

**EXHIBIT 17:**  
**EMPLOYEE AND LABOR RELATIONS PLAN**

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## EMPLOYEE AND LABOR RELATIONS PLAN

### *History as an employer*

WMAC has a long history of utilizing unionized labor for all facets of its operations, including collection disposal and processing. Currently, WMAC works with labor unions in Northern California designated as Local 1546 (Machinists), Local 70 (Teamsters) and Local 6 (Longshoremen). A description of the type of work each labor union employee is associated with, as well as the length of time WMAC has been working with each union, is listed in the table below.

**Table 1 . WMAC's Labor Union Affiliation History**

| Labor Union Affiliation | Type of Work Performed         | # of Years of Affiliation w/WMAC | Contract Inception Year |
|-------------------------|--------------------------------|----------------------------------|-------------------------|
| Local 1546              | Mechanical                     | 54                               | 1958                    |
| Local 70                | Transportation/Drivers         | 47                               | 1965                    |
| Local 6                 | Clerical, Landfill & Recycling | 47                               | 1965                    |

Employees represented by Local 6, Local 1546, and Local 70 currently service Oakland customers each day. Relationships with these collective bargaining units stretch back over a generation. These men and women are our most important partners in delivering excellent service, day in and day, out to residents and businesses in Oakland. Our employees know their jobs well and are poised to continue to deliver their work for Oakland and WMAC.

### *Working condition commitments;*

Our employees are essential to the success of our business, and we work hard to ensure we provide them with safe working conditions and the tools they need to succeed in their careers. We want to provide a clean and healthy workplace for our employees. Below, this Plan describes our safety program and its successes in depth. Beyond safety, we train all of our employees in our company Code of Conduct and utilize our Injury and Illness Prevention Program (IIPP) as a guide for ensuring we meet the standards of working conditions we have set for ourselves.

### *How Our Code of Conduct Guides the Way We Do Business*

Each employee of the company, as well as all officers and directors, are given a copy of the Code of Conduct yearly. The Code provides standards for ethical behavior across the scope of our business, including providing equal employment opportunities, ensuring employee safety, maintaining quality in our services, honoring relationships with suppliers and vendors and complying with all applicable rules and regulations, including those related to bribery and

corruption.

All employees receive training on the Code of Conduct when they join the company and periodically thereafter. The Code applies to all employees, and signed acknowledgments are required attesting that each recipient understands the responsibilities outlined. There is an affirmative obligation to report violations, and an anonymous and confidential Integrity Help Line is provided for employees to report concerns or violations. The Integrity Help Line reporting, annual Business Ethics questionnaire and whistle-blower processes established by the Code of Conduct are reviewed, audited and verified by an outside auditing firm. Amendments to the Code require Board of Director approval.

The IIPP outlines the strategies we use to ensure that working conditions at our facilities are second to none. Fundamental to these strategies are Communications, Hazard Assessments, Investigations, Hazard Corrections and Training and Instruction. Using these strategies, our employees and management work together to ensure WMAC facilities meet the goals we have set.

Communications guidelines review the methods for informing our employees about workplace safety and health issues. These include providing complete orientations for new employees, regularly scheduled staff safety meetings, and posted information. We also depend on employees to provide feedback around workplace conditions. Employees are invited to submit suggestions in person or anonymously to improve their areas and working conditions.

Each employee is responsible for reporting unsafe working conditions or injuries immediately. This ensures accurate reporting and analysis of the root cause for the unsafe condition or injury. It also allows managers and employees the opportunity to take corrective action. Each corrective action is tracked to provide documentation to our regulators and assist, as necessary, in the treatment of injuries.

As hazards are mitigated and conditions are improved, we begin again with communications by providing employees information about new programs and equipment in place to ensure their safety and eliminate their exposure to risk.

