

# PROGRESS ON GOALS

SAFETY AND HEALTH			
GOAL		PERFORMANCE INDICATORS	PROGRESS IN 2015–2016
<p><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></p>	<p><b>Financial Linkage</b> Organizations with an integrated and interdependent safety culture are more likely to achieve and sustain injury free workplaces and demonstrate outstanding safety management and performance. Safety leadership, teamwork, peer support, trust, open and honest communication, employee engagement at all levels and organizational pride are hallmarks of integrated and interdependent safety cultures. While incident rates and other safety metrics ultimately demonstrate performance, they are lagging indicators and ineffective at tracking the efficacy of cultural development.</p>	<p>Develop and assess the efficacy of safety culture performance metrics. Implement, track and report these metrics to demonstrate measurable improvements in Covanta’s safety culture through the end of 2020.</p>	<p><b>In Progress:</b> Pilot of safety culture survey began at six facilities in early 2017. Each facility has developed action plans and evaluation of findings is under way.</p>
		<p>Complete a review of our root cause analysis and corrective action process and implement changes as necessary by the end of 2016 to ensure the process adequately evaluates and resolves issues as identified.</p>	<p><b>In Progress:</b> A review of our root cause analysis and corrective action process was completed in early 2017. In response, we are currently integrating a Failure Mode and Effect Analysis (FMEA) into our process for selected incidents as a continuous improvement tool to systemically reduce the potential for future incidents.</p>

# ENVIRONMENT

GOAL		PERFORMANCE INDICATORS	PROGRESS IN 2015–2016
<p><b>Energy-from-Waste (EfW) facilities are subject to stringent regulatory standards that are currently being reviewed by the U.S. Environmental Protection Agency. In addition, acquisitions and organic growth are also creating new challenges. We are committed to 100% compliance with all discharge limits (air, water, etc.) at all facilities while also maintaining emissions at levels consistent with past performance, which are well below existing standards.</b></p>	<p><b>Financial Linkage</b> 100% compliance with discharge limits avoids fines and other monetary penalties. More importantly, we view full and continual compliance with all applicable laws, regulations and permits to be a basic condition of responsible operation. By demonstrating and continuing full compliance, we build our reputation and garner intangible value as a responsible member of the local community.</p>	<p>100% compliance with stack test standards and continuous emission monitor (CEM) reporting limits at all EfW facilities.</p>	<p><b>In Progress:</b> 99.90% compliance with stack test standards and 99.93% compliance with CEM limits at our EfW facilities for 2015-2016.</p>
		<p>100% compliance with discharge limits at Covanta Environmental Solutions (CES) and other new facilities within one year of acquisition.</p>	<p><b>Achieved:</b> 100% compliance achieved at the eight CES facilities reaching one year milestone in 2015-2016.</p>
		<p>Maintain EfW emissions performance gains achieved.</p>	<p><b>Achieved:</b> All EfW emissions performance gains were maintained as of the end of 2016.</p>

# MATERIALS MANAGEMENT

GOAL	PERFORMANCE INDICATORS	PROGRESS IN 2015–2016
<p><b>Advance sustainable waste management and life cycle greenhouse gas reductions through increased landfill diversion, greater operational efficiency, and expansion of waste reduction, reuse, and recycling.</b></p>	<p><b>Financial Linkage</b> Reducing landfill management of wastes from energy recovery, through finding new ash beneficial reuse opportunities and recovering more usable materials (e.g., metals) prior to disposal, reduces costs and generates new revenue streams. Increasing the tons of wastes avoided, recycled or reused for our clients expands our service offerings and helps meet our clients' needs, thereby generating additional sources of revenue and potentially longer-term client relationships.</p>	<p><b>In Progress:</b> 2016 overall tons processed down 3.5% relative to baseline, largely driven by divestiture of equity stake in China projects. However, start up of the Dublin facility in 2017 and future development of the Rookery project will add significantly to capacity. Growth of our Covanta Environmental Solutions business remains strong.</p>
	<p><b>Climate Change Linkage</b> More sustainable waste and materials management can be a significant source of GHG emissions mitigation. Growing landfill diversion and moving up the waste hierarchy, both for our own operations and for our clients', are our most powerful drivers in reducing GHG emissions.</p>	<p><b>Achieved:</b> In 2016, we avoided, recycled or reused over 900,000 tons of waste, a 60% increase in just two years, meeting our goal four years early.</p>
	<p>Achieve additional energy efficiency improvements at our energy recovery facilities of 60,000 MWh in total by the end of 2020.</p>	<p><b>In Progress:</b> 19,300 MWh of additional energy efficiency improvements, roughly one-third of our goal of 60,000 MWh, has been completed.</p>

