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 June 30, 2026

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	**73-1309529**
(State or other jurisdiction of incorporation or organization)	*(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 ☑	Accelerated filer ☐
Non-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 July 24, 2026 was 399,715,184 (excluding treasury shares of 230,567,277).

PART I.

Item 1. *Financial Statements.*

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Par Value Amounts)

	June 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 557	$ 201
Accounts receivable, net of allowance for doubtful accounts of $73 and $87, respectively	3,495	3,435
Other receivables, net of allowance for doubtful accounts of $3 and $3, respectively	711	620
Parts and supplies	232	225
Other current assets	402	429
Total current assets	5,397	4,910
Property and equipment, net of accumulated depreciation and depletion of $25,432 and $25,096, respectively	20,440	20,378
Goodwill	14,001	13,880
Other intangible assets, net	3,641	3,767
Restricted funds	648	513
Investments in unconsolidated entities	738	779
Other long-term assets	1,576	1,608
Total assets	$ 46,441	$ 45,835
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,992	$ 1,867
Accrued liabilities	2,114	2,211
Deferred revenues	767	735
Current portion of long-term debt	1,075	711
Total current liabilities	5,948	5,524
Long-term debt, less current portion	22,281	22,196
Deferred income taxes	3,307	3,160
Landfill and environmental remediation liabilities	3,325	3,278
Other long-term liabilities	1,654	1,686
Total liabilities	36,515	35,844
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
Additional paid-in capital	5,864	5,676
Retained earnings	17,977	17,232
Accumulated other comprehensive income (loss)	(71)	(10)
Treasury stock at cost, 230,314,758 and 227,340,757 shares, respectively	(13,851)	(12,914)
Total Waste Management, Inc. stockholders' equity	9,925	9,990
Noncontrolling interests	1	1
Total equity	9,926	9,991
Total liabilities and equity	$ 46,441	$ 45,835

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating revenues	$ 6,684	$ 6,430	$ 12,911	$ 12,448
Costs and expenses:				
Operating	3,955	3,803	7,649	7,415
Selling, general and administrative	683	696	1,390	1,383
Depreciation, depletion, amortization and accretion	777	744	1,512	1,435
Restructuring	6	12	10	25
(Gain) loss from divestitures, asset impairments and unusual items, net	10	24	(16)	26
	5,431	5,279	10,545	10,284
Income from operations	1,253	1,151	2,366	2,164
Other income (expense):				
Interest expense, net	(233)	(232)	(458)	(464)
Other, net	4	9	7	16
	(229)	(223)	(451)	(448)
Income before income taxes	1,024	928	1,915	1,716
Income tax expense	238	201	406	352
Consolidated net income	786	727	1,509	1,364
Less: Net income (loss) attributable to noncontrolling interests	1	1	1	1
Net income attributable to Waste Management, Inc.	$ 785	$ 726	$ 1,508	$ 1,363
Basic earnings per common share	$ 1.96	$ 1.80	$ 3.75	$ 3.39
Diluted earnings per common share	$ 1.95	$ 1.80	$ 3.74	$ 3.37

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)
(Unaudited)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Consolidated net income	$ 786	$ 727	$ 1,509	$ 1,364
Other comprehensive income (loss), net of tax:				
Derivative instruments, net	(1)	(10)	(3)	(1)
Available-for-sale securities, net	4	6	—	8
Foreign currency translation adjustments	(30)	100	(58)	117
Post-retirement benefit obligations, net	—	—	—	—
Other comprehensive income (loss), net of tax	(27)	96	(61)	124
Comprehensive income	759	823	1,448	1,488
Less: Comprehensive income (loss) attributable to noncontrolling interests	1	1	1	1
Comprehensive income attributable to Waste Management, Inc.	$ 758	$ 822	$ 1,447	$ 1,487

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities:		
Consolidated net income	$ 1,509	$ 1,364
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation, depletion, amortization and accretion	1,512	1,435
Deferred income tax expense (benefit)	143	79
Provision for bad debts	69	43
Equity-based compensation expense	98	92
Net gain on disposal of assets	(6)	(12)
(Gain) loss from divestitures, asset impairments and other, net	(16)	26
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Receivables	(224)	(323)
Other current assets	3	(52)
Other assets	127	134
Accounts payable and accrued liabilities	134	42
Deferred revenues and other liabilities	(122)	(75)
Net cash provided by operating activities	3,227	2,753
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(85)	(366)
Capital expenditures	(1,280)	(1,563)
Proceeds from divestitures of businesses and other assets, net of cash divested	77	103
Other, net	(139)	(89)
Net cash used in investing activities	(1,427)	(1,915)
Cash flows from financing activities:		
New borrowings	12,823	9,135
Debt repayments	(12,484)	(9,234)
Common stock repurchase program	(1,003)	—
Cash dividends	(764)	(669)
Exercise of common stock options	32	50
Tax payments associated with equity-based compensation transactions	(40)	(49)
Other, net	(16)	(14)
Net cash used in financing activities	(1,452)	(781)
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(7)	8
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	341	65
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	297	487
Cash, cash equivalents and restricted cash and cash equivalents at end of period	$ 638	$ 552
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents at end of period:		
Cash and cash equivalents	$ 557	$ 440
Restricted cash and cash equivalents included in other current assets	9	45
Restricted cash and cash equivalents included in restricted funds	72	67
Cash, cash equivalents and restricted cash and cash equivalents at end of period	$ 638	$ 552

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							
		Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury Stock		Noncontrolling
	Total	Shares	Amounts	Capital	Earnings	Income (Loss)	Shares	Amounts	Interests
Three Months Ended June 30:									
2026									
Balance, March 31, 2026	$ 10,022	630,282	$ 6	$ 5,708	$ 17,571	$ (44)	(228,009)	$ (13,220)	$ 1
Consolidated net income	786	—	—	—	785	—	—	—	1
Other comprehensive income (loss), net of tax	(27)	—	—	—	—	(27)	—	—	—
Cash dividends declared of $0.945 per common share	(379)	—	—	—	(379)	—	—	—	—
Equity-based compensation transactions, net	52	—	—	49	—	—	59	3	—
Common stock repurchase program	(671)	—	—	—	—	—	(2,998)	(671)	—
Acquisitions	144	—	—	107	—	—	632	37	—
Other, net	(1)	—	—	—	—	—	1	—	(1)
Balance, June 30, 2026	$ 9,926	630,282	$ 6	$ 5,864	$ 17,977	$ (71)	(230,315)	$ (13,851)	$ 1
2025									
Balance, March 31, 2025	$ 8,651	630,282	$ 6	$ 5,515	$ 16,160	$ (87)	(227,911)	$ (12,944)	$ 1
Consolidated net income	727	—	—	—	726	—	—	—	1
Other comprehensive income (loss), net of tax	96	—	—	—	—	96	—	—	—
Cash dividends declared of $0.825 per common share	(333)	—	—	—	(333)	—	—	—	—
Equity-based compensation transactions, net	62	—	—	51	—	—	231	11	—
Other, net	(1)	—	—	—	—	—	—	—	(1)
Balance, June 30, 2025	$ 9,202	630,282	$ 6	$ 5,566	$ 16,553	$ 9	(227,680)	$ (12,933)	$ 1

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							
		Common Stock					Treasury Stock		
	Total	Shares	Amounts	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amounts	Noncontrolling Interests
Six Months Ended June 30:									
2026									
Balance, December 31, 2025	$ 9,991	630,282	$ 6	$ 5,676	$ 17,232	$ (10)	(227,341)	$ (12,914)	$ 1
Consolidated net income	1,509	—	—	—	1,508	—	—	—	1
Other comprehensive income (loss), net of tax	(61)	—	—	—	—	(61)	—	—	—
Cash dividends declared of $1.89 per common share	(764)	—	—	—	(764)	—	—	—	—
Equity-based compensation transactions, net	133	—	—	81	1	—	890	51	—
Common stock repurchase program	(1,025)	—	—	—	—	—	(4,497)	(1,025)	—
Acquisitions	144	—	—	107	—		632	37	—
Other, net	(1)	—	—	—	—	—	1	—	(1)
Balance, June 30, 2026	$ 9,926	630,282	$ 6	$ 5,864	$ 17,977	$ (71)	(230,315)	$ (13,851)	$ 1
2025									
Balance, December 31, 2024	$ 8,254	630,282	$ 6	$ 5,496	$ 15,858	$ (115)	(228,788)	$ (12,993)	$ 2
Consolidated net income	1,364	—	—	—	1,363	—	—	—	1
Other comprehensive income (loss), net of tax	124	—	—	—	—	124	—	—	—
Cash dividends declared of $1.65 per common share	(669)	—	—	—	(669)	—	—	—	—
Equity-based compensation transactions, net	131	—	—	70	1	—	1,107	60	—
Other, net	(2)	—	—	—	—	—	1	—	(2)
Balance, June 30, 2025	$ 9,202	630,282	$ 6	$ 5,566	$ 16,553	$ 9	(227,680)	$ (12,933)	$ 1

See Notes to Condensed Consolidated Financial Statements.

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 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 solid waste 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 Renewable Energy segment, 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 Healthcare Solutions segment provides regulated waste and compliance services (“RWCS”) and secure information destruction (“SID”) services in the U.S., Canada and Western Europe that protect people and brands, promote health and well-being and safeguard the environment. Additionally, through our Recycling Processing and Sales segment, 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 five 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; (iv) Renewable Energy and (v) Healthcare Solutions. Our East and West Tiers along with certain ancillary services (“Other Ancillary”) that are not managed through our Tier segments, but that support our collection and disposal operations, form our “Collection and Disposal” business. We also provide additional services not managed through our five reportable segments, which are presented as Corporate and Other. Refer to Note 7 for further discussion.

The Condensed Consolidated Financial Statements as of June 30, 2026 for the three and six months ended June 30, 2026 and 2025 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, 2025.

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, transfer stations or processing facilities; or recycling and other commodities, such as RNG, electricity and capacity, Renewable Identification Numbers (“RINs”) and Renewable Energy Credits (“RECs”), are sold. Compliance services revenues are recognized over the contractual service period.

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 16 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 June 30, 2026 and December 31, 2025, we had $230 million and $237 million, respectively, of deferred contract costs, of which $184 million and $177 million, respectively, were related to deferred sales incentives.

Leases

Amounts for our operating lease right-of-use assets are recorded in other long-term 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 and other receivables. 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.

Reclassifications

When necessary, reclassifications have been made to our prior period financial information to conform with the current year presentation, including the reclassification of interest accretion on landfill and environmental remediation liabilities from operating expenses to depreciation, depletion, amortization and accretion in our Condensed Consolidated Statements of Operations. These reclassifications are not material to our Condensed Consolidated Financial Statements.

Adoption of New Accounting Standards in 2026

Improvements to Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2025-05, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Account Receivable and Contract Assets” (“ASU 2025-05”), which simplifies the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification 606, Revenue from Contracts with Customers. The amendments permit entities to elect a practical expedient to assume the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast for purposes of estimating expected credit losses. The Company adopted ASU 2025-05 on a prospective basis and elected the practical expedient during the quarter ended March 31, 2026. The adoption of the amended guidance did not have a material impact on our Condensed Consolidated Financial Statements.

2. Landfill and Environmental Remediation Liabilities

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

	June 30, 2026			December 31, 2025		
	Landfill	Environmental Remediation	Total	Landfill	Environmental Remediation	Total
Current (in accrued liabilities)	$ 186	$ 58	$ 244	$ 186	$ 72	$ 258
Long-term	3,153	172	3,325	3,119	159	3,278
	$ 3,339	$ 230	$ 3,569	$ 3,305	$ 231	$ 3,536

The changes to landfill and environmental remediation liabilities for the six months ended June 30, 2026 are reflected in the table below (in millions):

	Landfill	Environmental Remediation
December 31, 2025	$ 3,305	$ 231
Obligations incurred and capitalized	45	—
Obligations settled	(66)	(14)
Interest accretion	78	—
Revisions in estimates	(20)	13
Acquisitions, divestitures and other adjustments	(3)	—
June 30, 2026	$ 3,339	$ 230

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 13 for additional information related to these trusts.

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 June 30, 2026:

	June 30, 2026	December 31, 2025
Commercial paper program (weighted average interest rate of 3.95% as of June 30, 2026 and 4.05% as of December 31, 2025)	$ 1,068	$ 1,090
Senior notes, maturing through 2054, interest rates ranging from 1.15% to 7.75% (weighted average interest rate of 4.27% as of June 30, 2026 and 4.28% as of December 31, 2025)	17,483	17,498
Canadian senior notes, C$500 million, redeemed July 2026, interest rate of 2.60%	352	364
Canadian senior notes, C$700 million, maturing July 2033, interest rate of 3.944%	493	—
Tax-exempt bonds, maturing through 2055, fixed and variable interest rates ranging from 0.70% to 4.60% (weighted average interest rate of 3.33% as of June 30, 2026 and 3.41% as of December 31, 2025)	2,827	2,827
Financing leases and other, maturing through 2075 (weighted average interest rate of 4.90% as of June 30, 2026 and 4.83% as of December 31, 2025)	1,283	1,284
Debt issuance costs, discounts and other	(150)	(156)
	23,356	22,907
Current portion of long-term debt	1,075	711
Long-term debt, less current portion	$ 22,281	$ 22,196

Debt Classification

As of June 30, 2026, we had approximately $3.8 billion of debt maturing within the next 12 months, including (i) $2.0 billion of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (ii) $1.1 billion of short-term borrowings under our commercial paper program (net of related discount on issuance); (iii) $223 million of 7.10% senior notes that mature in August 2026; (iv) $352 million of 2.60% Canadian senior notes that the Company elected to redeem in July 2026 and (v) $206 million of other debt with scheduled maturities within the next 12 months. As of June 30, 2026, we have classified $2.7 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. The remaining $1.1 billion 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 $3.5 billion revolving credit facility, maturing May 2029, 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 a secured overnight financing rate administered by the Federal Reserve Bank of New York ("SOFR") or the Canadian Overnight Repo Rate Average ("CORRA") administered by the Bank of Canada, respectively, plus a spread depending on 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 June 30, 2026, we had no outstanding borrowings under this facility. We had $1.1 billion of outstanding borrowings (net of related discount on issuance) under our commercial paper program and $226 million of letters of credit issued, both supported by the facility, leaving unused and available credit capacity of $2.2 billion as of June 30, 2026. WM Holdings, Inc. ("WM Holdings"), a wholly-owned subsidiary of WMI, guarantees all the obligations under the $3.5 billion revolving credit facility.

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 June 30, 2026, we had $1.1 billion of outstanding borrowings (net of related discount on issuance) under our commercial paper program.

Other Letter of Credit Lines — As of June 30, 2026, we had utilized $944 million of other uncommitted letter of credit lines, with terms maturing through December 2029.

Debt Borrowings and Repayments

Canadian Senior Notes — In June 2026, Waste Management of Canada Corporation, an indirect wholly-owned subsidiary of WM, issued C$700 million, or $493 million, of 3.944% senior notes due July 15, 2033, all of which are fully and unconditionally guaranteed on a senior unsecured basis by WM and WM Holdings. The net proceeds from the debt issuance were C$696 million, or $490 million, which were used to redeem the previously outstanding C$500 million 2.60% Canadian senior notes that would have matured in September 2026, and we intend to use the remainder of the proceeds for general corporate purposes.

Commercial Paper Program — During the six months ended June 30, 2026, we made cash repayments of $12.4 billion, which were partially offset by $12.3 billion of cash borrowings (net of related discount on issuance) used for general corporate purposes.

Financing Leases and Other — The decrease in our financing leases and other debt obligations for the six months ended June 30, 2026 is due to $98 million of cash repayments of debt at maturity, partially offset by new, non-cash, finance lease activity of $97 million.

4. Income Taxes

Our effective income tax rate was 23.2% and 21.2% for the three and six months ended June 30, 2026, respectively, compared to 21.7% and 20.5% for the three and six months ended June 30, 2025, respectively. The increase in our effective income tax rate when comparing the three and six months ended June 30, 2026 and 2025 was primarily driven by a decrease in investment tax credits and an increase in pre-tax income, partially offset by the recognition of clean fuel production tax credits at our RNG facilities. 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 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. Our RNG facilities in the U.S. qualify for investment tax credits and clean fuel production tax credits, pursuant to Sections 48 and 45Z of the Internal Revenue Code, which we expect to realize through 2027 and 2029, respectively.

During the three and six months ended June 30, 2026, we recognized a reduction in our income tax expense of $29 million and $53 million, respectively, due to investment tax credits from our RNG investments compared to $43 million and $89 million, respectively, for the comparable prior year periods.

During the three and six months ended June 30, 2026, we recognized a reduction in our income tax expense of $9 million and $44 million, respectively, related to clean fuel production tax credits from our RNG production and sales activity, with $17 million attributable to production and sales during the first half of 2026 and $27 million attributable to 2025 operations. The timing of the recognition of these production tax credits resulted from the issuance of proposed Treasury regulations during the first quarter of 2026 that clarified the qualification of our RNG sales for the credit.

