

Covanta Tax Strategy – UK Group*

The following is a summary of the tax strategy for the UK subsidiaries of Covanta Holding Corporation (“the Company”) as of December 31, 2020.

Approach to risk management and governance arrangements

Covanta is committed to complying with the tax laws and practices in all of the jurisdictions in which it operates, including the UK. Compliance for the Company means timely payment of the correct amount of tax to each of the jurisdictions that it is due, and disclosing all relevant facts and circumstances to the tax authorities and claiming relief and incentives where available.

Attitude of the business towards tax planning

When structuring our commercial activities, consideration is given to the tax laws of the jurisdictions in which we operate with a view to maximizing value for our shareholders. All of the Company’s tax planning will have commercial and economic substance with consideration given to the potential impact on the Company’s reputation and broader goals. The Company will not undertake planning that is contrived or artificial.

Level of risk in relation to UK taxation that the business is prepared to accept

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax laws and the nature of the Company’s compliance arrangements. The Company proactively seeks to identify, evaluate, manage, and monitor these risks to ensure they remain in line with the Company’s risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

Approach of the business towards its dealings with HM Revenue & Customs (HMRC)

We engage with tax authorities, including HMRC, with honesty, integrity, respect, and fairness and in a spirit of cooperative compliance. The Company is prepared to litigate where it disagrees with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through proactive and transparent discussion and negotiation. The Company’s aim is to have professional and constructive relationships and maintain transparent disclosure in its relationship with tax authorities, recognizing that early resolution of risks is in the best interests of the Company and the relevant tax authorities.

* The Company is publishing this tax strategy pursuant to Paragraph 19 of Schedule 19, Finance Act 2016 of the United Kingdom.