



2022 Sustainability Update

**COVANTA**

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At Covanta, it is our business, our purpose, and our value proposition to reimagine, recycle, and recover wasted materials, extracting the highest value from the by-products of our daily lives.

## Materials Management for the Planet

The latest report on the climate from the Intergovernmental Panel on Climate Change (IPCC) is unequivocal—human activity is changing the climate, and immediate and dramatic steps are needed to forestall the most significant impacts of climate change. Responding to this challenge will affect every sector of the economy, including how we manage waste and materials.

Rethinking how we manage materials presents an opportunity to reduce greenhouse gas (GHG) emissions and recover valuable resources. As the need to mitigate climate change becomes more imperative, we believe that advancing the circular economy and following the waste management hierarchy will be our keys to success. That is, reducing, reusing, recycling and recovering materials at their end of life, and landfilling as a last resort.

We have committed ourselves to moving up the waste management hierarchy. Covanta's acquisition by EQT was the first leveraged buyout (LBO) financed through sustainability-linked financing in the U.S. We mean business; under this structure, we face significant penalties for failing to meet our targets.

Scientists and policymakers alike are realizing the critical need to address methane. With the release of a May 2021 report, the United Nations Environmental Programme's executive director made a powerful observation: "Cutting methane is the strongest lever we have to slow climate change over the next 25 years." We are leading by example for what combatting climate change through the materials management sector can look like. We will need all levels of the waste management hierarchy to ensure diversion of biodegradable materials from landfills, which are among the top three sources of global anthropogenic methane.

## A Culture that Works

To benefit our communities and clients as well as our partners and shareholders, we believe a diverse and inclusive workforce creates a stronger and more productive business culture—one more capable of solving problems and better able to innovate. In 2021:

- We joined the HBCU Partnership Challenge, committing to recruit at historically black colleges and universities (HBCUs) when entry-level positions become available, particularly in Science, Technology, Engineering, and Mathematics (STEM) fields, as well as hiring interns from HBCUs annually.
- We conducted group studies to set a baseline for inclusiveness at Covanta. Later, in 2022, we rolled out a company-wide Employee Voice Survey to further capture honest, anonymous feedback from our people to understand what Covanta does right and where there are opportunities for improvement.
- In 2022, we launched the CEO North Star Awards, a brand new company-wide recognition program aimed at honoring employees who best exemplify our values each quarter.

## Standing with Our Neighbors and Communities

At Covanta, we work to make a positive difference through investment, innovation, transparency, and engagement. We recognize that some communities have been disproportionately burdened by the cumulative effects of industrial operations. This is why we hold ourselves to a higher standard—one that comes from personal motivation to do the right thing. Always.

In 2021:

- We started developing a Fair Chance Hiring program for justice-involved candidates.
- We began publishing our continuous emissions monitoring systems (CEMS) results online for our Waste-to-Energy (WTE) facilities in New Jersey, Virginia, and Pennsylvania plants. In 2022, we expanded this to both of our plants in Massachusetts and five plants in New York.
- We completed air quality upgrade projects at our Covanta WTE plants in Lorton and Alexandria, Virginia. These upgrades, scheduled to be operational by the end of 2022, will continue to reduce emissions of nitrogen oxides and further improve air quality.

We invite you to explore this report and our microsite ([covanta-csr.com](https://covanta-csr.com)) to learn more about how Covanta is contributing to a more sustainable society.

**Azeez Mohammed**  
President and CEO,  
Covanta

**Alex Darden**  
President of  
EQT Partners Inc.  
and Head of  
EQT U.S. Infrastructure





# Driving Progress

Sustainability is our business. Working toward a better, more sustainable tomorrow for our employees, our communities and our planet is at the heart of what Covanta does. And with the damaging impacts of global climate change intensifying, our mission has never been more important. Against this backdrop, we continue to work toward solving the complexities that waste poses for the communities and businesses we serve.

### Continuing Our Sustainability Journey

Covanta is proud to be an innovative and forward-thinking partner for a sustainable future. We believe the materials discarded every day should be utilized to their fullest potential to preserve the world's valuable resources and advance a more circular economy.

## 2021 Highlights

Having emerged from the global pandemic under new leadership and ownership, our business is stronger than ever. Our commitment to sustainability thrived and continues to shape the future of our company. In 2021, we:

### Diverted 21.1 M tons of waste from landfills to energy recovery

enough to fill a six-lane highway with garbage trucks, bumper to bumper, from Los Angeles to New York City.



### Completed the first ever sustainability-linked LBO financing in the U.S.

with specific key performance indicators (KPIs) to increase sustainably processed waste and recycling

### Reduced GHG emissions by 18.6 M metric tons

relative to landfilling, equivalent to removing four million cars from the road.



### Completed performance improvement projects in EJ communities.

Upgrades at our Fairfax and Alexandria WTE facilities were completed to substantially improve environmental performance within environmental justice (EJ) communities.

### Recycled over 1.1 M tons of resources

including enough metals to produce nearly 3 billion beverage cans.



### Recycled industrial wastewater

that could fill more than 120 Olympic-sized swimming pools.



### Improved transparency and communication with our communities

by making CEMS data available online for all our WTE plants in New Jersey, Pennsylvania, and Virginia. In 2022, we added two WTE facilities in Massachusetts and five in New York to the list.

## 2021 Highlights

Increased number of diverse voices in leadership roles by

over **15%** for both Women and Underrepresented groups

Achieved injury-free status at nearly two-thirds of our facilities



South Jersey Business Award



Respectfully retired nearly 140,000 U.S. flags through 2021



Announced new **CEO North Star Awards** program to recognize outstanding leadership, integrity, and advancement of Diversity, Equity & Inclusion



Received **2021 Silver Stevie Award** For Corporate Social Responsibility Program of the Year (organizations with more than 2,500 Employees)



Safely collected nearly 4,900 pounds of mercury since 2009



Saved **54,000 MWh-e/year** by implementing energy efficiency projects



Covanta Named by Newsweek to **Top 10 Percent of America's Most Responsible Companies**



Since 2010, disposed of 11 M pounds of unused prescription medicine



Completed 3 out of 5 committed air quality projects in EJ communities



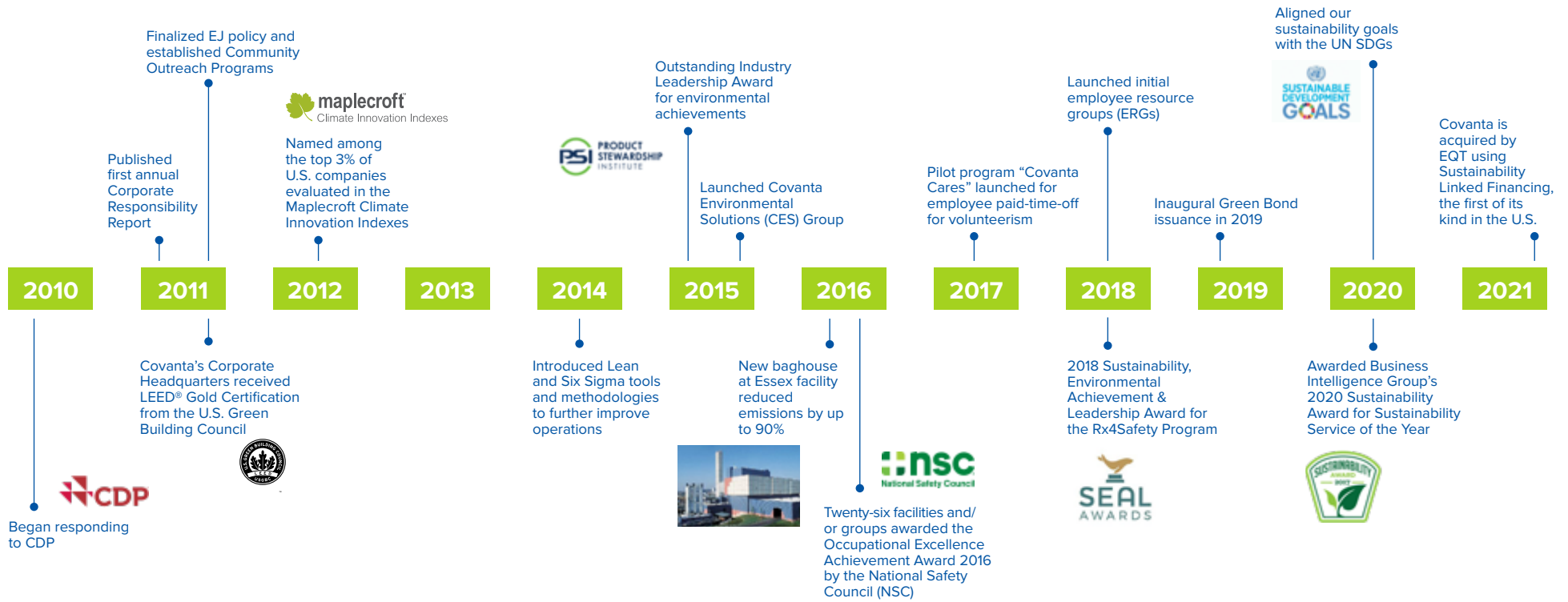
All 2021 unless stated otherwise.



# A Decade of Progress

In 2011, we released our first sustainability report. In the decade since, we have continued to stay ahead of the pack: providing sustainable solutions to our customers, partnering with our communities, building a great place to work, and protecting our environment. As we continue




to work toward our short- to medium-term sustainability goals, we are keeping a longer-term view on key forces—social, environmental and market—that could impact how we do so.



# 2021 Progress on Goals








To advance our sustainability performance, we have a series of goals and targets around our material issues that are aligned with the UN Sustainable Development Goals (SDGs) and fully integrated into our business. These priorities span the breadth of our operations in the areas of safety and health, materials management, community affairs, human resources, and environment.

