



Giving Resources New Life[®]

Casella Sustainability Report 2009

*Helping customers and communities conserve, renew,
and sustain the world's limited resources.*

casella
waste systems, inc.



Dear Friend,
Opportunity. What a fantastic word – in both business, and in life! As a company, the most exciting opportunity we have is this: to be able to ask – today, or Monday

morning, or virtually any other morning in the near future – what will the world reward in the next ten, twenty or thirty years? What will it expect from bright, motivated individuals, and from companies like ours? What does the world deeply need from us?

From my perspective, the answer to those questions is becoming clearer. We are expected to dedicate our skills, talents, and passion to solving the world's looming problem of limits.

For several generations we've been conditioned to ignore the very idea that things exist in finite quantities, especially the natural resources we thought necessary to build a booming nation, bursting with opportunity, material abundance, and technological triumph. Just now, we are all beginning to wake up to the idea that our natural resources have very real limits. This has several implications for every business, and particularly for our company.

Our entire economy is undergoing a shift towards rewarding behavior and ideas that foster the sustainability of limited resources. And not just for the traditional concept of resources like air, water, land, soil, or minerals, but for all assets including people, time, relationships, capital, customers, intellectual property, education, and social networks. We are now seeing a new paradigm for opportunity and abundance in our ability to use these resources responsibly.

At Casella Waste Systems, we are beginning this journey by learning about our own capacity for innovation and problem solving around the challenges of building a business that contributes to the environmental and economic sustainability of the communities in which we work and live.

This report represents an important early step toward sustainability, transparently presenting both our accomplishments and our shortcomings. The initiatives and targets we report here reflect our four key sustainability priorities:

- 1) To grow as experts in the field of sustainability
- 2) To advance our commitment to environmental protection
- 3) To continue to build our people and our communities
- 4) To develop strong and enduring relationships with our customers

Through consistent improvement in these four areas, we will be positioned to adapt and thrive well into the future. This report will serve as our road map moving forward, and through annual updates and revisions we can effectively respond to ever-evolving challenges and opportunities.

We appreciate your time and thought in reading this, and we look forward to your feedback.

Regards,

John W. Casella
Chairman & CEO
Casella Waste Systems, Inc.

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Introduction

At Casella, we define “sustainability” as our ability to deliver great results over time. Sustainable development is about working to ensure a better quality of life for everyone, now and for generations to come.

It’s a concept that is also deeply aligned with the business we’re in, which focuses on resource renewal solutions for recycling and waste disposal that help our customers move closer to achieving zero waste.

This year, we are pleased to present our first Sustainability Report, which we see as an exciting opportunity to reflect specifically on the non-financial resources—our employees, communities, customers, and natural environment—that make our financial success possible. We will update the full report biennially. In the off years, we will release our performance indicator scorecard and a brief interim update.

With this report, we strive to present an honest and balanced account of both our accomplishments and

shortcomings in serving our stakeholders and our natural environment. Where we see victories and achievements, we celebrate them and describe how we plan to build on our success. Where we see room for improvement, we lay out specific goals to drive better performance in the future.

In scope, we have aimed to cover our most significant environmental, social, and economic impacts, focusing particularly on the topics that would be most interesting and useful to our stakeholders. We have included all facilities over which we have operational control. Unless otherwise noted, this report covers calendar year 2009.



We invite readers to send comments or questions regarding this report to:

Casella Waste Systems, Inc.
Attention: Abbie Webb
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Readers may also submit feedback through our online Sustainability Report survey: casella.com/sustainabilityfeedback09

We have prepared this report in accordance with the G3 Guidelines of the Global Reporting Initiative (GRI), an independent international institution that provides a standard framework for sustainability reporting across companies and industries. We believe the report’s contents meet all of the criteria required for GRI application level C. A G3 index to the contents can be found on page 28.

Who We Are

Founded in 1975 with a single collection truck, today Casella Waste Systems, Inc. is a leader in resource management with operations in 14 eastern states.

We provide resource management expertise and services to residential, commercial, municipal, and industrial customers, primarily in the areas of solid waste resource collection, recycling, processing, and disposal.

Our facilities include 31 solid waste collection operations, 30 transfer stations, 34 recycling facilities, a compost facility, a waste-to-energy facility, and nine landfills. Every landfill we operate is equipped with a gas collection system, and five direct their landfill gas to power plants to be converted into electricity.

Zero-Sort® Recycling is our single-stream recycling platform, allowing customers to reduce their costs and ease participation by directing all of their recyclable materials to a single bin. We sort the materials in our state-of-the-art processing facilities.

Headquarters:

Rutland, Vermont, USA

Geographic Footprint:

VT, NH, ME, MA, NY, CT, PA, NJ, MI, WI, TN, NC, GA, FL

Number of Employees:

2,386

FY 2010 Revenues:

\$522.3 million

NASDAQ:

CWST

New England Organics® (NEO) provides removal, transportation, recycling, processing, and marketing of organic resources—including short paper fiber, ash, wood waste, biosolids, and compost. NEO handles land application projects, operates a biosolids composting facility, and produces and markets earthlife™ brand bulk composts, mulches, and custom soil amendments.



Our Stakeholders

We have developed this report for our stakeholders, the groups that are most affected by our activities and services, and whose actions and perceptions impact our ability to operate successfully.



OUR CUSTOMERS

Our customers value superior service, offered at a competitive price and conducted in an environmentally and socially responsible manner. Many customers seek sustainable solutions that help them advance on a pathway to zero waste.

OUR EMPLOYEES

Our people seek a safe, healthy, and secure working environment. They want to be respected, cared for, and treated as leaders,

empowered to innovate and contribute to the company's success. They want to take pride in their company's environmental and social performance.

OUR COMMUNITIES

Our host communities want us to be a good neighbor that contributes to the local economy, cares about the local people, and serves as a safe, thoughtful, and trustworthy steward of the local environment.

OUR INVESTORS & SHAREHOLDERS

Investors are interested in how Casella's sustainability strategies manage risk, promote growth, and improve financial performance. More and more investors are interested in our role in building environmental, social, and financial sustainability.



OUR OTHER STAKEHOLDERS

There are many other stakeholders who may be interested in our sustainability performance. These include government and regulatory organizations, vendor partners, and academics. We hope this report will serve their needs.



Sustainability Metrics & Performance Indicators

In the following pages, we present a picture of our sustainability vision, performance, and targets. We have carefully selected metrics that will help us gauge our ongoing performance in each area. Developing and tracking these metrics and performance indicators is key to developing our Sustainability Intelligence.

Sustainability Intelligence is our capacity to continuously and effectively seek, capture, analyze, and share information and knowledge relevant to improving our operational and financial performance over time. Improving our Sustainability Intelligence is an important goal for our next reporting period.



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Resource Renewal

Our mission is to create value for ourselves, our customers, and our stakeholders by dedicating our skills, resources, and passion to renewing, conserving, and sustaining the world's limited resources.

RESOURCE RENEWAL

Society is in a state of transition. Our communities rely on continued economic growth, yet this growth is tied to a linear system of extraction, consumption, and disposal that strains our natural environment at every step.

These environmental strains impose hidden costs on our communities, costs that society and the environment can no longer afford to pay. It is therefore imperative—for the health and longevity of our communities—that we find ways to convert unidirectional waste streams into closed resource loops that are sustainable.

ZERO WASTE AND RESOURCE RENEWAL

At Casella, we are extremely proud of our current service offerings, from Zero-Sort recycling to organics diversion programs, as detailed in the following pages. We are also proud to operate environmentally secure disposal facilities, equipped with state-of-the-art energy recovery systems. These services and facilities have a profound environmental benefit. However,

we are not content to rest on our past achievements. We strive to continuously broaden the array of services we can provide for our customers and to better align our operations with our vision for the future of resource management, which is a vision of zero waste and resource renewal.

