



2020 MID-YEAR PROGRESS REPORT



July 31, 2020

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Overview of Enviva's RESPONSIBLE SOURCING POLICY

INTRODUCTION

Our Responsible Sourcing Policy (RSP) is part of our long-standing pledge to continuously improve environmental performance. Our revised RSP was developed in conjunction with independent organizations, including non-governmental organizations, state wildlife agencies, foresters, and other stakeholders. Ongoing collaboration with these organizations has resulted in tangible goals for which we have made specific implementation plans.



LEGALITY



RESPECT FOR
HUMAN RIGHTS



SUSTAINABLE FORESTRY
STANDARDS



VERIFICATION



TRACEABILITY, TRANSPARENCY,
AND REPORTING



PLEDGES IN
CONSERVATION LEADERSHIP



LETTER FROM THE CHIEF SUSTAINABILITY OFFICER

Dear friends, colleagues, and partners,

This has been anything but a normal year, and we are all adapting to the unusual conditions imposed by the COVID-19 pandemic. Enviva was categorized early on — along with the rest of our colleagues in the forest products community — as an essential business, which enabled us to continue our operations, keeping our people at work and delivering to our customers. We've done so while updating our safety protocols, wearing face coverings, maintaining physical distance, and working remotely wherever we can.

On the Sustainability Team, we have been connecting with each other and with our collaborators remotely, via phone, video, and other technologies. While nothing can replace face-to-face interaction, we've discovered how quickly and adeptly we can pivot, learn, and identify new opportunities. For example, out of the COVID-19 crisis, a new conversation has emerged about how global societies might recover, with renewed emphasis on tackling the climate crisis, and — despite the immediate and tragic public health crisis we're facing — we're heartened by the renewed and urgent recognition of the importance of climate action.

In the midst of all of this, we are pleased to release our 2020 Responsible Sourcing Policy (RSP) mid-year progress report, which describes the progress we've made toward the RSP goals we laid out in our annual Implementation Plans at the start of the year. As we did last year, this year we've completed some of our goals early, and we're well on our way to reaching others. Some of our goals may be ultimately out of reach this year due to the pandemic if they require face-to-face meetings, but we think it's important to keep working to find ways around roadblocks, even if they seem insurmountable. And that's good news, because we are all facing some difficult problems together.

So — please — take a look at where we've been and what we've been up to. We value your feedback and we welcome your partnership. We are working hard every day to displace coal and grow more trees, and we won't let anything stand in our way.

Yours in forest stewardship,

Jennifer Jenkins, PhD

Vice President and Chief Sustainability Officer

2020 IMPLEMENTATION PLANS MID-YEAR PROGRESS



**SUSTAINABLE
FORESTRY STANDARDS**



**VERIFICATION &
TRANSPARENCY**



**PLEDGES IN
CONSERVATION LEADERSHIP**

SUSTAINABLE FORESTRY STANDARDS

In the Sustainable Forestry Standards section of our policy we describe our commitments to ensure that, we make an affirmative decision to purchase wood from a given harvest only when that harvest has a positive impact on the forest landscape from which we source. Following are the policy provisions and related plans that we are focusing on in 2020.

POLICY PROVISION

The forests we source from will regenerate and not be converted to non-forest uses

- Enhance satellite- and field-based methodology for forest regeneration monitoring and analyse data for tracts harvested in 2017
- Investigate and understand underlying reasons for post-harvest land management decisions on tract by tract basis
- Work with suppliers of secondary material to extend our land use change policy upstream into our supply chain

Water quality protected

- Attain 100% adherence to Best Management Practices (BMPs)
- With partners, hold at least one supplier training workshop in each of our regions to improve specific BMPs

HCVs maintained

- Pilot our longleaf high conservation value (HCV) program at Cottondale and then fully implement
- Obtain 'element occurrence' biodiversity mapping from NatureServe and assess potential HCV expansions
- Test potential expanded HCV delineation
- Refine new HCV procedures and prepare for full implementation

Mid-Year Status



Behind
Schedule



On Track



Complete



PROVISION, PLAN AND STATUS

The forests we source from will regenerate and not be converted to non-forest uses

PLAN:

Enhance satellite- and field-based methodology for forest regeneration monitoring and analyze data for tracts harvested in 2017

Investigate and understand underlying reasons for post-harvest land management decisions on tract by tract basis

Work with suppliers of secondary material to extend our land use change policy upstream into our supply chain

MID-YEAR STATUS:

We successfully implemented new monitoring methodology, using publicly-available satellite imagery and field verification when necessary. We are analyzing forest regeneration at all tracts from which we sourced in 2017.