Beyond Covanta, these commitments benefit our communities and customers, too. They help us meet our customers’ growing commitment to sustainability as well as mitigate certain risks and offer us a competitive advantage in new business opportunities. Complete information on our performance against our goals is available [here](#).

	GOAL	2021 PROGRESS	SDG	OUR IMPACT	WHAT WE'RE DOING
<b>SAFETY AND HEALTH</b>	Achieve world-class safety and health performance through disciplined continuous improvement, safety leadership at all levels, full employee engagement, and an integrated, interdependent world-class safety culture.	<b>Nearly two-thirds of our facilities were completely injury-free.</b>	 	Through our services to communities and businesses, we ensure basic sanitation and provide a safe means of waste management recognized as preferable to landfilling.	<ul style="list-style-type: none"> <li>• We rolled out a formal safety perception survey to our Material Processing Facilities (MPF) to gauge our overall work culture, which was determined to be very positive.</li> <li>• To date, we've completed more than 73,000 safety &amp; health observations with ProcessMap tool.</li> <li>• We're reporting metrics with a focus on improving participation and other proactive opportunities for improvement.</li> </ul>
<b>MATERIALS MANAGEMENT</b>	Advance sustainable materials management and life-cycle greenhouse gas reductions through increased landfill diversion; greater operational efficiency, and expansion of waste reduction, reuse, and recycling.	<b>We set new specific targets as part of our sustainability-linked financing.</b>		How we manage waste and materials at the end of life has a profound impact on the environment. We reduce the burden of discarded materials through reuse and recycling. For wastes remaining after recycling, WTE facilities can recover value, both in the form of energy and metals for recycling.	<ul style="list-style-type: none"> <li>• In 2021, we sustainably processed 21.6 million tons of waste.</li> <li>• We avoided, recycled, or reused more than 1.1 million tons of wasted materials, an increase of 6.1% relative to our 2020 baseline.</li> </ul>

continued



	GOAL	2021 PROGRESS	SDG	OUR IMPACT	WHAT WE'RE DOING
<b>COMMUNITY RELATIONS</b>	Expand the number and quality of our community outreach programs.	<b>In 2021, 29 of our owned or operated facilities met this goal, with 28 of them exceeding basic requirements.</b>		Our facilities are part of community infrastructure that can provide resilient waste management and energy services to the local community. In addition, we support food banks, youth education around environmental stewardship and sustainable and responsible materials management.	<ul style="list-style-type: none"> <li>• We identify community stakeholders for each of our facilities across the company and plan facility-specific outreach targeting local needs and interests.</li> <li>• We awarded our second annual Green Star Outreach Awards to recognize facilities for their local community outreach efforts.</li> </ul>
<b>WORKFORCE ENGAGEMENT</b>	Create and maintain an inclusive, respectful, and equitable environment that leverages the unique talents, perspectives, and experiences of our diverse workforce.	<b>The share of women and underrepresented groups in leadership positions reached 21% in 2021.</b>	  	Attracting and retaining the best talent and a diverse workforce with regard to age, race, gender, ethnicity, and other dimensions of diversity are critical to the success of our business.	<ul style="list-style-type: none"> <li>• In the first year of our 10-year roadmap, we broke ground to begin tracking Diversity, Equity and Inclusion (DEI) related metrics.</li> <li>• We are incorporating an inclusion index score to benchmark our performance.</li> <li>• We are conducting an Employee Voice Survey to develop an employee engagement benchmark to measure future efforts.</li> </ul>
<b>ENVIRONMENT</b>	<p>Implement five projects by 2023 to further reduce emissions in EJ communities.</p> <p>Set a science-based GHG reduction target to drive further reductions.</p>	<p><b>We've completed 3 of 5 improvement projects in EJ communities.</b></p> <p><b>We are continuing efforts to develop science-based GHG reduction targets.</b></p> <p><b>All WTE emissions performance gains were maintained.</b></p>	  	Diversion of waste from landfills, including through WTE, is internationally recognized as a source of GHG mitigation by avoiding landfill methane, recovering metals for recycling, and displacing fossil fuel fired grid electricity.	<ul style="list-style-type: none"> <li>• The installation of new Low NOx™ technology has been completed in three facilities, two of which are in EJ communities.</li> <li>• We achieved 100% stack test compliance and 99.98% CEMS compliance at WTE facilities.</li> </ul>





Covanta Holding Corporation (Covanta) is a world leader in sustainable materials management.

Our end-to-end platform provides services that range from waste material handling, reuse, recycling, energy recovery, secure product destruction, industrial wastewater treatment and disposal, on-site cleaning services, and transportation services. As the company enters a new era under the ownership of EQT Infrastructure, we are redoubling our focus on sustainability to offer our customers and communities world-leading, end-to-end materials management solutions.

Covanta's recycling, material processing and Waste-to-Energy (WTE) facilities are critical infrastructure for transition to a more circular economy. Our facilities provide options that are environmentally superior to landfilling, recover resources for the global economy and provide significant reductions in GHG emissions.

What we do every day helps our communities, clients and customers find practical solutions to significant societal challenges and

needs: sustainable materials management, renewable energy and global climate change mitigation. In short, we all work every day to protect tomorrow by:

- **Reducing environmental impacts**
- **Ensuring that no waste is wasted**
- **Partnering with our communities**
- **Achieving world-class safety and health performance and**
- **Creating and maintaining an inclusive, equitable and collaborative culture for our employees.**

Our sustainability performance is critical for success. As a result, we have integrated sustainability into our business through our governance and management structure, goals, and a series of policies including business conduct and ethics, community outreach, and environmental justice. The measure of our sustainable operations lies in our environmental and safety & health performance and recognition by various independent organizations for sustainable business.

Additional information is available at [Covanta-csr.com](https://www.covanta.com/csr).

# About This Report



Our sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and aligns with the Sustainability Accounting Standards Board's (SASB) Waste Management sector standards. Covanta's 2022 Sustainability Update covers global operations for the period of January 1 through December 31, 2021, unless otherwise noted. As of April 2022, we announced the intention to carve out our European operations into a stand-alone Waste-to-Energy platform in Europe, also owned by EQT Infrastructure. Unless otherwise indicated, data provided in this summary report reflects the Company as of December 31, 2021, which includes European operations, including three operational facilities in United Kingdom, Ireland and Italy and three under construction in the United Kingdom.

Our comprehensive sustainability reporting includes this summary report as well as additional disclosures available at [Covanta-csr.com](https://www.covanta-csr.com). Significant events, data and activities from 2022 may also be included so that the report is as timely and current as possible upon publication.

We aim to publish comprehensive and transparent disclosures about Covanta's sustainability management approaches, strategies, activities and performance.

- Our 2021 performance snapshots highlight key sustainability metrics and our latest performance toward our goals.
- The Performance Tables provide economic, operational, environmental, and workforce data. The scope of data coverage is described in footnotes to each table.
- The GRI Content Index provides detailed information on our adherence to the GRI Sustainability Reporting Standards.
- The SASB Table provides reporting information in accordance with meeting the SASB disclosure requirements.
- The TCFD Report provides reporting information in alignment with the TCFD recommendations.

**Visit our sustainability microsite at [Covanta-csr.com](https://www.covanta-csr.com) to find more information on our current and past sustainability, progress and other relevant reports in PDF format.**





## Mitigating Climate Change

The early effects of climate change offer a stark reminder of our dependence on key infrastructure, such as the systems that grow food and bring it to our communities, protect our health, and power our homes.

As the effects continue to worsen, we need to reevaluate those systems, not only to increase resiliency but also to address global climate change.

The waste sector plays an important role in achieving net negative carbon emissions. Rather than simply burying waste in the ground, we can put it back to work in our economy as energy and materials.





## Time is running out

Humanity is at the inflection point of three planetary crises: climate change, loss of biodiversity in nature and pollution & waste (UNEP, May 2021). All three are interlinked and a result of habits of overconsumption and production.

Under the 2015 Paris Agreement, close to 200 countries agreed to limit global warming to no more than 2 degrees Celsius and aim for no more than 1.5 degrees Celsius rise.

Even with these commitments, current trajectory leads us to a 3.5 degree rise in temperature by the year 2050. Action in this next decade will be crucial to limiting warming to 1.5 degrees C. and lowering the risk of runaway climate.

By the U.S. EPA's estimate, how we manage materials from cradle to grave is responsible for 42% of U.S. GHG emissions. Producing new products, transporting them and managing them at their end-of-life are energy- and resource-intensive processes that represent a significant economic and social investment. Through more sustainable materials management, we can recoup this investment, advance the circular economy, and reduce GHG emissions.

The imperative to combat global climate change is more important now than ever. In August 2021, the IPCC issued its starkest warning yet to curb GHG emissions and accelerate towards a net zero carbon economy; That is, to create a balance between man-made carbon emissions and their removal from the atmosphere. To do so, every part of the economy needs to decarbonize at an accelerated pace.





### Methane: A Call to Action

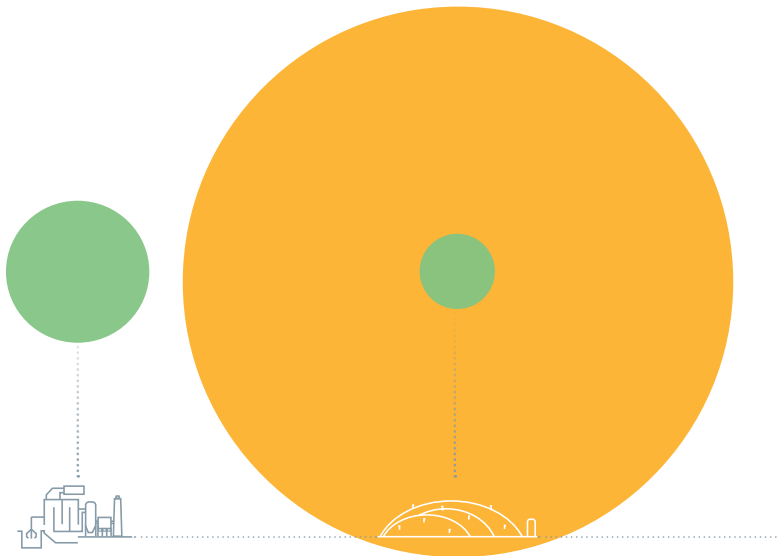
Methane is the second largest contributor to global climate change. A short-lived climate pollutant under increased international scrutiny, methane has a large climate impact, and its atmospheric concentrations continue to rise.

