party subcontracted hauling and services as compared with the first quarter of 2023, services.

Cost of Goods Sold — The increase in cost of goods sold was primarily driven by a 57% nearly 60% increase in recycling commodity prices as compared to the prior year period, periods.

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Fuel — The decrease in fuel costs was primarily due to a decrease of approximately 10% 2% and 6% in market prices for diesel fuel, fuel during the three and six months ended June 30, 2024, respectively, as compared to the prior year periods.

Disposal and Franchise Fees and Taxes — The slight increase decrease in disposal and franchise fees and taxes was primarily driven by higher franchise and host community fees paid to a decrease in disposal tons at certain municipalities where we operate. West Tier landfills.

Landfill Operating Costs — The increase in landfill operating costs was primarily due to (i) leachate collection and treatment which can largely be attributed to particularly wet weather in the first half of 2024 in certain markets; (ii) methane collection and treatment and (iii) site maintenance. Additionally, certain adjustments to our environmental remediation reserve during the first quarter of 2024 and (ii) higher increased costs across our landfills for leachate collection and treatment. the six months ended June 30, 2024, as compared to the prior year period.

Risk Management — Risk management costs increased during the first quarter of 2024 as compared with the first quarter of 2023 primarily due to expected (i) adjustments to our reserves for certain large loss claims and (ii) increases in premiums for property coverage.

Other — Other operating cost increases were primarily due to a favorable litigation settlement during the first quarter of 2023, which reduced our expense, and an increase in property taxes. These increases were offset, in part, by current quarter insurance recoveries for property claims associated with a hurricane in 2023.

Other — Other operating cost decreases were primarily due to (i) gains on the sale of real estate in 2024; (ii) lower equipment rental costs attributable, in part, to improved truck deliveries in late 2023 and early during the first half of 2024 and (iii) security costs during the first quarter of 2023 attributable to a labor dispute which did not recur in 2024. These decreases were offset, in part, by (i) a favorable litigation settlement during the first quarter of 2023, which reduced our expense; and (ii) an increase in property taxes.

Selling, General and Administrative Expenses

The following table summarizes the major components of our selling, general and administrative expenses for the three months ended March 31 (in millions of dollars and as a percentage of revenues):

					Three Months Ended				Six Months Ended			
					June 30,				June 30,			
	2024		2023		2024		2023		2024		2023	
Labor and related benefits	\$ 321	6.2 %	\$ 312	6.4 %	\$316	5.9 %	\$293	5.7 %	\$637	6.0 %	\$605	6.0 %
Professional fees	47	0.9	50	1.0	64	1.2	55	1.1	111	1.1	105	1.1
Provision for bad debts	10	0.2	9	0.2	16	0.3	11	0.2	26	0.2	20	0.2
Other	113	2.2	105	2.1	105	1.9	108	2.1	218	2.1	213	2.1
	<u>\$ 491</u>	<u>9.5 %</u>	<u>\$ 476</u>	<u>9.7 %</u>	<u>\$501</u>	<u>9.3 %</u>	<u>\$467</u>	<u>9.1 %</u>	<u>\$992</u>	<u>9.4 %</u>	<u>\$943</u>	<u>9.4 %</u>

Selling, general and administrative expenses have increased for the three and six months ended June 30, 2024 primarily due to (i) increased labor costs from higher annual and long-term incentive compensation costs and annual wage increases and increases; (ii) increased technology spend. Although professional fees to support strategic initiatives, including our costs increased, the significant revenue planned acquisition of Stericycle and (iii) increases positioned us to reduce in our overall selling, general and administrative expenses as bad debt expenses. Partially offsetting these increases was a percentage of revenue when compared with the prior period, decline in litigation costs.

Significant items affecting the comparison of our selling, general and administrative expenses for the reported periods include:

Labor and Related Benefits — The increase in labor and related benefits costs was primarily related to (i) higher annual and long-term incentive compensation costs and (ii) annual employee wage increases. These increases were partially offset by a reduction in the hourly workforce as we have leveraged automation and technology to address attrition, particularly in our customer experience function.

Professional Fees — The decrease — The increase in professional fees was primarily attributable related to reduced expenses in connection with investments in legal, consulting and accounting costs incurred to support strategic initiatives, including our digital platform, as certain strategic projects have now been implemented, planned acquisition of Stericycle.

Other — The increase in other expenses costs for the six months ended June 30, 2024, as compared with the prior year period, was primarily related to (i) miscellaneous credits and rebates received in 2023; (ii) accelerated timing of seminars and (iii) increased spend across multiple cost categories such as computers, including, travel, bank charges, technology and other support telecommunications. These cost increases were partially offset by a decline in litigation costs.

Depreciation, Depletion and Amortization Expenses

The following table summarizes the components of our depreciation, depletion and amortization expenses for the three months ended March 31 (in millions of dollars and as a percentage of revenues):

					Three Months Ended				Six Months Ended			
					June 30,				June 30,			
	2024		2023		2024		2023		2024		2023	
Depreciation of tangible property and equipment	\$ 308	6.0 %	\$ 293	6.0 %	\$312	5.8 %	\$303	5.9 %	\$ 620	5.9 %	\$ 596	5.9 %
Depletion of landfill airspace	176	3.4	178	3.6	201	3.7	188	3.7	377	3.6	366	3.7
Amortization of intangible assets	30	0.6	34	0.7	30	0.6	30	0.6	60	0.5	64	0.6
	<u>\$ 514</u>	<u>10.0 %</u>	<u>\$ 505</u>	<u>10.3 %</u>	<u>\$543</u>	<u>10.1 %</u>	<u>\$521</u>	<u>10.2 %</u>	<u>\$1,057</u>	<u>10.0 %</u>	<u>\$1,026</u>	<u>10.2 %</u>

The increase in depreciation of tangible property and equipment during for the first quarter of 2024, three and six months ended June 30, 2024 as compared with the first quarter of 2023, to prior year periods was primarily driven by additional depreciation due to investments in capital assets to service our customers, such as trucks and machinery and equipment, and containers, equipment. The decrease/increase in depletion of landfill airspace during for the first quarter of 2024, three and six months ended June 30, 2024 as compared with to the first quarter of 2023, prior year period, was driven by changes in amortization rates from revisions in landfill estimates, partially offset by the closure of a previously reopened landfill in our East Tier. The decrease Tier and changes in amortization rates from revisions in landfill estimates.

(Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2024 primarily relates to a \$54 million charge required to increase the estimated fair value of intangible assets during the first quarter of 2024, as compared a liability associated with the first quarter expected disposition of 2023, was primarily driven by an investment the amortization of acquired intangible assets. Company holds in a waste diversion technology business. This charge is reflected in our Corporate and Other measures within our segment reporting. (Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2023 were not material.

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Income from Operations

The following table summarizes income from operations for our reportable segments for the three months ended March 31 (dollars in millions):

					Three Months Ended				Six Months Ended			
			Period-to-Period		June 30,		Period-to-Period		June 30,		Period-to-Period	
	2024	2023	Change		2024	2023	Change		2024	2023	Change	
Collection and Disposal:												
East Tier	\$ 654	\$ 531	\$ 123	23.2 %	\$ 692	\$ 599	\$ 93	15.5 %	\$1,346	\$1,130	\$ 216	19.1 %
West Tier	627	531	96	18.1	674	576	98	17.0	1,301	1,107	194	17.5
Other Ancillary	(2)	2	(4)	*	(7)	(2)	(5)	*	(9)	—	(9)	*
Collection and Disposal	1,279	1,064	215	20.2	1,359	1,173	186	15.9	2,638	2,237	401	17.9
Recycling Processing and Sales	19	13	6	46.2	29	24	5	20.8	48	37	11	29.7
WM Renewable Energy	21	20	1	5.0	18	14	4	28.6	39	34	5	14.7
Corporate and Other	(303)	(272)	(31)	11.4	(397)	(267)	(130)	48.7	(700)	(539)	(161)	29.9
Total (a)	<u>\$ 1,016</u>	<u>\$ 825</u>	<u>\$ 191</u>	<u>23.2 %</u>								
Total					<u>\$ 1,009</u>	<u>\$ 944</u>	<u>\$ 65</u>	<u>6.9 %</u>	<u>\$2,025</u>	<u>\$1,769</u>	<u>\$ 256</u>	<u>14.5 %</u>
Percentage of revenues	<u>19.7 %</u>	<u>16.9 %</u>			<u>18.7 %</u>	<u>18.4 %</u>			<u>19.2 %</u>	<u>17.7 %</u>		

*Percentage change does not provide a meaningful comparison.

(a) From time to time, the operating results of our reportable segments are significantly affected by certain transactions or events that management believes are not indicative or representative of our results.

The significant items affecting income from operations for our segments during the first quarter of 2024, three and six months ended June 30, 2024, as compared with the prior year period, periods, are summarized below:

- **Collection and Disposal** — Income from operations in our Collection and Disposal businesses increased primarily due to intentional efforts to improve the efficiency and operating costs incurred to serve our customers. Revenue growth from price increases, which translate into increased yield or average unit price, also contributed to the increase in income from operations. These increases were partially offset by (i) increased subcontractor costs within our WMSBS business which relies more extensively on subcontracted hauling and services than other parts of our Collection and Disposal businesses increased primarily due to our focus on price increases that keep pace with inflationary cost pressures in our business as well as intentional efforts to improve the efficiency and operating costs incurred to serve our customers. Additionally, in the second quarter of 2024, we recognized \$30 million of gains on the sale of non-strategic assets, which were recognized as a reduction of operating expenses. These increases were partially offset by (i) a decline in industrial collection volumes primarily due to lower contributions from temporary activity such as construction projects; (ii) an increase in landfill operating costs; and (iii) increased depreciation expenses for our fleet, machinery and equipment as well as higher depletion costs at our landfills.
- **Recycling Processing and Sales** — The increase in income from operations in Recycling Processing and Sales was primarily due to (i) improved commodity pricing compared to prior year; (ii) a gain on sale of a non-strategic asset recognized as a reduction in operating expenses and (iii) benefits from our growth investments and cost management. These improvements were partially offset by the impact of higher facility shutdown costs incurred during our capital investment programs targeted at automating and upgrading our single stream recycling business across North America.
- **WM Renewable Energy** — The increase in income from operations in WM Renewable Energy was primarily driven by (i) increased revenue due to higher RINs and blended power pricing and (ii) increased volumes due to the completion of additional projects that increased the beneficial use of landfill gas.
- **Corporate and Other** — The decrease in income from operations was primarily driven by (i) a \$54 million charge associated with an investment in a waste diversion technology business as discussed above in (Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net; (ii) an increase in risk management costs due to an adjustment to our reserves for certain large loss claims and increases in premiums for property coverage and (iii) higher annual and long-term incentive compensation costs.

Interest Expense, Net

Our interest expense, net was \$136 million and \$266 million for the three and six months ended June 30, 2024, respectively, compared to \$125 million and \$245 million for the three and six months ended June 30, 2023, respectively.

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businesses and (ii) a decline in industrial collection volumes primarily due to lower contributions from temporary businesses as well as our intentional efforts to reduce unprofitable residential collection volumes.

Recycling Processing and Sales — The increase in income from operations in Recycling Processing and Sales was primarily driven by an increase in the price for recycled commodities compared to the prior year.

WM Renewable Energy — The increase in income from operations in WM Renewable Energy was primarily driven by (i) increased revenue due to higher RINs pricing and (ii) a reduction in professional fees.

Corporate and Other — The decrease in income from operations was primarily driven by (i) higher annual incentive compensation and (ii) certain adjustments to our environmental remediation reserve during the first quarter of 2024. The decrease was partially offset by a decrease in health and welfare costs attributable to a headcount driven decline in plan participants.

Interest Expense, Net

Our interest expense, net was \$130 million and \$120 million during the three months ended March 31, 2024 and 2023, respectively. The increase is primarily related to an increase in our average debt balances to fund growth as well as an increase in our weighted average borrowing rate of approximately 15 10 basis points.

Equity in Net Losses Income (Losses) of Unconsolidated Entities

We recognized equity in net losses method investment income of unconsolidated entities of \$19 million \$22 million and \$11 million \$3 million during the three and six months ended March 31, 2024 June 30, 2024, respectively, compared to losses of \$12 million and 2023, \$23 million for the three and six months ended June 30, 2023, respectively. The losses for each period were primarily These financial statement impacts are largely related to our noncontrolling interests in entities established to invest in and manage low-income housing properties. We generate tax benefits, including tax credits, from In 2024, we adopted Accounting Standards Update ("ASU") 2023-02, and, as a result, beginning in 2024, the losses incurred from amortization of these investments which are discussed further in is recognized as a component of income tax expense. Refer to Note 4 to the Condensed Consolidated Financial Statements. Statements for further discussion.

