

# POLITICAL CONTRIBUTION POLICY & DISCLOSURE 2015



Covanta Holding Corporation and its subsidiaries (collectively “Covanta”) participate in the political process to advance our goals of enhancing shareholder value; more sustainable waste and materials management; and the interests of our stakeholders, including our communities, clients, and employees. Covanta engages in the political process through a variety of means, including limited direct corporate political contributions to state candidates and committees, and by indirect means such as membership in trade associations, certain other organizations such as governors’

associations, and contributions made through the Covanta Political Action Committee on behalf of its participants (the "Covanta PAC").

# Political Contribution Policy & Disclosure 2015

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## **Covanta Policy on Interfacing with Governments and Participating in the Political Process**

Covanta operates in business sectors that are subject to extensive regulation at the federal, state and local levels, where existing and changing policies can have an important influence on how we operate our business. In addition, many of our customers and clients are local public sector entities, such as municipalities and public authorities. As such we are almost constantly dealing with federal, state and local government officials. It is in our interest to maintain good relations with public officials, and it is imperative that we do so with the highest standards of integrity and ethics.

Employees are required to know and comply with the ethics and rules of the government entities with whom they interface. Our Policy of Business Conduct provides specific guidance in this regard and is available to all employees, and to the public, at the governance link on the investors section of our website, <http://investors.covanta.com/>. New employees agree to comply with our Policy of Business Conduct when they begin employment, and all employees certify continued compliance on an annual basis. In addition, employees are asked to report any known or suspected policy violations, and are encouraged to ask questions regarding policy compliance, either directly with our General Counsel, a supervisor, or anonymously by using our "hotline" we maintain with an independent external reporting company. We prohibit retaliation against any employee who raises or helps address compliance matter in good faith.

Official representation of Covanta before local, state or federal is subject to various local, state and federal lobbying laws. Covanta employees, when required by applicable law, register as a lobbyist and are often subject to regular disclosure and reporting requirements. Given the significant legal compliance requirements associated with engaging in lobbying activity, only specific Covanta employees are allowed to engage in lobbying activities, with prior approval of the General Counsel or the Senior Vice President with responsibility for Government Relations. Covanta has established a rigorous program for identifying which activities represent lobbying under federal law and the laws of each state where we operate, and registration, reporting, record keeping and audit programs to maintain compliance at all levels of government.

## **Corporate Political Participation**

Specific laws apply to political campaign contributions from corporations. These laws and regulations are complex and change frequently. Under federal law, a corporation may not make political contributions to federal political candidates or campaign committees. The extent to which corporations are permitted to contribute to state political candidates or campaign committees varies from state to state. Some states prohibit corporate political contributions, while others may place limits on the amount a candidate may receive, on the amount a corporation may contribute, or both. Most state also require regular public reporting of all contributions. Covanta has specific procedures which must be followed before a

proposed corporate political contribution is made. Only a vice president or senior vice president with direct responsibility for government affairs may initiate these procedures, and an internal review and approval process, including a full legal analysis and business justification, must be completed before a corporate contribution can be executed.

Covanta’s internal audit function reviews on a periodic basis our activities, and those of the Covanta PAC, for compliance with applicable law and our policies. Our Vice President, Internal Audit reports the results of all such reviews to the Audit Committee of our Board of Directors, whether or not such reviews determine that our activities or those of the Covanta PAC were in compliance with legal or policy requirements.

Covanta reports all political contributions as required by law. In addition, Covanta reviews its political activity with the Public Policy and Technology Committee of our Board of Directors, and reports its and the Covanta PAC’s annual political contributions to the Public Policy and Technology Committee. Beginning in 2015, Covanta also reviews the adequacy and appropriateness of its public disclosures regarding its political activity with the Public Policy and Technology Committee, and provides a summary report of the prior year’s annual political contribution activity on its corporate website, <http://investors.covanta.com/>.

During 2015, we made no contributions to ballot initiatives. If any such contributions were to be made in the future, such contributions would be disclosed on our website along with our annual disclosure of policy activity.

**2015 Corporate Political Contributions**

In 2015, Covanta gave \$151,600 in total political contributions in two (2) countries (Table 1). Within the United States, we gave \$144,100 in seven (7) states (Table 2).

Table 1. Covanta Corporate Political Contributions by Country

Canada	\$7,500
United States	\$60,000

Table 2. Covanta Corporate Political Contributions by State

Alabama	\$0
California	\$ 32,000
Florida	\$ 5,500
Indiana	\$9,000
Maryland	\$10,250
New York	\$12,350
Oregon	\$3,500
Virginia	\$11,500

**2015 Corporate Membership in 527 Organizations**

527 organizations are membership based and are both educational and political. Corporate members play no decision-making role in the amount of funds used to support campaigns, nor which campaigns to support. Contributions paid as dues during 2015 are identified in Table 3 below.

Table 3. Covanta Corporate Contributions to 527 Organizations

<b>Democratic Governors Association</b>	<b>\$120,000</b>
<b>Republican Governors Association</b>	<b>\$50,000</b>
<b>National Governors Association</b>	<b>\$25,000</b>
<b>Republican Legislative Campaign Committee</b>	<b>\$20,000</b>
<b>Democratic Legislative Campaign Committee</b>	<b>\$20,000</b>

**2015 Corporate Membership in 501(c)(4) Organizations**

501(c)(4) organizations are social welfare organizations, operated for the promotion of the common good and general welfare of the community, and may include advocacy. Contributions paid as dues during 2015 are identified in Table 4 below.

Table 4. Covanta Corporate Contributions to 501(c)(4) Organizations

California Issues Forum	\$15,000
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**2015 Corporate Contribution to Independent Expenditure Committees**

Independent expenditure committees (so-called "Super PACs") are candidate specific organizations which operate independent of the candidate they are supporting. Contributions paid to a single-candidate independent expenditure committee in 2015 are identified in Table 5 below.

Table 5. Covanta Corporate Contribution to Independent Expenditure Committees

America Leads	\$10,000
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**2015 Corporate Membership in Trade Associations**

Covanta is a member of the Energy Recovery Council ("ERC"), which is our principal trade associations in the United States. ERC seeks to advance the interests of the energy from waste sector through member and public education, research support, and lobbying activity. ERC's membership is comprised of other private sector participants in the sector, as well as public sector entities which rely on energy from waste as a critical element of their waste management

infrastructure. Our membership dues to ERC for 2015 were \$120,000, of which approximately \$18,000, (15%) was used by ERC for lobbying activity during 2015. We are also members of several other smaller trade associations associated with ancillary business lines.

**2015 Contributions from Covanta PAC**

In addition to the direct contributions disclosed above, Covanta engages in the political process through a political action committee ("PAC"). Covanta only solicits contributions to its PAC from employees who are eligible to participate under the terms of the PAC and applicable law. Contributions to Covanta PACs are voluntary; Covanta does not favor or disfavor employees on the basis of their participation. In 2015, the Covanta PAC made \$ 60,000 in political contributions.