# COMMUNITY RELATIONS

GOAL		PERFORMANCE INDICATORS	PROGRESS IN 2015–2016
<p><b>Expand the number and quality of our community outreach programs.</b></p>	<p><b>Financial Linkage</b> Covanta has been investing in community outreach programs for more than two decades. This comprehensive outreach translates to improved business opportunities, including renewal of existing contracts and favorable permitting terms, strong relationships and better operational standing.</p>	<p>Develop a community programs resource for Covanta's facilities by the end of 2016 to help facilitate effective and quality community interactions.</p>	<p><b>Achieved:</b> Resource guide completed in 2016 and in use by facilities.</p>
		<p>Perform, at a minimum, eight community interactions per year, beginning in 2016, at each EfW facility, that deliver demonstrative impact to our Protecting Tomorrow programs, local community programs and sustainable solid waste management education.</p>	<p><b>In Progress:</b> 446 community interactions were completed in 2016, representing a 65% increase over the prior year and an average of over 10 per facility per year. 93% of our EfW facilities met the minimum goal. Fully meeting the goal is constrained by several client-owned facilities that manage community interactions. 100% of our facilities without these constraints met the goal.</p>

# WORKFORCE ENGAGEMENT

GOAL		PERFORMANCE INDICATORS	PROGRESS IN 2015–2016
<p><b>Create and maintain an inclusive, respectful and equitable environment that leverages the unique talents, perspectives and experiences of our diverse workforce to help retain top talent and meet and exceed our business objectives and the expectations of our diverse client communities, business partners and shareholders.</b></p>	<p><b>Financial Linkage</b> Our employees drive our business and our success. Attracting the best talent; hiring and retaining a diverse workforce with regard to age, race, gender, ethnicity, and other dimensions of diversity; and the inclusion of all employees and their ideas helps foster innovation and continuous improvement, thereby contributing to reduced costs and revenue growth, including through the development of new businesses and services. A low attrition rate, especially for top performers, means that we can retain qualified and talented individuals, preserve institutional knowledge and reduce recruiting and training costs.</p>	<p>Develop diversity and inclusion educational awareness training for employees and managers. Complete training with 30% of the workforce by the end of 2016 with full completion in the following year.</p>	<p><b>In Progress:</b> In 2016, we delivered training to 1,100 of our 3,500 total employees, or over 30%. We are on track to complete the training by 2019.</p>
		<p>Create and initiate a mentoring program by the end of 2016 to facilitate the retention, development and advancement of our workforce. Develop and monitor metrics to drive diversity and senior management participation in the program.</p>	<p><b>In Progress:</b> Mentoring program charter developed in 2016. The first wave of the program began in 2017 with a group of 40 mentor/mentee pairs representing a diverse cross section of Covanta employees and locations.</p>
		<p>Attract the best talent and increase the diversity of our external and internal candidate pools by 2018 as measured by the percentage of diverse new hires relative to the overall U.S. workforce and the percentage of diverse promotions into management relative to the U.S. management workforce.</p>	<p><b>In Progress:</b> As of 2016, we now require the presentation of a diverse slate of candidates for every management opening. The percentage of diverse new hires in 2016 was 32%. The percentage of diverse promotions into management in 2016 was 48%.</p>

# PERFORMANCE TABLES

## Economic Data<sup>1</sup>

(data for Covanta Holding Corp., including all global operations, in millions USD)<sup>2</sup>

	2016	2015	2014	2013	2012
<b>OPERATING REVENUE</b>					
Waste and service revenue	1,187	1,104	1,032	1,008	1,010
Recycled metals revenue	61	61	93	73	72
Energy revenue	370	421	460	431	394
Other operating revenue	81	59	97	118	167
Total operating revenue	1,699	1,645	1,682	1,630	1,643
<b>OPERATING EXPENSE<sup>3</sup></b>					
Total operating expense	1,590	1,536	1,528	1,395	1,339
<b>INCOME TAX</b>					
Income tax expense (benefit)	22	(84)	15	43	31
<b>NET INCOME</b>					
Net (loss) income attributable to Covanta Holding, continuing operations	(4)	68	(2)	43	136
<b>NON-GAAP FINANCIAL MEASURES</b>					
Adjusted EBITDA	410	428	474	494	507
Free Cash Flow	172	147	240	245	277
<b>DIVIDENDS</b>					
Annualized Cash Dividends per Share	\$1.00	\$1.00	\$0.86	\$0.66	\$0.60
<b>COMMUNITY INVESTMENT</b>					
Total donations	1.9	1.7	2.2	2.1	1.8

<sup>1</sup> For complete information, please refer to Covanta's Form 10-K filings.

