Risk Factors Comparison 2024-02-14 to 2023-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

.Our business is subject to operational and safety risks,including the risk of personal injury to employees and others.Providing environmental and waste management services,including operating a commercial truck fleet and constructing and operating landfills,involves risks such as truck accidents,equipment defects,malfunctions and failures.Additionally,we closely monitor and manage landfills to minimize the risk of waste mass instability and releases of 40hazardous materials or odors that could be triggered by weather or natural disasters.There may also be risks presented by the potential for subsurface chemical reactions causing elevated landfill temperatures. We also build and operate natural gas fueling stations,some of which also serve the public or third parties.Operation of fueling stations and landfill gas collection and control systems involves additional risks of fire and explosion.Any of these risks could potentially result in injury or death of employees and others,a need to shut down or reduce operation of facilities,increased operating expense and exposure to liability for pollution and other environmental damage,and property damage or destruction.While we seek to minimize our exposure to such risks through comprehensive training,compliance and response and recovery programs,as well as vehicle and equipment maintenance programs and the use of personal protective equipment,if we were to incur substantial liabilities in excess of any applicable insurance coverage,our business,results of operations and financial condition could be adversely affected.Any such incidents could also tarnish our reputation and reduce the value of our brand.Additionally,a major operational failure,even if suffered by a competitor,may bring enhanced scrutiny and regulation of our industry,with a corresponding increase in operating expense ~~.The seasonal nature of our business and " event- driven " waste projects cause our results to fluctuate.Based on historic trends,excluding impacts from an economic recession,we would expect our operating results to vary seasonally,with revenues typically lowest in the first quarter,higher in the second and third quarters,and lower in the fourth quarter than in the second and third quarters.We expect the fluctuation in our revenues between our highest and lowest quarters to be approximately 10 %.This seasonality reflects the lower volume of solid waste generated during the late~~ interpreted by third- party rating agencies. If we were unable to maintain our investment grade credit ratings in the future, our interest expense would increase and our ability to obtain financing on favorable terms could be adversely affected. Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants under any of our indebtedness, we may be in default under the indebtedness, which may entitle the lenders or holders of indebtedness to accelerate the debt obligations. A default under one of our loans or debt securities could result in cross- defaults under our other indebtedness. In order to avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating dividends or share repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all. We may be unable to obtain performance or surety bonds, letters of credit or other financial assurances or to maintain adequate insurance coverage. If we are unable to obtain performance or surety bonds, letters of credit or insurance, we may not be able to enter into additional collection contracts or retain necessary landfill operating permits. Collection contracts, municipal contracts, transfer station operations and landfill closure and post- closure obligations may require performance or surety bonds, letters of credit or other financial assurance to secure contractual performance or comply with federal, state, provincial or local environmental laws or regulations. We typically satisfy these requirements by posting bonds or letters of credit. As of December 31, ~~2022~~ **2023** , we had $ 1. ~~447~~ **645** billion of such surety bonds in place and $ ~~127~~ **142** . ~~1~~ **0** million of letters of credit issued and outstanding. Closure bonds are difficult and costly to obtain. If we are unable to obtain performance or surety bonds or additional letters of credit in sufficient amounts or at acceptable rates, we could be precluded from entering into additional collection contracts or obtaining or retaining landfill operating permits. Any future difficulty in obtaining insurance also could impair our ability to secure future contracts that are conditional upon the contractor having adequate insurance coverage. Accordingly, our failure to obtain performance or surety bonds, letters of credit or other financial assurances or to maintain adequate insurance coverage could limit our operations or violate federal, state, provincial, or local requirements, which could have a materially adverse effect on our business, financial condition and results of operations. Alternatives to landfill disposal may cause our revenues and operating results to decline. Counties and municipalities in which we operate landfills may be required to formulate and implement comprehensive plans to reduce the volume of MSW deposited in landfills through waste planning, composting, recycling or other programs, while working to reduce the amount of waste they generate. Some state, provincial and local governments mandate diversion, recycling and waste reduction at the source and prohibit the disposal of certain types of wastes, such as yard waste, food waste and electronics, at landfills. Even where not prohibited by state, provincial or local laws, some grocery stores and restaurants have chosen to divert their organic waste from landfills, while other companies have set zero- waste goals and communicated an intention to cease the disposal of any waste in landfills. Although such actions are useful to protect our environment, these