

CONTENTS

1 CEO LETTER

ABOUT COVANTA

- 3 Covanta’s Business Operations
- 4 Listening to Our Stakeholders
- 5 Materiality Analysis
- 6 The EfW process

7 ABOUT THIS REPORT

8 2014 AWARDS AND RECOGNITION



9 ENVIRONMENTAL PERFORMANCE

- 10 Greenhouse Gas Emissions
- 11 Controlling Air Emissions
- 12 Water and Wastewater



13 RESOURCE MANAGEMENT

- 14 Recovering Energy-from-Waste
- 15 Zero-Waste-to-Landfill
- 16 Meeting Clients’ Needs
- 17 Recovering Materials
- 18 Ensuring Operational Efficiency
- 19 Moving up the Waste Hierarchy



20 COMMUNITY RELATIONS

- 21 Being a Good Neighbor
- 22 Engaging with Our Communities
- 23 Community Partnership Programs



24 WORKFORCE ENGAGEMENT

- 25 Building a Great Place to Work
- 26 Creating the Workforce of Tomorrow
- 27 Engaging Employees in Innovation
- 28 Ensuring Safety in the Workplace

29 PERFORMANCE TABLES

30 GOALS

33 GRI G4 CONTENT INDEX

37 CONTACT



CEO LETTER



Covanta Indianapolis EfW facility



Stephen J. Jones
President and
Chief Executive Officer

Since its founding, Covanta has been in the business of helping our clients and communities find more sustainable waste management alternatives. Today, as we release our third sustainability report, the goal of more sustainable waste management is more relevant than ever. We're continuing to meet this challenge through innovation, ongoing improvement and the pursuit of exciting new growth opportunities for our business.

Covanta is best known for its world-class operation of modern Energy-from-Waste (EfW) facilities, which continues to be the backbone of our business and a driver for new investment. EfW addresses two significant societal challenges: the responsible management of waste that remains after recycling and the generation of clean, reliable, renewable energy. By simultaneously addressing both problems, EfW is a key tool in mitigating climate change. In fact, EfW is recognized as part of the solution in the U.S. EPA's Clean Power Plan, the most significant climate action taken in the United States to date.

Delivering sustainable solutions

Our core EfW business provides our clients and communities with a critical tool for moving up the waste hierarchy (i.e., reduce, reuse, recycle and recover energy, with landfill disposal as a last resort), supporting zero waste to landfill and other sustainability goals in the process. We've had a long-standing internal focus as well. Eight years ago, we launched our Clean World Initiative, our internal coordinated effort to integrate sustainability into our business. We're constantly looking for opportunities, both for our clients and for ourselves, to reduce waste at its source, increase recycling and improve the efficiency of our energy recovery operations. For example:

- Our 2014 acquisition of GARCO Inc. and our 2015 acquisitions, including Advanced Waste Services (AWS),

Chesapeake Waste Solutions and Waste Recovery Solutions, Inc., add to our expertise and services portfolio of industrial recycling and energy recovery services.

- In partnership with community-focused organizations, we manage mercury take-back programs across the United States. To date, these programs have kept over one ton of mercury from entering the waste stream, equivalent to nearly a quarter of a million mercury containing thermostats.
- At our EfW facilities, we continue to improve the recovery of metals for recycling. We exceeded our sustainability goal, and now recover approximately 500,000 tons of metal a year.
- Our energy efficiency efforts have achieved annual savings of nearly 39,000 MWh per year, as of the end of 2014.

Like any business, we also need to ensure our financial sustainability. This year, we've introduced Lean and Six Sigma tools and methodologies to further advance our ongoing efforts to reduce operating and processing waste and find additional revenue opportunities. Widely applied in the industrial sector, these tools will help us maintain our competitive advantage while continuing to attract capital to sustain our growth.

As we continue to improve operational performance, we remain committed to our belief that all accidents and injuries are preventable. In 2014, we experienced an increase in the number of safety incidents at some of our EfW facilities. While 59 percent of our facilities were accident-free, we take very seriously our responsibility to address safety issues, and we are implementing additional programs to concentrate attention on accident prevention and reinforce a safety mind-set among all employees.

Growing our international presence

Partially driven by sustainable waste management policies, the primary growth opportunities for EfW are international. Our strategy involves disciplined pursuit of opportunities in selected markets—mainly Canada, Europe, Australia and Asia. These regions are attractive in part due to supportive policies aimed at reducing both greenhouse gas (GHG) emissions and a reliance on landfilling.

“We’re constantly looking for opportunities, both for our clients and for ourselves, to reduce waste at its source, increase recycling and improve the efficiency of our energy recovery operations.”

Stephen J. Jones

President and Chief Executive Officer

In September of 2014, for instance, we finalized an agreement in Dublin, Ireland to build, own and operate a new EfW facility to handle 600,000 metric tons of waste per year—enough to power 80,000 homes. Construction is well under way on this €500 million project, which represents a 45-year partnership with the city of Dublin to provide a long-term, sustainable and environmentally superior waste management solution.

In the United States, unfortunately, the lack of a national solid waste policy and the abundance of cheap landfill capacity perpetuates high rates of landfilling and low rates of recycling and energy recovery. Though our existing EfW facilities are running at full capacity, the current regulatory climate and market conditions do not support construction of new facilities. We are therefore working with policy-makers and regulators to build greater support for EfW.

Engaging our communities and employees

We were an early leader in developing a Community Outreach and Environmental Justice Policy and we continue to work closely with local communities to build good relations. Along with the direct economic benefits provided through construction and permanent jobs, Covanta takes part in a broad range of local and national initiatives for social and environmental benefit. Our Rx4Safety program, for instance, has helped U.S. cities and towns safely dispose of two million pounds of unwanted medications, and our support of the Go Green Initiative has brought

sustainability education to public schools around the country.

Much of this work is driven by our dedicated workforce—men and women who are passionate about the work we do. Covanta's leadership in sustainable waste management means we are able to recruit people who want more than a simple job and an income. We recruit people who want to make a difference, and we encourage them to be active in contributing ideas to our collective innovation efforts.

I invite you to explore our 2014 sustainability report, which details the progress we've made on goals set in previous years. We've also established new goals that will continue to advance our progress. I hope you will share our excitement at the broad range of sustainability solutions we're providing in order to power today while protecting tomorrow.

Sincerely,

A handwritten signature in black ink that reads "Steve Jones". The signature is written in a cursive, flowing style.

Stephen J. Jones
President and Chief Executive Officer



ABOUT COVANTA

COVANTA'S
BUSINESS
OPERATIONS

LISTENING TO OUR
STAKEHOLDERS

MATERIALITY
ANALYSIS

THE EFW PROCESS



At Covanta, our mission is to provide sustainable waste and energy solutions to ensure no waste is ever wasted.

At Covanta, we believe the materials discarded everyday should be utilized to their fullest potential. We help reduce greenhouse gas (GHG) emissions by avoiding methane emissions from landfills, displacing fossil fuel-based electricity generation and recovering metals from recycling. Our Energy-from-Waste (EfW) facilities have state-of-the-art air pollution control technologies, unlike landfills which often have uncontrolled emissions.

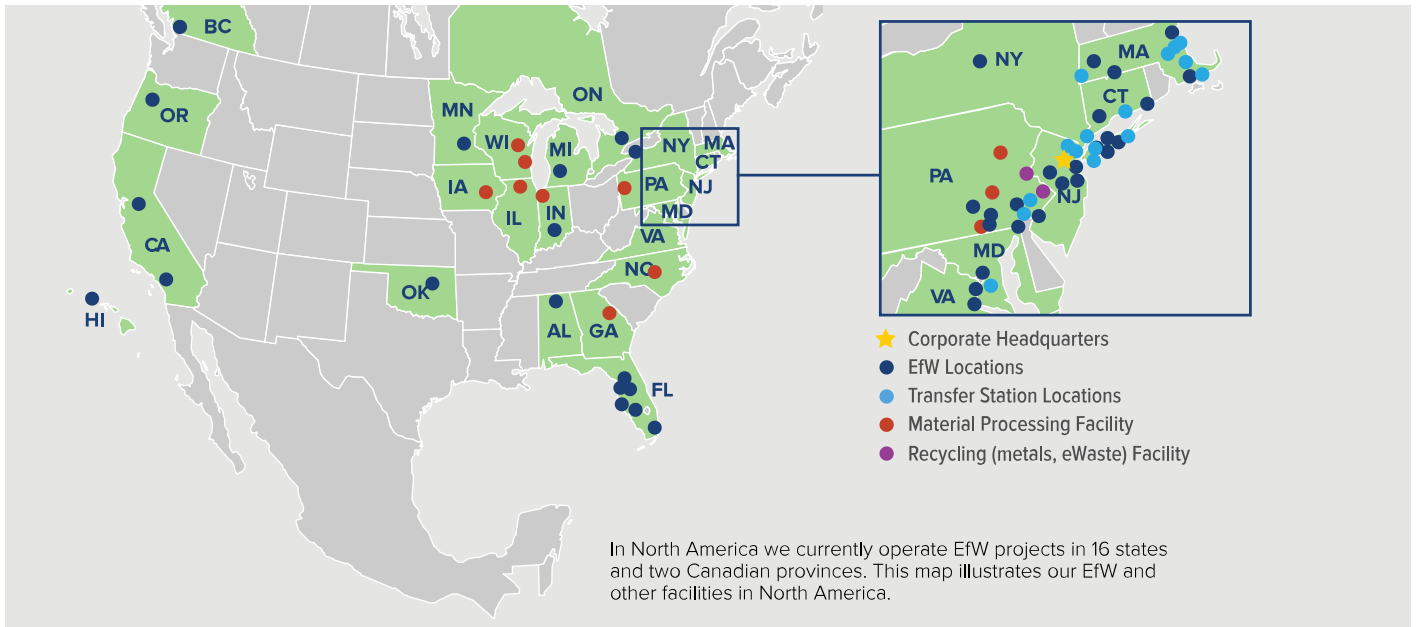
We are continually expanding our sustainable solutions portfolio so that we can help customers implement a complete [“Reduce, Reuse, Recycle, Recover”](#) waste management strategy. This approach captures a broad range of positive environmental impacts by diverting and/or eliminating waste streams normally headed for landfill.

Wherever we do business, we are deeply involved within the communities we serve and with our key stakeholder groups. We engage with our stakeholders on a regular basis to ensure that our presence and contributions to society are informed by and considerate of their interests, concerns and needs.



ABOUT COVANTA

Covanta's Business Operations



[Learn more](#) about our facilities.

Covanta is a world leader in providing municipalities and corporate customers with sustainable waste and energy solutions. The Company's core business—operation and ownership of Energy-from-Waste (EfW) facilities—helps communities and businesses around the world convert millions of tons of waste—otherwise destined for landfills—into clean, renewable energy. These facilities reduce greenhouse gas (GHG) emissions, conserve land and complement recycling efforts.

Covanta's EfW Business by the Numbers



1 million

Generates enough electricity every year to power approximately one million homes



20 million

Reduces GHG emissions by approximately 20 million tons through the diversion of waste from landfills



5 Percent

Handles five percent of all municipal solid waste in the United States and accounts for roughly 70% of the country's Energy-from-Waste capacity



500,000

Recovers approximately 500,000 tons of metal annually for recycling

Covanta's corporate headquarters are located in Morristown, New Jersey. Worldwide, we employ 3,500 people and own and/or operate over 40 Efw facilities.

We've grown our service offerings since our last report, providing our clients with additional routes to meet their zero-waste, zero-waste-to-landfill and sustainability goals. In particular, our Environmental Solutions business provides commercial and industrial waste clients a variety of sustainable waste management services, including consulting, logistics support, recycling and energy recovery services.

See how Covanta is moving up the waste hierarchy

As clients reduce, reuse, recycle and recover energy, they reduce environmental impacts associated with materials and waste in our society. Ultimately, we seek not only to divert materials from landfills, but also to find fully sustainable waste management solutions that consider economics and the environment.

Covanta also owns and/or operates other renewable energy projects, including biomass and small-scale hydroelectric facilities, and other waste management businesses, such as transfer stations, which broaden the geographic reach of our core facilities.

"We see our packaging as endlessly recyclable if the right systems are in place, and it's important for our company to reduce, reuse and recycle our packaging. For materials we cannot recycle, Covanta is uniquely positioned to develop a comprehensive and responsible resource solution that can help us achieve our zero-waste-to-landfill goals."

Debora Fillis Ryba
Senior Manager, Nestlé Waters

Beyond North America, we are expanding our technical expertise in international markets, where growing pressure to reduce GHG emissions coupled with an interest in more sustainable waste management is driving opportunities for Efw. We are well under way in constructing a state-of-the-art [Efw plant in Ireland](#). We also maintain equity interests in an Efw project in Italy and in an Efw operating company in China, Chongqing Sanfeng Environmental Industry Group Co., Ltd. ("Sanfeng Environment").

For a full description of Covanta's business, please refer to the Company's [2015 10-K filing](#)

Governance and Ethics

Covanta's governance information, structure, annual filings and related charters, including the Policy of Business Conduct, can be accessed from our [Investor Relations](#) home page. We have also developed a [specific Code of Conduct and Ethics for Senior Financial Officers](#). We outline expectations for supplier ethical conduct on the Company's [Supplier Relations](#) web page.

How Are We, as Covanta, Protecting Tomorrow?

At its core, sustainability is about protecting tomorrow: people, the planet, and prosperity. We have a unique opportunity at Covanta, as sustainability is our business. What we do every day helps our communities, clients, and customers find practical solutions to significant societal challenges: waste and materials management, clean energy, and global climate change.

To advance our sustainability performance, we focus on the following main principles:

Ensuring no waste is wasted

We provide our communities and clients access to sustainable waste and materials management, from the largest fleet of energy-from-waste facilities in the world, to wastewater treatment, reverse distribution, depackaging, and tailored commercial waste services.

Achieving world class safety and health performance

Protecting the safety and health of our co-workers is paramount. We believe that success comes with building and maintaining a robust safety culture throughout our business with employee leadership and engagement at all levels of the business.

Protecting the environment

Environmental performance is a core part of our service offerings. It's how we differentiate ourselves from landfilling. Consistently remaining below current standards and full compliance with our discharge limits is the expectation, the key to continued strong relationships with our communities and customers, and the prerequisite to new business opportunities.

Creating and maintaining an inclusive, respectful, and equitable environment

Our dedicated workforce drives our business and our success. Attracting and retaining talented and diverse individuals is key to building a successful team. It also helps foster innovation and

continuous improvement, thereby contributing to reduced costs and revenue growth.

Partnering with our communities

Mutual acceptance and respect between Covanta and community is essential to productive operations. We work continually to be a good neighbor and to invest human and financial resources in the communities where our facilities are located.

Monitoring the Supply Chain

At Covanta, we aim to work with suppliers who offer the best overall value and who operate and provide products and services that are environmentally-friendly. Supplier sustainability is an important consideration in our selection of suppliers.

Covanta's supplier policies and contract requirements establish our commitment to sustainability and our expectation that suppliers conduct their operations in a socially and environmentally-responsible way. We work collaboratively with our suppliers to encourage compliance with the following principles:

- Suppliers are to ensure their operations and the products and services they provide to Covanta comply with all national and other applicable laws and regulations.
- Suppliers are expected to include programs that promote efficient use of energy and other resources, minimize the use of hazardous materials, promote reuse and recycling, and reduce emissions to air, soil and water.
- Suppliers are to maintain effective management systems that integrate environmental, occupational safety and health, human rights, labor and ethics considerations into their business and decision-making processes.

We also are committed to increasing opportunities for small, minority and disadvantaged suppliers. By using nationwide contracts for local distributors or licenses, we're able to optimize pricing through local service, and thus encourage the use of local suppliers. A portion of Covanta's nationwide supply chain budget is also assigned to local suppliers. More information can be found in the [Partners and Suppliers](#) section of our website.



Listening to Our Stakeholders



Suppliers help us deliver solutions sustainably and successfully around the world. We conduct business in a fair and professional manner. We are in regular communication with our suppliers, from initial screening and vendor selection through the fulfillment of procurement activities. We strive for the highest possible standards of business ethics, professional courtesy and competency in our engagements with suppliers. We are always looking for more sustainable sources of raw materials.

Researchers and equipment suppliers investigate new technologies. New technologies can help reduce emissions and improve the efficiency of Covanta processes, including Energy-from-Waste (EFW). We support research conducted by academic institutions and the Environmental Protection Agency (EPA); through the EPA's Cooperative Research and Development Agreement, We also subcontract third parties on various topics related to our industry. Engagement is monthly, quarterly or annually, depending on the scope of the project, project phase and project manager.

Industry groups focus on energy, climate change and other environmental issues. These industry groups include the National Recycling Coalition, Energy Recovery Council, Business Council for Sustainable Energy, Biomass Power Association and the Ontario Waste Management Association. Covanta plays a leadership role or actively contributes to these engagements, with our executives serving on the boards or as association members.

Investors and shareholders support and invest in our business. We communicate on a regular basis through conversations, quarterly calls, an annual roadshow and individual contact with investors, as needed. We hosted our first ever Analyst Day in 2015. We also make announcements and file financial statements about a variety of topics, including news about our company's financial health and plans about our growth. Please visit our [investor relations website](#) to access investor news, presentations and financial filings.

Municipal and corporate customers engage us to handle their waste resources in a sustainable manner. Each of our facilities has designated management personnel responsible for interacting with our customers and partners. We have held an annual partner's conference since 1986, and we meet at each facility either monthly, quarterly or when deemed appropriate. Read more about how we work with our customers in the [Meeting Clients' Needs](#) section of the report.

Community members live near or benefit from our services. Engagement with the community starts at the

beginning of a facility's development. We inform interested parties about the basic scope, objectives and operational aspects of a project. We also provide forums for community members to discuss concerns they may have about our facilities' operations. Our outreach to communities may include in-person meetings, phone calls and informational publications. At our Energy-from-Waste (EfW) facilities, we have standardized our community engagement process as part of our facility-specific Community Outreach Plans (COPs). Our [Community Outreach and Environmental Justice Policy](#) is the foundation on which our plans are built. Visit the [Community Relations section of this report](#) for more information.

Policy makers shape policy surrounding our materials management and energy solutions, including Energy-from-Waste (EfW). We strive to ensure that the economic, environmental and societal benefits of EfW are taken into consideration when new policies are formulated. We do this by taking part in workgroups and other meetings or commenting on proposed changes in current policies. We engage with policy makers across our global operations.

We engage with government regulators to ensure we meet all legislative requirements. We also partner with regulators to conduct research and help develop innovative technologies that will increase the efficiency, safety and effectiveness of our sustainable solutions, including Energy-from-Waste (EfW). Project management meetings related to specific research initiatives may take place on a monthly, quarterly or annual basis, as appropriate.

Suppliers help us deliver solutions sustainably and successfully around the world. We conduct business in a fair and professional manner. We are in regular communication with our suppliers, from initial screening and vendor selection through the fulfillment of procurement activities. We strive for the highest possible standards of business ethics, professional courtesy and competency in our engagements with suppliers. We are always looking for more sustainable sources of raw materials.

Our employees drive the creation of business value and deliver innovative and sustainable solutions to our customers. We conduct periodic employee engagement surveys to gather information about employee's interests, satisfaction and concerns. We also engage with employees through team meetings, individual performance reviews, skills development, professional training and other frequent activities and communications. Read more about engagement with employees in the [Workforce Engagement section](#) of this report.

Non-profit and non-governmental organizations (NGOs) help address issues related to environmental stewardship and social justice. We collaborate and interact with select organizations, including the [Go Green Initiative](#) and the [Ocean Conservancy Trash Free Seas Alliance](#), to strengthen our policies, activities and performance. Through our Community Outreach and Environmental Justice [Policy](#), we work to understand and resolve issues and concerns of our local community members.

Industry peers help drive our industry toward greater sustainability. We interact with our peers and competitors through industry groups and at industry conferences or events. Working with peers can help promote more sustainable waste management and energy solutions.

We engage with our key stakeholders to understand and address their interests and concerns that are related to our business. We communicate on a regular basis with individuals, groups and organizations to better achieve our [Mission](#): providing sustainable waste and energy solutions to ensure no waste is ever wasted. We develop engagement strategies tailored to each stakeholder group and its specific issues of concern.