“Cutting methane is the strongest lever we have to slow climate change over the next 25 years,” said Inger Andersen, UNEP executive director. Landfills are in the top three sources of global anthropogenic methane, according to a [May 2021 report](#) from the United Nations Environmental Programme (UNEP).

Acting on a growing global focus on methane, the United States, Europe and 110 other countries signed the Global Methane Pledge “to take voluntary actions to contribute to a collective effort to reduce global methane emissions at least 30 percent from 2020 levels by 2030, which could eliminate over 0.2° C. warming by 2050.”

Many European countries have already demonstrated that implementing an integrated materials management strategy works. By diverting untreated and biodegradable wastes from landfills, Germany alone has avoided the generation of 30 million metric tons (CO<sub>2</sub>e) of methane per year from 2005 to 2015 and has cumulatively reduced GHG emissions by 70 to 80 percent compared to 1990 levels. In Germany’s case, the diversion of wastes from landfilling to recycling, composting, and energy recovery has resulted in the greatest reduction of GHGs among all sectors.

The United States can and should achieve similar emissions reductions. In the waste sector, mitigating GHG emissions begins by following the waste hierarchy.



### Did you know?

Methane is a powerful short-lived climate pollutant (SLCP). Over a 20-year period, it is over 80 times stronger than carbon dioxide (CO<sub>2</sub>) in warming the planet

### Unearthing landfills’ buried problems

Landfills can seem like an easy solution for managing waste. Inexpensive to build and often sited in remote locations, they can shift waste disposal far from the populations that generate them. Yet these advantages obscure landfills’ buried shortcomings.

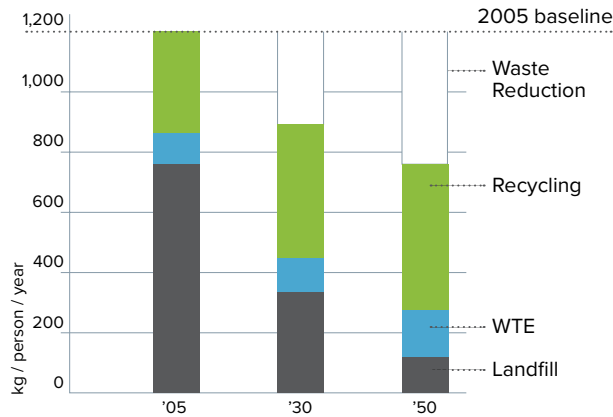
As organic materials in municipal waste break down in a landfill, the waste generates methane. While most landfills collect gas, they cannot collect it all, and the amount that leaks by, or is generated before or after collection systems are in place, acts

as a powerful GHG. New measurements conducted at landfills are revealing emissions 2 to 3 times greater than previously thought. Another shortcoming: Landfills lag in their ability to capture energy, or other value, from waste. Even

when methane is captured for reuse, most of the trash’s energy potential remains dormant. Further, few landfills provide any way to recycle or repurpose the materials disposed at the facility.

## DECARBONIZING THE WASTE SECTOR

Through implementing the waste management hierarchy



Increasing recycling and recovery are two critical elements of a suite of possible reforms to waste handling practices that could lead to dramatic GHG reductions. We need to fundamentally rethink our relationship with waste and materials.

By implementing sustainable practices as described below, the waste sector has the potential to cut U.S. net GHG emissions by upwards of 700 million metric tons of CO<sub>2</sub> per year by 2050. That's on par with shuttering 90 percent of coal plants or removing three-quarters of gasoline vehicles from U.S. roads.

1. **Reduce and Reuse.** Waste reduction is the only approach without a negative environmental impact, which includes reduced consumption, extending life by repairs, and identifying innovative reuse options.
2. **Increase recycling to 65%** by diverting organics to treatment options, including composting and anaerobic digestion. Organics buried in landfills are a major source of methane.
3. **Recover energy from what's left over.** There will always be a residue. For what remains at the curb and for recycling residuals, judiciously increase WTE with advanced air pollution control, metal recovery and ash reuse.
4. **Minimize landfill.** Use landfills as a last resort and only for inert materials.



Aggregate recovered from WTE operations that can be used in road and other construction projects





“We are a Waste-to-Energy facility.  
What we do is burn Oahu’s trash and  
harvest that energy back into the grid.  
We in Hawai’i call it mālama ‘āina.  
Being stewards to the land.”

— Madori D. Rumpungworn, Environmental  
Technician at H-Power

Waste-to-Energy is recognized internationally as a source of GHG mitigation. WTE is the only major source of electricity that is net negative, meaning it actually reduces GHG emissions. WTE facilities reduce GHG emissions by diverting wastes from landfills, a major source of the potent GHG, methane. U.S. EPA scientists have estimated that every ton of Municipal Solid Waste (MSW) diverted from landfills to WTE facilities reduces life cycle GHG emissions by one ton of CO<sub>2</sub>e.

WTE facilities reduce GHG emissions, even after consideration of stack emissions from combustion, by:

- Diverting post-recycled solid waste from landfills where it would have emitted the potent GHG methane for decades, even when factoring in landfill gas collection.
- Generating energy that otherwise would have been produced by GHG-emitting fossil fuel power plants.
- Recovering metals for recycling, thereby avoiding GHGs and energy associated with the production of products and materials from virgin inputs.

### The Path Forward

While diverting waste from landfills is the immediate lever available to decision-makers today, Covanta continues to assess the practicality and affordability of adding carbon capture utilization and storage (CCUS) to our operations. Reducing wasted biomass presents a singular opportunity to remove carbon from the atmosphere without contributing to our dependence on fossil fuels or risking reliance on non-sustainable forms of biomass. Such removals will be critical in addressing difficulty with decarbonizing sectors and reaching economy-wide net zero emissions by 2050. Given the potential and need, we are actively evaluating opportunities to pilot test carbon capture technology.





# Sustainable Materials Management

**We believe we can do better than the status quo of landfilling wasted materials.** Whether we approach the subject of waste management from the perspective of climate change, materials management, a goal of zero waste, or the growing promise of a circular economy, we see the same basic mission: to extract the maximum value from wasted materials with the lowest possible environmental impact.



# Our Guiding Principles



At Covanta, we envision a world without wasted materials.

We help our communities and customers in their journey toward more sustainable waste management, whether their aims are to move up the waste management hierarchy, achieve zero waste to landfill, or move toward a more circular economy.

As a global community, have a lot of work to do. Our current prevailing economic model is linear—one that is facilitated by relatively cheap fossil fuels and disposal of waste in landfills. We extract resources, make products, typically use them once, and then, eventually we throw most of the material into landfills. As a global economy, we generate about 2 billion tons of solid waste annually. In the United States, we landfill about 250 million tons of municipal solid waste into landfills every year. The U.S. EPA estimates that we have 2,600 landfills across the country.

We've set our own commitment to move toward a more circular economy with a tangible and direct financial impact. Covanta's acquisition by EQT was the first ever LBO financed through sustainability-linked financing in the U.S. Under this financing structure, we have committed ourselves to moving materials up the waste hierarchy.



## Sustainably Linked Financing Key Performance Indicators:

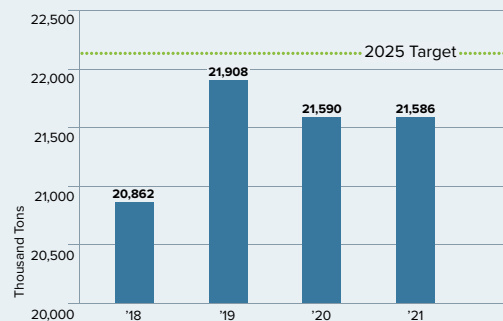
KPI 1:  
Sustainably Processed Waste

**2.5% growth by year-end 2025**

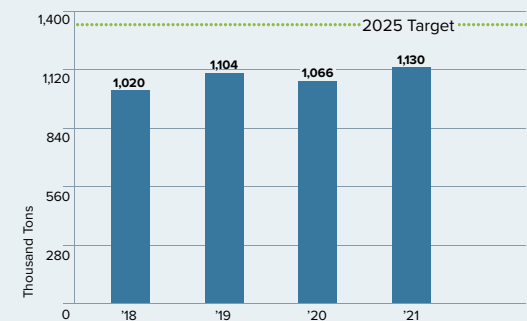
KPI 2:  
Recycled / Reused waste

**25% growth by year-end 2025**  
relative to a 2020 baseline

KPI 1: SUSTAINABLY PROCESSED WASTE

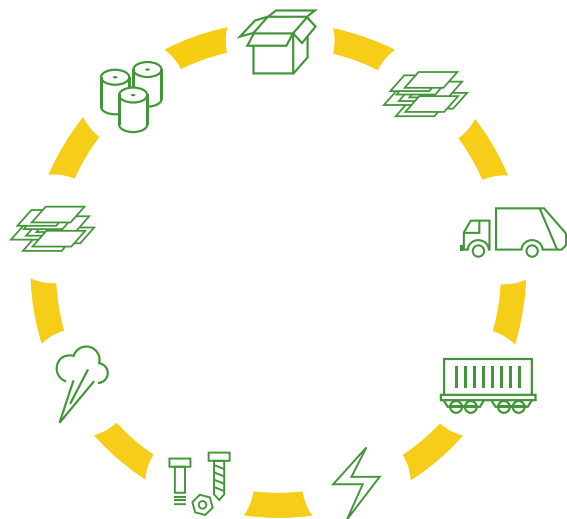


KPI 2: WASTE RECYCLED / REUSED MEASURED





# Advancing The Circular Economy



Annual benefits of our Niagara Falls circular economy:

**17,000+**  
tons of waste diverted  
from landfill

**21,000+**  
megawatt hours of  
low-carbon electric  
power produced for the  
Niagara region

Covanta’s sustainability goals and services support the transition to a circular economy by growing WTE and recycling. Here’s how.