Income Tax Expense

Our income tax expense was \$214 million and \$376 million for the three and six months ended June 30, 2024, respectively, compared to \$196 million and \$360 million for the three and six months ended June 30, 2023, respectively. Our effective income tax rates were \$162 million, or 18.6%, rate was 23.9% and \$164 million, or 23.6%, 21.3% for the three and six months ended March 31, 2024 June 30, 2024, respectively, compared to 24.2% and 2023, 23.9% for the three and six months ended June 30, 2023, respectively. See Note 4 to the Condensed Consolidated Financial Statements for more information related to income taxes.

Tax Legislation — The Inflation Reduction Act of 2022 ("IRA") was signed into law by President Biden on August 16, 2022 and contains several tax-related provisions, including with respect to (i) alternative fuel tax credits; (ii) tax incentives for investments in renewable energy production, carbon capture, and other climate actions and (iii) the overall measurement of corporate income taxes. Given the complexity and uncertainty around the applicability of the legislation to our specific facts and circumstances, we continue to analyze the IRA provisions to identify and quantify potential opportunities and applicable benefits included in the legislation. The provisions of the IRA related to alternative fuel tax credits secure approximately \$55 million of annual pre-tax benefit (recorded as a reduction in our operating expense) for tax credits in 2022, 2023 and 2024.

With respect to the investment tax credit, as expanded by the IRA, we expect the cumulative benefit to be between \$250 million and \$350 million, a large portion of which is anticipated to be realized in 2024 through 2026. The Company projects a full year investment tax credit benefit of approximately \$145 million, which is derived from the projected completion of five new RNG facilities by the end of 2024. The amount of the projected investment tax credit benefit for 2024 is based on a number of estimates and assumptions, including the timing of project completion and interpretation of the IRA.

Recently, however, the The IRS issued proposed regulations applicable to the investment tax credits that could call into question our ability to realize some, or all, of this tax benefit, which would negatively impact financial expectations in connection with our significant planned and ongoing investments in sustainability growth projects in our WM Renewable

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Energy segment. The proposed regulations provide a public comment period to allow taxpayers to provide input prior to the issuance of final regulations. In coordination with other members of the RNG industry and external advisors we are actively using this public comment period to work engaging directly with external advisors, the U.S. Congress, the current federal administration, and other biogas sector stakeholders to encourage the Treasury Department to further refine its analysis prior to publication of final regulations that more accurately reflect the express language and legislative intent of the statute with respect to the investment tax credit. However, there is no guarantee that such efforts will be successful. We expect that the production tax credit incentives for investments in renewable energy and carbon capture, as expanded by the IRA, will likely result in an incremental benefit to the Company, although at this time, the anticipated amount of such benefit has not been quantified.

Liquidity and Capital Resources

The Company consistently generates cash flow from operations that meets and exceeds our working capital needs, allows for payment of our dividends, investment in the business through capital expenditures and tuck-in acquisitions, and funding of strategic sustainability growth investments. We continually monitor our actual and forecasted cash flows, our liquidity and our capital resources, enabling us to plan for our present needs and fund unbudgeted business requirements

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that may arise during the year. The Company believes that its investment grade credit ratings, diverse investor base, large value of unencumbered assets and modest leverage enable it to obtain adequate financing and refinance upcoming maturities as necessary to meet its ongoing capital, operating, strategic and other liquidity requirements. We also have the additional ability to manage liquidity during periods of significant financial market disruption through temporary modification of our capital expenditure and share repurchase plans.

Summary of Cash and Cash Equivalents, Restricted Funds and Debt Obligations

The following is a summary of our cash and cash equivalents, restricted funds and debt balances (in millions):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 322	\$ 458	\$ 172	\$ 458
Restricted funds:				
Restricted funds and other:				
Insurance reserves	\$ 492	\$ 376	\$ 434	\$ 376
Final capping, closure, post-closure and environmental remediation funds	120	119	121	119
Other (a)	2	17	778	17
Total restricted funds (a)	\$ 614	\$ 512		
Total restricted funds and other (b)			\$ 1,333	\$ 512
Debt:				
Current portion	\$ 336	\$ 334	\$ 242	\$ 334
Long-term portion	15,762	15,895	16,501	15,895
Total debt	\$ 16,098	\$ 16,229	\$16,743	\$ 16,229

(a) Includes \$778 million of investments in certain WM tax-exempt bonds as discussed further in Note 1 to the Condensed Consolidated Financial Statements. These investments are classified as current because we have the intent and ability to remarket the bonds within the next twelve months. The related tax-exempt debt is included in our Condensed Consolidated Balance Sheet as of June 30, 2024 as a component of long-term debt. In July 2024 we received \$349 million from the successful remarking of these tax-exempt bonds and expect to successfully remarket the remaining bonds held within the third quarter of 2024.

(b) As of March 31, 2024 June 30, 2024 and December 31, 2023, \$868 million and \$90 million, respectively, of these account balances were included in other current assets in our Condensed Consolidated Balance Sheets.

Debt — As of March 31, 2024 June 30, 2024, we had approximately \$3.1 billion \$3.8 billion of debt maturing within the next 12 months, including (i) \$750 million \$1.6 billion of short-term short term borrowings under our commercial paper program (net of related discount on issuance); (ii) \$1.6 billion \$1.6 billion of tax-exempt tax exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (iii) \$156 million of 3.5% senior notes that mature in May 2024; (iv) \$422 million of 3.125% senior notes that mature in March 2025 and (v) \$180 million (iv) \$167 million of other debt with scheduled maturities within the next 12 months, including \$60 million \$30 million of tax-exempt bonds. As of March 31, 2024 June 30, 2024, we have classified \$2.8 billion \$3.6 billion of debt maturing in the next 12 months as long-term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$3.5 billion \$3.5 billion long-term U.S. and Canadian revolving credit facility (“\$3.5 billion revolving credit facility”), as discussed below, and our issuance of \$1.5 billion of senior notes in July 2024, the proceeds of which were used primarily to reduce outstanding borrowings under our commercial paper program and the remainder were used for general corporate purposes. The remaining \$336 million \$242 million of debt maturing in the next 12 months is classified as current obligations.

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Guarantor Financial Information

WM Holdings has fully and unconditionally guaranteed all of WMI's senior indebtedness. WMI has fully and unconditionally guaranteed all of WM Holdings' senior indebtedness. None of WMI's other subsidiaries have guaranteed any of WMI's or WM Holdings' debt. In lieu of providing separate financial statements for the subsidiary issuer and guarantor (WMI and WM Holdings), we have presented the accompanying

supplemental summarized combined balance sheet and income statement information for WMI and WM Holdings on a combined basis after elimination of intercompany transactions between WMI and WM Holdings and amounts related to investments in any subsidiary that is a non-guarantor (in millions):

	March 31, 2024	December 31, 2023
Balance Sheet Information:		
Current assets	\$ 162	\$ 276
Noncurrent assets	12	25
Current liabilities	300	336
Noncurrent liabilities:		
Advances due to affiliates	21,847	21,228
Other noncurrent liabilities	13,694	13,798

	June 30, 2024	December 31, 2023
Balance Sheet Information:		
Current assets	\$ 790	\$ 276
Noncurrent assets	14	25
Current liabilities	222	336
Noncurrent liabilities:		
Advances due to affiliates	22,197	21,228
Other noncurrent liabilities	14,381	13,798

		Three Six Months Ended
		March 31, June 30, 2024
Income Statement Information:		
Revenue		\$ —
Operating income		(134) (203)
Net loss		(99) (150)

Summary of Cash Flow Activity

The following is a summary of our cash flows for the **three six** months ended **March 31 June 30** (in millions):

	2024	2023	2024	2023
Net cash provided by operating activities	\$ 1,367	\$ 1,044	\$ 2,521	\$ 2,074
Net cash used in investing activities	\$ (755)	\$ (778)	\$ (2,359)	\$ (1,339)
Net cash used in financing activities	\$ (737)	\$ (319)	\$ (464)	\$ (919)

Net Cash Provided by Operating Activities — Our operating cash flows increased by **\$323 \$447** million for the **three six** months ended **March 31, 2024 June 30, 2024**, as compared with the prior year period, driven by (i) higher earnings in our Collection and Disposal **businesses** and Recycling Processing and Sales segment, **businesses**; (ii) favorable changes in working capital **net of effects of acquisitions and divestitures**, and (iii) lower annual incentive compensation payments. This increase was partially offset by higher cash interest payments.

Net Cash Used in Investing Activities — The most significant items included in our investing cash flows for the **three six** months ended **March 31, 2024 June 30, 2024** and 2023 are summarized below:

- **Capital Expenditures** — We used **\$668 \$1,335** million and **\$660 \$1,180** million for capital expenditures during the **three six** months ended **March 31, 2024 June 30, 2024** and 2023, respectively. The increase in capital spending is primarily driven by our planned and ongoing investments in our Recycling Processing and Sales and WM Renewable Energy segments.
- **Acquisitions** — Our spending on acquisitions was \$250 million and \$118 million during the six months ended June 30, 2024 and 2023, respectively, of which \$243 million and \$118 million, respectively, are considered cash used in investing activities. The remaining spend is cash used in financing activity related to the timing of contingent consideration paid. Substantially all of these acquisitions are related to our solid waste and recycling businesses.

- **Other, Net** — During the six months ended June 30, 2024, we repurchased \$778 million in certain WM tax-exempt bonds as discussed further in Note 1 to Condensed Consolidated Financial Statements. The remaining year-over-year changes in other investing activities were primarily driven by changes in our investment portfolio associated with a wholly-owned insurance captive. During the three six months ended March 31, 2024 June 30, 2024 and 2023, we used \$90 \$61 million and \$85 \$76 million, respectively, of cash from restricted cash and cash equivalents to invest in available-for-sale securities.

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Net Cash Used in Financing Activities — The most significant items affecting the comparison of our financing cash flows for the three six months ended March 31, 2024 June 30, 2024 and 2023 are summarized below:

- **Debt Borrowings and Repayments** — The following summarizes our cash borrowings (net of related discount) and repayments of debt for the three six months ended March 31 June 30 (in millions):

	2024	2023	2024	2023
Borrowings:				
Commercial paper	\$ 4,412	\$ 5,643	\$ 9,180	\$ 10,064
Senior notes	—	1,242	—	1,242
Tax-exempt bonds			—	50
	\$ 4,412	\$ 6,885	\$ 9,180	\$ 11,356
Repayments:				
Commercial paper	\$ (4,528)	\$ (6,520)	\$ (8,496)	\$ (10,476)
Senior notes			(156)	(500)
Tax-exempt bonds			(30)	(40)
Other debt	(42)	(28)	(70)	(58)
	\$ (4,570)	\$ (6,548)	\$ (8,752)	\$ (11,074)
Net cash borrowings (repayments)	\$ (158)	\$ 337		
Net cash borrowings			\$ 428	\$ 282

Refer to Note 3 to the Condensed Consolidated Financial Statements for additional information related to our debt borrowings and repayments.

- **Common Stock Repurchase Program** — During the three six months ended March 31, 2024 June 30, 2024 and 2023, we used \$250 million \$262 and \$350 million, \$620 million, respectively, to repurchase shares of our common stock under accelerated share repurchase agreements, agreements and open market transactions. The decrease in share repurchase activity in 2024 relates to our temporary suspension of share repurchase activity in anticipation of the acquisition of Stericycle. We expect to resume share repurchases once the Company's leverage returns to targeted levels, which is currently projected to be about 18 months after the acquisition closes. See Note 9 11 to the Condensed Consolidated Financial Statements for additional information, information about our share repurchase activity.
- **Cash Dividends** — For the periods presented, all dividends have been declared by our Board of Directors. We paid cash dividends of \$307 \$608 million and \$289 \$572 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase in dividend payments is primarily due to our quarterly per share dividend increasing from \$0.70 in 2023 to \$0.75 in 2024.

Free Cash Flow

We are presenting free cash flow, which is a non-GAAP measure of liquidity, in our disclosures because we use this measure in the evaluation and management of our business. We define free cash flow as net cash provided by operating activities, less capital expenditures, plus proceeds from divestitures of businesses and other assets, net of cash divested. We believe it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace net cash provided by operating activities, which is the most comparable GAAP measure. We believe free cash flow gives investors useful insight into how we view our liquidity, but the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as declared dividend payments and debt service requirements.

