



Workforce Engagement

GOAL

Create and maintain an inclusive, respectful and equitable environment that leverages the unique talents, perspectives and experiences of our diverse workforce.

PROGRESS

Three-year effort to bring diversity and inclusion educational awareness training to the entire company completed in 2019.

Our dedicated workforce drives our business and our success. We build high-performing teams and position the company for success 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.

Workforce Engagement

Building a Great Place to Work

Covanta's commitment to developing sustainable solutions for society and the environment attracts ambitious employees who want to make a positive difference in the world. To create an open and supportive workplace environment where they can thrive, we offer employees engagement opportunities, recognition for excellence and competitive compensation and benefits.

Connecting with our Employees

Carefully listening to our employees and finding effective methods to gather their input and feedback are an important part of Covanta's culture. On a regular basis throughout the year, we identify meaningful ways to connect with our employees and to gather their input and suggestions. For example, we:

- Maintain an intranet site, **Covanta Connect**, to share information, provide learning tools and post employee resources;
- Publish a monthly internal employee newsletter, **Direct Current**, to share stories, announcements, awards and employee spotlights;
- Feature **electronic bulletin boards** at convenient locations in facilities to share informative content and video messages from senior leaders; and
- Host monthly departmental discussions (for example, the Supply Chain team) to provide updates and answer questions.

Finally, we maintain open and collaborative relationships with our union partners. Covanta respects our employees' rights to freedom of association and collective bargaining. As of the end of 2018, seven percent of our approximately 4,000 employees were covered by collective bargaining agreements.

Promoting Employee Growth and Recognition

All full- and part-time Covanta employees participate in annual performance reviews with their managers to jointly determine professional strengths and development opportunities.

Employees review and submit individual accomplishments, receive and provide feedback, and discuss individual and organizational goals with their managers. Based on the discussion outcomes, employees may undertake targeted training to address competency gaps, such as learning new workplace processes, strengthening communication skills or improving interpersonal and management skills.

Caring for our Employees

When employees join the Covanta family, they quickly discover that they not only belong to a collaborative team working on exciting and challenging tasks, but also have access to an array of comprehensive employee support tools and benefits, such as:

- Health and welfare benefits, including medical, prescription drug, vision, dental and savings plans;
- Tax-advantaged accounts to help pay for qualified health care expenses, including Flexible Savings Account and Health Savings Account options;
- A 401(k) retirement plan including company contributions and company matching contributions;
- Free financial coaching;
- Adoption assistance;
- Programs and resources for employee well-being and assistance; and
- Annual Incentive Program that awards bonuses based on company, facility and individual performance to all full-time employees who are not part of collective bargaining agreements.

In addition to company paid holidays and paid time off, Covanta allows flexible schedules in the summer months by allowing eligible employees to work a longer day for up to four days per week (subject to the unique and complex schedules of our facilities), in return for a half-day off that week.

Workforce Engagement > Building a Great Place to Work

Lifting Up Covanta Employees

Covanta's ILIFT (Innovation, Leadership, Initiative, Flexibility and Teamwork) Employee Recognition Program helps to create a culture of appreciation at Covanta.



Using social media elements, the platform lets individuals see the various recognitions earned by co-workers, make comments and offer their own accolades in realtime. ILIFT operates on a point-based system, enabling participants to earn points, which can be redeemed for prizes, for each type of recognition received. The points may be accumulated over time and cashed in for rewards of increased value. Participants can even display their ILIFT awards using a “trophy case” feature in which badges and honors that pertain to goals, recognition, years of service and life events may be shared.

Workforce Engagement

Investing in Training and Development

Covanta employees are eager to learn new skills and develop new professional capacities. To prepare our teams for the future and ensure they have all the tools they need to succeed in their roles along the way, we offer numerous opportunities for individual development and mentorship.



Training Programs

Covanta offers a variety of programs designed to advance employees' skills. Evaluations are completed after core leadership training programs to measure effectiveness across five categories, including job impact/business results, which continues to be one of our top scoring categories. During a recent survey of all past program participants and their managers, more than 80 percent saw improved job performance as a result of the training.

Key training programs include:

- ***The Essentials of Supervisory Success*** and ***Powering Your Leadership***, which equip Covanta managers with the skills they need to increase their personal effectiveness. To date, more than 450 first-line managers and mid-level leaders have taken these courses.
- **Operator and maintenance qualification programs**, which ensure that our employees are equipped to perform their jobs safely and efficiently by providing guidance on topics such as electrical qualification, boiler operations and power generation fundamentals.
- **Education assistance programs**, which provide financial support to employees who would like to broaden their knowledge base, develop further professional skills and take external classes to prepare for other positions within Covanta.
- **Six Sigma Green Belt certification program**, which provides employees with the opportunity to learn continuous improvement tools while working on a project to improve our operations or business practices. To date, 15 employees have received their Green Belt certification.