## Embedding Expertise

Covanta specializes in developing site-specific solutions by understanding our clients’ processes and conducting waste assessments. This approach accelerates the achievement of Zero Waste to Landfill goals for our clients by minimizing waste, uncovering new revenue streams, and reducing the client’s waste footprint.

Continental, a leading tire manufacturer in the U.S., called on Covanta to help one of their South Carolina sites reach their Zero Waste to Landfill goals. Staffed on-site are 15 Covanta employees who are tasked with diverting materials such as steel, wood, glass, plastic, rubber and paper away from landfills and into new products or processes. There, the team utilizes Continental’s existing business relations and supplements with our own networks of transportation and waste processing services where needed. Continental’s rubber and plastic film recycling further reduces their use of crude petroleum products, advancing their goal towards a Circular Economy.

## Closing the Loop

We support the circular economy model by tapping into synergies in industrial processes. By rethinking the outputs of one process as the input of another, we are able to close industrial loops and minimize waste.

The partnership between our Niagara WTE facility and Greenpac Mill is one such example of this closed loop process in action. Greenpac Mill manufactures lightweight 100% recycled linerboard—a constituent of corrugated cardboard. Greenpac Mill relies on steam generated by Covanta’s Niagara Falls facility, completely replacing the use of fossil fuels. In turn, Covanta processes the mill’s fiber waste alongside other wastes to generate electric power and steam. Six other nearby industrial facilities rely on this steam loop to drive their production processes, reducing the need for fossil fuels and supporting nearly 700 local full-time jobs.

Our Indianapolis facility is part of a wholesale steam distribution pipeline, supplying steam to both commercial customers and the city’s heating loop. One of our steam clients also began sending us their pharmaceutical wastes for energy recovery. Managing these wastes through WTE is especially important because of our ability to fully destroy pharmaceutical compounds in our high temperature furnaces, keeping them out of our environment and the wrong hands.



# Following The Waste Hierarchy



As we transition to a more circular economy, the waste management hierarchy remains a critical guide. By finding creative solutions and identifying unique recycling opportunities, we can help customers reduce their waste by “moving up the hierarchy.”





## Reduce



In July 2021, our Huntington, NY WTE facility began taking wastewater from a NY-based photographic equipment manufacturing facility. The wastewater is reused in our operations to cool flue gases and bottom ash. This reduces the need for fresh water.



Our Niagara, NY and Indianapolis facilities directly inject wastewater into their boilers, using Liquid Direct Injection. This process can help control NOx emissions, reduce critical chemical usage (specifically, ammonia and urea), and lower supply chain operational risk

## Reuse



With industry partner Globalcycle, our SEMASS MA WTE facility reuses wastewater that cannot be recycled by the municipal water treatment plant. Through this partnership, we reuse process water and avoid the withdrawal of fresh water. In 2021 alone, we reused over 24 million gallons of leachate and wastewater.



At our Milwaukee MPF, we reused one of our customer's off-specification products in our scrubber to control odors. This reduces the need for new chemicals and helps our client manage unsalable products.



Also at our Milwaukee MPF, we connected a client looking to dispose of an off-specification sodium hydroxide solution with a wastewater treatment company that reused their product.



We identified a soil processing facility for an industrial client looking to dispose of their wastewater with high ammonia level, converting a wastewater stream that was unsuitable for traditional treatment to a valuable product.

## Recycle



Our client McKesson, a manufacturer of medical products, sought to dispose of expired ethanol-based sanitizer, which would typically be declared as hazardous waste due its flammability. Instead, we identified a recycling option based on its high heat content.



In 2021, we recycled 567,000 tons of metal, equivalent to 440,000 cars' worth of steel and nearly 3.4 billion aluminum beverage cans. By doing so, we avoided 1.5 million metric tons of GHG emissions associated with the mining and manufacturing of virgin metal products.



We are partnering with the U.S. Department of Energy's Advanced Research Projects Agency—Energy (ARPA-e) and University teams, on the next generation of metal recovery, focusing on critical and rare earth elements.



Our Ash Processing Facility separates the ash generated at our WTE facilities into its component parts. This enables increased recovery of aggregates for use as construction material, significantly reducing the volume of ash requiring landfill disposal.

## Recover



Our WTE facilities operate 24/7, even during times of crisis, to provide a baseload electricity. During Hurricane Ida in the summer of 2021, per NJDEP's request, our employees kept our Essex plant running as an essential service to ensure that local residential waste continued to be managed properly.



In 2022, we reached an agreement to extend our public-private partnership with the Lee County Solid Waste Resource Recovery Facility in Florida. About half of our WTE plants have similar partnerships in which Covanta provides the operating expertise to a county-owned plant.



We partnered with local law enforcement agencies to ensure the safe destruction of thousands of pounds of drugs each year. We also process waste for the DEA's pharmaceutical take-back campaign, keeping drugs out of the wrong hands and our waterways.

## Landfill



WTE reduces the volume of waste by up to 90%, conserving land for other valuable purposes. Roughly two-thirds of the total ash generated in the United States is managed in traditional landfills, either commingled with MSW or beneficially reused as a daily cover. Our inert residues, which do not generate methane upon disposal, replace the soil used for daily cover.





# Partnering with Our Communities

**Covanta strives to make a positive impact.** Through community-based programs, we work with a variety of organizations to advance social and environmental priorities that benefit our neighbors and our facilities. With these efforts, we aim to support the communities and the local economies where our employees live and work.







Our team from the Delaware Valley, PA facility clean up a local park for Earth Day.

To us, environmental justice is an enduring commitment to take meaningful and measurable action to protect the communities where we work, live, and play. For the latest developments in this area, please visit the [environmental justice page](#) on our site.

We formalized our commitment to environmental justice and community outreach starting a decade ago with the implementation of our [Community Outreach and Environmental Justice Policy](#). Today, the policy continues to guide our community engagement efforts worldwide, via investments that dramatically reduce the impact from our operations.

### Advancing Environmental Justice

All too often, waste management is regarded as “out of sight, out of mind.” Yet for those who live in environmental justice communities, ignoring waste’s impacts is not an option. “Participating in community events enables us to be in tune with the needs and concerns of local organizations and the people who live near our sites,” said Derek Veenhof, Executive Vice President and Chief Commercial Officer at Covanta, “so we may address them head on and, where possible, solve problems.”

## A History of Community Action

First Low NOx™ emissions reduction system installed in Newark, NJ

Fishing for Energy partnership launched



2008

2009

2010

First Rx4Safety program



First Community Outreach and Environmental Justice Policy announced in Chester, PA

2011

2012

2013

First partnership with Go Green Initiative in Newark, NJ



Equivalent of 2 million thermostats collected to date to keep mercury out of our environment.

2014

2015

New Essex baghouse fully operational, emissions reduced up to 95%

Rx4Safety Program collects 5 millionth pound

Awarded Environmental Hero Award for work with Go Green Initiative in Camden City schools

2016

2017

2018



Supported New Jersey's groundbreaking Environmental Justice Law

Developed first goal to target emissions reductions specifically in environmental justice communities

2019

2020

Providing daily environmental data for NJ, PA, VA, MA, and 5 NY plants

2021



For instance, to address the environmental stressors facing these neighborhoods, legislative and/or regulatory actions are taking shape in multiple states, including areas that are home to Covanta facilities. As the current owners and/or operators of these facilities, we have a responsibility to act on the recognition that for too long, some communities have been disproportionately burdened with industrial processes.

Confronted by the rising urgency around these issues, we doubled down on transparency and engagement. Our ongoing investments to reduce emissions are increasingly guided by environmental justice priorities. For example:

- In 2022, we began publishing our CEMS results online for both facilities in Massachusetts (SEMASS and Haverhill) and five WTE facilities in New York. All of our plants in New Jersey, Pennsylvania, and Virginia have been making these results available online since 2021.
- To help improve air quality, we completed upgrades to our Covanta WTE facilities in Virginia (Alexandria and Lorton), sites within or nearby environmental justice communities. These upgrades substantially reduce emissions of nitrogen oxides.
- We announced our second Green-Star Outreach Award recipients to recognize exemplary efforts in local community outreach.

### Working Together to Find Solutions

We are committed to listening closely to our stakeholders about their waste and pollution concerns. Direct input helps us identify local needs and tailor solutions accordingly. We take pride in listening to our communities and supporting the environment by lowering the impacts of waste management.

In New Jersey, our Union facility has been hosting monthly public meetings since August 2019, providing a space for community members to learn about the facility, ask questions, and work together to find solutions. Our Open House events in Newark, hosted twice a year, serve the same purpose for our Essex facility. These meetings let us speak to our environmental justice efforts in the community and offer attendees a way to voice questions and concerns. This year we were able to resume our usual community gathering at a local restaurant, after the pandemic forced us onto a virtual platform. Whether in person or online, we believe it is important to provide the opportunity for dialogue.

In the first half of 2022 alone, the Covanta WTE facility in Chester, PA has:

- Prepared food bags at Chester Eastside
- Provided funding and assembly of 400 food baskets for Easter in conjunction with City-Team Chester
- Organized community clean-ups
- Participated in job fairs
- Posted jobs on the city website
- Increased funding for Go Green Initiative in Chester Upland Schools
- Sponsored the Chester Biddy Basketball Awards Dinner
- Provided resident tours



In Pennsylvania, our Chester facility in Delaware Valley has been going above and beyond to understand the concerns of our neighbors. In 2021, we surveyed residents of Chester and the larger Delaware County through a third party. The results show that Waste-to-Energy facilities are the heavily preferred alternative to landfills, by a 6:1 margin. Additionally, Covanta is not well known in the city or the county. Just 10% and 13% of Delaware County and Chester City respondents, respectively, were able to form an opinion, positive or negative, about the facility.