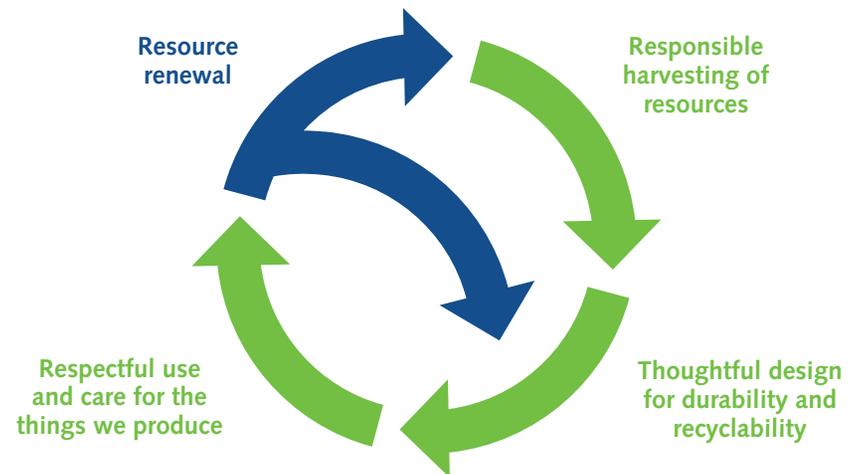
Zero waste is an extremely powerful concept for environmental protection, because it integrates conservation thinking throughout the entire product chain, from raw material harvesting, to product design and manufacturing, to consumption and use of products, and ultimately to recycling and reuse. Zero waste thinking converts a linear system of resource extraction-and-disposal into a closed-loop resource cycle.

Resource renewal is an integral piece of the zero waste cycle. When we apply resource renewal thinking, we take discarded products and prepare them to be converted to new products or safely returned to natural ecosystems. While much of the zero waste cycle is about responsibly harvesting raw materials, thoughtfully designing products for durability and recyclability, and respectfully using and caring for the products we produce, resource renewal is the critical piece that closes the loop and allows for true cycling of resources.



Your fleece jacket is made from the same recycled plastic bottles we sort and ship at our Zero-Sort facilities.

The Zero Waste Cycle



GIVING RESOURCES NEW LIFE®

We strive to effectively recover the full resource value of the materials we manage in a financially sustainable way. This is central to our corporate mission. We have developed plans to divert more and more of our materials toward increasingly effective resource recovery systems. Over the next five years, we will advance our recycling and recovery expertise with a goal of beneficially recycling or recovering 50% of the material we manage by 2014. By 2020, every disposal facility we operate will include some form of energy recovery.

ZERO-SORT RECYCLING

Recycling is an integral component of our mission to give resources new life. Our

commitment to recycling and sustainability began in 1977 with the opening of our first recycling facility in Center Rutland, Vermont. Today, we operate 34 recycling facilities, annually returning over 1.2 million tons of exceptionally high-quality recycled material to the resource stream. We also work continuously to advance the field of recycling, and we currently have 11 issued and 34 pending patents.

One of our essential goals as a company is to help our customers reduce their solid waste disposal costs and improve their environmental footprints by raising their recycling rates. Our Zero-Sort recycling strategy helps them to do this. To date,

11 of our 34 recycling facilities are Zero-Sort facilities.

RECYCLING ORGANICS

In 2009, we directed over 269,000 tons of organic material back to the land to re-enter natural nutrient cycles.

We processed and sold approximately 50,000 tons under our earthlife brand. earthlife is a complete line of bulk composts, mulches, and custom soil amendments designed for landscapers, garden centers, golf courses, nurseries, sports fields, and contractors.

We continue to explore opportunities to beneficially use the residuals we manage. For example, in 2009 we continued to advance our Animal Bedding program, which converts wood and paper residuals into an animal bedding product. We also furthered our direct land application programs for materials such as lime mud, short paper fiber, and biosolids.

Over the coming years, an important strategic focus for our organics team will be to grow sales of earthlife brand products and divert more organic material to beneficial land application uses. These efforts will be integral to helping us

Case Study

ZERO-SORT RECYCLING IN CHARLESTOWN, MA

In September 2009 we celebrated the opening of a newly renovated, state-of-the-art Zero-Sort recycling center in Charlestown, Massachusetts. All recyclable materials come to the facility completely unsorted. Instead, eight optical sorters, seven disk screens, and three magnets process the material at a rate of 35 tons per hour; the facility currently processes 750 tons per day.

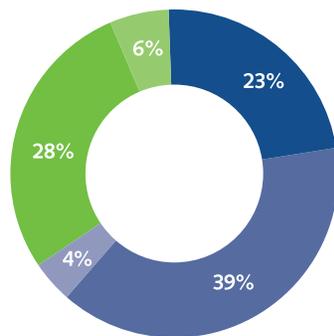
Casella has found that by converting to a Zero-Sort process, towns and cities can increase recycling by upwards of 40% and decrease solid waste by more than 20% due to the convenience of recycling without sorting.

meet our company-wide goal to divert or recycle 50% of the material we handle by 2014.

PRODUCING CLEAN ENERGY

Energy production is another important component of our mission to give new life to the resources we manage for our customers. We currently produce electricity through the direct combustion of waste

2009 Material Destinations



- Traditional Landfill with No Energy Recovery
- Landfill with Energy Recovery
- Waste to Energy Incineration
- Materials Recycling Facility
- Organics Recycling / Land Application



and through the capture and combustion of methane gas produced in our landfills. Five of our landfills are equipped with Landfill Gas-to-Energy facilities. These energy facilities are designed to produce roughly 25 megawatts of clean energy.

In 2008, the EPA recognized our commitment to advancing landfill methane projects, awarding us the Landfill Methane Outreach Program Industry Partner of the Year award.

In 2009, we realized a 55% increase in our energy sales, primarily due to increased production at our three

Case Study

GOING GREENER: THE STATE UNIVERSITY OF NEW YORK AT CANTON DECREASES WASTE BY 21%

More people created less waste in 2009 at the State University of New York at Canton. Despite increased enrollment, the college produced 21% less garbage than the prior year. A portion of this reduction came from reducing campus-wide paper usage.

The State University of New York at Canton participates in *RecycleMania*, an international competition for college and university recycling. With colleges from all fifty states and six international universities, *RecycleMania* is a friendly competition and benchmarking tool for schools committed to promoting waste reduction on their campuses. More information can be found at www.recyclemaniasc.org.

The college also uses Casella's Zero-Sort recycling program, which helps to increase recycling by making it easier, and which also helps the school track its tonnages.

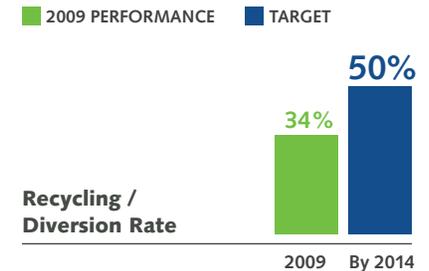
Inspired by the State University of New York at Canton's achievements, we have made it our goal to help support *RecycleMania* by working closely with our college and university customers to create a targeted marketing campaign promoting the *RecycleMania* program.

Landfill-Gas-to-Energy Plants. Our total electricity production in 2009 was enough to power over 29,000 homes.

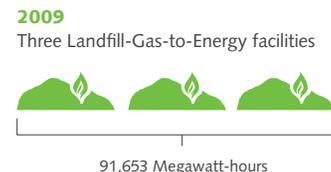
Over the coming years, we will work to diversify our portfolio of energy recovery projects, broadening our range of expertise and capturing a greater percentage of the energy value embodied in the materials we handle. By 2015, we aim to develop and implement a Landfill Gas Direct-Use project and an engine heat recovery project.

Targets and Initiatives

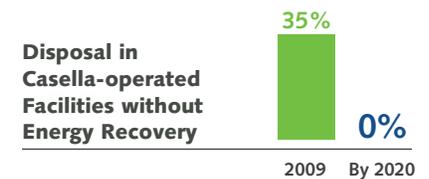
- Promote *RecycleMania* with our college and university customers
- Increase sales of earthlife™ brand materials



Energy Generation Portfolio



By 2015
Add Landfill Gas Direct-Use project and a Heat Recovery project





Energy & Environment

Throughout our operations we are dedicated to accurately measuring and effectively improving our environmental impacts.