<sup>2</sup> For the years ended December 31.

<sup>3</sup> Certain amounts have been reclassified from Operating Expense to conform to current presentation.

## Workforce Data

	2016	2015	2014	2013	2012
<b>EMPLOYEES</b>					
Total employees	3,582	3,539	3,224	3,269	3,142
Salaried	1,157	1,142	1,033	1,048	998
Hourly <sup>4</sup>	2,425	2,397	2,191	2,221	2,144

GLOBAL HEAD COUNT					
North America	3,537	3,511	3,202	3,244	3,108
United States	3,454	3,431	3,122	3,193	3,060
Canada	83	80	80	51	48
Asia	15	21	21	21	18
Europe	30	7	1	4	16
SAFETY & HEALTH <sup>5</sup>					
DART (Days Away/ Restricted/ Transfer Rate)	0.81	0.73	0.72	0.65	0.45
TCIR (Total Case Incident Rate)	1.00	1.26	1.02	0.95	0.74
Number of sites in OSHA VPP program	37	38	41	43	40
Contractor DART <sup>6</sup>	0.89	0.70	0.78	0.88	0.93
Contractor TCIR <sup>6</sup>	1.48	1.22	1.31	1.49	1.65
DIVERSITY					
Women (% of total workforce)	10%	10%	9%	10%	10%
Minorities (% of total workforce)	26%	25%	28%	27%	29%

## 2016 Employee Data

	Total	Female <sup>7</sup>	Male <sup>7</sup>
Employees	3,582	362	3,220
Part-Time	24	9	15
Full-Time	3,558	353	3,205
Contract Personnel	270	–	–
COLLECTIVE BARGAINING			
Employees	288	–	–
Percent of Workforce	8%	–	–
EMPLOYEE GEOGRAPHY			
Americas	3,454	343	3,111
Mid-Atlantic	519	17	502
West Central	369	22	347
Northeast	528	31	497
NY/ NJ	456	24	432
South	522	20	502
Covanta Field Services	107	2	105
Corporate Headquarters	659	184	475
Covanta Environmental Solutions	294	43	251
Asia	15	5	10

Canada	83	11	72
Europe	30	3	27

## 2016 Diversity by EEO Category

### RACE/ ETHNIC COMPOSITION OF OUR EMPLOYEES

	American Indian	Black	White	Hispanic	Asian	Pacific Islander	Two or more races	Total
Executives	0	4	60	1	1	0	0	66
Managers	0	16	415	23	35	1	8	498
Professionals/ administrative	1	50	507	48	40	1	9	656
Hourly <sup>4</sup>	8	264	1,477	223	104	48	32	2,156

### AGE COMPOSITION OF OUR EMPLOYEES

	Executives	Managers	Professionals/ administrative	Hourly <sup>4</sup>
Under 30 years old	0	5	54	362
30-50 years old	17	245	351	1,132
Over 50 years old	52	288	296	772
Total	69	538	701	2,266

### GENDER COMPOSITION OF OUR EMPLOYEES

Female	9	98	200	54
Male	60	440	501	2,212
Total	69	538	701	2,266

## 2016 Governance Body Diversity

### GENDER COMPOSITION WITHIN OUR BOARD OF DIRECTORS

Female	3
Male	8

### AGE COMPOSITION OF OUR BOARD OF DIRECTORS

Under 30 years old	0
30-50 years old	0



## 2016 Employee Statistics

### 2016 EMPLOYEE TURNOVER STATISTICS

	Salaried	Hourly <sup>4</sup>	Total	Average Service Service (years)	# of Voluntary Separations	# of Involuntary Separations	Total # of Separations	Total Rate (%)
Total	1,157	2,425	3,582	10	302	193	495	14%
Female	194	168	362	9	32	16	48	13%
Male	963	2,257	3,220	11	270	177	447	14%
Age less than 30	40	381	421	2	68	35	103	24%
Age 30-50	551	1,201	1,752	8	159	88	247	14%
Age over 50	566	843	1,409	15	75	70	145	10%
United States	1,097	2,357	3,454	11	296	193	489	14%
Asia	15	0	15	6	0	0	0	0%
Canada	27	56	83	8	6	0	6	7%
Europe	18	12	30	1	0	0	0	0%