In another canvassing effort, we asked residents within 2 miles of the facility to identify the largest issues facing their community. The top ranked issue was “trash and mess,” inclusive of illegal dumping, vacant lots, spotty trash collection service, and litter. We have an opportunity to close the gap on some of these issues in the spirit of being a good neighbor.

**Hiring Locally & Equitably**

We believe that to be a good neighbor, we need to hire our neighbors. Providing jobs and developing talent in our communities is part of our duty as critical infrastructure. In a digital world, job postings can reach applicants far and wide. In Camden, we’ve taken to posting job openings on physical job boards in the community in order to attract specifically local talent.

Through the CEO Action for Racial Equity Fellowship, we’ve been working on another way to improve hiring equity: Fair Chance Hiring for Justice-Involved Candidates. In the U.S., an estimated half of working age Black Americans have some level of justice involvement or criminal record. Developing a re-entry program can give businesses an edge in the competitive job market while driving a positive change in their communities. Employers with similar programs are learning that workers with records are more productive, get promoted faster, and have strong potential to move into managerial roles.





Covanta Camden employees distribute groceries for Thanksgiving with the H.B. Wilson Family School in Camden, NJ.

### Fighting Food Insecurity

**Donating Food.** Our facilities regularly organize food drives, distribute groceries, and sponsor hot meals to feed our communities. These efforts are typically concentrated around the holidays but continue year-round to support food pantries, food insecure children, the elderly, and homeless adolescents across the country. Camden, NJ employees regularly support the H.B. Wilson Family School, having sent turkeys and groceries to families in need for Thanksgiving and, later in the year, distributed 150 hot meals to Camden residents. Our SEMASS facility in Massachusetts regularly contributes to the Wareham Public School Backpack Food Program, providing food and grocery gift cards to food-insecure families.

**Growing Locally.** Many of our facilities are located in urban areas, where local gardening efforts can support both the educational and nutritional well-being of a community. Our Hempstead facility in Long Island, NY recently supported the new composting area at Cornell Cooperative’s East Meadow Farm as part of the facility’s commitment to help create a more dynamic learning center. The farm, located just 1½ miles from the facility, provides a variety of educational experiences for adults and children of all ages. In Morristown, NJ, our corporate employees regularly volunteer with the Grow it Green Initiative, tending to the garden and recently building a solar composter.



Covanta Hempstead is committed to supporting the Cornell Cooperative East Meadow Farm. They recently supported the installation of a new composting area.





## Community Programs in Action

### Prescription for Safety (Rx4Safety)

Covanta’s Rx4Safety program provides the means for safe, secure, and anonymous disposal of prescription medications, over-the-counter drugs, veterinary medications, and nutritional supplements through participation in community-sponsored drug take-back events. Pharmaceuticals collected at these events are properly disposed of through thermal destruction so that they do not end up in public waterways and drinking water. To date, Covanta has successfully disposed of more than 5,500 tons of unused prescription medicines.



### Fishing for Energy

Fishing for Energy—a partnership between Covanta, the National Fish and Wildlife Foundation, the NOAA Marine Debris Program and Schnitzer Steel Industries—offers no-cost solutions to recycle and recover energy from derelict and retired gear that would otherwise become marine debris. Over the past decade, more than 5.1 million pounds of derelict fishing gear was collected by engaging more than 1,000 fishermen in 61 U.S. fishing communities in 13 states on the East and West Coasts.



### Mercury Collection

Thermostats, thermometers and other household items containing mercury are considered hazardous waste. When discarded with everyday trash, the interior mercury bulbs of these items often break, becoming a dangerous environmental hazard and a major public health concern. Covanta has led mercury awareness initiatives and conducted collection programs since 2000. Although our WTE facilities use sophisticated air pollution control equipment that removes 95% of mercury, the most effective way to reduce mercury emissions is to remove it from the waste stream—by offering education and mercury collection services. Through these efforts, we have helped divert nearly 4,900 pounds of mercury from the waste stream, which is roughly equal to the amount of mercury found in 3.6 million thermostats.





### Green Star Awards

Building lasting relationships within our communities through local outreach and long-standing partnerships is our legacy and a cornerstone of our success. Yet all too often the tireless commitment, planning, and execution efforts behind these engagement success stories take place outside of the spotlight. From our facilities we take inspiration as a company to listen, learn, and respond.

Launched in 2021, our annual Green Star awards are designed to recognize facilities within Covanta with top community outreach initiatives for the prior year. These facilities demonstrate significant contributions to our communities and stakeholders through an innovative approach, collaborative impact, and overall effectiveness. Now in its second year, these “best of the best” of local community outreach programs continue to shine by example, earning well-deserved accolades for making a positive impact in our local communities.

#### 2022 GREEN STAR OUTREACH AWARDS



##### COVANTA CAMDEN

In 2021, Camden, NJ employees volunteered more than 415 hours of their time to community engagement and enrichment. Our first repeat recipient—and deservedly so. Highlights include distributing goods to those in need, sponsoring education events, collaborating with local employment programs, and establishing an intern and future hire network. They created community spaces by cleaning up parks and lots, planted public gardens, and established recycling programs. They immersed themselves in community events, including Juneteenth, Pride celebrations, and the “Camden Strong” initiative.



##### COVANTA HUNTINGTON

Huntington, NY facility employees play an integral role in flagship community initiatives throughout Long Island spanning drug, mercury, and e-waste collections; neighborhood clean-ups; school supplies, food and toy drives. The facility has forged a robust relationship with its local veterans through Wreaths Across America, U.S. Flag Retirement Program, and first aid and CPR training. Covanta Huntington has firmly established itself as a good neighbor and reliable long-term partner.



##### COVANTA HUNTSVILLE

Our Huntsville, AL facility team exemplified the spirit of “listening carefully, learning thoroughly, and responding thoughtfully.” Working extensively in a small community struggling with environmental justice issues, this facility engaged with residents to understand and help overcome their challenges by partnering with the Downtown Rescue Mission and Homeless Shelter, providing local first-responders with equipment and funds, and enriching community spaces through art installations, holiday activities, neighborhood clean-ups, and waste recycling programs.



##### COVANTA ONONDAGA

The team at our Onondaga, NY facility has demonstrated the power of environmental education in building a sustainable community through goal development and tracking. Through a strong campaign that utilized radio ads, interviews, printed articles, and strategic partnerships, the facility amplified its mercury bounty and double bounty collection programs to foster a community that’s knowledgeable in the dangers of mercury-containing waste and how to safely dispose of it. The team also partnered with local schools, programs to prevent addiction, assist the disabled, and clean up community spaces.





## Building a Great Place to Work

**We believe the work we do is more than just a job; it's a commitment to protecting tomorrow through sustainable waste and energy solutions.**

Our workforce drives the success of our business. We build great teams by attracting and hiring diverse individuals, developing and retaining the best talent, and fostering inclusion of all employees. By investing in our people, we encourage innovation, reduce costs through continuous improvement, and grow revenues by developing new businesses and services.





At Covanta, safety and health aren't simply about programs or metrics. They're about making sure everyone—employees and contractors alike—gets home safely every day. We believe in building and maintaining a robust safety culture that extends across every facility and worksite, one that is characterized by teamwork, peer support, open communication, and trust.

## Life Critical: Safety Rules to Live by

Safety and sustainability are clearly interlinked. An increase in our incident rate in 2021 led us to assemble a multidisciplinary group to talk about life-critical safety rules—the key rules that are absolutely nonnegotiable across the company. In February, Covanta's Executive Leadership Team introduced five Life Critical Safety Rules as well as the rationale behind their creation.

During the program, Covanta employees relayed their personal experiences with recent incidents at their sites related to the five rules.

This event kicked off a year-long campaign to promote the Life Critical Rules and safe work practices. Training sessions are taking place at facilities across the company, and employees will perform safety observations on life-critical work.



Covanta stands behind the premise that safety and sustainability are clearly interlinked. In February, Covanta's Executive Leadership Team introduced five Life Critical Safety Rules as well as the rationale behind their creation.

## Building a Safety Culture

In 2021, the company rolled out a formal safety perception survey to our Material Processing Facilities to gauge overall safety culture. The overall perception of health and safety at Covanta was very positive. Safety committees were asked to look into the topics for which operators and supervisors had opposing perceptions, as they may help identify the greatest disconnects. They were also asked to identify ways to improve scores in areas like off-the-job safety and the reporting of near miss incidents.

Incidents are now tracked in ProcessMap, our health and safety data management system, that streamlines and unifies the previously separate tracking of incident management, behavior-based safety, industrial hygiene management, and safety auditing. Since its introduction, we have completed over 73,000 observations, each providing valuable information on potential safety and health issues before they become incidents.





## New Programs and Tools for Employee and Contractor Safety

**Safe Work Permit.** Covanta has continued its comprehensive rollout of its new Safe Work Permit (SWP) process. The SWP is a formal detailed pre-job planning tool to ensure that all workers assigned to a job have:

1. Evaluated potential hazards, not only with their work task but also with the surrounding area, including other projects in progress
2. Taken actions to mitigate or control identified hazards
3. Planned for the unexpected, by thinking through the actions they would take to respond to a possible emergency if a job does not go as planned

By the end of 2022, the SWP process will have been rolled out at all of the Waste-to-Energy Plants and Transfer Stations, giving facilities the tools to identify preparation and post-implementation checkpoints, as well as deliver classroom and hands-on training.