actions, as well as the actions of our customers to reduce waste or seek disposal alternatives, have reduced and may in the future further reduce the volume of waste going to landfills in certain areas, which may affect our ability to operate our landfills at full capacity and could adversely affect our operating results. ~~Labor~~ **39Labor** union activity could divert management attention and adversely affect our operating results. From time to time, labor unions attempt to organize our employees, and these efforts are likely to continue in the future. Certain groups of our employees are represented by unions, and we have negotiated collective bargaining agreements with most of these unions. Additional groups of employees may seek union representation in the future. As a result of these activities, we may be subjected to unfair labor practice charges, grievances, complaints and other legal and administrative proceedings initiated against us by unions or federal, state or provincial labor boards, which could negatively impact our operating results. Negotiating collective bargaining agreements with these unions could divert our management' s attention, which could also adversely affect our operating results. If we are unable to negotiate acceptable collective bargaining agreements, we might have to wait through " cooling off " periods, which may be followed by work stoppages, including strikes or lock- outs. Depending on the type and duration of any such labor disruptions, our operating ~~39expenses~~ -- **expenses** could increase significantly, which could adversely affect our financial condition, results of operations and cash flows. We could face significant withdrawal liability if we withdraw from participation in one or more multiemployer pension plans in which we participate and the accrued pension benefits are not fully funded. We participate in 17 " multiemployer " pension plans administered by employee and union trustees. We make periodic contributions to these plans to fund pension benefits for our union employees pursuant to our various contractual obligations to do so. In the event that we withdraw from participation in or otherwise cease our contributions to one of these plans, then applicable law regarding withdrawal liability could require us to make additional contributions to the plan if the accrued benefits are not fully funded, and we would have to reflect that " withdrawal liability " as an expense in our consolidated statement of operations and as a liability on our consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent to which accrued benefits are funded. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that participate in these plans, we may decide to discontinue participation in a multiemployer plan, and in that event, we could face withdrawal liability. Some multiemployer plans in which we participate may from time to time have significant accrued benefits that are not funded. The size of our potential withdrawal liability may be affected by the level of unfunded accrued benefits, the actuarial assumptions used by the plan and the investment gains and losses experienced by the plan. We have established long- term, aspirational targets associated with **sustainability and** ESG ~~and sustainability~~ - related investments and projects which may or may not be achieved. Stakeholder input, business considerations, and potential regulation have reinforced the importance of developing and implementing **sustainability and** environmental, social, and governance, or ESG, ~~and sustainability~~ initiatives. In 2020, we adopted long- term, aspirational sustainability targets, which we expanded in 2022 **and 2023** ; we also committed over $ 500 million for investments and projects to support these efforts. Our ability to achieve these targets will depend significantly on, among other things, the success of these investments and projects and our ability to meet our financial and operating objectives, which can be impacted by the numerous risks and uncertainties associated with our business and the industry in which we operate. There is a risk that some or all of the expected benefits of these investments and projects may fail to materialize, may cost more to achieve or may not occur within the anticipated time periods, including as a result of limitations on technology **, permitting requirements, labor constraints** or supply chain disruptions. In addition, there is a risk that the actions taken by us to achieve these targets may have a negative impact on our existing business and increase capital expenditures, which could adversely affect our operating results. Our failure to achieve these targets, or a perception among key stakeholders that such targets are insufficient or unattainable, could damage our reputation, competitive position and share price. There is increasing interest in companies developing and implementing more robust environmental, social, and governance policies and practices and disclosure around climate- related risk identification and mitigation. In addition, certain investors and lenders are incorporating ESG factors into their investment or lending process, alongside traditional financial considerations. Developing and implementing policies and practices, and developing additional disclosure in relation to climate change and other environmental and social risk issues, can involve significant costs and require a significant time commitment from our Board of Directors, management and employees. In addition, our failure to ~~implement~~ **40implement** such policies, practices and disclosure could adversely affect our reputation, competitive position and share price and our ability to raise capital, even if our operating results or prospects have not changed. Our Company published its ~~2022~~ **2023** Sustainability Report, available at www. wasteconnections. com / sustainability, to communicate our efforts to our investors and **other** stakeholders. The ~~2022~~ **2023** Sustainability