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 2038 pursuant to Sections 42 and 45D of the Internal Revenue Code.

During the three and six months ended June 30, 2026, we recognized income tax expense of $26 million and $48 million, respectively, related to amortization under ASU 2023-02 and a reduction in our income tax expense of $35 million and $65 million, respectively, primarily due to federal tax credits realized from these investments. In addition, during the three and six months ended June 30, 2026, we recognized interest expense of $7 million and $15 million, respectively, associated with our investments in low-income housing properties.

During the three and six months ended June 30, 2025, we recognized income tax expense of $25 million and $45 million, respectively, related to amortization under ASU 2023-02 and a reduction in our income tax expense of $35 million and $62 million, respectively, primarily due to federal tax credits realized from these investments. In addition, during the three and six months ended June 30, 2025, we recognized interest expense of $8 million and $17 million, respectively, associated with our investments in low-income housing properties.

See Note 13 for additional information related to these unconsolidated variable interest entities.

5. Earnings Per Share

Basic and diluted earnings per share for the three and six months ended June 30 were computed using the following common share data (shares in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Number of common shares outstanding at end of period	400.0	402.6	400.0	402.6
Effect of using weighted average common shares outstanding	1.5	—	2.3	(0.1)
Weighted average basic common shares outstanding	401.5	402.6	402.3	402.5
Dilutive effect of equity-based compensation awards and other contingently issuable shares	0.9	1.7	1.0	1.5
Weighted average diluted common shares outstanding	402.4	404.3	403.3	404.0
Potentially issuable shares	3.9	4.3	3.9	4.3
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	1.5	0.9	1.6	1.2

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

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 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 June 30, 2026, 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 18 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 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 $16 million higher than the $230 million recorded in the Condensed Consolidated Balance Sheet as of June 30, 2026. 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 June 30, 2026, we had been notified by the government that we are a PRP in connection with 75 locations listed on the Environmental Protection Agency's ("EPA's") Superfund National Priorities List, or NPL. Of the 75 sites at which claims have been made against us, 14 are sites we own. Each of the NPL sites we own 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 other 61 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. In November 2024, MIMC and IPC publicly issued a proposed revised full remedial design that was approved by the EPA in September 2025. The EPA issued a Unilateral Administrative Order for the site cleanup in April 2026. The issuance of this order was anticipated, and MIMC and IPC have communicated to the EPA their intention to comply. The recorded liability as of June 30, 2026, and December 31, 2025, was approximately $100 million. MIMC’s ultimate liability could be materially different from current estimates, including potential increases resulting from MIMC’s continued engagement with the EPA as construction contracting and planning proceed.

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. The following matter is disclosed in accordance with that requirement. We do not currently believe that the eventual outcome of this matter will have a material adverse effect on the Company’s business, financial condition, results of operations or cash flows.

> On April 26, 2026, the Delaware Department of Natural Resources and Environmental Control issued an order against Delaware Recyclable Products, Inc., an indirect, wholly-owned subsidiary of WMI, alleging certain environmental violations related to landfill cover and erosion control, stormwater management, the management of prohibited waste, and other permitting and operational matters. The order seeks compliance with a modified permit, certain remedial actions and the payment of an administrative penalty. Our appeal of this order is pending.

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, 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.

On February 11, 2020, Stericycle, Inc. (“Stericycle”), a now wholly-owned subsidiary, received an administrative subpoena from the U.S. Drug Enforcement Administration, which executed a search warrant at a facility in Rancho Cordova, California and an administrative inspection warrant at a facility in Indianapolis, Indiana for materials related to Stericycle’s now-divested Domestic Environmental Solutions business of collecting, transporting, and destroying controlled substances from retail customers (the “ESOL Retail Controlled Substances Business”). On that same day, agents from the California Department of Toxic Substances Control executed a separate search warrant at the Rancho Cordova facility. Since that time, the U.S. Attorney’s Office for the Eastern District of California has been overseeing criminal and civil investigations of the ESOL Retail Controlled Substances Business. Stericycle cooperated with the investigations, which were limited to the period of Stericycle’s historical operation and ownership of the ESOL Retail Controlled Substances Business from 2015 through 2020. In May 2026, Stericycle entered into certain settlement agreements, including a one-year deferred prosecution agreement, with the U.S. Department of Justice resolving the criminal and civil investigations. Stericycle has made the agreed-upon penalty and settlement payments and is subject to certain continuing compliance, reporting and cooperation obligations during the term of the deferred prosecution agreement. We do not currently believe this matter 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 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 15% of our workforce is covered by collective bargaining agreements with various local unions across the U.S. and Canada, and certain parts of Europe. 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. In connection with our ongoing renegotiation of various collective bargaining agreements, we may discuss and negotiate for the complete or partial withdrawal from one or more of these Multiemployer Pension Plans. 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 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, and in response to that notice, the Company placed a deposit of approximately $103 million with the IRS. The Company filed a claim for refund of the entire deposit in the fourth quarter of 2024 and received a partial refund of approximately $14 million plus interest from the IRS in the second quarter of 2026. We expect to litigate any denial of the claim for refund of the remaining deposit. As of June 30, 2026 and December 31, 2025, the IRS deposit of $89 million and $103 million, respectively, was classified as a component of other long-term assets in the Company's Condensed Consolidated Balance Sheets.

7. Segment and Related Information

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

Summarized financial information concerning our reportable segments for the three and six months ended June 30 is shown in the following table (in millions):

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(b)	Depreciation, Depletion, Amortization and Accretion	Income from Operations(c)	Capital Expenditures (d)
Three Months Ended June 30:									
2026									
Collection and Disposal:									
East Tier	$ 2,406	$ 663	$ 3,069	$ 1,888	$ 91	$ —	$ 306	$ 784	$ 302
West Tier	2,291	582	2,873	1,769	91	—	252	761	293
Other Ancillary	782	58	840	800	28	—	7	5	16
Collection and Disposal(e)(f)(g)	5,479	1,303	6,782	4,457	210	—	565	1,550	611
Recycling Processing and Sales(e)	403	88	491	385	14	2	54	36	64
Renewable Energy(f)	157	—	157	81	5	—	24	47	61
Healthcare Solutions(g)(h)	638	104	742	506	126	3	105	2	28
Corporate and Other(f)	7	8	15	22	335	11	29	(382)	(41)
Total	$ 6,684	$ 1,503	$ 8,187	$ 5,451	$ 690	$ 16	$ 777	$ 1,253	$ 723
Intercompany Elimination(a)			(1,503)	(1,496)	(7)	—	—	—	
Net			6,684	3,955	683	16	777	1,253	

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(b)	Depreciation, Depletion, Amortization and Accretion	Income from Operations(c)	Capital Expenditures (d)
2025									
Collection and Disposal:									
East Tier	$ 2,292	$ 630	$ 2,922	$ 1,815	$ 88	$ 8	$ 290	$ 721	$ 360
West Tier	2,251	554	2,805	1,706	86	2	254	757	335
Other Ancillary	738	51	789	753	31	16	6	(17)	12
Collection and Disposal(e)(f)(g)	5,281	1,235	6,516	4,274	205	26	550	1,461	707
Recycling Processing and Sales(e)	381	101	482	398	14	1	45	24	70
Renewable Energy(f)	115	—	115	59	3	—	15	38	115
Healthcare Solutions(g)(h)	646	114	760	519	150	9	105	(23)	46
Corporate and Other(f)	7	8	15	4	331	—	29	(349)	(123)
Total	$ 6,430	$ 1,458	$ 7,888	$ 5,254	$ 703	$ 36	$ 744	$ 1,151	$ 815
Intercompany Elimination(a)			(1,458)	(1,451)	(7)	—	—	—	
Net			6,430	3,803	696	36	744	1,151	

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(b)	Depreciation, Depletion, Amortization and Accretion	Income from Operations(c)	Capital Expenditures (d)
Six Months Ended June 30:									
2026									
Collection and Disposal:									
East Tier	$ 4,605	$ 1,263	$ 5,868	$ 3,589	$ 181	$ -	$ 591	$ 1,507	$ 481
West Tier	4,441	1,119	5,560	3,418	187	(34)	491	1,498	529
Other Ancillary	1,514	115	1,629	1,553	57	-	14	5	33
Collection and Disposal(e)(f)(g)	10,560	2,497	13,057	8,560	425	(34)	1,096	3,010	1,043
Recycling Processing and Sales(e)	771	175	946	753	29	4	105	55	94
Renewable Energy(f)	316	2	318	164	11	-	48	95	104
Healthcare Solutions(g)(h)	1,252	211	1,463	1,006	248	12	209	(12)	55
Corporate and Other(f)	12	16	28	54	690	12	54	(782)	(35)
Total	$ 12,911	$ 2,901	$ 15,812	$ 10,537	$ 1,403	$ (6)	$ 1,512	$ 2,366	$ 1,261
Intercompany Elimination(a)			(2,901)	(2,888)	(13)	—	—	—	
Net			12,911	7,649	1,390	(6)	1,512	2,366	

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(b)	Depreciation, Depletion, Amortization and Accretion	Income from Operations(c)	Capital Expenditures (d)
2025									
Collection and Disposal:									
East Tier	$ 4,432	$ 1,188	$ 5,620	$ 3,488	$ 176	$ 8	$ 558	$ 1,390	$ 557
West Tier	4,333	1,060	5,393	3,298	169	2	488	1,436	557
Other Ancillary	1,438	103	1,541	1,471	61	16	13	(20)	29
Collection and Disposal(e)(f)(g)	10,203	2,351	12,554	8,257	406	26	1,059	2,806	1,143
Recycling Processing and Sales(e)	765	182	947	786	29	6	84	42	108
Renewable Energy(f)	206	1	207	114	6	-	30	57	237
Healthcare Solutions(g)(h)	1,265	216	1,481	996	305	18	206	(44)	80
Corporate and Other(f)	9	16	25	16	649	1	56	(697)	(112)
Total	$ 12,448	$ 2,766	$ 15,214	$ 10,169	$ 1,395	$ 51	$ 1,435	$ 2,164	$ 1,456
Intercompany Elimination(a)			(2,766)	(2,754)	(12)	—	—	—	
Net			12,448	7,415	1,383	51	1,435	2,164	

(a) Includes each segment's intercompany activity, including transactions 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) Other net expenses include restructuring expenses, (gain) loss from divestitures, and asset impairments and unusual items, net.

(c) 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.

(d) Includes non-cash items. Additionally, our Corporate and Other business recognizes construction work in progress for fleet purchases during the period. Capital expenditures are reported in our reportable segments at the time they are recorded within the segments' property and equipment balances and, therefore, include timing differences for amounts accrued but not yet paid as well as amounts transferred from Corporate and Other for fleet placed in service.

(e) Certain fees related to the processing of recyclable material we collect are included within our Collection and Disposal business. The amounts in income from operations for the three and six months ended June 30, 2026 are $22 million and $40 million, respectively. The amounts in income from operations for the three and six months ended June 30, 2025 are $20 million and $40 million, respectively.

(f) Renewable Energy pays a 15% intercompany royalty to our Collection and Disposal business and Corporate and Other for landfill gas. The total amount of royalties in gross and intercompany operating revenues for the East Tier, West Tier, and Corporate and Other and in operating expenses for Renewable Energy for the three and six months ended June 30, 2026 are $24 million and $48 million, respectively. The total amount of royalties in gross and intercompany operating revenues for the East Tier, West Tier, and Corporate and Other and in operating expenses for Renewable Energy for the three and six months ended June 30, 2025 are $17 million and $31 million, respectively.

(g) Our Collection and Disposal business records intercompany operating revenue for collection and disposal services provided to Healthcare Solutions. The total amount of intercompany operating revenues reflected in our Collection and Disposal business and in operating expenses for Healthcare Solutions for the three and six months ended June 30, 2026 are $16 million and $36 million, respectively, and for three and six months ended June 30, 2025 are $12 million and $20 million, respectively.

(h) In the third quarter of 2025, as a result of continued integration efforts and to enhance transparency and accountability, the Company began reflecting intra-segment activity within the Healthcare Solutions segment. These charges were designed to measure profitability at more granular levels of the enterprise and to facilitate clearer financial accountability within operating units. Accordingly, adjustments to the three and six months ended June 30, 2025 were made to properly reflect intra-segment activity for each period. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2026 are $101 million and $202 million, respectively. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2025 are $113 million and $207 million, respectively.

Total assets by reportable segment are presented in the table below as follows (in millions):

	June 30, 2026	December 31, 2025
Collection and Disposal:		
East Tier	$ 15,906	$ 16,099
West Tier	12,608	12,245
Other Ancillary	818	801
Collection and Disposal	29,332	29,145
Recycling Processing and Sales	2,841	2,718
Renewable Energy	2,032	1,976
Healthcare Solutions	8,758	9,002
Corporate and Other	4,075	3,888
Elimination of intercompany investments and advances	(597)	(894)
Total assets, per Condensed Consolidated Balance Sheet	$ 46,441	$ 45,835

The mix of operating revenues from our major lines of business for the three and six months ended June 30 are as follows (in millions):

	Net Operating Revenues	Intercompany Operating Revenues (a)	Gross Operating Revenues
Three Months Ended June 30:			
2026			
Commercial	$ 1,485	$ 236	$ 1,721
Industrial	820	245	1,065
Residential	911	19	930
Other collection	849	74	923
Total collection	4,065	574	4,639
Landfill	1,004	429	1,433
Transfer	410	300	710
Total Collection and Disposal	5,479	1,303	6,782
Recycling Processing and Sales	403	88	491
Renewable Energy	157	—	157
Healthcare Solutions (b)	638	104	742
Corporate and Other	7	8	15
Total	$ 6,684	$ 1,503	$ 8,187
2025			
Commercial	$ 1,398	$ 220	$ 1,618
Industrial	790	223	1,013
Residential	872	22	894
Other collection	796	68	864
Total collection	3,856	533	4,389
Landfill	1,036	410	1,446
Transfer	389	292	681
Total Collection and Disposal	5,281	1,235	6,516
Recycling Processing and Sales	381	101	482
Renewable Energy	115	—	115
Healthcare Solutions (b)	646	114	760
Corporate and Other	7	8	15
Total	$ 6,430	$ 1,458	$ 7,888

	Net Operating Revenues	Intercompany Operating Revenues (a)	Gross Operating Revenues
Six Months Ended June 30:			
2026			
Commercial	$ 2,914	$ 465	$ 3,379
Industrial	1,578	467	2,045
Residential	1,799	37	1,836
Other collection	1,643	146	1,789
Total collection	7,934	1,115	9,049
Landfill	1,868	811	2,679
Transfer	758	571	1,329
Total Collection and Disposal	10,560	2,497	13,057
Recycling Processing and Sales	771	175	946
Renewable Energy	316	2	318
Healthcare Solutions (b)	1,252	211	1,463
Corporate and Other	12	16	28
Total	$ 12,911	$ 2,901	$ 15,812
2025			
Commercial	$ 2,778	$ 434	$ 3,212
Industrial	1,531	422	1,953
Residential	1,744	44	1,788
Other collection	1,549	140	1,689
Total collection	7,602	1,040	8,642
Landfill	1,876	763	2,639
Transfer	725	548	1,273
Total Collection and Disposal	10,203	2,351	12,554
Recycling Processing and Sales	765	182	947
Renewable Energy	206	1	207
Healthcare Solutions (b)	1,265	216	1,481
Corporate and Other	9	16	25
Total	$ 12,448	$ 2,766	$ 15,214

(a) Includes each segment's intercompany activity, including transactions 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) In the third quarter of 2025, as a result of continued integration efforts and to enhance transparency and accountability, the Company began reflecting intra-segment activity within the Healthcare Solutions segment. These charges were designed to measure profitability at more granular levels of the enterprise and to facilitate clearer financial accountability within operating units. Accordingly, adjustments to the three and six months ended June 30, 2025 were made to properly reflect intra-segment activity for each period. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2026 are $101 million and $202 million, respectively. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2025 are $113 million and $207 million, respectively.

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.

8. Acquisitions and Divestitures

Acquisitions

During the six months ended June 30, 2026, we completed solid waste acquisitions for total consideration of $235 million, which included issuance of shares of our common stock valued at $144 million from treasury stock, $85 million in net cash paid and $6 million of other consideration, specifically purchase price holdbacks. In addition, we paid $13 million of holdbacks related to prior year acquisitions.

Total consideration for our 2026 acquisitions was primarily allocated to $27 million of property and equipment, $75 million of other intangible assets, primarily customer relationships, and $138 million of goodwill. The goodwill was primarily a result of expected synergies from combining the acquired businesses with our existing operations and substantially all was not tax deductible. We remain in the measurement period for our 2026 acquisitions, and adjustments to our preliminary purchase price allocation may occur.

