Risk Factors Comparison 2024-02-13 to 2023-02-07 Form: 10-K

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Our ~~In an effort to keep our stockholders and the public informed about our~~ business, **financial condition and results of operations** ~~we may make " forward- looking statements. " Forward- looking statements~~ are **subject** ~~often identified by the words, " will, " " may, " " should, " " continue, " " anticipate, " " believe, " " expect, " " plan, " " forecast, " " project, " " estimate, " " intend " and words of a similar nature and generally include statements regarding: ● future results of operations, including revenues, earnings or cash flows; ● plans and objectives for the future; ● projections, estimates or assumptions relating~~ to **numerous risks and uncertainties** ~~our operational or financial performance, including anticipated impacts of the Inflation Reduction Act of 2022; ● projections, estimates or assumptions relating to our capital expenditures; or ● our opinions, views or beliefs about the effects of current or future events, circumstances or performance~~. You should ~~view~~ **carefully consider** ~~these~~ -- **the** ~~statements~~ **following risk factors in conjunction** with **" Management' s** ~~caution. These statements are not guarantees of future performance, circumstances or events. They are based on facts and circumstances known to us as of the date the statements are made. The following discussion~~ **Discussion** ~~should be read together with the Consolidated~~ **and Analysis of Financial Condition and Results of Operations " in Item 7 and our "** Financial Statements and **Supplementary Data "** ~~the notes thereto. Outlined below are some of the risks that we believe could affect our business and financial statements for 2023 and beyond and could cause actual results to be materially different from those set forth~~ in **Item 8** ~~forward- looking statements made by the Company~~. In addition to the following risks, there may be additional risks and uncertainties that adversely affect our business, performance, or financial condition in the future that are not presently known or are not currently believed to be material ~~. We assume no obligation to update any forward- looking statement, whether as a result of future events, circumstances or developments or otherwise~~. Strategy and Operational Risks If we fail to implement our business strategy, our financial performance and our growth could be materially and adversely affected. Our future financial performance and success are dependent in large part upon our ability to implement our business strategy successfully. Implementation of our strategy will require effective management of our operational, financial and human resources and will place significant demands on those resources. See Item 1. Business for more information on our business strategy. There are risks involved in pursuing our strategy, including the following: ● Our employees, customers or investors may not embrace and support our strategy. ● We may not be able to hire or retain the personnel necessary to manage our strategy effectively. ● A key element of our strategy is yield management through focus on price leadership, which has presented challenges to keep existing business and win new business at reasonable returns. We ~~have~~ also **utilize an energy** ~~continued our environmental fee, fuel~~ surcharge and ~~regulatory recovery~~ **other mandated** ~~fee~~ **fees** ~~to offset costs~~. The loss of volumes as a result of price increases and our unwillingness to pursue lower margin volumes may negatively affect our cash flows or results of operations. Additionally, we have in the past and may in the future face purported class action lawsuits related to our customer service agreements, prices and fees. ● We may be unsuccessful in implementing our technology- led automation and optimization strategy and other improvements to operational efficiency and such efforts may not yield the intended result. ● We may not be able to maintain cost savings achieved **, including** through our automation and optimization efforts, due to inflationary cost pressure or otherwise. ● Strategic decisions with respect to our asset portfolio may result in ~~impairments to our assets. See Item 1A. Risk Factors — We may record material charges against our earnings due to~~ impairments to our assets. ● Our ability to make strategic acquisitions depends on our ability to identify desirable acquisition targets, negotiate advantageous transactions despite competition for such opportunities, fund such acquisitions on favorable terms, obtain regulatory approvals and realize the benefits we expect from those transactions. ● Acquisitions, investments and / or new service offerings or lines of business may not increase our earnings in the timeframe anticipated, or at all, due to difficulties operating in new markets or providing new service offerings or lines of business, failure of technologies to perform as expected, failure to operate within budget, integration issues, or regulatory issues and compliance costs, among others, and we may experience issues successfully integrating acquisitions into our internal controls, operations, and / or accounting systems. ● Integration of acquisitions and / or new services offerings or lines of business could increase our exposure to the risk of inadvertent noncompliance with applicable laws and regulations, and ~~any~~ **additional** expansion into markets outside of North America would result in our business being subject to new laws and regulatory regimes, resulting in greater exposure to risk of inadvertent noncompliance and additional compliance costs. ● Liabilities associated with acquisitions, including ones that may exist only because of past operations of an acquired business, may prove to be more difficult or costly to address than anticipated, and businesses or assets we acquire may have undisclosed liabilities, despite our efforts to minimize exposure to such risks through due diligence and other measures. ● Execution of our strategy, including growth through acquisitions and our planned expansion of our ~~recycling~~ **Recycling Processing** and **Sales and WM** ~~renewable~~ **Renewable** ~~energy~~ **Energy** ~~businesses~~ **segments**, may cause us to incur substantial additional indebtedness, which may divert capital away from our traditional business operations and other financial plans **, and may introduce additional risks and volatility to our financial performance**. ● Supply chain **, regulatory or permitting** disruptions or delays could detrimentally impact the execution timeline for our planned expansion of our ~~recycling~~ **Recycling Processing** and **Sales and WM** ~~renewable~~ **Renewable** ~~energy~~ **Energy** businesses. ● We continue to seek to divest underperforming and non- strategic assets if we cannot improve their profitability. We may not be able to successfully negotiate the divestiture of underperforming and non- strategic operations, which could result in asset impairments or the continued operation of low- margin businesses. In addition to the risks set forth above, implementation of our business strategy could also be affected by other factors beyond our control, such as increased competition, legal developments, government regulation, general economic conditions, including slower growth or recession, increased operating costs or expenses, subcontractor costs and availability and changes in industry trends. We may decide to alter or discontinue certain aspects of our business strategy at any time. If we are not able to implement our business strategy successfully, our long- term growth and profitability may be adversely affected. Even if we are able to implement some or all of the initiatives of our business strategy successfully, our operating results may not improve to the extent we anticipate, or at all. Our operations must comply with extensive existing regulations, and changes in regulations **, including with respect to emerging contaminants** and **extended producer responsibility,** ~~/ or enforcement of regulations~~ can restrict or alter our operations, increase our operating costs, increase our tax rate, or require us to make additional capital expenditures. Stringent government regulations at the federal, state, provincial and local level in the U. S. and Canada have a substantial impact on our operations, and compliance with such regulations is costly. Many complex laws, rules, orders and interpretations govern environmental protection, health, safety, land use, zoning, transportation and related matters. Among other things, governmental regulations and enforcement actions restrict our operations at times and may adversely affect our financial condition, results of operations and cash flows by imposing conditions such as: ● limitations on siting and constructing new waste disposal, transfer, recycling or processing facilities or on expanding existing facilities; ● limitations, regulations or levies on collection and disposal prices, rates and volumes; ● limitations, bans, taxes or charges on disposal or transportation of out- of- state waste or certain categories of waste; ● mandates regarding the management of solid waste and other materials, including requirements to recycle, divert or otherwise process certain waste, recycling and other streams; or ● limitations or restrictions on the recycling, processing or transformation of waste, recycling and other streams. Regulations affecting the siting, design and closure of landfills require us, at times, to undertake investigatory or remedial activities, curtail operations or close landfills temporarily or permanently. We have significant financial obligations relating to final capping, closure, post- closure and environmental remediation at our existing landfills and we establish accruals for these estimated costs. Expenditures could be accelerated or materially exceed our accruals due to earlier than expected closure of landfills; the types of waste collected and manner in which it is transported and disposed of, including actions taken in the past by companies we have acquired or third- party landfill operators; environmental regulatory changes; new information about waste types previously collected, such as **per- and polyfluoroalkyl substances (“** PFAS **”)** or other emerging contaminates and other reasons. **Federal and state governments have increased their focus on efforts to safeguard communities from the potentially harmful effects associated with PFAS. See Item 1. Business – Regulation – Recent Developments and Focus Areas in Policy and Regulation – PFAS for additional background information. The EPA proposed the designation of two PFAS compounds as hazardous substances under CERCLA. We are closely monitoring this proposed rulemaking and are actively working with both Congress and the EPA to provide landfills and other essential public services with relief from CERCLA liability and instead hold accountable manufacturers and heavy users of these compounds. Without such relief, we may face increased exposure to remediation and litigation costs associated with properties that the EPA may designate as CERCLA sites due to the presence of PFAS.