### *Creating a Good Place to Work*

WMAC engages its employees through numerous activities, among them:

- **Barry's Blog** - A monthly employee newsletter distributed in English and Spanish that focuses on individual, department and site achievements throughout our area.
- **Community Volunteer Activities** - During the work week, as well as weekends, departments or groups of employees volunteer at local community groups. Annually, we

have volunteers for the Alameda County Food Bank, East Bay Regional Park Coastal Cleanup Day and Martin Luther King, Jr. Volunteer Day, Keep Oakland Beautiful events, Oakland Rebuild Together and many more.

- **Employee Appreciation Events** - Throughout the year, at all our sites and offices, events are held to recognize and celebrate the tremendous contributions of our employees.

#### *Mutual Respect*

In working together, we emphasize teamwork, dignity, and mutual respect. We are fair, reasonable, and courteous in working with others. We value our differences.

#### *Equal Employment Opportunity*

Waste Management is an equal opportunity employer and is committed to an environment free from discrimination. It is the policy of the company and the responsibility of every Waste Management employee to treat our colleagues fairly, and with dignity and respect. We will provide equal employment opportunity for all persons by placing the most qualified person in each job, without regard to race, color, sex, sexual orientation, gender identity, religion, marital status, age, national origin, disability, veteran status, citizenship status, or other protected group status as defined by applicable federal, state, or local laws. This policy applies to, but is not limited to, hiring, placement, promotion, demotion, transfer, recall, recruitment, recruitment advertising, lay-off or termination, rate of pay or other forms of compensation, selection for training, and all other terms and conditions of employment. We will not tolerate discrimination of any kind.

We aim to provide a positive workplace where all individuals may grow, contribute, and participate. We are committed to making sure that every person has an opportunity to succeed and grow, and to contribute to the overall success of our business. Each of us is responsible for creating a workplace where everyone is treated with honesty, dignity, fairness, and respect.

#### *Harassment*

Harassment is not tolerated at Waste Management. Waste Management employees, customers, vendors, and visitors are to be treated with dignity, respect, and fairness. Unwelcome, insulting, or offensive remarks or actions are simply not tolerated at Waste Management.

#### *Assurances of its commitments to labor peace*

In order to promote a peaceful working environment, WMAC works hard to ensure that we communicate regularly with union representatives including Business Agents, Shop Stewards, etc. We have formal processes in place to ensure that all grievances, if any, are aired, and

evaluated fairly. Regularly scheduled meetings take place to address all potential issues that arise and leadership is engaged early on to encourage harmony. Moreover, as new programs, organizational structures, or business activities are introduced and/or altered, WMAC works diligently with Union representatives to communicate these changes so that any concerns of the union employees can be addressed and that Union buy-in can be achieved peacefully.

**Felix Martinez, Business Agent, & Marty Frates, Secretary-Treasurer, of Brotherhood of Teamsters Local 70**

"While recent history seems to take us back to the 2007 Lockout many things have changed. The Union continues to believe that Labor peace is essential to the daily delivery of services to the residents of Oakland but the relationship between Local 70 and WMAC has changed considerably since the July Lockout of 2007. Changes in leadership in January 2009 resulted in a new attitude in labor and management relationships."

Since 2009, under the leadership of Area Vice President Barry Skolnick, Waste Management of Alameda County has worked diligently to foster harmonious relationships with our Union leadership and employees. The following processes and procedures have been developed and implemented in collaboration with the unions to engender open dialog and positive relationships.

- **Dedicated Communication:** Information regarding any new or updated Waste Management programs flows from Area Vice President, Barry Skolnick, directly to the Shop Stewards, ensuring they understand the changes and can effectively communicate them to all union employees.
- **Customized Training:** Training is tailored to address questions we receive from our union employees, ensuring we prevent unnecessary issues from arising.
- **Strict Adherence to Grievance Procedures:** As described below, WMAC conducts weekly pre-grievance meetings in order to air and address concerns, issues, etc. and engages in a formal grievance process involving monthly grievance panels if issues cannot be resolved early on.