We have surpassed our first greenhouse gas reduction goal, reducing our emissions by 43% between 2005 and 2009.

Our new near-term goal is to reduce our emissions to 5% below our 2009 levels by 2012.

OUR GREENHOUSE GAS INVENTORY

Several years ago, we used EPA Climate Leaders guidance to inventory our company-wide direct and indirect emissions.¹ Through this process, we learned that methane from our landfills accounted for 88% of our total greenhouse gas footprint. These findings led to heavy investment in gas collection infrastructure, which actively pulls methane gas out of our landfills so it cannot escape to the atmosphere.

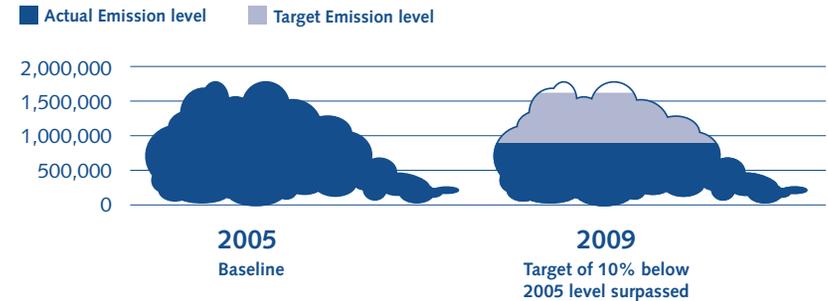
Between 2005 and 2009, we reduced our overall footprint by 43%, to 1,110,143 metric tons of carbon dioxide equivalents. This reduction is substantial given that we increased our landfill acreage by more than 100 acres over this same time period. Landfill methane continues to make up the majority of our emissions.

By 2012, we aim to reduce our total emissions by another 5%, using 2009 as a baseline. We will accomplish this by further extending our landfill gas collection infrastructure and by identifying and investing in energy efficiency projects. Consistent with the guidance of the International Panel on Climate Change, we also have a long-term goal to reduce our Scope 1 and 2 emissions to 80% below 2005 levels by 2050.

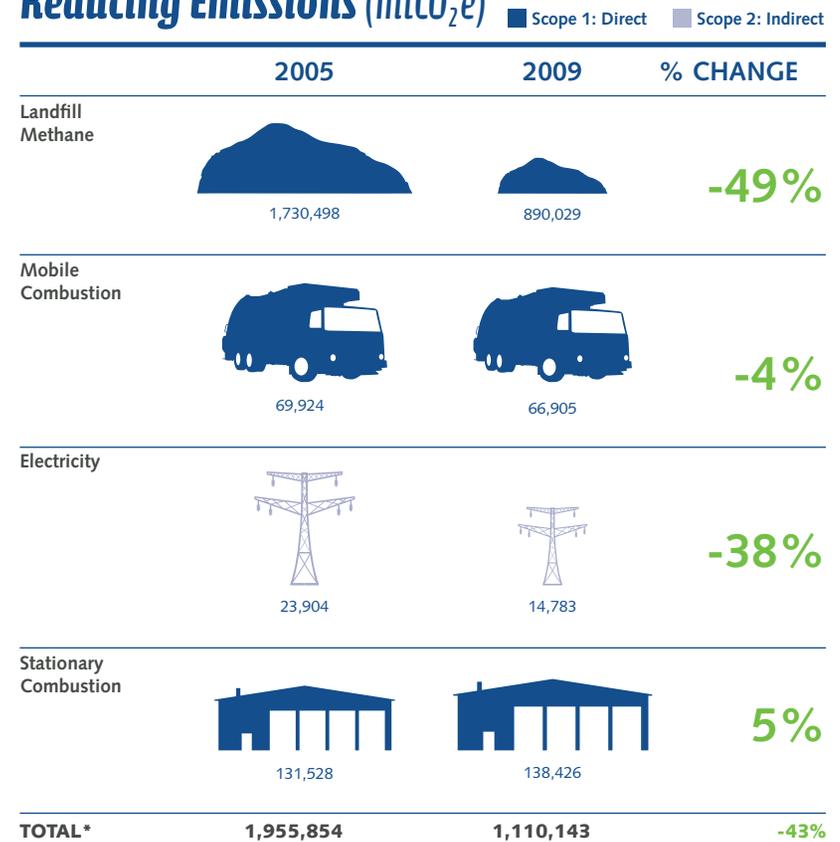
¹Under the EPA Climate Leaders program, we inventoried all Scope 1 and Scope 2 emissions associated with facilities over which we hold Operational Control. Scope 1 emissions are direct emissions from operations we control. Scope 2 emissions are emissions associated with the generation of electricity, steam, or heat purchased and consumed by operations that we control. We report our emissions in terms of metric tons of carbon dioxide equivalent, which is a unit developed to account for the fact that different greenhouse gases have different global warming impacts. For example, methane has 21 times the impact of carbon dioxide, so every ton of methane is counted as 21 tons of carbon dioxide equivalent.

*Infographic excludes "Other Direct Emissions" bringing our total greenhouse gas emissions to 1,956,197 in 2005 and 1,110,486 in 2009.

Total Greenhouse Gas Emissions (mtCO₂e)



Reducing Emissions (mtCO₂e)



Net Negative CO₂ (mtCO₂e)



OUR DISAPPEARING FOOTPRINT

As a resource management company we are uniquely situated to reduce greenhouse gas emissions far beyond our own footprint. By returning recycled materials to the product stream, we help reduce emissions in the manufacturing sector. And by producing electricity and fuel from by-products, we help reduce emissions in the energy sector.

We believe that the net life-cycle impact of our operations is negative, meaning that our activities result in a net decrease in global greenhouse gases. We've estimated this number to be approximately -3.6 million metric tons of greenhouse gas emissions.²

In the coming years we will strengthen our ability to account for our full life-cycle greenhouse gas footprint. We will begin to formally quantify components of our Scope 3 footprint³, and

we will evaluate setting an additional emission reduction target related specifically to our life-cycle footprint.

REDUCING OUR ENERGY USAGE

Over the coming years, we hope to develop a better understanding of our energy usage profile. We will arrange third-party energy audits for representative facilities throughout our footprint and consider joining one or more federal energy efficiency programs. This will help us understand and prioritize our opportunities for energy savings. Our near-term goal is to reduce our total electricity and natural gas consumption to 5% below 2009 levels by 2012. We will also reduce our fleet diesel fuel consumption to 10% below 2009 levels by 2013.

GREENING OUR FLEET

We operate a fleet of 1,861 vehicles, including collection trucks, long-haul tractor-trailers, and automobiles. By improving the fuel economy of our fleet, we reduce fuel consumption and emissions, allowing us to protect our environment, save on fuel costs, and provide a cleaner service to our customers. Here are some of the initiatives we've begun to implement:

Anti-idling Best Practices:

Our anti-idling policy exceeds the requirements of most states we operate in. We regularly communicate the policy through training programs, signage, and the company intranet. Where possible, we have programmed our engines' electronic control modules to shut down the engine after three minutes of idling.

Case Study

ENVIRONMENTAL MANAGEMENT SYSTEM

On January 31, 2009, our Hawk Ridge Composting Facility became the first privately operated facility in the nation to have its Environmental Management System certified by the National Biosolids Partnership.

Our Environmental Management System is our formal approach to incorporating environmental protection into our planning and operations.

Through this system, we have accomplished the following:

- Drastically reduced fuel consumption and emissions by installing grid-direct 3-phase power to replace the site's onsite diesel generator
- Employed efficiency measures to reduce total energy costs by 8% and consumption by 90,000 kWh
- Reduced paper use through e-filing
- Reduced ammonia emissions with a new air scrubber
- Improved relationships with customers and sub-contractors

²Avoided grid emissions are calculated based on electricity sales and eGRID subregion emission factors. Avoided landfill methane emissions are calculated based on metered landfill gas collection data and a methane global warming potential of 21. CO₂ avoided through materials recycling was calculated based on recycling facility tonnage records and the EPA Waste Reduction Model (WARM).