### 2016 NEW HIRE STATISTICS

	Salaried	Hourly <sup>4</sup>	Total
Total	130	439	569
Female	20	36	56
Male	403	110	513
Age less than 30	10	154	164
Age 30-50	79	227	306
Age over 50	41	58	99
United States	113	421	534
Asia	0	0	0
Canada	3	6	9
Europe	14	12	26

## 2016 Employee Human Resource Training<sup>8</sup>

AVERAGE TRAINING HOURS <sup>7</sup>	
Salaried	9-13
Hourly <sup>4</sup>	2-6

## 2016 Employee Safety and Health Training

AVERAGE TRAINING HOURS <sup>7</sup>	
Field Employees	24

<sup>4</sup> Hourly = Technicians/ sales workers/ admin support workers/ craft workers/ operatives/ laborers/ helpers.

<sup>5</sup> Safety & Health data is U.S. and Canada only.

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

<sup>7</sup> Not tracked for contract personnel.

<sup>8</sup> For employees receiving training. Upper end of range reflects those who participated in diversity & inclusion (D&I) training during the year alongside other training programs.

## Operations Data

	2016	2015	2014	2013	2012
<b>FACILITIES (OWNED, EQUITY INVESTMENTS IN, AND/ OR OPERATED)</b>					
Number of EfW operations	43	46	46	46	44
Total capacity (MW)	1,557	1,541	1,587	1,522	1,483
Total capacity (TPD)	58,249	59,288	60,908	57,418	55,988
Number of wood waste energy projects	2	7	7	7	8
Total capacity (MW)	75	165	165	165	191
Number of water energy projects	2	2	2	2	4
Total capacity (MW)	17	17	17	17	48
Number of landfill gas projects	1	1	1	1	1
Total capacity (MW)	2	2	2	2	2
Number of fossil-fuel power plants	0	1	1	1	1
Total capacity (MW)	0	24	24	24	24
Number of material-processing facilities	15	12	1	0	0
Number of transfer stations	17	18	18	18	13
Number of landfills	4	4	4	4	4
Number of electronic waste-recycling facilities	1	1	1	1	1
<b>WASTE PROCESSED</b>					
Total waste processed (million tons)	20.0	21.2	20.7	20.3	20.6
Commercial & industrial waste (thousand tons)	1,416	1,292	881	812	670

Metals recovery <sup>8</sup> (thousand tons)	513	496	489	441	432
E-waste recycled (million lbs.)	16.0	13.2	13.6	6.2	2.0
<b>ENERGY GENERATION</b>					
Net electricity exported to the grid (million MW hours)	9.1	9.8	9.8	9.5	9.9
Steam exported (billion lbs.)	9.1	12	12.6	11	10.6
RECs, value recognized (\$M)	11.5	22	22	17	5
<b>OPERATIONAL INVESTMENTS</b>					
R&D Expenses (Capital expenditures associated with technology development, in millions USD)	(2)	(3)	(3)	(5)	(27)

<sup>8</sup> Metals recovery reported for U.S. and Canadian operations only.

## Environmental Data

EfW Monetary fines and compliance frequency	2016	2015	2014	2013	2012
EfW CEM fines	\$48,707	\$25,917	\$34,871	\$54,719	\$45,000
EfW Stack test fines	\$10,512	–	–	–	–
Other environmental fines, including biomass & other facilities	–	\$177,800	\$21,186	\$67,500	\$2,392
Percent compliance—stack tests (EfW facilities)	99.87%	99.93%	100.0%	100.0%	100.0%
Percent compliance—CEMs (EfW facilities)	99.95%	99.92%	99.95%	99.94%	99.97%

	Federal Standard	2016	2015	2014	2013	2012
<b>WATER</b>						
Total water use (Mgal.)	–	9,129	9,193	9,038	8,440	–
Reclaimed water use (Mgal.)	–	2,136	2,244	1,684	1,238	–
Reclaimed water use as % of total	–	23.4%	24.4%	18.6%	14.7%	–
<b>NET EFW LIFE CYCLE GHG BENEFIT (THOUSAND TONS CO<sub>2</sub>E REDUCED, NET BASIS)</b>						
Equity-share basis	–	10,600	11,100	11,300	11,070	10,980
Operational control basis	–	17,800	18,800	18,200	18,000	18,100
<b>GHG EMISSIONS (THOUSAND TONS CO<sub>2</sub>E) (EQUITY SHARE BASIS)</b>						
Total Scope 1, 2 and 3 GHG emissions	–	4,530	4,865	5,066	4,757	4,357
Scope 1	–	4,379	4,744	4,912	4,615	4,204