Covanta's Stakeholder Panel

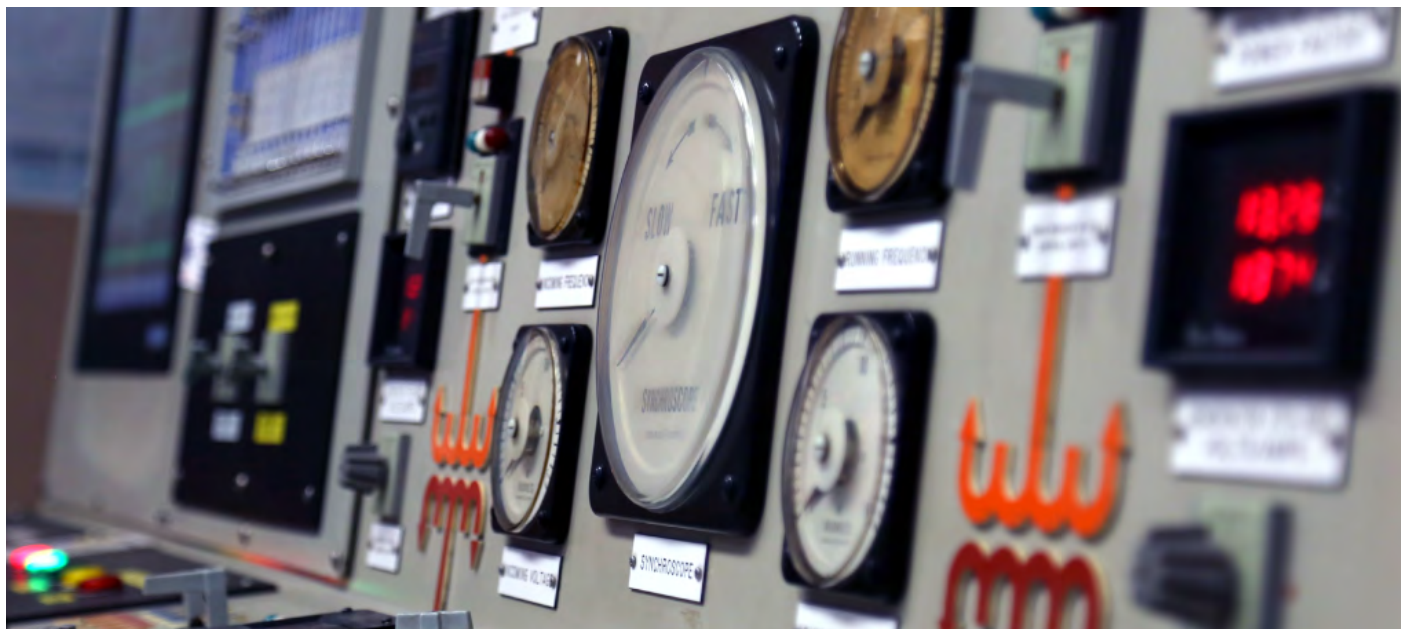
Engaging Stakeholders to Identify Covanta's Material Issues

We believe that direct engagement with stakeholders is key to fully understanding issues and concerns related to our business activities. In 2015, we continued our tradition of reaching out to stakeholders who are experts in the environmental, social, technical, financial and political landscapes associated with sustainable waste and energy solutions. We invited some of these individuals to serve on a stakeholder panel to inform Covanta's analysis of material issues—those priority topics of highest relevance to our company and our collective stakeholder base. The outcomes of the [materiality analysis](#) serve as the basis for our disclosures in this report and will help support strategic planning and goal setting into the future.

The stakeholder panelists provided their expertise and insights on topics during the materiality analysis and reviewed and shared feedback on analysis results. They also reviewed drafts of this report in an effort to further enhance and strengthen Covanta's approach to disclosure.



Materiality Analysis



In preparation for the development of this report, we conducted a materiality analysis to inform the depth and breadth of our disclosure and strategic planning. This is Covanta's second materiality analysis and replaces the first analysis of 2009–2010, which we subsequently updated in 2011. The materiality analysis process meets the requirements of the Global Reporting Initiative's (GRI) G4 Principles for Defining Report Content.

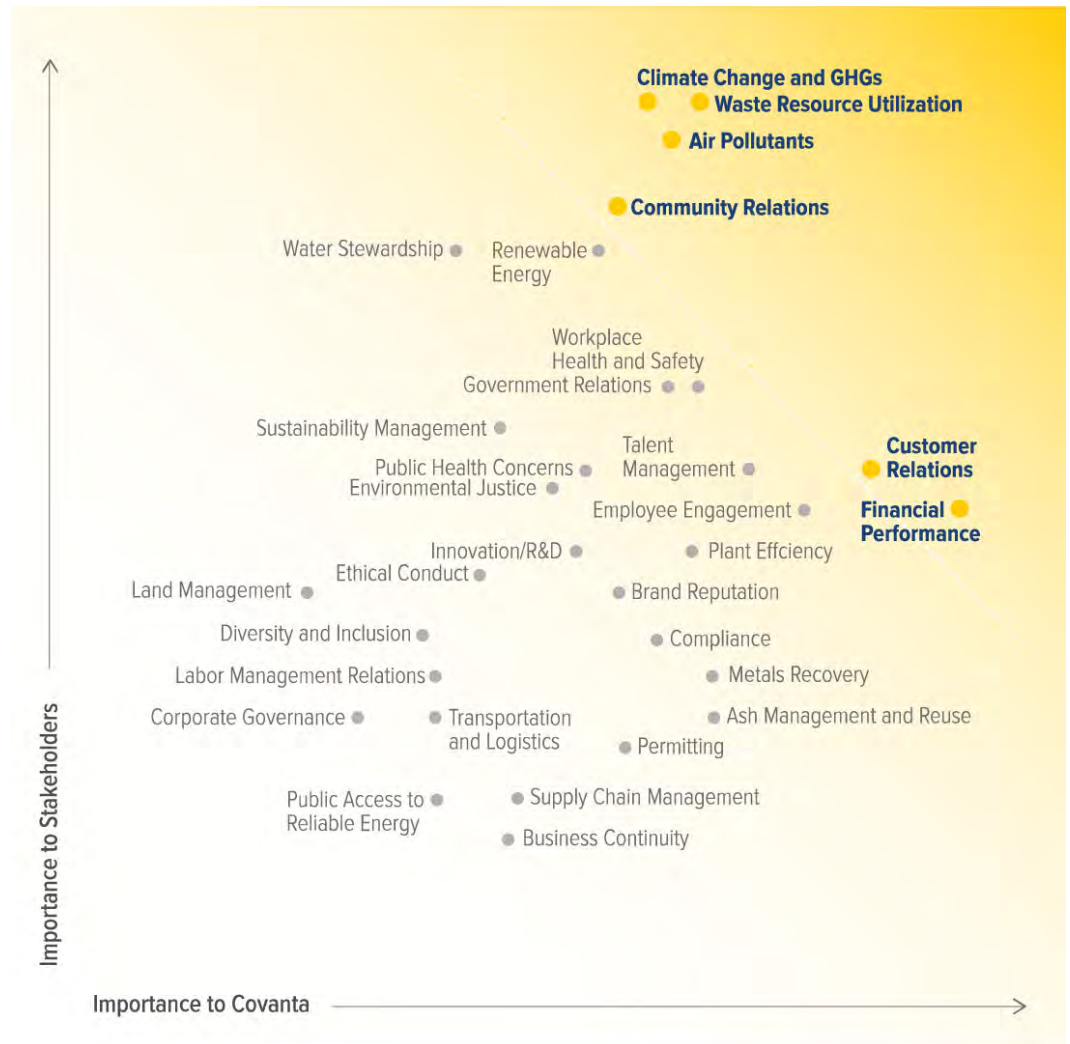
A materiality analysis brings to the surface those issues that matter most to stakeholders and to the Company's long-term business success. As part of the analysis, we:

- Developed and reviewed an extensive list of environmental, social, governance and economic topics relevant to our business operations, as confirmed by our stakeholder panel.
- Conducted an internal survey with Covanta managers and employees to gather their perceptions of impacts related to all of the issues that may occur across our company's value chain.
- Analyzed a comprehensive array of diverse stakeholder source documents representing input from our key stakeholder groups. Included were investor and customer inquiries, questionnaires from respected ratings and rankings organizations, industry/trade association white papers, peer reports and analyses, policies and regulatory guidance, and employee comments and surveys.
- Mapped each topic onto a matrix to identify the highest-scoring issues for both our stakeholders and company.
- Reviewed the mapping with our stakeholder panel and the Covanta executive team.
- Confirmed our material issues, as presented below.

“It is clear that material issues cannot be addressed in silos—they must be dealt with in concert. For example, financial performance connects to all the issues in the materiality analysis—positive impacts as well as real hurt points.”

Bruce Kahn, Ph.D.,
Portfolio Manager, Sustainable Insight Capital Management

Covanta's Material Issues



Waste resource utilization refers to the responsible management of the many products and materials that become waste streams around the world. The issue encompasses a focus on finding the most sustainable next step for each waste in order to lessen, to the extent possible, impacts on the environment and society. *Related GRI G4 Aspects: Procurement Practices, Materials*

Air pollutants (non-GHG air emissions) can pose risks to people and may cause other damages to the environment. This issue also covers management and regulation of air emissions, including improved air quality through technological innovation, advanced equipment and robust process management. *Related GRI G4 Aspect: Emissions*

Community relations refers to our communications and activities with local community organizations and individuals. Included are impacts on the economy, taxes, job creation, noise and odor, air pollutants and community engagement, as well as support of local initiatives through philanthropy and monetary and service

donations. *Related GRI G4 Aspects: Indirect Economic Impacts, Environmental Grievance Mechanisms, Grievance Mechanisms for Impacts on Society, Local Communities, Customer Health and Safety*

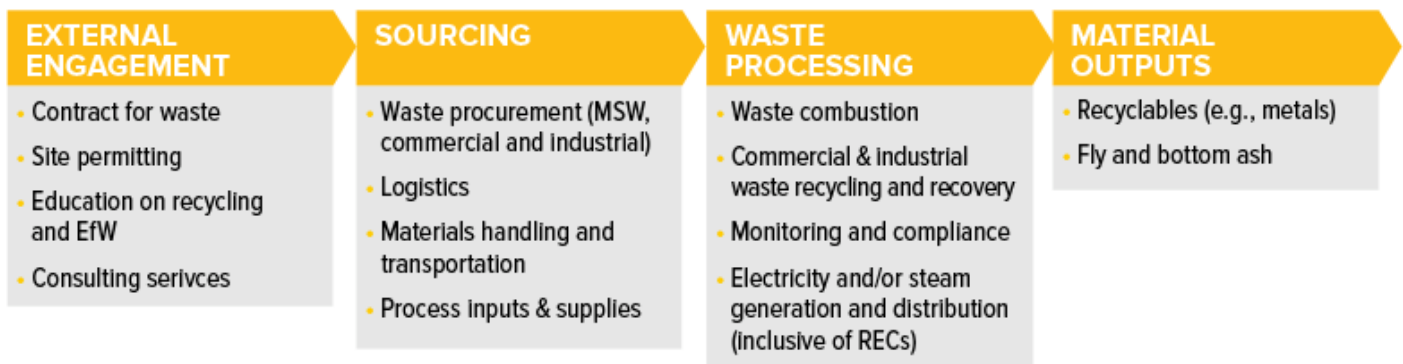
Climate change and greenhouse gas emissions (GHGs) includes all issues related to manmade activities that can either increase or avoid GHGs, which consequently can generate related climate risks or opportunities. *Related GRI G4 Aspect: Emissions*

Financial performance includes the financial health of the company and strategic planning to provide long-term value creation for the company's stakeholders. *Related GRI G4 Aspects: Economic Performance, Market Presence*

Customer relations with both municipalities and corporate customers encompasses customer satisfaction, day-to-day customer support, service pricing, and business and operational excellence. *Related GRI G4 Aspect: Product and Service Labeling (customer satisfaction)*

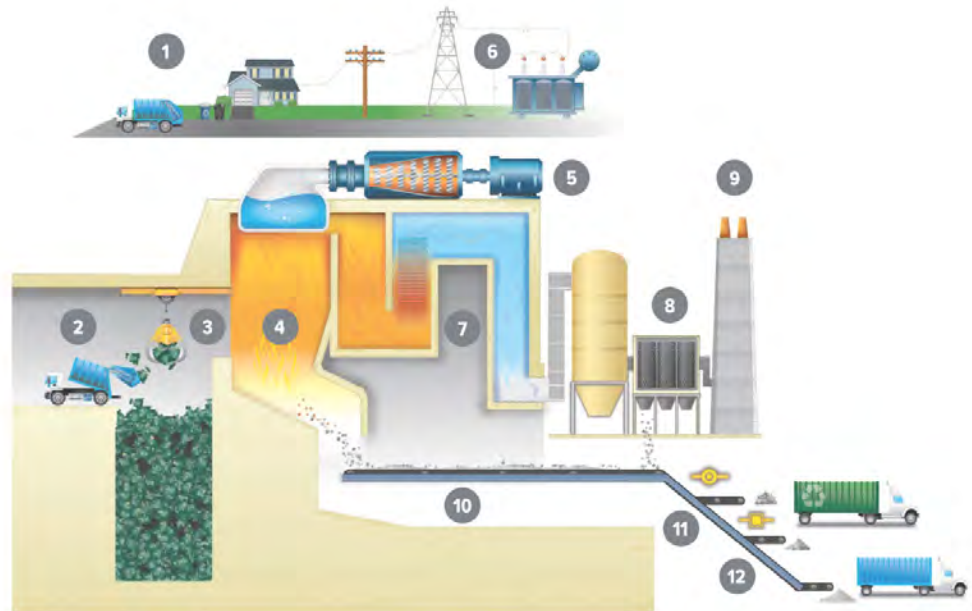
By examining our material issues from a value chain perspective, we are better able to understand the economic, environmental and social risks and opportunities associated with our business operations and their related impacts on stakeholders. Covanta's value chain extends from initial external engagement with customers and community stakeholders, through the lifecycle of sustainable waste management, resulting in primarily reusable material outputs.

Covanta's Value Chain





The EfW process



1. Post-recycled municipal solid waste is picked up at your home or business.
2. Waste is delivered and temporarily stored in a bunker. We maintain the building around the tipping and bunker area under negative pressure and use this air in the combustion process to control odor.
3. The waste is fed into a combustion chamber and burned at extremely high temperatures in a self-sustaining process.
4. Heat from combustion boils water to create steam.
5. The steam turns a turbine-driven generator to produce electricity, or may sometimes be used directly for heating or industrial processes.
6. Electricity is distributed to the grid and used to power homes and businesses.
7. State-of-the-art air pollution control equipment is used to cool, collect, and clean combustion gases. This equipment operates under stringent state and federal standards.
8. We control emissions of particulate matter primarily through a baghouse (fabric filter).
9. Emissions and other operating criteria are continuously monitored to ensure compliance with state and federal standards.
10. Residual material from the combustion process is collected for processing and metals extraction.
11. Ferrous and non-ferrous metals are extracted for recycling.
12. Remaining residual materials are beneficially reused or disposed of in a landfill.

To learn more, watch this [virtual tour](#)



ABOUT THIS REPORT



This is Covanta's third comprehensive sustainability report and our first online report. The report provides information about our global operations and covers performance from our last sustainability report up through the end of the 2014 calendar year. Selected data and report text have been updated through the end of 2015. The original 2014 Sustainability Report can be accessed [here](#) as a PDF file. Our objective in developing this report is to be comprehensive and transparent in our disclosures regarding Covanta's sustainability management approaches, strategies, activities and performance.

Our Progress on [Goals](#) section highlights both our performance toward recent and current goals and the development of new goals for 2015 and beyond.

Our [Performance Tables](#) provide economic, operational, environmental and workforce data. The scope of data coverage is described in footnotes to each table.

Our [GRI G4 Content Index](#) provides detailed information on our adherence to the GRI G4 guidelines.

Report Archive

Visit the [Report Archive](#) to download our past sustainability, progress and other relevant reports in PDF format.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this online Corporate Sustainability Report may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation

Reform Act of 1995 (the “PSLRA”) or in releases made by the Securities and Exchange Commission (“SEC”), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Covanta and its subsidiaries, or general industry or broader economic performance in global markets in which Covanta operates or competes, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “may,” “will,” “would,” “could,” “should,” “seeks,” or “scheduled to,” or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the “safe harbor” provisions of such laws. Covanta cautions investors that any forward-looking statements made by Covanta are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Covanta, include, but are not limited to, the risk that Covanta may not successfully grow its business as expected or close its announced or planned acquisitions or projects in development, and those factors, risks and uncertainties that are described in periodic securities filings by Covanta with the SEC. Although Covanta believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Covanta’s future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties. The forward-looking statements contained in this press release are made only as of the date hereof, and Covanta does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.



Awards & Recognition

We take great pride in the awards and recognitions we receive for our work as a company and for the contributions of individual employees. We were honored to be recognized for our dedicated efforts in several areas, including business and operational excellence in our industry, community support and environmental projects, environmental performance and safe and sustainable operations.

Business and Community Excellence Awards

- Covanta Onondaga and partner Onondaga County Resource Recovery Agency (OCRRA) received the award for Outstanding Recycling Community/Government Program from the National Recycling Coalition and the Gold Excellence award from the Solid Waste Association of North America.
- The Keep Oklahoma Beautiful (KOB) Board of Directors honored partners Covanta Tulsa and the Oklahoma Bureau of Narcotics (OBN) for the Rx4Safety program. Covanta Tulsa and OBN received the Towering Spirit award for upholding KOB’s mission in a unique way that produces far-reaching impact.
- The Department of the Interior’s Coral Reef Task Force gave Covanta HPOWER the Outstanding Community Level Partnership award “in recognition of Covanta’s excellent commitment to support and maintain projects that protect shorelines and coral reef ecosystems, as well as the sustainability of Hawaii’s environmental resources.”

Environmental Honors

- Covanta was honored by the Product Stewardship Institute with the 2015 Outstanding Industry Leadership Award for environmental achievements.
- Covanta Tulsa was honored as a runner-up in The Frank Condon Award competition for Environmental Excellence.
- Covanta Alexandria/Arlington received a Platinum-level Industrial Waste and Pretreatment Environmental Excellence award from the Virginia Water Environment Association.
- Covanta Hempstead was given the Solid Waste Association of North America (SWANA) Silver Excellence Award, Waste-to-Energy category.
- Covanta Delaware Valley was honored by GE, with the Return on Environment (ROE) award for its substantial reductions in water usage.
- Covanta Montgomery was recognized with the U.S. Environmental Protection Agency’s (EPA) Clean Air Excellence Award in the Clean Air Technology category.

Safety Achievements

Thirty-eight of Covanta’s U.S. sites participate in the U.S. Occupational Safety and Health Administration’s (OSHA) [Voluntary Protection Program](#) (VPP). Through this program, employers and employees are officially recognized for outstanding efforts in the areas of workplace safety and health policies, procedures and practices.

Additionally, 39 Covanta facilities have been awarded the Occupational Excellence Achievement Award for the year 2014 by the National Safety Council (NSC).

- Covanta Kent was named a “Michigan Star Worksite” for the third time, Michigan’s most prestigious workplace safety and health award.
- Covanta Montgomery was chosen as an award honoree for zero incidents and most improved safety by the

Chesapeake Region Safety Council.

- Covanta Tulsa received the STAR Award from the mayor of Tulsa, Oklahoma, for helping city employees become more aware about workplace safety and the dangers of distracted driving.
- Covanta Alexandria was honored with the National Safety Council's Industry Leader Award for safety performance in their industry.



ENVIRONMENTAL PERFORMANCE



Lee County Solid Waste Resource Recovery Facility

Covanta helps communities and companies solve their sustainability challenges—from the mitigation of climate change to the preservation of land—by providing sustainable solutions that divert waste from landfills and use it to generate renewable energy.

In all that we do, we strive to ensure that our services, facilities and activities are planned and managed in an environmentally responsible way that is good for our business, for society and for the planet. Our policies addressing the [environment](#), [environmental justice](#) and [sustainability](#) serve as a foundation of our approach to the protection and preservation of both the Earth and human health, as well as other sustainability issues.