Our calculation of free cash flow and reconciliation to net cash provided by operating activities for the three months ended March 31 is shown in the table below (in millions), and may not be calculated the same as similarly-titled measures presented by other companies:

	2024	2023
Net cash provided by operating activities	\$ 1,367	\$ 1,044
Capital expenditures to support the business	(502)	(504)
Capital expenditures - sustainability growth investments (a)	(166)	(156)
Total capital expenditures	(668)	(660)
Proceeds from divestitures of businesses and other assets, net of cash divested	15	11
Free cash flow	\$ 714	\$ 395

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 1,154	\$ 1,030	\$ 2,521	\$ 2,074
Capital expenditures to support the business	(445)	(459)	(947)	(963)
Capital expenditures - sustainability growth investments (a)	(222)	(61)	(388)	(217)
Total capital expenditures	(667)	(520)	(1,335)	(1,180)
Proceeds from divestitures of businesses and other assets, net of cash divested	43	35	58	46
Free cash flow	\$ 530	\$ 545	\$ 1,244	\$ 940

(a) These growth investments are intended to further our sustainability leadership position by increasing recycling volumes and growing renewable natural gas generation. We expect they will deliver circular solutions for our customers and drive environmental value to the communities we serve.

Critical Accounting Estimates and Assumptions

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments, intangible asset impairments and the fair value of assets and liabilities acquired in business combinations, as described in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

Seasonal Trends

Our financial and operating results may fluctuate for many reasons, including period-to-period changes in the relative contribution of revenue by each line of business, changes in commodity prices and general economic conditions. Our operating revenues and volumes typically experience seasonal increases in the summer months that are reflected in second and third quarter revenues and results of operations.

Service or operational disruptions caused by severe storms, extended periods of inclement weather or climate events can significantly affect the operating results of the geographic areas affected. Extreme weather events may also lead to supply chain disruption and delayed project development, or disruption of our customers' businesses, reducing the amount of waste generated by their operations.

Conversely, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our revenues in the geographic areas affected as a result of the waste volumes generated by these events. While weather-related and other event-driven special projects can boost revenues

through additional work for a limited time, due to significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

Inflation

Macroeconomic pressures continue, including sustained inflationary pressures and high interest rates, with geopolitical events causing further market disruptions. Inflation moderately declined from the high levels observed during

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the first half of 2023; however, inflation remained above typical levels during the first quarter half of 2024. While supply chain activity has begun to normalize, risks persist related to higher operating costs, ongoing supply shortages, labor and

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transportation challenges and impacts from global events. We continue to take proactive steps to recover and mitigate inflationary cost pressures through our overall pricing efforts and by managing our costs through efficiency, labor productivity, and investments in technology to automate certain aspects of our business. These efforts may not be successful for various reasons including the pace of inflation, operating cost inefficiencies, market responses, and contractual limitations, such as the timing lag in our ability to recover increased costs under certain contracts that are tied to a price escalation index with a lookback provision.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Information about market risks as of March 31, 2024 June 30, 2024 does not materially differ from that discussed under Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our principal executive and financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) in ensuring that the information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of March 31, 2024 June 30, 2024 (the end of the period covered by this Quarterly Report on Form 10-Q) at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

Management, together with our CEO and CFO, evaluated the changes in our internal control over financial reporting during the quarter ended March 31, 2024 June 30, 2024. We determined that there were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.

Item 1. Legal Proceedings.

Information regarding our legal proceedings can be found under the *Environmental Matters* and *Litigation* sections of Note 6 to the Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

The planned Stericycle acquisition may not occur at all, may not occur in the expected time frame or may involve remedies required by regulatory authorities, which may negatively affect the trading price of our common stock and our future business and financial results.

On June 3, 2024, we entered into the Merger Agreement pursuant to which, among other things and subject to the satisfaction or waiver of specified conditions, we agreed to acquire Stericycle. If the Stericycle acquisition is completed,

Stericycle will become our indirect wholly owned subsidiary. The consummation of the Stericycle acquisition is not assured and is subject to certain conditions, including, among other things, (i) the affirmative vote of the holders of a majority of the voting power represented by the shares of Stericycle common stock that are outstanding and entitled to vote at the meeting of stockholders of Stericycle, (ii) customary regulatory approval, including pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, and certain foreign competition laws and foreign investment laws, and (iii) the absence of any law or order restraining, enjoining or otherwise prohibiting the Stericycle acquisition, as well as other customary closing conditions.

The planned Stericycle acquisition is subject to a number of risks and uncertainties, including general economic and capital markets conditions; the effects that the announcement or pendency of the Stericycle acquisition may have on us, Stericycle and our respective businesses; inability to obtain required regulatory or government approvals or to obtain such approvals on satisfactory conditions; inability of Stericycle to obtain stockholder approval or satisfy other closing conditions; our inability to obtain financing on acceptable terms; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, several of which could require us to pay a termination fee of \$262.5 million to Stericycle; legal or regulatory proceedings related to Stericycle or the proposed acquisition and the expenses and diversion of management's attention that may be associated therewith; and unexpected costs, charges or expenses. If the planned Stericycle acquisition is not completed, if there are significant delays in completing the planned acquisition or if the planned acquisition involves an unexpected amount of remedies required by regulatory authorities, it could negatively affect the trading price of our common stock and our future business and financial results.

We may not realize the strategic benefits and cost synergies that are anticipated from the planned Stericycle acquisition.

The benefits we expect to receive from the planned Stericycle acquisition depend on the performance of the Stericycle business and its ability to achieve its financial and operational targets and strategic goals. The Stericycle business is subject to numerous risks and uncertainties that could cause performance to be materially different than we have anticipated; such factors include, but are not limited to, decreases in the volume of regulated wastes or personal and confidential information collected from customers; disruptions resulting from deployment of systems; changing market conditions in the healthcare industry; competition and demand for services in the regulated waste and secure information destruction industries; commodity price volatility; changes in governmental regulation of the collection, transportation, treatment and disposal of regulated waste or the proper handling and protection of personal and confidential information; the level of government enforcement of regulations governing regulated waste collection and treatment or the proper handling and protection of personal and confidential information; and the outcome of pending, future or settled litigation or investigations. Should the Stericycle business be unsuccessful in achieving its financial and operational targets and implementing its business strategy, it could negatively impact our realization of benefits from the acquisition, as well as the trading price of our common stock and our future business and financial results.

The benefits that we expect to receive from the planned Stericycle acquisition also depend, in part, on our ability to realize anticipated cost synergies. Our success in realizing these benefits and cost synergies, and the timing of this realization, depends on the successful integration of Stericycle. There is a significant degree of difficulty and management distraction inherent in the process of integrating an acquisition. The

process of integrating operations could cause business interruption and distraction. Some members of our management may be required to devote considerable time to this integration process, which will decrease the time they will have to manage the Company, service existing customers, attract new customers and develop new products or strategies. If management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business, financial condition and results of operations could suffer.

The planned Stericycle acquisition may not result in realization of the benefits and cost synergies that we currently expect, and we cannot guarantee that these benefits and cost synergies will be achieved within anticipated time frames or at all. Additionally, we may incur substantial expenses in connection with the integration of Stericycle, which may exceed expectations and offset certain benefits.

Our indebtedness following the consummation of the Stericycle acquisition will be greater than our existing indebtedness. It may be more difficult for us to pay or refinance our debts or take other actions, and we may need to divert cash flow from operations to debt service payments.

We intend to incur additional debt to pay for the planned Stericycle acquisition, which will result in our indebtedness following the consummation of the acquisition being greater than our current indebtedness. We may also incur additional

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unsecured debt under our \$3.5 billion revolving credit facility and under our commercial paper program, which is fully supported by such credit facility. Following consummation of the acquisition, our debt service obligations with respect to our increased indebtedness may require diversion of some cash flows from operations to debt service payments. We currently expect that, following the consummation of the acquisition, we will be able to generate sufficient cash on a consolidated basis to make all of the principal and interest payments when such payments are due under our \$3.5 billion revolving credit facility, indentures and other instruments governing our outstanding indebtedness, but there can be no assurance that we will be able to repay or refinance such borrowings and obligations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table summarizes common stock repurchases made during the **first** **second** quarter of 2024 (shares in millions):

Issuer Purchases of Equity Securities

Period	Total Number of				Total Number of			
	Total Number of Shares Purchased	Average Price Paid per Share(a)	Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs(a)	Total Number of Shares Purchased	Average Price Paid per Share(a)	Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs(a)
January 1 — 31	—	\$ —	—	\$ 1.5 billion				
February 1 — 29								
(b)	1.2	\$ 194.80	1.2	\$ 1.25 billion				
March 1 — 31	—	\$ —	—	\$ 1.25 billion (c)				
April 1 — 30 (b)					0.3	\$ 207.33	0.3	\$ 1,238 million
May 1 — 31					—	\$ —	—	\$ 1,238 million
June 1 — 30					—	\$ —	—	\$ 1,238 million (c)
Total	1.2	\$ 194.80	1.2		0.3	\$ —	0.3	

- (a) In the table above and footnotes below, the average price paid per share, total repurchase costs and approximate maximum dollar value of shares that may yet be purchased under the plans or programs exclude the 1% excise tax.
- (b) In October 2023, we executed an accelerated share repurchase ("ASR") agreement to repurchase \$300 million. We repurchased 0.2 million shares of our common stock. At the beginning of the repurchase period, we delivered \$300 million in cash and initially received 1.5 million shares based on stock through a stock price of \$161.38. The February 2024 ASR agreement that completed in February April 2024, at which time we received 0.2 million additional shares based on a final weighted average price of \$175.29. \$206.23. Additionally, we repurchased 0.1 million shares in open market transactions in compliance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act for \$12 million, inclusive of per-share commissions, at a weighted average price of \$209.20. See Note 11 to the Condensed Consolidated Financial Statements for additional information.
- In February 2024, we entered into an accelerated share repurchase ("ASR") agreement to repurchase \$250 million of our common stock. At the beginning of the repurchase period, we delivered \$250 million cash and initially received 1.0 million shares based on a stock price of \$199.16. The ASR agreement completed in April 2024, and we received 0.2 million additional shares based on a final weighted average price of \$206.23.
- The average price per share reported in the table reflects the weighted average price of (i) the final share delivery from the October 2023 ASR, which was made in February 2024, and (ii) the initial share delivery of the February 2024 ASR.
- (c) As of March 31, 2024 June 30, 2024, the Company has authorization for \$1.25 billion \$1,238 million of future share repurchases. As a result of the planned Stericycle acquisition, the Company previously announced that it has temporarily suspended share repurchases. The amount of future share repurchases executed under our Board of Directors' authorization is determined in management's discretion, based on various factors, including our net earnings, financial condition and cash required for future business plans, growth and acquisitions.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Information concerning mine safety and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this quarterly report.

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Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During the quarter ended June 30, 2024, no executive officer or member of our Board of Directors adopted a securities trading plan.

On February 20, 2024 June 2, 2024, Mr. James C. Fish, Jr., President, Chief Executive Officer and a member of our Board of Directors, adopted a written net share settlement instruction, which provided that automatically upon the vesting of 32,850 stock options on February 23, 2024, the Company would exercise the options and withhold shares of common stock necessary to cover tax requirements and the exercise price. All remaining shares of common stock resulting from the option exercise after the net share settlement process were delivered to Mr. Fish. The net share settlement instruction was not intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

On March 2, 2024, Mr. Fish adopted terminated a stock trading plan that was adopted on March 2, 2024 (the "Fish Trading" "Trading Plan") that was intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Fish Trading Plan will was to commence on June 3, 2024 and will was to automatically terminate on the earlier of June 3, 2025 and the completion of all of the contemplated transactions set forth therein. The Fish Trading Plan provides provided for the potential sale of up to 86,209 shares of our common stock upon our common stock reaching specified market prices. The Trading Plan was terminated before it took effect, and no sales of shares under the Trading Plan occurred.

On March 6, 2024, Mr. Michael J. Watson, Senior Vice President and Chief Customer Officer, adopted a stock trading plan (the "Watson Trading Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Watson Trading Plan will commence on June 6, 2024 and will automatically terminate on the earlier of October 31, 2024 and the completion of all of the contemplated stock sales set forth therein. The Watson Trading Plan provides for the potential sale of up to 8,708 shares of our common stock upon our common stock reaching specified market prices.

On March 7, 2024, Mr. Charles C. Boettcher, Executive Vice President, Corporate Development and Chief Legal Officer, adopted a stock trading plan (the "Boettcher Trading Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Boettcher Trading Plan will commence on June 5, 2024 and will automatically terminate on the earlier of October 30, 2024 and the completion of all of the contemplated transactions set forth therein. The Boettcher Trading Plan provides for the potential cashless exercise of 10,639 vested stock options, upon our common stock reaching specified market prices, pursuant to which the Company would withhold shares of common stock necessary to cover tax requirements and the exercise price. All remaining shares of common stock resulting from the option exercise after the net share settlement process will be delivered to Mr. Boettcher.

