

Annual Report

2000

*People and Technology
Creating a Better
Environment*

Dear Shareholder:

The year 2000 was momentous for **Clean Harbors**. We celebrated our 20th anniversary by announcing record earnings. Revenues increased \$30,501,000 to \$233,466,000, an increase of 15% from 1999, and importantly, we returned to profitability by recording net income of \$7,118,000.

Equally as important, we entered the new millennium as the clear technological leader in our industry. During the lean years, **Clean Harbors** continued to invest in the most advanced technologies available and these investments strengthened our capabilities to provide ever more sophisticated services to our customers. We are now beginning to harvest the benefits of many of these investments. **Clean Harbors** is now fully Internet-interactive with our customers. These customers are experiencing the benefits of doing business with an environmental services provider that can consistently provide them with the comprehensive data they need to manage their environmental responsibilities.

This is the solid foundation for our future growth – a diverse customer base that understands from experience that **Clean Harbors** is the **platinum standard** for environmental services. Indeed, the majority of the **Fortune 500** companies have come to realize that in an often turbulent marketplace, **Clean Harbors** stands alone as the only major environmental services provider with over 20 years of stable management and ownership. This stability and continuity allowed **Clean Harbors** to concentrate on serving the customer, investing in new technologies and expanding its broad array of product offerings.

As we look to the future, our optimism is further strengthened by the vote of confidence given to us by the financial community in providing us \$86 million in new funding to refinance our debt and support our continued growth. We believe our strong performance in 2000, our ongoing successful implementation of new technologies and our refinancing in April 2001 will set the stage for renewed growth during the coming years.

Yours truly,

Alan S. McKim

*President, Chief Executive Officer,
Chairman of the Board*

Gene Cookson

*Executive Vice President,
Chief Operating Officer*

Setting New Standards in Environmental and Waste Management Excellence for over 20 Years



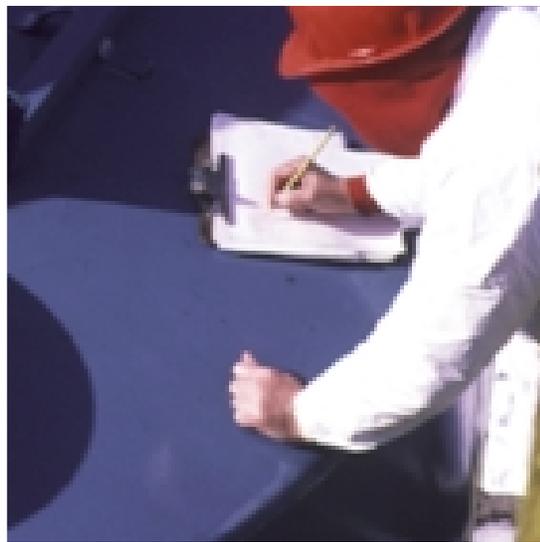
When it comes to experience, efficiency and innovation in environmental management, one name clearly stands out — **Clean Harbors**. Offering a wide range of on-site services, from emergency response to lab chemical packing, as well as the industry’s most complete transportation and disposal services, Clean Harbors is committed to preserving our natural environment and adhering to government regulations. The key to Clean Harbors’ success is our relentless pursuit of new technologies that will further improve the level of service we provide our many customers and partners.

Presently, Clean Harbors maintains a network of 37 service centers and 12 facilities across the U.S. and in Puerto Rico, providing a full line of services to more than 8,000 customers nationwide. Clean Harbors’ clients include a majority of the Fortune 500 companies; many major utilities, oil, pharmaceutical and chemical companies; the high tech and biotech industries; and numerous local, state and federal government agencies.

This year — our 20th anniversary — marked tremendous growth for Clean Harbors as we reached new highs in profitability, expanded our geographic reach and introduced value-added services that will solidify our position as the most progressive leader in environmental management. We invite you to learn more about Clean Harbors including some of the latest initiatives that we’ve taken to remain the country’s preferred choice for turnkey environmental and waste management services.