³Scope 3 refers to a company's indirect greenhouse gas emissions, excluding those associated with imported energy, which are considered scope 2 emissions. Scope 3 emissions include upstream activities such as the production of goods and services purchased by a company, as well as downstream activities such as consumer use and disposal of products sold by a company.

Hybrid Vehicle Leases: We reduce the fuel consumption associated with our employee business travel by leasing hybrid vehicles for our automobile fleet. In 2009, hybrid vehicles made up 20% of the Casella fleet. Replacement of traditional vehicles with hybrids resulted in over 15,000 gallons of fuel savings in 2009, reducing greenhouse gas emissions by 154 metric tons of carbon dioxide equivalent.

Loading Optimization: We improved our tractor-trailer load factor by 12% between 2008 and 2009, reducing our miles traveled by 245,000 miles and our fuel usage by 49,000 gallons. We achieved these improvements by challenging the existing equipment model and experimenting with alternatives such as tipper trailers, lower horsepower tractors, and reduced drag tire setups. We also focused heavily on operator training and incentives to improve loading techniques and achieve optimal trailer capacity.

Routing Initiative: In 2009, we piloted new dynamic fleet routing software in our largest market areas. More efficient routing yielded meaningful reductions in labor and truck operating hours. Optimized routing has increased driver productivity and

allowed us to remove 10 older model vehicles from our rotation. We've cut travel by 653,000 miles, and our fuel usage is down by 163,000 gallons. We will complete the full implementation of this program in 2011.

Right Size Service Offerings: Throughout 2009, we focused on identifying and delivering the optimal container size for each of our commercial customers. By providing our customers with the right sized recycling and waste containers, we are often able to reduce our collection frequency, which reduces fleet operating hours, fuel usage, and emissions. We will complete implementation of our right size program for commercial customers in 2012.

Front Load Conversions: Our multi-year program to convert collection vehicles from rear-load to front-load models aims to reduce the time it takes to service a customer and to increase truck capacity.

Emission Control Devices: We have received grant funding from the Massachusetts Department of Environmental Protection to equip 29 of our vehicles with tailpipe pollution control devices designed to reduce particulate matter (PM), hydrocarbons (HC), and carbon monoxide (CO) by up to 90%.



Natural Gas Vehicles: As a vehicle fuel, compressed natural gas burns cleaner and with a lower greenhouse gas impact as compared to diesel fuel. We have purchased three heavy-duty natural gas vehicles—a rear loader, an automated side loader, and a front loader—for our Chittenden County, Vermont fleet. We were fortunate to receive grant funding to support these purchases through the Federal Environmental Protection Agency under the Diesel Emissions Reduction Act. We will install Vermont's second natural gas fueling station at our Williston facility. We plan to duplicate this effort at five additional locations throughout New England and New York.

Other Initiatives and Best Practices:

- On-board oil refining technology to extend engine life and reduce frequency of oil changes
- High performance brake shoe retrofit kits to double brake life
- Extended-life antifreeze that lasts longer and causes less wear on pump seals
- Retread truck tires are produced using 72% less crude oil than new tires
- Daily tire pressure checks

ENVIRONMENTAL COMPLIANCE

The Casella compliance standard is to meet and exceed all applicable environmental regulations and permit conditions. Our highly dedicated team of environmental compliance personnel supports our Facility Managers in this regard.

The compliance team develops and administers the company's comprehensive environmental training program, conducts regular internal site inspections, tracks permit conditions, and monitors regulatory developments to ensure ongoing compliance. In the event that a compliance concern is identified, this group oversees corrective action to ensure a rapid and complete response to the problem.

In 2009, we averaged 0.09 enforcement actions per facility. Ultimately, our goal each year is to achieve 100% compliance. In pursuit of this demanding goal, we must constantly adapt to ever-changing regulations and technologies within our industry. We must remain committed to continuous improvement of our efforts and performance. Our current focus is on improving our environmental training program, which we expect

will contribute to improved compliance performance in 2011.

RESPONSIBLE HANDLING OF PETROLEUM PRODUCTS

As a company with a large vehicle fleet, heavy-duty operating equipment, maintenance garages, and onsite fuel storage tanks, we handle several million gallons of petroleum products every year. Preventing petroleum releases is a responsibility we take seriously. In 2009, we recorded 88 reportable on- and off-site releases, most of which resulted from failing hydraulic oil hoses in our vehicle fleet. By purchasing higher quality

hoses and improving preventative maintenance standards, we believe that we have effectively addressed this problem. Our goal is to reduce our number of reportable releases to 25% below 2009 levels by 2011.

Our facilities maintain spill prevention and response plans, and employees involved in fuel handling or fleet operation receive annual training in containing and cleaning spills. This ensures that if a spill does occur, we are prepared to respond rapidly and minimize any impact to the environment.

ENVIRONMENTAL REMEDIATION ACTIVITIES

In 1998 we purchased a 25-acre scrap yard and solid waste transfer station that was classified as a Class 2 Inactive Hazardous Waste site by New York State Department of Environmental Conservation. Working with two other responsible parties, we proposed a remediation plan for the site. Once the site remediation is complete, we hope to use the property for light industrial activity.

Targets and Initiatives

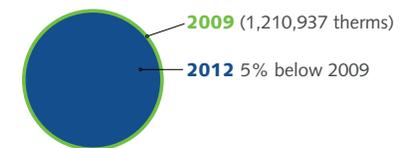
- Inventory our Scope 3 emissions
- Arrange energy audits at representative facilities throughout our footprint
- Join one or more federal energy efficiency programs
- Further develop our environmental training program

■ 2009 PERFORMANCE ■ TARGET

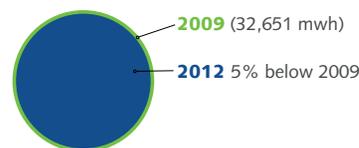
Greenhouse Gas Emissions



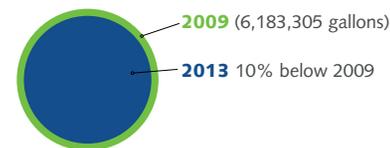
Natural Gas Consumption



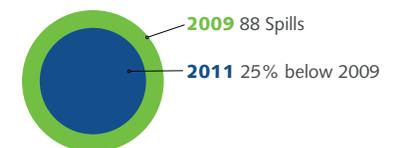
Electrical Energy Consumption



Fleet Diesel Fuel Consumption



Petroleum Release Prevention





Our People

We believe that the key to our sustainability as an organization lies within each and every individual who works at Casella.

OUR PEOPLE

Our ability to achieve great results into the future depends on the level of mastery our people achieve in their skills, commitment and passion for their work, and behaviors and relationships with others.

Over the last decade, we have made a significant and continuous investment in developing our people and providing them with the tools they need to achieve mastery in their daily decision-making.

To us, mastery describes people who excel and revel in solving each day's challenges and problems, and who make the people around them great at solving problems, too. It is a quality that allows our people to consider the short- and long-term impacts for all of our stakeholders in every decision they make.

The mastery of our people is what allows sustainability thinking to permeate our organization. It is what connects sustainability to our daily operations. At Casella, mastery and sustainability are one in the same.

Ensuring that our employees feel safe, secure, respected, and cared for is an integral

aspect of our organizational sustainability. To demonstrate our commitment to our employees, Casella offers outstanding benefits and opportunities, and encourages a culture of having fun while doing meaningful work.

401(K) PARTICIPATION

Eligible employees can contribute to a 401(k) plan, to which Casella contributes 50 cents for every dollar an employee invests up to a maximum match of \$1,000. In 2009, more than 38% of our employees contributed to the plan. Our goal is to increase this rate to 45% by 2012.