Divestitures

Proceeds from divestitures of businesses and other assets, net of cash divested, were $77 million and $103 million for the six months ended June 30, 2026 and 2025, respectively. Proceeds in 2026 primarily related to a business divestiture in our West Tier, which resulted in a gain of $34 million recognized in (gain) loss from divestitures, asset impairments and unusual items, net in our Condensed Consolidated Statements of Operations. Proceeds in 2025 primarily related to the January 2025 sale of our Healthcare Solutions segment's Spain and Portugal subsidiaries. As the fair value of consideration transferred was equal to the carrying value of the divested Spain and Portugal subsidiaries, no gain or loss was recognized.

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

(Gain) loss from divestitures, asset impairments and unusual items, net for the three months ended June 30, 2026 was not material. (Gain) loss from divestitures, asset impairments and unusual items, net for the six months ended June 30, 2026 primarily relates to a $34 million gain on a business divestiture in our West Tier, offset by immaterial charges related to legal and remediation liabilities.

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2025, primarily relates to a $16 million goodwill impairment charge to a business engaged in oil recovery and sludge processing services. This charge is reflected in Other Ancillary within our Collection and Disposal business.

10. Accumulated Other Comprehensive Income (Loss)

The changes in the balances of each component of accumulated other comprehensive income (loss), 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, 2025	$ 35	$ 29	$ (81)	$ 7	$ (10)
Other comprehensive income (loss) before reclassifications, net of tax expense (benefit) of $0, $0, $0 and $0, respectively	(2)	—	(58)	—	(60)
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)	(3)	—	(58)	—	(61)
Balance, June 30, 2026	$ 32	$ 29	$ (139)	$ 7	$ (71)

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. During the three months ended June 30, 2026, we repurchased 3.0 million shares of our common stock in open market transactions in compliance with Rule 10b5-1 and Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") for $671 million, inclusive of per-share commissions and taxes, for a weighted average price per share of $223.94. During the six months ended June 30, 2026, we repurchased 4.5 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 $1.0 billion, inclusive of per-share commissions and taxes, for a weighted average price per share of $227.89. These repurchases were made under the $3.0 billion Board of Directors authorization announced in December 2025.

As of June 30, 2026, the Company has remaining authorization for $2.0 billion of future share repurchases. Any future share repurchases pursuant to this authorization of our Board of Directors will be made at the discretion of management and will depend on factors similar to those considered by the Board of Directors in making dividend declarations, including our leverage level, net earnings, financial condition and cash required for future business plans, growth and acquisitions.

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):

	June 30, 2026	December 31, 2025
Quoted prices in active markets (Level 1):		
Cash equivalents and money market funds	$ 424	$ 91
Equity securities	92	88
Significant other observable inputs (Level 2):		
Available-for-sale securities (a)	670	528
Total assets measured at fair value	$ 1,186	$ 707

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

Fair Value of Debt

As of June 30, 2026 and December 31, 2025, the carrying value of our debt was $23.4 billion and $22.9 billion, respectively. The estimated fair value of our debt was approximately $22.6 billion and $22.5 billion as of June 30, 2026 and December 31, 2025, 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 June 30, 2026 and December 31, 2025. These amounts have not been revalued since those dates and current estimates of fair value could differ significantly from the amounts presented.

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 direct the activities of these entities. Our aggregate investment balance in these entities was $577 million and $624 million as of June 30, 2026 and December 31, 2025, respectively. The debt balance related to our investments in low-income housing properties was $565 million and $616 million as of June 30, 2026 and December 31, 2025, respectively. Additional information related to these investments is discussed in Note 4.

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 other long-term 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). Our investments and receivables related to these trusts had an aggregate carrying value of $133 million and $127 million as of June 30, 2026 and December 31, 2025, 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 $144 million and $140 million as of June 30, 2026 and December 31, 2025, respectively.

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, 2025.

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," "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 opinions, views or beliefs 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 or new lines of business; failure to identify acquisition targets, consummate and integrate acquisitions, including our ability to integrate the acquisition of Stericycle, Inc. ("Stericycle") (which is now presented as our Healthcare Solutions segment) and achieve the anticipated benefits therefrom, including synergies; legal, regulatory, operational, technological and other matters that may affect the costs and timing of our ability to integrate and deliver all of the expected benefits of the Stericycle acquisition; existing or new environmental and other regulations, including developments related to emerging contaminants, gas emissions, renewable energy, recyclables, 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 and incentives; 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 and pricing pressure; impacts from international trade restrictions and tariffs; competitive disposal alternatives, diversion of waste from landfills and declining waste volumes; changes in general economic conditions, capital markets or consumer trends; changing conditions in the recycling industry, including impacts on demand, pricing and availability of counterparties; changing conditions in the healthcare industry; adoption of new tax legislation; fuel shortages; failure to develop and protect new technology; failure of technology to perform as expected; inability to adapt and manage the benefits and risks of artificial intelligence; failure to prevent, detect and address cybersecurity incidents or comply with privacy regulations; negative outcomes of litigation or governmental proceedings, including those acquired through transactions; failure to maintain an effective system of internal control over financial reporting; and operational or management 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, 2025. 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 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 solid waste 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 Renewable Energy segment, 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 Healthcare Solutions segment provides regulated waste and compliance services ("RWCS") and secure information destruction ("SID") services in the U.S., Canada and Western Europe that protect people and brands, promote health and well-being and safeguard the environment. Additionally, through our Recycling Processing and Sales segment, 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 five 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; (iv) Renewable Energy and (v) Healthcare Solutions. Our East and West Tiers, along with certain ancillary services ("Other Ancillary") that are not managed through our Tier segments, but that support our collection and disposal operations, form our "Collection and Disposal" business. We also provide additional services not managed through our five reportable segments, which are presented as Corporate and Other.

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 are 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 customers will yield an attractive profit margin and enhanced service quality. We have furthered our strategy of focused differentiation and continuous improvement beyond our traditional waste operations through our sustainability growth strategy, which has positioned us to capitalize on the significant investments made in our Renewable Energy and Recycling Processing and Sales segments, while increasing automation and reducing labor dependency. In addition, our Healthcare Solutions segment provides a complementary business platform in medical waste, a sector with attractive near- and long-term growth dynamics, and in secure information destruction services to further our leading suite of comprehensive waste and environmental solutions. Furthermore, we continue to evaluate and plan to pursue emerging diversion technologies that may generate additional value.

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, providing medical waste services 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 we serve. Consistent with our Company's long-standing commitment to sustainability and environmental stewardship, we have published our 2026 Sustainability Report, providing details on our sustainability-related performance and outlining progress towards our 2030 sustainability goals. The 2026 Sustainability Report conveys the strong linkage between the Company's sustainability goals and our growth strategy, inclusive of the expansion of the Company's Recycling Processing and Sales and Renewable Energy segments. The information in this report can be found at 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 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 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. We have made significant progress in executing this technology enablement strategy to automate and optimize certain elements of our service delivery model. The key benefits are reduced labor dependency on certain high-turnover jobs, particularly in customer experience, recycling and residential collection, while further elevating our customer self-service through digitalization and implementation of technologies to enhance the safety, reliability and efficiency within our collection operations.

We sometimes experience margin pressures and variability in earnings and margins from our commodity-driven businesses, specifically within our Recycling Processing and Sales and Renewable Energy segments. During the first half of 2026, we continued to experience decreases in market prices for recycled commodities when compared to the prior year period. Additionally, we experienced declines in commodity prices from the prior year period that had an unfavorable impact on the Renewable Energy segment. We continue to take proactive steps to adjust our business models to protect against the down side risk of changes in commodity prices.

Variability in economic conditions, including inflation, interest rates, employment trends and supply chain reliability, can create risk and uncertainty in financial outlook. We 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. 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.

Current Quarter Financial Results

During the second quarter of 2026, we continued to focus on our priorities to advance our strategy – growing the core business by focusing on customer lifetime value; delivering operational excellence and capitalizing on network advantages; capturing and enhancing returns from our investments in our Recycling Processing and Sales and Renewable Energy segments and driving accretive growth as we take our Healthcare Solutions segment from integration to scalable growth. We continue to invest in our people through paying a competitive market wage, investing in our digital platform and providing training for our team members. During the second quarter of 2026, we also allocated $1,038 million of available cash to our shareholders through dividends and common stock repurchases.

Key elements of our financial results for the second quarter of 2026 include:

- Revenues of $6,684 million, compared to $6,430 million in the prior year period, an increase of $254 million, or 4.0%. The increase is primarily due to (i) higher yield in our Collection and Disposal business; (ii) increases in our energy surcharge due to higher fuel prices and (iii) volume growth in our Recycling Processing and Sales and Renewable Energy segments. These increases are partially offset by (i) lower collection and disposal volumes; (ii) volume declines in our Healthcare Solutions segment and (iii) a reduction in single-stream and brokerage recycled commodity prices;
- Operating expenses of $3,955 million, or 59.2% of revenues, compared to $3,803 million, or 59.1% of revenues, in the prior year period. The $152 million increase is primarily due to (i) higher fuel prices; (ii) annual employee wage increases and higher employee medical costs and (iii) growth in our Renewable Energy segment. These increases were offset by (i) the Company's ability to flex spending with lower collection and special waste volumes and (ii) continued operating efficiency and cost control initiatives;
- Selling, general and administrative expenses of $683 million, or 10.2% of revenues, compared to $696 million, or 10.8% of revenues, in the prior year period. The $13 million decrease is primarily due to lower professional fees and lower labor costs resulting from synergies achieved from our acquisitions, particularly Stericycle, partially offset by higher bad debt expenses;
- Income from operations of $1,253 million, or 18.7% of revenues, compared to $1,151 million, or 17.9% of revenues, in the prior year period. The $102 million increase is primarily due to (i) growth in our Collection and Disposal business driven by yield; (ii) benefits from the realization of synergies in our Healthcare Solutions segment and (iii) contributions from increased volumes in our Recycling Processing and Sales and Renewable Energy segments. These increases were partially offset by prior year earnings from wildfire clean-up activities;
- Net income attributable to Waste Management, Inc. of $785 million, or $1.95 per diluted share, compared to $726 million, or $1.80 per diluted share, in the prior year period. The $59 million increase is primarily due to the increase in income from operations, discussed above, partially offset by higher income tax expense;
- Net cash provided by operating activities of $1,726 million compared to $1,545 million in the prior year period. The $181 million increase in net cash provided by operating activities is primarily due to (i) higher earnings, particularly driven by our Collection and Disposal business; (ii) favorable changes in working capital, net of effects from acquisitions and divestitures and (iii) lower cash taxes;
- Free cash flow of $1,104 million compared to $818 million in the prior year period. The $286 million increase in free cash flow is primarily due to the increase in net cash provided by operating activities described above as well as a decrease in capital spending driven by (i) lower spend on collection vehicles and (ii) planned reductions in capital investment in our sustainability growth projects due to our transition from peak construction of this portfolio into a period of harvesting returns. 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.

Results of Operations

Operating Revenues

The mix of operating revenues for the three and six months ended June 30 are as follows (in millions):

	Net Operating Revenues	Intercompany Operating Revenues (a)	Gross Operating Revenues
Three Months Ended June 30:			
2026			
Commercial	$ 1,485	$ 236	$ 1,721
Industrial	820	245	1,065
Residential	911	19	930
Other collection	849	74	923
Total collection	4,065	574	4,639
Landfill	1,004	429	1,433
Transfer	410	300	710
Total Collection and Disposal	5,479	1,303	6,782
Recycling Processing and Sales	403	88	491
Renewable Energy	157	—	157
Healthcare Solutions (b)	638	104	742
Corporate and Other	7	8	15
Total	$ 6,684	$ 1,503	$ 8,187
2025			
Commercial	$ 1,398	$ 220	$ 1,618
Industrial	790	223	1,013
Residential	872	22	894
Other collection	796	68	864
Total collection	3,856	533	4,389
Landfill	1,036	410	1,446
Transfer	389	292	681
Total Collection and Disposal	5,281	1,235	6,516
Recycling Processing and Sales	381	101	482
Renewable Energy	115	—	115
Healthcare Solutions (b)	646	114	760
Corporate and Other	7	8	15
Total	$ 6,430	$ 1,458	$ 7,888

	Net Operating Revenues	Intercompany Operating Revenues (a)	Gross Operating Revenues
Six Months Ended June 30:			
2026			
Commercial	$ 2,914	$ 465	$ 3,379
Industrial	1,578	467	2,045
Residential	1,799	37	1,836
Other collection	1,643	146	1,789
Total collection	7,934	1,115	9,049
Landfill	1,868	811	2,679
Transfer	758	571	1,329
Total Collection and Disposal	10,560	2,497	13,057
Recycling Processing and Sales	771	175	946
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Healthcare Solutions (b)	1,265	216	1,481
Corporate and Other	9	16	25
Total	$ 12,448	$ 2,766	$ 15,214

(a) Includes each segment's intercompany activity, including transactions 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) In the third quarter of 2025, as a result of continued integration efforts and to enhance transparency and accountability, the Company began reflecting intra-segment activity within the Healthcare Solutions segment. These charges were designed to measure profitability at more granular levels of the enterprise and to facilitate clearer financial accountability within operating units. Accordingly, adjustments to the three and six months ended June 30, 2025 were made to properly reflect intra-segment activity for each period. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2026 are $101 million and $202 million, respectively. Intra-segment operating revenues and operating expenses within Healthcare Solutions for the three and six months ended June 30, 2025 are $113 million and $207 million, respectively.

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 June 30, 2026 vs. 2025				Period-to-Period Change for the Six Months Ended June 30, 2026 vs. 2025			
	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)
Collection and Disposal	$ 181	3.6 %			$ 362	3.7 %		
Recycling Processing and Sales and Renewable Energy (c)	(6)	(1.2)			(43)	(4.3)		
Energy surcharge and mandated fees	102	38.2			122	23.7		
Total average yield			$ 277	4.3 %			$ 441	3.5 %
Volume (d)			(22)	(0.3)			(10)	(0.1)
Healthcare Solutions (e)			(30)	(0.5)			(42)	(0.3)
Internal revenue growth			225	3.5			389	3.1
Acquisitions			33	0.5			68	0.6
Divestitures			(5)	—			(9)	(0.1)
Foreign currency translation			1	—			15	0.1
Total			$ 254	4.0 %			$ 463	3.7 %

(a) Calculated by dividing the increase or decrease for the current year period by the prior year period’s related business revenues 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 revenues 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 Renewable Energy segments, as well as changes in certain recycling fees charged by our collection and disposal operations.

(d) Includes activities from our Corporate and Other businesses.

(e) The amounts reported herein represent the change in our revenues from the combined impacts of yield and volume attributable to our Healthcare Solutions segment.

The significant items affecting revenues during the three and six months ended June 30, 2026, as compared to the prior year periods, are summarized below:

Average Yield

Collection and Disposal Average Yield — This measure reflects the effect on our revenues 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.

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 June 30, 2026 vs. 2025		Period-to-Period Change for the Six Months Ended June 30, 2026 vs. 2025	
	Amount	As a % of Related Business	Amount	As a % of Related Business
Commercial	$ 60	4.0 %	$ 129	4.4 %
Industrial	32	3.4	59	3.3
Residential	51	6.1	104	6.2
Total collection	143	4.2	292	4.3
Landfill	25	2.5	46	2.7
Transfer	13	3.6	24	3.4
Total Collection and Disposal	$ 181	3.6 %	$ 362	3.7 %

Our overall pricing efforts are focused on keeping pace with the increasing costs and capital intensity of our business. We continue to see yield growth in our landfill business primarily driven by municipal solid waste, which achieved average yield of 5.2% and 5.9% for the three and six months ended June 30, 2026, respectively.

Recycling Processing and Sales and Renewable Energy — Recycling Processing and Sales revenues attributable to yield decreased $2 million and $30 million for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods. Average market prices for single-stream recycled commodities declined by about 10% and 20% for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods. Revenues attributable to yield in our Renewable Energy segment decreased $4 million and $13 million for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods primarily due to lower RNG pricing, partially offset by higher electricity prices. While there may be short-term fluctuations in our commodity-driven businesses as prices change, we believe that our business models and processes appropriately mitigate the downside risk of changes in commodity prices.

Energy Surcharge and Mandated Fees — These fees increased $102 million and $122 million for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods. The increase in energy surcharge revenues was primarily due to an increase of approximately 50% and 30% in market prices for diesel fuel for three and six months ended June 30, 2026, respectively, as compared to the prior year periods.

Volume

Our revenues from volume (excluding volumes from acquisitions and divestitures, as well as Healthcare Solutions) decreased $22 million, or 0.3%, and $10 million, or 0.1%, for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods. Volume increased in both our Recycling Processing Sales and our Renewable Energy segments primarily due to contributions from recycling automation and growth projects and new renewable natural gas plants. These volume increases were largely offset by special waste volume declines compared to the prior year periods, which benefited from wildfire cleanup activities in the West Tier, and volume declines in our collection business primarily due to our intentional shedding of lower-margin residential business. Additionally, the six months ended June 30, 2026 was negatively impacted by harsh winter weather conditions in the first quarter of 2026.