** ~~19Additionally~~ -- **Additionally** , regulations establishing extended producer responsibility (“ EPR ”) are being considered or implemented in many places around the world, including in the U. S. and Canada. EPR regulations are designed to place either partial or total responsibility on producers **of consumer- packaged goods and other products** to fund the post- use life cycle of the products they create. Along with the funding responsibility, producers may be required to undertake additional responsibilities, such as taking over management of local recycling programs by taking back their products from end users or managing the collection operations and recycling processing **and marketing** infrastructure **. During periods of economic difficulty, governmental entities have increased their interest in implementing EPR regulations to reduce municipal spending on recycling programs** . There is no federal law establishing EPR in the U. S. or Canada; however, federal, state, ~~provincial~~ **21provincial** and local governments could, and in several cases have, taken steps to implement EPR regulations for packaging, including traditional recyclables such as cardboard, bottles and cans. If wide- ranging EPR regulations were adopted, they could significantly impact the waste and recycling streams we manage and how we operate our business, including contract terms and pricing. A significant reduction in the waste, recycling and other streams we manage **, including with respect to quality and volume,** could have a material adverse effect on our financial condition, results of operations and cash flows. 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 constructing and operating landfills, transfer stations, **recycling** ~~material recovery~~ facilities ~~(“ MRFs ”)~~ and other disposal facilities, and landfill gas- to- energy facilities, involves risks such as truck accidents, equipment defects, malfunctions and failures, and improper use of dangerous equipment. Additionally, we closely monitor and manage landfills to minimize the risk of waste mass instability, releases of hazardous materials, and odors that are sometimes triggered by weather or natural disasters. There are also risks presented by the potential for subsurface heat reactions causing elevated landfill temperatures and increased production of leachate, landfill gas and odors. 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, as well as operation of heavy machinery and management of flammable materials at our ~~MRFs~~ **recycling facilities** and transfer stations, 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, if we were to incur substantial liabilities in excess of any applicable insurance, 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. We may be unable to obtain or maintain required permits or expand existing permitted capacity at our landfills, due to land scarcity, public opposition or otherwise, which can require us to identify disposal alternatives, resulting in decreased revenue and increased costs. Our ability to meet our financial and operating objectives depends in part on our ability to obtain and maintain the permits necessary to operate landfill sites and transfer stations. Permits to build, operate and expand solid waste management facilities, including landfills and transfer stations, have become more difficult and expensive to obtain and maintain. Permits often take years to obtain as a result of numerous hearings and compliance requirements with regard to zoning, environmental and other regulations. These permits are also often subject to resistance from citizen or other groups and other political pressures. Local communities and citizen groups, adjacent landowners or governmental agencies may oppose the issuance of a permit or approval we may need, allege violations of the permits under which we currently operate or laws or regulations to which we are subjected, or seek to impose liability on us for alleged environmental damage. Such actions could also impact our ability to do business by causing reputational harm. Federal, state and local governments are also increasingly adopting requirements for environmental justice reviews as part of certain permitting decisions. These policies generally require permitting agencies to give heightened attention to the potential for projects to disproportionately impact low- income and minority communities. Responding to permit challenges has, at times, increased our costs and extended the time associated with establishing new facilities and expanding existing facilities. In addition, failure to receive regulatory and zoning approval, as well as land scarcity, particularly in densely populated areas, may prohibit us from establishing new facilities or expanding existing facilities. Diminishing disposal capacity, typically in proximity to major metropolitan areas, sometimes requires us to transport waste by rail or find alternative disposal solutions in affected areas, increasing our operating costs. Our failure to obtain the required permits and necessary capacity expansion to operate our landfills could have a material adverse impact on our financial condition, results of operations and cash flows. ~~20If~~ **If** we are unable to attract, hire or retain key team members and a high- quality workforce, or if our succession planning does not develop an adequate pipeline of future leaders, it could disrupt our business, jeopardize our strategic priorities and result in increased costs, negatively impacting our results of operations. Our operations require us to attract, hire, develop and retain a high- quality workforce to provide a superior customer experience. This includes key individuals in leadership and specialty roles, as well as a very large number of drivers, ~~technicians~~ **22technicians** and other front- line and back- office team members necessary to provide our environmental services. We experience significant competition to hire and retain individuals for certain front- line positions, such as commercial truck drivers, from within and outside our industry. (Also see Item 1A. Risk Factors — Market disruption, including labor shortages and supply chain constraints, and macroeconomic pressures, including inflation, have adversely impacted our business and results of operations.) Additionally, the market for employees that serve on our digital team is highly competitive. As we have accelerated our investments in our technology- led automation and optimization strategy, it is increasingly important that we are able to attract and retain employees with the skills and expertise necessary to implement and manage these projects. We also compete to attract skilled business leaders, and our own key team members are sought after by our competitors and other companies. We make significant investments, and engage in ~~extensive~~ internal succession planning, to provide us with a robust pipeline of future leaders. If we are not able to attract, hire, develop and retain a high- quality workforce with the necessary skills and expertise, as well as key leaders, or if we experience significant employee turnover, it can result in business and strategic disruption, increased costs, and loss of institutional knowledge, which could negatively impact our results of operations. Our business depends on our reputation and the value of our brand. We believe we have developed a reputation for high- quality service, reliability and social and environmental responsibility, and we believe our brand symbolizes these attributes. The WM brand name, trademarks and logos and our reputation are powerful sales and marketing tools, and we devote significant resources to promoting and protecting them. Adverse publicity, whether or not justified, relating to activities by our operations, employees or agents, or challenges to our assertions of social and environmental responsibility, could tarnish our reputation and reduce the value of our brand. **(Also see Item 1A. Risk Factors — Focus on, and regulation of, environmental, social and governance (“ ESG ”) performance and disclosure can result in increased costs, risk of noncompliance, damage to our reputation and related adverse effects.)** Damage to our reputation could reduce demand for our services and potentially have an adverse effect on our financial condition, liquidity and results of operations, as well as require additional resources to rebuild our reputation and restore the value of our brand. We have made significant investments in an extensive natural gas truck fleet, which makes us partially dependent on the availability of natural gas and fueling infrastructure and vulnerable to natural gas prices, and requirements to transition to other vehicle types could impair these investments. We operate a large fleet of natural gas vehicles, and we plan to continue to invest in these assets for our collection fleet. However, natural gas fueling infrastructure is not yet broadly available in the U. S. and Canada; as a result, we have constructed and operate natural gas fueling stations, some of which also serve the public or pre- approved third parties. It will remain necessary for us to invest capital in fueling infrastructure ~~in order~~ to power our natural gas fleet ~~. Concerns have been raised about the potential for emissions from fueling infrastructure that serve natural gas- fueled vehicles. New regulation of, or restrictions on, natural gas fueling infrastructure or reductions in associated tax incentives could increase our operating costs~~ . Additionally, fluctuations in the price and supply of natural gas could substantially increase our operating expenses; a reduction in the existing cost differential between natural gas and diesel fuel could materially reduce the benefits we anticipate from our investment in natural gas vehicles. ~~Further, our fuel surcharge program is currently indexed to diesel fuel prices, and price fluctuations for natural gas may not effectively be recovered by this program.