Scope 2	–	34	8	23	19	25
Scope 3	–	118	112	131	124	128
Biogenic CO <sub>2</sub>	–	5,954	7,099	8,052	7,660	7,585
GHG emission intensity (tons CO <sub>2</sub> e/ \$ revenue)	–	0.0026	0.0026	0.0028	0.0030	0.0029
<b>AIR EMISSIONS</b>						
Lead (µg/ dscm)	400.0	12.1	12.3	11.2	12.1	10.9
Cadmium (µg/ dscm)	35.0	1.2	1.3	1.3	1.1	0.9
Mercury (µ/ dscm)	50.0	2.7	2.5	5.9	2.5	2.5
Total dioxins & furans (ng/ dscm)	30.0	3.4	2.4	2.4	2.2	2.7
Particulate matter (mg/ dscm)	25.0	2.8	3.0	2.6	2.7	2.7
Hydrogen chloride (ppm)	29.0	6.8	6.7	7.2	6.9	7.4
Carbon monoxide (ppm)	100.0	29.1	29.3	29.3	30.9	25.7
Sulfur oxides (ppm)	29.0	7.5	8.0	8.2	8.4	8.1
Nitrogen oxides (ppm)	205.0	136.4	138.1	140.4	143.0	142.7

### Non-GAAP Reconciliation (Adjusted EBITDA & Free Cash Flow–Continuing Operations) (\$ in Millions)

	2016	2015	2014	2013	2012	2011
<b>Net Income (Loss) from Continuing Operations Attributable to Covanta Holding Corporation</b>	<b>\$(4)</b>	<b>\$68</b>	<b>\$(2)</b>	<b>\$43</b>	<b>\$136</b>	<b>\$93</b>
<b>Operating loss related to insurance subsidiaries</b>	–	–	2	2	10	3
Depreciation and amortization expense	207	198	211	209	194	192
Interest expense, net	138	134	147	159	145	122
Income tax expense (benefit)	22	(84)	15	43	31	60
Reversal of uncertain tax positions related to pre-emergence tax matters	–	–	–	–	–	(24)
Non-cash liability to pre-petition creditors	–	–	–	–	–	15
Gain related to trust distribution	–	–	–	(4)	–	–
Impairment charges	20	43	64	15	(57)	–
Defined benefit pension plan settlement (gain) expense	–	–	–	(6)	11	–
Loss on extinguishment of debt	–	2	2	1	3	1
Gain on asset sales	(44)	–	–	–	–	(9)

Net income (loss) attributable to noncontrolling interests in subsidiaries	–	1	1	(1)	2	5
<b>OTHER ADJUSTMENTS:</b>						
Debt service billings in excess of revenue recognized	4	1	2	9	9	22
Severance and reorganization costs	3	4	9	2	–	–
Capital type expenditures at service-fee operated facilities <sup>1</sup>	39	31	–	–	–	–
Non-cash compensation expense	16	18	17	15	16	17
Other	9	12	6	7	7	15
<b>Total adjustments</b>	<b>414</b>	<b>360</b>	<b>476</b>	<b>451</b>	<b>371</b>	<b>419</b>
<b>Adjusted EBITDA</b>	<b>\$410</b>	<b>\$428</b>	<b>\$474</b>	<b>\$494</b>	<b>\$507</b>	<b>\$512</b>
Cash paid for interest, net of capitalized interest	(135)	(131)	(119)	(122)	(112)	(101)
Cash paid for taxes	(6)	(2)	(11)	(11)	(8)	(13)
Capital type expenditures at service-fee operated facilities <sup>1</sup>	(39)	(31)	–	–	–	–
Working capital/ other	52	(15)	(4)	(37)	(30)	(22)
<b>Cash flow provided by operating activities from continuing operations</b>	<b>\$282</b>	<b>\$249</b>	<b>\$340</b>	<b>\$324</b>	<b>\$357</b>	<b>\$376</b>
Plus: Cash flow provided by operating activities from insurance subsidiaries	–	–	1	8	5	2
Less: Maintenance capital expenditures	(110)	(102)	(101)	(87)	(85)	(80)
<b>Free Cash Flow</b>	<b>\$172</b>	<b>\$147</b>	<b>\$240</b>	<b>\$245</b>	<b>\$277</b>	<b>\$298</b>

<sup>1</sup> Adjustment for impact of adoption of FASB ASC 853 – Service Concession Arrangements

# GRI INDEX

\* We have reported additional disclosures not related to material GRI topics. These additional disclosures are denoted with an asterisk.