Healthcare Solutions

Revenues from our Healthcare Solutions segment for three and six months ended June 30, 2026, decreased $30 million, or 0.5%, and $42 million, or 0.3%, respectively, as compared to the prior year periods as contributions from pricing activities were more than offset by declines in volumes.

Acquisitions and Divestitures

Acquisitions and divestitures resulted in a net increase in revenues of $28 million, or 0.5%, and $59 million, or 0.5%, for the three and six months ended June 30, 2026, respectively, as compared to the prior year periods primarily due to our investments in tuck-in collection and disposal businesses.

Operating Expenses

The following table summarizes the major components of our operating expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
Labor and related benefits	$ 1,150	17.2 %	$ 1,129	17.6 %	$ 2,265	17.5 %	$ 2,203	17.7 %
Transfer and disposal costs	363	5.4	366	5.7	689	5.3	698	5.6
Maintenance and repairs	586	8.8	580	9.0	1,132	8.8	1,129	9.1
Subcontractor costs	689	10.3	631	9.8	1,306	10.1	1,231	9.9
Cost of goods sold	225	3.4	246	3.8	437	3.4	482	3.9
Fuel	171	2.6	129	2.0	313	2.4	260	2.1
Disposal and franchise fees and taxes	218	3.3	215	3.4	406	3.2	396	3.2
Landfill operating costs	119	1.8	106	1.6	220	1.7	195	1.6
Risk management	97	1.4	90	1.4	211	1.6	206	1.6
Other	337	5.0	311	4.8	670	5.2	615	4.9
	$ 3,955	59.2 %	$ 3,803	59.1 %	$ 7,649	59.2 %	$ 7,415	59.6 %

Our operating expenses for the three and six months ended June 30, 2026 increased as compared to the prior year periods, primarily due to (i) higher fuel prices; (ii) annual employee wage increases and higher employee medical costs and (iii) growth in our Renewable Energy segment. These increases were partially offset by (i) the Company's ability to flex spending with lower collection and special waste volumes and (ii) continued operating efficiency and cost control initiatives.

The significant items affecting operating expenses during the three and six months ended June 30, 2026, as compared to the prior year periods, are summarized below:

Labor and Related Benefits —The increase in labor and related benefits costs was primarily due to annual employee wage increases and an increase in employee medical costs as compared with the prior year periods. These increases were partially offset by (i) the Company's ability to flex spending with lower collection and special waste volumes; (ii) collection efficiency improvements and (iii) improved driver retention.

Transfer and Disposal Costs — The decrease in transfer and disposal costs for the three and six months ended June 30, 2026, as compared to the prior year periods, was primarily due to lower residential volumes attributable to intentional shedding of lower-margin contracts. Lower transfer and disposal volumes caused by harsh winter weather during the first quarter of 2026 further contributed to the cost decrease for the six months ended June 30, 2026 as compared to the prior year period.

Maintenance and Repairs — The increase in maintenance and repairs costs was primarily due to annual wage increases and increased maintenance technician headcount. The increase was partially offset by reduced demand for third-party services driven by fleet and operational optimization.

Subcontractor Costs — The increase in subcontractor costs was primarily due to increases in market prices for diesel fuel as previously mentioned.

Cost of Goods Sold — The decrease in cost of goods sold was primarily due to fluctuations in average market prices for single-stream recycling commodities discussed above. This decrease was partially offset by additional pipeline transportation costs attributable to new RNG facilities brought online during 2025 and 2026.

Fuel — The increase in fuel costs was primarily due to the increases in average market prices for diesel fuel previously mentioned. This increase was partially offset by reduced fuel consumption due to declines in collection volumes.

Disposal and Franchise Fees and Taxes — The increase in disposal and franchise fees and taxes was primarily due to an increase in landfill host fees and other fees and taxes paid to municipalities on our disposal volumes.

Landfill Operating Costs — The increase in landfill operating costs was primarily due to higher leachate treatment costs in our West Tier.

Risk Management — The increase in risk management costs was primarily due increased claims costs as compared to the prior year periods.

Other — The increase in other operating costs was primarily due to increased utility costs largely attributable to higher electricity prices and new RNG plants brought online during 2025 and 2026.

Selling, General and Administrative Expenses

The following table summarizes the major components of our selling, general and administrative expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
Labor and related benefits	$ 406	6.1 %	$ 412	6.4 %	$ 843	6.5 %	$ 839	6.7 %
Professional fees	90	1.3	106	1.6	172	1.3	198	1.6
Provision for bad debts	40	0.6	24	0.4	69	0.6	43	0.4
Other	147	2.2	154	2.4	306	2.4	303	2.4
	$ 683	10.2 %	$ 696	10.8 %	$ 1,390	10.8 %	$ 1,383	11.1 %

Selling, general and administrative expenses decreased for the three months ended June 30, 2026, as compared to the prior year period, primarily due to decreases in professional fees and lower labor costs resulting from synergies achieved from our acquisitions, particularly Stericycle, partially offset by higher bad debt expenses. Selling, general and administrative expenses increased for the six months ended June 30, 2026, as compared to the prior year period, primarily due to increases in bad debt expenses and technology costs, partially offset by lower professional fees.

The significant items affecting selling, general and administrative expenses during the three and six months ended June 30, 2026, as compared to the prior year periods, are summarized below:

Labor and Related Benefits — The decrease in labor and related benefits costs for the three months ended June 30, 2026, as compared to the prior year period, was primarily due to a reduction in workforce as we achieved synergies from our acquisitions, particularly Stericycle, and lower annual incentive compensation costs. These decreases were partially offset by annual employee wage increases. The increase in labor and related benefits costs for the six months ended June 30, 2026, as compared to the prior year period, was primarily due to annual employee wage increases and higher long-term incentive compensation costs. These increases were partially offset by a reduction in workforce as we achieved synergies from our acquisitions, particularly Stericycle.

Professional Fees — The decrease in professional fees was primarily due to higher consulting costs incurred in the prior year periods to support the integration of Stericycle.

Provision for Bad Debts — The increase in provision for bad debts in both the three and six months ended June 30, 2026 was primarily due to increased receivable balances in our Collection and Disposal business driven by increased revenues. The increase for the six months ended June 30, 2026 as compared to the prior year period was also driven by favorable adjustments to the provision for bad debts that benefited the first quarter of 2025.

Other — The decrease in other expenses for the three months ended June 30, 2026, as compared to the prior year period, was primarily due to lower litigation expenses. The increase in other expenses for the six months ended June 30, 2026, as compared to the prior year period, was primarily due to increased technology costs to support strategic initiatives.

Depreciation, Depletion, Amortization and Accretion Expenses

The following table summarizes the components of our depreciation, depletion, amortization and accretion expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
Depreciation of tangible property and equipment	$ 412	6.2 %	$ 386	6.0 %	$ 819	6.3 %	$ 757	6.1 %
Depletion of landfill airspace	230	3.4	220	3.4	422	3.3	403	3.2
Amortization of intangible assets	96	1.4	102	1.6	193	1.5	204	1.6
Interest accretion on landfill and environmental remediation liabilities	39	0.6	36	0.6	78	0.6	71	0.6
	$ 777	11.6 %	$ 744	11.6 %	$ 1,512	11.7 %	$ 1,435	11.5 %

The increase in depreciation of tangible property and equipment for the three and six months ended June 30, 2026, as compared to the prior year periods, was primarily due to investments in capital assets placed in service during 2025 and 2026, particularly within our sustainability businesses. The increase in depletion of landfill airspace for the three and six months ended June 30, 2026, as compared to the prior year periods, was primarily due to changes in rates from revisions in landfill estimates within our East Tier. The decrease in amortization of intangible assets for the three and six months ended June 30, 2026, as compared to the prior year periods, was primarily due to the conclusion of amortization related to customer relationships and other intangibles acquired as a result of acquisitions during prior years within our East Tier. The increase in interest accretion on landfill and environmental remediation liabilities for the three and six months ended June 30, 2026, as compared to the prior year periods, was primarily due to revisions in landfill estimates.

Restructuring

Restructuring charges for the three and six months ended June 30, 2026 were not material. Restructuring charges for the three and six months ended June 30, 2025 were primarily due to employee costs related to integration of our November 2024 acquisition of Stericycle.

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

(Gain) loss from divestitures, asset impairments and unusual items, net for the three months ended June 30, 2026 was not material. (Gain) loss from divestitures, asset impairments and unusual items, net for the six months ended June 30, 2026 primarily relates to a $34 million gain on a business divestiture in our West Tier, offset by immaterial charges related to legal and remediation liabilities.

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2025, primarily relates to a $16 million goodwill impairment charge to a business engaged in oil recovery and sludge processing services. This charge is reflected in Other Ancillary within our Collection and Disposal business.

Income from Operations

The following table summarizes income from operations for our reportable segments for the three and six months ended June 30 (dollars in millions):

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Period-to-Period Change		Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Period-to-Period Change	
Collection and Disposal:								
East Tier	$ 784	$ 721	$ 63	8.7 %	$ 1,507	$ 1,390	$ 117	8.4 %
West Tier	761	757	4	0.5	1,498	1,436	62	4.3
Other Ancillary	5	(17)	22	*	5	(20)	25	*
Collection and Disposal	1,550	1,461	89	6.1	3,010	2,806	204	7.3
Recycling Processing and Sales	36	24	12	50.0	55	42	13	31.0
Renewable Energy	47	38	9	23.7	95	57	38	66.7
Healthcare Solutions	2	(23)	25	108.7	(12)	(44)	32	72.7
Corporate and Other	(382)	(349)	(33)	9.5	(782)	(697)	(85)	12.2
Total	$ 1,253	$ 1,151	$ 102	8.9 %	$ 2,366	$ 2,164	$ 202	9.3 %
Percentage of revenues	18.7 %	17.9 %			18.3 %	17.4 %		

*Percentage change does not provide a meaningful comparison.

The significant items affecting income from operations for our segments during the three and six months ended June 30, 2026, as compared to the prior year periods, are summarized below:

Collection and Disposal — Income from operations in our Collection and Disposal business increased primarily due to (i) revenue growth from price increases, which translates into increased yield or average unit price; (ii) actions to improve efficiency and the operating costs incurred to serve our customers and (iii) a gain from a business divestiture in our West Tier recognized in the first quarter of 2026. These increases were partially offset by declines in special waste volume in our West Tier, which was favorably impacted by wildfire clean-up activities in the prior year periods, and lower volumes caused by harsh winter weather in early 2026.

Recycling Processing and Sales — The increase in income from operations in our Recycling Processing and Sales segment was primarily due to lower expenses from the suspension of a business engaged in plastic film and wrap recycling during 2025, increased volumes and reduced costs from the automation of our recycling facilities as well as investments in new facilities. These increases were partially offset by declines in commodity prices compared to the prior year periods.

Renewable Energy — The increase in income from operations in our Renewable Energy segment was primarily due to higher volumes driven by the completion of projects that increase the beneficial use of landfill gas sold to third parties. This increase was partially offset by a decline in RINs pricing.

Healthcare Solutions — Our Healthcare Solutions segment generated income from operations in the three months ended June 30, 2026 and a loss from operations in the six months ended June 30, 2026. The improvement across both time periods is primarily due to non-recurring integration costs incurred during the prior year periods along with lower costs in the current year from the realization of synergies, offset by lower volumes.

Corporate and Other — The loss from operations in Corporate and Other increased in the three months ended June 30, 2026 primarily due to (i) increased technology costs to support strategic initiatives; (ii) higher risk management expenses and (iii) annual wage increases. The loss from operations in Corporate and Other increased in the six months ended June 30, 2026 primarily due to (i) increased technology costs to support our strategic initiatives; (ii) annual wage increases and (iii) increased employee medical costs.

Interest Expense, Net

Our interest expense, net was $233 million and $458 million for the three and six months ended June 30, 2026, respectively, compared to $232 million and $464 million for the three and six months ended June 30, 2025, respectively. Interest expense, net benefited from a decrease in our average debt balances and increases in interest income as compared to the prior year periods. These benefits were partially offset for the six-month period, and more than offset for the three-month period, by lower capitalized interest resulting from the completion of the majority of our sustainability growth projects by the end of 2025.

Income Tax Expense

Our income tax expense and effective income tax rate was $238 million, or 23.2%, and $406 million, or 21.2%, for the three and six months ended June 30, 2026, respectively, compared to $201 million, or 21.7%, and $352 million, or 20.5%, for the three and six months ended June 30, 2025, 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") 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. We secured approximately $60 million of annual pre-tax benefit through the provisions of the IRA related to alternative fuel tax credits (recorded as a reduction in our operating expense) in 2024. The alternative fuel credit expired at the end of 2024 and will not provide any future benefit to the Company without further legislative action. With respect to the Section 48 investment tax credit, we expect our cumulative benefit to be between $400 million and $425 million, $309 million of which was recognized between 2023 and 2025 with the remainder anticipated to be realized in 2026 and 2027. Finally, in February 2026 the Internal Revenue Service issued proposed regulatory guidance clarifying qualification for the Section 45Z clean fuel production tax credit. We expect our cumulative benefit from this clean fuel production tax credit to be as much as $150 million through 2029. This expected benefit is dependent on a number of estimates and assumptions, which we continue to monitor and factor into our credit realization expectations.

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 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 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):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 557	$ 201
Restricted funds and other:		
Insurance reserves	$ 603	$ 472
Final capping, closure, post-closure and environmental remediation funds	144	140
Other	1	10
Total restricted funds and other (a)	$ 748	$ 622
Debt:		
Current portion	$ 1,075	$ 711
Long-term portion	22,281	22,196
Total debt	$ 23,356	$ 22,907

(a) As of June 30, 2026 and December 31, 2025, $100 million and $109 million, respectively, of these account balances were included in other current assets in our Condensed Consolidated Balance Sheets.

Debt — As of June 30, 2026, we had approximately $3.8 billion of debt maturing within the next 12 months, including (i) $2.0 billion of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (ii) $1.1 billion of short-term borrowings under our commercial paper program (net of related discount on issuance); (iii) $223 million of 7.10% senior notes that mature in August 2026; (iv) $352 million of 2.60% Canadian senior notes that the Company elected to redeem in July 2026 and (v) $206 million of other debt with scheduled maturities within the next 12 months. As of June 30, 2026, we have classified $2.7 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. The remaining $1.1 billion of debt maturing in the next 12 months is classified as current obligations.

Guarantor Financial Information

WM Holdings, Inc. ("WM Holdings") has fully and unconditionally guaranteed all of Waste Management, Inc.'s ("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):

	June 30, 2026	December 31, 2025
Balance Sheet Information:		
Current assets	$ 19	$ 44
Noncurrent assets	12	13
Current liabilities	672	738
Noncurrent liabilities:		
Advances due to affiliates	19,757	18,160
Other noncurrent liabilities	19,918	19,733

	Six Months Ended June 30, 2026
Income Statement Information:	
Revenue	$ —
Operating income	—
Net loss	(327)

Summary of Cash Flow Activity

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

	2026	2025
Net cash provided by operating activities	$ 3,227	$ 2,753
Net cash used in investing activities	(1,427)	(1,915)
Net cash used in financing activities	(1,452)	(781)

Net Cash Provided by Operating Activities — Our operating cash flows increased by $474 million for the six months ended June 30, 2026, as compared to the prior year period, primarily due to (i) higher earnings, particularly driven by our Collection and Disposal business; (ii) favorable changes in working capital, net of effects from acquisitions and divestitures; (iii) lower annual incentive compensation payments and (iv) lower cash taxes.

Net Cash Used in Investing Activities — The most significant items included in our investing cash flows for the six months ended June 30, 2026 and 2025 are summarized below:

- *Capital Expenditures* — We used $1,280 million and $1,563 million for capital expenditures during the six months ended June 30, 2026 and 2025, respectively. The decrease in capital spending is primarily driven by (i) lower spend on collection vehicles and (ii) planned reductions in capital investments in our sustainability growth projects due to our transition from peak construction of this portfolio into a period of harvesting returns.
- *Acquisitions* — Our cash spending on acquisitions was $98 million and $374 million during the six months ended June 30, 2026 and 2025, respectively, of which $85 million and $366 million, respectively, are considered cash used in investing activities. The remaining spend is cash used in financing activities related to the timing of contingent consideration paid. These acquisitions are related to our solid waste and recycling businesses.
- *Divestitures* — Proceeds from divestitures of businesses and other assets, net of cash divested, were $77 million and $103 million for the six months ended June 30, 2026 and 2025, respectively. Proceeds in 2026 primarily related to a business divestiture in our West Tier. Proceeds in 2025 primarily related to the sale of our Healthcare Solutions segment's Spain and Portugal subsidiaries.
- *Other, Net* — The change in other investing activities were primarily driven by changes in our investment portfolio associated with a wholly-owned insurance captive. During the six months ended June 30, 2026 and 2025, we used $134 million and $87 million, respectively, of cash from restricted cash and cash equivalents to invest in available-for-sale securities.