Report does not constitute part of, and is not incorporated by reference into, this Annual Report on Form 10- K or any other report we provide to the SEC or other securities regulators . Our business is subject to operational...... with a corresponding increase in operating expense . We depend significantly on the services of the members of our senior and regional management team, and the departure of any of those persons could cause our operating results to suffer. Our success depends significantly on the continued individual and collective contributions of our senior and regional management team. The loss of the services of any member of our senior and regional management or the inability to hire and retain experienced management personnel could harm our operating results. Our decentralized decision- making structure could allow local managers to make decisions that may adversely affect our operating results. We manage our operations on a decentralized basis. Local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers, subject to compliance with general company- wide policies. Poor decisions by local managers could result in the loss of customers or increases in costs, in either case adversely affecting operating results. General Risk FactorsOur results are vulnerable to economic conditions. Our business and results of operations may be adversely affected by changes in national or global economic conditions, including higher inflation rates and economic slowdowns. Macroeconomic pressures, **including** ~~such as the outsized~~ inflationary cost pressures ~~experienced in 2022~~ , have had and continue to have a significant impact on our operating costs and capital expenditures ~~. Significant components of our operating expenses, including labor and third- party services relying largely on labor and fuel, have been impacted by increased inflation rates~~ . We may be limited in our ability to dynamically address these impacts on a significant portion of our revenue **due to contractual provisions, including** under long- term contracts **,** ~~due to contractual provisions~~ which may include limitations on the level of cost recovery through rate adjustments or a lag in any such recovery. Efforts to recover cost increases may also be limited by ongoing or increasing inflationary pressures and competitive market responses to higher pricing and continued cost pressures. The inability to adequately increase prices to offset increased costs and inflationary pressures, or otherwise mitigate the impact of these macroeconomic conditions on our business, may impact our financial results. In an economic slowdown, we may experience the negative effects of the following, any of which could adversely impact our operating income and cash flows: decreased waste generation, increased competitive pricing pressure, increased customer turnover, and reductions in customer service requirements. In a recessionary environment, two of our business lines that could see a more immediate impact are construction and demolition debris and E & P waste disposal, as demand for new construction or energy exploration decreases. Our commercial and industrial collection activity and the related demand for our landfill disposal and other services may also be impacted, depending on the drivers of the economic ~~41slowdown~~ -- **slowdown** . In addition, a weaker economy may result in declines in recycled commodity prices. Worsening economic conditions or a prolonged or recurring economic recession could adversely affect our operating results and expected seasonal fluctuations. Further, we cannot assure that any improvement in economic conditions after such a slowdown will result in an immediate, if at all, positive improvement in our operating results or cash flows. ~~Public~~ **41Public** health crises and the effects of related governmental initiatives **could** ~~have adversely affected and may continue to~~ adversely affect our business, financial condition and results of operations. Public health crises, such as the COVID- 19 pandemic, may impact our operations or our customers' operations in ways that adversely affect our business, results of operations and financial condition ~~. The COVID- 19 pandemic has resulted in adverse impacts to our business~~ . Fear of such events and their duration and spread might also alter consumer confidence, behavior and spending patterns, resulting in an economic slowdown that could continue to affect demand for our services ~~. The ultimate extent of the impact of the COVID- 19 pandemic on our business, results of operations, financial condition and cash flows will depend largely on future developments, including the duration and spread of the outbreak in the U. S. and Canada, its severity, the actions to contain the novel coronavirus or treat its impact, including the distribution, acceptance and effectiveness of vaccines, the severity of COVID- 19 variants, and how quickly and to what extent normal economic and operating conditions can resume, all of which are uncertain and cannot be predicted at this time~~ . Our financial results are based upon estimates and assumptions that may differ from actual results. In preparing our consolidated financial statements in accordance with U. S. generally accepted accounting principles, or GAAP, estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to our accounting for landfills, self- insurance accruals, income taxes, allocation of acquisition purchase price, asset impairments and litigation, claims and assessments. Actual results for all estimates could differ materially from the estimates and assumptions that we use, which could have an adverse effect on our financial condition and results of operations. Income taxes may be uncertain. Our actual effective tax rate may vary from our expectation and that variance may be material. Tax interpretations, regulations and legislation in the various jurisdictions in which we and our affiliates operate are subject to measurement