GRI 102: General Disclosures 2017		
DISCLOSURES	DESCRIPTION	CROSS-REFERENCE OR ANSWER
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	Covanta Holding Corporation
102-2	Activities, brands, products and services	<a href="#">Materials Management 2016 10-K, pp. 5-6</a>
102-3	Location of headquarters	445 South Street, Morristown, NJ 07960
102-4	Location of operations	United States, Canada, Ireland, Italy and China <a href="#">2016 10-K, p. 5</a>
102-5	Ownership and legal form	Covanta is wholly owned by Covanta Holding Corporation, which is listed and publicly traded on the New York Stock Exchange under the ticker symbol CVA.
102-6	Markets served	<a href="#">Materials Management 2016 10-K, pp. 5, 8-12</a>
102-7	Scale of the organization	<a href="#">Performance Tables/ Operations Data 2016 10-K, pp. 5, 8-14, 19</a>
102-8	Information on employees and other workers	The vast majority (over 90%) of the organization’s activities, as measured by full-time equivalents, are performed by Covanta employees. We consider contractors that perform periodic work at our facilities, particularly for maintenance, to be outside of our regular activities. There are no significant variations in employment numbers. <a href="#">Performance Tables/ Workforce Data</a> <a href="#">Performance Tables/ Employee Data</a>
102-9	Supply chain	<a href="#">2016 10-K, pp. 8-11</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">2016 10-K, pp. 5-6</a>
102-11	Precautionary Principle or approach	<a href="#">Community Relations/ Engaging with Our Communities</a>
102-12	External initiatives	Covanta does not currently subscribe to or endorse any externally developed

		sustainability charters or principles.
102-13	Membership of associations	<p>These industry groups include the Energy Recovery Council, Business Council for Sustainable Energy, Environmental Research and Education Foundation, Biomass Power Association and the Ontario Waste Management Association. Covanta plays a leadership role or actively contributes to these engagements, with our executives serving on the boards or as association members.</p> <p>We collaborate and interact with select organizations, including the Go Green Initiative and the Ocean Conservancy Trash Free Seas Alliance, to strengthen our policies, activities and performance. Through our Community Outreach and Environmental Justice Policy, we work to understand and resolve issues and concerns of our local community members.</p>
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	<a href="#">CEO Letter</a>
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Protecting Tomorrow</a>
<b>GOVERNANCE</b>		
102-18	Governance structure	<a href="#">Governance Documents</a>
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	<a href="#">About This Report/ Listening to Our Stakeholders</a>
102-41	Collective bargaining agreements	<a href="#">Performance Tables/ Employee Data</a> Of our total employees as of the end of 2016, approximately 8% are covered by collective-bargaining agreements.
102-42	Identifying and selecting stakeholders	<a href="#">About This Report/ Listening to Our Stakeholders</a>
102-43	Approach to stakeholder engagement	<a href="#">About This Report/ Listening to Our Stakeholders</a>
102-44	Key topics and concerns raised	<a href="#">About This Report/ Listening to Our Stakeholders</a>
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">2016 10-K, p. 5</a>

102-46	Defining report content and topic boundaries	<a href="#">About This Report/ Materiality Analysis</a>
102-47	List of material topics	<a href="#">About This Report/ Materiality Analysis</a>
102-48	Restatements of information	<p><b>Monetary Fines–Environmental</b></p> <p>Fine data for 2014 was updated to reflect fines received in 2017 for past CEMS-related issues. In 2017, the Pennsylvania DEP issued an assessment, which covered CEMS-related issues from 2014-2016. Monetary penalties are allocated to the time period during which an event occurred.</p> <p><b>Contract Personnel</b></p> <p>Prior to this report, contract personnel regularly working at Covanta facilities was not reported. Contract personnel represent approximately 7% of the overall workforce at Covanta’s facilities. This does not include contractors brought on-site for construction, maintenance and other intermittent outage work.</p>
102-49	Changes in reporting	None.
102-50	Reporting period	<a href="#">About This Report</a>
102-51	Date of most recent report	<a href="#">About This Report</a>
102-52	Reporting cycle	<a href="#">About This Report</a>
102-53	Contact point for questions regarding the report	<a href="#">Contact</a>
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">About This Report</a>
102-55	GRI content index	<a href="#">About This Report</a>
102-56	External assurance	We currently do not assure our sustainability report; we may consider seeking external assurance for specific indicators in the future.
<b>ELECTRIC UTILITY SECTOR SUPPLEMENT</b>		
G4-EU1	Installed capacity, broken down by primary energy source and by regulatory regime	<a href="#">2016 10-K, pp. 10-11</a>
G4-EU2	Net energy output broken down by primary energy source and by regulatory regime	<a href="#">Performance Tables/ Operations Data</a>
G4-EU5	Allocation of CO2e emissions allowances or equivalent broken down by carbon-trading framework	<a href="#">Environment/ Reducing Greenhouse Gas Emissions</a> <a href="#">Materials Management/ Recovering Energy-from-Waste</a> <a href="#">Materials Management/ Recovering Materials</a>