Covanta's business is highly technical and requires well-trained and skilled operators and maintenance personnel. As such, we have a rigorous program to ensure that our employees have the right skills, qualifications and training to complete their jobs.

A key component of our training and qualification program is American Society of Mechanical Engineers (ASME) Certification. We employ over 400 Operators at 35 facilities with a certification to operate facilities that combust municipal solid waste and recover energy from that process. The certification process is progressive in nature, providing opportunities to advance in one's career. In 2019 alone, there have been over 350 instances where operators have completed the requirements to advance or be promoted.

Technical training is provided through several mechanisms to allow for flexibility and facility-level specific training:

- **Self-paced training courses:** This material is designed to provide applicable fundamental and theory-based training.
- **Facility-specific system study guides:** This content is site specific and based on the technology found at the assigned facility. These guides are designed to aid the operator in gaining a greater understanding of the systems, components and technology at his or her facility.
- **Additional requirements:** Any additional certifications, licensing, training or experience required for the operator to satisfactorily perform the duties and responsibilities of his or her position.

Tracking the completion of training to ensure that our operators are meeting the requirements of their positions is managed through our Learning Management System (LMS). Our LMS provides a single-point solution that assigns, offers and tracks the status of our qualification and training programs. All assignments are organized in a manner that intuitively displays expectations and status, allowing managers and corporate/regional personnel to quickly ascertain individual and collective performance across the enterprise. On demand reports as well as regularly scheduled automated reports improve the visibility and management of the qualification program.

Our reporting capabilities reflect the current status of an organization, predict current trajectory and identify improvement opportunities. In addition, our well-defined process (control plans) coupled with identified Key Performance Indicators (KPIs) provide us with detailed data analysis, allowing us to better understand the state of our program regarding its strengths and potential areas for improvement.

Members of the Early Career Development Program

Developing a Strong Talent Pipeline

We value the diversity in our workforce as reflected by age and levels of experience. According to U.S. Census data, 40 percent of the workforce is expected to be comprised of millennial and Gen Y employees by 2020. In addition, a significant portion of Covanta's workforce is at, or approaching, retirement age. In anticipation of these trends and the need to equip our future leaders with the skills they will need to be successful, Covanta offers several professional development programs for young professionals:

- Our **Undergraduate Internship Program** invites talented individuals to gain knowledge and experience about the waste management industry while supplementing their studies. During the summer of 2019, Covanta welcomed 64 interns from 36 universities, filling roles at 21 Covanta and CES locations.

- The **Early Career Development Program**, launched in 2018, enables recent college graduates with less than three years of relevant work experience to gain knowledge about Covanta's diverse business functions. Eight young professionals (25 percent female and 25 percent from diverse ethnic groups) participated in the inaugural class. We plan to continue to expand and diversify this program by leveraging the Undergraduate Internship Program.
- Our companywide **Mentoring Program**, first launched in 2017, is a year-long opportunity for employees from diverse cross-sections of the company to develop the skills to succeed in a dynamic work environment. Believing in the unique power that these mentoring relationships can provide, we launched a second iteration of the program in March 2019 that connected 50 mentee/mentor pairs, up from 40 pairs in the first program.

Educational Assistance Training Program

Covanta provides an educational assistance program to financially assist and encourage employees to broaden their knowledge, skills and effectiveness while also helping prepare them for other positions within the Company to which they may reasonably aspire. The program is available to regular full-time employees who are actively at work and have completed six months of continuous service with the Company.

Performance Review Process

Covanta has established a year-round Performance Management process in which managers and employees work together to establish performance goals, communicate expectations, identify development plans and provide ongoing feedback on a consistent basis. It is a valuable tool used to visit and revisit performance strengths and development needs throughout the year, while also ensuring performance and organizational goals are aligned. The process includes mid-year and year-end performance review meetings to review performance and develop new goals and plans as needed.

Workforce Engagement

Promoting Diversity and Inclusion

At Covanta, our vision is to create a culture of acceptance and individuality where all employees feel valued, respected and empowered to achieve their full potential. To ensure we remain an industry leader and an employer of choice, Covanta strives to create an environment that values all employee contributions and provides equal opportunities for professional development.



Employees at Covanta Indianapolis

Leading with Diversity and Inclusion

We aim to reflect in our employees the ethnic diversity of the communities where our facilities are located. We also focus on efforts to attract qualified female candidates to our organization. We track our progress internally against these and other diversity and inclusion (D&I) objectives using several measures, including recruitment targets and mentoring program participation. At the management level (director and higher), a diverse slate of candidates is sought and encouraged for every job opening. This is leading to definitive changes in our hiring process and the composition of our executive ranks.