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Item 6. Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated June 3, 2024 by and among WMI, Stag Merger Sub Inc. and Stericycle [Incorporated by reference to Exhibit 2.1 to Form 8-K filed June 5, 2024, as amended by Form 8-K/A filed the same date], (pursuant to Item 601(b)(2) of Regulation S-K, exhibits and schedules to the Agreement and Plan of Merger have been omitted and will be supplementally provided to the SEC upon request).
3.1	Fourth Restated Certificate of Incorporation of WMI [Incorporated by reference to Exhibit 3.2 to Form 8-K filed May 17, 2024].
4.1*	Officers' Certificate delivered pursuant to Section 301 of the Indenture dated September 10, 1997 establishing the terms and form of the 4.950% Senior Notes due 2027.
4.2*	Officers' Certificate delivered pursuant to Section 301 of the Indenture dated September 10, 1997 establishing the terms and form of the 4.950% Senior Notes due 2031.
4.3*	Guarantee Agreement by WM Holdings in favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the holders of the 4.950% Senior Notes due 2027.
4.4*	Guarantee Agreement by WM Holdings in favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the holders of the 4.950% Senior Notes due 2031.
10.1	Form \$3.5 Billion Seventh Amended and Restated Revolving Credit Agreement dated as of 2024 Long Term Incentive Compensation Award Agreement for Senior Leadership Team May 8, 2024 by and among WMI, Waste Management of Canada Corporation, WM Quebec Inc. and WM Holdings, certain banks party thereto, and Bank of America, N.A., as administrative agent [Incorporated by reference to Exhibit 10.1 to Form 8-K filed March 6, 2024 May 10, 2024].
10.2	Form of 2024 Executive Officer Annual Incentive Award Agreement [Incorporated by reference to Exhibit 10.2 to Form 8-K filed March 6, 2024].
10.3*	Form of 2024 Long Term Incentive Compensation Award Agreement for Leadership Tier (Chief Accounting Officer).

By: /s/ JOHN CARROLL
John Carroll
Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Date: April 25, 2024 July 25, 2024

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EXHIBIT 10.3 Exhibit 4.1

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997
July 3, 2024 Long Term Incentive Compensation

Award Agreement

for The undersigned, the Leadership Tier (CAO) under Vice President and
Treasurer, and the
Vice President and Corporate Secretary of Waste Management, Inc. 2023 Stock
Incentive Plan (the "Company"), hereby certify that:

1. This Officers' Certificate (this "Certificate") is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee (the "Indenture") in connection with the Company Order dated July 3, 2024 (the "Order") for the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of 4.950% Senior Notes due 2027 (the "Notes").
2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.
3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.
4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.
5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.

6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the Order as provided in the Indenture.

7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Certificate have been approved by officers of the Company as authorized by resolutions duly adopted on March 1, 2022 and August 21, 2023 by the Board of Directors of the Company, which are in full force and effect as of the date hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have hereunto executed this Officers' Certificate as of the date first written above.

/s/ Leslie K. Nagy

Leslie K. Nagy

Vice President and Treasurer

/s/ Courtney A. Tippy

Courtney A. Tippy

Vice President and Corporate Secretary

WASTE MANAGEMENT, INC.

Officers' Certificate Delivered Pursuant to

Section 301 of the Indenture dated as of September 10, 1997

Signature Page

Annex A

Terms of the Notes

This Award Agreement (this "Agreement") is entered into effective Pursuant to authority granted by the Board of Directors of the Company on March 1, 2022 and August 21, 2023 and the Sole Director of Waste Management Holdings, Inc. on June 18, 2024, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of March 1, 2024 September 10, 1997 (the "Grant Date" "Indenture"), by between the Company, formerly known as USA Waste Services, Inc., and between The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "4.950% Senior Notes due 2027" (the "Notes").
- (2) The Notes shall be general unsecured, senior obligations of the Company.

- (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$750,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
- (4) The principal amount of each Note shall be payable on July 3, 2027.
- (5) Each Note shall bear interest from July 3, 2024 at the fixed rate of 4.950% per annum; the Interest Payment Dates on which such interest shall be payable shall be January 3 and July 3 of each year, commencing January 3, 2025, until maturity, unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be December 15 or June 15, respectively, immediately preceding such date, as the case may be.
- (6) If a "Change of Control Triggering Event" (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder's Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the date of purchase, on the terms and subject to the conditions set forth in the Notes.
- (7) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.

-
- (8) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
- (9) Prior to the Par Call Date, the Company may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Notes) plus 10 basis points, less (b) interest accrued to the Redemption Date, and

(2) 100% of the principal amount of the Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the Redemption Date.

On or after the Par Call Date, the Company may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

"Par Call Date" means June 3, 2027.

- (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof.

- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
- (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
- (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
- (14) The Notes shall be substantially in the form of Exhibit A hereto.
- (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated July 3, 2024 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee

shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.

- (16) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.

Exhibit A

Form of Note

BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED

BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

RGN

Principal Amount

U.S. \$, which may be
decreased by the Schedule
of Exchanges of Definitive
Security attached hereto

WASTE MANAGEMENT, INC.

4.950% SENIOR NOTES DUE 2027

CUSIP 94106L BX6

WASTE MANAGEMENT, INC., a Delaware corporation (the “Company,” which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of Million (\$) (together U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on July 3, 2027 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 4.950% payable on January 3 and July 3 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding December 15

or June 15, respectively, payable commencing January 3, 2025, with interest accruing from July 3, 2024, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$750,000,000 in principal amount designated as the 4.950% Senior Notes due 2027 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the “Trustee”), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the “Indenture”). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: WASTE MANAGEMENT, INC.,
a Delaware corporation

By:
Leslie K. Nagy
Vice President and Treasurer

Attest:

By:
Courtney A. Tippy
Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication: The Bank of New York Mellon Trust Company, N.A., as
Trustee

By: _____
Michael C. Jenkins
Vice President

REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

4.950% SENIOR NOTES DUE 2027

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the "Debt Securities") of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a

description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 4.950% Senior Notes due 2027 of the Company, in initial aggregate principal amount of \$750,000,000 (the "Securities").

1. Interest.

The Company promises to pay interest on the principal amount of this Security at the rate of 4.950% per annum.

The Company will pay interest semi-annually on January 3 and July 3 of each year (each an "Interest Payment Date"), commencing January 3, 2025. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from July 3, 2024. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 4.950% per annum, in each case to the extent lawful.

2. Method of Payment.

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts ("U.S. Legal Tender"). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if

any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 240 Greenwich Street, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. Paying Agent and Registrar.

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. Indenture.

This Security is one of a duly authorized issue of Debt Securities of the Company issued and Affiliates, to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers' Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on March 1, 2022 and August 21, 2023 (the "Resolutions") and the written consent of the Sole Director of Waste Management Holdings, Inc. on June 18, 2024 (the "Consent"). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consent and Officers' Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$750,000,000.

5. Redemption.

Prior to the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Securities matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, less (b) interest accrued to the Redemption Date, and

(2) 100% of the principal amount of the Securities to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the Redemption Date.

On or after the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

"Par Call Date" means June 3, 2027.

"Treasury Rate" means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities-Treasury constant maturities-Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury

security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the Redemption Price shall be conclusive and binding for all purposes, absent manifest error. The Company will notify the Trustee of the Redemption Price promptly after the calculation thereof and the Trustee shall not be responsible or liable for any calculation of the Redemption Price or of any component thereof, or for determining whether manifest error has occurred.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the Depositary's procedures) at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Redemption Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Redemption Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. In the case of Securities in global form, the Depositary will determine the allocation of the Redemption Price among beneficial owners in such global Securities in accordance with the Depositary's applicable procedures.

Except as set forth above, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

WM 6. Change of Control Offer.

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 5, the Company shall make an offer (a "Change of Control Offer") to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Securities on the terms set forth herein. In a Change of Control

Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a “Change of Control Payment”), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company’s option, prior to any Change of Control, but after public announcement of the transaction that

constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers’ Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and you (“Employee”). At any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

“Change of Control” means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company’s assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the

consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the

beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Rating Agencies" means (1) each of Fitch, Moody's and S&P and (2) if any of Fitch, Moody's or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of the Board of Directors of the Company) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

"Rating Event" means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible

downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company's intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d) (3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

7. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

9. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

10. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if

any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations,

Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

11. Trustee Dealings with Company.

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

12. Authentication.

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

13. Abbreviations and Defined Terms.

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

14. CUSIP Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

15. Absolute Obligation.

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the Awards rate and in the coin or currency herein prescribed.

16. No Recourse.

No recourse under this Agreement are subject or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

17. Governing Law.

This Security shall be construed in accordance with and governed by the laws of the State of New York.

18. Guarantee.

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of the

Waste Management, Inc. 2023 Stock Incentive Plan a Guarantee, dated as of July 3, 2024 (the “Plan” “Guarantee”), this Agreement, and all applicable administrative interpretations and practices. A copy. The amount of the Plan Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and the Plan Prospectus is available online at www.benefits.ml.com . Please also see the Company’s Form 10-K included in its most recent Annual Report, available on the Investor Relations page of www.wm.com under Financial Reporting – Annual Reports, for information about the Company. By executing this Agreement, you consent to receipt conditions of the Plan, Guarantee shall continue in full force and effect for the Prospectus, and benefit of holders of the Annual Reports by electronic access Securities until release thereof as set forth in this paragraph. Section 6 of the Guarantee.

19. Satisfaction and Discharge.

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: “(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)”.

SCHEDULE OF EXCHANGES OF DEFINITIVE SECURITY

The following exchanges of a part of this Agreement Book-Entry Security for definitive Securities have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Book-Entry Security	Amount of increase in Principal Amount of this Book-Entry Security	Principal Amount of this Book-Entry Security following such decrease (or increase)	Signature of authorized officer of Trustee or Security Custodian
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Exhibit 4.2

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997

July 3, 2024

The undersigned, the Vice President and Treasurer, and the Vice President and Corporate Secretary of Waste Management, Inc. (the “Company”), hereby certify that:

1. This Officers' Certificate (this "Certificate") is delivered to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee (the "Indenture") in full, online connection with the Company Order dated July 3, 2024 (the "Order") for the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of 4.950% Senior Notes due 2031 (the "Notes").

2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.

3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.

4. The undersigned have examined the Order, and they have read the covenants, conditions and provisions of the Indenture relating thereto.

5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all covenants and conditions provided for in the Indenture with respect to the Order have been complied with.

6. All covenants and conditions (including all conditions precedent) provided in the Indenture to the authentication and delivery by the Trustee of \$750,000,000 aggregate principal amount of the Notes have been complied with, and such Notes may be delivered in accordance with the instructions below, prior to April 1, 2024, Order as provided in order for this Agreement to become effective. If you do not execute this Agreement by correctly following the instructions below, your Awards may be cancelled. Indenture.

Important Instructions for Executing this Agreement

If you are a new equity award participant, you must open a Limited Individual Investor Account (LIIA) before you can accept your awards. To open your LIIA, log in to www.benefits.ml.com at the secure website maintained by the third-party stock administrator. Once logged in, follow the prompts to "Open a Brokerage Account". When you have successfully created your account, follow the online instructions, and complete all the steps required to accept the award.

If you have previously received a stock-based incentive award, log on to www.benefits.ml.com at the secure website maintained by the third-party stock administrator. Follow the online instructions and complete all the steps required to accept the award.

Performance Share Units

1. **PSU Grant.** The Company grants to Employee a Restricted Stock Unit Award subject to performance-based vesting conditions (a "**PSU Award**"), as provided in the Notice of Long-Term Incentive Award (the "**Notice**"). Each Restricted Stock Unit subject to performance-based vesting conditions (a "**Performance Share Unit**" or "**PSU**") is a notational unit of measurement denominated in Common Stock.

2. **PSU Metrics.**

a. The **Performance Period** for this PSU Award is the 36-month period beginning January 1, 2024, and ending on December 31, 2026. Vesting and payout of your PSU Award is based upon the level of achievement of the **Performance Goals** that have been set by the Committee. The Performance Goals set by the Committee for your PSU Awards are described in paragraph 3 below.

- b. The performance measure selected by the Committee to serve as the Performance Goal for half (50%) of your Target PSU Award is **Cash Flow Generation** (as defined below). The performance measure selected by the Committee to serve as the Performance Goal for the other half (50%) of your Target PSU Award is **Total**

1

Shareholder Return Relative to the S&P 500, or TSR (as defined below). To determine the payout (if any) under your PSU Award, the Committee will determine the level of the Performance Goal reached ("**Achievement**") and the corresponding payout percentage applicable to each half of your Target PSU Award under paragraph 3 below. The Committee's determinations, and the related calculations, including the calculation of Cash Flow Generation and TSR, are made by, and in the sole discretion of, the Committee, and are final and not subject to appeal.

7.