Greenhouse Gas Emissions

In 2015, Covanta's Energy from Waste (EfW) facilities reduced greenhouse gas (GHG) emissions by 18.5 million metric tons, equivalent to pulling 3.9 million cars off the road for a year.

1 TON MSW = **1 TON GHG**
diverted from landfill to an EfW facility not emitted into the atmosphere

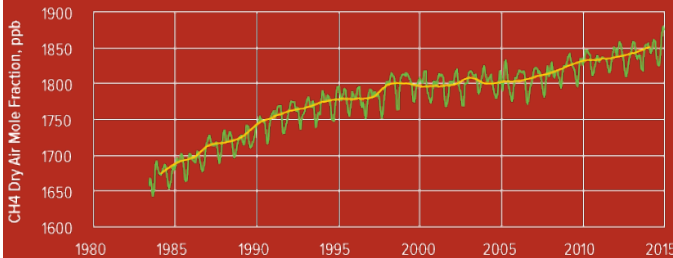
The science is clear: Earth's climate is changing in response to ever-increasing concentrations of greenhouse gases (GHGs) in the atmosphere. These increased concentrations are overwhelmingly the result of human activity.

Why the Focus on Methane?

Overall, the climate impact of methane is much larger than previously reported, and atmospheric concentrations continue to rise. According to the IPCC's fifth assessment report, methane is 34 times stronger than CO₂ over 100 years when all effects are included, and it's 84 times more potent over 20 years. Methane is the second-leading driver of climate change after CO₂.

[IPCC Report](#)

Atmospheric Methane Concentration



Source: NOAA ESRL <http://www.esrl.noaa.gov/gmd/dv/data>

While not always the major focus of climate policies, society's management of wastes and materials is an important part of climate change mitigation. Roughly one-third of all GHG emissions are associated with various stages of materials management: extracting raw materials, making

them into products and dealing with manufacturing waste and end-of-life disposal.

By following the waste hierarchy and pursuing a more circular economy, we can have a big impact. Leading countries in Europe recycle and compost two-thirds of their waste—or more—and recover energy from what's left over.

Applied globally, we could save 3.7 billion metric tons of GHGs as CO₂ each year. That's equivalent to installing two million one megawatt wind turbines or doubling nuclear power plant capacity. Here in the United States, we could reduce GHG emissions equivalent to closing more than 60 large coal-fired power plants.

EfW's Role in Mitigating Climate Change

The largest part of our business, operating EfW facilities, is an internationally recognized source of GHG mitigation. According to the U.S. Environmental Protection Agency (EPA), for every ton of municipal solid waste (MSW) diverted from landfill to an Energy-from-Waste (EfW) facility we can reduce life cycle GHG emissions by one ton of CO₂e. EfW GHG reductions are quantified using a life cycle assessment (LCA) approach that includes GHG reductions from:

- Avoided methane emissions from landfills, even when considering landfill gas capture and energy recovery
- EfW electrical generation that offsets or displaces fossil-fuel-based electrical generation
- The recovery of metals for recycling

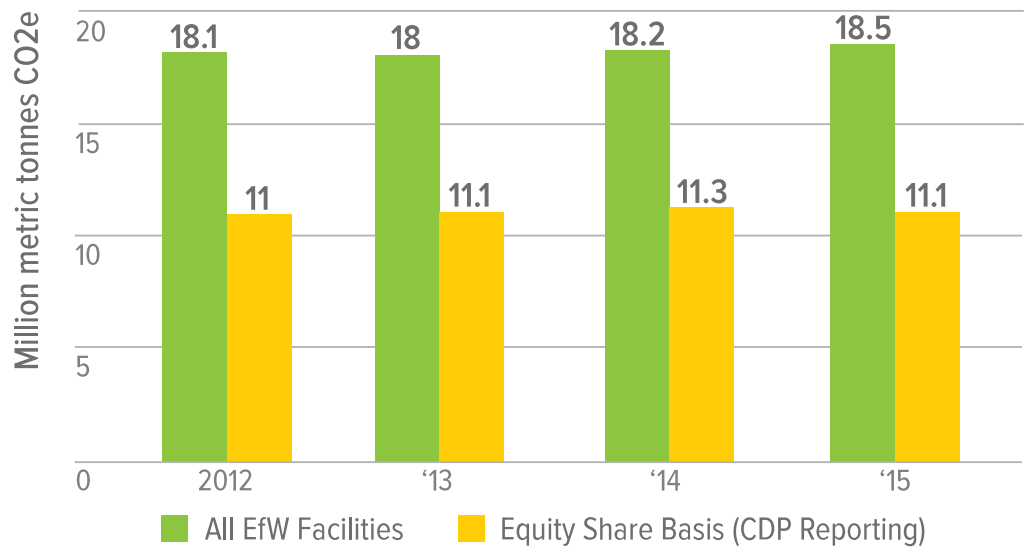
The GHG reductions associated with these three factors are significantly more than the fossil-based CO₂ emissions from the combustion of plastics and other fossil-fuel-based Municipal Solid Waste (MSW) components.

EfW and Carbon Offsets

EfW has been widely recognized around the world as a technology that can help mitigate climate change. As such, new capacity is eligible to generate emission rate credits (ERCs) under the EPA's Clean Power Plan. EfW is also recognized as a source of credits under both the United Nations' Clean Development Mechanism (CDM) and the Verified Carbon Standard (VCS). Under CDM, more than 40 EfW projects have been registered, with a combined annual GHG reduction of five million metric tons of CO₂e per year. On a more local basis, two recent Covanta facility expansions in Florida, eligible because they represent new incremental EfW capacity, have been selling carbon offsets into the voluntary market. An additional Covanta facility in Honolulu has been successfully validated as an eligible project.

More background and detail on the GHG benefits of EfW can be found [here](#)

Global EfW Net GHG Avoided



Working with Customers to Minimize Emissions

Our work helping clients and customers move up the waste hierarchy helps mitigate climate change further. We increasingly support both companies and cities in the development of comprehensive sustainability plans to first reduce, reuse and recycle as much material as possible, then recover energy from the waste that remains.

For instance, we help customers calculate their GHG footprint from waste management activities. Through our Covanta Verification-Ready service, customers are provided with a verifiable GHG footprint of the waste stream we manage on their behalf, as compared to other waste management practices. This service can help them make informed decisions about waste management options and more accurately report their performance.

GHG Emissions Inventory

[See our GHG Inventory Data](#)

While EfW facilities are sources of net GHG mitigation, they do have GHG emissions. We report our emissions to the U.S. EPA GHG Reporting Program, and we have been reporting our GHG emissions to the CDP since 2007. In contrast to landfills, our GHG emissions are measured, either through CO₂ continuous emissions rate monitors or through the measurement of steam output and an emission factor. Each of our U.S. facilities collects quarterly stack samples for radiocarbon analysis to determine the fraction of carbon that is biogenic in origin. With this sustainability report,

we have begun reporting our Scope 3 emissions associated with raw materials consumption in our EfW and biomass facilities.

Climate Change Risks for Covanta

For more information about how Covanta addresses climate risks and opportunities, please download our [Covanta 2016 CDP Response](#)

We recognize that, as much as our business is part of a pathway to lower GHG emissions, climate change could materially affect our business. Significant shifts in weather patterns and volatility could have a positive or negative influence on our existing and prospective business. Meteorological changes could lead to increased operating costs, capital expenses, disruptions in facility operations or supply chains, interruptions in waste generation and delivery, and changes in energy pricing, among other effects.



Controlling Air Emissions



Since launching our first sustainability program in 2007, we've reduced emissions by up to 53 percent.

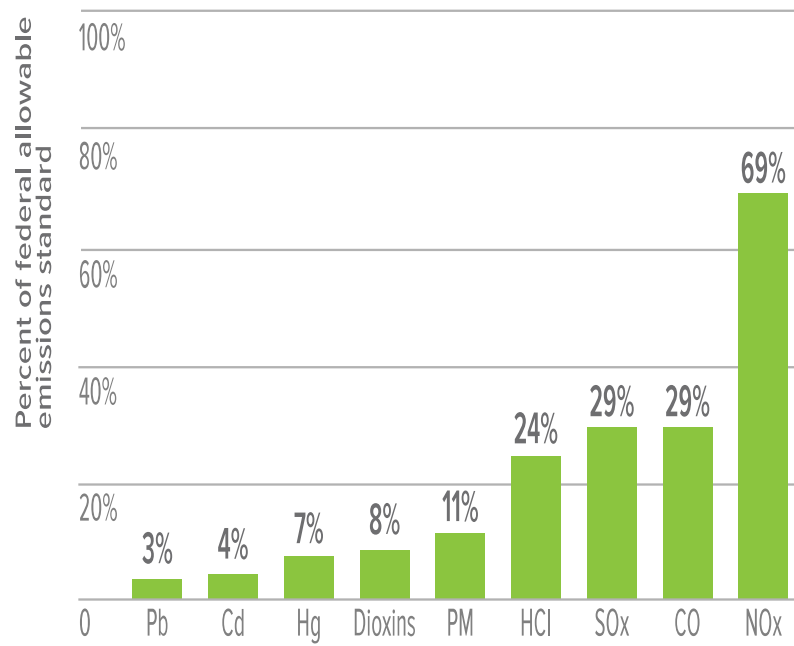
New baghouse at the Essex County Resource Recovery Facility

Regulatory Overview

Our business activities are regulated by extensive federal, state and local environmental laws, regulations and permits. Some of these, like the United States federal Clean Air Act, together with its delegated state programs, govern the discharge of air pollutants. With state-of-the-art emission-control technologies, Covanta's Energy-from-Waste (EfW) facilities are well equipped to meet compliance requirements.

Under the Clean Air Act, the federal regulatory standards for the EfW industry are developed by the U.S. Environmental Protection Agency through the Maximum Achievable Control Technology ("MACT") process. The emissions of our EfW facilities are well below the required limits set through this process—an example of our commitment to achieving strong environmental performance that helps protect human health and our environment. Our sustainability goals and program have been important drivers of this success, resulting in significant emissions reductions since our program's initial inception in 2007.

Covanta Americas 2013–2015 EfW Emissions Compared to Federal Standards



Regulatory Compliance

We aim to maintain exemplary environmental performance and to be in full compliance with all existing environmental regulatory and remediation laws. At our EfW facilities, compliance with air pollution standards is determined predominantly through continuous emission monitoring systems (CEMS) and annual stack tests. Both are important for determining a facility's environmental performance, and both rely on approved methods and equipment and must follow strict quality assurance and quality control requirements.

Our North American EfW facilities averaged 99.95 percent compliant over the three-year period from 2012 to 2014, as measured by our continuous emission monitoring systems; we have exceeded 99.9 percent for the past eight years. Additionally, by the end of 2014, we had gone four years without a stack test failure—that's roughly 4,000 total tests with no failures.

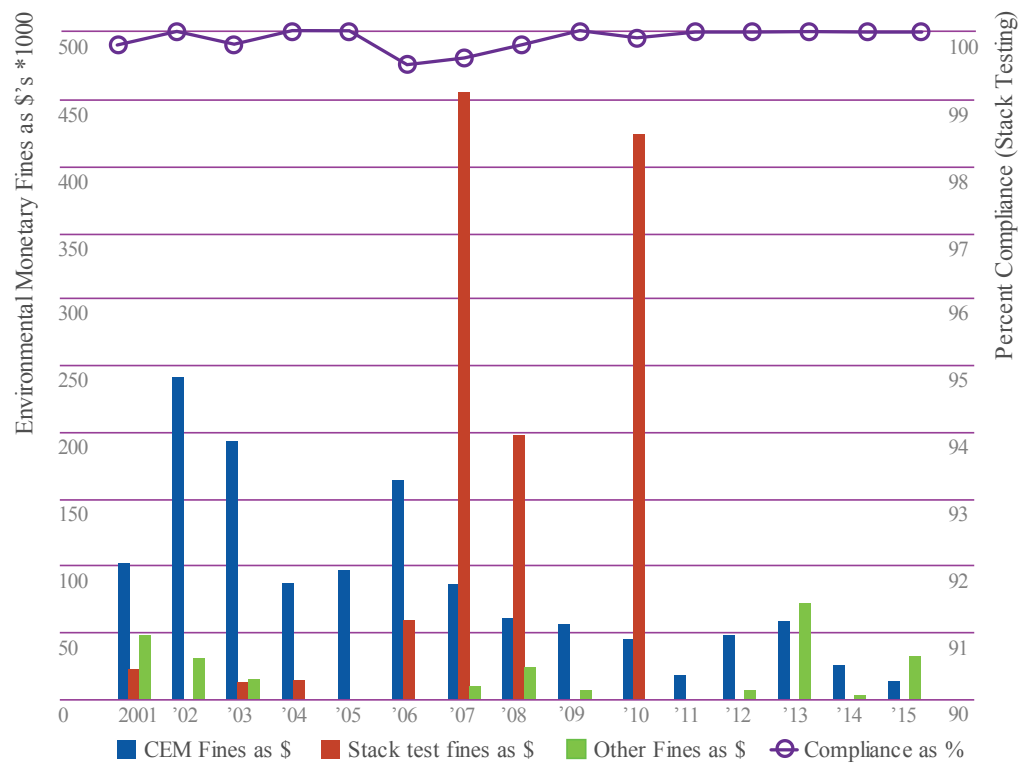
Occasionally, we are subject to proceedings and orders that pertain to environmental permitting and other regulatory requirements, potentially resulting in fines or penalties. Our total environmentally related fines and penalties at our North American EfW facilities were \$122,219, \$25,750, and \$42,300 in 2013, 2014, and 2015 respectively.

In 2015, we were fined \$100,000 and issued a notice of violation for construction without a solid waste permit at our new regional metal processing facility located in Fairless Hills, PA. A solid waste permit was subsequently issued, and construction of the facility resumed. We were also assessed a total of \$47,800 in fines associated with our Delano biomass to energy facility located in California for violations, including two air emissions events, one for SO₂ and the second for opacity. Due to challenging economic conditions for biomass to energy facilities in California, the facility is no longer in operation.



**Metro Vancouver
Waste-to-Energy Facility,**
Burnaby, British Columbia

EfW Facility Monetary Fines and Stack Testing Compliance

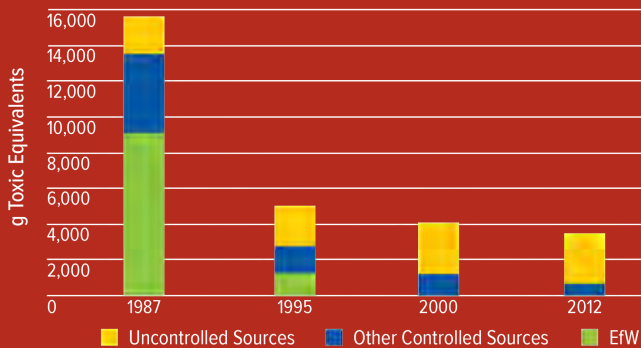


*Monetary penalties are allocated to the time period during which an event occurred (most events are themselves only minor to several hours in duration). Fine levels are location-specific and are not indicative of risk to human health or the environment. Compliance percent identifies how often we complied with the test requirement. Our goal is 100% compliance at all times.

Spotlight on Dioxin Emissions

Historically, municipal waste combustors were a leading source of dioxin emissions. Advancements in boiler design, operations and air pollution control equipment, however, have drastically reduced the footprint of the industry. In fact, according to recent [peer-reviewed research](#) by Columbia University scientists, the total dioxin emissions of all U.S. Energy-from-Waste plants in 2012 represented just 0.54 percent of total controlled combustion sources and just 0.09 percent of total sources of dioxin.

U.S. Dioxin & Furan Emissions Over Time



Air Pollutant Controls

We use state-of-the-art pollution control systems at our facilities. In 2014, we began construction at the New Jersey Essex facility to install enhanced particulate emissions control technology in the form of a new baghouse to replace the existing electrostatic precipitator. The upgraded technology is projected to lower certain particulate and metals emissions by 30–90 percent, depending on the pollutant. The project was successfully completed in 2016.

Our facilities use state-of-the-art control technologies to remove air pollutants associated with the EfW process.

Boiler Design:

Our boilers are specifically designed to recover as much energy as we can out of the waste resource, minimize formation of dioxins and ensure complete combustion, including volatile organic compounds (VOCs) and other organic compounds.

Nitrogen Oxides (NOx) Control:

All of our facilities are equipped with selective non-catalytic reduction (SNCR) systems, which inject ammonia or urea into the furnace to chemically convert NOx into gaseous nitrogen, a harmless gas that makes up the majority of our atmosphere. In addition, we have installed Covanta's proprietary low nitrous oxide system (Low NOx™) in more than 20 units, which helps us control NOx emissions and reduce reagent consumption.

Carbon Injection:

After leaving the boiler, combustion gases travel through an extensive air pollution control system. At many of our plants, activated carbon is added to the flue gas stream as it exits the boiler. Gaseous phase contaminants such as mercury and dioxins adsorb to the surface of the carbon so it can be removed downstream in the

baghouse.

Scrubber:

A scrubber neutralizes acid gases, including sulfur dioxide and hydrochloric acid, by spraying a lime slurry into the exhaust stream. This process removes more than 95 percent of sulfur dioxide and hydrochloric acid.

Baghouse:

Operating like a very efficient vacuum cleaner, the baghouse removes 99.5 percent of the particulate matter from the combustion gases. As air is drawn through the baghouse, particulate matter and fly ash are caught on the surface of the bags. Periodically, the bags are cleaned by temporarily reversing the airflow or, in other designs, pulsing the bags with a strong jet of air. The particulate and fly ash are removed from the bottom.

Emission Monitoring:

All of our facilities operate under strict air pollutant control limits. To demonstrate compliance, we use a combination of continuous emission monitoring systems and stack tests performed at least annually.



Water and Wastewater



Delaware Valley Facility, winner of GE's Return on Environment Award

As part of our commitment to responsible environmental stewardship, we engineer our facilities to run as efficiently as possible, including the minimization of water use and wastewater discharge.

[Read more](#) about our facilities' energy efficiency efforts.

Efficient operations help us save energy, conserve water and reduce our use of raw materials. In addition to the environmental benefits we achieve, these efforts frequently result in cost savings for the company as well.

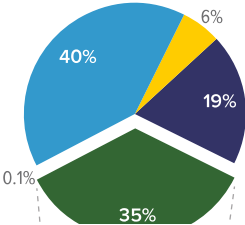
Water Use

All thermal power plants use water to generate electricity. In the boiler, water is heated to generate steam, which in turn runs the turbine to generate electricity. Most of this water is condensed and then reused back in to the process. At some of our plants, we also generate steam for export to communities and local businesses. This is a very efficient use of the waste resource, but can increase water consumption, since we may not receive the condensate back to reuse in our process.

The largest water demand at our facilities is typically for cooling the steam after it has exited the turbine. All of our facilities use air or water-cooled condensers to cool the steam. These are both recognized as a best-practice for electricity generation, because they significantly reduce water consumption relative to "once-through" cooling plants, they don't introduce a thermal load to a receiving water body like a lake or a river, and the significantly lower water consumption means much less chance for damaging aquatic organisms.

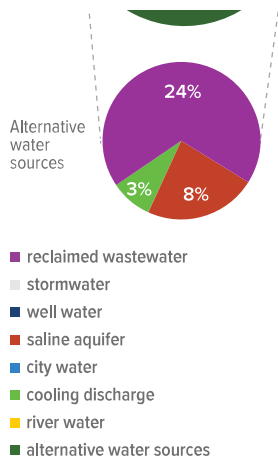
We are increasingly using non-potable water and sources of reclaimed wastewater in our operations. Reclaimed wastewater now makes up 24% of our water consumption, up from 11% in 2007. Total alternative water sources, including reclaimed wastewater, stormwater, saline water, and once-through cooling discharge water, made up 35% of our 2015 water consumption.

Where we get our water



Example alternative water source projects:

- The Babylon facility on Long Island treats leachate collected from underneath the neighboring landfill, helping to control local groundwater impacts.
- The Lancaster, PA facility and three facilities in Florida (Lee County, Hillsborough County and Pasco County) use treated wastewater from local wastewater treatment plants.
- The Montgomery County facility in Maryland uses the once-through cooling water discharge from a neighboring



power plant.

– We’ve partnered with Global Cycle, Inc. to reuse certain non-hazardous industrial wastewaters after treatment in our air pollution control equipment at our Southeastern Massachusetts facility.

