

RECYCLING NEWS BULLETIN

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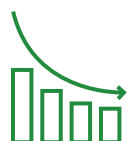
Successfully Adjusting to the Recycling New Norm Thank you for your contributions!

The recycling industry continues to experience depressed market pricing with increased focus on improving the quality of materials. We are so pleased to report that our municipal customers, confronted with difficult decisions about their recycling programs, are finding ways to maintain and support recycling despite the challenging economics, because their residents still want to recycle and do the right thing for the environment. The best news – communities across the country have embraced the need for change and are actively working with Waste Management and other industry leaders to reduce contamination. We applaud everyone's efforts.

Since 2014, communities have been focused on what they can do proactively to weather the volatile recycling markets by reducing contamination first, thereby cutting costs, rather than cutting back on their recycling programs. Contrary to all the negative news, communities and service providers are working together to keep recycling economically and environmentally sustainable. There have been positive impacts across the industry, and we are confident there are many more to come.



Municipalities across the country have embraced the importance of recycling education to ensure that residents recycle right and understand the ramifications of their actions when they don't. We will continue to enhance our wm.com/recycleright website that provides proven educational tips and open source tools to help consumers recycle the right materials. Leveraging research and experience, we continue to add new tools and evolve them to meet the needs of businesses, municipalities, schools, and residents. If you need and do not see a specific resource, contact your local service representative. We are here to help you and be your recycling education partner in the battle against contamination.



The good news is that recycling education is working! We are seeing a slow, but consistent trend in contamination reduction in inbound material streams in our MRFs. Municipalities continue to amplify the recycling education message through their channels and contamination reduction efforts. Waste Management's recycling team continues to move materials to viable end-markets, not landfilling recyclables, even while the processing and movement of these materials come at higher costs. Together, we are making positive impacts.



Waste Management remains committed to supporting and growing the recycling industry. We are proud to share the investments we've made, and will continue to make, because recycling is one of our core business values. Our recycling investments include:

- \$110 million in recycling infrastructure in 2018, including facility investments, recycling collection vehicles, and collection carts. We expect to invest over \$100M in both 2019 and 2020.
- We are building a new MRF of the Future in Chicago, which will deploy the latest recycling technology. Plus we've announced the building of three additional new MRFs to begin construction in 2019.
- We are investing in optical sorters to separate and extract additional plastics and are continually adopting new technology, including robotics, to ensure the future growth of the recycling industry.
- Multiple investments in the U.S. paper recycling infrastructure are expected to come online in the next one to two years which will also provide additional domestic market capacity.



Of Waste Management's more than 5,000 municipal contract customers, only a few have chosen to pause or stop their recycling programs. We are committed to work with every customer to find a way to continue their recycling programs as experts forecast an eventual return and stabilization to the recycling markets.

So contrary to what you may be hearing about recycling, we at Waste Management remain resilient and optimistic that recycling will continue to be economically and environmentally sustainable for decades to come.

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