

June 14, 2021

Chair Gary Gensler
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Climate Change Disclosures

Dear Chair Gensler:

Thank you for the opportunity to provide comments on potential changes to the SEC's regulation of climate change disclosure. We fully support the SEC's efforts to advance transparent, science-based, and clear disclosure of climate risks, opportunities, and data to allow investors and stakeholders a clear picture of company's response to climate change.

Covanta is a U.S.-based publicly traded company providing sustainable waste management and energy services internationally and is a national leader in developing, owning and operating waste-to-energy ("WTE") facilities that convert municipal solid waste ("MSW") into renewable energy.

Covanta owns and/or operates WTE facilities in the United States, most in public-private partnerships with local governments. From a climate perspective, we are proud to be an important part of the solution. The WTE facilities we operate reduce GHG emissions by diverting post-recycled MSW from landfills, a leading source of the potent GHG methane. This important benefit has led to international recognition of WTE as a source of GHG mitigation, including by the U.S. EPA, the Obama Administration's Clean Power Plan, Joint Institute for Strategic Energy Analysis (NREL), the World Economic Forum, and the Intergovernmental Panel on Climate Change ("IPCC").

We have been disclosing climate-related information for over a decade, including through both CDP and our Corporate Sustainability Report (CSR), as well as through our financial and governance disclosures. The latest version of our CSR adheres to both the Global Reporting Initiative standard and the Sustainability Accounting Standards Board (SASB) standard for the waste management sector. In light of our experience, we provide the following comments in response to the SEC's request for public input.

Disclosure requirements for specific industries need to consider the significant variation that may arise even within traditional approaches to industrial classification.

We support disclosure requirements that aim to provide better comparability of climate-related information; however, our experience is that a single standard may not reflect the full diversity of operations within that sector. For example, the 4-digit SIC code 4953 for Refuse Systems covers a broad array of waste management services, ranging from waste collection, to hazardous waste facilities, to landfills, to waste to energy facilities, each of which has significantly different exposures to climate change-related issues.

Requirements should encourage the disclosure of climate-related information in the context of the broader economy, including the ability to reduce emissions from other sources.

Climate change is an immense global challenge that will require international action across many different industries and sectors. Yet, many existing climate accounting and disclosure approaches still adopt an outdated model where the prevailing perspective is year-over-year change at an individual organization. While such an approach helped build early adoption of climate disclosure, it fails to recognize the role that individual organizations play in a broader context.

WTE facilities are known sources of GHG mitigation and are eligible to generate carbon offsets, by providing an alternative to landfill disposal. The WTE process generates a "Scope 1" GHG emission from the combustion of materials containing fossil-based carbon (e.g., plastics), yet also generates a simultaneous GHG *reduction* by diverting waste from landfills, recycling metals and displacing fossil fuel-fired electricity and steam generation. The more waste we divert from landfilling, the greater the net GHG reduction achieved overall. However, this also translates to an increase in our Scope 1 emissions. Under a broader disclosure regime, the SEC could encourage a more holistic perspective than is currently evident in traditional accounting.

Requirements to report information on an intensity basis should provide flexibility to account for facilities and operations that can provide more than one material product or service simultaneously.

Many existing non-SEC climate disclosure requirements provide for the reporting of emission intensity information on the basis of revenue, output, and other metrics. While this can help address differences in scale between organizations, existing disclosure approaches lack the flexibility needed to account for operations that deliver multiple products or services.

For example, WTE facilities simultaneously provide waste management services while also generating electricity and recovering metals for recycling. Some WTE facilities also generate steam for off-site commercial and industrial use. Yet today, many climate disclosures simply allocate emissions into only one of these products, resulting in a distorted view of climate impacts. The SEC should consider more flexible approaches, including lifecycle analysis, where warranted, to ensure that the potential climate benefits of providing multiple products and services within a single operation can be properly characterized.

Thank you for the opportunity to provide comments on climate change disclosures. Please do not hesitate to contact me if you have any questions, or if you would like to discuss our comments further.

Sincerely,



Michael E. Van Brunt, P.E.