	2013	2014	2015
Reclaimed wastewater use (%)	15%	19%	24%
Other Alternative water use (%)	9%	11%	11%
Total water use (Mgal.)	8,440	9,040	9,180



New Filter Plant Conserves Water

The new reuse water filter plant at our Delaware Valley facility, commissioned in 2014, displaces approximately **1.3 million gallons** per day of potable city water that had previously been used in our main cooling tower.

The plant, winner of GE’s Return on Environment Award, treats effluent water from the local public-owned treatment plant located next to our facility. The new system is projected to save **\$600,000–\$700,000 per year**.



Total water consumption increased from 2013 to 2015 as a result of greater steam output at one of our combined heat and power plants, resulting in greater condensate loss, a slightly greater overall water demand associated with the use of reclaimed wastewater at our Delaware Valley facility, an apparent increase as a result of better monitoring of the use of saline water, and the addition of the Pinellas facility to our fleet.

“It is important to measure, monitor and reduce, where possible, water use in waste management processes, including EfW. The use of water is of great concern in some geographic locations and should be always taken into consideration.”

Anders Damgaard, Ph.D.

Senior Researcher, Department of Environmental Engineering,
Technical University of Denmark

Wastewater

In addition to making strides to optimize our water consumption, we also work to minimize our wastewater discharge, using water internally to the extent possible. A total of 15 of our facilities are zero process water discharge, meaning that only sanitary wastewater is discharged to the local wastewater treatment plant.



RESOURCE MANAGEMENT

RECOVERING
ENERGY-FROM-
WASTE

ZERO-WASTE-
TO-LANDFILL

MEETING
CLIENT'S
NEEDS

RECOVERING
MATERIALS

ENSURING
OPERATIONAL
EFFICIENCY

MOVING UP
THE WASTE
HIERARCHY

In the past, our customers asked: “Where can we dispose of it?”

Today, Covanta, together with our partners and customers, is solving a much more provocative and higher-level challenge by asking: “What can we do with it?”

Waste is a resource. At Covanta, our [mission](#) is to provide sustainable waste and energy solutions to ensure no waste is ever wasted. We specialize in extracting value from one of the most challenging materials out there: waste remaining after recycling. Our Energy-from-Waste (EfW) facilities divert this material from landfill to generate clean and renewable energy. In fact, Covanta is one of the world’s largest owners and operators of EfW facilities and infrastructure.

At the same time, we are growing our service offerings to be a “one-stop solutions provider” to our clients. Our Environmental Solutions team contributes to the reduction of waste streams that end up in landfill. Through these services, we help our municipal and corporate customers reach their sustainability goals, be they focused on zero-waste-to-landfill, reducing greenhouse gas (GHG) emissions or reducing overall environmental impacts from waste management.

How Can More Sustainable Waste Management Help?

Recycle



The U.S. is throwing money away. Recyclables worth \$11.4 billion were landfilled in 2010. **We also throw away over 7.5 million tons of metal annually—that's the amount of steel in over 90 Golden Gate Bridges.**

Recover

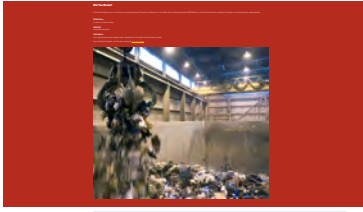
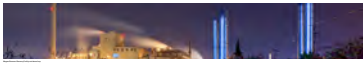


The most sustainable countries in the world recycle 65 percent or more of their waste stream and then recover energy from the trash left over at waste-to-energy plants. If we did that in the U.S., **we could supply over 5.5 million homes with electricity from trash every year.**

What would happen if everyone followed the 4Rs?



We would reduce greenhouse gases by 1 gigaton —**the equivalent of closing 1,000 large coal-fired power plants and building 2 million, 1 megawatt windmills.**



[View this page on our website](#)







Zero-Waste-to-Landfill

What Is Zero-Waste-to-Landfill?

At its core, zero-waste-to-landfill is exactly what it sounds like: diverting all waste from disposal in a landfill. Businesses are achieving this goal by moving up the waste hierarchy: reducing materials consumption and waste; reusing materials; recycling, composting and using anaerobic digestion; and then, for what is left over, recovering energy through Energy-from-Waste (EfW) facilities.

In sum, it's all about reducing quantities of waste while beneficially using the waste that we do generate.



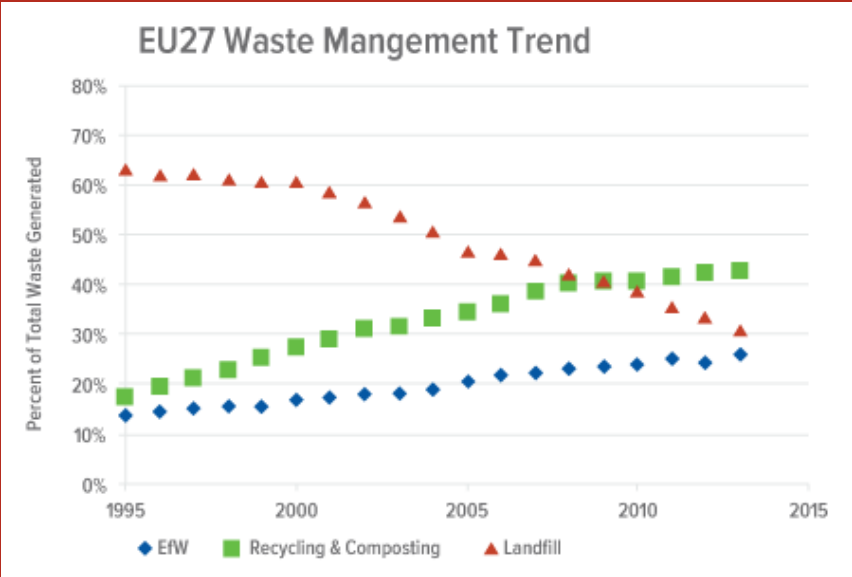
Reduce, Reuse, Recycle, Recover

Are EfW and Recycling Compatible?

EfW and recycling work very well together. In fact, in the European Union (EU), EfW and recycling have grown together because of policies that minimize landfills. The European Environment Agency says, "There is no evidence to support [the argument that] incineration of waste with energy recovery hinders the development of recycling." The five EU countries with the highest recycling rates all use EfW extensively to process waste left over after recycling.

Stakeholders often ask whether EfW facilities prefer plastics and paper for their high energy content. The reality is that our facilities are limited by the amount of steam they can make. If we use materials with higher heat content, we can't process as much waste. Since most of our revenues come from waste tip fees, we would be reducing our revenues by taking in large amounts of paper and plastics.





Recovering energy from waste has long been at the core of Covanta’s business. In fact, Covanta’s network of Energy-from-Waste (EfW) facilities across North America is a unique asset to sustainably converting into energy any waste remaining after all other options have been exhausted.

“We’re just cracking the surface of innovation in terms of materials and processes. There is tremendous opportunity across the supply chain to address resource and waste utilization, especially as competition for materials increases as we move into the future.”

Paul Campbell
 Director Environmental Sustainability/Green Leadership,
 Sears Holdings Corporation

We strongly believe that sustainable waste management begins with the three Rs—reduce, reuse, recycle—followed by a fourth R—recover. As a result, we are working with municipalities and companies not only to turn their waste into clean energy, but also to find opportunities to avoid waste altogether.

Helping Companies Move up the Waste Hierarchy

Covanta works closely with businesses to help them address waste disposal challenges. Whether a short-term contract that provides for sustainable disposal (i.e., in the case of a product recall), or a long-term partnership that facilitates achievement of zero-waste-to-landfill goals, we have the technical expertise, capacity and infrastructure to develop tailored solutions for corporate clients.

See how Covanta is moving up the waste hierarchy

Many companies have reaped both environmental and financial benefits by focusing on their waste streams. By reducing waste, and finding new markets for those materials generated during manufacturing, companies are saving financial and natural resources. EfW is a critical part of many companies’ efforts, effectively capturing the energy value out of materials that cannot be recycled.

DIAMOND PACKAGING ACHIEVES ZERO-WASTE-TO-LANDFILL

In September 2014, Diamond Packaging of Rochester, New York, became the only American-owned folding carton manufacturer to achieve zero manufacturing waste-to-landfill status. The process started in 2007, with the development of Diamond's Greenbox Sustainability Initiative. This initiative evolved in 2011 to include a partnership with Covanta that would eventually help Diamond convert all of its nonrecyclable waste into clean, renewable energy generated in nearby Niagara Falls, New York.

Today, Diamond Packaging recycles 98 percent of its waste, much of which winds up back in the plant as raw material. Covanta Niagara recovers energy from the rest.

"Zero manufacturing waste-to-landfill is an important goal and one that demonstrates our leadership in producing more sustainable packaging," said Karla Fichter, CEO and owner of Diamond Packaging. "Our customers and their stakeholders alike recognize and value our shared commitment to a greener future."



"Our global drive to zero waste means we continually strive to reduce, reuse and recycle our byproducts throughout our operations. Covanta's energy-from-waste process helps us recover value from the remaining, challenging materials."

John Bradburn

Global Manager of Waste Reduction, General Motors

What About Ash?

Every downstream waste process generates some amount of waste—meaning, there is a residue of material which cannot be processed. For example, paper recycling generates a residue of clay and calcium carbonate from the fillers added when the paper is manufactured. Electric arc furnaces used for steel recycling generate dross that must be managed.

EfW facilities generate an ash residue composed of the noncombustible material in wastes, and to a lesser extent, materials added for air pollution control, such as activated carbon and lime. For consistency across all downstream options, our approach is to exclude these residues from downstream waste and recycling processes when evaluating zero waste-to-landfill claims.

For more information on how we manage our ash, [click here](#).



Zero-Waste-to-Landfill Verification

Covanta Verification-Ready provides our customers with confidence and credibility in the claims they make about their zero-waste-to-landfill goals. Our rigorous process, which has been independently verified by GreenCircle Certified, LLC, ensures transparent tracking of waste and translates waste diversion success into energy and greenhouse gas (GHG) emissions savings.

We work with our customers to profile their waste stream and establish what steps are required to reach zero-waste-to-landfill. We then provide a verification-ready certificate that states the claim, the time period covered and that the claim has been substantiated through a third-party process.

[Learn more](#) about Zero-Waste-to-Landfill Verification

If one of our customers is interested in an independent third-party audit, we can provide assistance in arranging the audit. We are excited to offer these services at a time when businesses are increasing their focus on sustainable materials management, landfill diversion and achievement of zero-waste-to-landfill status for their operations and activities.

Covanta Environmental Solutions

Covanta Environmental Solutions is a leading provider of environmental solutions across a wide range of industries including pharmaceuticals, consumer products, health and beauty, food, automotive, chemicals and other industrial manufacturers. With a network of solid and liquid material processing, recycling and Energy-from-Waste (EfW) facilities, we help our clients achieve their zero waste to landfill and other sustainability goals and eliminate environmental risks that impact businesses, communities and our planet.

Covanta Environmental Solutions allows us to complement our EfW facilities with a variety of services, including:

- Transportation & logistics
- Wastewater treatment & beneficial reuse
- Reverse distribution
- Repackaging
- Reuse, recycling, and composting options
- Environmental and material management consulting services

COVANTA
Environmental
Solutions



Meeting Clients' Needs



The core of Covanta's business is the generation of clean energy from municipal solid waste using Energy-from-Waste (EfW) facilities. Covanta partners extensively with towns and cities across the United States, operating approximately 70 percent of the nation's EfW capacity.

How We Work with Municipalities

With existing and new municipal partners, we strive to continually improve and expand our services and operations. For example, through our bundled services program, currently offered in New England, we offer municipalities a single relationship to address their nonhazardous materials management requirements. With one contract, we can cover single-stream recycling, electronic-waste, organics and energy recovery services.

We also listen closely to our clients, and we respond according to their needs. As part of this effort, we regularly conduct surveys of our municipal clients to better understand their needs and how we can improve.

2014 Client Survey Highlights

We listen closely to our clients, and we respond according to their needs. Our 2014 municipal survey results show the high level of customer satisfaction in the services they are asking us to fulfill.

% Satisfaction

100%

- Health & Safety
- Access to Senior Management
- Facility Maintenance

95%

- Overall Operations
- Complies with Contracts
- Availability
- Environmental Performance
- Facility Aesthetics
- Local Management

90%

- Prompt Responses
- Follows through on Action Items

Important Issues to our Partners

- #1 Concern** Air Emission & Health Impacts
- #1 Benefit** Reliable Waste Disposal
- #1 Challenge** Budget Constraints & Ash Disposal

Desired Expanded Services

- Beneficial Ash Reuse
- Increased Ferrous & Non-Ferrous Recovery
- Local Heat Recovery
- Sludge Disposal
- Waste Water Disposal/Reuse

CASE STUDY:

Montgomery County Resource Recovery Facility

Since opening 20 years ago, the Montgomery County facility has achieved significant benefits. Here's a glimpse of the environmental payoff.

- Diverted more than **10 million tons of waste** from landfill
- Produced **5.7 billion kilowatt hours of electricity**, enough to power Washington, D.C. for six months
- Offset **10 million tons of GHGs**, the equivalent to the avoided emissions from almost two million cars*
- Recycled **260 thousand tons of ferrous metal**—enough to replace 1,136 miles of rail, or the distance from Washington, D.C. to New Orleans
- **Saved landfill space** equal to waste piled 1.4 miles high on a football field
- Recognized with the U.S. Environmental Protection Agency's (EPA) **Clean Air Excellence Award** in the Clean Air Technology category



* Based on national average GHG savings of 1 ton of CO2 equivalents from diverting one ton of MSW from landfills.

CASE STUDY:

New York City Marine Transfer Station

In 2013, Covanta announced a new 20-year agreement with New York City Department of Sanitation to transport and sustainably dispose of municipal solid waste ("MSW") delivered to a pair of marine transfer stations located in Queens and Manhattan. The MSW is loaded into sealed containers at the transfer stations and then barged to the Global Container Terminals (GCT) facility on Staten Island where the MSW is loaded onto railcars for transport to Covanta's EfW facilities, including those in Niagara Falls, NY and Delaware County, PA. The decision to utilize EfW facilities marks a major milestone in reaching the City's goal of diverting 75 percent of solid waste from landfills.

"NYCT, Covanta and New York City's Department of Sanitation have been working together on this agreement for many years. I am very pleased that we are moving ahead with this initiative. NYCT's staff and labor look forward to providing safe and reliable service for the next 20 years. This long term agreement will allow us to create jobs while improving the environment by moving to more efficient barge and train transportation."

Jim Devine

Former President & CEO of NYCT





Recovering Materials



Covanta recovers more than **500,000 tons** of metal each year

Covanta uses some of the world's most advanced technologies to recover valuable materials from municipal solid waste streams.

Electronic Waste Milestone Reached

In May 2014, Covanta's Electronic Waste Recycling operation exceeded 10 million pounds of electronic waste (e-waste) processed since it began commercial operation in June 2011. Over the last three years, Covanta has doubled its incoming volume each year and has received a total of more than 12 million pounds of electronic materials. Our Philadelphia e-waste recycling facility is ISO 14001, R2 and e-Stewards certified and offers full e-waste recycling services, consisting of resale, shredding, demanufacturing, collection events and drop-off services.



Recovering Metals

After combustion takes place in our Energy-from-Waste (EfW) facilities, we are able to recover approximately 500,000 tons of both ferrous and non-ferrous metals from the remaining ash. This amount is enough steel to build more than five Golden Gate Bridges and sufficient aluminum for manufacturing more than two billion beverage cans. The recovery of metals provides Covanta with a growing revenue stream while providing important environmental benefits from the reuse of metals as an alternative to the mining and processing of virgin ore.

“Ash management is likely to be a continuing priority for Covanta. Another key issue of interest to stakeholders is metals recovery, to be considered separately from overall waste resource utilization.”

Michelle Mauthe Harvey
Director, Supply Chain, Environmental Defense Fund, Bentonville, Arkansas

Covanta has been recovering ferrous metals for decades, with the number of facilities capable of engaging in metals recovery steadily increasing over time. For example, our Hempstead EfW facility in Westbury, New York, which celebrated its 25th year of operation in 2014, has processed nearly 23 million tons of municipal solid waste and recovered 458,000 tons of ferrous metals.

New and improved systems, incorporating rare earth magnets and other technologies, have increased the amount of ferrous metal we can recover from the same waste stream. Since 2010, we've improved metal recovery systems serving 14 facilities.



Metals Recovery in Action

https://s3.amazonaws.com/covanta-csr/uploads/2015/12/Hempstead_Metals.mp4

In this air sorting unit installed at Hempstead, over 200 sensors & individual air jets are used to detect and recover remaining pieces of stainless steel and non-ferrous metals.

More recently, we've been upgrading our recovery systems to capture non-ferrous metals like aluminum, copper and stainless steel. Since 2010, we have installed or updated non-ferrous metals recovery systems at 17 plants.

Hempstead Advanced Metals Recovery

Testing at our Hempstead EfW facility in Westbury, New York, found that as much as one percent of the bottom ash—ash that remains after combustion—contained valuable stainless steel and additional non-ferrous metals. Covanta undertook the installation of a dynamic ferrous separator and an air-sensing sorting unit to help recover this remaining metal.

Material that is not picked up by the standard system for processing bottom ash is conveyed to the dynamic ferrous separator. This machine uses a special rare earth magnet composed of neodymium to remove most of the remaining magnetic material. This unit is able to collect both fine ferrous and weakly magnetic materials that the standard drum magnet upstream has missed. After this, the air-sensing sorting unit uses sensors to detect remaining stainless steel and non-ferrous metallic pieces; it deflects these metal pieces into a separate container. Finally, this last mixture of metals is sorted and sold for recycling.

This renovation was completed in just five months and marks the first installation of such equipment in any EfW facility worldwide.



Hempstead by the Numbers

25

years of operation

23 MILLION

tons of municipal solid waste processed

458,000

tons of ferrous metals recovered

Putting Ash to Work

When EfW facilities combust waste, about 10 percent of the volume remains as ash. After metals are removed from the ash, we safely dispose of what is left over. Years of testing ash from every EfW facility in the country has consistently demonstrated that the ash is nonhazardous. Even so, we carefully manage our ash to minimize dusting and prevent migration of ash outside of controlled areas.

One way ash is used is as a daily cover for landfills. It exhibits concrete-like properties that cause it to harden once set in place. Use of ash for landfill daily cover reduces the need for virgin soils. Currently, approximately one-third of the ash from our facilities is beneficially reused as landfill daily cover.

Pasco County ash reuse

Finding additional uses for the remaining two-thirds remains a key objective. Promising opportunities are developing for reuse of ash as both an aggregate and a raw material for cement manufacturing. In 2014, Pasco County, Florida, received approval to conduct a pilot program in which bottom ash will be used as a road-building substrate—a partial aggregate replacement in both asphalt and concrete pavements. While common in the European Union, this type of reuse of post-processed EfW residue is the first of its kind in the United States. The project was funded by the Pasco County Board of County Commissioners and conducted with support from the University of Florida. Preliminary estimates of the project's cost savings are anywhere from \$50,000 to \$100,000 per mile of two-lane road constructed using bottom ash.



“At Covanta, we have undertaken a number of creative projects to help dispose of ash after combustion, but there is much more that we hope to do. The question of ash management is high on our list of priorities, and we expect it to be a key focal point for us until we’ve found a comprehensive solution that satisfies all of our stakeholders.”