2019 Workforce Diversity

	Women	Men
Gender Diversity	11%	89%
	Minority	Non-Minority
Ethnic Diversity	28%	72%

Because we know that making continued progress on D&I will require full support from the top of the organization, in 2017 we launched the Diversity and Inclusion Leadership Council, which comprises executive leaders from across Covanta’s functional areas. The Council has responsibility for D&I initiatives and meets quarterly to discuss advancement-related strategies and ensure alignment with key business objectives. Specifically, the Council’s purpose is to:

- Promote an inclusive environment in which all employees feel respected;
- Increase D&I awareness and education;
- Facilitate improved communication among and between employees and external partners;

- Assist with achieving excellence in operations and client service; and
- Promote innovation and creativity to enhance growth and the achievement of business objectives.

Building D&I Awareness

By supporting expanded awareness of D&I issues throughout the organization, we are steadily embedding a D&I mindset into the fabric of the company. To enhance employees' cultural competencies across various D&I topics, in 2019 we completed in-person, half-day awareness training for approximately 90 percent of our workforce, an effort that was initiated in 2016. The goal of the training, presented in a workshop format, is to build a respectful D&I culture that recognizes the importance and unique contributions of every employee to Covanta's success. The sessions include small group conversations in which employees provide valuable feedback to plant managers and share ideas on how to improve employee engagement around D&I objectives.

We shared feedback from the sessions with our D&I Leadership Council and other senior leaders to support corporate strategic planning in the future. Plans are now underway to continue to expand our learning and refine our ways of working based on these insights. Looking ahead, we will be focusing on developing inclusive leaders and understanding and mitigating unconscious bias.

RISE, Women's Employee Resource Group

Employee Resource Groups

In November 2018, Covanta's first three Employee Resource Groups (ERGs) were launched, each made up of employees with shared characteristics or life experiences. Now, there are five established ERGs:

- Women of Covanta: RISE
- Early Career Connections
- Black Professionals
- Sustainability
- LatinX

These five ERGs actively gather and engage people around their shared missions to create a more inclusive work environment for everyone. Any employee who shares the mission and goals of the group is invited to join. The ERGs frequently interact with senior leadership and the D&I Leadership Council to share their perspectives and act as liaisons with various diverse organizations.

In addition to providing a platform for sharing and connecting, the goal of the ERGs is to underscore Covanta's D&I mission by supporting recruitment activities, reinforcing employee onboarding, fostering community outreach partnerships and providing professional development opportunities. ERGs are influential in improving workplace culture and raising issues or obstacles that may impact certain employee groups.

Supporting our Veterans

Covanta has historically employed many veterans, as we seek professionals that possess not only exceptional technical knowledge, but also exemplary qualities such as teamwork, dedication and integrity. We are proud that as of 2018, approximately 12 percent of our U.S. workforce is made up of military veterans.

In 2018, we expanded our veterans outreach efforts by participating in a variety of recruiting events geared specifically to veterans, including hosting career fairs at our facilities. We also rely on an internal group of corporate and field-based employees who are veterans and can assist hiring managers in translating military titles and responsibilities into related business roles. These “talent ambassadors” have helped Covanta develop veterans’ programs for recruiting, onboarding, recognition and charitable contributions. As a result of these efforts, we hired more than 60 veterans in 2017 and 2018 and have added over 290 veterans to our workforce since 2013.

We’re committed to our veterans both inside and outside of the workplace. In Massachusetts, our SeMass facility hosted our annual charity golf tournament in support of the Cape Cod Military Support Foundation. The foundation supports military members stationed at the Joint Base Cape Cod and U.S. Coast Guard’s Southeastern New England station in Woods Hole.

Workforce Engagement > Promoting Diversity and Inclusion

Covanta's CEO Pledge to Advance Diversity and Inclusion

In 2019, Covanta joined CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance D&I within the workplace.

The initiative includes nearly 700 leaders from U.S. companies and academic institutions that have pledged to cultivate a workplace where diverse perspectives are welcomed, where employees feel encouraged to discuss D&I and where best practices can be shared across organizations.

At Covanta, we believe that people are our most valuable asset, and the diversity and inclusion of our workforce is key to our success. By embracing diversity, we are fostering a work community that opens minds and opportunities—one that helps Covanta grow stronger as a company. We are proud to sign on to the CEO Action for Diversity & Inclusion pledge as we continue work towards a complete culture of acceptance, tolerance and individuality so we can all learn and grow together.

As part of our commitment, our Vice President of Continuous Improvement will be joining the CEO Action as part of a one year fellowship to help identify, develop and promote scalable and sustainable policies and corporate best practices to address systemic racism, social injustice, and improve societal wellbeing.