Net Cash Used in Financing Activities — The most significant items affecting the comparison of our financing cash flows for the six months ended June 30, 2026 and 2025 are summarized below:

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

	2026	2025
Borrowings:		
Commercial paper	$ 12,330	$ 9,005
Senior notes	493	—
Tax-exempt bonds	—	130
	$ 12,823	$ 9,135
Repayments:		
Commercial paper	$ (12,371)	$ (8,744)
Senior notes	(15)	(422)
Other debt	(98)	(68)
	$ (12,484)	$ (9,234)
Net cash borrowings (repayments)	$ 339	$ (99)

  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 six months ended June 30, 2026, we paid cash of $1,003 million for common stock repurchases. There were no share repurchases made in 2025. See Note 11 to the Condensed Consolidated Financial Statements for additional information about our share repurchase activity.

- *Cash Dividends* — We paid cash dividends of $764 million and $669 million during the six months ended June 30, 2026 and 2025 respectively. The increase in dividend payments is primarily due to our quarterly per share dividend increasing from $0.825 in 2025 to $0.945 in 2026.

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 and six months ended June 30, 2026 and 2025 is shown in the table below (in millions) and may not be calculated the same as similarly-titled measures presented by other companies:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net cash provided by operating activities	$ 1,726	$ 1,545	$ 3,227	$ 2,753
Capital expenditures to support the business	(555)	(572)	(1,144)	(1,275)
Capital expenditures - sustainability growth investments (a)	(75)	(160)	(136)	(288)
Total capital expenditures	(630)	(732)	(1,280)	(1,563)
Proceeds from divestitures of businesses and other assets, net of cash divested	8	5	77	103
Free cash flow	$ 1,104	$ 818	$ 2,024	$ 1,293

(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, 2025. 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.

Inflation

Variability in economic conditions, including inflation, interest rates, employment trends and supply chain reliability, can create risk and uncertainty in financial outlook. We 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 June 30, 2026 does not materially differ from that discussed under Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2025.

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 (the "Exchange Act")) in ensuring that the information required to be disclosed in reports that we file or submit under the Exchange Act 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 June 30, 2026 (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 June 30, 2026. We determined that there were no changes in our internal control over financial reporting during the quarter ended June 30, 2026 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.*

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, 2025.

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

The following table summarizes common stock repurchases made during the second quarter of 2026 (shares in millions):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of 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
April 1 — 30	0.9	$ 231.02	0.9	$ 2.5 billion
May 1 — 31	0.8	$ 221.12	0.8	$ 2.3 billion
June 1 — 30	1.3	$ 220.96	1.3	$ 2.0 billion (a)
Total	3.0	$ 223.94	3.0	

(a) As of June 30, 2026, the Company has authorization for $2.0 billion of future 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 leverage level, 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.

Item 5. ***Other Information*****.**

Securities Trading Plans of Directors and Executive Officers

On May 19, 2026, Christopher DeSantis, Senior Vice President – Operations, adopted a stock trading plan (the "DeSantis Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The DeSantis Plan will commence on August 19, 2026 and will automatically terminate on the earlier of August 19, 2027 and the completion of all the contemplated transactions set forth therein. The DeSantis Plan provides for the cashless exercise of two stock option awards totaling 5,211 stock options upon our common stock reaching specified market prices, pursuant to which shares of common stock will be sold to cover option costs, tax obligations, commissions and fees. The DeSantis Plan also provides for the sale of the remaining shares after settlement, the proceeds of which will be delivered to Mr. DeSantis.

Item 6. *Exhibits.*

Exhibit No.	Description
10.1*	Waste Management Holdings, Inc. Executive Severance Protection Plan, as amended.
10.2	Waste Management, Inc. Employee Stock Purchase Plan, as amended and restated May 12, 2026 [Incorporated by reference to Exhibit 10.1 to Form 8-K filed May 14, 2026].
22.1*	Guarantor Subsidiary.
31.1*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934 James C. Fish, Jr., Chief Executive Officer.
31.2*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934 David L. Reed, Executive Vice President and Chief Financial Officer.
32.1**	Certification Pursuant to 18 U.S.C. §1350 of James C. Fish, Jr., Chief Executive Officer.
32.2**	Certification Pursuant to 18 U.S.C. §1350 of David L. Reed, Executive Vice President and Chief Financial Officer.
95*	Mine Safety Disclosures.
101.INS*	Inline XBRL Instance.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation.
101.LAB*	Inline XBRL Taxonomy Extension Labels.
101.PRE*	Inline XBRL Taxonomy Extension Presentation.
101.DEF*	Inline XBRL Taxonomy Extension Definition.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WASTE MANAGEMENT, INC.

By: /s/ DAVID L. REED

David L. Reed
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

WASTE MANAGEMENT, INC.

By: /s/ JOHN CARROLL

John Carroll
Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Date: July 29, 2026

Exhibit 10.1

FIRST AMENDMENT TO THE WASTE MANAGEMENT HOLDINGS, INC.
EXECUTIVE SEVERANCE PROTECTION PLAN

WHEREAS, Waste Management Holdings, Inc. (the "Company") sponsors the Waste Management Holdings, Inc. Executive Severance Protection Plan, effective as of December 22, 2017 (the "Plan"); and

WHEREAS, Section 22 of the Plan provides that the Board of Directors of Waste Management, Inc. ("Board") has the authority to amend the Plan from time to time; and

WHEREAS, the Board desires to update certain information listed within Section 24 (General Information About the Plan) of the Plan, and

WHEREAS, the updates to the Plan do not adversely affect the rights of any Participant in the Plan.

NOW, THEREFORE, Sections 24(b), (f), and (g) of the Plan are hereby amended in their entirety as follows:

(b) Plan Sponsor. The Plan Sponsor is:

Waste Management Holdings, Inc.
800 Capitol Street
Suite 3000
Houston, Texas 77002
Attention: Vice President and Secretary
Phone: (713) 512-6200

(f) Plan Administration. This Plan is administered by the Management Development and Compensation Committee of the Board:

Waste Management, Inc.
800 Capitol Street
Suite 3000
Houston, Texas 77002
Attention: Chief Legal Officer
Phone: (713) 512-6200

(g) Agent for Service of Legal Process. The agent for service of legal process on this Plan is:

Waste Management, Inc.
800 Capitol Street
Suite 3000
Houston, Texas 77002
Attention: Chief Legal Officer
Phone: (713) 512-6200

*   *   *

IN WITNESS WHEREOF, the Board has authorized this First Amendment to be executed by the Plan Sponsor on this 11th day of May 2026.

Waste Management Holdings, Inc.

By: */s/ Courtney Tippy*
Courtney Tippy
Vice President and Secretary

WASTE MANAGEMENT HOLDINGS, INC.
EXECUTIVE SEVERANCE PROTECTION PLAN
(As effective December 22, 2017)

1. ***Plan***. Waste Management Holdings, Inc., a Delaware corporation, established this Waste Management Holdings, Inc. Executive Severance Protection Plan (this "Plan"), effective as of December 22, 2017 (the "Effective Date").

The Plan, as a "severance pay arrangement" within the meaning of Section 3(2)(B)(i) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), is intended to be excepted from the definitions of "employee pension benefit plan" and "pension plan" set forth under Section 3(2) of ERISA, and is intended to meet the descriptive requirements of a plan constituting a "severance pay plan" within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations § 2510.3-2(b). Additionally, the Plan benefits certain employees who are within a select group of key management or highly compensated employees and directors, and is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees.

2. ***Objectives***. The purpose of the Plan is to ensure the continued availability of stable, motivated employee services by entitling Participants to severance benefits in the event of certain qualifying terminations of employment.

3. ***Definitions***. As used herein, the terms set forth below shall have the following respective meanings, except to the extent any such term is otherwise defined in a Participation Agreement or in an employment agreement between the Participant and a Company Entity:

(a) "Base Salary" means the Participant's base salary or regularly scheduled wages on a calendar year basis immediately prior to his Termination Date, but excluding all other elements of compensation including overtime, bonuses, perquisites, commissions, restricted stock awards, stock options, retirement benefits, welfare benefits, or any other payments (disregarding any reduction that gives rise to Good Reason under this Plan).

(b) "Board" means the Board of Directors of Waste Management.

(c) "Cause" means the Participant's (i) willful or deliberate and continual refusal to perform the Participant's employment duties reasonably requested by the Company after receipt of written notice to the Participant of such failure to perform, specifying such failure (other than as a result of the Participant's sickness, illness or injury) and the Participant's failure to cure such nonperformance within ten (10) days of receipt of said written notice; (ii) breach of any statutory or common law duty of loyalty to the Company; (iii) conviction of, or plea of nolo contendre to, any felony; (iv) willful or intentional cause of material injury to the Company, its property, or its assets; (v) disclosure or attempted disclosure to any unauthorized person(s) of the Company's proprietary or confidential information; (vi) material violation or a repeated and willful violation of the Company's policies or procedures, including but not limited to, the Company's Code of Business Conduct and Ethics (or any successor policy) then in effect; or (vii) breach of any Protective Covenants. A termination of employment for Cause will be set forth in a written notice to the Participant that sets forth in reasonable detail the facts and circumstances which provide the basis for termination for Cause.

(d) "CEO" means the Chief Executive Officer of Waste Management, Inc.

(e) "Change in Control" means the first to occur, on or after the Effective Date, of any of the following events:

(i) any Person, or Persons acting as a group (within the meaning of Code Section 409A), directly or indirectly, including by purchases, mergers, consolidation or otherwise, acquires ownership of securities of Waste Management that, together with stock held by such Person or Persons, represents fifty percent (50%) or more of the total voting power or total fair market value of Waste Management's then outstanding securities;

(ii) any Person, or Persons acting as a group (within the meaning of Code Section 409A), acquires, (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) directly or indirectly, including by purchases, merger, consolidation or otherwise, ownership of the securities of Waste Management that represent thirty percent (30%) or more of the total voting power of Waste Management's then outstanding voting securities;

(iii) the following individuals cease for any reason to constitute a majority of the number of directors then serving during any 12-month period: individuals who, at the beginning of the 12-month period, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating or the election of directors of Waste Management) whose appointment or election by the Board or nomination for election by Waste Management's stockholders was approved or recommended by a vote of at least a majority of the directors before the date of such appointment or election or whose appointment, election or nomination for election was previously so approved or recommended;

(iv) a Person or Persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from Waste Management that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of Waste Management immediately before such acquisition or acquisitions, other than a sale or disposition by Waste Management of such assets to an entity, at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by Waste Management or by the stockholders of Waste Management in substantially the same proportions as their ownership of Waste Management immediately prior to such sale.

(f) “Change in Control Period” means the period commencing on the date occurring six months immediately prior to the date on which a Change in Control occurs and ending on the second anniversary of the date on which a Change in Control occurs.

(g) “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(h) “Code” means the Internal Revenue Code of 1986, as amended from time to time.

(i) “Committee” means the Management Development & Compensation Committee of the Board.

(j) “Company” means Waste Management Holdings, Inc., a Delaware corporation, or any successor thereto.

(k) “Company Entity” means any Subsidiary of the Company.

(l) “Eligible Employee” means an employee of a Company Entity who is designated by such Company Entity as employed at compensation band E75 or greater; provided, however, that any such employee who is party to an agreement with a Company Entity that (i) provides for severance benefits separate from and in the absence of this Plan and (ii) does not state that such employee will participate in this Plan, shall not be an Eligible Employee during the term of such agreement.

(m) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(n) “Exchange Act” means the Securities and Exchange Act of 1934, as amended from time to time.

(o) “Good Reason” means the occurrence of any of the following circumstances:

(i) the material diminution in the Participant’s base compensation;

(ii) the material diminution in the Participant’s authority, duties or responsibilities;

(iii) the relocation of the geographic location of the Participant’s principal place of employment by more than 50 miles from the location of the Participant’s principal place of employment as of the Effective Date; or

(iv) failure of any successor to the Company (whether direct or indirect and whether by merger, acquisition, consolidation or otherwise) to assume the obligations of the Company hereunder;

Notwithstanding the foregoing provisions, any assertion by a Participant of a termination of employment for "Good Reason" shall not be effective unless all of the following conditions are satisfied: (w) the condition giving rise to the Participant's termination of employment must have arisen without the Participant's consent; (x) the Participant must provide written notice to the CEO (or in the case of the CEO, the Board) of such condition within ninety (90) days of the initial existence of the condition; (y) the written notice must provide for a date of termination not less than thirty (30) nor more than sixty (60) days after the date such notice is given; and (z) the condition specified in such notice must remain uncorrected through the date of termination set forth in the notice.

(p) "Participant" means an Eligible Employee who meets the participation requirements set forth in Section 5.

(q) "Participation Agreement" means the written agreement between the Company and an Eligible Employee setting forth any additional terms and conditions of the Eligible Employee's participation in this Plan and evidencing the Eligible Employee's agreement to all terms and conditions of participation in this Plan, including the Protective Covenants.

(r) "Person" shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an employee benefit plan of the Company, (iv) an underwriter temporarily holding securities pursuant to an offering of such securities or (v) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of shares of Common Stock of the Company.

(s) "Protective Covenants" means any protective covenant obligations that a Participant owes to a Company Entity, including but not limited to any confidential information, non-disclosure, non-competition, non-solicitation or non-disparagement covenants set forth in an employment or other agreement between the Participant and a Company Entity.

(t) "Release" means that specific document which the Company shall present to the Participant for consideration and execution after any applicable termination of employment, wherein if he agrees to such, he will irrevocably and unconditionally release and forever discharge the Company, its subsidiaries, affiliates and related parties from any and all causes of action which the Participant at that time had or may have had against the Company to the greatest extent permitted by applicable law as of the Termination Date.

(u) "Specified Employee" means a Participant who meets the requirements specified in Code Section 409A(a)(2)(B).

(v) "Subsidiary" means (i) in the case of a corporation, any corporation of which the Company directly or indirectly owns shares representing more than 50% of the combined voting power of the shares of all classes or series of capital stock of such corporation which have the right to vote generally on matters submitted to a vote of the shareholders of such corporation and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns more than 50% of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(w) "Termination Date" means the date on which the Participant's employment with all Company Entities is terminated. For purposes of determining whether a Participant has terminated employment, the employment of a Participant shall not be deemed to have been terminated due to a transfer between Company Entities or because of such Participant's absence from active employment on account of temporary illness or during authorized vacation or during temporary leaves of absence granted by the Company for reasons of professional advancement, education, health or government service, or during military leave for any period if the Participant returns to active employment within 90 days after the termination of such Participant's military leave, or during any period required to be treated as a leave of absence by virtue of any valid law or agreement.

(x) "Total Disability" means that the Participant has become physically or mentally disabled so as to render the Participant incapable of performing the essential functions of his position (with or without reasonable accommodations) and such disability is expected to result in death or to last for a continuous period of at least twelve (12) months, provided that such condition constitutes a "disability" within the meaning of Code Section 409A. The Participant's receipt of disability benefits under the Company's long-term disability plan or receipt of Social Security disability benefits shall be deemed conclusive evidence of Total Disability for purpose of this Plan. Whether a Participant's Total Disability has occurred will be determined by the Committee.

(y) "Waste Management" means Waste Management, Inc., a Delaware corporation.

4. ***Plan Administration***. The Committee shall have full and final authority, subject to the express provisions of this Plan, with respect to the administration of this Plan, including but not limited to, the authority to construe and interpret any provisions of this Plan, to make all eligibility and benefit determinations, and to take all other actions deemed necessary or advisable for the proper administration of this Plan, and such decisions shall be binding on all parties. The Committee may, in its discretion, delegate its responsibilities and authority to any one of its members or to any other individual or entity.

5. ***Eligibility and Participation***. An Eligible Employee shall become a Participant in the Plan upon executing and returning to the Company the Participation Agreement approved by the Committee. A Participant ceases to be a Participant upon termination of employment; provided that any and all rights and obligations accruing to the Participant under the Plan as a result of such employment termination shall survive the Participant's termination of participation in the Plan. For the avoidance of doubt, any individual who is not classified by a Company Entity as an employee on its payroll will not be eligible for participation in the Plan even if later determined to have been a common law employee.

6. ***Compensation Following Termination of Employment***.