**Tipping Floor Safety.** Tipping floors are the busiest and most dangerous areas in our WTE facilities. While each of our tipping floors is different, each shares a common set of ever-changing hazards. On every tipping floor, non-Covanta drivers are bringing in waste in a variety of different large vehicles while our own employees are coordinating the movement of the trucks and moving waste into the pit using front-end loaders, all in a noisy environment. On top of that, our employees are looking for potential fire hazards and checking waste for unauthorized items.

To help boost the safety of these dangerous spaces, radar and radio-frequency identification (RFID) systems have been installed in all of our WTE and transfer facilities. These systems use wireless signals to quickly identify and track objects and personnel at a distance. The sensors have been shown to improve tipping floor safety by alerting heavy equipment operators if pedestrians are in the area.



Our next focus area will be on lighting. Our internal Tipping Floor Task Force is testing 360 LED Halo lights that illuminate the areas around loaders to establish a safe buffer zone. In combination, improved lighting and alerts from radar and RFID tags will help keep employees visible on our tipping floors.



We take tipping floor safety seriously. Proper lighting, good communication, and teamwork help us keep the busiest area on-site safe.





## Gold Star Awards

The Gold Star awards recognize facilities that achieve elite safety and environmental performance. Walking away with the gold stars this year were Covanta Alexandria, Covanta Hempstead, Covanta Onondaga, and Covanta York, along with the Cedar Rapids MPF and the Montgomery Transfer Station.

Three other facilities were recognized for Safety and Environmental Excellence: Covanta Pinellas and the Canadian MPFs of Kitchener and Portage.



**Contractor Safety.** We are also implementing RFID technology to reduce the safety risks among contractors, who inherently have higher risks because of their unfamiliarity with the unique hazards at our sites. In addition to pre-job training and support from our employees while on-site, additional technology can help our contractors work even more safely.

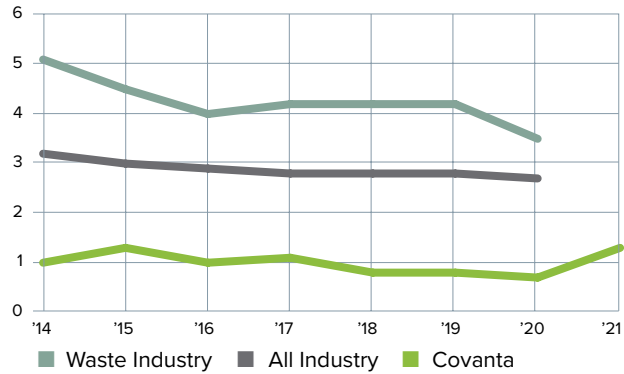
SITE SAFETY	REAL-TIME WORK SITE VISIBILITY	TRUE AUTOMATION AND PRODUCTIVITY GAINS
Real-time worker-generated injury, incident and hazard alerts	Worker and equipment location by zone and floor	Automatically log worker time and attendance for seamless daily reporting
Reduce site evacuation times by up to 72%	Optimize equipment utilization and monitor operations	View available manpower on-site and benchmark productivity levels
Manage worker certifications to ensure site safety compliance	Identify workers in specific areas of interest, no-go zones and confined spaces	Access control and automated check-in/check-out process

In 2020, we piloted the Triax RFID system that tracks each contractor on our site with RFID tags, clipped to their safety vests. By tracking these tags, the system can provide full visibility of all workers across a facility. Most importantly, this system provides real-time visibility of safety and health risks and incidents, including detection of falls, excessive working hours and helping ensure the integrity of lock-out/tag-out and confined space entry. By pairing operator information against equipment, we can verify proper qualifications. And in case of a wider emergency, the system can help facilitate evacuation, helping to identify who, if anyone, hasn't yet exited the facility. Secondly, this technology can assist with construction project management. In 2021, we extended testing the system during five outages.

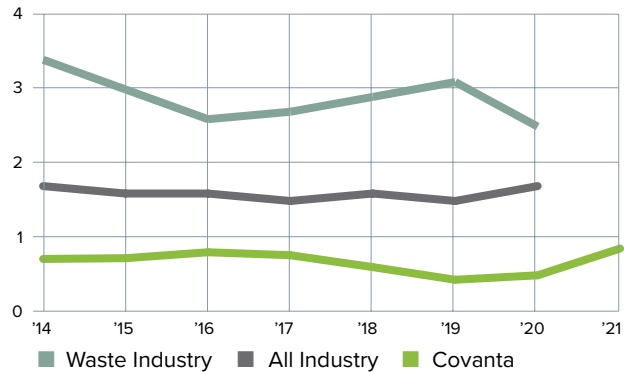




### TOTAL CASE INCIDENT RATE (TCIR)



### DAYS AWAY, RESTRICTED, TRANSFER (DART) RATE



## Safety Performance

Amidst the challenges posed by the COVID-19 pandemic in 2020, our frontline essential workers achieved our lowest Total Case Incident Rate (TCIR) in Covanta’s history.

Covanta’s injury rates, TCIR and Days Away, Restricted, Transfer (DART) rate, continue to be well below both the U.S. “All Industry” average and that of the “Waste Industry,” as determined by the Bureau of Labor Statistics. Additionally, sixty percent of our facilities were injury-free in 2021.

Unfortunately, in 2021, our TCIR and DART rates went in the wrong direction. Safety being a core value for Covanta, this is not acceptable performance.

We recommitted in 2022 to improving our safety performance with a continued focus on improving pre-job planning through our Safe Work Permit procedure, an emphasis on compliance with life-critical safety rules, and improvement in our hazard recognition and behavioral safety observation processes. Any TCIR above zero means a colleague has been injured. Our top priority is to Move Beyond Zero. We will never be satisfied until every one of our employees and contractors goes home safely at the end of each and every day.



## Inclusive Hiring with Better Data

Hiring is a crucial area of concern in addressing equity. To advance inclusivity, our Talent Acquisition, Talent Management, and Human Resources teams are actively reviewing and improving their processes.

We introduced an online career event tool to help us better target candidates at women’s and Historically Black Colleges and Universities (HBCUs). We also overhauled our applicant tracking system to assess the diversity of applicants and hires more accurately. Better data can help us better meet hiring goals.

“My goal every day is to coach, mentor, teach and put the right tools in people’s hands so they can make their jobs safer and easier... I also work hard to create a safe environment where people can escalate issues without the fear of being reprimanded.”

— Nora Stauffer  
Facility Manager at Covanta Lee



At Covanta, we share a commitment to build and deepen a culture of acceptance and individuality—one where all employees feel valued, respected, and empowered to achieve their full potential. To ensure we remain a leader in our industry and an employer of choice, Covanta aims to create an environment that values all employee contributions. We also commit to providing equal opportunities to develop our employees professionally.

A diverse, equitable, and inclusive workplace creates a stronger and more productive business culture—one that is more capable of solving problems and innovating and also better able to meet our goals and those of our clients, partners, and stockholders. We are an early pioneer in considering diversity and inclusion as part of sustainability. We launched our first corporate Diversity and Inclusion goals in 2015. Today, over five years later and with the advent of a growing national conversation about race and diversity, the program continues to deepen and expand across our company and communities.







## Our Commitment to Nondiscrimination

Covanta embraces a diverse and inclusive workplace without fear of discrimination on the basis of race, religion, ethnicity, sex, age, sexual orientation, or gender identity, and we stand in opposition to any such discrimination occurring in or outside of the workplace. Within the workplace, we are committed not just to eliminating harassment, discrimination, and other forms of illegal behavior but also to fostering and maintaining a diverse and inclusive work environment for all employees based on compassion, respect, and professionalism. Similar to our emphasis on the importance of safety on and off the job site, we expect our employees to conduct themselves at all times in a manner that is consistent with these commitments. Put simply, this is the right thing to do, and our constituencies—coworkers, customers, and shareholders—expect nothing less.



Employees at our Covanta Union, NJ facility gather to celebrate Hispanic Heritage month.

### Strengthening Diversity

Starting with our first sustainability report nearly 10 years ago, Covanta has been focused on building a respectful and equitable workplace environment that leverages employees’ unique talents, perspectives, and experiences regardless of age, race, religion, ethnicity, sexual orientation, or gender.

We value the unique viewpoints and experiences of the people we serve and employ. After all, innovation thrives when diverse perspectives emerge in a supportive environment. In this spirit, we established company-wide employee resource groups (ERGs) to promote input from and to support our people with diverse interests and experiences.

#### Through Leadership

Change must come from the leadership level, while our ERGs promote DEI on a grassroots level. Our DEI Leadership Council, formed over five years ago, includes leadership from across the company and has been a sounding board for leaders across the company to share lessons learned, review DEI metrics and initiatives, and bring these insights back to their teams. As of 2021, the leaders of each ERG are invited to participate in these quarterly meetings to review their goals and objectives and solicit suggestions and reactions from leadership directly.

We extended our commitment to the CEO Action for Diversity & Inclusion™ Racial Equity Fellowship to a two-year term. Through this commitment, one of our senior leaders has been focusing externally on identifying, developing, and promoting scalable and sustainable policies and best practices that address system racism and social injustice to improve societal well-being.



### Through Employees

The pandemic highlighted the value of these groups as never before. At a time when we needed more nuanced coordination with employees, these teams led an organic focus on diversity, equity, and inclusion (DEI) from the bottom up. The ERGs continue to keep folks connected across countries, departments, and job titles. With the addition of four new groups since 2020\*, we are proud to have six ERGs.



Our employee-led ERGs foster a diverse, equitable, and inclusive workplace. Groups supporting women, young professionals, Black Professionals, LatinX, and LGBTQ+ team members have been formed. Covanta’s Black Professionals ERG led a series of virtual events for Black History Month, designed to underscore some of the many important contributions by remarkable individuals from Covanta employees to local politicians and veterans. Our RISE: Women of Covanta group pulled together events in recognition of Women’s History Month. Our Fluid ERG partnered with a New Jersey-based nonprofit to provide LGBTQIA+ Humility Training to Covanta employees, delving into LGBTQIA+ statistics, stigmas, and micro-aggressions. All events inspired honest and open dialogues with people within the organization.