uncertainty and the interpretations can impact net income, income tax expense or recovery, and deferred income tax assets or liabilities. In addition, tax rules and regulations, including those relating to foreign jurisdictions, are subject to interpretation and require judgment by us that may be challenged by the taxation authorities upon audit. Changes in our tax provision or an increase to our tax liabilities, whether due to legislation commonly referred to as the Tax Cut and Jobs Act (" Tax Act ") or **other applicable tax legislation, or the** interpretations of the Tax Act **or other applicable tax legislation** , such as through final regulations and the potential reversal of its provisions by a subsequent federal administration, or a final determination of tax audits or otherwise, could have a material adverse effect on our financial position, results of operations, and cash flows. Future changes to U. S., Canadian and foreign tax laws could materially adversely affect us. We cannot give any assurance as to what our effective tax rate will be in the future, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where we operate. For example, the U. S. Congress, the Canadian government, the Organisation for Economic Co- operation and Development, or OECD, and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations, including in the area of base erosion and ~~42profit~~ -- **profit** shifting, or BEPS, where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. **Although the timing and methods of implementation vary, numerous countries have responded to the BEPS project by implementing, or proposing to implement, changes to tax laws and tax treaties, at a rapid pace.** In 2019, Canada ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, or the MLI, as part of the OECD / G20 initiative to counter what was perceived as BEPS. The MLI **has** entered into force ~~in~~ **for various of** Canada **'** ~~on December 1, 2019 and entered into effect with respect to certain of Canada'~~ s tax treaties **but** ~~on January 1, 2020 for withholding taxes and with respect to certain other taxes (including capital gains taxes) for tax years beginning on or after June 1, 2020 (which, for us and our affiliates, in general, was January 1, 2021). The MLI may enter into effect at a later date for certain of Canada' s tax treaties with countries that have not yet completed their domestic procedures to cause the MLI to come into effect. The MLI~~ does not impact the tax treaty between Canada and the U. S. In addition, **the OECD has made recommendations regarding cross- border tax structures that are seen to exploit certain differences in the income tax laws of two or more countries, and the Canadian government has indicated that it will 42introduce domestic legislation largely consistent with such recommendations. Further to announcements made** in the 2021 Canadian federal budget, **draft legislation implementing a first package** ~~the Canadian government indicated it would introduce measures consistent with the OECD' s recommendations in the area~~ of hybrid mismatch ~~arrangements and~~ **rules has been** introduced ~~draft hybrid mismatch legislation~~ **and is being considered by the Canadian Parliament and if enacted in the form proposed will generally apply retroactively to payments arising** on ~~April 29, 2022 for~~ - **or after** ~~public consultation, with those proposals applying, if they are implemented, as of~~ July 1, 2022. A second Canadian legislative package is anticipated to be released, which would comprise the rules consistent with the OECD proposals that were not previously addressed **including, amongst other items, an income inclusion rule and a rule intended to tax untaxed profit. Other new and proposed Canadian tax legislation may also impact our Canadian tax exposure. As an example Canadian Parliament is considering draft legislation that is intended to limit the Canadian tax deductibility of interest and financing expenses in certain circumstances and among other things, the Pillar Two global minimum tax rules that seek to implement a 15 % minimum effective tax for large multinational enterprises that have a business presence in Canada** . The international **and domestic** tax environment continues to change as a result of these and related tax policy initiatives and reforms ~~. Although the timing and methods of implementation vary, numerous countries have responded to the BEPS project by implementing, or proposing to implement, changes to tax laws and tax treaties, at a rapid pace~~ . As a result of these and other changes, the tax laws in the United States, Canada, and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect us and our affiliates. As a result of the rapidly changing and increasingly complex tax environment, our cost of tax compliance may increase and adversely affect our business, financial condition and results of operations. Our operations in Canada expose us to exchange rate fluctuations that could adversely affect our financial performance and our reported results of operations. Our operations in Canada are conducted primarily in Canadian dollars. Our consolidated financial statements are denominated in U. S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations in Canada from Canadian dollars into U. S. dollars using exchange rates for the current period. Fluctuations in the exchange rates that are unfavorable to us ~~, including those resulting from the impact of the COVID- 19 pandemic,~~ would have an adverse effect on our financial performance and reported results of operations. Technology and Information Security RisksWe are increasingly dependent on technology in our operations and a failure of our technology could impact our ability to service our customers and adversely affect our financial results, damage our reputation, and expose us to litigation risk. Our businesses rely on computer systems to provide customer information, process customer transactions and provide other