Brian Bahor

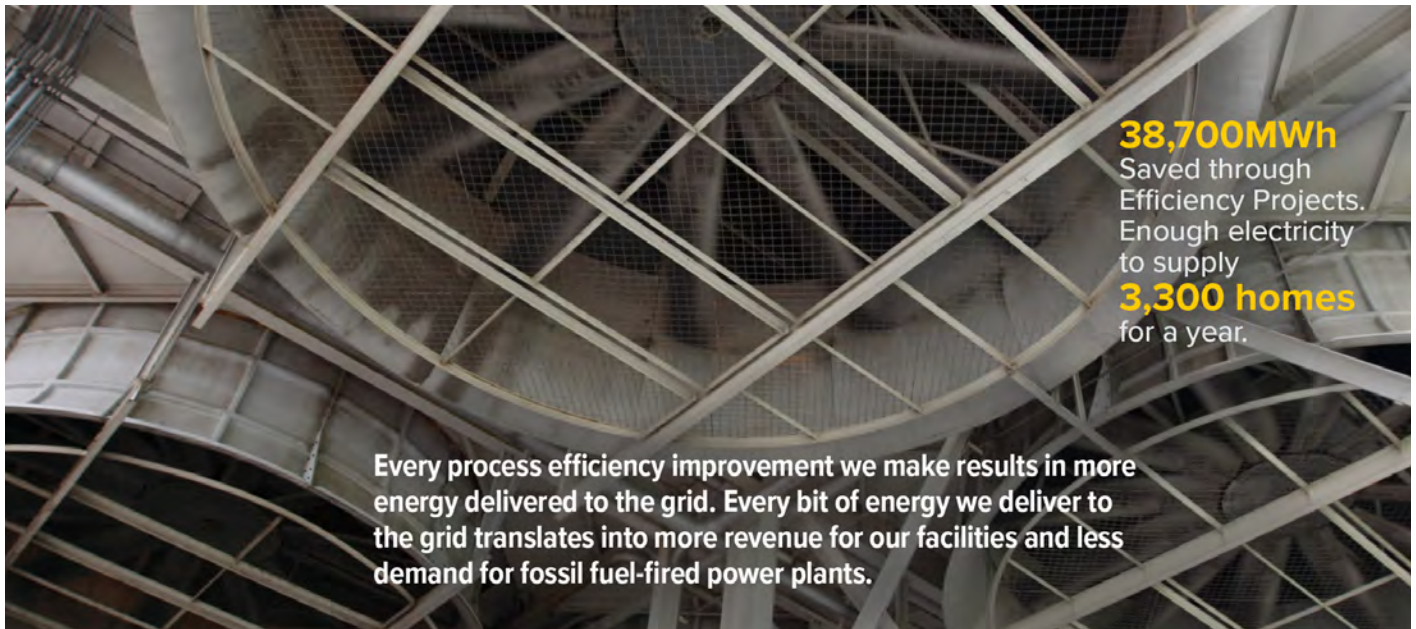
Vice President Environmental, Sustainability and Permitting, Covanta

Capturing Biomass Energy

Agricultural and forestry residues and clean urban wood wastes are an important source of renewable energy. When used to generate energy, these residues are widely recognized as having important benefits for the climate, by avoiding the use of fossil fuel-fired electricity and, particularly for agricultural residues, avoiding greenhouse gases and other emissions associated with landfilling and open burning. Covanta currently owns and/or operates seven biomass facilities, two in Maine and five in California.



Ensuring Operational Efficiency



38,700MWh
Saved through
Efficiency Projects.
Enough electricity
to supply
3,300 homes
for a year.

Every process efficiency improvement we make results in more energy delivered to the grid. Every bit of energy we deliver to the grid translates into more revenue for our facilities and less demand for fossil fuel-fired power plants.

Air cooled condenser, Durham-York
Energy Centre

To capitalize on our sustainability target triple benefit, Covanta has completed 25 efficiency improvement projects across 16 of our North American facilities since we announced this sustainability target in 2012. In several cases, we have partnered with local utilities to make certain projects financially viable. We estimate these projects have helped us save the equivalent of 38,700 MWh of electricity—enough electricity to supply more than 3,300 homes for a year.

A few of our notable energy efficiency accomplishments

[Read more
about our water
efficiency efforts.](#)

We have nearly 20 additional projects approved, in progress or in planning stages. These projects are expected to deliver another 23,000 MWh in energy savings. And several new projects are in the planning and investigation stages, from the installation of higher efficiency air compressors to the evaluation of diesel additives that would conserve fuel in our mobile equipment fleet.



Moving up the Waste Hierarchy

-  Reduce
-  Reuse
-  Recycle
-  Recover
-  Disposal



By following the waste hierarchy, we can reduce our impact on the environment, lower greenhouse gas emissions, save energy and move toward a circular economy. Our core business, energy-from-waste, provides communities and businesses with a critical tool in moving up the hierarchy. But we haven't stopped there: take a look to see how Covanta is following the hierarchy and helping others do the same.



Mercury

We're a sustaining partner of the Product Stewardship Institute to help advocate for removal of mercury from all consumer products.

We offer collection events in many communities. To date, we've recovered over 3,000 pounds of mercury, keeping it out of the waste stream.

**Recovered
3,000 lbs.
of Mercury**

Zero-Process Water Discharge

We operate 15 zero-process water discharge plants, reducing the generation of wastewater.

Waste Auditing

By conducting trash compactor audits and waste sorts, our Environmental Solutions team was able to identify waste reduction and recycling opportunities for a national retail/grocery chain customer. New communication and training programs helped drive improved performance.



Water Reuse

A new water filter plant at our Delaware Valley facility reuses 1.3 million gallons per day of effluent water from the local publicly-owned treatment plant.

We've partnered with Global Cycle, Inc. to reuse certain non-hazardous industrial wastewaters after treatment in our air pollution control equipment at our Southeastern Massachusetts facility.

Delaware Valley facility reuses 1.3 million gallons per day

Carbide Lime

We're expanding the use of carbide lime, a historic by-product of acetylene manufacturing, as a replacement for some of the lime in our air and water treatment facilities.

Ash

Following a successful research project, Pasco County, Florida, received approval to use bottom ash for road construction in Pasco County.

Ammonia-Containing Wastes

Our Niagara and Indianapolis facilities have been able to cut back on the air pollutant control reagent ammonia by processing ammonia-containing liquid waste streams.



Metals

Boosting recovery

Over the past four years, we've increased our metals recovery by nearly 20 percent. New technology lets us recover smaller pieces of non-ferrous metals than ever before.

Recovering stainless steel

We've installed a new air sorter, the first of its kind, to remove stainless steel from the ash at our Hempstead facility.

Improving quality

A new Metals Processing Facility in Fairless Hills, PA, processes metals from multiple plants into purer commodity streams.

Increased metals recovery by nearly 20 percent

Industrial Recycling

Old X-Rays

For one of our largest federal customers, Covanta developed a special arrangement with United DMS, a leading precious metal recovery company, to help recover and sell silver from old X-Rays.

Pharmaceuticals

We leveraged our growing partner network to reclaim fuel and industrial-grade ethanol from a shipment of liquid pharmaceutical products.

UnWrapp

A zero-waste-to-landfill solution that converts packaged products into recyclable commodities, water and energy.

Fishing for Energy

Through a partnership with the National Fish and Wildlife Foundation, NOAA and Schnitzer Steel, we've recovered over 1,500 tons of derelict and retired fishing gear.

Composting

We began offering composting services through our bundled services offering in 2014. Our acquisition of Advanced Waste Services in 2015 expanded our composting offering.

E-Waste

Our e-Stewards, R2 and ISO 14001 certified facility recycles over

Recovered over 1,500 tons of derelict and retired fishing gear

99 percent of the 13 million pounds of electronic waste it receives per year.

Rechargeable Batteries

Battery recycling is available to all of our employees at each of our EfW facilities.

Recycling in Our Schools

We support the Go Green Initiative, a non-profit with a mission to provide schools with the tools and training they need to create a “culture of conservation,” including recycling, within their communities.

Recycling in the Office

Our Environmental Solutions Team designed a waste management program for a Class A office campus that maximized efficiencies for their waste and recyclable materials, which reduced the environmental footprint of the locations.



Recover



Rx4Safety

Our Rx4Safety program has safely destroyed over 3 million pounds of unwanted medications to date, while generating electricity and steam.

Durham-York Energy Centre

The first new EfW facility in North America constructed in over a decade, the facility processes 140,000 metric tons of waste into 17.5 MWh of renewable electricity, enough to power 10,000 homes.

Dublin

Once completed in 2017, the facility will be able to recover energy from 600,000 metric tons of waste per year, enough to supply 80,000 homes.

Zero-Waste-to-Landfill

We help companies across sectors, including American Airlines, Diamond Packaging, and 10 out of 12 major automobile manufacturers, to achieve zero-waste-to-landfill status by recovering energy from what’s left over after recycling.

Energy Efficiency

We’re working to get as much energy as we can out of the waste resource. Our energy efficiency projects have helped us save the equivalent of 38,700 MWh of electricity—enough electricity to supply over 3,300 homes for a year.

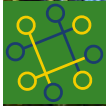
**Safely
destroyed over
3 million pounds
of unwanted
medications**



Disposal



Disposal of waste in landfills is the least desirable waste management approach. In 2014, Covanta's EfW facilities diverted 20.7 million tons of waste from landfill. Our goal is to increase the amount of waste diverted by continuing to facilitate reuse, recycling and recovery of waste.



COMMUNITY RELATIONS



BEING A GOOD NEIGHBOR

ENGAGING WITH OUR COMMUNITIES

COMMUNITY PARTNERSHIP PROGRAMS

We know that mutual acceptance and respect between Covanta and community members is essential to productive operations. We act as a good neighbor and a strong partner to the communities that surround the facilities we operate and own.

We seek to ensure that local citizens have a voice in the decisions that affect their communities, lives and homes. As an integral part of these communities, we communicate and engage with a broad range of agencies, organizations and individuals on a regular basis so that we are aware of their interests and concerns. We also reach out and support public and private partners and programs to help strengthen and improve society as a whole.



Our business is integrally connected to the communities in which we operate. We strive to be a collaborative partner, pursuing sustainable waste and energy solutions together with our communities.

The Importance of Environmental Justice

Covanta engages with and supports the communities in which we have facilities. We believe in the meaningful opportunity for all people, regardless of race, ethnicity, color, income, national origin or education level, to be knowledgeable about and participate in public decisions and actions that impact their environment and neighborhoods. Our approach to and [policy](#) for addressing environmental justice is consistent with the U.S. Environmental Protection Agency's (EPA) definition of [Environmental Justice](#).

Covanta is deeply invested in upholding and promoting principles of Environmental Justice. For example, in Pennsylvania, John G. Waffenschmidt, Covanta's vice president of environmental science and community affairs, was reappointed to the Pennsylvania Environmental Justice Advisory Board (EJAB) by Pennsylvania Department of Environmental Protection (DEP) Secretary E. Christopher Abruzzo.

"We truly value John's tremendous experience and obvious passion for addressing environmental justice issues and encouraging the cooperation of industries and communities. We look forward to his continued involvement and greatly appreciate his dedicated service to the Commonwealth."

Secretary E. Christopher Abruzzo
Pennsylvania Department of
Environmental Protection

In light of these close relationships, Covanta maintains a robust [Community Outreach and Environmental Justice Policy](#). This policy is our commitment that all communities have a fair opportunity to provide input to the decision-making process about matters impacting their local environments. One hundred percent of our Energy-from-Waste (EfW) operations have a formal ongoing community engagement plan and program. Transfer stations associated with a particular EfW facility will commence reporting their activities during 2015–16.

“It’s important to think about a company from the perspective of those stakeholders who don’t have a direct financial stake in its operations—to think about a company as a neighbor, as part of a community—to make our economies more sustainable for all. I’m happy to see Covanta engaged in just this line of thinking.”

Vernice Miller-Travis

Principal, Miller-Travis & Associates and Senior Associate, Skeo Solutions Inc.

[Click here](#) to explore our full Community Outreach and Environmental Justice Policy.

Establishing a Positive Presence

Community relationships begin early in the drafting of contracts with our municipal clients. We work transparently with neighborhood representatives to agree upon minimum contractual performance standards for waste processing, energy efficiency, energy production and environmental management.

Beyond contractual terms, our operations are governed by stringent environmental, safety and health regulations. We care deeply about the safety and health of surrounding communities and believe it is important to communicate how our innovative technologies and processes provide cutting-edge protection. We view full compliance with all environmental, safety and health regulations as a minimum standard of performance, and, wherever we can, we work to exceed these requirements.

Emergency Preparedness

Covanta has developed an Emergency Action Plan (EAP) for each community in which we operate. Emergency preparedness is a natural extension of our safety and health program. All facility personnel complete an exam regarding EAP provisions when they begin working for Covanta. They also participate in annual certification.

Delivering Economic Benefit

“Covanta Niagara plays a critical role in maintaining and creating high-paying jobs in the region and contributes to stabilizing our local economy. In addition, the clean energy generated from the Covanta Niagara facility supports more than 550 jobs in the Niagara Falls region.”

Assemblyman John Ceretto

Niagara County Legislator, 12th District

[Read more](#) about the construction of our Dublin Facility.

Our close community partnerships are paired with economic benefit. Direct outcomes include job creation, while more indirect social gains take the form of additional supplier and vendor contracts and support of community programs. Each Covanta facility engages in community activities and supports local charities. Globally, we donated approximately \$2 million per year from 2013 through 2015.

Construction of a 1,500-ton-per-day EfW facility has the potential to generate approximately \$1 billion in direct and indirect economic activity and provide significant employment during development and construction.

The construction of our new EfW facility in Dublin, Ireland, is but one such example. Covanta is

creating approximately 300 jobs during the three-year construction period and up to 100 permanent jobs once the facility is operational. Throughout its operation, the completed facility will also provide ongoing economic stimulus to the surrounding Dublin region.

Covanta will also provide the Dublin City Council's Community Gain Fund with an estimated €10 million during construction and up to €600,000 annually thereafter. The future use of this money is tied to local environmental considerations, based on community consensus. In addition, we are funding infrastructure at the facility to ensure that it is capable of connecting to future community-built steam-distribution networks.



Engaging with Our Communities



Click the links below to read about several examples of Covanta's outreach initiatives that yielded positive results through collaborative problem-solving with our communities.

[CHESTER, PA](#)

[NEWARK, NJ](#)

[NIAGARA FALLS, NY](#)

Our engagement with communities happens on a daily basis and reflects each unique facility and community. As we partner with communities to address local needs, we also seek to develop our own internal tools and processes for engagement. By sharing these successes and best practices across the company, we continuously enhance our ability to be responsive and create better environmental, social and economic outcomes.

“Covanta should continue to make transparency and engagement a top priority. Members of society are more and more involved in sustainability issues, and they want rigorous and up-to-date information.”

Pere Fullana i Palmer, Ph.D.

Director, UNESCO Chair in Life Cycle and Climate Change (ESCI, Pompeu Fabra University), Barcelona, Spain

CHESTER, PA

In 2014, our facility in Chester, Pennsylvania, sought to replace a portion of its waste stream with waste from New York City. Though a group of local advocates contested the change, prior engagement and relationship building with both elected officials and the broader environmental justice community resulted in an honest and productive conversation about the proposal; we made clear that this was not an expansion, rather a substitution.

The result was a 5-0 vote to approve the modification—a resounding testament to our willingness to listen to and work closely with communities.

For more information about our long-standing environmental justice work in the Chester community, please see page 41 of our [2010/2011 Corporate Sustainability Report](#).



NEWARK, NJ

In 2014, we began construction of a state-of-the-art scrubber/baghouse filter combination to replace the Essex County facility's existing air pollution control system. The nature of our earlier operating contract with the Port Authority of New York and New Jersey restricted the ability to make technology updates since 1995, which led to growing dissatisfaction among local residents. A change in the contract has allowed us to proceed with air pollution control upgrades.

Beginning with outreach in 2012, we designed the new project and worked with both local community stakeholders and the Newark mayor's sustainability office. The project was successfully completed in 2016.



NIAGARA FALLS, NY

We gained approval to transport waste by rail from New York City to our facility in Niagara Falls for processing, resulting in far fewer trucks on the road. While we were navigating the approvals process, local citizens raised concerns about a budding rat infestation in the area. After investigating the situation, it was determined that the infestation, while it happened to coincide with our permitting, was in fact the result of sewage line replacement work being performed by the city.

Though this was an issue that fell under the city's purview, we engaged with community constituents, hired a local outreach expert, helped design a plan for rat eradication and paid for pest control measures. This campaign outreach approach was new to us, and, with broad community support, we were able to solve the problem. By all measures, it has been a great success.


"Covanta has proven themselves to be a great neighbor, and we appreciate what they have and are doing for the area. Keep up the good job, and thank you for being part of the city and the neighborhood!"

Elisabeth Buck
Niagara Falls, NY





Community Partnership Programs

<p>Rx4Safety has safely destroyed more than 3 million pounds of unwanted medications</p> <p>Read more</p>	<p>3 million pounds of fishing gear collected and safely disposed through “Fishing for Energy”</p> <p>Read more</p>		<p>“Covanta team members have been partners in the truest sense.”</p> <p>Jill Buck, founder, Go Green Initiative</p> <p>Read more</p>
		<p>More than 3,000 pounds of mercury has been diverted from the waste stream through the Mercury Collection Program.</p> <p>Read more</p>	

We continue our long-standing support of initiatives to safely dispose of medication, help remove and manage marine debris and prevent mercury pollution from consumer goods.

Rx4Safety

Covanta’s Prescription for Safety (Rx4Safety) program provides for the safe disposal and destruction of medications. Since the program’s launch, Rx4Safety has safely destroyed more than 2.5 million pounds of unwanted medications, with almost one million pounds destroyed in 2014 alone.

Launched in 2010 as a direct response to evidence of prescription drug abuse and pollution in our waterways, we offer this service free of charge to residential take-back programs. With our EfW facilities, we are able to generate clean electricity from the disposal of prescription medications, over-the-counter drugs, veterinary medications and nutritional supplements.

Rx4Safety has proven a great success. Through a broad range of partnerships—the Department of Justice, local police forces, state-level administrators and environmental groups—we’ve helped build a powerful coalition for addressing a serious social and environmental concern. Through these partnerships, we’ve been able to make incredible progress in eliminating pharmaceuticals from improper use and disposal.

Our efforts in leading this initiative have been recognized by our communities; for example, in 2014, the Keep Oklahoma Beautiful (KOB) Board of Directors presented Covanta Tulsa and the Oklahoma Bureau of Narcotics (OBN) with the Towering Spirit award for its Rx4Safety work.

“I am grateful for partnerships such as Covanta and the Bureau of Narcotics that are working together to fundamentally change the method of disposing of prescription medication and uniquely reusing it as an energy resource. This program truly keeps Oklahoma’s beauty running deep.”

Megan Moran,
Keep Oklahoma Beautiful

There is much work still to be done. The U.S. Geological Survey has estimated that 80 percent of U.S. waterways contain traces of pharmaceuticals, and the abuse of prescription drugs remains a leading cause of accidental death in the United States. As long as the problem persists we will do our best to find and provide a solution.



Fishing for Energy

[Fishing for Energy](#) provides commercial fishermen with cost-free opportunities to dispose of derelict and retired fishing gear while offering grant support for direct assessment, prevention and removal efforts. The program was established in 2008 as a partnership between Covanta, the National Fish and Wildlife Foundation, the National Oceanic and Atmospheric Administration and Schnitzer Steel Industries, Inc.

Every day, commercial fishermen around the country deploy hundreds of traps and miles of nets into ocean and coastal waters. Fishing gear lost to weather and through other causes continues to capture fish and degrade the marine habitat. Known as “ghost fishing,” the phenomenon is an economic and environmental hardship to fishing industries and coastal communities.

Through our work on the Fishing for Energy program, we have earned recognition as a leader in marine debris management and disposal. In 2011, the Ocean Conservancy asked Covanta to join the [Trash Free Seas Alliance](#) as a founding member. What started as a group focused on removing plastic from the ocean has since evolved to address the root of the problem: a lack of sustainable waste management infrastructure in many developing countries. Today, the Trash Free Seas Alliance provides financial support in key countries to prevent plastics from ever finding their way into the ocean.



Mercury Collection Program

Mercury is still present in a number of consumer goods. It is important to prevent it from entering the waste stream in order to protect water supplies and human health.

Covanta believes that the best strategy for preventing releases of mercury and other toxins is to reduce their use in consumer products. In order to achieve that goal, Covanta is a sustaining partner of the [Product Stewardship Institute](#) and supports legislation that would eliminate the use of mercury in consumer products. If mercury must be used, then we believe the manufacturer should be responsible for its proper disposal.

In the absence of a nationwide initiative to reduce or manage mercury in consumer products, Covanta has conducted mercury awareness and collection programs since 2000. These programs inform the public that mercury-bearing items should not be discarded with other municipal solid waste. The program originated in Massachusetts and has now expanded across the nation. More than 2,000 pounds of mercury has been diverted from the waste stream through these efforts.

