

PROTECTING TOMORROW

At Covanta, we believe that sustainability is about protecting tomorrow: people, the planet and prosperity. What we do every day helps our communities, clients and customers find practical solutions to significant societal challenges. Our mission is to ensure that no waste is ever wasted.



Through our Energy-from-Waste (EfW) facilities and other sustainable waste management services, we reduce greenhouse gas (GHG) emissions, generate clean, renewable energy and help a growing list of companies and communities reach their sustainability objectives.

To protect tomorrow, we focus on the following principles:

- **Ensuring no waste is wasted.** We provide our communities and clients access to sustainable waste and materials management, from the largest fleet of EfW facilities in the world to wastewater treatment, reverse distribution, depackaging and tailored commercial waste services.
- **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 maintaining 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.
- **Partnering with our communities.** Mutual acceptance and respect between Covanta and our communities 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.
- **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.
- **Creating and maintaining an inclusive, respectful and equitable work environment.** Our dedicated workforce drives our business and our success. We build high-performing teams by attracting and retaining

talented and diverse individuals. Our focus on diversity and inclusion helps foster innovation and continuous improvement, thereby contributing to reduced costs and revenue growth.

To advance our principles and our sustainability performance, we developed our second set of sustainability goals in 2015 to be measurable, impactful and aligned with our business. Each goal is championed by a member of our senior leadership team to ensure accountability and progress.

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VIDEO: PROTECTING TOMORROW— PEOPLE



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VIDEO: PROTECTING TOMORROW— PLANET



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VIDEO: PROTECTING TOMORROW— PROSPERITY



Our mission is to provide sustainable waste and energy solutions to ensure no waste is ever wasted.

At Covanta we believe the materials discarded every day should be utilized to their fullest potential to preserve the world's valuable resources and generate clean energy for our client communities and the world we live in.

This is how Covanta is powering today and protecting tomorrow.

PROTECTION:

We will conduct our business in an environmentally sound manner that is protective of human health and the environment.

COMPLIANCE:

We will manage our work to assure compliance with all applicable environmental regulations and requirements.

CONSERVATION:

We will minimize impact to the environment by encouraging pollution prevention at the source, waste minimization, recycling and responsible disposal of production by-products.

QUALIFICATION:

We will ensure that all employees have the necessary information, resources and training to make informed environmental decisions.

COMMITMENT:

Covanta is committed to be an industry leader in environmental protection by achieving superior awareness and performance through a process of continuous improvement.



***Environmental awareness and performance is the responsibility of every employee.
By embracing this philosophy, we all can make a difference.***



Stephen J. Jones, President and CEO

Covanta is committed to engage with and support the communities in which we have or will have facilities. Covanta believes in the meaningful opportunity for all people, regardless of race, ethnicity, color, income, national origin or education level to be knowledgeable and have the right to participate in public decisions and actions which have an impact on their environment and neighborhoods. To implement this policy consistent with our sustainability objectives, Covanta commits:

- To reduce discharges and minimize emissions from our facilities and to reduce other potential impacts of our operations, taking into account cumulative impacts.
- To identify and engage with individuals and organizations in the communities in which we operate, or in which we may operate, that are interested in our operations.
- To have open, two-way communication with communities on issues which may be of interest or concern to them, including environmental and quality of life issues in the community. Such communication shall include participation in meetings with community members or affected groups.
- To have an enhanced public participation strategy with communities on major facility permit actions and engage in substantive conversations with community members during the early stages of the permitting process.
- To work diligently to respond to issues identified by communities in which we operate.
- To promptly and effectively notify the community in the event of situations that may adversely impact the environment or their health.



Stephen J. Jones, President and CEO

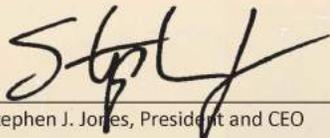


Total Safety and Health is the ongoing integration of Safety and Health into all activities with the objective of eliminating illnesses and injuries and continuously improving performance.