(a) Termination for Cause or Other Than Good Reason. Subject to reduction as may be required by Section 13, in the event that the Participant's employment is terminated by the Company for Cause or by the Participant for other than Good Reason, the Company shall pay the following amounts to the Participant:

(i) any accrued but unpaid Base Salary for services rendered through the Termination Date;

(ii) reimbursement for any accrued but unpaid expenses properly incurred by the Participant in accordance with the Company's applicable policy prior to the Termination Date;

(iii) any accrued but unused vacation through the Termination Date; and

(iv) any earned but unpaid bonuses for any prior calendar year.

The amount due to the Participant pursuant to this Section 6(a) shall be paid as soon as practicable following the Termination Date in accordance with the Company's normal payroll policies and practices. Additionally, any benefits accrued through the Termination Date to which a Participant may be entitled pursuant to other Company plans, policies and arrangements shall be determined and paid in accordance with the terms of such plans, policies and arrangements.

(b) Termination by Reason of Total Disability or Death. Subject to reduction as may be required by Section 13, in the event that the Participant's employment is terminated by reason of the Participant's Total Disability or death, the Company shall pay the following amounts to the Participant or, in the event of the Participant's death, the Participant's beneficiary or estate:

(i) the benefits set forth in Section 6(a) of this Plan;

(ii) annual and/or special cash bonus payments for the calendar year in which the Participant's Termination Date occurs, at the same time, on the same basis, and to the same extent such payments are made to other senior the Participants of the Company, pro-rated for the calendar year in which the Termination Date occurs.

In the event of the Participant's Total Disability, payment of the amount due to the Participant pursuant to Subsection 6(b)(ii) shall be fully subject to and contingent on the Participant's execution (without revocation) of the Release.

7. ***Termination by the Company Without Cause or by the Participant for Good Reason Outside a Change in Control Period***.

(a) Severance Benefits. Subject to reduction as may be required by Section 13, in the event that the Participant's employment is terminated by the Company outside a Change in Control Period for reasons other than death, Total Disability or Cause, or the Participant terminates his employment for Good Reason outside of a Change in Control Period, the Company shall pay the following amounts to the Participant:

(i) the benefits set forth in Section 6(a) of the Plan;

(ii) annual and/or special cash bonus payments for the calendar year in which the Participant's Termination Date occurs, at the same time, on the same basis, and to the same extent such payments are made to other senior the Participants of the Company, pro-rated for the calendar year in which the Termination Date occurs;

(iii) a cash amount equal to two (2) times the sum of the Participant's Base Salary plus his target annual bonus (in each case, as then in effect), of which one-half of such amount shall be paid in a lump sum within the calendar quarter in which the 60th day following the Termination Date falls and one-half of such amount shall be paid during the two (2) year period beginning in the calendar quarter within which the 60th day following the Termination Date falls and continuing at the same time and in the same manner as Base Salary would have been paid if the Participant had remained in active employment until the end of such period;

(iv) subject to the Participant's completion of all required enrollment elections, continuation of coverage for the Participant and his spouse and eligible dependents under the Company's group health plans under which the Participant was a participant at any time during the twelve-month period prior to the Termination Date, until the earliest to occur of (A) twenty-four (24) months after the Termination Date; (B) the Participant's death (provided that benefits provided to the Participant's spouse and dependents shall not terminate until twenty-four (24) months after the Termination Date); or (C) with respect to any particular plan, the date the Participant becomes eligible to participate in a comparable benefit provided by a subsequent employer; provided, however, that if the Company's obligations contemplated by this Section 7(a)(iv) would result in the imposition of excise taxes on the Company for failure to comply with applicable nondiscrimination requirements or would otherwise be prohibited by applicable law, the Company shall discontinue the group health plan coverage provided for in this Section 7(a)(iv) and shall instead pay to the Participant for the remainder of such period a monthly cash payment equal to the COBRA premium cost for such coverage, commencing no later than 30 days after such determination by the Company.

(b) Release Required. Payment of the amount due to the Participant pursuant to Subsections 7(a)(ii), (iii) and (iv) shall be fully subject to and contingent on the Participant's execution (without revocation) of the Release.

(c) Potential Reduction. Notwithstanding any provision of this Plan to the contrary, if within one (1) year after the Participant's Termination Date for any reason other than for Cause, it is determined by the Company that the Participant could have been terminated for Cause, then to the extent permitted by law:

(i) the Company may elect to cancel any and all payments of any benefits otherwise due to the Participant, but not yet paid, under this Plan or otherwise; and

(ii) upon written demand by the Company, the Participant shall refund to the Company any amounts, plus interest, previously paid by Company to the

Participant pursuant to Subsections 7(a)(ii), (iii) or (iv), less one thousand dollars ($1,000) which the Participant shall be entitled to retain as fully sufficient consideration to support and maintain in effect any contractual obligations that the Participant has to the Company prior to the refund, including the Release.

8. ***Resignation by the Participant for Good Reason or Termination by Company Without Cause During a Change in Control Period***.

(a) Severance Benefits. Subject to reduction as may be required by Section 13, in the event a Change in Control occurs and (x) the Participant terminates his employment for Good Reason during a Change in Control Period, or (y) the Company terminates the Participant's employment without Cause (and for reason other than death or Total Disability) during a Change in Control Period, the Company shall pay the following amounts to the Participant:

(i) the benefits set forth in Section 6(a) of the Plan;

(ii) the benefits set forth in Subsections 7(a)(iii) and (iv) of the Plan;

(iii) annual and/or special cash bonus payments for the calendar year in which the Participant's Termination Date occurs, payable at 100% of the target bonus for which the Participant would be eligible in the absence of the termination of employment, pro-rated for the calendar year in which the Termination Date occurs and payable within five (5) days after the later of the Termination Date or the Change in Control

(b) Release Required. Payment of the amount due to the Participant pursuant to Subsections 8(a)(ii) and (iii) shall be fully subject to and contingent on the Participant's execution (without revocation) of the Release.

(c) Termination Prior to Change in Control. In the event of a termination during a Change in Control Period but prior to the consummation of the Change in Control, any payment provided pursuant to Section 8 shall be paid within five days following the consummation of the Change in Control, less the amount of any cash severance previously provided to the Participant pursuant to Section 7 of the Plan.

9. ***No Mitigation***. The Participant shall be under no obligation to seek other employment in order to receive benefits under this Plan, and, except as specifically set forth herein, there shall be no offset against any amounts due the Participant under this Plan on account of any remuneration attributable to any subsequent employment that the Participant may obtain.

10. ***Enforcement of Protective Covenants***. In the event that the Participant violates any Protective Covenants, then, in addition to any additional forms of the relief the Company may have, including the right to injunctive relief, (i) the Company shall have the right to immediately cease making any payments that it may otherwise owe to the Participant, if any, under this Plan or otherwise; (ii) the Participant will forfeit any remaining rights to payments or continuing benefits provided by this Plan, if there are any; and (iii) upon the Company's demand, the Participant will refund to the Company any amounts, plus interest, previously paid by Company to the Participant pursuant to

Subsections 7(a)(ii), (iii) and (iv) and 8(a)(ii) and (iii), less one thousand dollars ($1,000) which the Participant shall be entitled to retain as fully sufficient consideration to support and maintain in effect any contractual obligations that the Participant has to the Company prior to the refund, including the Release as defined herein.

11. ***Claims Procedure***.

(a) Claims for Benefits. It shall not be necessary for a Participant or beneficiary who has become entitled to receive a benefit hereunder to file a claim for such benefit with any person as a condition precedent to receiving a distribution of such benefit. However, any Participant or beneficiary who believes that he has become entitled to a benefit hereunder and who has not received, or commenced receiving, a distribution of such benefit, or who believes that he is entitled to a benefit hereunder in excess of the benefit which he has received, or commenced receiving, may file a written claim for such benefit with the Committee at any time on or prior to the end of the fiscal year next following the fiscal year in which he allegedly became entitled to receive a distribution of such benefit. Such written claim shall set forth the Participant's or beneficiary's name and address and a statement of the facts and a reference to the pertinent provisions of this Plan upon which such claim is based. The Committee shall, within 90 days after such written claim is filed, provide the claimant with written notice of its decision with respect to such claim. If special circumstances require an extension of up to an additional 90 days for processing the claim, the Committee will provide written notice of the extension, including the reason for the extension and the date by which the decision is expected to be made. If such claim is denied in whole or in part, the Committee shall, in such written notice to the claimant, set forth in a manner calculated to be understood by the claimant: the specific reason or reasons for denial; specific references to pertinent provisions of this Plan upon which the denial is based; a description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why such material or information is necessary; and an explanation of the provisions for review of claims set forth in Section 11(b) below.

(b) Appeals of Denied Claims. A Participant or beneficiary who has filed a written claim for benefits with the Committee which has been denied may appeal such denial to the Committee and receive a full and fair review of his claim by filing with the Committee a written application for review at any time within 60 days after receipt from the Committee of the written notice of denial of his claim provided for in Section 11(a) above. A Participant or beneficiary who submits a timely written application for review shall be entitled to review any and all documents pertinent to his claim and may submit issues and comments to the Committee in writing. By the later of (i) 60 days after receipt of a written application for review or (ii) five days following the date of the Committee's meeting next following the Committee's receipt of the application for review (or the second meeting following such receipt if the application is received 30 days or less before the first meeting), the Committee shall give the claimant written notice of its decision on review, which written notice shall set forth in a manner calculated to be understood by the claimant specific reasons for its decision, specific references to the pertinent provisions of this Plan upon which the decision is based, a statement regarding the Participant's right to receive reasonable access to relevant information, and a statement regarding the Participant's right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended. If special circumstances require an extension of up to an additional 60 days (or five days following the date of the Committee's third meeting following receipt of the application for review) for processing the claim, the Committee will provide written notice of the extension, including the reason for the extension and the date by which the decision is expected to be made.

(c) Authorized Representatives; Notices. Any act permitted or required to be taken by a Participant or beneficiary under this Section 11 may be taken for and on behalf of such Participant or beneficiary by such Participant's or beneficiary's duly authorized representative. Any claim, notice, application or other writing permitted or required to be filed with or given to a party by this Article shall be deemed to have been filed or given when deposited in the U.S. mail, certified or registered mail, return receipt requested, postage prepaid, and properly addressed to the party to whom it is to be given or with whom it is to be filed. Any such claim, notice, application, or other writing deemed filed or given pursuant to the next foregoing sentence shall in the absence of clear and convincing evidence to the contrary, be deemed to have been received on the fifth business day following the date upon which it was filed or given. Any such notice, application, or other writing directed to a Participant or beneficiary shall be deemed properly addressed if directed to the address set forth in the written claim filed by such Participant or beneficiary.

(d) Exhaustion; Statute of Limitations. A Participant or beneficiary must complete the claims procedures described in this Section 11 prior to commencing any legal or equitable action regarding a claim for benefits under the Plan by a Claimant. Further, a Participant or beneficiary must bring any legal or equitable action to contest a final benefit determination for Plan benefits within one year of the date that the Committee sends a notice of a final claims determination under this Section 11 of the Plan, or all rights to bring such a legal or equitable action will be waived.

12. ***Arbitration***. The Company agrees and the Participant, as evidenced by execution of the Participation Agreement, agrees that any dispute relating to this Plan, or to the breach of this Plan, arising between the Participant and the Company shall be settled by arbitration in accordance with the Federal Arbitration Act and the commercial arbitration rules of the American Arbitration Association ("AAA"), or any other mutually agreed upon arbitration service; provided, however, that temporary and preliminary injunctive relief to enforce the Protective Covenants, and related expedited discovery, may be pursued in a court of law to provide temporary injunctive relief pending a final determination of all issues of final relief through arbitration. The arbitration proceeding, including the rendering of an award, shall take place in Houston, Texas, and shall be administered by the AAA (or any other mutually agreed upon arbitration service). The arbitrator shall be jointly selected by the Company and the Participant within thirty (30) days of the notice of dispute, or if the Company and the Participant cannot agree, in accordance with the commercial arbitration rules of the AAA (or any other mutually agreed upon arbitration service). All fees and expenses associated with the arbitration shall be borne equally by the Participant and the Company during the arbitration, pending final decision by the arbitrator as to who should bear fees, unless otherwise ordered by the arbitrator. The arbitrator shall not be authorized to create a cause of action or remedy not recognized by applicable state or federal law. The arbitrator shall be authorized to award final injunctive relief. The award of the arbitrator shall be final and binding upon the Company and the Participant without appeal or review, except as permitted by the arbitration laws of the State of Texas.

The award, inclusive of any and all injunctive relief provided for therein, shall be enforceable through a court of law upon motion of either party.

13. ***Potential Limitation on Severance Benefits***.

(a) Maximum Severance Amount. Notwithstanding any provision in this Plan to the contrary, in the event of a qualifying termination (or resignation) under Sections 6, 7 or 8 of this Plan it is determined by the Company that the Severance Benefits (as defined in Section 13(b) below) would exceed 2.99 times the sum of the Participant's then current base salary and target bonus (the "Maximum Severance Amount"), then the aggregate present value of the Severance Benefits provided to the Participant shall be reduced by the Company to the Reduced Amount. The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The "Reduced Amount" shall be an amount, expressed in present value, that maximizes the aggregate present value of the Severance Benefits without exceeding the Maximum Severance Amount.

(b) Severance Benefits. For purposes of determining Severance Benefits under Section 13(a) above, Severance Benefits means the present value of payments or distributions by the Company, its subsidiaries or affiliated entities to or for the benefit of the Participant (whether paid or provided pursuant to the terms of this Plan or otherwise), and

(A) including: (i) cash amounts payable by the Company in the event of termination of the Participant's employment; and (ii) the present value of benefits or perquisites provided for periods after termination of employment (but excluding benefits or perquisites provided to employees generally); and

(B) excluding: (i) payments of salary, bonus or performance award amounts that had accrued at the time of termination; (ii) payments based on accrued qualified and non-qualified deferred compensation plans, including retirement and savings benefits; (iii) any benefits or perquisites provided under plans or programs applicable to employees generally; (iv) amounts paid as part of any agreement intended to "make-whole" any forfeiture of benefits from a prior employer; (v) amounts paid for services following termination of employment for a reasonable consulting agreement for a period not to exceed one year; (vi) amounts paid for post-termination covenants (such as a covenant not to compete); (vii) the value of accelerated vesting or payment of any outstanding equity-based award; and (viii) any payment that the Board or any committee thereof determines in good faith to be a reasonable settlement of any claim made against the Company.

(c) Possible 280G Reduction. Following application of Section 13(a), in the event that the payment of the remaining Severance Benefits to the Participant plus any other payments to the Participant which would be subject to Code Section 280G (including any reduced Severance Benefits) ("280G Severance Benefits") would be subject (in whole or part), to any excise tax imposed under Code Section 4999 (the "Excise Tax"), then the cash portion of the 280G Severance Benefits shall first be further reduced, and the non-cash 280G

Severance Benefits shall thereafter be further reduced, to the extent necessary so that no portion of the 280G Severance Benefits is subject to the Excise Tax, but only if (i) the amount of the 280G Severance Benefits to be received by the Participant, as so reduced by this Section 13(c) and after subtracting the amount of federal, state and local income taxes on such reduced 280G Severance Benefits (after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced 280G Severance Benefits) is greater than or equal to (ii) the amount of the 280G Severance Benefits to be received by the Participant without such reduction by this Section 13(c) after subtracting the amount of federal, state and local income taxes on such 280G Severance Benefits and the amount of the Excise Tax to which the Participant would be subject in respect of such unreduced 280G Severance Benefits (after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced 280G Severance Benefits).

(d) Calculation of 280G Severance Benefits. For purposes of determining the 280G Severance Benefits, (i) no portion of the 280G Severance Benefits, the receipt or enjoyment of which the Participant shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Code Section 280G(b), shall be taken into account, (ii) no portion of the 280G Severance Benefits shall be taken into account which, in the opinion of tax counsel ("Tax Counsel") who is reasonably acceptable to the Participant and selected by the accounting firm (the "Auditor") which was, immediately prior to the Change in Control, the Company's independent auditor, does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2) (including by reason of Code Section 280G(b)(4)(A)); (iii) no portion of the 280G Severance Benefits shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Code Section 280G(b)(4)(B), in excess of the "base amount" (as defined in Code Section 280G(b)(3)) allocable to such reasonable compensation, and (iv) the value of any non-cash benefit or any deferred payment or benefit included in the 280G Severance Benefits shall be determined by the Auditor in accordance with the principles of Code Sections 280G(d)(3) and (4).

(e) Determination of Present Value. For purposes of this Section 13, the present value of Severance Benefits and 280G Severance Benefits 280G shall be determined in accordance with Code Section 280G(d)(4).

14. ***Clawback***. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Committee, amounts paid or payable pursuant to the Plan shall be subject to the provisions of any clawback policy implemented by the Company, which clawback policy may provide for forfeiture, repurchase or recoupment of amounts paid or payable pursuant to the Plan. Notwithstanding any provision of this Plan to the contrary, the Company reserves the right, without the consent of any Participant, to adopt or amend any such clawback policies and procedures.