In December of 2014, we awarded the Covanta Ton of Thanks award to one of our nonprofit partners, the Cape Cod Cooperative Extension, for their Hazardous Materials Program work to help remove mercury from the environment. Of the more than 2,000 pounds of mercury that Covanta has collected, the Cape Cod Cooperative Extension has brought in about one quarter of that total.



Go Green Initiative

The [Go Green Initiative](#) (GGI) is a global environmental education program that trains teachers, school personnel and volunteers to conserve natural resources for future generations and protect human health through environmental stewardship. We learned of GGI in 2008, and through continued financial support, we have helped introduce the program into many schools in the areas in which we operate.

In the City of Newark, New Jersey, near our Essex facility, the founder of GGI spent several days working with the city's sustainability office, meeting school and elected officials and conducting a "train the trainer" session with the local school district. The GGI has worked in Newark for the past several years. We are expanding the program to other locations in the near future, including Chester, Camden and an additional Newark school in the fall of 2015.

"Covanta team members have been partners in the truest sense. It has been so satisfying to work with Covanta and get to know the team in a way that truly aids my organization in creating positive changes for the students we serve. The insights I have gained from working so closely with Covanta personnel have exponentially increased the impact the GGI has made in schools."

Jill Buck





WORKFORCE ENGAGEMENT

BUILDING A GREAT PLACE TO WORK

CREATING THE WORKFORCE OF TOMORROW

ENGAGING EMPLOYEES IN INNOVATION

ENSURING SAFETY IN THE WORKPLACE

We believe that an engaged workforce worldwide leads to a productive and profitable company. As such, developing dedicated, skilled and knowledgeable employees is one of our most important priorities.

To retain top talent, we provide competitive benefits and career opportunities. Perhaps even more importantly, we offer employees the opportunity to engage in a fulfilling job that makes a positive difference for both society and the environment. At Covanta, we're excited to build a global team united by a shared culture of sustainability.



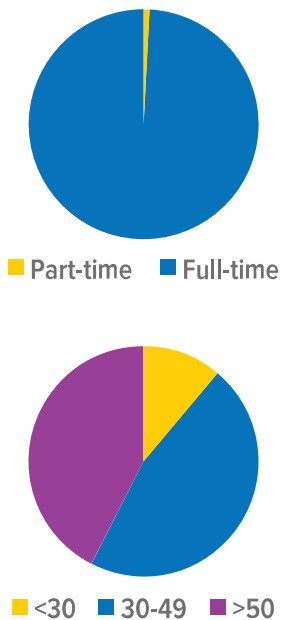
Building a Great Place to Work



Covanta's leadership in developing sustainable solutions for society and the environment means that we attract people who seek more than simply a job and an income. Many of Covanta's employees come to the company wanting to make a positive difference in the world.

We encourage employee commitment to advancing sustainable waste and energy solutions, and we emphasize creativity and collaboration across our global workplaces. We provide our employees with competitive benefits, training, recognition for excellence and opportunities for career advancement.

Covanta's Workforce at a Glance



Measuring Employee Engagement

Covanta communicated the results of its first all-employee survey, designed to gauge employee engagement and satisfaction, in 2013. The survey garnered an impressive 85 percent participation rate, and it provided us with valuable feedback. We developed a list of actions for the Covanta team to address critical issues through 2014 and beyond.

Employees told us they wanted more opportunities for individual professional development. Based on this feedback, we introduced a leadership program for middle managers in November of 2014 that has generated very positive feedback.

We also offer opportunities for employees to strengthen core competencies and improve their supervisory, managerial and leadership skills. For the past couple of years, we have been training our first-line supervisors through an in-house program called Essentials of Supervisory Success. By the end of 2014, 205 First-Line Supervisors completed the program.

Providing Operational Qualification Programs

Covanta's industry-leading operator and maintenance qualification programs help ensure that our employees are equipped to perform their jobs both safely and efficiently. Our areas of focus for these programs include electrical qualification, boiler operations and power generation

fundamentals, among others. Beyond assuring that we meet local, state and federal certification requirements, these programs establish a clear, consistent path to personal development and career advancement.

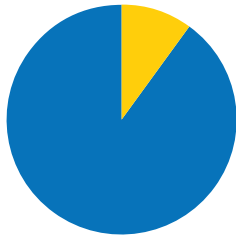
Supporting Employee Growth

All full-time and part-time Covanta employees receive performance reviews annually. Through Covanta's Performance Management process, managers and employees together determine performance strengths and development opportunities. We then help employees address competency gaps through targeted training, whether to strengthen communication, interpersonal and management skills, or learn new workplace processes. Our human resources department also offers programs to improve employee relations and promote a workplace free of harassment and discrimination.

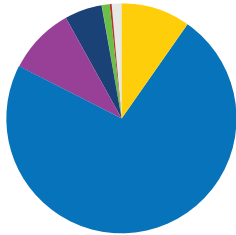
In addition, we offer an education assistance program to financially support employees who want to broaden their knowledge base, develop further professional skills and prepare for other positions within Covanta.

Encouraging Employee Health through a New Smoking and Tobacco-Free Policy

As of September 1, 2014, Covanta implemented a companywide smoke- and tobacco-free policy to establish a healthy, productive and safe environment at all Covanta-owned and/or-operated facilities. This policy applies to Covanta employees, haulers, contractors, vendors and all other visitors to Covanta sites. The tobacco-free policy states that the use of all tobacco products, including smokeless/chewing tobacco, is prohibited while on Covanta premises. We provide a list of free smoking-cessation resources through healthcare providers for employees who wish to seek help to quit smoking or stop using tobacco products.



Female Male



Black
White
Hispanic
Asian
Pacific Islander
American Indian
Two or more races

85% participation rate in most recent employee survey



Creating the Workforce of Tomorrow



We are committed—in word and action—to fostering a diverse and inclusive work environment. In 2014, we made the decision to create a full-time diversity and inclusion managerial position to advance our strategic goals and measure progress. We filled this position in early 2015.

Building a Diverse and Inclusive Workforce

As part of our efforts to foster diversity and inclusivity, we seek to attract and retain qualified female applicants. The physical nature of many positions at Covanta should not be a barrier to working and developing professionally. At the leadership level of our organization, women currently constitute 25 percent of our Board of Directors.

Another aspect of a diverse workforce encompasses employee demographics of age and tenure. Over 20 percent of our U.S. workforce is age 55 or older. As this group looks toward retirement, we provide them with financial planning services along with an employee assistance program. We have also developed succession plans to avoid employment gaps and to ensure that new hires are equipped with the tools—and the institutional knowledge—they need to perform their jobs.

“The bottom line of a company comprises a lot of different issues and audiences. One important challenge is recognizing that workforce engagement and community engagement, while often considered to be ‘nonfinancial’ activities, have significant financial implications and should be specifically considered that way.”

Bruce Kahn

Portfolio Manager, Sustainable Insight Capital Management

Supporting Our Veterans

Many positions in the military provide the technical and management skills that Covanta's workplace demands. In 2015, we added 67 veterans to the company. We also started a veterans focus group, with representation from facilities and the corporate office, to develop programs to better serve veterans. Veterans represent approximately 15 percent of our workforce.

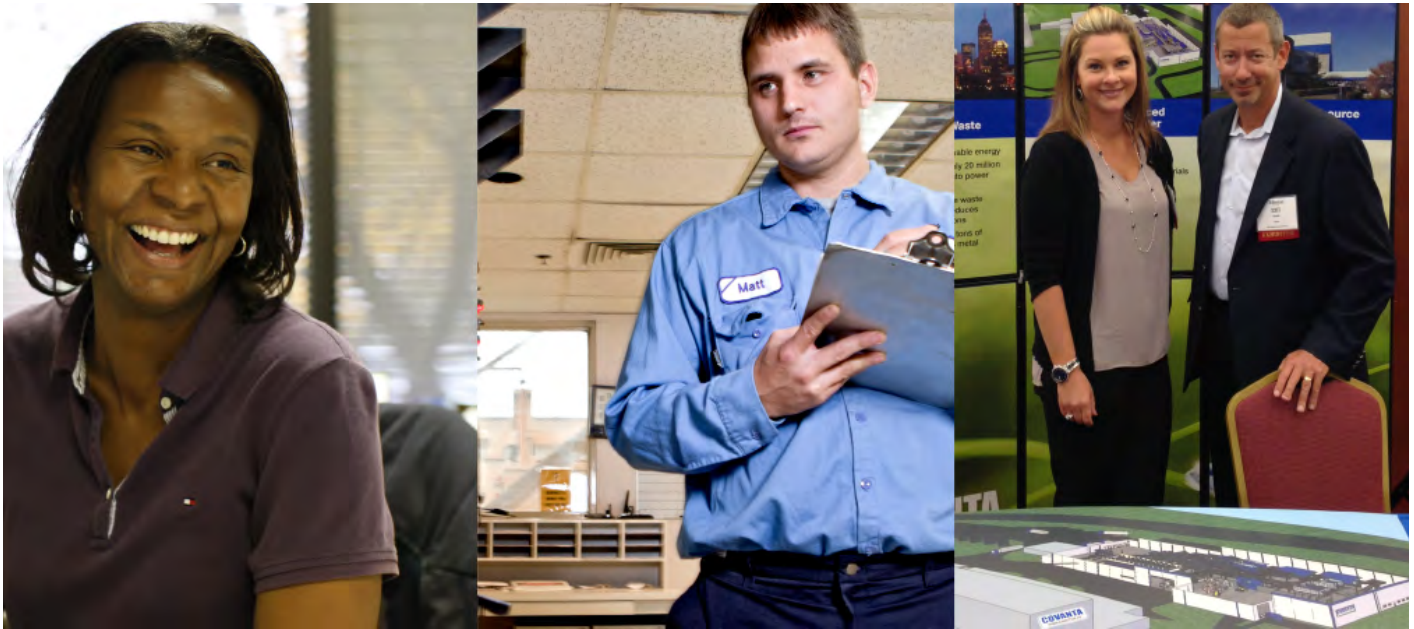
In September 2014, Covanta's talent acquisition team, along with 10 employees who are also military veterans, participated in a virtual job fair benefiting U.S. military veterans and their spouses. This "9-11 Virtual Career Fair" was hosted by veteranrecruiting.com and enabled veterans to meet with recruiters, view and apply for jobs, and connect with other veterans. More than 4,300 veterans attended the virtual career fair.

Our strong veteran recruiting efforts continued into 2016 with our participation in over ten veteran focused events, including on-site career fairs and a Covanta-exclusive virtual fair.





Engaging Employees in Innovation



Innovation is key to our continued ability to deliver sustainable waste management and clean energy solutions. Employees are key contributors to Covanta's innovation pipeline, bringing their "on-the-ground" experience to bear in addressing both operational and process challenges.

Covanta's History of Innovation



Committing Ourselves to Innovation

We have formalized this collective approach in the [Covanta Innovation Pledge](#). The employee-created Innovation Pledge marks our commitment to uncovering new ideas, investing in experimentation and taking smart risks. The pledge now hangs on the wall of every Covanta location.

spark! Spurs Efficiency

During a 2014 Power Challenge, one employee pointed out that various energy efficiency incentives could make certain projects more viable. These incentives vary state to state, so the employee proposed a single repository for all programs. We listened, and now we have the relevant regional information bundled in one spot. Our efforts to increase energy efficiency have grown as a result!

COVANTA spark!

Seeking Solutions via the spark! Innovations Platform

In 2013, we launched spark!, a companywide innovation initiative. Available on smartphones,

tablets and PCs, spark! supports collaborative innovation across our North American facilities. Employees submit solutions to challenge questions, and ideas that receive the most interest rise to the top for review.

spark! also provides discussion forums where employees can ask questions and share best practices across the organization. There is even an “Expert Locator,” which provides contact information for company experts on different topics.

Beyond spark!, we have used Open Innovation to pose challenges to thought leaders outside of our organization, drawing in new ideas from other sectors.



Ensuring Safety in the Workplace



At Covanta, we believe that all accidents and injuries are preventable, not inevitable. We view safety and health as both a management responsibility and a personal responsibility: Our employees and contractors, through their awareness of hazards and their actions on the job, are the key determinants of our safety and health performance.

Our Safety Mindset

A safety mindset is a condition of employment at Covanta. Even before a new employee or contractor comes on site, we communicate to them that nothing is more important than safety and health: not production, not throughput, not profits.

We model our Safety Management System on the stringent provisions of the U.S. Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP). And we provide training and communication that emphasizes that every task must be performed with a concern for the safety and health of the respective employee, fellow workers, contractors, visitors, customers and the communities in which we operate. We provide from six to 24 hours of training each year for new hires, and we have ongoing training for employees (inclusive of both field and corporate employees). Subsequently, field employees receive at least 24 hours of training per year.

Our Safety Performance

In 2013 and 2014, we experienced an increase in the number of safety incidents at some of our facilities, as measured through DART (Days Away, Restricted, or Transferred) and TCIR (Total Case Incident Rate). We view these incidents as a matter of serious concern, and we have taken action to reverse this trend. When it comes to safety and health, we can never afford to become complacent.

We have concentrated our efforts to improve safety and health performance at facilities that are experiencing higher rates of incidents. We have also targeted education and prevention programs toward new hires (who are at higher risk as they gain familiarity with their working environments) as well as recently injured employees in order to refresh their knowledge of safety procedures and expected behaviors.

SAFETY AND HEALTH (U.S. AND CANADA)

	2015	2014	2013	2012	2011	2010
DART (Days Away/Restricted/Transfer Rate)	0.73	0.72	0.65	0.45	0.58	0.69
TCIR (Total Case Incident Rate)	1.26	1.02	0.95	0.74	1.14	1.51
Covanta Incident Index	19.01	13.74	16.58	8.67	11.99	14.35
Number of sites in OSHA's VPP	38	41	43	40	41	39

Safety Achievements

Recognizing Safety Excellence

The majority of our domestic facilities participate in the OSHA VPP Program. Acceptance into VPP is OSHA's official recognition of the outstanding efforts of employers and employees to achieve exemplary occupational safety and health policies, procedures and practices. We are also very proud to be among the top 10 companies in the United States to enter the majority of our operating locations into the OSHA VPP STAR program.

Additionally, 39 facilities achieved the National Safety Council Excellence Award in 2014.



In 2014, our safety programs resulted in four of our [North American facilities](#) being recognized for their safety achievements. In fact, 59 percent of our facilities experienced injury-free performance for the entire year. Furthermore, as denoted by improvement in our Covanta Incident Index, the severity of accidents decreased in 2014.

Thirty-nine of our Covanta facilities and/or groups have been awarded the [Occupational Excellence Achievement Award](#) for the year 2014 by the National Safety Council (NSC), an organization devoted to the promotion of safety in U.S. industry for more than 100 years. This award recognizes companies/facilities with lost-time injury rates equal to or less than half the rate of other companies within the same industry. We continue to underscore safety awareness and training as a key company priority.



Employees Helping Employees to Stay Safe

We use peer mentoring and support and positive self-coaching as a key element in our safety programs. For example, when there is a near-miss injury, rather than taking punitive action, we focus on examining the behavior behind the event. Everyone benefits from a constructive analysis of the near miss, leading to greater awareness not only for the affected employee but the whole team.

In our Green Hard Hat program, new employees literally wear green hard hats so that fellow employees can lend a hand or provide guidance as to safe behaviors and protocols. We also implemented our Guidance to Personal Safety Program (GPS) in 2013 and 2014 to focus on both personal and administrative improvements. Finally, we continued to implement the STEP-UP safety program, emphasizing communications surrounding safety and health in the workplace. We now include our contractors in the STEP-UP program. In early 2015, we announced our SHE WIN

program to facilitate peer support in driving safety performance. All of Covanta's employees are empowered to take ownership of their own personal safety as well as that of their peers.



PERFORMANCE TABLES

ECONOMIC DATA

WORKFORCE DATA

OPERATIONS DATA

ENVIRONMENTAL DATA

ECONOMIC DATA ¹					
(data for Covanta Holding Corp., including all global operations, in millions USD) ²	2015	2014	2013	2012	2011
Operating Revenue					
Waste and service revenues	1,104	1,032	1,008	1,010	1,008
Recycled metals revenues	61	93	73	72	74
Electricity and steam sales	421	460	431	394	400
Other operating revenues	59	97	118	167	168
Total operating revenues	1,645	1,682	1,630	1,643	1,650
Operating Expenses					
Total operating expenses	1,536	1,528	1,395	1,339	1,378
Income Tax					
Income tax expense	(84)	15	43	31	36
Net Income					
Net income (loss) attributable to Covanta Holding, continuing operations	68	(2)	43	136	93
Non-GAAP Financial Measures³					
Adjusted EBITDA	428	474	494	507	512
Free Cash Flow	147	240	245	277	298
Dividends					
Annualized Cash Dividends per Share	\$1.00	\$0.86	\$0.66	\$0.60	\$0.30
Community investment					
Total donations	2	2	2	2	2

¹ For complete information, please refer to Covanta's 2014 and 2015 Form 10-K filings

² For the years ended December 31

³ Certain amounts have been reclassified from Operating Expense to conform to current presentation

WORKFORCE DATA

	2015	2014	2013	2012	2011
Employees					
Total employees	3,539	3,224	3,269	3,142	2,894
Salaried	1,142	1,033	1,048	998	902
Hourly ⁴	2397	2,191	2,221	2,144	1,992
Global Headcount					
North America	3,511	3,202	3,244	3,108	2,860
United States	3,431	3,122	3,193	3,060	2,820
Canada	80	80	51	48	40
Asia	21	21	21	18	17
Europe	7	1	4	16	17
Safety & Health⁵					
DART (Days Away/Restricted/Transfer Rate)	0.73	0.72	0.65	0.45	0.56
TCIR (Total Case Incident Rate)	1.26	1.02	0.95	0.74	1.14
Covanta Incident Index	19.01	13.74	15.58	8.67	11.99
Number of sites in OSHA VPP program	38	41	43	40	41
Contractor DART ⁶	0.7	0.78	0.88	0.93	
Contractor TCIR ⁶	1.22	1.31	1.49	1.65	
Diversity					
Women (% of total workforce)	10	9	10	10	10
Minorities (% of total workforce)	25	28	27	29	29

EMPLOYEE DATA

	Total	Female	Male
Employees	3,539	361	3,178
Permanent	0	0	0
Temporary	0	0	0
Part-Time	19	7	12
Full-Time	3,520	354	3,166
Contractors	0	0	0
Employee Geography			
Americas	3,431	341	3,090
Mid-Atlantic	513	16	497
West Central	391	26	365
New England	563	30	533
NY/NJ	460	27	433
South	505	18	487
Covanta Field Services	104	2	102
Corporate Headquarters	645	185	460
Covina Environmental Solutions	250	37	213
Asia	21	7	14
Canada	80	12	68
Europe	7	1	6

DIVERSITY BY EEO CATEGORY

	American Indian	Black	White	Hispanic	Asian	Pacific Islander	Two or more races	Total
Race/Ethnic Composition of Our Employees								
Executives	0	5	65	1	2	0	0	73
Managers	0	17	396	21	33	1	7	475
Professionals/administrative	1	41	512	50	44	1	6	655
Hourly ⁴	9	272	1,479	239	106	28	33	2,166

	Executives	Managers	Professionals/administrative	Hourly ⁴
Age Composition of Our Employees				
Under 30 years old	0	3	54	327
30-50 years old	16	211	295	1,034
Over 50 years old	57	261	306	805
Total	73	475	655	2,166
Gender Composition of Our Employees				
Female	10	95	193	62
Male	64	413	496	2,202
Total	74	508	689	2,264

GOVERNANCE BODY DIVERSITY

Gender Composition within Our Board of Directors	
Female	2
Male	9
Age Composition of Our Board of Directors	
Under 30 years old	0
30-50 years old	0
Over 50 years old	11

EMPLOYEE TURNOVER STATISTICS

	Salaried	Hourly	Total	Average service (yrs)	Total # of separations	Rate (%)
Employee Turnover Statistics						
Total	1,142	2,397	3,539	11	221	6%
Female	191	170	361	9	24	7%
Male	951	2,227	3,178	11	197	6%
Age less than 30	44	363	407	2	65	16%
Age 30-50	569	1,201	1,770	9	106	6%
Age over 50	529	833	1,362	15	50	4%
United States	1,091	2,340	3,431	11	221	6%
Asia	21	0	21	5	0	0%
Canada	23	57	80	8	4	5%
Europe	7	0	7	6	0	0%

NEW HIRE STATISTICS

	Salaried	Hourly	Total
New Hire Statistics			
Total	199	525	724
Female	48	46	94
Male	151	479	630
Age less than 30	17	172	189
Age 30-50	94	246	340
Age over 50	88	107	195
United States	182	516	698
Asia	1	0	1
Canada	12	9	21
Europe	4	0	4

EMPLOYEE HUMAN RESOURCE TRAINING⁷

Average Training Hours		
Salaried		9
Hourly ⁴		2

EMPLOYEE SAFETY & HEALTH TRAINING

Average Training Hours	
Field employees	24

EMPLOYEE PERFORMANCE REVIEWS

	Female	Male	Total
Average Training Hours			
Executives	5	33	38
Managers	55	285	340
Professionals/administrative	116	356	472
Hourly ⁴	39	1,494	1,533

⁴Hourly = Technicians/sales workers/admin support workers/craft workers/operatives/laborers/helpers

⁵Safety & Health data is U.S. and Canada only

⁶Contractor safety performance rates reflect the overall safety performance of the contractors employed by Covanta, not their specific performance on Covanta's sites

⁷For employees receiving training.