“Our project was complex, massive and unique. Clean Harbors completed it on schedule, in conformance with specifications and within budget, without any problems. I was greatly impressed.”

— *Brian Balukonis
Principal Environmental
Regulatory Compliance Specialist,
Raytheon Company*



Anticipating and Adapting to Changing Needs

“For more than 15 years, Clean Harbors has provided us with dependable service, performing with the utmost integrity whenever called upon, no matter the task.”

*— Vincent Dickinson, P.E.
Manager, Environmental Operations
Bath Iron Works*

Clean Harbors didn't become the nation's premier environmental service company by standing still. In the mid-'80s, stringent EPA regulations dictated that we offer customers a broader range of waste management services to comply with tougher standards. We did just that, acquiring new facilities to strengthen our disposal capabilities and expanding our services to include laboratory chemical packing.

Now with most companies meeting government standards, the focus has shifted to more convenience at a lower overall cost. Again, Clean Harbors has taken the lead by introducing new customer-driven services that significantly improve the waste management process. From real-time video inspection of remote wells to the industry's first online profiling and tracking system of its kind, Clean Harbors continues to set the pace in an ever-evolving industry.

Environmental Site Services

Our very first service, Environmental Site Services has evolved from initially targeting the tank cleaning and emergency response needs of the chemical and petroleum industries to where we now handle applications as diverse and specialized as grain mills and microprocessor chip plants. Our professionals have access to the best equipment in the industry to custom design and fabricate remedial systems for complete and cost-effective solutions.

And for comprehensive cleaning and maintenance services, there's Harbor Industrial Services (HIS). The HIS team is fully prepared to handle everything from routine maintenance to unexpected spills or other emergencies that affect plant operations and require the fastest turnaround possible.

Waste Transportation and Disposal

With 12 company-operated TSD facilities that cover a broad range of disposal technologies, Clean Harbors provides end-to-end waste management. Our skilled technicians continuously strive to identify the most cost-effective, environmentally sound options for customers' waste needs. Hazardous and non-hazardous recyclers, landfills, incinerators and treatment facilities are rigorously audited to bring a complete range of quality alternatives to our customers.

Clean Harbors maintains over 5,000 waste stream disposal options. Even when presented with an unusual water reactive waste or a typical paint or oil waste, our established network delivers quick response that often includes a range of viable options based on cost or technology.

CleanPack Laboratory Chemical Packing

Created in 1986, CleanPack® provides for the proper handling, packaging, transportation and disposal of hazardous laboratory chemicals. Highly trained chemists are skilled in chemical

recognition and compatibility, ensuring full compliance with the latest EPA and DOT regulations. CleanPack chemists utilize our CHOICE® waste management software system to support our packaging services and complete the regulatory information required for every pick-up.

Clean Harbors Onsite Program

Bringing our expertise and resources right to the customer location, Clean Harbors' newly expanded Onsite Program serves the dual purpose of not only improving customers' waste stream management, but making their entire environmental program safer, more cost-effective and self-sufficient.

Clean Harbors' skilled technicians work in tandem with customers to deliver proper waste transportation and disposal, lab chemical packing, industrial cleaning and maintenance, and more. We also provide access to our powerful network and patented software programs, greatly streamlining customers' waste management and reducing costs in the long run. The ultimate goal is for customers to establish an in-house environmental program that meets the highest standards of quality and efficiency in the industry — the Clean Harbors standard.



All of our waste management services are supported online, providing customers point-and-click convenience anytime, anywhere.



The world of communications and information technology is moving rapidly. New advancements in computer networking and Web-based services have changed the way companies do business. Clean Harbors has fully embraced e-business innovations and, as a result, offers features and capabilities unique to our industry that together reduce operational costs, quicken response times and dramatically improve customer service. But that's what you expect from an industry pioneer.