- c. **Cash Flow Generation** is the net cash flow provided by operating activities of WM for the Performance Period, less capital expenditures, with the following adjustments:

- i. Payments related to costs (including legal costs) associated with labor disruptions (e.g., strikes) and actual or potential multiemployer plan withdrawal liability(ies) are excluded as expenditures required as a result of past labor commitments combined with changing economic conditions of the present business climate;
- ii. Strategic acquisition, restructuring, transformation and reorganization costs are excluded in recognition of WM's goals to increase customer and business base while minimizing operating costs; and
- iii. If any accounting rule or tax law change occurs that was not anticipated in setting the Cash Flow Generation target, any material impact of that change will be disregarded in calculating the Cash Flow Generation result.

In addition to the above, the following adjustments will be made when the aggregate impact of the following items has a greater than 5% impact on attainment:

- iv. Impacts from strategic acquisitions or divestitures of assets or businesses are excluded (EBITDA, capital expenditures, working capital, and proceeds from divestitures) (Impacts from normal course of business acquisitions and divestitures are included);
- v. Impacts from discrete growth capital investment projects made to support the long-term organic growth of the business that were not specifically planned for in setting the Cash Flow Generation target are excluded; and
- vi. Material changes in the realization of earnings and cash flow contributions for growth capital investments caused by items outside of WM's control will be excluded.

The Committee, solely in its discretion, is permitted to make other adjustments to reflect management's performance consistent with maximizing shareholder value; provided that such other adjustments shall not reduce the Cash Flow Generation amount.

- d. **TSR** is the percentile performance of the Company as compared to the other S&P 500 Companies for the Performance Period. For these purposes:

- i. **S&P 500 Companies** means all the entities listed on the Standard & Poor's 500 Composite Index, including the Company, on the date which is 30 trading days prior to the commencement of the Performance Period, with the following modifications:

A. except as provided below, only those entities that continue to trade throughout the Performance Period without interruption on a *National Exchange* shall be included; and

B. any such entity that files for bankruptcy ("**Bankrupt Peer**") during the Performance Period shall continue to be included.

For these purposes *National Exchange* shall mean a securities exchange that has registered with the SEC under Section 6 of the Securities Exchange Act of 1934.

- ii. **Total Shareholder Return** is the result of dividing (1) the sum of the cumulative value of an entity's dividends for the Performance Period, plus the entity's Ending Price, minus the Beginning Price, by (2) the Beginning Price. For purposes of determining the cumulative value of an entity's dividends during the Performance Period, it will be assumed that all dividends declared and paid with respect to a particular entity during the Performance Period were reinvested in such entity at the ex-dividend date, using the closing price on such date. The aggregate shares, or fractional shares thereof, that will be assumed to be purchased as part of the reinvestment calculation will be multiplied by the Ending Price to determine the cumulative value of an entity's dividends for the Performance Period. For these purposes:

2

- A. **Price** is the per share closing price, as reported by the Bloomberg L.P. (or any other publicly available reporting service that the Committee may designate from time to time) of a share or share equivalent on the applicable stock exchange.
- B. **Beginning Price** is the average Price for the period of 20 trading days immediately preceding the first day of the Performance Period.
- C. **Ending Price** is the average Price for the period of 20 trading days immediately preceding and including the final day of the Performance Period.
- D. **Bankrupt Peer**: Notwithstanding anything in the foregoing to the contrary, any Bankrupt Peer shall have a Total Shareholder return of negative one hundred percent (-100%).

iii. **Relative TSR Percentile Rank** is the percentile performance of the Company as compared to authorized by resolutions duly adopted on March 1, 2022 and August 21, 2023 by the S&P 500 Companies. Relative TSR Percentile Rank is determined by ranking Board of Directors of the Company, which are in full force and all other S&P 500 Companies according to their respective Total Shareholder Return for effect as of the Performance Period. The ranking is in order from minimum-to-maximum, with the lowest performing entity assigned a rank of one. The Company's ranking is then divided by the total number of entities within the S&P 500 Companies to get the Relative TSR Percentile Rank. date hereof.

[signature page follows]

3. **PSU Payout Percentage.**

- a. The **Performance Goals** are the levels of performance set by the Committee on the Grant Date with respect to each measure of performance.
- b. The **Target PSU Award** for this Agreement is based on the target number of PSUs granted by the Committee and announced in the Notice. If Achievement falls between two levels of Achievement, the resulting payout percentage will be straight line interpolated (rounding to the nearest 0.1 percent) between the payout percentages for those two levels of Achievement.

Achievement Levels and Corresponding Payouts for PSUs Dependent on Cash Flow Generation Performance Measure IN WITNESS WHEREOF, the undersigned have hereunto executed this Officers' Certificate as of the date first written above.

\$7.050 Billion

\$7.650 Billion Leslie K. Nagy

Payout Percentage for the applicable half of your Target PSU Award
50%/s/ Leslie K. Nagy
100% Vice President and Treasurer

200%/s/ Courtney A. Tippy
Courtney A. Tippy
Vice President and Corporate Secretary

WASTE MANAGEMENT, INC.
Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997
Signature Page

Annex A
Achievement Levels and Corresponding Payouts for PSUs Dependent on TSR Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on March 1, 2022 and August 21, 2023 and the Sole Director of Waste Management Holdings, Inc. on June 18, 2024, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

Total Shareholder Return Relative	(1) The title of the series of Securities shall be "4.950% Senior Notes due 2031" (the "Notes").

- (2) The Notes shall be general unsecured, senior obligations of the Company.
- (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$750,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
- (4) The principal amount of each Note shall be payable on July 3, 2031.

- (5) Each Note shall bear interest from July 3, 2024 at the fixed rate of 4.950% per annum; the Interest Payment Dates on which such interest shall be payable shall be January 3 and July 3 of each year, commencing January 3, 2025, until maturity, unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be December 15 or June 15, respectively, immediately preceding such date, as the case may be.
- (6) If a “Change of Control Triggering Event” (as defined in the Notes) occurs, each Holder of the Notes may require the Company to purchase all or a portion of such Holder’s Notes at a price equal to 101% of the principal amount, plus accrued interest, if any, to the S&P 500 over the Performance Period

Level of Achievement	date	Relative TSR Percentile Rank	Payout Percentage for the applicable half of your Target PSU Award
Threshold Performance (the minimum level of Achievement to qualify for any payout of the TSR half of your Target PSU Award.)		25th	50%

<div>Target</div> <div>Performance</div> <div>(the level of Achievement to qualify for 100% payout of the TSR half of your Target PSU Award.)</div>	50th	100%
<div>Maximum</div> <div>Performance</div> <div>(the maximum level of Achievement that results in an increased number of PSUs paid out under the TSR half of your Target PSU Award.)</div>	75th	200%

4. **Timing and Form of Payment of PSU Award.** After the close of the Performance Period, the Committee will certify (with respect to each portion of your Target PSU Award relating to the separate Performance Goals) Achievement and determine the corresponding payout percentage of the PSU Award by multiplying the applicable half of the PSU Award by the applicable payout percentage. The results will sum to the total number of shares of Common Stock that you are entitled to receive (the “**PSU Awarded Shares**”). Unless you have a valid deferral in place for your PSU Award (see paragraph 8 under “Important Award Details” for further information on permitted deferrals), the Company will deliver the PSU Awarded Shares and payment of the corresponding Dividend Equivalent as soon as administratively feasible (and no later than 74 days after the end of the Performance Period) after the Committee’s certification and determination.

Restricted Stock Units

1. **RSU Grant.** The Company grants to Employee the number of Restricted Stock Units (“**RSUs**”) provided in the Notice. RSUs are notational units of measurement denominated in shares of Common Stock. Each RSU represents a hypothetical share of Common Stock. Upon your timely execution of this Agreement, WM will credit your RSUs to an unfunded bookkeeping account for you.
2. **Vesting of RSUs.** The RSUs granted by this Agreement (“**RSU Awards**”) vest entirely purchase, on the third (3rd) anniversary of the Grant Date, unless earlier vested or forfeited under this Agreement. The date of vesting is the **Vesting Date**. Except as otherwise provided herein, your RSUs generally vest only if you are continuously employed from the Grant Date to the Vesting Date, terms and subject to the exceptions discussed below. conditions set forth in the Notes.
- (7) The period from Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note (“**Book-Entry Note**”) but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the Grant Date (inclusive) form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Vesting Date is the **Restriction Period**. Book-Entry Notes shall be The Depository Trust Company, New York, New York.
3. **Timing and Form of Payment of RSU Award.** Upon vesting, each RSU is converted to one share of Common Stock, free of any restrictions. Unless you have a valid Deferral Election in place for your RSU Award (see paragraph 8 under “Important Award Details” for further information on permitted deferrals), WM will deliver the shares of Common Stock to you and make payment of the corresponding Dividend Equivalents as soon as administratively feasible (and no later than 74 days) following the Vesting Date.

Stock Options

1. **Stock Option Grant.** The Company grants to Employee a stock option award (the “**Stock Option Award**”) for the number of shares (“**Stock Options**”) of Common Stock provided in the Notice. This Stock Option Award grants Employee the right to purchase shares of Common Stock at the Grant Price. The “**Grant Price**” is the Fair Market Value of a share of Common Stock on the Grant Date.

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- 2.(8) **Term.** Notwithstanding Payments of principal of, premium, if any, other and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
- (9) Prior to the Par Call Date, the Company may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Notes) plus 15 basis points, less (b) interest accrued to the Redemption Date, and

(2) 100% of the principal amount of the Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the Redemption Date.

On or after the Par Call Date, the Company may redeem the Notes at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

“Par Call Date” means May 3, 2031.

- (10) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of this Agreement, the maximum term a Holder thereof.
- (11) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Stock Option Award is the 10th anniversary Indenture and to covenant defeasance under Section 1303 of the Grant Date Indenture.
- (12) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
- (13) The Bank of New York Mellon Trust Company, N.A. shall serve initially as Security Registrar for the Notes.
- (14) The Notes shall be substantially in the form of Exhibit A hereto.
- (15) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee Agreement dated July 3, 2024 (the “Guarantee”). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee

shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.

- (16) The Notes shall be subject to the satisfaction and discharge provisions set forth in Section 401 of the Indenture, as such provisions are supplemented or modified by the terms and conditions set forth in the Notes in accordance with the Indenture.

Exhibit A

BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

3. Right to Exercise. Provided Employee remains employed Principal Amount
RGN

WASTE MANAGEMENT, INC.

U.S. \$, which may be decreased by WM continuously through the applicable exercise dates, the Stock Option Award will become vested and exercisable as follows: Schedule of Exchanges of Definitive Security attached hereto

4.950% SENIOR NOTES DUE 2031

CUSIP 94106L BY4

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of Million (\$) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on July 3, 2031 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 4.950% payable on January 3 and July 3 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding December 15

or June 15, respectively, payable commencing January 3, 2025, with interest accruing from July 3, 2024, or the most recent date to which interest has been paid.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$750,000,000 in principal amount designated as the 4.950% Senior Notes due 2031 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: WASTE MANAGEMENT, INC.,
a Delaware corporation

By:
Leslie K. Nagy
Vice President and Treasurer

Attest:

By:
Courtney A. Tippy
Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., as
Trustee

By: _____

Michael C. Jenkins
Vice President

REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

4.950% SENIOR NOTES DUE 2031

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the "Debt Securities") of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 4.950% Senior Notes due 2031 of the Company, in initial aggregate principal amount of \$750,000,000 (the "Securities").

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 4.950% per annum.

The Company will pay interest semi-annually on January 3 and July 3 of each year (each an "Interest Payment Date"), commencing January 3, 2025. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from July 3, 2024. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 4.950% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as

provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts ("U.S. Legal Tender"). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if

any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 240 Greenwich Street, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. Paying Agent and Registrar.

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. Indenture.

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers' Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on March 1, 2022 and August 21, 2023 (the "Resolutions") and the written consent of the Sole Director of Waste Management Holdings, Inc. on June 18, 2024 (the "Consent"). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consent and Officers' Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$750,000,000.

5. Redemption.

Prior to the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Securities matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, less (b) interest accrued to the Redemption Date, and

(2) 100% of the principal amount of the Securities to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the Redemption Date.

On or after the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

“Par Call Date” means May 3, 2031.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury

security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company’s actions and determinations in determining the Redemption Price shall be conclusive and binding for all purposes, absent manifest error. The Company will notify the Trustee of the Redemption Price promptly after the calculation thereof and the Trustee shall not be responsible or liable for any calculation of the Redemption Price or of any component thereof, or for determining whether manifest error has occurred.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the Depositary's procedures) at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Redemption Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Redemption Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. In the case of Securities in global form, the Depositary will determine the allocation of the Redemption Price among beneficial owners in such global Securities in accordance with the Depositary's applicable procedures.

Except as set forth above, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

6. Change of Control Offer.

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 5, the Company shall make an offer (a "Change of Control Offer") to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a "Change of Control Payment"), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company's option, prior to any Change of Control, but after public announcement of the transaction that

constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a "Change of Control Payment Date"). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of

Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

“Change of Control” means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company’s assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the

beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company’s Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term “person,” as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Event.