Now that we have data on forest regeneration at a tract by tract level, we will work with individual landowners to identify what is influencing their decision-making, in order to better understand regional drivers of post-harvest management decisions.

We updated our Master Wood Purchase Agreement (MWPA) for secondary suppliers to create an exception to our Land Use Change and Arboriculture Policy for certified chain of custody (CoC) suppliers since the certification requirements follow similar requirements. This will increase compliance with our MWPA, while also supporting an initiative for secondary suppliers to maintain/obtain CoC certifications. For verification, we will begin working with our largest secondary suppliers, with whom we often have longer-term purchase agreements.

 On Track

 On Track

 On Track

PROVISION, PLAN AND STATUS

Water quality protected

PLAN:

Attain 100% adherence to BMPs

With partners, hold at least one supplier training workshop in each of our regions to improve specific BMPs

MID-YEAR STATUS:

BMP monitoring at Enviva continues at a regular rate. Year to date, there has been one instance of non-compliance for North Carolina BMPs among nearly 100 harvest site inspections. The issue was quickly resolved, and all Enviva suppliers remain in compliance with BMP requirements from the state and Enviva.

 **On Track**

Our plans to engage in person with logger training organizations were stalled in early 2020 due to the COVID-19 pandemic. As we all get used to the new methods of training and the requirements of social distancing, we plan to re-engage with our partners in the second half of 2020 and — assuming COVID-19 restrictions ease and we are able to restart engagement — we anticipate being able to accomplish this goal.

 **Behind Schedule**

PROVISION, PLAN AND STATUS

HCVs maintained

PLAN:

Pilot our longleaf high conservation value (HCV) program at Cottondale, FL and then fully implement

Obtain 'element occurrence' biodiversity mapping from NatureServe and assess potential HCV expansions

Test potential expanded HCV delineation

Refine new HCV procedures and prepare for full implementation

MID-YEAR STATUS:

In June 2020, we began our longleaf HCV pilot at Cottondale, FL, working with The Longleaf Alliance to test our use of longleaf mapping data, the longleaf stand rapid assessment tool, and the use of our longleaf management plan guidelines. We expect our pilot to conclude in August 2020.

'Element occurrence' data refers to known maps of species or ecological communities ranked as rare or threatened at the state or global level. In the first half of 2020, we obtained element occurrence maps from NatureServe for our sourcing regions. Obtaining this element occurrence mapping data is the first step toward developing procedures to use it in our sourcing decisions and assisting private landowners in their stewardship of the rare species.

We began assessing the extent of element occurrences in our sourcing regions in order to understand how an HCV expansion might affect the wood we buy.

We developed an HCV Network Approach pilot program using our purchased stumpage program to assess the impact of expanding our HCV portfolio. We used our stumpage program as a pilot so we could experience first-hand the negotiations the program might require with a landowner if an element occurrence was found in their forest. Since June we have assessed 16 stumpage tracts and so far none have intersected with any of the HCV Network Approach elements.



VERIFICATION AND TRANSPARENCY

Our Responsible Sourcing Policy details the ways in which we seek to enhance the transparency of our operations and the verification of our information through technological solutions and third-party sustainability certification systems. Following are the policy provisions and related plans that we are focusing on in 2020.

POLICY PROVISION

Verification

- Conduct internal audit in order to be fully prepared to conduct first external audit to our new Track & Trace® standard
- Add 30,000 acres to our ATFS and/or FSC group certifications
- Work with stakeholders to understand timber product definitions and the dynamics of regional markets for timber and wood fiber to continue to demonstrate that the low-value feedstocks we use occur in symbiosis with the forest products that create long term carbon storage

Transparency

- Publish first Corporate Sustainability Report by the end of the year
- Scope formal system for reporting compliance of volumes purchased from third-party suppliers with our Responsible Sourcing Policy, for full implementation in 2021

Mid-Year Status



Behind
Schedule



On Track



Complete

PROVISION, PLAN AND STATUS

Verification

PLAN:

Conduct internal audit in order to be fully prepared to conduct first external audit to our new Track & Trace® standard

Add 30,000 acres to our ATFS and/or FSC group certifications

Work with stakeholders to understand timber product definitions and the dynamics of regional markets for timber and wood fiber to continue to demonstrate that the low-value feedstocks we use occur in symbiosis with the forest products that create long term carbon storage

MID-YEAR STATUS:

We are refining our procedures, and developing a combined virtual and in-person training plan for key internal and external stakeholders in the Track & Trace process. Our internal audit is scheduled for November 2020.