~~ There is increasing pressure to reduce the use of fossil fuel in the heavy- duty truck industry, and some **regulatory bodies** ~~cities and states~~ are pursuing requirements for using alternative engine technology, such as electric powered vehicles, rather than natural gas or diesel vehicles. This is resulting in regulatory actions to advance the adoption of zero- emission vehicles and a ~~gradual~~ shift away from tax incentives and grants for natural gas trucks **and RNG infrastructure. For example, California is at various stages of regulation that would require heavy- duty vehicle fleets to phase- in zero- emissions vehicles. The extent to which other states adopt California’ s standards or something similar into their own regulatory frameworks could accelerate the industry- wide adoption of electric vehicles** . Although current options for heavy- duty electric vehicles lack sufficient range and proven experience for our operations, we are proactively engaging in pilots of electric powered heavy- duty vehicles and anticipate that we could redirect future planned capital investments in our fleet toward these assets when the vehicles prove economically and operationally viable. Should regulation mandate an accelerated transition to electric powered vehicles, our cost to acquire vehicles needed to service our customers could increase, capital investment required to establish sufficient charging infrastructure could be significant and investments we have made in an industry- leading natural gas fleet and infrastructure could be impaired. **In addition, tax incentives and grants that advance the adoption of zero- emissions vehicles and lead to a shift away from natural gas trucks and RNG infrastructure would likely also negatively impact our investments in landfill gas- to- energy facilities.** ~~21Increases~~ **23Increases** in our labor costs as a result of labor unions organizing, changes in regulations related to labor unions or increases in employee minimum wages, could adversely affect our future results. Labor unions continually attempt to organize our employees, and these efforts will likely continue in the future. Certain groups of our employees are currently represented by unions, and we have negotiated collective bargaining agreements with these unions. Additional groups of employees may seek union representation in the future, and, if successful, would enhance organized labor' s leverage to obtain higher than expected wage and benefits costs and resist the introduction of new technology and other initiatives, which can result in increased operating expenses and lower net income. If we are unable to negotiate acceptable collective bargaining agreements, our operating expenses could increase significantly as a result of work stoppages, including strikes. Additionally, a large portion of our workforce are hourly personnel, and many of these individuals, particularly in our recycling business, are paid at rates related to federal and state minimum wages. Increases in minimum wage rates, or the enactment of new wage- related legislation, may significantly increase our labor costs. Any of these matters could adversely affect our financial condition, results of operations and cash flows. The seasonal nature of our business, severe weather events resulting from climate change and event driven special projects cause our results to fluctuate, and prior performance may not be indicative of our future results. Our **financial and operating results may fluctuate for many reasons. Our** operating revenues ~~tend to be somewhat higher~~ **and volumes typically experience seasonal increases** in **the** summer months, **that are reflected** ~~primarily due to the higher construction and demolition waste volumes. The volumes of industrial and residential waste~~ in ~~certain regions where we operate also tend to increase during the summer months. Our~~ second and third quarter revenues and results of operations ~~typically reflect these seasonal trends~~. 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** ~~On the other hand~~, certain destructive weather and climate conditions, such as wildfires in the Western U. S. and hurricanes that most often impact our operations in the Southern and Eastern U. S. during the second half of the year, can increase our revenues in the geographic areas affected as a result of the waste volumes generated by these events. While weather- related and other event- driven special projects can boost revenues through additional work for a limited time, due to significant start- up costs and other factors, such revenue can generate earnings at comparatively lower margins. For these and other reasons, operating results in any period may not be indicative of operating results for any other period. Our stock price may be negatively impacted by interim variations in our results. We may not be able to achieve our sustainability ~~and other environmental, social and governance (" ESG")-~~ related goals, including reduction of our greenhouse gas (" GHG") emissions, or execute on our sustainability- related growth strategy and initiatives, within planned timelines **or anticipated budget** , ~~and expectations and~~ **which could damage our** ~~regulations~~ - **reputation** ~~relating to ESG performance~~ and **negatively impact the benefits anticipated from our investments** ~~disclosure can result in increased costs, risk of noncompliance, and related adverse effects~~. Consistent with our Company' s long- standing commitment to sustainability and environmental stewardship, we have set goals to reduce our GHG emissions and announced other ~~ESG~~ **sustainability** - related goals and initiatives. We ~~have~~ **may not be able to meet such goals or implement such initiatives in the manner or on timelines contemplated due to challenges including, but not limited to, unforeseen costs or delays, supply chain disruptions, regulatory impacts, technology limitations or technical difficulties associated with achieving such goals.** ~~also~~ **Also** ~~announced a~~ **, despite voluntarily announcing such sustainability goals, we may receive pressure from investors or other groups to adopt more aggressive sustainability- related goals that may not be technically, operationally, or financially feasible. In addition, our** sustainability growth strategy ~~that~~ includes significant planned investments in our ~~recycling~~ **Recycling Processing** and **Sales and WM** ~~renewable~~ **Renewable** ~~energy~~ **Energy** ~~businesses~~ **segments** . Our ability to ~~achieve these goals and~~ successfully execute our sustainability growth strategy may be impacted by the numerous risks and uncertainties associated with our business and the environmental services industry, including financial and operating performance, availability of technology and financing, changes in regulation, commodity price fluctuation and general economic conditions. (Also see Item 1A. Risk Factors — Our revenues, earnings and cash flows will fluctuate based on changes in commodity prices, and commodity prices for recyclable materials are particularly susceptible to volatility based on macroeconomic conditions and regulations that affect our ability to export products and — **Our** ~~We have announced a~~ sustainability growth strategy ~~that~~ includes significant planned **and ongoing** investments in our **WM** ~~renewable~~ **Renewable** ~~energy~~ **Energy** ~~businesses~~ **segment** ; changes to federal and state renewable fuel policies could affect our financial performance, and such investments may not yield the results anticipated.) Some or all of the expected benefits of our sustainability- related investments and initiatives may not occur within the anticipated time periods ~~,~~ or may cost more to achieve than anticipated. An inability to develop, obtain, or scale necessary technology and innovations, and challenges arising from the availability or cost of materials and infrastructure **or 24regulatory approvals or permitting requirements** associated ~~22with~~ -- **with** our sustainability investments and initiatives, could impede our ability to execute on our plans and achieve our goals **or realize our expected financial performance from these investments** . Actions we take to achieve these goals and implement our sustainability growth strategy and initiatives, including development and implementation of enhanced technology and reporting systems, will require increased capital expenditures and management focus, which may divert investment and management focus away from other aspects of our business operations. **Additionally, favorable expectations regarding potential investment tax credits or other benefits stemming from the Inflation Reduction Act of 2022 (" IRA ") may not materialize or could fail to meet expectations. Recently, the IRS issued proposed regulations applicable to the investment tax credits, as expanded by the IRA, that could call into question our ability to realize some, or all, of this tax benefit, which would negatively impact financial expectations in connection with our sustainability growth projects in our WM Renewable Energy segment. See Item 1. Business – Regulation – Recent Developments and Focus Areas in Policy and Regulation – Tax Legislation. We have also forecasted or projected certain operational and financial information with respect to our sustainability investments and initiatives, and many of these statements are based on expectations and assumptions that are necessarily uncertain and are subject to risks and uncertainties that could cause actual results to be materially different from our forecasts and projections. Focus on, and regulation of, environmental, social and governance (" ESG ") performance and disclosure can result in increased costs, risk of noncompliance, damage to our reputation and related adverse effects.** There is increasing governmental and **stakeholder interest in** ~~social pressure on companies to develop and implement robust~~ ESG **matters** ~~policies, practices, and disclosures~~ . ~~The~~ **In addition, the** nature, scope **,** and complexity of **the** matters that our Company must assess **, quantify** and ~~report~~ **disclose** are expanding due to ~~growing mandatory~~ **current, proposed,** and ~~voluntary~~ **recently enacted federal and state** reporting ~~on~~ **requirements related to** climate- related risks and other topics, such as water usage, waste production, labor, human capital, environmental justice, cybersecurity and privacy, and risk oversight. **For example, see Item 1. Business – Regulation – Recent Developments and Focus Areas in Policy and Regulation – Climate and Sustainability for information about California' s recently- adopted Climate Corporate Data Accountability Act and Climate- Related Financial Risk Act and the SEC' s proposed climate-related disclosure rule. Methodology and timelines for mandatory emissions reporting requirements, such as the recently passed California Corporate Data Accountability Act, may be inconsistent with requirements enacted by other governmental entities, including disclosure requirements that are ultimately adopted by the SEC, which could further increase costs and divert management time and attention. Disclosures related to GHG emissions data or potential climate- related impacts could also negatively affect our reputation to the extent we are perceived as not meeting individual stakeholder climate- related expectations.