- **Nothing is more important than Safety and Health...**
not production, not throughput, not profits.
- **Accidents, illnesses and injuries are preventable...**
they are not inevitable.
- **Safety and Health is a management responsibility...**
and Safety and Health can be managed.
- **Safety and Health is an individual responsibility...**
and a condition of employment.
- **Safety and Health is a way of life...**
around the clock, both on and off the job.
- **Every task must be performed with a concern for Safety and Health...**
for ourselves, our fellow employees, our contractors, our visitors,
our customers and the communities in which we operate.



A Commitment to Total Safety and Health is a Commitment to Doing Things Right.



Stephen J. Jones, President and CEO

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SUSTAINABILITY POLICY

Vision

It is in the best interests of our company and society as a whole that our company moves along the path to sustainability. To that end, we will strive to achieve the following vision of performance and will publicly communicate this commitment and periodically report our progress and challenges in fulfilling it:

1. Economic success: the wise use of financial resources

A. Company economic prosperity

We will:

- Conduct our business to prosper economically and create long-term value for our shareholders
- Invest in research and development to expand and/or improve our core competency

B. Community economic prosperity

We will help our community prosper economically in three ways:

- Seek to employ local people, purchase goods and services locally and pay taxes
- Provide cost competitive and reliable waste disposal and energy generation
- Participate in civic and philanthropic efforts

2. Social responsibility: respect for people

A. Fair dealing with customers

- We will be honest and fair with our customers, compete ethically for their business, respect their privacy, anticipate their needs and provide them with safe and effective products and services while taking into account sustainability concerns.

B. Respect for employees

- We will treat our employees in a respectful, fair and nonexploitative way, especially with regard to compensation and benefits; promotion; training and development; open, constructive dialogue with management; involvement in decision-making; working conditions that are safe, healthy and noncoercive; privacy rights; labor law rights; employment-termination practices; and work-life balance. We will ensure that all employees have the necessary information, resources and training to make informed decisions on environmental and health and safety matters.

C. Diversity, fair hiring practices

- We will promote diversity and a culture of inclusion and use hiring practices that are fair, responsible, nondiscriminatory and nonexploitative for our employees and board members.

D. Responsible governance

- We will manage our risks appropriately, use our economic power responsibly and operate our business in a way that is ethical and legal.

E. Respect for stakeholders

- We will be transparent, respectful and fair to local populations, investors, suppliers and other stakeholders outside of our organization who may be affected by our operations. We will engage our key stakeholders to understand their needs and seek relationships with them based on integrity. We will work collaboratively toward a good neighbor relationship with our communities, governments, business partners and supply chain to enhance the well-being of others.

3. Environmental responsibility: respect for life and the wise management and use of natural resources

A. Resource conservation

- We will minimize our impact to the environment by conserving energy and natural resources to the extent practicable. We will promote sound materials and energy management by encouraging pollution prevention at the source, material reuse, recycling and recovery of materials and energy through energy from waste.

B. Waste prevention and management

- We will reduce to the extent practicable the solid waste and emissions of greenhouse gases and other harmful air pollutants from our operations and will maintain and implement programs to ensure compliance with all applicable environmental regulations.

C. Environmental risk control and restoration

- We will minimize the risk of spills and other potentially harmful environmental incidents, restore the environment in case of an event and enhance it to better support biodiversity.

D. Reduction of supply chain impacts

- We will work with others in our supply chain to help minimize adverse environmental impacts and risks and to optimize environmental benefits.

E. Collaboration with communities

- We will collaborate with our communities to protect and improve the environment.

PROTECTING TOMORROW

A MESSAGE FROM OUR CEO



At Covanta, we work every day to protect tomorrow.

Our operations help communities, clients and customers find practical solutions to waste and materials management while generating clean energy. By running our business responsibly, efficiently and profitably, we are addressing the three pillars of sustainability: people, planet and prosperity.

We have set sustainability goals that guide us not only with regard to our work in materials management, but also in ensuring a safe and diverse workplace, developing and maintaining strong ties with our communities and delivering “beyond compliance” environmental performance. We’ve made considerable strides toward achieving our targets in each of these areas.

Since our last report, we’ve had an exciting period of new growth and opportunities for our company. The rapid expansion of our waste management capabilities, which followed several acquisitions, provided us with a network of material-processing facilities to support our Energy-from-Waste (EfW) profiled waste business. From wastewater treatment to reverse distribution to depackaging to tailored commercial waste services, Covanta now offers comprehensive environmental services to help an expanding base of customers reach their sustainability goals.