So far this year, we have added 8,993 acres to the certified land base in our region. Of this, 6,178 acres have been added to Enviva's Tree Farm group, and 2,815 acres have been added to state-level Tree Farm groups. We have an additional 14,000+ acres in our pipeline toward certification, and — assuming COVID-19 conditions enable us to continue working in the field — we expect to be able to hit our target by the end of the year.

We worked with our auditors at SCS Global to incorporate verification of the quality of our roundwood feedstocks and comparison to sawtimber specifications into our SBP audit reports, enabling our certification body to validate that our feedstocks are indeed the lowest-value material from a given harvest.



On Track



Behind Schedule



Complete

A group of people are walking away from the camera on a forest path. The path is covered in pine needles and small plants. The people are wearing casual clothing like t-shirts and jeans. In the background, there are many tall pine trees. Overlaid on the image are several text boxes and icons. At the top left, a green box contains the text 'PROVISION, PLAN AND STATUS'. Below it, a grey box contains the word 'Transparency'. To the left, a 'PLAN:' section lists two items: 'Publish first Corporate Sustainability Report by the end of the year' and 'Scope formal system for reporting compliance of volumes purchased from third-party suppliers with our Responsible Sourcing Policy, for full implementation in 2021'. To the right, a 'MID-YEAR STATUS:' section lists two items: 'We completed the assurance of key data in the report and are preparing to publish it by the end of the year.' and 'In Q2 2020, we began exploring options for assurance system design. In Q3 2020 we will scope this out in detail, including development of a project plan to deliver on the system design by end of Q4 for rollout in early 2021.' Each status item is followed by a blue 'On Track' icon and text.

PROVISION, PLAN AND STATUS

Transparency

PLAN:

Publish first Corporate Sustainability Report by the end of the year

Scope formal system for reporting compliance of volumes purchased from third-party suppliers with our Responsible Sourcing Policy, for full implementation in 2021

MID-YEAR STATUS:

We completed the assurance of key data in the report and are preparing to publish it by the end of the year.



On Track

In Q2 2020, we began exploring options for assurance system design. In Q3 2020 we will scope this out in detail, including development of a project plan to deliver on the system design by end of Q4 for rollout in early 2021.



On Track

PLEDGES IN CONSERVATION LEADERSHIP

We pledge to go beyond our tract-level sustainability standards in order to progress toward our vision of sourcing wood in ways that promote the sustainability of forest ecosystems at the landscape level. Because the regional forest products industry is an integrated system, in which different grades of wood are created from each harvest and delivered to various local markets, this requires collaborative work with a variety of other stakeholders.

POLICY PROVISION

Help keep the amount of forestland stable or increasing at regional scales

- Support full funding of the Land and Water Conservation Fund (LWCF) by working closely with elected officials and other consortia such as the Forest Climate Working Group (FCWG)
- Create support for the value of active forest management in the Southeast U.S. by assisting the Keeping Forests collaboration with outreach on the conservation benefits of working forests

Conserve wetland forest ecosystems, peatland forests, and high-carbon tropical forests

- Help conserve 3,500 acres of bottomland hardwood (BLHW) forests through the Enviva Forest Conservation Fund and stay on track to meet our 10-year goal of helping to conserve 35,000 acres of BLHW
- Work with partners to provide landowners with access to carbon payments for delayed harvest in BLHW forests

Mid-Year Status



Behind
Schedule



On Track



Complete



PROVISION, PLAN AND STATUS

Help keep the amount of forestland stable or increasing at regional scales

PLAN:

Support full funding of the Land and Water Conservation Fund (LWCF) by working closely with elected officials and other consortia such as the Forest Climate Working Group (FCWG)

Create support for the value of active forest management in the Southeast U.S. by assisting the Keeping Forests collaboration with outreach on the conservation benefits of working forests

MID-YEAR STATUS:

Enviva joined other supporters and engaged members of Congress on the importance of passing legislation that fully funded the LWCF.



Keeping Forests is a regional collaboration focused on maintaining the long-term economic and ecological viability of Southern forests. We participated in their efforts to recruit champions for working forestland in the Southeast U.S., beginning by implementing our message development plan.



PROVISION, PLAN AND STATUS

Conserve wetland forest ecosystems, peatland forests, and high-carbon tropical forests

PLAN:

Help conserve 3,500 acres of bottomland hardwood (BLHW) forests through the Enviva Forest Conservation Fund and stay on track to meet our 10-year goal of helping to conserve 35,000 acres of BLHW

Work with partners to provide landowners with access to carbon payments for delayed harvest in BLHW forests

MID-YEAR STATUS:

The projects we funded in 2020 will help permanently conserve over 2,500 acres of bottomland hardwood forests. After five years of our 10-year commitment, we have helped conserve over 18,000 acres of bottomland hardwood forests, which is just over half our goal to help conserve 35,000 acres of bottomland hardwood forests over the 10-year timeframe.