** Our industry faces challenges ~~from~~ **to implement** these ~~and other~~ rapidly **developing disclosure requirements** ~~changing laws, regulations, policies and related interpretations~~ , as well as the risk of enforcement actions by governmental and regulatory agencies for noncompliance. Significant expenditures and commitment of time by management, employees and consultants is involved in developing, implementing and overseeing policies, practices, additional disclosures and internal controls related to **environmental and sustainability risk and performance. Public statements with respect to** ESG **matters are becoming increasingly subject to heightened scrutiny from public and governmental authorities related to the** risk **of potential " greenwashing, " i. e., misleading information or false claims overstating potential ESG benefits. We are aware that non- governmental organizations** and ~~performance~~ **other private actors have filed lawsuits against certain companies under various securities and consumer protection laws alleging that certain ESG- related statements, goals or standards were misleading, false or otherwise deceptive** . An inability to implement such policies, practices, and internal controls and maintain compliance with laws and regulations, or a perception among stakeholders that our ESG disclosures and sustainability goals are insufficient or our goals are unattainable, could harm our reputation and competitive position and negatively impact our stock price and business performance. External Economic and Industry **RisksMarket** RisksThe COVID- 19 global pandemic disrupted...... difficulty securing future labor needs. Market disruption, including labor shortages and supply chain constraints, and macroeconomic pressures, including inflation, have adversely impacted our business and results of operations. Macroeconomic pressures, including inflation and rising interest rates, and market disruption resulting in labor market, supply chain and transportation constraints **have impacted our results and** are continuing. Significant global supply chain disruption **has** ~~and the heightened pace of inflation have~~ reduced availability **of certain assets used in our business,** and **inflation has** increased costs for the goods and services we purchase, ~~with a particular~~ **particularly** ~~impact on our~~ **for labor,** repair and maintenance **, and subcontractor** costs. Supply chain constraints have ~~also~~ caused delayed delivery of fleet, steel containers and other purchases. Aspects of our business rely on third- party transportation providers, and such services have become more limited and expensive. Additionally, **the downturn in market** ~~we expect continued significant headwinds from commodity~~ prices for ~~recycled material into~~ **recycling commodities that started in the second half of 2022 persisted throughout** 2023 ~~, resulting from~~ **. The decrease continued 25to be driven by** the slowdown in the global economy, which reduced retail demand and the corresponding need for cardboard packaging to ship retail goods. We ~~are~~ **may** also ~~currently experiencing~~ **experience** margin pressures from commodity- driven business impacts ~~, particularly from higher fuel prices~~ . The constrained labor market has resulted in increased costs for wage adjustments, overtime hours and training new hires. If we are not able to overcome limitations on labor availability, it could materially impact our ability to service our customers and our financial results. Geopolitical ~~conflict~~ **conflicts** and the resulting international ~~response~~ **responses** ~~, including Russia' s invasion of Ukraine,~~ have also exacerbated market disruption, leading to volatility in commodity prices, impacts on the availability and cost of energy, and vendor and supplier disruptions across the global supply chain. ~~23Accelerated~~ -- **Accelerated** and pronounced economic pressures, such as ~~the continuing~~ **rising interest rates and** inflationary cost pressure on labor and the goods and services we rely upon to deliver service to our customers, have ~~had~~ **impacted** and continue to ~~have a significant~~ impact ~~on~~ our cost structure and capital expenditures. Significant components of our operating expenses vary directly as we experience changes in revenue due to volume and a heightened pace of inflation, and we may not be able to dynamically manage our cost structure in response to such changes. A significant portion of our revenue is tied to a price escalation index with a lookback provision, resulting in a timing lag in our ability to recover increased costs under those contracts during periods of rapid inflation. Separately, for many of our customers we provide services under multi- year contracts that can restrict our ability to increase prices and the timing of such increases. Our overall strategic pricing efforts are focused on recovering as much of the inflationary cost increases we experience in our business as possible by increasing our average unit rate, but such efforts may not be successful for various reasons including the pace of inflation, operating cost inefficiencies, contractual limitations, and market responses. The inability to adequately increase prices to offset increased costs and inflationary pressures, or otherwise mitigate the impact of these macroeconomic conditions and market disruptions on our business, will increase our costs of doing business and reduce our margins. The extent and duration of the impact of these labor market, supply chain, transportation and commodity- price challenges are subject to numerous external factors beyond our control, including broader macroeconomic conditions; recessionary fears and / or an economic recession; size, location, and qualifications of the labor pool; wage and price structures; adoption of new or revised regulations; **domestic** ~~future resurgence of COVID- 19 or other pandemic conditions~~ and ~~restrictions;~~ **international political developments,** geopolitical conflicts and responses; and supply and demand for recycled materials. If such impacts are prolonged and substantial, they could have a material negative effect on our results of operations. The environmental services industry is highly competitive, and if we cannot successfully compete in the marketplace, our business, financial condition and operating results may be materially adversely affected. We encounter intense competition from governmental, quasi- governmental and private sources in all aspects of our operations. We principally compete with large national waste management companies, counties and municipalities that maintain their own waste collection and disposal or recycling operations and regional and local companies of varying sizes and financial resources. The industry also includes companies that specialize in certain discrete areas of waste management, operators of alternative disposal facilities, companies that seek to use parts of the waste stream as feedstock for renewable energy and other by- products, and waste brokers that rely upon haulers in local markets to address customer needs. In recent years, the industry has seen some additional consolidation, though the industry remains intensely competitive. Counties and municipalities may have financial competitive advantages because tax revenues are available to them and tax- exempt financing is more readily available to them. Also, such governmental units may attempt to impose flow control or other restrictions that would give them a competitive advantage. In addition, some of our competitors may have lower financial expectations, allowing them to reduce their prices to expand sales volume or to win competitively- bid contracts, including large national accounts and exclusive franchise arrangements with municipalities. When this happens, we may lose customers and be unable to execute our pricing strategy, resulting in a negative impact to our revenue growth from yield on base business. Our revenues, earnings and cash flows ~~will~~ fluctuate based on changes in commodity prices ~~,~~ and ~~commodity~~ **may fluctuate substantially without notice in the future.** ~~prices~~ **Prices and demand** for ~~recyclable~~ **recyclables** ~~materials~~ **fluctuate and** are particularly susceptible to volatility based on macroeconomic conditions and regulations **. The downturn in market prices for recycling commodities** that ~~affect our ability to export products. Enforcement or implementation of foreign and domestic regulations can affect our ability to export products. In recent years, new and updated international regulations affecting, and in some cases restricting, the international flow of certain recyclables have led to a reduction in export activity for such recyclables, as well as higher quality requirements and higher processing costs. COVID- 19 placed additional financial stress on recyclers and municipalities, resulting in some recycling programs being paused or eliminated. These changes have led to a number of states~~ **started in** ~~and provinces considering and several implementing EPR regulations. Prices and demand for recyclables fluctuate. While demand for recyclables generally continues to trend upwards, during~~ the second half of 2022 **continued** ~~, we saw significant declines~~ in ~~commodity~~ **2023. Average market** prices for **single- stream** recycled ~~material, and we expect significant commodity~~ **commodities** ~~price headwinds to continue into~~ **were down 40 % in** 2023 ~~, resulting from~~ **when compared to** the ~~slowdown~~ **comparable prior year period. Decreases** in the **market prices** ~~global economy, which reduced retail demand and the corresponding need~~ for ~~cardboard packaging~~ **recycling commodities resulted in a decrease in recycling revenues attributable** to ~~ship retail goods~~ **yield of $ 308 million in 2023 as compared to the prior year period** . Recycling revenues attributable to yield increased $ 19 million ~~and $ 537 million~~ in 2022 ~~and 2021, respectively,~~ as compared with the prior year ~~periods~~ - **period,** primarily from higher market prices for recycling commodities in ~~2021 and~~ the first half of 2022, before the significant downturn in the second half of 2022. ~~24We~~ **26In recent years, new and updated regulations affecting, and in some cases restricting, the international flow of certain recyclables** have ~~announced~~ **led to** a ~~sustainability growth strategy that includes~~ **reduction in export activity for such recyclables, as well as higher quality requirements and higher processing costs. We are making** significant planned **and ongoing** investments in our recycling business to increase automation and reduce labor dependency **and** ~~. Such investments are also targeted at addressing~~ --- **address** increases in **regulatory- and customer- driven** quality requirements for commodities. These investments increase our exposure to commodity price fluctuations. Additionally, future regulation, tariffs, international trade policies or other initiatives, including regulations addressing climate change or GHG emissions, may impact supply and demand of material, or increase operating costs, which could impact the profitability of our recycling operations. If the Company does not effectively manage changes in demand and commodity prices for recycling materials, or if we do not successfully execute our sustainability growth strategy, our investments in recycling infrastructure and technology may not yield the results anticipated. Fluctuation in energy **- related** prices also affects our business, including recycling of plastics manufactured from petroleum products ~~. We~~ **, and we** are currently experiencing commodity- price driven impacts from higher fuel costs. ~~We have~~ **Our sustainability growth strategy also includes** increased ~~our~~ investment in landfill gas- to- energy facilities and **expansion** ~~the size~~ of our ~~landfill~~ **WM Renewable Energy segment, which generate and sells credits referred to** ~~gas~~ - **as RINs** ~~recovery operations~~ . **RINs prices generally respond to regulations enacted by the EPA, as well as fluctuations in supply and demand, and have historically been very volatile. Additionally,** ~~Significant~~ **significant** variations in the price of biogas, electricity and other energy- related products that are marketed and sold by our landfill gas recovery operations can result in a corresponding ~~significant~~ impact to our revenue from yield from such operations. **Expansion of** ~~Additionally, we provide specialized disposal services for oil and gas exploration and production operations through~~ our **WM Renewable** ~~energy~~ **Energy segment** ~~services business. Demand for these services decreases when drilling activity slows due to depressed oil and gas prices, and our Company and the companies~~