general information necessary to manage our businesses. We also rely on a payment card industry- compliant third party to protect our customers' credit card information. We have an active disaster recovery plan in place that we continuously review and test. However, our computer systems are subject to damage or interruption due to cybersecurity threats, system conversions, power outages, computer or telecommunication failures, catastrophic physical events such as fires, tornadoes and hurricanes and usage errors by our employees. Given the unpredictability of the timing, nature and scope of such disruptions, we could be potentially subject to operational delays and interruptions in our ability to provide services to our customers. Any disruption caused by the unavailability of our computer systems could adversely affect our revenues or could require significant investment to fix or replace them, and, therefore, could affect our operating results. A cybersecurity incident could negatively impact our business and our relationships with customers, vendors and employees and expose us to increased liability. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. We are regularly the target of attempted cyber and other security threats and must continuously monitor and develop our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. ~~43As~~ **As** we pursue our acquisition growth strategy and pursue new initiatives that improve our operations and reduce our costs, we are also expanding and improving our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with ~~acquisitions~~ **43acquisitions** and new initiatives, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. If our network of security controls, policy enforcement mechanisms or monitoring systems we use to address these threats to technology fail, the theft or compromise of confidential or otherwise protected company, customer or employee information, destruction or corruption of data, security breaches or other manipulation or improper use of our systems and networks could result in financial losses from remedial actions, business disruption, loss of business or potential liability, liabilities due to the violation of privacy laws and other legal actions, and damage to our reputation. If we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer. Our existing and proposed service offerings to customers may require that we develop or license, and protect, new technologies. We may experience difficulties or delays in the research, development, production and / or marketing of new products and services which may negatively impact our operating results and prevent us from recouping or realizing a return on the investments required to bring new products and services to market. Further, protecting our intellectual property rights and combating unlicensed copying and use of intellectual property is difficult, and any inability to obtain or protect new technologies could impact our services to customers and development of new revenue sources. Additionally, a competitor may develop or obtain exclusive rights to a " breakthrough technology " that claims to provide a revolutionary change in traditional waste management. If we have inferior intellectual property to our competitors, our financial results may suffer. Legal, Regulatory and Compliance RisksExtensive and evolving environmental, health and safety laws and regulations may restrict our operations and growth and increase our costs. Existing environmental laws and regulations have become more stringently enforced in recent years. Further, under the new federal administration that took office in 2021 in the United States, **certain** ~~it is possible that~~ policies and initiatives of the prior administration **have** ~~could be reconsidered or even~~ - **been modified or** reversed, which **could adversely affect our operating results. Moreover, under the new federal administration, additional federal regulation has been promulgated that could not only increase our cost of doing business, but also those of our customers, which could lead to a diminution in their business that** could adversely affect our operating results. For example, a policy shift away from curtailment of regulation, narrowing Clean Water Act jurisdiction, or enabling oil and gas development on federal lands could adversely affect our business and our customers' business. In addition, our industry is subject to regular enactment of new or amended federal, state, provincial and local environmental and health and safety statutes, regulations and ballot initiatives, as well as judicial decisions interpreting these requirements, which have become more stringent over time. Citizen suits brought pursuant to environmental laws as well as purported class actions based on nuisance and negligence claims related to alleged landfill odors have proliferated, along with the use of social media to drive such efforts. In addition, various state, provincial and local governments and the Canadian federal government have enacted, have the authority to enact or are considering enacting laws and regulations that restrict the movement or disposal within their jurisdictions of certain types of waste generated outside their jurisdictions. We expect these trends to continue, which could lead to material increases in our costs for future environmental, health and safety compliance. These requirements also impose substantial capital and operating costs and operational limitations on us and may adversely affect our business. In addition, federal, state, provincial and local governments may change the rights they grant to, the restrictions they impose on or the laws and regulations they enforce against, solid waste and E & P waste services companies. These changes could adversely affect our operations in various ways, including without limitation, by restricting the way in which we manage storm water runoff, comply with health and safety laws, treat and dispose of E & P or other waste or