## GRI 103: Topics and Topic Boundaries 2017

MATERIAL TOPICS	MANAGEMENT APPROACH CROSS-REFERENCE	RELEVANT EXTERNAL ENTITIES
<b>ECONOMIC</b>		
GRI 201: Economic Performance 2017	<a href="#">2016 10-K, p. 8</a>	Communities Customers Investors Regulators
GRI 202: Market Presence 2017	<a href="#">Community Relations</a>	Communities Customers
GRI 203: Indirect Economic Impacts 2017	<a href="#">Community Relations</a>	Communities
GRI 204: Procurement Practices 2017	<a href="#">Protecting Tomorrow</a>	Communities Customers Investors Regulators
<b>ENVIRONMENTAL</b>		
GRI 301: Materials 2017	<a href="#">Materials Management</a> <a href="#">2016 10-K, p. 12</a>	Communities Customers Investors
GRI 305: Emissions 2017	<a href="#">Environment/ Reducing Greenhouse Gases</a> <a href="#">Environment/ Minimizing Air Emissions</a> <a href="#">2016 10-K, pp. 15-18</a>	Communities Regulators
<b>SOCIAL</b>		
GRI 413: Local Communities 2017	<a href="#">Community Relations</a>	Communities Regulators
GRI 416: Customer Health and Safety 2017	<a href="#">Community Relations</a>	Communities Customers Regulators

## GRI 200-400 Topic-Specific Disclosures 2017

GRI TOPICS	DISCLOSURE	DISCLOSURE DESCRIPTION	DISCLOSURE CROSS-REFERENCE, EXPLANATION OR OMISSION
<b>ECONOMIC</b>			
GRI 201: Economic Performance 2017	201-1	Direct economic value generated and distributed	<a href="#">Community Relations/ Engaging with Our Communities</a> <a href="#">Performance Tables/ Economic Data</a> <a href="#">2016 10-K, pp. 63-69</a> We report North America and totals, but not by specific country (e.g., Italy, China).
	201-2*	Financial implications and other risks and opportunities due to	<a href="#">Environment/ Reducing Greenhouse Gases</a>

		climate change	<a href="#">2016 10-K, p. 5</a>
GRI 202: Market Presence 2017	202-2	Proportion of senior management hired from the local community	Covanta strives to hire senior management from the local community. Many of our facility managers have come up through the ranks at the facility, helping to ensure long-term ties to the community. With regard to recent hiring at facilities outside the United States, all of the senior management at the newly opened Durham York Energy Centre in Ontario, Canada, are from Canada. All staff, except for the facility manager, working at the Dublin Waste-to-Energy Project are local to the area and indeed 40% of all staff live within 6 miles of the facility. The facility manager was required to have 10 years of Waste-to-Energy experience by our operating license, experience not readily available in Ireland.
GRI 203: Indirect Economic Impacts 2017	203-1	Infrastructure investments and services supported	<a href="#">Community Relations/ Engaging with Our Communities</a>
	203-2*	Significant indirect economic impacts	<a href="#">Community Relations/ Community Partnership Programs</a>
GRI 204: Procurement Practices 2017	204-1	Proportion of spending on local suppliers	A portion of Covanta's nationwide supply chain budget is also assigned to local suppliers. More information can be found in the <a href="#">Partners &amp; Suppliers</a> section of our website.
GRI 205: Anti-corruption 2017	205-2*	Communication and training about anti-corruption policies and procedures	100%. All of our employees (management and non-management) are expected to read and comply with our Policy of Business Conduct. The policy covers topics such as financial reporting, corruption, copyrights, and environmental safety and health.
<b>ENVIRONMENTAL</b>			
GRI 301: Materials 2017	301-1	Materials used by weight or volume	<a href="#">Performance Tables/ Operations Data</a> <a href="#">2016 10-K, p. 10</a>
GRI 303: Water 2017	303-1*	Water withdrawal by source	<a href="#">Environment/ Optimizing Water Use</a>