~~for which we provide these services could face increased regulation and corresponding costs as a result of regulations related to climate change or other environmental concerns. Any of the commodity prices to which we are subject~~ may ~~fluctuate substantially~~ **introduce additional risks** and ~~without notice in the future~~ **volatility to our financial performance** . Increasing customer preference for alternatives to landfill disposal and bans on certain types of waste could reduce our landfill volumes and cause our revenues and operating results to decline. Our customers are increasingly diverting waste to alternatives to landfill disposal, such as recycling and composting, while also working to reduce the amount of waste they generate. In addition, many state and local governments mandate diversion, recycling and waste reduction at the source and prohibit the disposal of certain types of materials at landfills, such as recyclables (cardboard, bottles and cans), yard waste, food waste and electronics. Where organic waste is not banned from disposal in landfills, some large customers such as grocery stores and restaurants are choosing to divert their organic waste from landfills. ~~Reducing landfilled organic waste also reduces the amount of landfill gas produced from our landfills, adversely impacting our landfill gas- to- energy facilities.~~ Zero- waste goals (sending no waste to the landfill) have been set by many of the U. S. and Canada' s largest companies. Although such mandates and initiatives help to protect our environment, these developments reduce the volume of waste going to our landfills, which may affect the prices that we can charge for landfill disposal. Our landfills currently provide our highest income from operations margins **. Reducing landfilled organic waste also reduces the amount of landfill gas produced from our landfills, adversely impacting our landfill gas- to- energy facilities** . If we are not successful in expanding our service offerings, growing lines of businesses to service waste streams that do not go to landfills, and providing alternative services for customers that wish to reduce waste entirely, then our revenues and operating results may decline. Additionally, despite the development of new service offerings and lines of business, it is possible that our revenues and our income from operations margins could be negatively affected due to disposal alternatives. With a heightened awareness of the global problems caused by plastic waste in the environment, Canada and an increasing number of cities and states across the U. S. have passed ordinances banning certain types of plastics from sale or use. The most common materials banned include plastic bags and straws, polystyrene plastic and some types of single use packaging. These bans have increased pressure by manufacturers on our recycling facilities to accept a broader array of materials in curbside recycling and composting programs to alleviate public pressures to ban the sale of those materials. However, there are currently no or limited viable end markets for recycling many of these materials, and inclusion of such materials in our recycling stream increases contamination and operating costs that can negatively affect the results of our recycling operations. General economic conditions, such as a broad- based economic recession, can directly and adversely affect revenues for environmental services and our income from operations margins. Our business is directly affected by changes in national and general economic factors that are outside of our control, including consumer confidence, inflation, interest rates and access to capital markets. **In recent years,** ~~Many~~ **many** in the financial industry have ~~predicted that~~ **debated whether** the North American economy is ~~poised~~ **likely** to enter ~~, or has entered,~~ into a period of economic recession. A weak economy generally results in decreased consumer spending and decreases in volumes of waste generated, which negatively impacts the ability to grow through new business or service upgrades, and may result in customer turnover and reduction in customers' waste service needs. Consumer uncertainty and the loss of consumer confidence may also reduce the number ~~25and~~ **27and** variety of services requested by customers. Additionally, a weak market for consumer goods can significantly decrease demand by paper mills for recycled corrugated cardboard used in packaging; such as ~~was seen in~~ **we have experienced since** the second half of 2022, negatively impacting commodity prices and our operating income and cash flows. A decrease in waste volumes generated results in an increase in competitive pricing pressure; such economic conditions may also interfere with our ability to implement our pricing strategy. Many of our contracts have price adjustment provisions that are tied to an index such as the Consumer Price Index, and our costs may increase more than the increase, if any, in the Consumer Price Index. This is partially due to our relatively high fixed- cost structure; we may not be able to dynamically manage our cost structure in response to shifting volume levels and vendor costs, and our cost structure may not correlate with the Consumer Price Index or the waste industry. An economic recession or other economic weakness is likely to negatively impact our revenues and margins. Weakness in the economy may expose us to credit risk of governmental entities and municipalities and other major customers, which could negatively impact our financial results. We provide service to a number of governmental entities, municipalities, and large national accounts. During periods of economic weakness, governmental entities and municipalities can suffer significant financial difficulties, due in part to reduced tax revenue and / or high cost structures. During these periods, such entities, and our non- governmental customers, could be unable to pay amounts owed to us or renew contracts with us at previous or increased rates. Purchasers of our recycling commodities can be particularly vulnerable to financial difficulties in times of commodity price volatility. The inability of our customers to pay us in a timely manner or to pay increased rates, particularly large national accounts, could negatively affect our operating results. In addition, the financial difficulties of municipalities could result in a decline in investors' demand for municipal bonds and a correlating increase in interest rates. As of December 31, ~~2022~~ **2023** , we had $ ~~725~~ **1. 6** ~~million~~ **billion** of tax- exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities. If market dynamics resulted in repricing of our tax- exempt bonds at significantly higher interest rates, we would incur increased interest expenses that may negatively affect our operating results and cash flows. The Company' s effective tax rate and tax liability could materially change as a result of the adoption of new tax legislation and other factors. Predominantly all of the Company' s revenues are generated in the U. S., and changes in U. S. tax laws could materially impact our effective tax rate, financial condition and results of operations. The U. S. Tax Cuts and Jobs Act, enacted on December 22, 2017 (the " Tax Act "), had a significant impact on our effective tax rate, cash tax expenses and net deferred tax liabilities. The Tax Act reduced the U. S. corporate statutory tax rate and eliminated or limited the deduction of several expenses that were previously deductible, among other things. However, future changes in tax laws could reverse the impacts of the Tax Act and if ultimately enacted into law, such an increase could materially impact our tax provision, cash tax liability, effective tax rate and net deferred tax liabilities. Significant shortages in diesel fuel supply or increases in diesel fuel prices will increase our operating expenses. The price and supply of diesel fuel can fluctuate significantly based on international, political and economic circumstances, as well as other factors outside our control, such as actions by ~~the Organization of the Petroleum Exporting Countries (“ OPEC ”) and other~~ oil and gas producers, regional production patterns, weather conditions and environmental concerns. We need diesel fuel to run a significant portion of our collection and transfer trucks and our equipment used in our landfill operations. Fuel supply shortages and price increases could substantially increase our operating expenses ~~. We have in place a fuel surcharge program, designed to offset increased fuel expenses; however, we may not be able to pass through all of our increased costs and some customers’ contracts prohibit any pass- through of the increased costs. Additionally, lawsuits have challenged our fuel and environmental charges included on our invoices~~ . Regardless of any offsetting surcharge programs, increased operating costs due to higher diesel fuel prices will decrease our income from operations margins. **Large-scale disruption of social** and ~~reductions~~ **commercial activity and financial markets,such as has occurred** in ~~customers’ waste service needs~~ **the past due to pandemic conditions** , ~~which negatively~~ **may have a material adverse** ~~impacted~~ -- **impact on** our **business,financial condition,** results of operations and cash flows. ~~In particular~~ **Major