Clean Harbors eCommerce

In 1996, we were the first to introduce an online waste tracking system, and since then we've enhanced the service to include complete automation of customer profiles and orders — start to finish. Highly secure and confidential, this online service enables customers to log on and manage their environmental program, right down to the individual profile, truck transportation and returned

manifest. Password-protected, the customers' detailed account history is available to them wherever and whenever they need it.

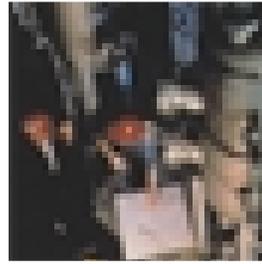
CHOICE Online Service

For those customers who need a more robust waste management tool, we've developed Clean Harbors' CHOICE® Online Service. A subscription-based application, CHOICE tracks on-site inventory, automatically notifies customers of potential compliance problems, creates regulatory reports, and adeptly manages multiple waste vendors. It's the most sophisticated Web-based environmental program in the industry and it's helping customers everywhere increase efficiencies while reducing their liability and overall cost.

Fully Networked for Anytime, Anywhere Response

In addition to the online services we extend to our customers, Clean Harbors has also built a powerful communications network that fully supports our entire operation. All facilities — including our many waste disposal sites located throughout the country — are tied together, ensuring 24 x 7 access to critical resources for quicker response time and better customer service. We've also established a private intranet that fosters collaboration among partners and suppliers, and helps to streamline our day-to-day operations.

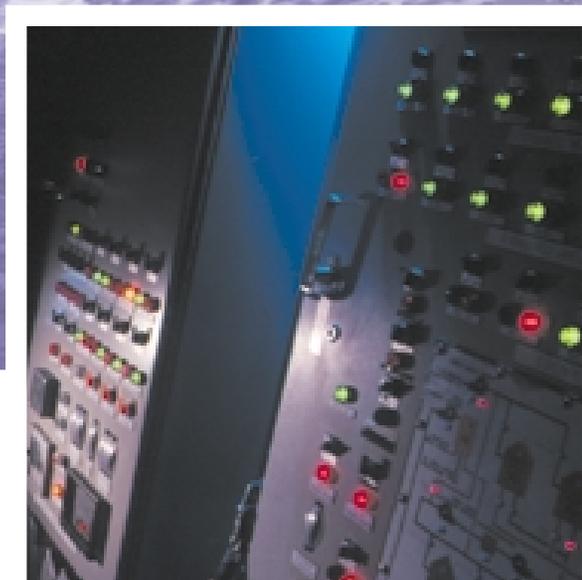
Always pushing the envelope, Clean Harbors is currently exploring emerging applications such as computer-based distance learning that will dramatically improve our training capabilities as it lowers our operational expenses.



With CHOICE Online, customers can privately check inventory, create EPA reports and track their waste stream from pick-up, to transport, to final disposal.



Leveraging New Technology
**to Improve the
Customer Experience**



“Clean Harbors has been proactive in their preparation and approach to our needs. Their constant review of our contract, with an effort to identify ways to save us money, is greatly appreciated.”

*— Sandra J. Little
Director of Environmental Affairs
NSTAR Electric Gas*

Together, Making a Difference
**in Environmental
Management**

*"We've been working with Clean Harbors
for nearly 10 years and have found them
to be committed to safety and training...
We are very comfortable and confident
with Clean Harbors."*

— *Robert E. Chambers*
The Meredith Management Group, Inc.



Poised to Lead for the Future

We're passionate about the environment. We believe strongly in protecting and conserving our precious land, water and air resources to the best of our abilities. As such, all of our facilities and field activities adhere to the highest standards of safety and compliance for the benefit of our employees, customers and their surroundings. But, even that is not enough.

Through continuous research and the adoption of new initiatives, Clean Harbors is striving to change the way people in all industries care for and respect the environment. Yes, these new enhancements help our business — but they also serve the more important role of leading by example and making a positive, lasting impact on the future of environmental management.