OPERATIONS DATA

	2015	2014	2013	2012	2011	2010
Facilities (owned, equity investments in, and/or operated)						
Number of EfW operations	46	46	46	44	46	44
Total capacity (MW)	1,541	1,587	1,522	1,483	1,613	1,548
Total capacity (TPD)	59,288	60,908	57,418	55,988	59,088	56,858
Number of wood waste energy projects	7	7	7	8	8	8
Total capacity (MW)	165	165	165	191	191	191
Number of water energy projects	2	2	2	4	4	4
Total capacity (MW)	17	17	17	48	48	48
Number of landfill gas projects	1	1	1	1	1	3
Total capacity (MW)	1.6	1.6	1.6	1.6	1.6	9.8
Number of fossil-fuel power plants	1	1	1	1	1	5
Total capacity (MW)	24	24	24	24	24	872
Number of material processing facilities	12	1	0	0	0	0
Number of transfer stations	18	18	18	13	13	13
Number of landfills	4	4	4	4	4	4
Number of electronic waste recycling facilities	1	1	1	1	1	0
Waste Processed						
Total waste processed (million tons)	21.2	20.7	20.3	20.6	20.6	20.5
Commercial & industrial waste (thousand tons)	1,291	863	812	670	490	
Metals recovery ⁸ (thousand tons)	496	489	441	432	430	414
E-waste recycled (million pounds)	13.2	13.6	6.2	2.0	0.4	
Energy Generation						
Net electricity exported to the grid (million MW hours)	9.8	9.8	9.5	9.9	10.6	14.9
Steam exported (billion lbs)	12	12.6	11.0	10.6	11.1	12.4
RECs, value recognized (\$M)	22	22	17	5		
Operational Investments						
R&D Expenses (Capital expenditures associated with technology development, in millions USD)	(3)	(3)	(5)	(27)	(10)	(6)

⁸ Metals recovery reported for U.S. and Canadian operations only

ENVIRONMENTAL DATA

Monetary fines and compliance frequency, EfW Facilities ⁹	2015	2014	2013	2012	2011	2010
CEM fines	\$12,300	\$22,750	\$4,719	\$45,000	\$16,250	\$42,992
Stack test fines	\$ –	\$ –	\$ –	\$ –	\$ –	\$400,000
Other fines	\$30,000	\$3,000	\$67,500	\$5,992	\$ –	\$ –
Percent compliance – stack tests	100.0%	100.0%	100.0%	100.0%	100.0%	99.9%
Percent compliance – CEMs		99.95%	99.94%	99.97%	99.92%	99.94%

	Federal Standard	2015	2014	2013	2012
Water Use, EfW Facilities					
Total water use (Mgal.)		9,176	9,045	8,440	
Reclaimed wastewater use (Mgal.)		2,244	1,684	1,238	
Reclaimed wastewater use as % of total		24.5%	18.6%	14.7%	
GHG Emissions (000 t CO ₂ e) (equity share basis)					
Net GHG Emissions avoided through EfW		11,100	11,300	11,070	10,980
Total Scope 1, 2 and 3 GHG emissions		4,691	5,043	4,700	4,359
Scope 1		4,558	4,887	4,555	4,204
Scope 2		17,478	25	21	27
Scope 3 ¹⁰		115.52	131	124	128
Biogenic CO ₂		8,706	8,124	7,607	7,585
GHG emission intensity (t CO ₂ e / \$ revenue)		0.0027	0.003	0.0026	0.0028

Air Emissions, EfW Facilities					
Lead (µg / dscm)	400	12.5	11.1	12.2	11.3
Cadmium (µg / dscm)	35	1.3	1.3	1.1	1.0
Mercury (µg / dscm)	50	2.5	5.8	2.5	2.6
Total dioxins & furans (ng / dscm)	30	2.4	2.4	2.2	2.7
Particulate matter (mg / dscm)	25	3.1	2.7	2.8	3.0
Hydrogen chloride (ppm)	29	6.8	7.2	7.0	7.5
Carbon monoxide (ppm)	100	28.4	28.7	30.3	25.7
Sulfur oxides (ppm)	29	8.2	8.2	8.4	8.1
Nitrogen oxides (ppm)	205	139.4	140.4	143.0	142.7

⁹ Monetary penalties are allocated to the time period during which an event occurred

¹⁰ Scope 3 GHG emissions calculated and reported for raw material consumption, e.g. activated carbon, lime

NON-GAAP RECONCILIATION (ADJUSTED EBITDA & FREE CASH FLOW – CONTINUING OPERATIONS)					(\$ IN MILLIONS)
	2015	2014	2013	2012	2011
Net Income (Loss) from Continuing Operations Attributable to Covanta Holding Corporation	\$68	(\$2)	\$43	\$136	\$93
Operating loss related to Insurance subsidiaries	–	2	2	10	3
Depreciation and amortization expense	198	211	209	194	192
Debt service expense	134	147	159	145	122
Income tax (benefit) expense	(84)	15	43	31	60
Reversal of uncertain tax positions related to pre-emergence tax matters	–	–	–	–	(24)
Non-cash liability to pre-petition creditors	–	–	–	–	15
Gain related to trust distribution	–	–	4	–	–
Net write-offs (gains)	43	64	15	(57)	–
Defined benefit pension plan settlement (gain) expense	–	–	(6)	11	–
Loss on extinguishment of debt	2	2	1	3	1
Gain on sale of business	–	–	–	–	(9)
Net income (loss) attributable to noncontrolling interests in subsidiaries	1	1	(1)	2	5
Other adjustments:					
Debt service billings in excess of revenue recognized	1	2	9	9	22
Severance and reorganization costs	4	9	2	–	–
Capital type expenditures at service fee operated facilities ¹	31	–	–	–	–
Non-cash compensation expense	18	17	15	16	17
Other non-cash items	12	6	7	7	15
Subtotal other adjustments	66	34	33	32	54
Total adjustments	360	476	451	371	419
Adjusted EBITDA	\$428	\$474	\$495	\$507	\$512
Cash interest payments, net of capitalized interest	(131)	(121)	(123)	(112)	(101)
Cash taxes	(2)	(11)	(11)	(8)	(13)
Capital type expenditures at service fee operated facilities ¹	(31)	–	–	–	–
Working capital / other	(15)	(2)	(36)	(30)	(22)
Cash flow (used in) provided by operating activities from continuing operations	\$249	\$340	\$324	\$357	\$376
Plus: Cash flow provided by operating activities from insurance subsidiaries	–	1	8	5	2
Less: Maintenance capital expenditures	(102)	(101)	(87)	(85)	(80)
Free Cash Flow	\$147	\$240	\$245	\$277	\$298
Shares Outstanding End of Period	131	133	130	132	136



In this report, we provide a progress update on goals previously established by the company. These goals will be replaced by the newly issued set of sustainability goals and targets.



PREVIOUS GOALS

OPERATIONS

SUSTAINABLE MATERIALS MANAGEMENT

ENVIRONMENT

EMPLOYEES

COMMUNITIES

Our sustainability goals and targets support our business strategy and financial performance. Developing sustainable waste and renewable energy solutions is our business, so when we meet our sustainability goals, we move closer to achieving our overall corporate objectives.

We set both quantitative and qualitative goals for the near and long term. We are accountable for our performance, and provide regular updates on progress toward meeting our goals.

Operations

Covanta seeks to manage its facilities so as to maximize waste processing and energy generation capacity while continuously improving operating efficiencies. Investment in operation and maintenance programs, including in facility equipment and procedures, directly impacts Covanta’s financial performance. For example, an increase in total quantity of waste managed, power generated and metals recovered contributes additional revenue. Reducing use of potable water and increased use of gray water minimizes operating costs.

OPERATIONS

	Goal	Report Target	Status
Waste management	Increase the amount of waste managed throughout all EFW facilities and other integrated waste management operations.	By 2025, increase the total amount of waste managed by 20 percent from a 2011 baseline. (Increase from 20.6 to 24.7 million tons.)	On Track In 2014, we managed 20.7 million tons. We continue growth through recent acquisitions, the new Durham York Energy Centre facility.

			<p>the construction of the Dublin plant, and new development opportunities.</p> <p>Financial Impact</p> <p>Our 2014 waste & service revenues were up \$24 million relative to 2011.</p>
Energy generation	Increase the total amount of net energy exported from Covanta EfW facilities.	By 2025, increase net power generation by 20 percent from a 2011 baseline. (Baseline = 9.1 million MWh electricity and 9.3 billion pounds of steam.)	<p>On Track</p> <p>In 2014, we delivered 8.9 million MWh of electricity and provided 10.1 billion pounds of steam from our EfW facilities.</p> <p>Financial Impact</p> <p>Our 2014 energy revenues were up \$60 million relative to 2011.</p>
Metals recovery	Increase the amount of ferrous and nonferrous metal recovered at Covanta's EfW facilities.	By the end of 2013, increase total rate of recovered ferrous by 50,000 tons and nonferrous metals by 10,000 tons for a total run rate of 490,000 tons.	<p>Complete</p> <p>December 2013 was our first month exceeding our total rate of recovery goal. We are on track in 2015 to exceed our goal on an annual gross basis.</p> <p>Financial Impact</p> <p>Our 2014 metals revenues were up \$19 million relative to 2011.</p> <p>Our metals recovery efforts have been an important hedge in the recent falloff in commodity prices. Absent growth in recovery, metals revenues would have been down an additional \$28 million + \$4 million operating cost from disposal of non-recovered metals.</p>
Efficiency improvements	Implement projects that improve energy efficiency and energy recovery.	Implement measures at all facilities where local communities support these efforts.	<p>On Track</p> <p>We've implemented 35 energy efficiency projects at 22 facilities, with total estimated energy savings of 56,600 MWh / yr.</p> <p>Financial Impact</p> <p>A positive revenue impact of over \$3 million / yr based on average 2014 price of the PJM PSEG zone provided by the PJM ISO of \$56.99 / MWh.</p>
Water conservation	Implement projects that reduce total water demand and allow facilities to use lower-quality water.	By 2020, expand water-reduction efforts at all facilities. Where supported by local communities, transition to the use of gray water instead of potable water.	<p>On Track</p> <p>We've implemented projects at 12 additional facilities since 2011. Our Delaware Valley water reuse project saves over 1.3 million gallons / day of potable water alone.</p> <p>Financial Impact</p> <p>The new Delaware Valley system alone is expected to save \$600 – \$700 thousand / yr.</p>

Sustainable Materials Management

Covanta seeks to be an integral part of the zero-landfill solution. We recognize that materials reuse, recovery and recycling are essential components in managing waste. With regard to financial impacts, existing and new clients pay a premium to divert waste from landfills to EfW to help achieve their zero-landfill initiatives, among other objectives. Covanta's commercial and industrial services generate additional revenue for the company. Developing innovative waste processing technologies can also enhance Covanta's potential future revenue stream.

SUSTAINABLE MATERIALS MANAGEMENT			
	Goal	Report Target	Status
Commercial / industrial waste disposal	Increase the amount of non-hazardous commercial and industrial waste processed to meet clients goal of zero landfill.	By 2015, increase the total tons of commercial and industrial waste processed to 1,000,000 tons from 490,000 tons in 2011.	<p>On Track</p> <p>With 873,000 tons processed in 2014, we've already grown the business by more than 75 percent since 2011. With continued organic growth and new acquisitions, we are on track to reaching our goal in 2015.</p> <p>Financial Impact</p> <p>Projections indicate that displacement of an additional 500,000 tons of spot waste with non-hazardous commercial and industrial wastes enables a market opportunity to create incremental value of at least \$25 million in additional revenues.</p>
Recycling	Improve recycling options at both Covanta-owned EfW facilities and transfer stations.	Expand recycling options at more than 50 percent of EfW facilities.	<p>Complete</p> <p>We've increased our recycling footprint across our fleet through both new services and acquisitions.</p>
Liquid Waste Disposal	Offer an energy- and cost-effective method to dispose of liquid waste.	By 2015, increase from two to four facilities that can manage liquid waste.	<p>Complete</p> <p>We now offer liquid direct injection at seven facilities and beneficial reuse at four more.</p>
EfW process innovation	Evaluate thermal alternatives to conventional mass burn and refuse-derived fuels technology.	Secure contract for supply of three CLEERGAS units by 2015. Implement MSW gasification with syngas recovery for combined cycle power production by 2020.	<p>Incomplete</p> <p>We continue to advance CLEERGAS together with our partners.</p> <p>Financial Impact</p> <p>Smaller scale CLEERGAS gasification units could open smaller markets for EfW facilities.</p>

Environment

Covanta's proactive compliance strategy is designed to prevent

noncompliant events; learn from any such events; and to develop technology, operating standards and personnel training to ensure continuous improvement. The financial benefits of this proactive approach include direct savings from the avoidance of fines and penalties, as well as creation of intangible reputational value. As related to emissions reductions, we can also realize proceeds from carbon offset sales, depending on the agreements we have with our clients.

ENVIRONMENT			
	Goal	Report Target	Status
Compliance	100 percent compliance with all discharge limits.	Achieve and maintain 100 percent compliance for all reportable periods by 2015, including those currently exempt during startup and shutdown.	On Track We continue to have 100 percent stack test compliance and have achieved over 99.9 percent compliance with our continuous emissions monitoring system requirements.
Emissions	Reduce overall emissions associated with EfW facilities, specifically with regard to dioxin and mercury.	By 2015, all units will have results below the existing compliance limits set for new EfW units.	On Track Our plants continue to operate more than 90 percent below our permit limits for Hg and dioxin. Since start of our Clean World Initiative, our dioxin emissions are down more than 50 percent.
GHG emissions	Develop carbon offset projects at all eligible facilities.	Complete the certification of all eligible EfW facilities by 2015 to generate and sell carbon credits.	On Track We've successfully validated three out of the four eligible projects. Financial Impact Sale of carbon offset credits creates additional revenue streams for our clients and Covanta.
Technology	Develop technology for improved environmental performance.	Continuous verification of compliance options.	On Track We continue to explore technological options for reducing emissions.

Employees

Covanta has various initiatives in place to improve the quality of life for its employees, contractors and host communities. In financial terms, our investment in the safety and health of our employees and contractors provides both short- and long-term benefits, including potentially lower insurance premiums as well as avoidance of costs related to accidents and injuries. By focusing on retaining qualified and talented employees, we can further lower costs related to recruiting and training, and realize operational benefits associated with a productive and efficient workforce.

EMPLOYEES			
	Goal	Report Target	Status
Injury-free workplace	Achieve an injury-free workplace as measured with regard to injury frequency (Total Case Incident Rate:	Continue to reduce injury rates and advance the goal of achieving zero accidents and injuries in the	Refocusing In 2014 we experienced an

	TCIR); severity (Days Away, Restricted, and Transfer Rate; DART); and via Covanta's Incident Index (II), which combines frequency and severity into a single metric.	workplace.	<p>In 2014, we experienced an increase in the number of safety incidents at some of our EFW facilities. While 59 percent of our facilities were accident-free, we take very seriously our responsibility to address safety issues, and are implementing additional programs to concentrate attention on accident prevention and reinforce a safety mind-set among all employees.</p> <p>See our latest safety data here.</p>
Elimination of unsafe practices	Use a "near-miss" reporting system to incentivize safe behavior by identifying and eliminating unsafe practices or behaviors that could lead to accidents.	Through the near-miss program, continue to develop employee confidence in reporting, controlling and eliminating unsafe conditions or behaviors.	<p>Complete</p> <p>Our near-miss reporting system is in place and contributing to correcting root causes of accidents.</p>
Contractor safety	Establish and maintain a contractor injury reporting and safety management system.	Continue to improve contractor injury tracking and reporting by implementing the new ISN SafetyStat-3 database in 2012. Begin to report indices (TCIR and DART) for contractors that work more than 1,000 hours per quarter.	<p>Complete</p> <p>Through the ISN system, we now track safety performance of our contractors.</p> <p>See our latest contractor safety data here.</p>
Contractor qualifications	Improve contractor screening processes to ensure that all contractors comply fully with regulations and possess required expertise.	By 2012, all contractors hired by Covanta are expected to be integrated into the ISN system. Only contractors with an ISN A grade will be permitted to perform work at Covanta facilities.	<p>Adjust</p> <p>We now have 98 percent of our contractors subscribed to the system. ISN has changed its grading system, leaving comparisons difficult and the criteria different than we initially anticipated. We have shifted toward tracking our contractor's involvement with ISN and their safety performance.</p>
Training design	Design a training program for newly hired First Line Supervisors.	Deliver inaugural program for newly hired and/or newly promoted First Line Supervisors in 2012, with plans to offer the program multiple times per year in the future.	<p>Complete</p> <p>The program continues to be well received by participants and their managers.</p>
Talent retention	Develop programs to attract and retain top talent and increase the retention of high-performing employees.	Maintain retention above 90 percent and continue to monitor, develop and evaluate innovative programs to attract and retain top talent.	<p>On Track</p> <p>Our retention rate dropped below 90 percent in 2014, following a strong performance in 2013, as a result of some short-term initiatives. We are on track to exceed 90 percent retention in 2015.</p>
Employee well-being	Explore health and wellness initiatives in support of employee well-being.	In partnership with external health organizations, launch a companywide Wellness Strategy in the areas of Smoking Cessation and Weight Management in 2012.	<p>Complete</p> <p>These programs were introduced in 2012 and continue to be offered.</p>

Communities

Covanta has been investing in community outreach programs for more than two decades. This comprehensive outreach translates to improved business opportunities, including renewal of existing contracts and favorable permitting terms; strong relationships; and better operational standing.

COMMUNITIES

	Goal	Report Target	Status
Community support	Sponsor and participate in local events.	In 2012 and beyond, all EfW facilities will sponsor an Earth Day or comparable event.	On Track In 2014, we completed an event at 95 percent of our North American EfW facilities where we've been operating for at least a year, including at 100 percent of those facilities we own. We continue to work with a small number of our clients to embrace our involvement in local events.
Public service	Help to minimize toxics such as mercury and unused pharmaceuticals in the waste stream through donation of EfW services.	By 2015, expand toxics-reduction program to all facilities where communities are supportive of these efforts.	Complete All of our North American facilities where we have been operating for at least a year have at least one toxics-reduction program in place.
EJ & Community Outreach	Formalize Covanta's community relations and Environmental Justice programs and policies; conduct locally based stakeholder engagement.	Implement activities related to each EfW facility's community outreach program (COP) and hold at least one meeting at all facilities.	Refocusing We established a new goal to expand the number and quality of our community outreach programs.



FUTURE GOALS

SAFETY AND HEALTH

HUMAN RESOURCES

ENVIRONMENT

MATERIALS MANAGEMENT

COMMUNITY RELATIONS

SAFETY AND HEALTH

Goal	Performance Indicators
<p>Achieve world class safety & health performance through disciplined continuous improvement, safety leadership at all levels, full employee engagement and an integrated, interdependent world class safety culture.</p> <p>Background</p> <p>Organizations with an integrated and interdependent safety culture are more likely to achieve and sustain injury free workplaces and demonstrate outstanding safety management and performance. Safety leadership, teamwork, peer support, trust, open and honest communication, employee engagement at all levels and organizational pride are hallmarks of integrated and interdependent safety cultures. While incident rates and other safety metrics ultimately demonstrate performance, they are lagging indicators and ineffective at tracking the efficacy of cultural development.</p>	<ul style="list-style-type: none"> - Develop and assess the efficacy of safety culture performance metrics. Implement, track and report these metrics to demonstrate measurable improvements in Covanta's safety culture through the end of 2020. - Complete a review of our root cause analysis and corrective action process and implement changes as necessary by the end of 2016 to ensure the process adequately evaluates and resolves issues as identified.