external events** , **including** ~~COVID- 19 caused decreases in volumes in higher margin businesses,impacting key financial metrics.A significant future resurgence in transmission of COVID- 19,a significant new virus variant,or other~~ pandemic conditions that result in **large- sale disruption of social and commercial activity,such as** business closures and social restrictions **,** could adversely impact our volumes **,costs** and ~~costs~~ **operational execution** .If such conditions were to ~~deepen~~ **be severe** ,resulting in a broad- based economic slow- down,it may have a material adverse impact on our financial condition,results of operations and cash flows and hinder our ability to grow our business and execute our business strategy. ~~Additionally,if a large portion of our 26Technology~~ **28Technology** and Information Security RisksDevelopments in technology could trigger a fundamental change in the waste management industry, as waste streams are increasingly viewed as a resource, which may adversely impact volumes at our landfills and our profitability. Our Company and others have recognized the value of the traditional waste stream as a potential resource. Research and development activities are ~~on- going~~ **ongoing** to provide disposal alternatives that maximize the value of waste, including using waste as a source for renewable energy and other valuable by- products. We and many other companies are investing in **and / or developing** these **new** technologies. It is possible that such investments and technological advancements may reduce the cost of waste disposal or the value of landfill gas recovery to a level below our costs and may reduce the demand for landfill space. As a result, our revenues and margins could be adversely affected due to advancements in disposal alternatives. If we are not able to develop new service offerings 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 require that we invest in, develop or license, and protect new technologies. Our Company is increasingly focusing on new technologies that automate and innovate our operations, improve the customer experience and provide alternatives to traditional disposal and maximize the resource value of waste. We are continuing our multi- year commitment to strategic investments in technology that prioritize reduction of labor dependency for certain high- turnover jobs, further digitalize our customer self- service and implement technologies to further enhance the safety, reliability and efficiency of our collection operations. Research, development and implementation of enhanced technology often requires significant spending that may divert capital investment away from our traditional business operations. We may experience difficulties or delays in the research, development, production and / or marketing of new products and services or implementation of technologies in which we have invested or acquired, which may negatively impact our operating results and prevent us from recouping or realizing a return on these investments and acquisitions. Further, protecting our intellectual property rights and combating unlicensed copying and use of intellectual property is difficult, and inability to obtain or protect new technologies could impact our services to customers and development of new revenue sources. If a competitor develops or obtains exclusive rights to a “ breakthrough technology ” that provides a revolutionary change in traditional waste management, or if we have inferior intellectual property to our competitors, our financial results may suffer. We are increasingly dependent on technology in our operations and if our technology fails, our business could be adversely affected. We may experience problems with the operation of our current information technology systems or the technology systems of third parties on which we rely, as well as the development and deployment of new information technology systems, that could adversely affect, or even temporarily disrupt, all or a portion of our operations until resolved. Inabilities and delays in implementing new systems can also affect our ability to realize projected cost savings or other benefits. Significant system failures could impede our ability to timely collect and report financial results in accordance with applicable laws and regulations. In 2022, we implemented a new general ledger accounting system, complementary finance enterprise resource planning system and a human capital management system. These systems increase our utilization of, and dependance on, third- party “ cloud ” computing services in connection with our business operations. Employee work- from- home arrangements **also** ~~prompted by the COVID- 19 pandemic increased~~ - **increase** various technology risks, including potential exposure to cyber incidents, loss of data, fraud, internal control challenges and other disruptions as a consequence of more employees accessing Company systems and information remotely in the course of their ordinary work **. In 2023, the world experienced an exponential level of growth in the availability of potential applications of artificial intelligence (“ AI ”). AI could disrupt certain aspects of our business and evolve use of technology in ways that are not yet known. If we are not able to adapt and effectively incorporate potential advantages of AI in our business, it may negatively impact our ability to compete. On the other hand, if we are not able to effectively manage the risks of AI, including the potential for poor or inconsistent quality, privacy concerns, risks related to automated decision-making, and the potential for exposure of confidential and / or propriety information, we may suffer harm to our results of operation and reputation** . Significant cybersecurity incidents negatively impact our business and our relationships with customers, vendors and employees and expose us to increased liability. Substantially all aspects of our business operations rely on digital technology. We use computers, mobile devices, social networking and other online platforms to connect with our employees, customers, ~~and~~ vendors **, as well as other 29individuals and third parties** . These uses give rise to cybersecurity risks, including security breach, **ransomware,** espionage, system disruption, theft and **/ or** inadvertent **, accidental, unlawful** , unauthorized access **, loss, alteration, destruction** and / or release of information. Our business necessitates the **processing, collection, use,** storage and transmission of numerous classes of sensitive and / or confidential information and intellectual property, including ~~customers~~ **individuals** ' personal information, private and sensitive **employment- related** personal information ~~about employees~~ , and financial and strategic information about the Company and ~~its~~ **other** ~~business~~ **businesses** ~~partners~~ . In addition to our own safeguarding efforts, we also rely on **third parties to process, collect and store sensitive data, including** a Payment Card Industry compliant third party to protect our customers' credit card information. ~~27We~~ **We** are regularly the target of attempted cyber intrusions, and we anticipate continuing to be subject to such attempts as cyber intrusions become increasingly sophisticated and more difficult to predict and protect against. Geopolitical ~~conflict~~ **conflicts** ~~, including Russia' s invasion of Ukraine, has~~ also ~~increased~~ - **increase** the risk of cyber incidents. As such, we commit substantial resources to continuously monitor and further develop our networks and infrastructure to prevent, detect, and address the risk of unauthorized access, misuse, computer viruses and other events. Our security programs and measures do not prevent all intrusions. Cyber intrusions require a significant amount of time and effort to assess and remedy, and our incident response efforts may not be effective in all cases. Although we believe that the probability of occurrence of a significant cybersecurity incident is less than likely, if such an incident were to occur, the impact on the Company could be substantial. The Company experienced a cyber intrusion in the first quarter of 2021 that was promptly detected, and the third- party software vulnerability was quickly remediated. There was no impact to the Company' s operations, services or financial statements. A subsidiary of WMI ~~provided notice to potentially affected individuals, U. S. state and federal regulators, and Canadian regulators. As a result of the cyber intrusion, regulatory investigations may result in costs, fines, penalties, or other obligations. A subsidiary of WMI~~ was named as a defendant in a class action lawsuit related to this incident. **The parties have agreed to a settlement that** ~~Such case was dismissed in 2022, but an appeal by the plaintiffs~~ is currently pending **final court approval, and** ~~. The Company intends to vigorously defend itself against any~~ such **settlement will** ~~proceedings and does~~ not ~~expect that the outcome of any proceedings related to the 2021 incident will~~ have a material adverse effect on the Company' s business, financial condition, results of operations or cash flows; however, assessing and responding to this intrusion required a significant amount of time and management attention. While the magnitude of future cyber intrusions that result in a theft, destruction, loss, misappropriation, or release of sensitive and / or confidential information or intellectual property, or material interference with our information technology systems or the technology systems of third parties on which we rely cannot be predicted, such incidents could result in material business disruption, direct financial loss, negative publicity, brand damage, alleged violation of privacy laws, loss of customers, potential regulatory enforcement or private litigation liability and competitive disadvantage. We maintain insurance for cyber incidents; however, due to policy terms, limits and exclusions, such insurance may not apply in all cases, and it may not be adequate to cover all liabilities incurred. As the Company pursues its strategy to grow through acquisitions and to pursue new initiatives that improve our operations and cost structure, the Company is also expanding and improving its information technologies, resulting in a larger technological presence, utilization of " cloud " computing services, and corresponding exposure to cybersecurity risk. Certain new technologies, such as use of autonomous vehicles, remote- controlled equipment, virtual reality, automation and **AI** ~~artificial intelligence~~ , present new and significant cybersecurity safety risks that must be analyzed and addressed before implementation. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Increased state, federal and international laws and regulations related to cybersecurity protections and disclosures ~~may~~ **will** require additional resources for compliance, and any inability, or perceived inability, to adequately address new requirements could subject us to regulatory enforcement, private litigation, ~~and~~ public criticism, disrupt our operations, cause us to lose customers, result in additional costs and legal liability, damage our reputation, and otherwise harm our business. Increasing regulatory focus on privacy and data protection issues and expanding laws could negatively impact our business, subject us to criticism and expose us to increased liability. The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. We collect **, use, share, retain, delete and otherwise process** certain ~~personally~~ -- **personal** ~~identifiable~~ information and other sensitive information in connection with **our operations and** providing **environmental and other** services ~~to our customers~~ . We are subject to a variety of laws and regulations, **including GDPR and other international data protection laws,** and may become subject to additional pending laws and regulations, that govern the collection ~~and~~ **,** use **and other processing** of ~~such~~ information obtained from individuals ~~and~~ **,** businesses **and other third parties** . These laws and regulations are inconsistent across jurisdictions and are subject to evolving interpretations. Government officials, regulators, privacy advocates and class action attorneys are increasingly scrutinizing how companies collect, process, use, store, share, transmit and destroy personal data. We must continually monitor the development and adoption of, and commit substantial time and resources to comply with, new and emerging laws and regulations **and / or expanded interpretations of existing laws** . These laws and regulations provide disclosure **and other** obligations for businesses that collect personal information, ~~individual~~ **30individual** rights relating to personal information, collection ~~and~~ **, use,** storage **, transmission and other processing** requirements, automated decision- making transparency, and potential liability expansion. Any inability, or perceived inability, to adequately address privacy and data protection concerns, even if unfounded, or comply with ~~applicable~~ laws, regulations, policies, industry standards, contractual obligations, or other legal obligations, including at newly acquired companies, could ~~28subject~~ -- **subject** us to regulatory enforcement, private litigation, public criticism, business disruption, loss of customers, additional costs and legal liability, reputational damage, and other harm. Legal, Regulatory and Compliance RisksOur operations are subject to environmental, health and safety laws and regulations, as well as contractual obligations that may result in significant liabilities. There is risk of incurring significant environmental liabilities in the use, treatment, storage, transfer and disposal of waste materials. Under applicable environmental laws and regulations, we could be liable if it is alleged that our operations cause environmental damage to our properties or to the property of other landowners, particularly as a result of the contamination of air, drinking water or soil. Under current law, we could also be held liable for damage caused by conditions that existed before we acquired the assets or operations involved and for conditions resulting from waste types or compounds previously considered non- hazardous but later determined to present possible threat to public health or the environment. The risks of successor liability and emerging contaminants are of particular concern as we execute our growth strategy, partially through acquisitions, because we may be unsuccessful in identifying and assessing potential liabilities during our due diligence investigations. Further, the counterparties in such transactions may be unable to perform their indemnification obligations owed to us. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows. In the ordinary course of our business, we have in the past, we are currently, and we may in the future, become involved in legal and administrative proceedings relating to land use and environmental laws and regulations. These include proceedings in which governmental entities, private groups or individuals seek to impose liability on us for alleged environmental damage or violation of statutes or desire to revoke or deny permits required for our operations. We generally seek to work with the authorities or other persons involved in these proceedings to resolve any issues raised. If we are not successful, the adverse outcome of one or more of these proceedings could result in, among other things, material increases in our costs or liabilities as well as material charges for asset impairments. Further, 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. Costs to remediate or restore the condition of closed sites may be significant. **Our** ~~We have announced a~~ sustainability growth strategy ~~that~~ includes significant planned **and ongoing** investments in our **WM** ~~renewable~~ **Renewable** ~~energy~~ **Energy** ~~businesses~~ **segment** ; changes to federal and state renewable fuel policies could affect our financial performance, and such investments may not yield the results anticipated. The primary drivers of renewable fuel development at our landfills are tax policies, such as the recently expanded federal tax credits for ~~renewable natural gas ("~~ RNG ~~")~~ production and renewable electricity generation, and federal and state incentive programs, such as the federal Renewable Fuel Standard (" RFS ") program and the California Low Carbon Fuel Standard. At the federal level, oil refiners and importers are required through the RFS program to blend specified volumes of renewable transportation fuels with gasoline or buy credits, referred to as ~~renewable identification numbers ("~~ RINs ~~")~~, from renewable fuel producers. The Company has invested, and continues to invest, in facilities that capture and convert landfill gas into RNG, and also works with facilities that capture and convert dairy digester gas into RNG, so that we can participate in the program, and the Company has stated its intention to grow its asset base to notably increase its RNG production by 2026. RINs prices generally respond to regulations enacted by the EPA, as well as fluctuations in supply and demand. The value of the RINs associated with RNG is set through a market established by the program **, which market has historically been very volatile** . Prior to 2022, the EPA ~~has~~ **had** promulgated rules on an annual basis establishing refiners' obligations to purchase RNG and other cellulosic biofuels under the RFS program ~~;~~ **, which introduced a level of uncertainty into the renewable fuels and RINs market.** ~~however~~ **However , in 2023** , the EPA issued a highly anticipated ~~proposed~~ rule **establishing biofuel blending volumes under** ~~in late 2022 setting forth the direction of~~ the RFS program for compliance years 2023 through 2025. ~~Although this proposal~~ **The rule reflected the outsized role of biogas under the program,** ~~delivers~~ **delivered** on many reforms that benefit the solid waste sector, **and recognized the continued growth of the market for RNG in vehicle applications. However, we cannot be certain that** ~~the~~ **these** ~~EPA~~ **changes, or the outcome of litigation challenging various 31aspects of the rule, will ultimately reduce volatility in the RINs market or that future rulemakings will be similarly favorable to our business. Additionally, the Company** ' s ~~programmatic shift towards multi- year~~ **sustainability growth strategy is informed by the increased adoption of state and Canadian clean fuel** ~~standards -~~ **standard** ~~could lead to~~ **programs, utility policies, and voluntary** market **demand** ~~uncertainty and volatility in the price of RINs. We continue to advocate~~ for **RNG in** ~~the current administration to implement policies that ensure long- term stability for renewable~~ transportation **and industrial applications. Clean** ~~fuels -~~ **fuel standard programs operate similar** ~~and expand opportunities for the biogas sector~~ to ~~participate in~~ the RFS program **in that certain regulated parties purchase credits from fuel producers, including RNG producers, to meet their carbon intensity obligations. Like RINs, clean fuel standard program credit values can fluctuate with policy and market dynamics** . Changes **and volatility** in the RFS market **or other markets** , **or changes in** the structure of the RFS program or ~~RINs prices and demand~~ **other clean fuel standard programs,** can and has impacted the financial performance of the facilities constructed to capture and treat the ~~29gas -~~ - **gas** . Such changes could impact or alter our projected future investments, and such investments may not yield the results anticipated. The impact of climate change, and the adoption of climate change legislation or regulations restricting emissions of GHGs, could increase our costs to operate. We continue to assess the physical risks, such as sea- level rise, catastrophic storms and other extreme weather conditions and long- term shifts in climate patterns, and transition risks, such as regulatory, market, policy, and technology changes, to our operations from the effects of climate change. These risks are expected to be unpredictable and widespread. Although we have made investments to mitigate risk associated with severe storm events, damage to our facilities or disruption of service caused by more frequent or more severe storms associated with climate extremes could negatively impact operating results. We have also identified risk to our assets and our employees associated with drought or water scarcity, flooding, extreme heat and rain events, and fire conditions associated with climate change. For example, wildfires influenced by climate change can damage landfill infrastructure such as gas collection systems, flooding in low- lying areas enhanced by sea level rise can result in greater maintenance expenses at our facilities and service disruption, and more frequent or extreme rain events can erode the protective vegetative caps on our landfills and generate increased volumes of leachate to manage. Those areas of the country most prone to these occurrences have protocols in place, or are developing protocols to address these conditions, including employee safety, driver training, and equipment and facility protection protocols. We have incurred and will incur costs to develop and implement these protocols, and these protocols may not be effective in offsetting these risks. Additionally, the actions of others in response to climate change effects, such as ~~the~~