Together with partners, we are developing plans to promote access to a carbon offset platform for family forest landowners in the Southeast US region. The platform will be available in Q3 2020.



 Complete

 On Track

PLEDGES IN CONSERVATION LEADERSHIP

We pledge to go beyond our tract-level sustainability standards in order to progress toward our vision of sourcing wood in ways that promote the sustainability of forest ecosystems at the landscape level. Because the regional forest products industry is an integrated system, in which different grades of wood are created from each harvest and delivered to various local markets, this requires collaborative work with a variety of other stakeholders.

POLICY PROVISION

Address the conversion of high-quality habitat for at-risk species

- Continue academic work to understand regional drivers of forest type conversion
- Use data to identify forest types at risk of conversion in our supply areas
- Work with partners to develop alternative management strategies to decrease the likelihood of high-quality habitat conversion, for implementation in 2021

Restore critical, threatened, or declining forest types

- Establish partnership with The Longleaf Alliance
- Release our longleaf HCV program and five-year restoration plan
- Certify 2,500 acres of longleaf pine
- Get 5,000 acres on track for restoration sourcing
- Help plant 135,000 longleaf seedlings on public and private land
- Install/repair 150+ red-cockaded woodpecker nesting boxes to support longleaf habitat for at-risk species

Mid-Year Status



Behind
Schedule



On Track



Complete



PROVISION, PLAN AND STATUS

Address the conversion of high-quality habitat for at-risk species

PLAN:

Continue academic work to understand regional drivers of forest type conversion

Use data to identify forest types at risk of conversion in our supply areas

Work with partners to develop alternative management strategies to decrease the likelihood of high-quality habitat conversion, for implementation in 2021

MID-YEAR STATUS:

Our academic partner completed work to understand the regional patterns and drivers of forest type conversion.

 Complete

We identified forest types at risk of conversion with the help of data from our academic partner, literature reviews, and feedback from our sustainability and wood procurement foresters. We will continue validation of our findings with our conservation partners in the mid-Atlantic region.

 On Track

We have developed new sourcing procedures to avoid forest type conversion in high quality habitat areas, and we are now gathering feedback on our draft procedures with our regional conservation teams.

 On Track

PROVISION, PLAN AND STATUS

Restore critical, threatened, or declining forest types

PLAN:

Establish partnership with The Longleaf Alliance

Release our longleaf HCV program and five-year restoration plan

Certify 2,500 acres of longleaf pine

Get 5,000 acres on track for restoration sourcing

Help plant 135,000 longleaf seedlings on public and private land

Install/repair 150+ red-cockaded woodpecker nesting boxes to support longleaf habitat for at-risk species

MID-YEAR STATUS:

In March we announced our five-year partnership with The Longleaf Alliance and released our five-year [Longleaf Forest Restoration Plan](#)

We have about 1,800 acres of longleaf in the process of being certified.

We developed methods to monitor and track restoration sourcing and will release how many acres we helped restore with The Longleaf Alliance at the end of the year.

At the end of the 2019-2020 planting season, we helped to get 60,000 seedlings planted on the DeSoto National Forest. Working with The Longleaf Alliance, we will get the remainder of the seedlings planted in the 2020-2021 planting season, in collaboration with private landowners.

With The Longleaf Alliance, we partnered to help install 56 new cavities, replace 54 cavities, and clean and repair 61 cavities for the endangered red-cockaded woodpecker on the DeSoto National Forest.

 Complete

 On Track

 On Track

 On Track

 Complete

ENVIVA'S GLOBAL RESPONSIBLE SOURCING POLICY AND PLEDGES IN CONSERVATION LEADERSHIP

This policy will serve as the guiding principle for Enviva's global sourcing, applying to our purchasing of trees and other forms of wood from forests, residues from forest product facilities, and biomass produced by other companies. Enviva seeks to preserve soil and water quality; to protect rare, threatened, and endangered species, habitats, and ecosystems; to promote the continuous growth of diverse, natural forests; and to contribute toward building a forest products industry that thrives on good practices.

With this policy, we build on our previous standards of sustainable forestry to better conserve key ecological values. We also adopt into this policy our critical view of Enviva as a steward of diverse, thriving forested landscapes, and as a key player in collaborative efforts to address landscape-level conservation priorities at scale.

We will define and communicate our continuous improvement process through annual implementation plans, which will include measurable goals and timelines, as we work to more fully realize our ambitions. We will work deliberately over time to ensure that 100 percent of our sourcing meets our expectations.