HUMAN RESOURCES

Goal	Performance Indicators
<p>Create and maintain an inclusive, respectful and equitable environment that leverages the unique talents, perspectives and experiences of our diverse workforce to help retain top talent, meet and exceed our business objectives and the expectations of our diverse client communities, business partners and shareholders.</p> <p>Financial Linkage</p> <p>Our employees drive our business and our success. Attracting the best talent; hiring and retaining a diverse workforce with regard to age, race, gender, ethnicity, and other dimensions of diversity; and the inclusion of all employees and their ideas helps foster innovation and continuous improvement, thereby contributing to reduced costs and revenue growth including through the development of new businesses and services. A low attrition rate, especially for top performers, means that we can retain qualified and talented individuals, preserve institutional knowledge and reduce recruiting and training costs.</p>	<ul style="list-style-type: none"> - Develop diversity and inclusion educational awareness training for employees and managers. Complete training with 30% of the workforce by the end of 2016 with full completion in the following year. - Create and initiate a mentoring program by the end of 2016 to facilitate the retention, development and advancement of our workforce. Develop and monitor metrics to drive diversity and senior management participation in the program. - Attract the best talent and increase the diversity of our external and internal candidate pools by 2018 as measured by the percentage of diverse new hires relative to the overall U.S. workforce and the percentage of diverse promotions into management relative to the U.S. management workforce.

ENVIRONMENT

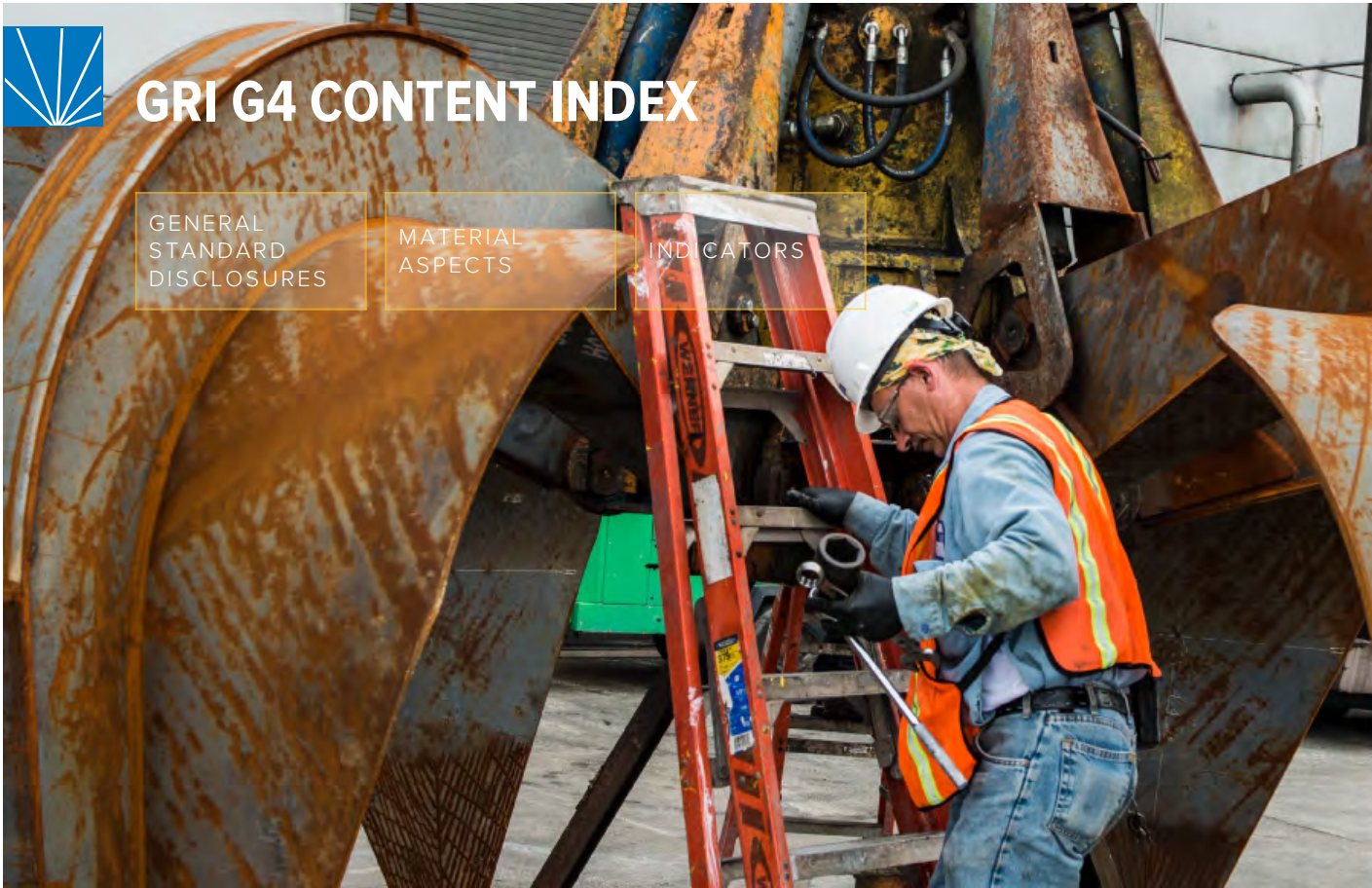
Goal	Performance Indicators
<p>Energy-from-Waste (EfW) facilities are subject to stringent regulatory standards that are currently being reviewed by the U.S. Environmental Protection Agency. In addition, acquisitions and organic growth are also creating new challenges. We are committed to 100% compliance with all discharge limits (air, water, etc.) at all facilities while also maintaining emissions at levels consistent with past performance which are well below existing standards.</p> <p>Financial Linkage</p> <p>100% compliance with discharge limits avoids fines and other monetary penalties. More importantly, we view full and continual compliance with all applicable laws, regulations, and permits to be a basic condition of responsible operation. By demonstrating and continuing full compliance, we build our reputation and garner intangible value as a responsible member of the local community.</p>	<ul style="list-style-type: none"> - 100% compliance with stack test standards and continuous emission monitor (CEM) reporting limits at all EfW facilities. - 100% compliance with discharge limits at Covanta Environmental Solutions and other new facilities within one year of acquisition. - Maintain EfW emissions performance gains achieved.

MATERIALS MANAGEMENT

Goal	Performance Indicators
<p>Advance sustainable waste management and lifecycle greenhouse gas reductions through increased landfill diversion, greater operational efficiency, and expansion of waste reduction, reuse, and recycling.</p> <p>Financial Linkage</p> <p>Reducing landfill management of wastes from energy recovery through finding new ash beneficial reuse opportunities and recovering more usable materials (e.g. metals) prior to disposal, reduces costs and generates new revenues streams. Increasing the tons of wastes avoided, recycled or reused for our clients expands our service offerings and helps meet our clients' needs, thereby generating additional sources of revenue and potentially longer-term client relationships.</p> <p>Climate Change Linkage</p> <p>More sustainable waste and materials management can be a significant source of GHG emissions mitigation. Growing landfill diversion and moving up the waste hierarchy, both for our own operations for our clients', are our most powerful drivers in reducing GHG emissions.</p>	<ul style="list-style-type: none"> - By 2020, increase the amount of waste managed through energy recovery and other sustainable waste management operations by 10% relative to a 2014 baseline. - Increase total wastes avoided, recycled, or reused under our management by 25% by 2020 relative to a 2014 baseline of 548,000 tons. - Achieve additional energy efficiency improvements at our energy recovery facilities of 60,000 MWh in total by the end of 2020.

COMMUNITY RELATIONS

Goal	Performance Indicators
<p>Expand the number and quality of our community outreach programs.</p> <p>Financial Linkage</p> <p>Covanta has been investing in community outreach programs for more than two decades. This comprehensive outreach translates to improved business opportunities, including renewal of existing contracts and favorable permitting terms; strong relationships; and better operational standing.</p>	<ul style="list-style-type: none"> - Develop a community programs resource for Covanta's facilities by the end of 2016 to help facilitate effective and quality community interactions. - Perform, at a minimum, eight community interactions per year, beginning in 2016, at each EfW facility that deliver demonstrative impact to our Protecting Tomorrow programs, local community programs and sustainable solid waste management education.



We have developed the report in accordance with the Core level of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. This is our third report in which we address GRI reporting requirements, and it's the first year we are using the G4 framework. Please visit the **Materiality Analysis** section of the report for information on how we prioritized our disclosures on specific topics.



General Standard Disclosures

GENERAL STANDARD DISCLOSURES	DESCRIPTION	CROSS-REFERENCE OR ANSWER
Strategy and Analysis		
G4-1	CEO Statement.	CEO Letter
Organizational Profile		
G4-3	Name of the organization.	Covanta Holding Corporation
G4-4	Primary brands, products and services.	About Covanta/Covanta's Business Operations Resource Management 2014 10-K, pp. 5-6
G4-5	Location of the organization's headquarters.	445 South Street, Morristown, NJ 07960
G4-6	Number of countries where the organization operates, and names of countries where the organization has significant operations.	Five: United States, China, Italy, Canada and Ireland 2014 10-K, p. 5
G4-7	Nature of ownership and legal form.	Covanta is wholly owned by Covanta Holding Corporation, which is listed and publicly traded on the New York Stock Exchange under the ticker symbol CVA.
G4-8	Markets served.	About Covanta/Covanta's Business Operations Resource Management/Zero-Waste-to-Landfill Resource Management/Meeting Clients' Needs 2014 10-K, pp. 5, 8-10
G4-9	Scale of the organization.	About Covanta/Covanta's Business Operations Performance Tables/Operations Data 2014 10-K, pp. 5, 12-15, 23, 36
G4-10	Workforce information.	A substantial portion of Covanta's work is not performed by workers who are legally recognized as self-employed, and there are no significant variations in employment numbers. Workforce Engagement/Creating the Workforce of Tomorrow Performance Tables/Workforce Data Performance Tables/Employee Data
G4-11	Percentage of total employees	Of our employees in the United

	covered by collective bargaining agreements.	States and Canada, approximately eight percent are represented by organized labor. 2014 10-K, p. 23
G4-12	Organization's supply chain.	About Covanta/Covanta's Business Operations 2014 10-K, pp. 8-12
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain.	CEO Letter Resource Management/Zero-Waste-to-Landfill 2014 10-K, pp. 5-6
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Community Relations/Being a Good Neighbor
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.	Covanta does not subscribe to or endorse any externally developed sustainability charters or principles; however, Covanta does participate in the Clinton Global Initiative/Project Kaisei, a voluntary initiative entered into in 2009 that is based in the United States.
G4-16	List memberships in associations and national or international advocacy organizations.	About Covanta/Listening to Our Stakeholders
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	2014 10-K, p. 5
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	About Covanta/Materiality Analysis
G4-19	Material Aspects identified in the process for defining report content.	About Covanta/Materiality Analysis
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	All Aspects are material inside of the organization.
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	All Aspects are material outside of the organization and are relevant across our global operations.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No restatements were made.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None.
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organization.	About Covanta/Listening to Our Stakeholders
G4-25	Basis for identification and selection of stakeholders with whom to engage.	About Covanta/Listening to Our Stakeholders
G4-26	Organization's approach to stakeholder engagement.	Covanta's Stakeholder Panel was undertaken specifically as part of the report preparation process. About Covanta/Listening to Our Stakeholders

G4-27	Key topics and concerns that have been raised through stakeholder engagement.	About Covanta/Listening to Our Stakeholders
Report Profile		
G4-28	Reporting period for information provided.	About this Report
G4-29	Date of most recent previous report.	About this Report/Report Archive
G4-30	Reporting cycle (such as annual, biennial).	About this Report
G4-31	Contact point for questions regarding the report or its contents.	Contact
G4-32	GRI Content Index.	About this Report
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	We currently do not assure our sustainability report; we may consider seeking external assurance for specific indicators in the future.
Governance		
G4-34	Governance structure of the organization, including committees of the highest governance body.	Governance Documents
Ethics and Integrity		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	About Covanta/Covanta's Business Operations
Electric Utility Sector Supplement		
G4-EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	2014 10-K, pp. 11-12
G4-EU2	Net energy output broken down by primary energy source and by regulatory regime.	Performance Tables/Operations Data
G4-EU5	Allocation of CO ₂ e emissions allowances or equivalent broken down by carbon trading framework.	Environmental Performance/Greenhouse Gas Emissions



Material Aspects

GRI G4 MATERIAL ASPECTS	DMA CROSS-REFERENCE	RELEVANT EXTERNAL ENTITIES (G4-21)
Economic		
Economic Performance	2014 10-K, p. 8	Communities Customers Investors Regulators
Market Presence	Community Relations/Being a Good Neighbor	Communities Customers
Indirect Economic Impacts	Community Relations/Being a Good Neighbor Community Relations/Community Partnership Programs	Communities
Procurement Practices	About Covanta/Covanta's Business Operations	Communities Customers Investors Regulators
Environmental		
Materials	About Covanta/Covanta's Business Operations Resource Management/Recovering Energy-from-Waste Resource Management/Zero-Waste-to-Landfill 2014 10-K pp. 15	Communities Customers Investors
Emissions	Environmental Performance/Greenhouse Gas Emissions 2014 10-K p. 18-22	Communities Regulators
Environmental Grievance Mechanisms	Community Relations/Being a Good Neighbor	Communities Regulators
Social – Society		
Local Communities	Community Relations	Communities Regulators
Grievance Mechanisms for Impacts on Society	Community Relations/Being a Good Neighbor	Communities Regulators
Social – Product Responsibility		
Customer Safety and Health	Community Relations	Communities Customers Regulators
Product and Service Labeling	2014 10-K, p. 29	Customers Investors



Indicators

We have reported additional indicators not related to material GRI G4 Aspects. These additional indicators are denoted in gray shading.

GRI G4 ASPECTS	INDICATORS	INDICATOR DESCRIPTION	INDICATOR CROSS-REFERENCE	OMISSIONS AND EXPLANATIONS
Economic				
Economic Performance	G4-EC1	Direct economic value generated and distributed.	Community Relations/Being a Good Neighbor Performance Tables/Economic Data 2014 10-K, p. 75	We report North America and totals, but not by specific country (e.g. Italy, China).
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Environmental Performance/Greenhouse Gas Emissions 2014 10-K, p. 5	
Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	Covanta strives to hire senior management from the local community. Many of our facility managers have come up through the ranks at the facility, helping to ensure long-term ties to the community. With regard to recent hiring at facilities outside the United States, all of the senior management at the newly opened Durham York Energy Centre in Ontario, Canada are from Canada. Our new general manager from the Dublin Waste-to-Energy Project was hired from within Ireland.	
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported.	Community Relations/Being a Good Neighbor	
	G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Community Relations/Community Partnership Programs	
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	About Covanta/Covanta's Business Operations	
Environmental				
Materials	G4-EN1	Materials used by weight or volume.	Performance Tables/Operations Data 2014 10-K, p. 12	
Water	G4-EN8	Total water withdrawal by source.	Environmental Performance/Water and Wastewater Performance Tables/Environmental Data	
Emissions	G4-EN15	Direct greenhouse gas emissions (scope 1).	Performance Tables/Environmental Data	
	G4-EN16	Energy indirect greenhouse gas emissions (scope 2).	Performance Tables/Environmental Data	

	G4-EN17	Other indirect greenhouse gas emissions (scope 3).	Performance Tables/Environmental Data	
	G4-EN18	Greenhouse gas emissions intensity.	Performance Tables/Environmental Data	
	G4-EN19	Reduction of greenhouse gas emissions.	Environmental Performance/Greenhouse Gas Emissions Performance Tables/Operations Data	
	G4-EN21	Nox, Sox and other significant air emissions.	Environmental Performance/Controlling Air Emissions Performance Tables/Environmental Data	Covanta does not currently report VOC emissions. Emission data is presented on selected HAP and POP that are of specific importance to the industry.
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Environmental Performance/Greenhouse Gas Emissions Resource Management/Recovering Materials 2014 10-K, p. 5	
Compliance	G4-EN29	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations.	Environmental Performance/Controlling Air Emissions Performance Tables/Environmental Data	
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	From 2013 to 2014, we had 28 formal grievances pertaining to potential environmental or social impacts. 26 of these grievances were closed by the end of 2014, leaving two grievances open. In addition, during permitting of facility projects or permit renewals, the permitting agency receives comments that may require our resolution or attention. Each comment received must be addressed during the permitting process. Since these comments are not part of our regular operation, they are not reflected in the figures above.	
Social – Labor Practices and Decent Work				
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Performance Tables/Employee Turnover and New Hires	
	G4-LA2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees, by significant locations of operation.	Workforce Engagement/Building a Great Place to Work Benefits	
Occupational Safety and Health	G4-LA5	Percentage of total workforce represented in formal joint management–worker safety and health committees that help monitor and advise on occupational safety and health programs.	Every Covanta facility, including our corporate headquarters, has a Safety and Health committee. At our operating facilities, these committees are run by our hourly employees. In all cases, these teams provide feedback to, and collaborate with, facility and regional safety leads, as well as the Covanta safety management team.	

	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.	Workforce Engagement/Ensuring Safety in the Workplace Performance Tables/Workforce Data	
Training and Education	G4-LA9	Average hours of training per year per employee, by gender and by employee category.	Workforce Engagement/Ensuring Safety in the Workplace	
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Workforce Engagement/Building a Great Place to Work Workforce Engagement/Creating the Workforce of Tomorrow	
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Workforce Engagement/Building a Great Place to Work Performance Tables/Performance Reviews	
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	Performance Tables/Diversity by EEO Category Performance Tables/Governance Body Diversity	
Labor Practice Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms.	During the period from 2012 to 2014, we had one grievance that was resolved and ten grievances that were filed, but were subsequently withdrawn after successful resolution at our facilities subject to collective bargaining agreements. Covanta also contracts with an independent reporting agency through which an employee may give notice of any concern or complaints related to employment, our policy of business conduct, or any other issue related to Covanta or its employees, either by name or on an anonymous basis, without fear of retaliation of any kind. From the period of 2012 to 2014, we received 198 complaints, nearly all of which were resolved by the end of 2014.	
Social – Human Rights				
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Covanta has no operations in which employees' rights to exercise freedom of association or collective bargaining are at risk.	
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	None. The vast majority of Covanta's facilities are not cited among indigenous regions. There are no known incidents of violations involving rights of indigenous peoples and actions taken.	
Social – Society				

Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	Community Relations/Being a Good Neighbor	
Anti-corruption	G4-SO4	Communication and training on anti-corruption policies and procedures.	100 percent. All of our employees (management and non-management) are expected to read and comply with our Policy of Business Conduct. The policy covers topics such as financial reporting, corruption, copyrights, and environmental safety and health.	
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Covanta reports all political contributions as required by law. In addition, Covanta reports its annual political contributions to the Public Policy Committee of its Board of Directors, and provides a summary report of its annual political contribution on its corporate investor relations website here	
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	There were no fines, penalties, or non-monetary sanctions between 2012 and 2014.	
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms.	Community Relations/Engaging with Our Communities	
Social – Product Responsibility				
Customer Safety and Health	G4-PR1	Percentage of significant product and service categories for which safety and health impacts are assessed for improvement.	Our primary services are sustainable waste management and electrical generation at our energy-from-waste (EfW) plants. The emissions of EfW facilities are closely regulated through federal and our state permit requirements and limits. All EfW facilities operate well below these limits, and we continue to improve our performance, as indicated in our section on environment performance of this report. Health impacts associated with emissions from EfW facilities have been studied extensively. For example, one major study from the UK Health Protection Agency concluded that the negative health impacts associated with well-regulated EfW facilities are likely to be very small, if even detectable.	
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction.	Resource Management/Meeting Clients' Needs	
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None. There have been no complaints regarding breaches of customer privacy and losses of customer data.	



CONTACT

Contact

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