Health and Safety: First and Foremost

All of Clean Harbors' activities are conducted within the guidelines of our most important priority—protecting the health and safety of employees, customers, and the public. That's why at every facility and service center, you'll find a thorough, customized health and safety program. We also maintain vigilant and continuous internal monitoring of company activities through a group of highly skilled safety and industrial hygiene professionals.

Even as Clean Harbors continues to pursue new programs and services to improve our business,

everything must first pass our own rigorous standards for health and safety. We wouldn't have it any other way.

Expanded Services Out West

Our Kimball, Nebraska, facility made two major announcements this year that will greatly benefit our entire customer base — especially our service area west of the Mississippi.

For starters, the facility received permit approval to accept a broader range of wastes, including anything that needs to be wastewater treated, recycled or fuel blended. Now customers out west have a closer, more convenient, single source for their waste disposal needs.

Second, the facility has added a direct feed system that quickly and safely processes a wide variety of bulk liquid materials that cannot be consolidated through conventional feed methods. Malodorous compounds, water reactive or high toxicity liquids, and organic and inorganic acid mixtures are fed directly into the thermal oxidation unit for complete, safe and effective destruction.

New Shredding System Cuts Costs

Clean Harbors' commitment to providing the latest in state-of-the-art waste disposal methods was bolstered this year with the addition of a new shredding system in our Baltimore and Cincinnati plants.

Shredding enables us to more efficiently destroy and dispose of non-hazardous materials such as recalled, damaged or defective products from manufacturers, greatly minimizing their costs and liability.

Shaping Tomorrow's Environmental Professionals

Clean Harbors' most valuable asset is and always will be our people. To that end, we've developed Clean Harbors Accelerated Management Programs (CHAMPS), a new initiative that recruits recent college graduates. All new hires continue their education by attending a comprehensive, holistic training course, which provides them with the necessary tools to grow within Clean Harbors.

Through CHAMPS, qualified candidates have the opportunity and incentive to quickly advance within the company while we replenish our pool of valued supervisors and managers who share our vision of environmental safety and protection.



Winner of 2000 Supplier Excellence Award

In November 2000, Clean Harbors' efforts were recognized with the prestigious Supplier Excellence Award in the category of strategic alliances for our work with the Public Service Enterprise Group, New Jersey's largest energy provider.

Selected Financial Data

<i>Income Statement Data</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
• Revenues	\$233,466	\$202,965	\$197,439
• Cost of Revenues	166,303	149,637	147,214
• Selling, general and administrative expenses	42,238	37,190	34,976
• Depreciation and amortization of intangible assets	10,656	9,501	9,112
• Income from operations	14,269	6,637	6,137
• Interest expense, net	9,167	8,599	9,631
• Income (loss) before provision for (benefit from) income taxes	5,102	(1,962)	(3,494)
• Provision for (benefit from) income taxes	(2,016)	282	360
• Net income (loss)	\$7,118	\$(2,244)	\$(3,854)
• Basic earnings (loss) per share	\$ 0.60	\$ (0.25)	\$ (0.42)
• Diluted earnings (loss) per share	\$ 0.59	\$ (0.25)	\$ (0.42)
• Weighted average number of common shares outstanding	11,085	10,649	10,309
• Weighted average common shares plus potentially dilutive common shares	11,305	10,649	10,309
<i>Financial Data</i>			
• Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 24,925	\$ 16,138	\$ 15,249
• Working capital	\$ 16,526*	\$ 14,565	\$ 11,245
• Total assets	\$149,568	\$145,247	\$145,910
• Debt	\$ 67,727	\$ 74,797	\$ 74,032
• Stockholders' equity	\$ 41,635	\$ 34,171	\$ 36,310

*excluding \$50 million in senior notes refinanced in April 2001.

Directors

Alan S. McKim,
President, Chief Executive Officer and Chairman of the Board, Clean Harbors, Inc.