EMPLOYEE STOCK PURCHASE PROGRAM PARTICIPATION

Employees may also participate in our employee stock purchase plan, in which they purchase the company's common stock by payroll deduction at a 15% discount from the market.



In 2009, 6% of our employees participated in the employee stock purchase plan.

We believe that this program is a valuable employee benefit and hope to encourage greater participation over the coming years through better communication and employee outreach during the semi-annual benefit enrollment period. Our goal is to increase the participation rate to 10% by 2012.

EMPLOYEE RETENTION

Retaining skilled employees is important to Casella. Our calculated retention rate has been rising, and averaged 83.7% in 2009. This rate includes all full-time employees. Employees leaving for non-business personal

reasons (i.e. spousal relocation, return to school full time, etc.) are excluded from the calculation. By 2012, we aim to increase our employee retention rate to 86%.

WORKPLACE SAFETY

At Casella we are dedicated to maintaining a culture of workplace safety. A commitment to safety on the job is a requirement for employment at Casella. Our goal is to consistently achieve best-in-class safety performance and strive for our ongoing target of zero worker injuries. Through the dedicated efforts of our safety team and entire work force, we continue to move toward this goal.

Learning Paths™

This year, we were excited to launch Learning Paths, our brand new web-based training portal that offers an online library of digital training videos. Learning Paths is available to all of Casella's leaders and direct-line employees through the company intranet, offering our people an exciting new level accessibility to training materials. Today, our employees can improve their skills and performance with access to over 157 training videos on topics ranging from safety to sales to the company's strategic vision. Through further developments in the system, we will soon be able track each employee's progress in completing his or her job-specific training curriculum.

Performance / Safety Bonus Program

Exemplary safety performance is rewarded through the Performance/ Safety Bonus Program. Under the program, employees are evaluated quarterly based on safety performance and conduct. Individuals and teams that meet certain criteria—such as having no preventable accidents or injuries, always wearing proper personal protective equipment, and attending all scheduled safety meetings—are rewarded with quarterly and annual bonuses. Over \$890,000 in safety bonuses was awarded in 2009.

To create a safe work environment for our employees, we invest in our people, equipment, and facilities. We deliver training in classrooms, on the job, online, and through daily toolbox learning opportunities. Employees receive hundreds of hours of training each year, including 150 hours for maintenance mechanics, 200 hours for drivers, and 50 hours for MRF sorters.

Our current focus is on improving and fine-tuning our safety training programs. Integrating our safety content into the Learning Paths™ training portal will provide our operations personnel with a highly sophisticated tool for ensuring that employees receive prompt and valuable safety guidance. We believe that this effort will improve our safety performance in 2011.

Over the past five years, our rate of employee injuries has declined from 321 in 2005 to 223 in 2009. Our rate of preventable automotive accidents remained relatively flat between 2005 and 2008, but increased from 273 to 312 accidents in 2009. Continuously improving our accident and injury rates is the primary focus of our safety program. We also emphasize reducing the severity of injuries that do occur.

At our recycling facilities, we track Days Away, Restricted, or Transferred due to injury or illness (DART). Since 2005, we are pleased to have substantially reduced our DART rate to under 1.0.

EMPLOYEE ENGAGEMENT IN SUSTAINABILITY

To be successful, we believe strongly that our employees must be actively engaged in the Company's ongoing sustainability efforts. We hope this report will be an effective vehicle for improving internal communication of our sustainability initiatives. We will implement several other initiatives to increase employee involvement in Casella's sustainability efforts, including a monthly internal sustainability newsletter, an "idea submission" button on our company intranet for employees to communicate their sustainability ideas, and added sustainability content within our Learning Paths training library (see inset). We will also integrate sustainability content into our core training curriculum for Casella managers and sales representatives.

Targets and Initiatives

- Begin tracking OSHA Reportable Incident Rate and DOT Reportable Accident Rate at corporate level
- Further develop our safety training program
- Begin a monthly sustainability newsletter for employees
- Create sustainability idea submission button through company intranet
- Add more sustainability-focused content to Learning Paths training library
- Add sustainability content to core training curriculum for managers and sales representatives

■ 2009 PERFORMANCE ■ TARGET

401(k) Participation



Automotive Accidents



Employee Injuries





Our Communities

Casella operates facilities in well over 100 communities, and we strive to be a good neighbor in each and every one.

OUR COMMUNITIES

We value the communities that host us, and make an effort to participate in and contribute to local life in many ways.

CONTRIBUTING TO OUR COMMUNITIES

Casella charitable contributions in 2009 totaled over \$214,000. This dollar amount has declined since 2005, as our contributions are necessarily tied to our overall earnings. We intend to return to higher levels of monetary giving as our earnings begin to rebound. Our goal is to donate a fixed target of \$250,000 to charitable causes.

Our demonstration of support for local community groups and special events also comes in the form in-kind donations of services such as recycling, waste collection, and equipment use. We have not historically tracked the value of these in-kind donations, but will begin doing so in January 2011.

We also facilitate employee giving through an a longstanding alliance with The United Way, whose mission is to address the needs of local communities by improving access to health care, promoting self-sufficiency, and strengthening families in the United States and

abroad. In 2009, our employees contributed over \$12,000 to this organization. Casella employees have contributed more than \$69,000 over five years in support of our local communities. Through a commitment to broader and more effective communication of the United Way program over the coming years, we will aim to increase annual employee donations to \$15,000 by 2012.

SUPPORTING LOCAL EDUCATION

We contribute to local education through scholarship programs and educational tours of our resource optimization facilities. This education not only helps to increase recycling participation, but also helps to develop environmental awareness and cultivate a sense of stewardship in our communities.

As part of our long-term operating lease in Ontario County, New York, we established a 20-year fund to support scholarships for students interested in college-level

studies and careers in the fields of environmental studies, agriculture, and waste management.

Recipients are chosen by a team of reviewers for their outstanding academic records and based on essays demonstrating dedication to environmental protection. We fund similar scholarships in many of our other communities. Ten of our recycling facilities have educational centers, which give school classes and community groups an opportunity to see the inner workings of our plants and to learn where their recyclables go after they set them at the curb.

In Southbridge, Massachusetts, we have taken our educational efforts online by developing and hosting a recycling website for the town. In addition to information about service offerings and facility hours, the site provides useful tools such as teacher

resources for bringing recycling education into the classroom.

EMPLOYEE VOLUNTEERISM

Casella employees are active volunteers in their communities. Though we do not formally track the number of volunteer hours or positions, we know anecdotally that employees support a variety of causes, organizations, and activities including community education, food banks, United Way partner agencies, scouting, sports, churches, and the environment.

We are proud to have made a positive impact in our communities for more than 35 years. To continue sustaining the quality of life for our neighbors, expanding the scope of our community involvement will be one of our key sustainability priorities over the next several years.

Targets and Initiatives

- Begin tracking in-kind charitable contributions
- Begin tracking facility tours

■ 2009 PERFORMANCE ■ TARGET BY 2012

Charitable Contributions

\$214,257
Increase by 14%

Employee United Way Donations

\$12,585
Increase by 16%



Our Customers

*Our customers are at the core of our business,
and we strive continuously to improve our
ability to meet their needs.*

OUR CUSTOMERS

In recent months we have made great strides toward becoming a customer centric organization, in which every Casella employee is energized and engaged to meet the commitments we make to our customers.

Our goal is to build strong relationships with our customers by providing them with sustainable solutions.

In our new Customer Care Center, we aim to provide our representatives with first-rate training, an energizing work environment, and robust software tools. We seek to empower them to quickly, easily, and accurately answer and address our customers' questions and requests.

Our investment in a state-of-the-art fleet management solution will allow us to achieve maximum responsiveness to our customers' needs. For example, if a concerned customer calls about a missed pick-up, our Customer Care Representatives will be able to access real-time information for that route to help immediately resolve the concern.