Under our current labor agreement with Local 70, Waste Management follows a formal grievance procedure to ensure we maintain a solid working relationship with union leadership and employees.

*Grievance Procedure—Collective Bargaining Agreement with Teamsters Local Number 70*

The grievance procedure is intended to be the primary form for resolution of any grievance, money claim, or dispute covered by the collective bargaining agreement. Either the Union or WMAC may request the grievance panel to decide any question of contract interpretation or practice in connection with litigation or administrative proceedings involving WMAC or the Union.

Before the formal grievance panel meeting, each week, WMAC meets with the Local Union Agent in a regularly scheduled pre-grievance meeting. Prior to the pre-grievance meeting, the employee may discuss any grievance with his Shop Steward, Chief Steward and Supervisor. If a settlement cannot be reached, the Business Agent of the Union, the Chief Steward, and the Employer will discuss the grievance at a weekly pre-grievance meeting. During these pre-grievance meetings, Union employee concerns are aired and issues can be discussed and resolved.

Approximately 90% of all issues are resolved during pre-grievance meetings. However, for the approximately 10% of issues that are not resolved, WMAC continues with its formal grievance procedure, in which the grievance is submitted in writing to a formal grievance panel. The panel is comprised of two representatives of the Union<sup>1</sup>, and two representatives of WMAC<sup>2</sup>. This panel, referred to as the 2+2 grievance panel, meets on the last Tuesday of each month at 1:00 PM.

Grievances that remain unresolved or deadlocked by the 2+2 grievance panel are then submitted to a grievance panel that includes two representatives from the Union, one selected by the Union<sup>3</sup>, two representatives of WMAC and a third person selected by WMAC. This 3+3 Panel occurs regularly at 9:00 AM on the last Tuesday the following month's 2+2 Panel. For deadlocked disputes, an arbitrator is selected for resolution.

*Information regarding how the proposer will protect against labor discord during the term of the MM&O Collection Services Contract; and*

There are a number of strategies that WMAC engages in, as well as policies that we promote, that will work to protect against labor discord during the term of the proposed contract. These strategies include providing excellent benefits to our employees, engaging them in their work, participating in formal dispute resolution procedures and having clear communication strategies that involve Union representatives prior to any workplace changes occurring.

*Supporting Labor Relations at Waste Management of Alameda County*

One of the key ways in which WMAC prevents labor discord is by compensating our employees. Our Local 70 employees are covered by a comprehensive wage and benefits package to ensure they feel fairly compensated for the work they are performing.

Moreover, as described below, Waste Management implements numerous employee engagement programs and surveys to ensure our employees feel engaged, valued and supported. These programs include peer reviews, coaching, daily safety meetings, etc.

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<sup>1</sup> Other than the Business Agent of the Terminal

<sup>2</sup> Other than the representative presenting the case

<sup>3</sup> Cannot be an official of Teamsters Local No. 70

Specifically for our drivers, we employ a new-hire process that includes two weeks of orientation and nine weeks of training, along with employee coaching and mentoring. In addition to this, we also encourage our employees to participate in area-wide community events and public facility tours at our Davis Street and Altamont facilities.

Rather than lowering costs for such events by outsourcing the labor to unengaged, under-informed third-parties, we compensate our highly trained WMAC employees for their time.

In order to foster a sense of contribution, we also have our employees participate in Accident Review Boards (ARB), safety reviews and committees, and Town Hall meetings, etc. These forums provide our employees with an opportunity to contribute and shape company policies and behaviors and to provide feedback to management.

To reward employees for their contributions, we offer a company-wide program called My WM Recognition, which rewards employees with points toward valuable merchandise and awards. Under this program, employees earn points by receiving the following awards for providing exemplary customer service, helping fellow employees, and working and living safer and healthier.