our ability to operate and expand our business. Governmental authorities and various interest groups in the United States and Canada have implemented laws and regulations designed to limit greenhouse gas, or GHG, emissions in response to growing concerns regarding climate change. For example, the State of California, the Canadian federal government and several Canadian provinces have enacted climate change laws, and other states and provinces in which we operate are considering similar actions. The EPA ~~44made~~ -- **made** an endangerment finding in 2009 allowing certain GHGs to be regulated under the CAA. This finding allows the ~~EPA~~ **44EPA** to create regulations that will impact our operations – including imposing emission reporting, permitting, control technology installation and monitoring requirements, although the materiality of the impacts will not be known until all applicable regulations are promulgated and finalized. The Canadian federal government enacted the Greenhouse Gas Pollution Pricing Act in June 2018, which established a national carbon- pricing regime starting in 2019 for provinces and territories in Canada where there is no provincial regime in place or where the provincial regime does not meet the federal benchmark. ~~The minimum national price on carbon in Canada is equivalent to CAD $ 65 per tonne CO2e in 2023 and will increase to CAD $ 170 per tonne of CO2e by 2030. The Canadian Net- Zero Emissions Accountability Act, which received royal assent on June 29, 2021, establishes Canada' s federal framework for national GHG emissions reduction targets to attain net- zero emissions by 2050.~~ Several Canadian provinces have promulgated legislation and regulations to limit GHG emissions through requirements of specific controls, carbon levies, cap and trade programs or other measures. Comprehensive GHG legislation or regulation, including carbon pricing, affects not only our business, but also that of our customers. **Increased** ~~Regulation~~ **regulation** of GHG emissions from oil and natural gas E & P operations may also increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. ~~These~~ **For example, in November 2023, the EPA finalized rules providing additional and more stringent regulation and control of methane emissions from oil and natural gas E & P operations.** ~~statutes~~ **Statutes** and regulations **governing methane also** increase the costs of our operations, and future climate change statutes and regulations may have an impact as well. Further, governmental authorities have considered or have begun to implement increased regulation of PFAS and potentially other emerging contaminants, which could adversely affect our operations. The regulation of these substances could increase or accelerate our financial obligations associated with **leachate treatment as well as** closure obligations, post- closure maintenance and other environmental remediation related to our solid waste facilities. Further, more stringent permitting obligations, including those relating to air and wastewater, as well as enhanced treatment of landfill leachate and landfill gas could adversely affect our operations in various ways, including without limitation, increased operational expenses as well as treatment and disposal costs, greater capital expenditures to meet control requirements, costs of compliance with permitting and health and safety requirements, and litigation risk. We may be subject in the normal course of business to judicial, administrative or other third- party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity. Governmental agencies may, among other things, impose fines or penalties on us relating to the conduct of our business, attempt to revoke or deny renewal of our operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations or as a result of third- party challenges, require us to install additional pollution control equipment or require us to remediate potential environmental problems relating to any real property that we or our predecessors ever owned, leased or operated or any waste that we or our predecessors ever collected, transported, disposed of or stored **. For example, see the discussion regarding the South Coast Air Quality Management District Hearing Board Case No. 6177- 4 and Elevated Temperature Landfill Event in Note 13, " Commitments and Contingencies, " of our consolidated financial statements included in Item 8 of this Annual Report on Form 10- K**. Individuals, citizens groups, trade associations or environmental activists may also bring actions against us in connection with our current or former operations that could interrupt or limit the scope of our business or result in adverse judgments or settlements requiring substantial payments. For example, see the discussion regarding the Jefferson Parish, Louisiana Landfill Litigation in Note 13, " Commitments and Contingencies, " of our consolidated financial statements included in Item 8 of this Annual Report on Form 10- K. Any adverse outcome in such proceedings could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and share price. Pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements. We are, and from time to time become, involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Many of these matters raise complicated factual and legal issues and are subject to uncertainties and complexities, all of which make the matters costly to address. For example, in recent years, wage and employment laws have changed regularly and become increasingly complex, which has fostered litigation, including purported class actions. Similarly, purported class actions based on claims related to allegedly unlawful landfill odors and rates and fees charged under certain contracts for collection services have proliferated, as have citizen suits brought pursuant to environmental laws, such as those regulating the treatment of storm water runoff. The **timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is uncertain.** 45