We are broadening the range of services we can offer to our customers. Our Zero-Sort recycling service allows our customers to easily attain unprecedented recycling rates. We have partnered with WasteSecure™, an e-waste recycling program, allowing our customers to divert their fluorescent bulbs, batteries, ballasts, and electronic equipment away from landfills. We are also growing our New England Organics division to better support our commercial customers interested in food waste diversion.

CUSTOMER RETENTION

Our customer retention rate is an important indicator of our sustainability as an organization. We are pleased to report that our 2009 rates show an improvement over 2008. Over that time period, the average time a commercial

customer has been with Casella increased from 6.5 to 7.1 years. By 2012, we aim to increase this number to 7.85 years. The same rate for residential customers increased from 6.4 to 7.0. Our commercial customer target for 2012 is eight years.

CUSTOMER SATISFACTION

We conduct customer satisfaction surveys to assess our strengths and weaknesses in serving our customers. We have recently updated our questionnaires and are now soliciting customer feedback through surveys administered on our website,

during customer service calls, and as part of our on-line payment center. We carefully review and communicate the results of these surveys during strategic planning and when evaluating our performance.

Over the past year, our surveys told us customers had trouble understanding our invoices. We are responding with a major overhaul of our invoices, to be completed in 2011.

To further understand customers' needs, we have engaged third-party support to aggregate our customer satisfaction survey



Resource Audits

The Casella resource audit team has many years of experience in managing resource recovery programs spanning from biosolids to manufacturing discards. Drawing upon this knowledge, we are equipped to provide our customers with resource audits focused on the following objectives:

- Characterizing the composition and quantity of existing waste streams
- Evaluating the effectiveness of existing waste management systems
- Identifying opportunities for resource renewal and waste minimization
- Collecting baseline data for evaluating the effectiveness of implemented strategies

Our resource audit team works closely with customers and prospective customers to develop customer- and site-specific roadmaps for diverting these materials to recycling and recovery.

responses by geographic region, division, and line of business. These summary reports will help us respond more rapidly and effectively to our customers' needs. To date, we have used our customer satisfaction surveys purely as a diagnostic tool. We did not design the surveys to provide a means of tracking quantitative performance over time. This year we will discuss the utility of such a metric to our organization. If we determine that such tracking would be useful, we will commence prior to our next report.

CUSTOMER ENGAGEMENT AROUND SUSTAINABILITY

Our ability to deliver innovative and sustainable resource renewal solutions depends on the relationships we build with our customers. In an effective two-way dialogue, we can learn about their needs and values, they can learn about our resource renewal offerings, and together we can develop and select the solutions that best serve our customer and the environment. This ongoing communication ensures that we all develop a deeper understanding of the economic, environmental, and social costs and benefits of our decisions, and arms us with the

information we need to make more sustainable choices.

Over the next two years, we will focus on engaging our customers specifically around the topic of recycling. As part of this effort, our goal is to increase the percentage of our commercial customer base that participates in our recycling programs to 50% by 2012.

Commercial Customers Recycling



Targets and Initiatives

	2009 PERFORMANCE	TARGET BY 2012
<ul style="list-style-type: none"> • Continue to develop the new Customer Care Center • Implement fleet management solutions • Broaden service offerings such as Zero-Sort, e-waste, and organics recycling • Develop and expand resource audit program • Consider modifying customer satisfaction surveys to help track performance over time 	<p>Residential Customer Retention</p> <p>7 yrs</p> <p>8 yrs</p>	<p>Commercial Customer Retention</p> <p>7.1 yrs</p> <p>7.85 yrs</p>

2009 Achievements & Recognition

For 35 years, we've taken pride in the recognition we've earned and the advances we've made in all areas of our business. In 2009, we achieved the following successes:

SAP® CARBON IMPACT

We dramatically elevated the sophistication of our accounting system for energy usage and greenhouse gas emissions, converting it from a cumbersome spreadsheet-based tracking approach to SAP's robust web-based Carbon Impact software solution. We can now analyze our energy usage and emission profile on a facility-by-facility, month-by-month basis. And with improved data accessibility, we are now better equipped to integrate this information into our daily business decisions.



the Climate Leaders program, calendar year 2009 marks the first reporting period for which the EPA has publicly posted our results, along with those of all other partners, on the Climate Leaders website.

INVENTORY DISCLOSURE

We completed our fifth annual voluntary EPA Climate Leaders inventory report. The report lists all of our direct and indirect greenhouse gas emissions by scope and activity on an annual basis dating back to 2005. Although we have shared info with the EPA since inception of

HAWK RIDGE EMS CERTIFICATION

In January 2009, New England Organics' Hawk Ridge facility was the first privately operated facility in the nation to receive the National Biosolids Partnership's Environmental Management System (EMS) Certification.

COLLABORATION WITH CARBONFUND.ORG

In August 2009, Casella partnered with CarbonFund.org to achieve approval of the first carbon offset project accepted by the EPA as meeting the Climate Leaders offset standard. The sale of carbon offset credits offered through Carbonfund.org helped to financially support our Clinton County Landfill methane destruction project.

CHARLESTOWN ZERO-SORT RECYCLING FACILITY

The Charlestown recycling center celebrated its reopening in September 2009 after renovations converting it from a dual-stream platform to a state-of-the-art Zero-Sort recycling facility. Eleven of our 35 recycling facilities have now been converted to Zero-Sort technology.

INDUSTRY PARTNER OF THE YEAR

In January 2009, Casella received the 2008 Industry Partner of the Year award through the US Environmental Protection Agency's Landfill Methane Outreach Program. The award recognizes our commitment to promoting and implementing projects that capture and beneficially use methane gas collected from landfills.

GREEN BUSINESS INNOVATORS AWARD

In February 2009, John W. Casella received Vermont Law School's first Green Business Innovators Award.



Sustainability Scorecard

Our Sustainability Scorecard provides a clear and concise overview of our key performance indicators and targets.

Resource Renewal

DESCRIPTION	DETAILED DESCRIPTION	2005	2006	2007	2008	2009	TARGET
Material Recycled	Recycling tons received and processed consisting of ONP, OCC, ferrous and non-ferrous metals, PET, HDPE, LDPE	995,501	1,078,537	1,354,965	1,374,509	1,350,971	Recycling / Diversion Target: By 2014, recycle 50% of the tonnage we handle.
Organic Material Recycled	Organic recycling tons processed for beneficial land use applications, or directly land applied (Fiscal year data)	215,679	218,660	244,250	302,278	269,250	
Recycling / Diversion Rate	Total materials and organics recycled, as a percentage of total tons handled	30%	30%	32%	33%	34%	
Material Disposed of in Landfill with Energy Recovery	Solid waste tons disposed of in Casella landfills with energy recovery	930,516	967,033	931,101	1,886,439	1,872,682	Disposal Target: By 2020, all Casella disposal facilities will include energy recovery.
Material Disposed of in Landfill without Energy Recovery	Solid waste tons disposed of in Casella landfills without energy recovery	1,750,237	1,889,327	2,251,255	1,331,257	1,125,056	
Material Combusted in Waste to Energy	Solid waste tons disposed of at the Casella WTE facility, after processing	209,156	217,905	207,714	211,065	214,263	
Disposal in Facilities without Energy Recovery	Tons disposed of in landfills without energy recovery, as a percent of all tons disposed	61%	61%	66%	39%	35%	
Energy Produced from Waste Combustion	Megawatt hours produced and sold	159,913	165,034	162,915	151,286	151,109	Energy Goal: Diversify our energy portfolio to include LFG direct-use and heat recovery by 2015.
Energy Produced from Landfill Gas to Energy	Megawatt hours produced and sold	N/A	N/A	N/A	34,005	91,653	