Our policy and pledges reflect our core commitments to the highest standards of sustainability, stewardship, and integrity. For years to come, our policy and pledges will guide our work and be the measure of our progress.

1. Legality

Enviva's employees, suppliers, and subcontractors comply with all applicable federal, state, and local laws and regulations, including those pertaining to harvesting and exporting, environmental standards, and employment conditions. All Enviva contracts with suppliers require that wood is legally logged. At Enviva, we understand that legality is only a first step to ensure responsible harvesting; therefore, we have additional policy criteria that go above and beyond legal requirements.

2. Respect for Human Rights

Enviva has a strong commitment to ethical business practices and is committed to treating people with dignity, respect, and equal opportunity. We expect the same commitment from our suppliers. All suppliers are required to comply with our expectations regarding human rights and labor, health and safety, and business conduct and ethics. In keeping with our supply-chain sustainability certifications, Enviva holds our suppliers accountable to the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Declaration on the Rights of Indigenous Peoples. Enviva also respects the rights of Indigenous Peoples and communities to the ownership and control

of their titled or customary lands, including their right to give or withhold their free, prior and informed consent (FPIC) to proposed developments on their lands.

3. Sustainable Forestry Standards

The primary wood we purchase must be sourced from sustainably-managed forests and harvesting operations. Enviva will only source primary materials from a supplier when:

- a. The forest source will be replanted or regrown as forests and will not be converted to non-forest uses;
- b. Water quality in a harvest area is protected through adherence with forestry Best Management Practices (BMPs) (or equivalent practices outside the U.S.); and
- c. High Conservation Values (HCVs) are not threatened by harvest activities.

We understand that not all suppliers of residues or third-party pellet manufacturers will be able to fully and immediately comply with all our Sustainable Forestry Standards. We will work with our residue and third-party pellet suppliers to set ambitious but realistic timelines for them to achieve compliance and support them as necessary and feasible to reach our standards.

[find the policy online](#)

4. Verification

We will monitor suppliers' performance to ensure that we are making measurable, timely progress on implementing the policy criteria. Suppliers failing to meet our time-bound requirements will go through a review process and may be subject to non-renewal or termination of contracts. The policy criteria will increasingly be included in our supplier selection and evaluation process.

Independent forest product certification programs can provide a consistent and transparent framework for evaluating the sustainability of a company's operations, from forest to product. Enviva is chain-of-custody certified through several organizations, and we highly value sustainable forest management certification. We engage in ongoing landowner outreach and make direct investments to support landowners achieving sustainable forest management certification of their forestlands. We give preference in our procurement to wood from forests certified to be sustainably managed.

We recognize that other verification systems can provide important insight into our wood sources. We will continue to seek out innovative and credible methods of verifying that our supply base meets and exceeds our standards.

5. Traceability, Transparency, and Reporting

We currently identify and publish the source of our primary wood supply through our [Track & Trace®](#) platform. We monitor and audit our primary purchases and supplier practices based on the data that we collect and publish, and we commit to report twice annually on the progress that we and our residue suppliers and third-party pellet producers have made against our Sustainable Forestry Standards, as well as the progress we've made on our annual implementation plans related to our Sustainable Forestry Standards and Pledges in Conservation Leadership.

We expect the percentage of our supply that fully meets our expectations to gradually increase year over year, with a goal of eventually achieving 100 percent.

6. Pledges in Conservation Leadership

As a leader, we pledge to go beyond our tract-level sustainability standards and progress toward our vision of sourcing wood and biomass in ways that promote the sustainability of forest ecosystems at the landscape level. For us, sustainability at the landscape level means doing what we can to conserve species, forest communities, and ecological processes and functions. Our pledge to lead on landscape-scale sustainability issues means

that our responsibility doesn't end once we have purchased wood. We support ongoing sustainable forest management after harvest by helping family forest owners obtain management plans and sustainable forest management certification. In addition, when we buy a larger portion of the volume from a harvested tract, we will make extra efforts to ensure that we are supporting sustainability at the tract and landscape level.

We recognize we can't accomplish our landscape conservation goals alone, so we pledge to collaborate with stakeholders to help:

- a. Keep the amount of forestland stable or increasing at regional scales;
- b. Conserve wetland forest ecosystems, peatland forests, and high-carbon tropical forests;
- c. Address the conversion of forest types that provide high-quality habitat for at-risk species; and
- d. Restore critical, threatened, or declining forest types.



We recognize that our wood purchasing impacts a wide range of sustainability indicators and even land use. Because we take the responsibilities of leadership seriously, we will innovate our own sourcing practices and collaborate with stakeholders as we work to implement our policy and continuously improve.