15. ***Withholding of Taxes***. The Company may withhold from any compensation and benefits payable under this Plan all applicable federal, state, local, or other taxes.

16. ***Compliance with Code Section 409A***.

(a) Compliance; Exemption. It is intended that the payments and benefits provided under this Plan shall be exempt from or comply with the application of the requirements of Code Section 409A. This Plan shall be construed, administered and governed in a manner that affects such intent. Specifically, any taxable benefits or payments provided under this Plan are deemed to be separate payments that qualify for the "short-term deferral" exclusion from Code Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the "involuntary separation pay" exclusion from Code Section 409A, to the maximum extent possible. To the extent that none of these exceptions (or any other available exception) applies, then notwithstanding anything contained herein to the contrary, and to the extent required to comply with Code Section 409A, if a Participant is a "specified employee," as determined by the Company, as of his Termination Date, then all amounts due under this Plan that constitute a "deferral of compensation" within the meaning of Code Section 409A, that are provided as a result of a "separation from service" within the meaning of Code Section 409A, and that would otherwise be paid or provided during the first six months following the Termination Date, shall be accumulated through and paid or provided on the first business day that is more than six months after the date of the Termination Date (or, if the Participant dies during such six-month period, within 90 days after the Participant's death).

(b) Reimbursements; In-Kind Benefits. All reimbursements and in kind benefits provided under the Plan shall be made or provided in accordance with the requirements of Code Section 409A, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during the Participant's lifetime (or during a shorter period of time specified in the Plan), (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

(c) Six Month Delay Period. Notwithstanding any provision to the contrary in the Plan, if a Participant is deemed on the date of the Participant's separation from service to be a Specified Employee, and the stock of the Company is publicly traded, then the payments specified as being subject to this Section 16 shall not be made or provided to the extent required by Code Section 409A until the later of (A) the payment date set forth in the Plan or (B) the date that is the earliest of (i) the expiration of the six-month period measured from the date of Participant's separation from service within the meaning of Code Section 409A, (ii) the date of Participant's death, or (iii) such other date that complies with, or is exempt from, the requirements of Code Section 409A (the "Delay Period"). Payments subject to the Delay Period shall be paid to the Participant without interest for such delay in payment. All other payments and benefits due under the Plan that are not subject to the foregoing shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) Substitution. To the extent any payment or benefit payable under this Plan is considered a substitution of previously forfeited or relinquished deferred compensation under Treas. Reg. Section 1.409A-3(f), the payment or benefit payable under this Plan shall be paid at the same time and on the same schedule that the original deferred compensation would have been paid, unless an exemption applies.

17. ***No Right to Continued Service or Employment***. Nothing in this Plan shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate any Participant's employment or other service relationship with the Company or its Subsidiaries at any time, nor confer upon any Participant any right to continue in the capacity in which such Participant is employed or otherwise serves the Company or its Subsidiaries.

18. ***Notices***. All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or five days after deposit with the United States Postal Service to be sent by registered or certified mail, postage prepaid return receipt requested, addressed to the Company, attention to the general counsel, at its principal place of business and to the Participant at his address as shown on the records of the Company or to such other address as the Company shall have received in writing from the Participant.

19. ***Source of Payments; Unfunded Plan***. All payments provided under this Plan, other than payments made pursuant to a plan which provides otherwise, shall be paid from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets made, to assure payment. The Company's liability to pay benefits under the Plan shall constitute an unfunded, unsecured liability of the Company. Nothing contained in the Plan shall create or be construed to create a trust of any kind. The Participant shall have no right, title or interest whatever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

20. ***Assignment; Successors***. No benefit under this Plan shall be assignable or otherwise transferable by the Participant (but any payments due hereunder which would be payable at a time after the Participant's death shall be paid to the Participant's estate). The Plan shall be binding upon and inure to the benefit of any successor or assign of the Company, whether directly or indirectly and whether by way of merger, consolidation, operation of law, assignment or other acquisition of substantially all of the assets or business of the Company, in the same manner and to the full extent that the Company is obligated hereunder, and such successor or assign shall be deemed the "Company" for all purposes of the Plan. In the event that any such successor or assign shall not by operation of law be bound by all of the Company's obligations hereunder, then the Company shall require such successor or assign to expressly and unconditionally assume all of the Company's obligations under the Plan.

21. ***Governing Law and Venue***. This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws provisions. The Company and the Participant agree that any legal action arising from this Plan that is not required to be resolved through arbitration pursuant to Section 12 must be pursued in a court of competent jurisdiction that is located in Houston, Texas.

22. ***Termination, Amendment of the Plan***. The Board may amend or terminate the Plan at any time with respect to the Plan's application to persons commencing participation in the Plan subsequently to the Board taking such action to amend or terminate the Plan. The Board may amend or terminate the Plan as to all Participants from time to time; provided, however, that, with respect to any individual who is a Participant at the time the Board takes action to amend or terminate the Plan, any such amendment or termination that adversely affects any right of such a Participant under the Plan shall not be effective until the earlier of (a) the date twelve (12) months after the Board provides written notice of the amendment or termination to all such Participants or (b) the date each such Participant consents in writing to the amendment or termination. Notwithstanding any provision in this Section 22, the Plan may not be amended or terminated during the two years following a Change in Control.

23. ***Miscellaneous***.

(a) Waiver. The failure of a party to insist upon strict adherence to any term of this Plan on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Plan.

(b) Severability. If any term or provision of this Plan is declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such term or provision shall immediately become null and void, leaving the remainder of this Plan in full force and effect.

(c) Headings. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Plan.

(d) Rules of Construction. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

(e) Counterparts. This Plan may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts will together constitute but one Plan.

24. ***General Information About This Plan***.

(a) Plan Name. The name of this Plan is the Waste Management Holdings, Inc. Executive Severance Protection Plan.

(b) Plan Sponsor. The Plan Sponsor is:

Waste Management Holdings, Inc.
1001 Fannin
Houston, Texas 77002
Attention: Chief Legal Officer
Phone: (713) 512-6200

(c) Employer Identification Number of Plan Sponsor. 36-2660763

(d) ERISA Plan Number. 515

(e) Type of Plan. This Plan is intended to be an unfunded plan intended to provide severance compensation and benefits to a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended.

(f) Plan Administration. This Plan is administered by the Management Development and Compensation Committee of the Board:

Waste Management, Inc.
1001 Fannin
Houston, Texas 77002
Attention: Chief Legal Officer
Phone: (713) 512-6200

The Committee is responsible for the operation and administration of this Plan. The Committee is authorized to construe and interpret this Plan and to make eligibility and benefit determinations, and its decisions shall be final and binding. The Committee shall make all reports and disclosures required by law.

(g) Agent for Service of Legal Process. The agent for service of legal process on this Plan is:

Waste Management, Inc.
1001 Fannin
Houston, Texas 77002
Attention: Chief Legal Officer
Phone: (713) 512-6200

(h) Effective Date of this Plan. December 22 ,2017

(i) Plan Year. The calendar year ending on December 31.

(j) Contributions; Source of Benefits. Payments under this Plan will be made from the general assets of the Company. No employee contributions are made under this Plan.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ Courtney A. Tippy

Name: Courtney A. Tippy

Title: Vice President and Secretary

(As effective December 22, 2017)

Waste Management Holdings, Inc., a Delaware corporation (the "Company"), established the Waste Management Holdings, Inc. Executive Severance Protection Plan (the "Plan"), effective as of December 22, 2017.

[Name] ("Executive") is eligible to participate in the Plan, contingent upon the execution and return of this Participation Agreement (the "Agreement") as set forth below.

Executive understands, acknowledges and agrees as follows:

(a) Executive has received a copy of the Plan, which also serves as the "summary plan description" of the Plan.

(b) Executive's execution and return to the Company of this Agreement on or prior to April 30, 2026 (the "Required Date") is a condition to the Executive becoming a Participant in the Plan.

(c) Executive must comply with all the terms and conditions of the Plan, as well as the terms and conditions of this Agreement, in order to continue participating in the Plan or receive and retain benefits pursuant to the Plan.

(d) Executive's participation in the Plan is conditioned on executing and returning to the Company the Loyalty and Confidentiality Agreement in the form attached hereto on or prior to the Required Date.

(e) Executive is not eligible to participate in any other cash-based severance plan, policy or arrangement offered by the Company or any of its subsidiaries or affiliates.

EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY, AND EXECUTIVE UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY.

AGREED:

EXECUTIVE:	**Waste Management Holdings, Inc.**
______________________	______________________
(Signature)	(Signature)
______________________	______________________
(Printed Name)	(Printed Name)
______________________	______________________
(Date)	(Title)

LOYALTY AND CONFIDENTIALITY AGREEMENT
(SENIOR LEADERSHIP TEAM)

Executive: [Name] ("Executive").
Company: USA Waste-Management Resources, LLC ("Company").

THIS LOYALTY AND CONFIDENTIALITY AGREEMENT ("Agreement") is between **Executive** and **Company,** collectively referred to as the **"parties."** Company seeks to place or retain Executive in a position of special trust and confidence, and Executive wishes to accept such a position. As a condition of employment in such a position, the mutual promises of the parties herein, and as a condition of the Company's willingness to provide the benefits described in the Waste Management Holdings, Inc. Executive Severance Protection Plan (the "Severance Plan") and Executive's participation in the Company's incentive programs for the year following execution of this Agreement, each of which Executive acknowledges is adequate consideration for this Agreement; and, to protect Confidential Information (as defined below) and trade secrets, training, customer relationships, goodwill, and other legitimate business interests; the parties agree as follows:

SECTION 1. Benefits and Responsibilities of Employment.

1.1 Items Provided to Executive. In reliance upon Executive's covenants in this Agreement, Company will provide Executive with one or more of the following: (i) access to portions of the Company's Confidential Information (through a computer password or other means) and updates thereto; (ii) authorization to communicate with customers and prospective customers, and reimbursement of customer development expenses in accordance with Company policy limits, to help Executive develop goodwill for Company; and/or (iii) authorization to participate in specialized training related to Company's business. Employment with the Company and participation in its benefit plan(s) or compensation programs including, without limitation, those described in the Severance Plan, is also conditioned on Executive's agreement to, and continuing compliance with, the terms of this Agreement - as determined by Company. Executive agrees that if he or she is unclear about the incentive program referenced in the introductory paragraph above, Executive will provide a written request for clarification from Waste Management, Inc.'s Chief Executive Officer or Chief Legal Officer. Failure to seek clarification about the Executive's incentive program will result in a waiver by Executive of any claim that such language, as used in this Agreement, is ambiguous.

1.2 Duty of Loyalty and Conflicts of Interest. During employment Executive will dedicate his or her full working time to the Company and use best efforts to perform the duties assigned, comply with Company policies and procedures, and avoid conflicts of interest. It will be a conflict of interest for Executive to have a financial or ownership in a business that may be at variance with the interests of the Company, or for Executive to engage in competition with the Company. Executive will promptly inform and direct to Company all business opportunities that may be of interest to the Company in its line of business. Executive agrees that if he or she questions whether information constitutes Confidential Information (as defined in Section 2.1 below), whether a business opportunity is covered by this Agreement, or whether contemplated activity would create a conflict of interest, he or she will provide a written request for clarification from Waste Management, Inc.'s Chief Executive Officer or Chief Legal Officer. The provisions of this Section 1.2 shall be in addition to, rather than in substitution for, any fiduciary or other duties Executive has as an executive officer under all applicable laws.

SECTION 2. Confidentiality and Business Interests.

2.1 Definition of Confidential Information. "Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the Company's business that Executive acquires as an Executive and that Company has not made public or authorized public disclosure of, and that is not through proper means readily available to persons outside the Company who are under no obligation to keep it confidential. Confidential Information will not lose its protected status under this Agreement if it becomes known to other persons through improper means such as the unauthorized use or disclosure of the information by Executive or another person. Confidential Information includes, but is not limited to: (i) Market Business Strategy (MBS) data, MBS Plans, Business Improvement Process (BIP), Fleet Planning, Public Sector Proformas, Letters of Intent, Route Manager and District Manager Training Programs, internal information regarding acquisition targets, divestiture targets, and mergers, Real Estate Market Area Analysis Mapping and Real Estate Owned and Leased Property Data and Reporting; (ii) Company's business plans and analysis, customer and prospect lists, marketing plans and strategies, research and development data, buying practices, financial data, operational data, methods, techniques, technical data, know-how, innovations, computer programs, un-patented inventions, and trade secrets; and (iii) information about the business affairs of third parties (including, but not limited to, clients and acquisition targets) that such third parties provide to Company in confidence. Confidential Information does not include information pertaining to employees' wages, hours and benefits and employees' terms and conditions of employment. Confidential Information will include trade secrets, but an item of Confidential Information need not qualify as a trade secret to be protected by this Agreement. Company's confidential exchange of information with a third party for business purposes will not remove it from protection under this Agreement. The presence of non confidential items of information within an otherwise confidential compilation of information will not remove the compilation itself from the protection of this Agreement. Executive acknowledges that items of Confidential Information are Company's valuable assets and have economic value, actual or potential, because they are not generally known by the public or others who could use them to their own economic benefit and/or to the competitive disadvantage of the Company, and thus, should be treated as Company's trade secrets.

2.2 Unauthorized Use or Disclosure. Executive agrees to use Confidential Information only in the performance of his or her duties, to hold such information in confidence and trust, and not to engage in any unauthorized use or disclosure of such information during employment and for so long thereafter as such information qualifies as Confidential Information. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prohibit a disclosure of information that is required by law or protected by law. If disclosure is compelled by law, Executive will give Company as much written notice as possible under the circumstances, will refrain from use or disclosure for as long as the law allows, and will cooperate with Company to protect such information, including taking every reasonable step to protect against unnecessary disclosure. Executive agrees, if he or she becomes aware of an unauthorized use or disclosure of Confidential Information, he or she will immediately notify Company's Legal Department, whether or not Executive is a Company employee when he or she becomes aware of the disclosure. Nothing in this Agreement prohibits Executive from reporting an event that Executive reasonably and in good faith believes is a violation of law to the relevant law enforcement agency, requires advance notice or approval from the Company for such a report, or prohibits cooperating in an investigation conducted by such a government agency. In this context, a disclosure of trade secret or confidential information within the limitations permitted by the 2016 Defend Trade Secrets Act (DTSA) is allowed. The DTSA provides that (I) no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that: (a) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and, (2) an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document contain the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

2.3 Executive Recordkeeping. Executive agrees to preserve records on current and prospective Company customers, suppliers, and other business relationships that he or she develops or helps to develop, and not use these records to compete with the Company for business opportunities. When Executive terminates employment with Company, or earlier if so requested, he or she will return to Company all documents, records, and materials of any kind in his or her possession or under his or her control, incorporating Confidential Information or otherwise, relating to Company's business, and will not retain any copies thereof (electronic or otherwise). Upon request, Executive will provide to the Company for inspection any personal electronic storage devices that are used to conduct any business for the Company or that Company otherwise has grounds to believe may contain Confidential Information and will cooperate in facilitating an effective inspection, where applicable law makes inspection possible, to permit Company to confirm that Executive has completely removed all Confidential Information from the devices. If Executive stores any Company information with any service provider (e.g., gmail, DropBox, iCloud), Executive consents to the service provider's disclosure of such information to the Company. Executive will, upon the Company's request where allowed by law, execute any additional authorizations required by the service provider to disclose the Company's information to the Company. Executive is not authorized to access and use the Company's computers, email, or related computer systems to compete or to prepare to compete, and unauthorized access to or use of the Company's computers in violation of this understanding may subject Executive to civil and/or criminal liability.