- *Customer Engagement Award*: Each time an employee is recognized by his or her supervisor for consistently exhibiting customer-focused behavior, they earn 2,000 points and receive a certificate acknowledging their achievement.
- *StepUP Star Award*: If an employee is mentioned by name in Waste Management customer surveys, they automatically earn 11,000 points and receive a certificate acknowledging their achievement.
- *Wellness Awards*: Employees earn points by taking health assessments, completing sessions with WM Get Well Guides, or getting their annual physical/wellness exams.

#### *Formal Dispute Resolution and Communication Procedures*

As described earlier, WMAC also has implemented formal dispute procedures to ensure that grievances are aired, attended to and resolved fairly. Moreover, we have implemented the following strategies to ensure there is clear communication between WMAC and Union employees to prevent discord.

- **Dedicated Communication**: Information regarding any new or updated Waste Management programs flows from Area Vice President, Barry Skolnick, directly to the Shop Stewards, ensuring they understand the changes and can effectively communicate them to all union employees.
- **Customized Training**: Training is tailored to address questions we receive from our union employees, ensuring we prevent unnecessary issues from arising.

*How company addresses equity and work conditions for positions that are not covered by collectively bargained agreements.*

Depending on the line of business, an average of 90% of our employees are members of a collective bargaining unit. WMAC values the contribution of these managers and supervisors as important members of our team. We provide competitive salaries and benefits, as well as opportunities for professional development and promotion during their careers.

*Benefits*

We offer our employees competitive wages and benefits, including health and dental coverage, prescription drug coverage, short- and long-term disability insurance, life insurance, education savings accounts and paid time off to participate in our Community Partners Volunteer Program.

Company-wide, most of Waste Management's employees—98 percent—are provided with comprehensive benefit plans, which include medical, dental, vision, retirement savings, and paid time off. Waste Management also subsidizes family coverage for our employees if they elect to cover their families under our plans. Over 75% of our employees cover at least part of their family. The following is a list of the extensive benefits we provide:

- |                                  |                                  |
|----------------------------------|----------------------------------|
| ■ Medical                        | Legal assistance                 |
| ■ Dental                         | 401(k)                           |
| ■ Vision                         | Employee Stock Purchased Program |
| ■ Life and AD&D insurance        | Adoption Assistance              |
| ■ Short and Long Term Disability | Tuition Reimbursement            |
| ■ Employee Assistance Program    | Discount Programs                |

Waste Management also offers options such as flex schedules to help our employees balance work with their other commitments. Our HR Total Rewards team continuously benchmarks our rewards and recognition packages to industry peers to ensure our competitiveness.

We are particularly proud of our wellness programs. We have a team of "Get Well Guides," a group of nurses and coaches who help employees and their families get access to the help they may need for a variety of life challenges. Employees can dial a toll-free phone number for support and confidential assistance from reliable, compassionate professionals who are trained as nurses, coaches, dietitians, clinicians and financial counselors. They are available for assistance with:

- Health questions
- Tobacco cessation



- Weight loss
- Financial advice and assistance
- Discounts on gym memberships and other wellness programs

Our wellness programs also include onsite flu clinics and health fairs, where we provide blood pressure tests, blood lipid tests and other screenings that aid in the early detection of health risks. A health coach also meets individually with every participant to review their results and suggest action items to improve their health.

### *Learning Programs*

Waste Management conducts formal skill mapping and development processes for 100 percent of top and mid-level management and 90 percent of first-line managers and supervisors. In 2011, more than 35,000 employees recorded nearly 9,155 hours of training; our training budget was approximately \$10M.

We offer a virtual “university”—Waste Management University—to empower and engage our employees in learning opportunities that can advance their careers. The online course offering includes training in 400 desktop applications, such as using PowerPoint and Excel, as well as 3,000 business courses.

In 2009, when Waste Management launched Waste Management University, it was selected as runner-up for a Corporate University Best-In-Class Award for “Best New Corporate University.” The award, which recognizes corporate universities, is granted by a panel of leading corporate university experts who base their decisions on alignment of learning to business strategy and enculturation of learning throughout the organization.