Energy & Environment

DESCRIPTION	DETAILED DESCRIPTION	2005	2006	2007	2008	2009	TARGET
Landfill Greenhouse Gas Emissions (metric tons CO ₂ e)	Total landfill GHG emissions calculated using the EPA Climate Leaders Landfill Inventory Protocol	1,730,498	993,976	846,495	872,423	890,029	Reduce total emissions to 5% below 2009 level by 2012.
Facility and Fleet Greenhouse Gas Emissions (metric tons CO ₂ e)	Total GHG emissions calculated using EPA Climate Leaders protocol; includes direct emissions from on-site and fleet fuel combustion, and indirect emissions from electricity purchases	225,699	306,447	326,120	343,865	220,457	Reduce total emissions to 80% below 2005 level by 2050.
Total Scope 1 and 2 Greenhouse Gas Emissions (metric tons CO ₂ e)	Total Scope 1 and 2 GHG emissions calculated using EPA Climate Leaders protocol	1,956,197	1,300,423	1,172,615	1,216,288	1,110,486	Measure our Scope 3 emissions in 2011.
Electrical Energy Consumption	Megawatt hours consumed	56,687	57,668	59,741	32,143	32,651	Reduce 5% below 2009 by 2012
Natural Gas Consumption	Therms of natural gas consumed	249,057	231,202	311,511	467,414	1,210,937	
Fleet Diesel Fuel Consumption	Gallons of diesel fuel consumed by vehicle fleet	6,579,261	7,246,756	7,177,261	7,246,177	6,183,305	Reduce to 10% below 2009 by 2013
Environmental Compliance Enforcement Actions	Number of environmental compliance enforcement actions per facility (e.g. 5 enforcement actions divided by 100 facilities = 0.05)	0.05	0.07	0.04	0.05	0.09	Goal is zero. Strive for continuous improvement
Petroleum Releases	Petroleum spills that meet the criteria of being state or federal reportable	N/A	N/A	N/A	N/A	88	Reduce to 25% below 2009 by 2011

Our People

DESCRIPTION	DETAILED DESCRIPTION	2005	2006	2007	2008	2009	TARGET
Employee Retention Rate	Percent of all full-time employees remain with our company annually	70%	75%	74%	77%	84%	86% by 2012
401 k Participation	Percent of eligible employees participating in the Company's 401(k) plan	N/A	22%	18%	26%	38%	45% by 2012
Stock Purchase Participation	Percent of eligible employees participating in the Company's stock purchase plan	N/A	6%	5%	5%	6%	10% by 2012
Automotive Accidents	Total number of fleet claims determined to be preventable	258	228	283	273	312	Goal is zero. Strive for continuous improvement
Employee Injuries	Total number of workers compensation claims determined to be preventable	321	285	268	258	223	Goal is zero. Strive for continuous improvement
Days Away, Restricted, or Transferred due to injury (DART) Rate <i>Source: Recycling Ops</i>	Days away from work, restricted activity, or transferred to another job due to an on-the-job injury; this number represents the number of occurrences per 200,000 hours worked (Fiscal year data)	1.67	1.08	0.49	0.76	0.48	Maintain below 1.0

Our Communities

DESCRIPTION	DETAILED DESCRIPTION	2005	2006	2007	2008	2009	TARGET
Charitable Contributions	Charitable cash donations (This figure does not include in-kind services, which are not presently tracked)	\$450,924	\$397,850	\$429,778	\$389,213	\$214,257	\$250,000
Employee United Way Donations	Cash value of employee donations	\$14,283	\$12,756	\$15,085	\$14,519	\$12,585	\$15,000 by 2012

Our Customers

DESCRIPTION	DETAILED DESCRIPTION	2005	2006	2007	2008	2009	TARGET
Commercial Customer Retention	Average number of years commercial customers stay with Casella	N/A	N/A	N/A	6.5	7.1	7.35 by 2010, 7.60 by 2011, 7.85 by 2012
Residential Customer Retention	Average number of years residential customers stay with Casella	N/A	N/A	N/A	6.4	7.0	7.5 yrs by 2010, 7.75 yrs by 2011, 8.0 yrs by 2012.
Commercial Customers Recycling	Percent of commercial customers recycling	N/A	N/A	32.2%	30.6%	31.4%	32% by 2010, 35% by 2011, 50% by 2012

Global Reporting Initiative Content Index

In preparing this report we have applied the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. We are self-declaring a GRI application level C.

STRATEGY AND ANALYSIS

1.1 CEO Letter: p.2

ORGANIZATIONAL PROFILE

2.1 Organization name: p.2

2.2 Primary brands, products, and/or services: We hold a 50% interest in US Green Fiber LLC, a joint venture that manufactures, markets, and sells cellulose insulation made from recycled fiber, a 10.6% interest in RecycleBank LLC, which markets an incentive-based recycling service, and a 19.9% interest in Evergreen National Indemnity Company, a surety company that provides surety bonds.

2.3 Operational structure: We manage our solid waste operations on a geographic basis through three regions—Eastern, Central, and Western. Our larger-scale recycling operations are managed as a fourth “region,” designated FCR.

2.4 Location of headquarters: p.5

2.5 Countries where company operates: p.5

2.6 Ownership and legal form: Corporation

2.7 Markets served: p.5

2.8 Scale of organization: Total Revenues for fiscal year 2010 were \$522.3 million. Total Capitalization was \$711.4 million. Total tonnage processed was 4.9 million tons.

2.9 Significant changes regarding size,

structure, ownership: Because this is our first report, there are no changes to note.

2.10 Awards received: p.25

REPORT PARAMETERS

3.1 Reporting period: p.4

3.2 Date of previous report: This is our first report.

3.3 Reporting cycle: p.4

3.4 Contact point for questions: p.4

3.5 Process for defining report content: p.29

3.6 Report boundary: p.4

3.7 Report boundary limitations: We believe that our disclosures for calendar year 2009 are comprehensive within our defined reporting boundaries. For earlier years, we were unable to locate certain data. Instances of missing data are noted in our Scorecard. p.26

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities: To maintain comparability over time and between facilities, we consistently apply the Operational Control standard for establishing our reporting boundaries. In future years, when we report on activities beyond our operational control, we will clearly represent the information as Scope 3 disclosures.

3.10 Explanation of re-statements of earlier information: Because this is our

first report, there are no re-statements to explain.

3.11 Significant changes regarding scope, boundary, or methods: Because this is our first report, there are no changes to note.

3.12 GRI Table: p.28

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1 Governance structure: p.30

4.2 Governance chair: p.30

4.3 Independent board members: We have six independent directors.

4.4 Mechanisms for input to board: p.30

4.14 List of stakeholder groups: p.6

4.15 Basis for stakeholder identification: p.6

ECONOMY PERFORMANCE INDICATORS

EC4 Significant financial assistance from government: We received no significant financial assistance from government during the reporting period.

ENVIRONMENTAL PERFORMANCE INDICATORS

EN3 Direct energy consumption by primary source: p.13

EN4 Indirect energy consumption by primary source: p.13

EN6 Initiatives to provide EE or RE based

products and services: p.10; p.5

EN18 Initiatives to reduce GHG emissions and reductions achieved: p.13

EN23 Total number and volume of significant spills: Number of reportable spills is on p.16, we will consistently track volume beginning in CY2011.

LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS

LA1 Total workforce by employment type, contract, and region: As of May 31, 2010, we employed 2,386 people, including approximately 464 managers and administrative employees and 1,922 employees involved in collection, transfer, disposal, recycling, or other operations.

LA4 Percentage of employees with collective bargaining agreements: Approximately 126, or 5.3%, of our employees are covered by collective bargaining agreements.

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region: p.19 We had no work-related fatalities during calendar year 2009.

LA10 Average hours of training per year per employee by employee category: p.19

LA11 Programs for skills management and lifelong learning for employees: p.19

LA12 Percent of employees receiving regular performance reviews: 95% of our employees receive reviews.

APPENDIX A

Casella Environmental Policy

We are deeply committed to protecting and improving the environment for our people and the communities we serve. We conduct our business and operate our facilities with consideration for their environmental impact. Our responsibility for the environment spans from the construction, maintenance, and operation of our facilities to the maintenance and operations of our vehicles and the conservation of resources.