“Fitch” means Fitch Inc. and its successors.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P and (2) if any of Fitch, Moody’s or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of the Board of Directors of the Company) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“Rating Event” means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible

downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company’s intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” means, with respect to any specified “person” (as that term is used in Section 13(d) (3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

7. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

9. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

10. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if

any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

11. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

12. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

13. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

14. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

15. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of,

premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

16. No Recourse.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

17. Governing Law.

This Security shall be construed in accordance with and governed by the laws of the State of New York.

18. Guarantee.

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of July 3, 2024 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

19. Satisfaction and Discharge.

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, the following sentence shall be added to the end of Section 401(1)(B) of the Indenture: "(provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date)".

SCHEDULE OF EXCHANGES OF DEFINITIVE SECURITY

The following exchanges of a part of this Book-Entry Security for definitive Securities have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Book-Entry Security	Amount of increase in Principal Amount of this Book-Entry Security	Principal Amount of this Book-Entry Security following such decrease (or increase)	Signature of authorized officer of Trustee or Security Custodian
------------------	-----------------------------------------------------------------------------	-----------------------------------------------------------------------------	---------------------------------------------------------------------------------------------	------------------------------------------------------------------------

Exhibit 4.3

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$750,000,000

4.950% Senior Notes due 2027

July 3, 2024

GUARANTEE, dated as of July 3, 2024 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$750,000,000 aggregate principal amount of 4.950% Senior Notes due 2027 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee.

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, "Bankruptcy Law" means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;

(iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or

(iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation.

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Seventh Amended and Restated Revolving Credit Agreement dated as of May 8, 2024 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc., the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer), (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

Option Award Exercisable WASTE
MANAGEMENT HOLDINGS, INC.
0%

On or after the first anniversary of the Grant Date	34%
On or after the second anniversary of the Grant Date	67%
On or after the third anniversary of the Grant Date	100%

4. **Manner of Exercise.** To exercise all or a portion of the Stock Option Award, Employee must contact (either by phone or online) the third-party stock plan administrator designated by the Company and follow the procedures established by the Company for exercising a Stock Option Award.

5. **Payment of Grant Price.** The Grant Price is payable in full to the Company either (a) in cash or its equivalent; (b) by tendering previously acquired shares of Common Stock held for at least six months and with an aggregate fair market value at the time of exercise equal to the aggregate Grant Price; (c) to the extent Employee is an executive officer at the time of exercise, by withholding shares of Common Stock that otherwise would be acquired pursuant to the Stock Option Award; or (d) any combination of the foregoing. The Grant Price may also be paid by cashless exercise through delivery of irrevocable instructions to a broker to promptly deliver to the Company the amount of proceeds from a sale of shares having fair market value equal to the Grant Price, provided that such instructions are delivered by no later than the close of the New York Stock Exchange on the last **Trading Day** prior to the 10th anniversary of the Grant Date. Payment by cashless exercise shall not be considered to have occurred until the broker has issued confirmation of the transaction. For these purposes, **Trading Day** means a day on which the New York Stock Exchange is open for trading for its regular trading sessions.

Important Award Details

Your Awards under this Agreement are subject to important terms and conditions set forth below. Please read them carefully and seek advice from your own legal and tax advisors before executing this Agreement.

1. **Death or Disability.** Upon Employee's death or disability (as determined by the Committee and within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations issued thereunder ("**Section 409A**") and specifically Section 409A(a)(2)(C) ("**Disability**")), Employee (or in the case of Employee's death, Employee's beneficiary) shall, subject to paragraph 2.e below, be entitled to:
- a. receive the PSU Awarded Shares and related Dividend Equivalents that Employee would have been entitled to under this Agreement if Employee had remained employed until the last day of the Performance Period and determined based upon actual Achievement through the end of the Performance Period, which shall be paid no later than 74 days following the end of the Performance Period;
 - b. immediate vesting in full of all unvested RSUs under this Agreement (and related unpaid Dividend Equivalents attributable to the time period from the Grant Date to the time of such immediate vesting), which shall be issued and paid within 74 days following the date of such death or Disability, as applicable; and
 - c. exercise all Stock Options outstanding under the Stock Option Award (whether previously exercisable) for one year following such event. Provided however, if Employee was eligible for Retirement at the time of his death or Disability, the Stock Option Award will remain exercisable for three years following the date of such event.

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2. **Treatment of PSU and RSU Awards Upon Retirement or Involuntary Termination of Employment Without Cause by WM.**

- a. Upon an involuntary Termination of Employment by WM without Cause, Employee shall, subject to the requirements below, be entitled to receive the PSU Awarded Shares and related Dividend Equivalents that Employee would have been entitled to under this Agreement if Employee had remained employed until the last day of the Performance Period and determined based upon actual Achievement through the end of the Performance Period multiplied by the fraction which has as its numerator the total number of days that Employee was employed by WM during the Performance Period and has as its denominator 1096 (which amount shall be issued and paid as soon as practicable and no later than 74 days following the end of the Performance Period).
- b. Upon Employee's Retirement, Employee shall be entitled to receive the PSU Awarded Shares and related Dividend Equivalents that Employee would have been entitled to under this Agreement if Employee had remained employed until the last day of the Performance Period and determined based upon actual Achievement through the end of the Performance Period multiplied by the fraction which has as its numerator the total number of days that Employee was employed by WM during the first 12 months of the Performance Period and has as its denominator 366 (which amount shall be issued and paid as soon as practicable and no later than 74 days following the end of the Performance Period). To illustrate the application of the preceding sentence, if Employee's Retirement is on or after December 31, 2024, he or she shall be eligible to receive a full payout at the end of the Performance Period (based upon actual Achievement).

- c. Upon Employee's involuntary Termination of Employment by WM without Cause, Employee shall be entitled to the amount of unvested RSUs and any related Dividend Equivalents on such RSUs through the Vesting Dates that Employee would have been entitled to under this Agreement if Employee had remained employed until the Vesting Date multiplied by the fraction which has as its numerator the total number of days that Employee was employed by WM during the period beginning on the Grant Date and ending on the date of Termination of Employment and has as its denominator 1095, which shall be issued and paid no later than 74 days following the normal Vesting Dates.
- d. Upon Employee's Retirement, Employee shall be entitled to the amount of RSUs and any related Dividend Equivalents on such RSUs through the Vesting Dates that Employee would have been entitled to under this Agreement if Employee had remained employed until the Vesting Dates multiplied by the fraction which has as its numerator the total number of days that Employee was employed by WM during the calendar year in which the Grant Date occurred and has as its denominator 366, which shall be issued and paid no later than 74 days following the normal Vesting Dates (i.e. the three-year anniversary of the Grant Date). To illustrate the preceding sentence, if Employee retires on or after the first day of the calendar year following the calendar year in which the Grant Date occurs, he or she shall be entitled to receive a full payout at such time.
- e. In the event Employee is employed by a subsidiary of the Company that is sold by the Company in a transaction (i) that would not constitute a Corporate Change, but (ii) that would constitute a Corporate Change with the subsidiary substituted for Company thereunder, such transaction shall be deemed to constitute an involuntary Termination of Employment by WM without Cause as of the effective date of such Transaction and Employee's termination.
- f. The following terms shall have the meanings set forth below for purposes of this Agreement:
- i. **Retirement** means Termination of Employment due to the voluntary resignation of employment by Employee, after Employee (1) has reached age 55 or greater; (2) has a sum of age plus years of Service (as defined in paragraph ii. below) with WM equal to 65 or greater; and (3) has completed at least 5 consecutive full years of Service with WM during the 5-year period immediately preceding the

resignation; provided, that Employee is not receiving severance benefits pursuant to the severance pay plans of WM in connection with such Termination of Employment.

- ii. **Service** is measured from Employee's original date of hire by WM, except as provided below. In the case of a break of employment by Employee from WM of one year or more in length, Employee's service before the break of employment is not considered Service. Service with an entity acquired by WM is considered Service so long as Employee remained continuously employed with such predecessor company(ies) and WM. In the case of a break of employment between a predecessor company and WM of any length, Employee's Service shall be measured from the original date of hire by WM and shall not include any service with any predecessor company.
- iii. **Termination of Employment** means the termination of Employee's employment or other service relationship with WM as determined by the Committee. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates will not be considered a Termination of Employment. Any question as to whether and when there has been a Termination of Employment, and the cause of such termination, shall be determined by and in the sole discretion of the Committee and such determination shall be final.
- iv. **Cause** means any of the following: (1) willful or deliberate and continual refusal to materially perform Employee's duties reasonably requested by WM after receipt of written notice to Employee of such failure to perform, specifying such failure (other than as a result of Employee's sickness, illness, injury, death or disability) and Employee fails to cure such nonperformance within ten (10) days of receipt of said written notice; (2) breach of any statutory or common law duty of loyalty to WM; (3) Employee has been convicted of, or pleaded *nolo contendere* to, any felony; (4) Employee willfully or intentionally caused material injury to WM, its property, or its assets; (5) Employee disclosed to unauthorized person(s) proprietary or confidential information of WM that causes a material injury to WM; or (6) any material violation or a repeated and willful violation of WM's policies or procedures, including but not limited to, WM's Code of Business Conduct and Ethics (or any successor policy) then in effect.

- g. In order to receive any of the vesting or exercisability benefits upon termination described in paragraphs 1, 2 and 3 (except resignation), Employee (or, if applicable, Employee's estate) must (x) execute and not revoke a general release of claims in favor of WM and its affiliates in a form that is acceptable to WM and which has become effective and irrevocable prior to the payment date set forth above (or such earlier deadline set by WM) and (y) continue to abide by all ongoing obligations to WM under any restrictive covenant agreement.

3. Treatment of Stock Option Award upon Involuntary Termination; Resignation; Retirement.

- a. Involuntary Termination of Employment Without Cause or Resignation by Employee. Upon an involuntary Termination of Employment without Cause by WM or a Termination of Employment due to a voluntary resignation by Employee that is accepted by WM that is not a Retirement, for a period of 90 days following such Termination of Employment, Employee shall be entitled to exercise all the Stock Options then outstanding and exercisable under the Stock Option Award. Any Stock Options that are not outstanding and exercisable at the time of the applicable termination shall be forfeited without the payment of any consideration by WM, and any Stock Options that were eligible to be exercised pursuant to this paragraph 3.a but were not exercised during the 90-day exercise period shall also be forfeited without the payment of any consideration by WM.
- b. Retirement. Upon Employee's Retirement, the Stock Option Award shall continue to become exercisable under the applicable exercise schedule for three years following Employee's Retirement and once exercisable shall remain exercisable for the three-year period following Employee's Retirement.

4. Termination of Employment for Other Reasons.

- a. PSU and RSU Awards in the Event of Involuntary Termination with Cause or Resignation by Employee. Except as provided in paragraphs 1 through 2 above and 6 below, Employee must be an employee of WM continuously from the Grant Date through the close of business on last day of the Performance Period for PSUs or Restriction Period for RSUs to be entitled to receive payment of any PSU or unvested RSU Award. Upon Termination of Employment on or before the last day of the Performance Period for PSUs or Restriction Period for RSUs, Employee shall immediately forfeit the PSU Award or unvested RSU Award and any related Dividend Equivalents without payment of any consideration by WM.
- b. Stock Option Award in the Event of Involuntary Termination with Cause. Upon Termination of Employment by WM with Cause, Employee shall forfeit all Stock Options under the Stock Option Award, whether exercisable, without the payment of any consideration by WM.