### Through Partnerships

In 2021, we joined the HBCU Partnership Challenge, an initiative of the Congressional Bipartisan HBCU Caucus, and pledged to recruit at a minimum of five HBCUs strategically located near our facilities in Virginia, Maryland, and Alabama. We committed to recruit for both internship and entry-level full-time positions, targeting five internships initially, with a commitment to increase this number as the program matures, and, as full-time entry-level positions become available, include HBCU interns in a pool of eligible candidates for the Early Career Development Program upon graduation. We also will develop an annual fund of \$10K in scholarship money for students attending HBCUs near the locations where Covanta will recruit.



“I applaud all our private partners for taking the pledge at such a critical time. Through the power of partnerships, our HBCUs will continue to have an outsized impact in higher education.”

— Congresswoman Alma Adams (D-NC-12), founder and co-chair of the Congressional Bipartisan HBCU Caucus, in welcoming Covanta and 8 other companies to the HBCU Partnership Challenge





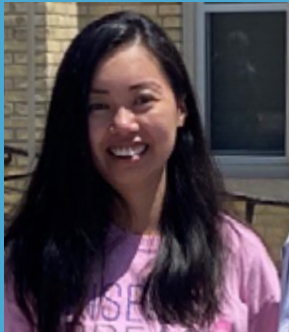
## 2022 WORKFORCE DIVERSITY<sup>1</sup>



<sup>1</sup>Women are represented as a percentage of the entire workforce. People of color are represented as a percentage of U.S. workforce, where race/ethnicity information is known.

## Our people value sustainability

Covanta employees are Protectors of Tomorrow, all contributing in one way or another to the company's meeting its sustainability goals. Our Sustainability Employee Resource Group (ERG) encourages employees to bring these values home through annual Zero-Waste



Challenges. Participating employees receive curated waste reduction and recycling tips from the ERG, while they monitor and reduce their own waste over a week.

We also launched our internal 2021 Winter Sustainability Challenge to test and reward knowledge of Covanta's sustainability successes. Lydia Kwan, the environmental specialist at our Durham-York, Ontario Facility, scored perfectly on all three quizzes and was crowned our Sustainability Champion.

## Advancing DEI Strategy

Our diversity, equity, and inclusion (DEI) strategy is guided by a commitment to be representative of the communities we serve, throughout our organization. With a 2030 roadmap in place, company-wide efforts—including recruiting, tracking, messaging, and training—are underway to realize these goals:

**Increase recruitment and retention of female employees** in leadership roles, especially in operations.

**Boost recruitment and retention of people of color (POC)** with a cross-organization focus on Black employees.

**Refresh corporate culture and employee engagement** with inclusive behaviors and expectations. Diversity is a key element of our annual performance review and development exercise. Our employees' yearly review process includes "Values Diversity" as a criterion to raise awareness and assessment of key behaviors such as embracing differences and recognizing the value of different perspectives and cultures.

**Partner with organizations** in communities where we have assets to deepen networks and improve branding.

We've set intermediate metrics on our 10-year roadmap that will allow us to set goals for our leaders and allow for recalibration as needed based on future business conditions. Looking back on 2021, our first full year set the groundwork for the next nine:

- Developed diversity tracking for director-level and above positions
- Broadened our unconscious bias training
- Added "inclusion nudges" and regular diversity metric review in succession planning processes
- Regularly reviewed pay levels to ensure equitable compensation across employee groups.
- Diversified talent recruitment pool by leveraging ERG networks





### Listening More Closely

At Covanta, we use periodic employee pulse surveys to gather information across a wide range of topics, including employee interests, satisfaction, and concerns. Employee feedback is a vital element of our culture and, we believe, essential to improve our workforce and deliver for our customers.

In 2021, we conducted group studies to set a baseline for inclusiveness at Covanta. The inclusion focus group helped us define the continued evolution of the program, including the DEI action plan and the development of unconscious bias and behavioral interview training. As a result of the study, we developed an inclusion index for future benchmarking and identified a few categories with room for improvement.

In June 2022, we rolled out a company-wide Employee Voice Survey to further capture honest, anonymous feedback from our people. Through this exercise, we hope to identify additional opportunities for growth and understand what we do well as a company.

## CEO North Star Awards

In order to recognize the incredible talent in Covanta, our CEO has introduced three new awards in the areas of Diversity, Equity, and Inclusion (DEI), Integrity, and Leadership. Three winners are selected quarterly from peer nominations, with each receiving a monetary prize and engraved plaque presented at the company-wide quarterly Town Hall meeting.



**DIVERSITY EQUITY AND INCLUSION**  
**MELISSA JOHNSON**  
Controller/SSC Operational Manager, co-chair of the Covanta Black Professionals ERG

The Diversity, Equity and Inclusion award is given to an employee who recognizes the value of diverse teams as a way to make better decisions and improve business performance. They foster an environment in which all team members feel respected and included and are provided with access to the same opportunities. They take initiative to improve cultural awareness, both in themselves and others, as well as challenge organizational attitudes that reflect biases and prejudice.



**INTEGRITY**  
**RENATO PEREIRA**  
Facility Manager at Miami-Dade

The award for Integrity is given to an employee who has outstanding character traits and work ethics, including sound judgment, honesty, and dependability. These employees are widely trusted by leaders and teams. They adhere to Covanta's core values and beliefs during both good times and bad times. They consistently walk the talk and express gratitude and recognize the achievements of others.



**LEADERSHIP**  
**JAMIE RHEINBERGER**  
Covanta Environmental Solutions – National Account Project Manager

The award for Leadership is given to an employee who equips their teams and colleagues with the right tools and strategies to maximize the success of the organization. They are inclusive and trustworthy, they communicate effectively, and they drive results by setting a strong example and motivating those around them to reach their full potential. They are collaborative and work effectively across the organization while holding themselves and others accountable to deliver results.



## Protecting the Environment

**At Covanta, we know that maintaining our environmental performance—and exceeding the expectations of our stakeholders where we can—is critical to reducing our environmental impact, protecting our people, and executing our business strategy.**

Covanta's materials processing and WTE facilities provide an environmentally and socially responsible option to manage wastes remaining after recycling and reduce GHG emissions. By recovering

both materials and energy from waste, our facilities help communities follow the waste hierarchy while also providing resilient local waste-management infrastructure. And by delivering renewable baseload power in close proximity to load centers, our WTE plants also increase the resiliency of the electrical grid. In delivering these benefits to the greater society, it is equally important to protect the health and environment in our local communities through outstanding environmental performance.



## FRESHWATER SOURCE



### Freshwater Sources

■ River Water	9%
■ City Water	37%
■ Well Water	24%
■ Alternative Sources	29%

### Alternative Sources

■ Stormwater	0.7%
■ Reclaimed Wastewater	99.3%

Water is a precious and essential natural resource and a critical part of Covanta’s sustainable material management solutions. Every year, we recycle millions of gallons of wastewater through pretreatment of industrial wastewater that may otherwise be unsuitable for direct discharge into a local publicly owned treatment works. In addition, we beneficially reuse other wastewaters directly in our own processes, avoiding the need for treatment or discharge into the environment.

We strive to minimize our freshwater use and wastewater discharge in our own operations by recycling and reusing water internally. We also use alternative water sources, including stormwater and treated wastewater plant effluent for a third of our freshwater needs. By reusing water internally, roughly half of our facilities are zero process water discharge facilities. In addition to benefiting the environment, these steps frequently help us cut costs.



## Planning to Succeed in Palm Beach

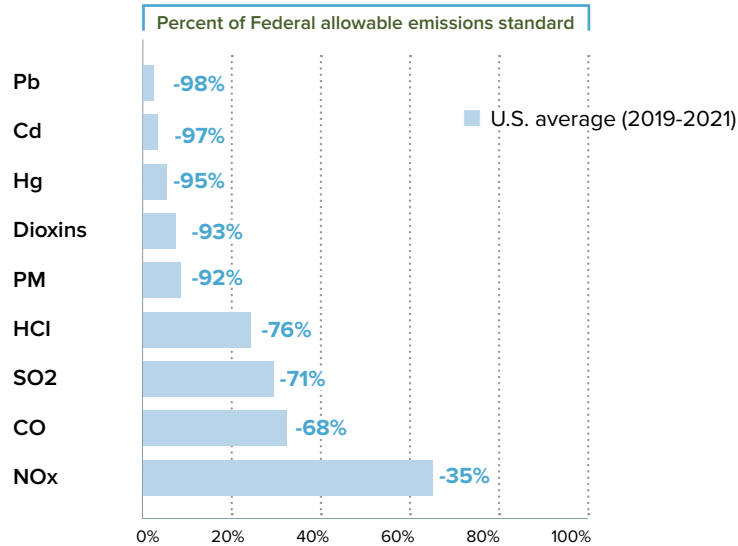


At Covanta Palm Beach, Keri Seeley works on major continuous improvement projects. One recent project earned Keri the Award for Excellence through Covanta’s iLift program. She guided the effort to repair the Palm Beach 2 settling basin, an area that collects drainage water from various parts of the facility. Keri deployed new ways to slow the flow of wastewater, so that more solids settled out. This boosted the share of reused water that could be used in the plant.

The upgrade reduced the plant’s daily consumption of fresh water by up to 50,000 gallons—enough water to serve over 150 homes. “It’s a huge step,” said Keri, noting that the updated system moves the facility closer to a goal of zero discharge. “When you put a lot of time and effort into something, and it works, it’s a great accomplishment.”