SECTION 3. Inventions and Discoveries. All written materials, records, data, and other documents prepared or possessed by Executive during Executive's employment with the Company are the Company's property. Executive understands that access to the Company's computer systems is authorized for activities that are consistent with the business purposes of the Company, that benefit the Company (consistent with Company policies and/or guidelines as they may be modified from time to time), and that do not knowingly cause harm to the Company. The use of the Company computer systems to pursue a competing enterprise, or prepare to compete with the Company, is unauthorized and strictly prohibited. All information, ideas, concepts, improvements, discoveries, and inventions that are conceived, made, developed, or acquired by Executive individually or in conjunction with others during Executive's employment (whether during business hours or not and whether on the Company's premises or not) which relate to or are derived from the Company's business, products, property, resources, or services are the Company's sole and exclusive property. Executive does hereby grant and assign to the Company (or its nominee) Executive's entire right, title and interest in and to all inventions, original works of authorship, developments, concepts, improvements, designs, discoveries, and ideas of commercial use or value that either: (i) relate to the Company's business, or actual or demonstrably anticipated research or development activity of the Company; or (ii) are derived from, suggested by, or result of work performed for the Company, or were created, discovered, or conceived with the aid of Company property (..Company IP"). While employed, and as necessary thereafter, Executive will assist Company to obtain patents or copyrights on Company IP and will upon request execute all documents and otherwise cooperate in the Company's efforts to obtain the copyrights, patents, licenses, and other rights and interests that would be necessary to secure for the Company the complete benefit of Company IP. Executive will keep and maintain adequate and current written records of all improvements, processes, original works of authorship, derivative works, developments, concepts, ideas, discoveries, designs, know-how, trademarks, service marks, trade names, trade dress, improvements and trade secrets made by Executive (solely or jointly with others) during the term of Executive's employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times To the extent state law where Executive resides requires it (such as under Cal. Lab. Code, § 2870, or comparable laws), Executive is notified that no provision in this Agreement requires Executive to assign any of rights to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Executive's own time, unless (i) the invention relates at the time of conception or reduction to practice of the invention, (A) to the business of the Company, or (B) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by Executive for the Company. This paragraph is intended to compliment and supplement, not replace, any additional written agreement(s) the parties may have regarding Company IP. All memoranda, notes, records, files, correspondence, drawings, manuals, models, specifications, computer programs, maps, and all other documents, data, or materials of any type embodying such information, ideas, concepts, improvements, discoveries, and inventions are the Company's property. At the termination of Executive's employment with the Company for any reason, Executive shall return all of the Company's documents, data, or other Company property to the Company and shall not retain any copies of such property, in any form (tangible or intangible), without the express written consent of the Company. If the Company is unable because of Executive's mental or physical incapacity or for any other reason to secure Executive's signature to apply for or to pursue any application for any United States or foreign letters patents or copyrights covering inventions or other rights assigned to the Company hereunder, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and in Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts or sign any documents to further the prosecution and issuance of letters patents and copyrights with the same legal force and effect as if executed by Executive. By Executive's signature on this Agreement, Executive designates and appoints each executive officer of the Company as his/her agent and attorney-in-fact to execute any such papers on his/her behalf, and to take any and all actions the Company considers necessary to protect its rights and interests in any Company IP. Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, which Executive now or may hereafter have for infringement of any patents or copyrights resulting from any such application assigned hereunder to the Company. Executive further agrees that he/she shall not, at any time hereafter, dispute, contest, or aid or assist others in disputing or contesting, either directly or indirectly, Company's exclusive right, title, and interest in and to the Company IP and other proprietary rights therein claimed by the Company.

<u>SECTION 4.</u> **<u>Protective Covenants.</u>** Executive agrees that the restrictions on trade secrets and Confidential Information provided for in this Agreement are not sufficient by themselves to protect the Company's legitimate business interests. The additional restrictions provided for in this Section 4 are reasonable and necessary and collectively operate to protect legitimate business interests of the Company in important ways that no one restriction standing alone sufficiently does.

4.1 <u>Definitions Related to Protective Covenants</u>.

4.1.1 "Covered Customer" is an established Company customer (person or entity) as to which Executive had business-related contact or dealings or received Confidential Information about in the two (2) year period preceding the end of Executive's employment with the Company for any reason. References to the end of Executive's employment in this Agreement refer to the end, whether by resignation or termination, and without regard for the reason employment ended. A customer will be presumed to be established where actual sales and/or services have occurred or been performed in the preceding year, where there is an active proposal for sales or services pending, or where sales or services were being negotiated as of the date Executive's employment with Company ends.

4.1.2 "Conflicting Product or Service" is a product and/or service provided by a person or entity other than the Company that would replace or compete with a Company product and/or service (existing or under development). By way of example, the products and services the Company provides to its customers may include but are not limited to: solid waste disposal, collection, transfer, storage, recycling and resource recovery; waste-to-energy conversion; landfill operation; and, development of beneficial-use projects for landfill gas. Conflicting Products or Services do not include a product or service of the Company if the Company is no longer in the business of providing such product or service to its customers at the relevant time of enforcement.

4.1.3 "Competing Activities" are any activities or services undertaken on behalf of a competitor (which is understood to mean any person or entity engaged in the business of providing a Conflicting Product or Service in the United States) that (i) would displace the products or services that the Company is currently in the business of providing and was in the business of providing, or was planning to be in the business of providing, at the time Executive was employed with the Company, or (ii) otherwise likely to result in the use or disclosure of Confidential Information.

4.1.4 "Restricted Area" means the geographic area served by any current or planned facility or facilities (landfill, transfer station, recycling center, office, or other operation) of the Company and its affiliates or that Employee is otherwise provided Confidential Information about, in the two (2) year period preceding the end of Employee's employment with the Company. As used here, the "geographic area served" by a facility is understood to be the area within a 75-mile radius of the facility, except where Employee can prove the market area served is smaller by clear and convincing evidence in which case such smaller area shall apply. The parties agree this is a reasonable geographic area restriction because the 75-mile radius identified is a reasonable approximation of the market area or other geographic area where Employee would be expected to help Company provide its products and services since Executive is a senior executive of the Company, or about which Employee would receive and help analyze Confidential Information.

4.1.5 "Covered Business Partner" is a business partner, broker, independent contractor, vendor or supplier that Executive had business-related contact or dealings with or received

Confidential Information about in the two (2) year period preceding the end of Executive's employment with the Company.

4.1.6 "Solicit" and related terms such as "soliciting" or engaging in "solicitation" mean to knowingly engage in acts or communications, in person or through others, that are intended to cause, or can reasonably be expected to induce or encourage, a particular responsive action (such as buying a good or service), regardless of which party initiates the communication or whether the communication is response to an inquiry.

4.2 Restriction on Interfering with Employee Relationships. To protect the Company's trade secrets and other interests, Executive agrees that while employed by the Company and for a period of two (2) years thereafter, Executive will not, directly or indirectly (a) solicit or knowingly induce any employee that he or she gained knowledge of through his or her employment to leave the employment of the Company, or (b) help any person or entity hire such an employee away from the Company; unless such conduct is undertaken with Company's knowledge and for its benefit as part of Executive's authorized job duties. The parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the employees that Executive has knowledge of are located; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable then it shall be considered limited to the Restricted Area. In the event Company loses an employee due, in whole or in part, to conduct by Executive that violates this Agreement prior to the issuance of injunctive relief, Executive shall pay Company a sum equal to thirty percent (30%) of the annual wages of the person(s) who were improperly solicited and left the Company, based on such person's last rate of pay with the Company. This payment shall not preclude or act as a substitute for any remedy that would otherwise be available, including but not limited to, injunctive relief to prevent further violations.

4.3 Restriction on Interfering with Customer Relationships. To protect the Company's trade secrets and other interests, Executive agrees that while employed by the Company and for a period of two (2) years thereafter, Executive will not, directly or indirectly, solicit or knowingly induce a Covered Customer to (a) stop or reduce doing business with Company, or (b) buy a Conflicting Product or Service; unless such conduct is undertaken with Company's knowledge and for its benefit as part of Executive's authorized job duties. The parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the Covered Customer is doing business at the time; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable then it shall be considered limited to the Restricted Area.

4.4 Restriction on Interfering with Business Partners. To protect the Company's trade secrets and other interests, Executive agrees that while employed by the Company and for a period of two (2) years thereafter, Executive will not (a) solicit or knowingly induce a Covered Business Partner to end or alter its business relationship with the Company to the Company's detriment, or (b} solicit business opportunities with a Covered Business Partner that relate to a Conflicting Product or Service; unless such conduct is undertaken with Company's knowledge and for its benefit as part of Executive's authorized job duties. The parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the Covered Business Partner is doing business at the time; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable then it shall be considered limited to the Restricted Area.

4.5 **<u>Restriction on Unfair Competition</u>**. To protect the Company's trade secrets and other interests, while employed by Company and for a period of two (2) years thereafter, Executive will not participate in, supervise, or manage (as an employee, consultant, contractor, officer, owner, director, or otherwise) Competing Activities in the Restricted Area. A failure to comply with the foregoing restrictions will create a presumption that Executive is engaging in unfair competition. Executive agrees that this Section defining unfair competition with the Company does not prevent Executive from using and offering the skills that Executive possessed prior to receiving access to Confidential Information, confidential training, and knowledge from the Company. This Agreement creates an advance approval process. and nothing herein is intended, or will be construed as, a general restriction against the pursuit of lawful employment in violation of any controlling state or federal laws. Executive shall be permitted to engage in activities that would otherwise be prohibited by this covenant if such activities are determined in the sole discretion of the Chief Executive Officer of Waste Management, Inc. in writing to be of no material threat to the legitimate business interests of the Company.

4.6 **<u>Non-Disparagement</u>.** During Executive's employment and thereafter, Executive covenants and agrees that Executive shall not engage in any conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments} which are disparaging, deleterious or damaging to the integrity, reputation or good will of the Company, its management, or of management of corporations or other entities affiliated with the Company.

<u>SECTION 5.</u> **<u>Survival and Severability.</u>** (a) Executive's post-employment obligations in this Agreement shall survive the termination of this Agreement and Executive's employment under it. This Agreement will be deemed to continue in effect despite any changes in terms and conditions of Executive's employment (including, but not limited to promotions, transfers, relocations, or changes in job duties or compensation}, and it will automatically renew upon re-employment by Company if Executive's employment is ended but later renewed. (b) If Executive violates one of the post-employment restrictions in this Agreement on which there is a specific time limitation, the time period for that restriction will be extended by one day for each day Executive violates it; provided, however, that this extension of time shall be capped so it does not require Executive's compliance with the restriction for a period of time that is longer than the restriction's originally proscribed length of time. (c) If a court determines that a restriction provided for herein cannot be enforced as written due to over breadth (such as time, scope of activity, or geography), the court will (for purposes of that court's jurisdiction only) enforce the restrictions to such lesser extent as is allowed by law and/or reform the restriction to the extent necessary to make it enforceable to protect Company's legitimate business (d) If, despite the foregoing, any provision of this Agreement is adjudicated to be void, illegal or unenforceable, all other provisions will remain in full force and effect, as if the void, illegal, or unenforceable provision is not part of the Agreement and any prior agreement between the parties covering the same or substantially similar restrictions on Executive (such as, but not limited to the Company's Loyalty and Confidentiality Agreement with Executive) shall resume effect to the extent necessary to maintain protection of the Company's legitimate protectable interests covered by the protective covenants set forth herein. (e) All of Executive's covenants in this Agreement shall be construed as independent agreements; and, the existence of any claim or cause of action against Company by Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Company of any of Executive's obligations under this Agreement. (f) If Executive becomes employed with an affiliate without signing a new agreement, the affiliate will step into Company's position under this Agreement and will be entitled to the same protections and enforcement rights as the Company.

SECTION 6. Notice. Before accepting new employment, Executive will advise any such future employer of the restrictions in this Agreement. Executive agrees that the Company may advise any such future employer or prospective employer of this Agreement and its position on the potential application of this Agreement without such giving rise to any legal claim. While employed by Company, and for two (2) years thereafter, Executive will provide Company: (i) written notice at least thirty (30) days prior to beginning work for a competitor; (ii) sufficient information about his or her new position to enable Company to determine if Executive's services in the new position would likely lead to a violation of this Agreement; and (iii) within thirty days of Company's request, if there is such a request, participate in a mediation or in-person conference to discuss and/or resolve any issues raised by Executive's new position. Executive's written notice pursuant to (i) above shall be provided to the Chief Executive Officer of Waste Management, Inc. Executive will be responsible for all consequential damages caused by failure to give Company notice as provided in this paragraph.

SECTION 7. Remedies. If either party breaches or threatens to breach this Agreement, the offended party may recover: (i) an order of specific performance or declaratory relief; (ii) injunctive relief by temporary restraining order, temporary injunction, and/or permanent injunction; (iii) damages; (iv) attorney's fees and costs incurred in obtaining relief; and (v) any other legal or equitable relief or remedy allowed by law. If Company seeks injunctive relief or damages, it shall be deemed the prevailing party if any injunctive relief or damages are awarded to it irrespective of the denial of any other relief requested. One Thousand Dollars ($1,000.00) is the agreed amount for the bond to be posted if an injunction is sought by Company to enforce the restrictions in this Agreement on Executive. In addition, Executive agrees that any breach by Executive of any of the covenants set forth in this Agreement during Executive's term of employment with the Company shall be grounds for immediate employment termination of Executive for Cause as described in the Severance Plan, which shall be in addition to and not exclusive of any and all other rights and remedies the Company may have against Executive. In addition, in the event that Executive violates any of the covenants set forth in this Agreement, (i) the Company shall have the right to immediately cease making any payments that it may otherwise owe to Executive, if any, pursuant to the Severance Plan, (ii) Executive will forfeit any remaining rights to payments or continuing benefits provided by the Severance Plan, if there are any, and (iii) upon the Company's demand, Executive will refund to the Company any severance benefits, plus interest, previously paid by Company to Executive pursuant to the Severance Plan, less one thousand dollars ($1,000) which Executive shall be entitled to retain as fully sufficient consideration to support and maintain in effect any contractual obligations that Executive has to the Company prior to the refund, including the release of claims upon which the payment of such amounts was conditioned.

SECTION 8. Waiver, Modification, Assignment Governing Law. (a) Neither this Agreement, nor any term or provision hereof, may be waived or modified in whole or in part by either party without the party that holds the right to enforce such provision expressly waiving the right to enforce such provision in writing, or by court order and the waiver of one breach will not serve to waive or permit a subsequent breach. (b) Except where otherwise expressly indicated, the Agreement contains the parties' entire agreement concerning the matters covered in it; provided that if a post-employment restrictive covenant in this Agreement is found unenforceable (despite, and after application of, any applicable right to reformation that could add or renew enforceability), then any prior agreement between the parties that would provide for a restriction on the same or substantially similar post-employment conduct of Executive shall not be considered superseded and shall remain in effect. (c) The Agreement will inure to the benefit of Company's successors in interest, affiliates (as defined in Rule 12b-2 under Section 12 of the Securities and Exchange Act), subsidiaries, parents, purchasers, or assignees, all of whom are beneficiaries of this Agreement and may be enforced by any one or more of same, without need of any further authorization or agreement from Executive. (d) The laws of the State of Texas will govern the Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties, regardless of any conflicts of law principles of the state. (e) Executive stipulates and consents to personal jurisdiction of the courts located in Harris County, Texas, over him or her, and waives any and all objections to the contrary (whether based on convenience, cost, or other grounds). The exclusive venue for any legal action arising from this Agreement will be Harris County, Texas; provided, however, that if no court in Harris County, Texas has jurisdiction over Executive, forum will be proper in the state where Executive last regularly worked for the Company. (f) Nothing in this Agreement shall be construed to control or modify which entity (among the Company's family of entities) is the Executive's legal employer for purposes of any laws or regulations governing the employment relationship. (f) Nothing in this Agreement shall be construed to limit or reduce any common law or statutory duty Executive would otherwise owe to Company absent this Agreement, including but not limited to Executive's duty of loyalty and fiduciary duty as an Executive placed in a special position of trust; nor shall this Agreement limit or eliminate any remedies available to the Company for a violation of such duties.

SECTION 9. Jury Trial Waiver. The parties hereby waive their right to jury trial on any legal dispute arising from or relating to this Agreement, and consent to the submission of all issues of fact and law arising from this Agreement to the judge of a court of competent jurisdiction as otherwise provided for above

Nothing in this Agreement will be construed to create a contract of employment for a definite period of time or to prohibit either party from having the freedom to end the employment relationship at-will. with or without cause. subject to payment of any amounts due under the terms of the Severance Plan.

AGREED:

EXECUTIVE:	**USA Waste-Management Resources, LLC**
(Signature)	(Signature)
(Printed Name)	(Printed Name)
(Date)	(Title)

Exhibit 22.1

GUARANTOR SUBSIDIARY

As of June 30, 2026, 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
$	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	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
$	1 billion	4.500%	11/4/2024	3/15/2028
$	700 million	4.650%	11/4/2024	3/15/2030
$	750 million	4.800%	11/4/2024	3/15/2032
$	1.5 billion	4.950%	11/4/2024	3/15/2035
$	1.25 billion	5.350%	11/4/2024	10/15/2054
$	483 million*	3.875%	6/25/2025	1/15/2029

* These Senior Notes were issued pursuant to an offer to exchange up to $485 million of outstanding unregistered notes previously issued by WMI in a private exchange offer in connection with WMI's acquisition of Stericycle, Inc.

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 C. FISH, JR.
James C. Fish, Jr.
Chief Executive Officer

Date: July 29, 2026

Exhibit 31.2

**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, David L. Reed, 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/ DAVID L. REED
David L. Reed
Executive Vice President and Chief Financial Officer

Date: July 29, 2026

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Waste Management, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James C. Fish, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

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

July 29, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Waste Management, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David L. Reed, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

By: /s/ DAVID L. REED

David L. Reed

Executive Vice President and Chief Financial Officer

July 29, 2026

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 June 30, 2026, 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 or (f) a proposed assessment from the MSHA.

In addition, during the quarter ended June 30, 2026, 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.