5. Recoupment Provisions

- a. Clawback Policy

i. Notwithstanding any provisions in the Plan or this Agreement to the contrary, any portion of the payments and benefits provided under this Agreement or the sale of any shares of Common Stock issued hereunder shall be subject to the Waste Management, Inc. Clawback Policy, adopted by the Committee of the Board on August 21, 2023, (as may be amended from time to time, the "**Clawback Policy**") and any other clawback or recovery policy adopted by the Committee or the Board from time to time, including, without limitation, any such policy adopted in accordance with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any rule or regulation of the SEC or New York Stock Exchange. Additionally, notwithstanding the terms of any of the organizational documents of WM, any corporate policy, or any contract between Employee and WM, Employee hereby acknowledges and agrees that Employee will not be entitled to (i) indemnification for any liability (including any amounts owed by Employee in a judgment or settlement in connection with any action taken by the Committee or the Board to enforce the Clawback Policy) (such action, a "**Clawback Proceeding**") or loss (including judgments, fines, taxes, penalties or amounts paid in settlement by or on behalf of Employee incurred by Employee in connection with or as a result of any Clawback Proceeding) or (ii) indemnification or advancement of any expenses (including attorneys' fees) from WM incurred by Employee in connection any Clawback Proceeding; provided, however, if Employee is successful on the merits in the defense of any claim asserted against Employee in a Clawback Proceeding, Employee shall be indemnified for the expenses (including attorneys' fees) Employee reasonably incurred to defend such claim. Employee knowingly, voluntarily and intentionally waives, and agrees not to assert any claims regarding, any and all rights to indemnification, advancement of expenses and other rights from WM to which Employee is now or may become entitled under any indemnity agreement or other contract between Employee and WM, the organizational documents of WM and the General Corporation Law of the State of Delaware, in each case to the extent such waiver and agreement is necessary to comply with applicable law or give effect to the preceding provisions of this paragraph.

b. Repayment of Award in the Event of Misconduct.

i. Overriding any other inconsistent terms of this Agreement, if the Committee, in its sole discretion, determines that Employee either engaged in or benefited from Misconduct (as defined below), then, to the fullest extent permitted by law, Employee shall refund and pay to WM any Common Stock and/or amounts (including Dividend Equivalents), plus interest, received by Employee under this Agreement. **Misconduct** means any act or failure to act by any employee of WM that (i) caused or was intended to cause a violation of WM's policies or the WM code of conduct, generally accepted accounting principles

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or any applicable laws in effect at the time of the act or failure to act in question and that (ii) materially increased the value of the payment or Award received by Employee under this Agreement. The Committee may, in its sole discretion, delegate the determination of Misconduct to an independent third party (either a law firm or an accounting firm, hereinafter referred to as **Independent Third Party**) appointed by the Committee.

- ii. Following a determination of Misconduct by Employee, Employee may dispute such determination pursuant to binding arbitration as set forth below under "General Terms" provided, however, that if Employee is determined to have benefited from, but not engaged in, Misconduct, Employee will have no right to dispute such determination and such determination shall be conclusive and binding.
- iii. WM must initiate recovery pursuant to this paragraph by the earliest of (i) one year after discovery of alleged Misconduct, or (ii) the second anniversary of Employee's Termination of Employment.
- iv. The provisions of this paragraph, without any implication as to any other provision of this Agreement, shall survive the expiration or termination of this Agreement and Employee's employment.

6. Acceleration upon Corporate Change. Overriding any other inconsistent terms of this Agreement:

a. PSU Award. If there is a Corporate Change before the close of the Performance Period, Employee is entitled to receive both i. and ii., as follows:

i. For each half of the PSU Award, the result of an equation with a numerator of

- (x) the respective number of PSUs Employee would have otherwise received based upon achievement of the applicable Performance Goal after reducing the Performance Period so that it ends on the last day of the quarter preceding the Corporate Change (the "**Early Measurement Date**") and, for the Cash Flow Generation half of the PSU Award, after adjusting the Threshold, Target and Maximum Achievement Levels to reflect budgeted performance in the shorter Performance Period, multiplied by
- (y) a fraction equal to (1) the number of days occurring between the beginning of the Performance Period and the Early Measurement Date (including the Early Measurement Date) divided by (2) 1096.

Payout of the PSUs shall be an immediate cash payment (in all events paid within 74 days following the Corporate Change) equal to the number of PSUs earned under this paragraph 6.a. multiplied by the closing stock price of the Common Stock on the Early Measurement Date and will be accompanied by a cash payment of the associated Dividend Equivalents through the Early Measurement Date; and

ii. As a substitute award for the lost opportunity to continue to earn PSUs for the entire length of the original Performance Period:

1. If the successor entity is a publicly traded company as of the Early Measurement Date, an award of restricted stock units in the successor entity equal to the number of shares of common stock of the successor entity that could have been purchased on the Early Measurement Date with an amount of cash equal to the quotient obtained from the following equation:

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$$\frac{\text{TAP} \times (1096 - \text{EMD}) \times \text{CP}}{1096}$$

1096

where

TAP is the number of PSUs represented by the Target PSU Award;

EMD is the number of days during the Performance Period which occur prior to and including the Early Measurement Date; and

CP is the closing price of a share of Common Stock of the Company on the Early Measurement Date.

Any restricted stock units in the successor entity awarded under this paragraph 6.a.ii.1. will vest completely on December 31, 2025 (and be paid within 74 days thereof), provided that Employee remains continuously employed with the successor entity until then. Provided however, in the event of Employee's involuntary Termination of Employment without Cause during the *Window Period* (as defined in paragraph d.iv. below) or upon Employee's Retirement, death or Disability, Employee shall become immediately vested in full in the restricted stock units in the successor entity awarded pursuant to this paragraph 6.a.ii.1 and paid (i) in the case of death or Disability, within 74 days of such time or (ii) in the case of Retirement or involuntary Termination of Employment without Cause, within 74 days following December 31, 2025.

2. If the successor entity is not a publicly traded company as of the Early Measurement Date, an amount of cash equal to the quotient obtained from the equation in paragraph 6.a.ii.1. above.

Any cash payment awarded under this paragraph 6.a.ii.2. will be paid to Employee as soon as administratively feasible (and no later than 74 days) following December 31, 2025, provided that Employee remains continuously employed with the successor entity until such date. Provided however, in the event of Employee's involuntary Termination of Employment without Cause during the *Window Period* or upon Employee's Retirement, death or Disability, Employee shall become vested and be paid such cash payment by the successor entity (i) in the case of death or Disability, within 74 days of such time or (ii) in the case of Retirement or involuntary Termination of Employment without Cause, within 74 days following December 31, 2025.

- b. **RSU Award.** If there is Corporate Change prior to the close of the Restriction Period, all outstanding but unvested RSUs will be immediately vested in full and, along with all associated Dividend Equivalents up to the original Vesting Date, will be due and payable within 74 days following such original Vesting Date, unless the successor entity assumes all RSU Awards granted under the Plan and converts the awards to equivalent grants in the successor effective as of the Corporate Change. If the successor entity so assumes and converts all RSU Awards granted under the Plan, upon Employee's involuntary Termination of Employment without Cause during the Window Period or upon Employee's Retirement, death or Disability, then all outstanding but unvested RSUs (or the equivalent grant in the successor entity) and the associated Dividend Equivalents through such date will become immediately vested in full as of such event and paid (i) in the case of death or Disability, within 74 days of such time or (ii) in the case of Retirement or involuntary Termination of Employment without Cause, within 74 days following the original Vesting Date.
- c. **Stock Option Award.** In the event of a Corporate Change and Employee's involuntary Termination of Employment without Cause, the Stock Option Award shall become exercisable immediately (whether previously exercisable) and shall remain exercisable for the three-year period following such Termination of Employment.
- d. **Window Period** means the period beginning on the date occurring six (6) months immediately prior to the date on which a Corporate Change first occurs and ending on the second anniversary of the date on which a Corporate Change occurs.

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7. **Dividend Equivalents.**

- a. The Company will pay Dividend Equivalents with respect to the PSUs when (i) the Performance Period has ended; (ii) Employee has vested in the Award; and (iii) the PSU Awarded Shares have been certified by the Committee based on actual Achievement during the Performance Period (or otherwise determined pursuant to paragraph 6.a.i. above). As soon as administratively feasible after these events (and no later than 74 days following the end of the Performance Period), the Company will pay Employee a lump-sum cash amount for PSU Award Dividend Equivalents based on the number of PSU Awarded Shares multiplied by the per share quarterly dividend payments made to stockholders of the Company's Common Stock during the Performance Period (without any interest or compounding). Any accumulated and unpaid Dividend Equivalents attributable to PSUs that are cancelled or forfeited will not be paid and are immediately forfeited upon cancellation of the PSUs.
- b. The Company will pay Dividend Equivalents with respect to RSUs as soon as administratively feasible (and no later than 74 days) following the Vesting Date. The Company will make such payment in a lump sum cash amount for RSU Award Dividend Equivalents based on the number of RSUs vested multiplied by the per share quarterly dividend payments made to stockholders of the Company's Common Stock during the Restriction Period (without any interest or compounding). Any accumulated and unpaid Dividend Equivalents attributable to RSUs that do not vest or that are cancelled or forfeited will not be paid and are immediately forfeited upon cancellation or forfeiture of the RSUs.

8. **Deferral.**

- a. The Committee may establish procedures for Employee to elect for deferral, until a time or times later than the vesting of PSU Awards, receipt of all or a portion of the shares of Common Stock deliverable under the Awards. Any such deferral must be under the terms and conditions determined in the sole discretion of the Committee (or its designee) and the Waste Management, Inc. 409A Deferral Savings Plan ("**WM 409A Plan**"). The Committee further retains the authority and discretion to modify and/or terminate existing deferral elections, procedures, and distribution options. Common Stock subject to a deferral election does not confer any shareholder rights to Employee unless and until the date the deferral expires and certificates representing such shares are delivered to Employee.
- b. No deferral of Dividend Equivalents is permitted. In the event shares of Common Stock received upon vesting of PSU Awards are deferred pursuant to a valid deferral, then the Company will pay Dividend Equivalents to Employee in cash on such deferred shares of Common Stock, as soon as administratively feasible following the payment of such dividends to stockholders of record.
- c. If the Committee permits deferral of the PSU Awards under this Agreement, then each provision of this Agreement shall be interpreted to permit deferral only (i) in accordance with the terms of the WM 409A Plan and (ii) as allowed in compliance with Section 409A. Any provision that would conflict with such requirements is not valid or enforceable. Employee acknowledges, without limitation, and consents that the application of Section 409A to this Agreement may require additional delay of payments otherwise payable under this Agreement or the WM 409A Plan. Employee and the Company agree to execute any instruments and take any action as reasonably may be necessary to comply with Section 409A.

General Terms

1. Restrictions on Transfer.

- a. Absent prior written consent of the Committee, Awards may not be sold, assigned, transferred, pledged, or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise, other than pursuant to a domestic relations order; provided, however, that the transfer of any shares of Common Stock issued under the Awards shall not be restricted by virtue of this Agreement once such shares have been paid out.
- b. Consistent with paragraph 1.a. above and except as provided in paragraph 3. below, no right or benefit under this Agreement shall be subject to transfer, anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, whether voluntary, involuntary, by operation of law or otherwise, and any attempt to transfer, anticipate, alienate, sell, assign, pledge, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of the person entitled to such benefits. If Employee or his Beneficiary shall attempt to transfer, anticipate, alienate, assign, sell, pledge, encumber or charge any right or benefit hereunder (other than pursuant to a domestic relations order), or if any creditor shall attempt to subject the same to a writ of garnishment, attachment, execution sequestration, or any other form of process or involuntary lien or seizure, then such attempt shall have no effect and shall be void.

2. Fractional Shares. No fractional shares of Common Stock will be issued under the Plan or this Agreement.

3. Withholding Tax. Employee agrees that Employee is responsible for federal, state, and local tax consequences associated with the Awards (and any associated Dividend Equivalents) under this Agreement. Upon the occurrence of a taxable event with respect to any Award under this Agreement, Employee shall deliver to WM at such time, (i) such amount of money or shares of Common Stock earned or owned by Employee or (ii) if employee is an executive officer at the time of such tax event and so elects (or, otherwise, with WM's approval), shares deliverable to Employee at such time pursuant to the applicable Award, in each case, as WM may require to meet its obligation under applicable tax laws or regulations, and, if Employee fails to do so, WM is authorized to withhold from any shares of Common Stock deliverable to Employee, cash, or other form of remuneration then or thereafter payable to Employee, any tax required to be withheld.

4. Compliance with Securities Laws. WM is not required to deliver any shares of Common Stock under this Agreement, if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933, any other applicable federal or state securities laws or regulations, or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. Prior to the issuance of any shares, WM may require Employee (or Employee's legal representative upon Employee's death or disability) to enter into such written representations, warranties and agreements as WM may reasonably request in order to comply with applicable laws, including an agreement (in such form as the Committee may specify) under which Employee represents that the shares of Common Stock acquired under an Award are being acquired for investment and not with a view to sale or distribution.

Further, WM may postpone issuing and/or delivering any Common Stock for so long as WM, in its complete and sole discretion, reasonably determines is necessary to satisfy any of the following conditions: (a) the Company completing or amending any securities registration or qualification of the Common Stock, (b) receipt of proof satisfactory to WM that a person seeking to exercise the Award after the Employee's death is entitled to do so; (c) establishment of Employee's compliance with any necessary representations or terms and conditions of the Plan or this Agreement, or (d) compliance with any federal, state, or local tax withholding obligations.