**WE REMAIN COMMITTED TO MAINTAINING EMISSIONS AT LEVELS WELL BELOW FEDERAL STANDARDS**



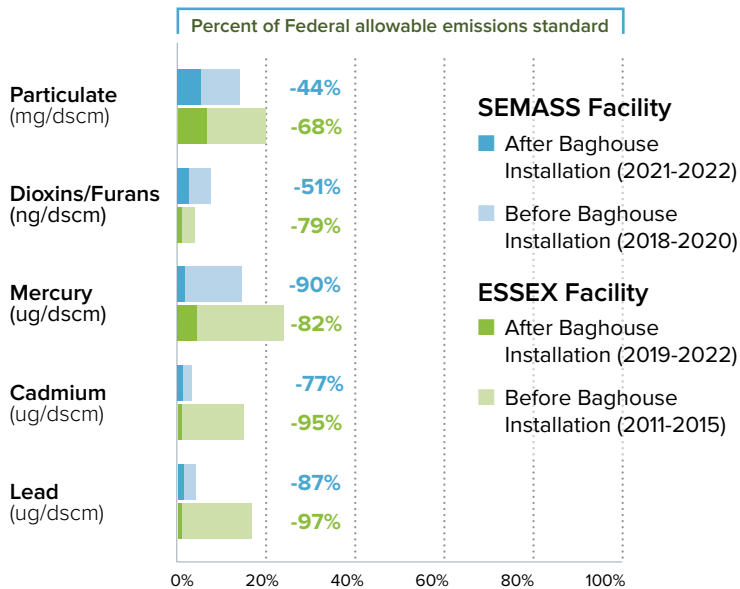
Like all combustion processes and nearly all waste management processes, WTE facilities produce air emissions. To minimize these, our facilities employ a carefully controlled combustion process with temperatures in excess of 2,000 degrees Fahrenheit coupled with state-of-the-art air pollution control equipment. Emissions are monitored both continuously and via periodic testing performed by regulator-approved third parties. As a result, approximately 99.9% of what comes out of our stacks are normal atmospheric components, including water vapor, nitrogen, oxygen, and CO<sub>2</sub>.

**Improving Performance**

In 2021, Covanta continued its investment in reducing air emissions, with a focus on environmental justice communities.

Our patented Low NO<sub>x</sub> (LN) systems are one of the technologies we utilize to reduce Nitrogen Oxide emissions at our plants. In 2022, we completed our multi-year project to install LN at our Fairfax and Alexandria facilities in Virginia. By the end of 2022, these systems will be fully operational, cutting NO<sub>x</sub> emissions at both facilities in half. The final installation of LN will also be operational at our Hempstead facility, in Long Island, NY by the end of 2022.

**SEMASS AND ESSEX BAGHOUSE RETROFITS REDUCE EMISSIONS, ALREADY WELL BELOW FEDERAL GUIDELINES, BY UP TO 97%.**

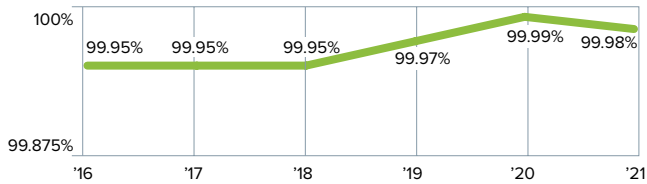


Both our facilities in Massachusetts, Haverhill and SEMASS, are meeting lower NO<sub>x</sub> limits as part of a voluntary two-year demonstration project with the MADEP. In January 2021, Covanta SEMASS facility in West Wareham, Massachusetts, completed installation of a new fabric filter baghouse. Results from the most recent testing shows improvements in mercury, lead, cadmium, particulate and dioxins/furans of up to 90% beyond levels that were already well below the federal standards.

Covanta continues its commitment to reduce emissions in Environmental Justice communities in Camden, NJ with the planned installation of a new baghouse and recirculating dry scrubber system. We estimate these improvements will reduce emissions by up to 90%, emissions that are already well below federal guidelines, based on a similar project we completed in the Ironbound section of Newark, NJ in 2017.

Our Delaware Valley, PA facility operates using a technology that already outperforms many of its peers with regard to NO<sub>x</sub> emissions. To further reduce NO<sub>x</sub> emissions, we are running a pilot with Selective Non-Catalytic Reduction (SNCR) technology and are planning a voluntary carbon injection assessment to further reduce mercury emissions.

### WTE CONTINUOUS EMISSION MONITORING SYSTEM COMPLIANCE PERFORMANCE



### Monitoring Compliance Performance

We are committed to the goal of sustaining past gains in emissions performance while maintaining 100% compliance with all discharge limits, including wastewater treatment, stack testing, and CEMS.

- In 2021, our North American WTE facilities reached 99.98% compliance with our limits measured using CEMS.
- Our wastewater treatment facilities achieved 99.95% compliance with pre-treatment discharge limits in 2021.
- In both, 2020 and 2021, we achieved 100% stack test compliance rates.

In 2021, stack testing results for our Waste-to-Energy facilities located in Long Beach, CA and Harrisburg, PA exceeded permit limits for particulate emissions during an individual stack test run, but successfully passed well under the permit levels during retesting. For both facilities, the respective environmental agencies were notified and provided complete documentation for all runs. No further requests have been received from either state’s agencies.

Occasionally, we are subject to proceedings and orders that pertain to environmental permitting and other regulatory requirements, potentially resulting in fines or penalties. In 2020 and 2021, total environmental-related fines and penalties at our facilities amounted to \$134,889 and \$26,374, respectively.

In 2020, both Delaware Valley and Plymouth Waste-to-Energy facilities experienced black plant conditions, where the entire facility loses electrical power, due to electrical trip issues.

The Delaware Valley facility experienced a power failure as a result of utility equipment accidentally tripping the entire facility offline from the power grid twice, resulting in a fine for the loss of air pollution control devices. Since this incident, the facility has made additional upgrades to the electrical system and turbine to prevent future recurrence.

The Plymouth facility experienced an electrical cable tray fire resulting in a loss of control on air pollution control devices and overall plant operations. Extensive work was done to replace the damaged electrical systems, installation of fire suppression system, and odor control systems. Additionally, regular visual inspections of the electrical board have been implemented. Both events were carefully reviewed as a part of our root cause analysis process to prevent future recurrences.

# Performance Data Highlights<sup>1</sup>



	2021	2020	2019	2018	2017
<b>PERFORMANCE DATA</b>					
<b>Workforce</b>					
Total employees	3,867	3,950	3,881	3,911	3,719
<b>Safety and Health<sup>2</sup></b>					
Employee DART	0.86	0.53	0.44	0.61	0.77
Employee TCIR	1.25	0.73	0.80	0.81	1.06
<b>Facilities</b> (owned, equity investments in, and/or operated)					
Number of WTE operations	46	46	44	45	43
Total electrical generation capacity (MW)	1,878	1,878	1,791	1,714	1,574
Total capacity (TPD)	68,266	68,266	65,764	63,294	58,938
<b>Waste<sup>3</sup></b> (thousand tons)					
Total waste processed	21,874	21,900	22,203	21,124	19,493
Sustainably Processed Waste <sup>S-KPI</sup>	21,586	21,590	21,908	20,862	19,218
Waste recycled / reused <sup>S-KPI</sup>	1,130	1,066	1,104	1,020	886
Covanta WTE	21,111	21,184	21,430	20,418	18,816
<b>Energy<sup>3</sup></b>					
Net electricity exported to the grid (million MWh)	10.2	9.9	10.0	9.4	8.6
<b>Water<sup>3</sup></b>					
Total potable water use (Mgal)	6,125	6,127	6,024	6,033	5,648
Alternative water use as a percentage of freshwater use	29%	31%	34%	33%	32%
<b>Greenhouse gas emissions</b> (million metric tons CO <sub>2</sub> e)					
Net GHG avoidance	18.8	18.7	18.7	18.1	16.7
<b>Gross Metal Recycled</b> (thousand tons) <sup>3</sup>					
Total	567	560	529	496	464
Ferrous	518	518	484	455	425
Non-Ferrous	49	42	45	41	39
<b>Environmental Performance</b>					
WTE stack test compliance rate	100.00%	100.00%	99.90%	100.00%	100.00%
WTE CEM compliance rate	99.98%	99.99%	99.97%	99.95%	99.96%

	2021	2020	2019	2018	2017
<b>DIVERSITY DATA</b>					
<b>Gender and Diversity Composition<sup>4</sup></b>					
Women as a percentage of the total workforce	12%	12%	11%	11%	11%
People of color as a percentage of total workforce	32%	31%	28%	28%	26%

	AMERICAN INDIAN	BLACK	WHITE	HISPANIC	ASIAN	PACIFIC ISLANDER	TWO OR MORE RACES
<b>DIVERSITY DATA</b>							
<b>2021 Racial and Ethnic Composition of U.S. Workforce<sup>5</sup></b>							
Executives	0	2	45	0	3	0	1
Directors	0	9	183	4	10	1	2
Managers	1	12	211	21	18	1	4
Professionals	1	49	414	43	32	7	9
Technical, sales and administrative	1	46	275	32	9	1	7
Laborers	15	308	1,291	316	78	63	46
Total	18	426	2,419	416	150	73	69

Additional performance data available at: <http://covanta-csr.com/data-pages/performance-tables/>

<sup>1</sup> For the years ended December 31.

<sup>2</sup> Safety and Health data is for U.S. and Canada only.

<sup>3</sup> Unless otherwise noted, reported on an operational control + equity interest basis, excluding China.

<sup>4</sup> U.S. employees only. Job Categories are defined as follows: Executives (EEO category 1), Professionals (EEO category 2), Technical/Sales/Administrative (EEO categories 3,4,5), Laborers (EEO Categories 6,7,8,9), EEO Category 1.2 subdivided into Directors and Managers.

<sup>5</sup> Women are represented as a percentage of the entire workforce. People of Color are represented as a percentage of U.S. workforce, where race/ethnicity information is known.

S-KPI Key Performance Indicators under the November 2021 Sustainability-Linked Financing Framework. See <https://investors.covanta.com/Sustainability-Linked-Financing> for more details.