As a leader in the field of resource renewal we continually evaluate new technology and seek opportunities to improve environmental performance. All of our employees are responsible for protecting and improving the environment, from attaining a basic level of regulatory compliance to identifying opportunities for continued improvement and environmental excellence.

Adhering to this environmental policy simultaneously benefits the environment and our business. Our environmental focus ensures we maintain compliance with applicable laws and regulations. Viewing our business through an environmental lens helps us identify new opportunities for growth. It helps us manage risk. Pursuing our environmental policy allows us to create competitive advantage and exceed as a company.

To assist in the management of our environmental responsibilities we have developed five key Environmental Leadership Statements that serve as overarching guidelines from which we establish actionable performance goals.

ENVIRONMENTAL COMPLIANCE

We conduct our environmental compliance program in accordance with Casella's Code of Business Conduct and Ethics to ensure compliance with applicable laws, regulations, and company requirements. We implement a robust and thorough facility inspection program and correct identified deficiencies promptly.

AIR & CLIMATE PROTECTION

We protect our air resources and the global climate by measuring and reducing our air emissions. We measure, calculate, and report the emissions from all of our operations, facilities, vehicles, and equipment. Implementing our low emission landfill standards and operational techniques helps us minimize landfill gas emissions using newly emerging and cost-effective technologies. Energy efficiency measures allow us to reduce combustion emissions from our fleet and facilities, as does the use of alternative fuels in our vehicles.

WATER PROTECTION

We protect water resources through the responsible handling of petroleum products and the minimization of leachate generation. Landfill operating procedures and on-site treatment programs allow us to minimize leachate generation at the source. We avoid petroleum releases through rigorous programs of inspections and preventive maintenance for our fleet vehicles, operating equipment, and storage tanks. Extensive training and best management practices ensure we are prepared to promptly respond to any release, assess the environmental impact, and take appropriate corrective action.

LAND PROTECTION

We broadly define our land resources as encompassing the habitat and ecosystems impacted by our operations. We minimize our impact on the land through the intelligent application of landfill liner systems, leachate and gas collection infrastructure, and emission control and treatment systems. We minimize our consumption of resources through the beneficial use of materials such as tire chips, glass cullet, and contaminated soils—rather than virgin mineral materials—in constructing and operating our landfills. Where possible, we work to improve the land through habitat restoration and waste relocation projects.

COMMUNITY ENGAGEMENT

Our business provides a necessary and valuable service: managing society's discards in a safe and environmentally responsible manner. We raise

awareness about the importance of recycling and resource renewal by supporting outreach and education efforts in the communities we serve. We regularly give presentations to school and community groups, offer educational tours of our facilities, and fund community scholarship programs. We make these investments because we are committed to developing strong trusting relationships and building an enduring ethic of environmental stewardship within our communities.

RESOURCE CONSERVATION AND RENEWAL

We are committed to the principles of "reduce, reuse, and recycle" at each of our locations. All Casella locations offer recycling options for cardboard, paper, plastic, and metals. In purchasing, we observe a preference for recycled and recyclable products. We responsibly dispose of all remaining waste from our business and operations.

APPENDIX B *Report Development*

We prepared this report over a six month period, drawing on direct input from the heads of each of the company's major departments. These important areas included Health & Safety, Human Resources, Environmental Compliance, Customer Care, Operations, Fleet Maintenance, Sales, Marketing, and Accounting.

This group helped to map our key stakeholders; establish our scope and boundary; develop relevant performance indicators for the report; and provide the necessary historical data. Casella's director of strategic planning provided direct oversight throughout the process. In future years, we hope to solicit broader input to ensure that our content adequately reflects the needs and interests of our stakeholders.

We will prepare and issue future reports biennially, as part of a comprehensive ongoing sustainability review process guided in part by

the CERES Roadmap for Sustainability. In off years, we will release our performance indicator scorecard and issue a brief interim update. The process will be implemented by the Casella Sustainability Team, consisting of representatives from each of Casella's major departments.

APPENDIX C *Memberships & Organizations*

Casella is a member of or collaborates with the following organizations (partial list):

EPA Climate Leaders
National Recycling Coalition
Northeast Recycling Coalition
Connecticut Recycling Coalition
Georgia Recycling Coalition
Vermont Council on Rural Development
Vermont Chamber of Commerce
Association of Post-Consumer Plastic Recyclers
Vermont Truck and Bus Association
Water Environment Federation
New England Biosolids and Residuals Association
New England Water Environment Association
Maine Chamber of Commerce
Maine Wastewater Control Association
Maine Rural Water Association
Maine Landscape and Nursery Association
Independent Energy Producers of Maine
Maine Pulp and Paper Association
Maine Organic Farmer's Association
Maine Businesses for Social Responsibility
Massachusetts Nursery and Landscape Association
New Hampshire Timberland Owners Association
New England Nursery Association Inc.
New York Water Environment Association Inc.
Mid-Atlantic Biosolids Association
US Composting Council
United Way

APPENDIX D

Corporate Governance

The day-to-day business at Casella is carried out by our employees under the direction and leadership of our Chairman and Chief Executive Officer John W. Casella. Led by independent director Gregory Peters, the Casella board of directors:

- Reviews the company's performance, strategies, and major decisions
- Provides oversight of the company's compliance with legal and regulatory requirements, enterprise risk management, and the integrity of our financial statements
- Provides management oversight including review of the chief executive officer's performance and succession planning for key management roles
- Provides oversight relating to compensation for the chief executive officer, key executives, and the board, as well as oversight of compensation policies and programs for all employees

BOARD COMMITTEES

Our board has three standing committees—audit, compensation, and nominations & governance—each of which operates under a board-approved charter. The compensation committee has a stock plan subcommittee.

Our board has determined that all of the committee and subcommittee members are independent as defined under the rules of the NASDAQ stock market.

Our corporate governance guidelines, committee charters, code of ethical business conduct, and other governance materials are available on the investor relations page of the Casella corporate website.

BOARD LEADERSHIP STRUCTURE

The Chairman of the Board of Directors, John W. Casella, is also chief executive officer. We believe that our chief executive officer is best situated to serve as chairman of our board because he is the director most familiar with our business

and industry and is therefore best positioned, collectively with the lead director, to establish the board's agenda and fulfill the other responsibilities of the chairman of the board. As our chief executive officer since 1993, Mr. John Casella has been an integral part of the leadership of our board and his strategic vision has helped to guide our growth and performance.

Our board believes that its leadership structure is appropriate because it strikes an effective balance between strategy development and independent leadership and management oversight in the board process.

COMMUNICATING WITH THE INDEPENDENT DIRECTORS

Our board gives appropriate attention to written communications submitted by stockholders. Our lead outside director, with the assistance of our general counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the lead outside director considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded.

Stockholders who wish to send communications to our board may address such communications to: **Board of Directors, c/o Corporate Secretary, Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, VT 05701.**

Casella maintains a My Safe Work Place incident reporting phone line staffed by an independent third party. Individuals can make anonymous reports to My Safe Work Place through a toll-free number or via the Casella corporate website to report accounting discrepancies, ethics violations, fraud, theft, harassment, and workplace and fleet safety concerns. We encourage good faith reporting of all concerns and prohibit the retaliation for submission of an incident report. My Safe Work Place contact information is included in our employee manual, on the company's intranet, and on posters displayed at our facilities.

APPENDIX E

Stakeholder Engagement

In preparing this initial sustainability report, we have determined that we could more directly engage our stakeholders on the topic of sustainability. Although we do engage with our stakeholders on a daily basis, we have not yet reached out to any of them specifically to solicit input for this report. These are the ways we currently engage our stakeholders:

- Customers: Customer Care Center, phone, and web surveys
- Employees: Safety and environmental training sessions, leadership training, annual performance review
- Communities: public meetings, facility tours
- Investors/Shareholders: Investor calls

Over the coming years we hope to further engage our stakeholders around the topic of sustainability.



*Learn more about how Casella gives
resources new life at casella.com*

casella
waste systems, inc.