5. **Employee to Have no Rights as a Stockholder.** Employee shall have no rights as a stockholder with respect to any shares of Common Stock subject to this Award prior to the date on which Employee is recorded as the holder of such shares of Common Stock on the records of the Company, including no right to dividends declared on the Common Stock underlying the Award. Notwithstanding the foregoing, Dividend Equivalents shall be paid to Employee in accordance with and subject to the terms of paragraph 7 under "Important Award Details."
6. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of and be enforceable by Employee, WM and their respective permitted successors or assigns (including personal representatives, heirs, and legatees), except that Employee may not assign any rights or obligations under this Agreement except to the extent, and in the manner, expressly permitted herein. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that WM would be required to perform it if no such succession had taken place, except as otherwise expressly provided in paragraph 6.b. under "Important Award Details."
7. **Limitation of Rights.** Nothing in this Agreement or the Plan may be construed to:
- a. give Employee any right to be awarded any further Awards other than in the sole discretion of the Committee;
 - b. give Employee or any other person any interest in any fund or in any specified asset or assets of WM (other than the Awards made by this Agreement, the related Dividend Equivalents awarded under this Agreement, and any Common Stock issuable under the terms and conditions of such Awards); or
 - c. confer upon Employee the right to continue in the employment or service of WM.
8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas, without reference to principles of conflict of laws.
9. **Severability/Entire Agreement.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- a. Employee understands and agrees that the Awards granted under this Agreement are granted under the authority of the Plan and these Awards and this Agreement are in all ways governed by the terms and conditions of the Plan and its administrative practices and interpretations, which also include the Clawback Policy. Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan. Employee also agrees the terms and conditions of the Plan, this Agreement and related administrative practices and interpretations control, even if there is a conflict with any other terms and conditions in any employment agreement or in any prior awards. Without limiting the generality of the foregoing, as a condition to receipt of this Award, Employee agrees that the provisions relating to vesting and/or forfeiture of this Award upon a Termination of Employment set forth in this Agreement supersede and replace any provisions relating to vesting of the Award upon termination or other event set forth in any employment agreement, offer letter or similar document.
 - b. Employee understands and agrees that he or she is to consult with and rely upon only Employee's own tax, legal, and financial advisors regarding the consequences and risks of this Agreement and the awards made under this Agreement.
 - c. Except as provided in paragraph 13 below, this Agreement may not be amended except in writing (including by electronic writing) signed by all the parties to this Agreement (or their respective successors and legal representatives). The captions are not a part of the Agreement and for that reason shall have no force or effect.

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10. **No Waiver.** In the event the Employee or WM fails to insist on strict compliance with any term or condition of this Agreement or fails to assert any right under this Agreement, such failure is not a waiver of that term, condition or right.

11. **Covenant Requirement Essential Part of Award.** An overriding condition (even if any other provision of the Plan and this Agreement are conflicting) for Employee to receive any benefit from or payment of any Award under this Agreement, is that Employee must also have entered, and abided by the terms of, an agreement containing restrictive covenants concerning limitations on Employee's behavior following termination of employment that is satisfactory to WM.
12. **Definitions.** If not defined in this Agreement, capitalized terms have the meanings set forth in the Plan.
13. **Compliance with Section 409A.** Both WM and Employee intend that this Agreement does not result in unfavorable tax consequences to Employee under Section 409A. Accordingly, Employee consents to any amendment of this Agreement WM may reasonably make consistent to achieve that intention and WM may, disregarding any other provision in this Agreement to the contrary, unilaterally execute such amendment to this Agreement. WM shall promptly provide, or make available to, Employee a copy of any such amendment. WM agrees to make any such amendments to preserve the intended benefits to the Employee to the maximum extent possible. This paragraph does not create an obligation on the part of WM to modify this Agreement and does not guarantee that the amounts or benefits owed under the Agreement will not be subject to interest and penalties under Section 409A. Each cash and/or stock payment and/or benefit provided under the Plan and this Agreement and/or pursuant to the terms of WM's benefit plans, programs and policies shall be considered a separate payment for purposes of Section 409A. Notwithstanding the foregoing, it is intended that Stock Option Awards are not subject to Section 409A. For purposes of Section 409A, to the extent that Employee is a "specified employee" within the meaning of the Treasury Regulations issued pursuant to Section 409A as of Employee's separation from service and to the limited extent necessary to avoid the imputation of any tax, penalty or interest pursuant to Section 409A, notwithstanding anything to the contrary in this Agreement, no amount which is subject to Section 409A of the Code and is payable on account of Employee's separation from service shall be paid to Employee before the date (the "Delayed Payment Date") which is the first day of the seventh month after the Employee's separation from service or, if earlier, the date of the Employee's death following such separation from service. All such amounts that would, but for the immediately preceding sentence, become payable prior to the Delayed Payment Date will be accumulated and paid without interest on the Delayed Payment Date.
14. **Use of Personal Data.** Employee agrees to the collection, use, processing, and transfer of certain personal data, including name, salary, nationality, job title, position, social security number (or other tax identification number) and details of all past Awards and current Awards outstanding under the Plan ("**Data**"), for the purpose of managing and administering the Plan. Employee is not obliged to consent to such collection, use, processing, and transfer of personal data, but a refusal to provide such consent may affect the ability to participate in the Plan. WM may transfer Data among themselves or to third parties as necessary for the purpose of implementation, administration, and management of the Plan. These various recipients of Data may be located throughout the world. Employee authorizes these various recipients of Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering, and managing the Plan. Employee may, at any time, review Data with respect to Employee and require any necessary amendments to such Data. Employee may withdraw his or her consent to use Data herein by notifying WM in writing (according to the provisions of paragraph 15 below); however, Employee understands that by withdrawing his or her consent to use Data, Employee may affect his or her ability to participate in the Plan.
15. **Notices.** Any notice given by one party under this Agreement to the other shall be in writing and may be delivered personally or by mail, postage prepaid, addressed to the Secretary of the Company, at its then corporate headquarters, and Employee at Employee's address as shown on WM's records, or to such other address as Employee, by notice to the Company, may designate in writing from time to time.

16. **Electronic Delivery.** WM may, in its sole discretion, deliver any documents related to the Awards under this Agreement, the Plan, and/or the WM 409A Plan, by electronic means or request Employee's consent to participate in the administration of this Agreement, the Plan, and/or the WM 409A Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by WM or another third party designated by WM.
17. **Binding Arbitration.** Except as otherwise specifically provided herein, the Committee's findings, calculations and determinations under this Agreement are made in the sole discretion of the Committee, and Employee expressly agrees that such determinations shall be final and not subject to dispute. In the event, however, that Employee has a right to dispute a matter hereunder (including, but not limited to, the right to dispute set forth in paragraph 5 under "Important Award Details") or a matter directly relating to this Award under the Clawback Policy, the Company and Employee agree that such dispute shall be settled exclusively by final and binding arbitration, as governed by the Federal Arbitration Act (9 U.S.C. 1 *et seq.*). The arbitration proceeding, including the rendering of an award, if any, shall be administered by JAMS pursuant to its Employment Arbitration Rules and Procedures, which may be found on the JAMS Website www.jamsadr.com. All expenses associated with the arbitration shall be borne by WM; provided however, that such arbitration expenses will not include attorney fees incurred by the respective parties. Judgment on any arbitration award may be entered in any court having jurisdiction.

18. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

Execution

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by one of its officers thereunto duly authorized and Employee has executed this Agreement, effective as of March 1, 2024.

WASTE MANAGEMENT, INC.

Employee

By: /s/ Leslie K. Nagy

Leslie K. Nagy

Vice President and Treasurer

By: /s/ Courtney A. Tippy

Courtney A. Tippy

Vice President and Secretary

15 Signature Page to Guarantee
(4.950% Senior Notes due 2027)

Exhibit 4.4

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.

(formerly known as Waste Management, Inc.)

in Favor of The Bank of New York Mellon Trust Company, N.A., as Trustee for the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$750,000,000

4.950% Senior Notes due 2031

July 3, 2024

GUARANTEE, dated as of July 3, 2024 (as amended from time to time, this “Guarantee”), made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the “Guarantor”), in favor of The Bank of New York Mellon Trust Company, N.A., as trustee for the holders of the \$750,000,000 aggregate principal amount of 4.950% Senior Notes due 2031 (the “Debt Securities”) of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the “Issuer”).

WITNESSETH:

SECTION 1. Guarantee.

(a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities and any amounts and obligations due and payable with respect to the Debt Securities under Section 607 of the Indenture (as amended, modified or otherwise supplemented from time to time, the “Indenture”), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee (the “Trustee”) (the “Obligations”), according to the terms of the Debt Securities and the Indenture, as applicable.

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the amount guaranteed by the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, “Bankruptcy Law” means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture, the Debt Securities or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation.

(a) The Guarantor hereby waives notice of acceptance of this Guarantee, diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of, or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of the Trustee or any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by the lenders under the Seventh Amended and Restated Revolving Credit Agreement dated as of May 8, 2024 by and among the Issuer, Waste Management of Canada Corporation, WM Quebec Inc., the Guarantor (as guarantor), certain banks party thereto, and Bank of America, N.A., as administrative agent (or under any replacement or new principal credit facility of the Issuer), (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ Leslie K. Nagy

Leslie K. Nagy

Vice President and Treasurer

By: /s/ Courtney A. Tippy

Courtney A. Tippy

Vice President and Secretary

**Signature Page to Guarantee
(4.950% Senior Notes due 2031)**

Exhibit 22.1

GUARANTOR SUBSIDIARY

As of **March 31, 2024** **June 30, 2024**, Waste Management Holdings, Inc. ("WM Holdings"), a Delaware corporation and a direct wholly-owned subsidiary of Waste Management, Inc. ("WMI"), has fully and unconditionally guaranteed all registered Senior Notes issued by WMI, as listed below. Additionally, WMI has fully and unconditionally guaranteed the 7.10% Senior Notes due 2026 issued by WM Holdings.

Principal Amount Issued	Interest Rate (per annum)	Issue Date	Maturity Date
\$ 600 million	7.00%	7/17/1998	7/15/2028
\$ 250 million	7.375%	1/21/2000	5/15/2029
\$ 500 million	7.75%	1/3/2003	5/15/2032
\$ 600 million	6.125%	11/17/2009	11/30/2039
\$ 350 million	3.50%	5/8/2014	5/15/2024
\$ 600 million	3.125%	2/26/2015	3/1/2025
\$ 450 million	3.90%	2/26/2015	3/1/2035
\$ 750 million	4.10%	2/26/2015	3/1/2045
\$ 750 million	3.15%	11/8/2017	11/15/2027
\$ 1 billion	4.15%	5/22/2019	7/15/2049
\$ 500 million	0.75%	11/17/2020	11/15/2025
\$ 500 million	1.15%	11/17/2020	3/15/2028
\$ 1 billion	1.50%	11/17/2020	3/15/2031
\$ 500 million	2.50%	11/17/2020	11/15/2050
\$ 475 million	2.00%	5/12/2021	6/1/2029
\$ 475 million	2.95%	5/12/2021	6/1/2041
\$ 1 billion	4.15%	5/12/2022	4/15/2032
\$ 750 million	4.625%	2/15/2023	2/15/2030
\$ 500 million	4.625%	2/15/2023	2/15/2033
\$ 750 million	4.875%	8/3/2023	2/15/2029
\$ 1.250 billion	4.875%	8/3/2023	2/15/2034
\$ 750 million	4.950%	7/3/2024*	7/3/2027
\$ 750 million	4.950%	7/3/2024*	7/3/2031

* Sale of these Senior Notes occurred on June 24, 2024 and delivery occurred on July 3, 2024.

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)

UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James C. Fish, Jr., certify that:

1. I have reviewed this report on Form 10-Q of Waste Management, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a — 15(e) and 15d — 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d — 15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JAMES JAMES C. FISH, JR. FISH, JR.
James C. Fish, Jr.
President and Chief Executive Officer

Date: April 25, 2024 July 25, 2024

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Devina A. Rankin, certify that:

1. I have reviewed this report on Form 10-Q of Waste Management, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a — 15(e) and 15d — 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d — 15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ DEVINA A. RANKIN

Devina A. Rankin
Executive Vice President and
Chief Financial Officer

Date: April 25, 2024 July 25, 2024

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April July 25. 2024

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April, July 25, 2024

Mine Safety Disclosures

This exhibit contains certain specified disclosures regarding mine safety required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K. Certain of our subsidiaries have permits for surface mining operations that are incidental to excavation work for landfill development.

During the quarter ended **March 31, 2024** **June 30, 2024**, we did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration ("MSHA") for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"); (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; or (e) an imminent danger order under section 107(a) of the Mine Safety Act. **During Act or (f) a proposed assessment from the quarter ended March 31, 2024, CGS Services, Inc., an indirect wholly-owned subsidiary of Waste Management, Inc., was assessed penalties totaling \$441 by the MSHA in connection with its Caldwell PT & ML mine in Indiana. MSHA.**

In addition, during the quarter ended **March 31, 2024** **June 30, 2024**, we had no mining-related fatalities, we had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and we did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.

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