rolling power blackouts ~~implemented in California in 2019 due to wildfire risks~~, can result in service disruptions and increase our costs to operate. Our landfill operations emit methane, identified as a GHG. ~~There are~~ **Research efforts have demonstrated that observing landfills utilizing a combination of aerial and surface- based technologies has the potential to advance understanding of methane emissions from our sites. Meanwhile,** a number of legislative and regulatory efforts at the state, provincial, regional and federal levels **aim** to cap and / or curtail the emission of GHGs to ameliorate the effect of climate change, and otherwise to promote adaptation to climate change, support the transition to a low- carbon economy, and require disclosure of climate- related matters. We continue to monitor these efforts and the potential impacts to our operations. Additionally, existing technology presents challenges to our ability to quantify landfill emissions precisely **. In 2024, both the EPA and Environment and Climate Change Canada (" ECCC ") are expected to evaluate landfill emissions standards that may require the application of various emerging methane measurement technologies. The EPA has indicated that methane emissions from landfills will be a focus of its expanded National Enforcement and Compliance Initiatives for 2024 through 2027. Both the EPA and the ECCC also plan to develop methods and standards for advanced measurement technologies** . Should comprehensive federal climate change legislation be enacted, we expect it could impose operational and compliance costs that might not be offset by the revenue increases associated with our lower- carbon service options, the materiality of which we cannot predict. Climate change laws and regulations could also result in increased operational costs or disruption to the business of our customers, potentially impacting our operations and financial condition. We could also experience damage to our reputation and brand, including as a result of a failure or perceived failure to respond responsibly and effectively to changes in legal and regulatory measures adopted to address climate change. We could be subject to significant fines and penalties, and our reputation could be adversely affected, if our businesses, or third parties with whom we have a relationship, were to fail to comply with U. S. or foreign laws or regulations. Some of our projects and new business may be conducted in countries where corruption has historically been prevalent. It is our policy to comply with all applicable anti-bribery laws, such as the U. S. Foreign Corrupt Practices Act, and with applicable local laws of the foreign countries in which we operate, and we monitor our local partners' compliance with such laws as well. Our reputation may be adversely affected if we were reported to be associated with corrupt practices ~~or~~ **32or** if we or our local partners failed to comply with such laws. Additionally, violations of such laws could subject us to significant fines and penalties. Currently pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements. As a large company with operations across the U. S. and Canada, we are subject to various proceedings, lawsuits, disputes and claims arising in the ordinary course of our business, including governmental proceedings. 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 materials and odors; ● sales and marketing practices, customer service agreements, prices and fees; and ● federal and state wage and hour and other laws. ~~30The~~ -- **The** timing of the final resolutions to these types of matters is often uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting our liquidity. Financial RisksOur capital requirements and our business strategy could increase our expenses, cause us to change our growth and development plans, or result in an inability to maintain our desired credit profile. If economic conditions or other risks and uncertainties cause a significant reduction in our cash flows from operations, we may reduce or suspend capital expenditures, growth and acquisition activity, implementation of our business strategy, dividend declarations or share repurchases. We may choose to incur indebtedness to pay for these activities, although our access to capital markets is not assured and we may not be able to incur indebtedness at a cost that is consistent with current borrowing rates. We also may need to incur indebtedness to refinance scheduled debt maturities, and it is possible that the cost of financing could increase significantly, thereby increasing our expenses and decreasing our net income. Macroeconomic pressures, including inflation and rising interest rates, and market disruption are continuing. The U. S. government' s decisions regarding its debt ceiling and the possibility that the U. S. could default on its debt obligations may cause further interest rate increases, disrupt access to capital markets and ~~deepen~~ **trigger** recessionary conditions. Further, our ability to execute our financial strategy and our ability to incur indebtedness is somewhat dependent upon our ability to maintain investment grade credit ratings on our senior debt. The credit rating process is contingent upon our credit profile and several other factors, many of which are beyond our control, including methodologies established and 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. **We** ~~Additionally, we~~ have $ ~~3~~ **2** . 5 billion of debt as of December 31, ~~2022~~ **2023** that is exposed to changes in market interest rates within the next 12 months **, associated with** ~~because of the impact of~~ our commercial paper borrowings ~~, our $ 1. 0 billion, two-year, U. S. term credit agreement (" Term Loan ")~~ and tax- exempt bonds. If interest rates increase, our interest expense would also increase, lowering our net income and decreasing our cash flow. We may use our $ 3. 5 billion long- term U. S. and Canadian revolving credit facility (" $ 3. 5 billion revolving credit facility ") to meet our cash needs, to the extent available, until maturity in May 2027. As of December 31, ~~2022~~ **2023** , we had no outstanding borrowings under this facility. We had $ ~~166~~ **859** million ~~of letters of credit issued and $ 1. 7 billion~~ of outstanding borrowings (net of related discount on issuance) under our commercial paper program **and $ 180 million of letters of credit issued** , both supported by this facility, leaving unused and available credit capacity of $ ~~1~~ **2** . ~~6~~ **5** billion as of December 31, ~~2022~~ **2023** . In the event of a default under our $ 3. 5 billion revolving credit facility ~~, or our Term Loan,~~ we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Additionally, any such default could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default would have a material adverse effect on our ability to ~~continue to~~ operate. We have substantial financial assurance and insurance requirements and increases in the costs of obtaining adequate financial assurance, or the inadequacy of our insurance coverages, could negatively impact our liquidity and increase our liabilities. The amount of insurance we are required to maintain for environmental liability is governed by statutory requirements. We also carry a broad range of other insurance coverages that are customary for a company our size. To the extent our obligations for claims are more than we estimated, our insurance coverage is inadequate to cover our obligations, or our ~~insurers~~ **33insurers** are unable to meet their obligations, the requirement that we pay such obligations could have a material adverse effect on our financial results. In addition, to fulfill our financial assurance obligations with respect to variable- rate tax- exempt debt, and final capping, closure, post- closure and environmental remediation obligations, we generally obtain letters of credit or surety bonds, rely on insurance, including captive insurance, fund trust and escrow accounts or rely upon WMI financial guarantees. Our financial position, which can be negatively affected by asset impairments, our credit profile and general economic factors, may increase the cost of our current financial assurance instruments, and changes in regulations may impose stricter requirements on the types of financial assurance that will be accepted. In the event we are unable to obtain sufficient surety bonding, letters of credit or third- party insurance coverage at reasonable cost, or one or more states cease ~~31to~~ **to** view captive insurance as adequate coverage, we would need to rely on other forms of financial assurance. It is possible that we could be required to deposit cash to collateralize certain obligations, which could negatively impact our liquidity. We may record material charges against our earnings due to impairments to our assets ~~. In accordance with U. S. Generally Accepted Accounting Principles (“ GAAP ”), we capitalize certain expenditures and advances relating to disposal site and other facility development, expansion projects, acquisitions, software development costs and other projects~~ . Events that have in the past and may in the future lead to an impairment include, but are not limited to, shutting down a facility or operation, abandoning a development project, project cost overruns or the denial of an expansion permit. Additionally, declining waste volumes and development of, and customer preference for, alternatives to traditional waste disposal could warrant asset impairments. If we determine an asset or expansion project is impaired, we will charge against earnings any unamortized capitalized expenditures and advances relating to such asset or project reduced by any portion of the capitalized costs that we estimate will be recoverable, through sale or otherwise. We also carry a significant amount of goodwill on our Consolidated Balance Sheets, which is required to be assessed for impairment annually, and more frequently in the case of certain triggering events. We have in the past and may in the future be required to incur charges against earnings if such impairment tests indicate that the fair value of a reporting unit is below its carrying amount. Any such charges could have a material adverse effect on our results of operations. We could face significant liabilities for withdrawal from Multiemployer Pension Plans. We are a participating employer in a number of trustee- managed multiemployer defined benefit pension plans (“ Multiemployer Pension Plans ”) for employees who are covered by collective bargaining agreements. In the event of our withdrawal from a Multiemployer Pension Plan, we may incur expenses associated with our obligations for unfunded vested benefits at the time of the withdrawal. Depending on various factors, including potential legislative changes, future withdrawals could have a material adverse effect on results of operations or cash flows for a particular reporting period, and our ~~on- going~~ **ongoing** costs of participation in Multiemployer Pension Plans may increase. See Notes 9 and 10 to the Consolidated Financial Statements for more information related to our participation in Multiemployer Pension Plans. ~~32~~ **34**