

Fiber Procurement: The Enviva Forest Credo

Enviva sources wood fiber, a plentiful natural resource, from working forests, sawmills, and other wood industry manufacturers. We locate our facilities in the Southeast, one of the most attractive wood fiber regions in the world due to its abundance of commercial, working forests and growing timber inventories. We are proud that our procurement activities provide essential markets for low-value wood and help keep forests forested. Our raw materials consist of:

- **Low-grade wood fiber:** Wood that is unsuitable for, or rejected by the sawmilling and lumber industries because of small size, defects (e.g. crooked, knotty, etc.), disease, or pest-infestation;
- **Tops and limbs:** The parts of trees that cannot be processed into lumber;
- **Commercial thinnings:** Harvests that promote the growth of higher value timber by removing weaker or deformed trees to reduce competition for water, nutrients, and sunlight; and
- **Mill residues:** Chips, sawdust, and other wood industry by-products.

Enviva's sourcing strategy seeks to preserve soil and water quality, protect unique and biodiverse habitats, and ensure continuous growth of forest inventories. This is a more expensive way of doing business, but it is the right thing to do.

Our procurement policy is based on five pillars, which we call ethics:

- **Our Legal Ethic:** Enviva's employees, suppliers, and subcontractors strive to comply with all applicable federal, state, and local environmental laws. We require and audit adherence to forestry Best Management Practices (BMPs) in order to protect water quality, promote soil conservation, and ensure long-term forest productivity.
- **Our Land Ethic:** Enviva recognizes that the US has established a strong forest stewardship record, successfully managing forests for wildlife habitat, recreation, wood production, and investment. Our wood comes from working forests where landowners grow trees in order to cut, sell, and regrow them. We know that healthy markets for wood create thriving forests and help to prevent the worst outcome of all for forestland – land use change. We believe that forests should continue to be forests after harvest, so we do not accept fiber from forests that the landowner intends to convert to another use.

We also know that there are special places in the woods that should remain so. That can be subjective, so we have drawn some bright lines: We do not harvest or source from primary forests or other areas of special concern that we have identified in partnership with leading conservation organizations.

- **Our Harvest Ethic:** We only procure wood and residues that cannot be used for sawn lumber products (like lumber or furniture) and would otherwise be left in the forest. We buy raw materials such as sawmill residuals or tops and limbs left in the forest. This means we do not source stumps, root systems, or sawlogs for our own use. Our facilities are incapable of processing trees greater than 26" in diameter. If a sawlog does inadvertently enter one of our sites, it is segregated and then remerchandised through fiber exchanges with local sawmillers.

In forested wetlands, or when harvesting during wet weather, Enviva suppliers take extra care by using specialized harvesting equipment and techniques that minimize environmental impacts and protect soil and water quality.

- **Our Certification Ethic:** Independent forest certification programs provide a consistent and transparent framework for evaluating the sustainability of a company's operations, from forest to product. We believe that landowner certification of forestland is a good thing, and we pay more for fiber from certified forests. We engage in ongoing landowner outreach and make direct investments to support certifications of forestlands. But as we continue working to improve the total percentage of lands certified, we also ensure that non-certified fiber comes from responsible sources. Enviva is certified to the stringent standards of the world's foremost forestry organizations, such as the Forest Stewardship Council™ (FSC®) (Chain of Custody Standard requirements Program for the Endorsement of Forest Certification (PEFC) (Chain of Custody Standard requirements), and the Sustainable Forestry Initiative® (SFI®) (Chain of Custody Standard requirements as well as SFI Certified Sourcing standard requirements).
- **Our Track and Trace Ethic:** Having policies in place is not good enough; we have to be able to regularly confirm that we and our suppliers are doing the right thing. In addition to our rigorous internal supply chain audits and the traditional third-party audits and certifications that the forest product industries have employed for years, our fiber supply and sustainability teams are implementing a "track and trace" system that allows us to specifically identify the source of our fiber to the truck-load and to further monitor and audit our procurement activities. We pay particular attention to: land use change, use and effectiveness of BMPs, wetlands, biodiversity, and certification status.

These ethics form the foundation of our commitment to protecting the environmental, social, and economic benefits of working forests. They inform everything we do when we source wood – and, importantly, what we do not do. They are essential to who we are as a company.