			<a href="#">Performance Tables/ Environmental Data</a>
GRI 305: Emissions 2017	305-1*	Scope 1 GHG emissions	<a href="#">Performance Tables/ Environmental Data</a>
	305-2*	Scope 2 GHG emissions	<a href="#">Performance Tables/ Environmental Data</a>
	305-3*	Scope 3 GHG emissions	<a href="#">Environment/ Reducing Greenhouse Gases Performance Tables/ Environmental Data</a>
	305-4*	GHG emissions intensity	<a href="#">Performance Tables/ Environmental Data</a>
	305-5	Reduction of GHG emissions	<a href="#">Environment/ Reducing Greenhouse Gases Performance Tables/ Environmental Data</a>
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	<a href="#">Environment/ Minimizing Air Emissions Performance Tables/ Environmental Data</a>
GRI 307: Environmental Compliance 2017	307-1*	Noncompliance with environmental laws and regulations	<a href="#">Environment/ Improving Our Environmental Performance</a>
<b>SOCIAL</b>			
GRI 401: Employment 2017	401-1*	New employee hires and employee turnover	<a href="#">Performance Tables/ Employee Turnover and New Hires</a>
	401-2*	Full-time benefits not provided to temporary/ part-time employees	<a href="#">Workforce Engagement/ Building a Great Place to Work Benefits</a>
GRI 403: Occupational Health and Safety 2017	403-1*	Workers representation in formal joint management–worker health and safety committees	At our operating facilities, these committees are run by our hourly employees. In all cases, these teams provide feedback to, and collaborate with, facility and regional safety leads, as well as the Covanta safety management team.
	403-2*	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	<a href="#">Safety and Health/ Delivering on Safety Performance Performance Tables/ Workforce Data</a>
GRI 404: Training and Education 2017	404-1*	Average hours of training per year per employee	<a href="#">Workforce Engagement/ Investing in Training and Development</a>
	404-2*	Programs for upgrading employee skills and transition assistance programs	<a href="#">Workforce Engagement/ Building a Great Place to Work</a>

	404-3*	Percentage of employees receiving regular performance and career development reviews	<a href="#">Workforce Engagement/ Building a Great Place to Work</a>
GRI 405: Diversity and Equal Opportunity 2017	405-1*	Diversity of governance bodies and employees	<a href="#">Performance Tables/ Diversity by EEO Category</a> <a href="#">Performance Tables/ Governance Body Diversity</a>
GRI 407: Freedom of Association and Collective Bargaining 2017	407-1*	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Covanta has no operations in which employees' rights to exercise freedom of association or collective bargaining are at risk.
GRI 411: Rights of Indigenous Peoples 2017	411-1*	Incidents of violations involving rights of indigenous peoples	None. The vast majority of Covanta's facilities are not cited among indigenous regions. There are no known incidents of violations involving rights of indigenous peoples and actions taken.
GRI 413: Local Communities 2017	413-1	Operations with local community engagement, impact assessments and development programs	<a href="#">Community Relations</a>
GRI 415: Public Policy 2017	415-1	Political contributions	Covanta reports all political contributions as required by law. In addition, Covanta reports its annual political contributions to the Public Policy Committee of its Board of Directors and provides a summary report of its annual political contribution on its corporate investor relations website.
GRI 416: Customer Health and Safety 2017	416-1	Assessment of the health and safety impacts of product and service categories	Our primary services are sustainable waste management and electrical generation at our energy-from-waste (EfW) plants. The emissions of EfW facilities are closely regulated through federal and our state permit requirements and limits. All EfW facilities operate well below these limits, and we continue to improve our performance, as indicated in our section on environment performance of this report. Health impacts associated with emissions from EfW facilities have been studied extensively. For example, one major study from the UK Health

			Protection Agency concluded that the negative health impacts associated with well-regulated EfW facilities are likely to be very small, if even detectable. More information on these studies is provided in <a href="#">Environment/ Minimizing Air Emissions/ What's the Risk?</a>
GRI 418: Customer Privacy 2017	418-1*	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None. There have been no complaints regarding breaches of customer privacy and losses of customer data.
GRI 419: Socioeconomic Compliance 2017	419-1*	Noncompliance with laws and regulations in the social and economic area	The total amount of safety-related fines and penalties at our North American facilities were \$49,360, \$19,715 and \$17,500, in CY 2014, 2015 and 2016, respectively. Nearly 90% of the 2014 penalty amount resulted from one extensive three-week long inspection at one facility where despite the penalty amount, the regulators complimented the facility on the strong safety and health management system. No other fines, penalties or nonmonetary sanctions were received for the social and economic area in the period from 2014-2016.