We are also excited by the growth of our metals management and recycling business. We recovered record volumes of ferrous and non-ferrous metals in 2016 through investments and upgrades to our metal collection equipment and technology. We opened a new facility in Fairless Hills, Pennsylvania, to clean and sort metal by type and size, allowing us to sell higher-quality metals directly to end users for a premium price. We are also investing in the development of new beneficial uses for the ash by-product of our energy recovery process.

The backbone of our business continues to be our world-class operation of modern EfW facilities. These facilities responsibly process the waste that remains after recycling by converting it to baseload renewable energy that is an important complement to intermittent renewables like wind and solar. EfW is a widely recognized tool in mitigating greenhouse gas emissions by enabling the diversion of waste from landfills and, in turn, avoiding the potent methane emissions associated with landfills.

Our newest EfW facility in Dublin, Ireland, is complete and began full-scale operation earlier this year. The facility has exceeded our expectations on all counts and will deliver more sustainable waste management for the Dublin area

for many years. The environmental performance has been outstanding—our first stack test results were 71.1–99.97 percent *below* license limits.

Ambitious Continuous Improvement projects continue across our operations to enhance the efficiency of the processes we utilize for providing sustainable waste management to our communities and customers. And in 2016, we completed a major retrofit of the air pollution control systems at our Essex Resource Recovery Facility in Newark, New Jersey. Already operating well below its permit limits, the retrofit further lowered particulate and metals emissions by up to 98 percent.

I am disappointed by our recent safety performance, and we are taking action on this front. While we have notable successes and continue to outperform our peers on injury rates, with more than half of our fleet injury free in 2016, we were devastated by two employee fatalities: a motor vehicle accident in 2016 and a heavy equipment accident in 2017. In response, we have hired third-party experts to review our safety programs and culture top to bottom across the company. As they complete their work, we have already initiated key changes with both our truck fleets and mobile equipment operations to address the specific root causes that led to these two accidents. Ensuring our employees and our contractors go home at the end of every day without injury is our number one priority.

On an environmental front, our facilities continue to operate well below their permitted limits, and we have successfully maintained the performance gains we've made over the past decade. However, after four exemplary years of no stack test failures, we had three exceedances of air emission standards during stack tests in 2015-16. In every case, we took immediate action to investigate and correct any issues, and multiple retests show that each facility is back in compliance. We remain committed to 100 percent compliance with all discharge limits.

Our partnership with communities remains strong, in part due to enhanced efforts to engage on multiple levels. We are particularly pleased with the outcomes of the work we're doing to enhance recycling and environmental awareness among elementary, middle and high school students. For example, in the New Jersey communities of Newark and Camden, we worked with local school districts to support teacher trainings, site visits and the provision of bins and other resources to promote recycling efforts. Following these efforts, we received an Environmental Hero Award from the Camden Collaborative Initiative.

I now invite you to explore our latest sustainability report. As a society, we face significant environmental challenges related to waste, energy and climate change. I hope you will share in our excitement about the many ways Covanta is committed to working with our partners and stakeholders to find effective solutions that help all of us to Protect Tomorrow.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen J. Jones', is centered on a light gray rectangular background.

Stephen J. Jones,

President and Chief Executive Officer

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VIDEO: CEO STEVE JONES TALKS ABOUT PROTECTING TOMORROW



PROTECTING TOMORROW

ABOUT COVANTA



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.

Our Covanta 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. Our expanded service offerings provide our clients with additional routes to meet their zero-waste, zero-waste-to-landfill and sustainability goals.

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 two small-scale hydroelectric facilities and other waste management businesses, such as transfer stations, which broaden the geographic reach of our core facilities.

- For a full description of Covanta’s business, including how we incorporate sustainability into our business strategy, please refer to the Company’s [2016 10-K](#).
- An overview of our Board’s oversight of our sustainability strategies can be found in our [2017 Proxy Statement](#).
- Covanta’s complete governance information, structure, annual filings and related charters, including the [Policy of Business Conduct](#), can be accessed from our [Investor Relations](#) home page. We outline expectations for supplier ethical conduct on our [Partners & Suppliers](#) web page.