Christy W. Bell,
President of Electro-Petroleum, Inc.; Electropyrolysis, Inc.; and Arc Technologies, Inc.

John F. Kaslow,
Consultant to the Energy Industry

Daniel J. McCarthy,
Professor of Strategic Management, Northeastern University

John R. Preston,
President and Chief Executive Officer, Atomic Ordered Materials

Thomas J. Shields,
Managing Director, Shields & Co.

Lorne R. Waxlax,
Former Executive Vice President, The Gillette Company

Officers

Alan S. McKim,
Chairman, President and Chief Executive Officer*

Gene Cookson,
Executive Vice President and Chief Operating Officer**

Roger A. Koenecke,
Senior Vice President and Chief Financial Officer*

Stephen H. Moynihan,
CPA, Senior Vice President — Planning and Development*

William J. Geary, Esq.,
Executive Vice President and General Counsel**

Eric Gerstenberg,
Senior Vice President — Plant Operations**

David Parry,
Senior Vice President — Eastern Operations**

John Lawton,
Senior Vice President — Sales and Marketing**

George Curtis,
Vice President — Transportation and Disposal**

Joseph McNally,
Vice President — Management Information Systems**

* Clean Harbors, Inc.

** Clean Harbors Environmental Services, Inc.

Shareholder Information

Stock Listing

The Company's common stock began trading publicly in the over-the-counter market on November 24, 1987, and was added to the NASDAQ National Market System effective December 15, 1987. The Company's common stock trades on the NASDAQ Stock Market under the symbol: CLHB. The following table sets forth the high and low sales prices of the Company's common stock for the indicated periods as reported by NASDAQ.

2000	High	Low	1999	High	Low
First Quarter	\$4.250	\$1.188	First Quarter	\$2.438	\$1.563
Second Quarter	2.969	1.531	Second Quarter	2.000	1.563
Third Quarter	3.250	1.563	Third Quarter	1.813	1.313
Fourth Quarter	3.000	1.500	Fourth Quarter	1.813	1.063

On February 26, 2001, there were 656 holders of record of the Company's common stock, excluding stockholders whose shares were held in nominee name.

The Company has never declared nor paid any cash dividends on its common stock and the Company is prohibited under its loan agreements from paying dividends on its common stock. In February 1993, the Board of Directors authorized the issuance of up to 156,416 shares designated as Series B Convertible Preferred Stock (the "Preferred Stock"), with a cumulative dividend of 7% during the first year and 8% thereafter, payable either in cash or by the issuance of shares of common stock. On February 16, 1993, 112,000 shares of Preferred Stock were issued in partial payment of the purchase price for the Cincinnati facility. Except for payment of dividends on the Preferred Stock, the Company intends to retain all earnings for use in the Company's business and therefore does not anticipate paying any cash dividends on its common stock in the foreseeable future.

Safe Harbor Statement

This annual report contains forward-looking statements, which are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "estimates," "projects," or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Readers should carefully review the risk factors described in documents the Company files from time to time with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K dated April 13, 2001. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements.

Form 10-K

Copies of the Company's annual report on Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission on April 13, 2001, may be obtained without charge by writing to the Company at 1501 Washington Street PO Box 859048, Braintree, MA 02185-9048, attention: Stephen H. Moynihan, 781.849.1800, ext. 4454.

Annual Meeting

10:00 a.m., June 15, 2001, Citizens Bank, 53 State Street, 8th Floor, Boston, MA 02108

Auditors

PricewaterhouseCoopers L.L.P., One International Place, Boston, MA 02110

Clerk of the Corporation

C. Michael Malm, Esq., Davis, Malm & D'Agostine P.C.

Corporate Counsel

Davis, Malm & D'Agostine P.C., One Boston Place, Boston, MA 02108

Transfer Agent

American Stock Transfer & Trust Company, 40 Wall Street, New York, NY 10005, 800.937.5449

Corporate Headquarters

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*Clean Harbors is an Affirmative
Action/Equal Opportunity Employer.*



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