



Responsible
Sourcing
Policy



MID-YEAR PROGRESS REPORT

July 2021

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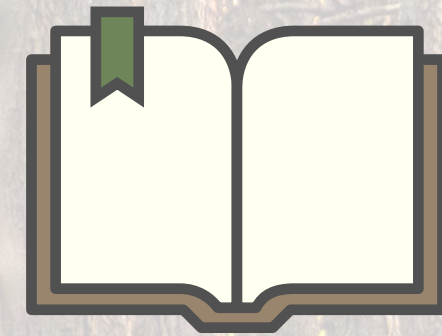
ENVIVA'S RESPONSIBLE SOURCING POLICY 18



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



VERIFICATION



RESPECT FOR HUMAN RIGHTS



TRACEABILITY, TRANSPARENCY, AND REPORTING



SUSTAINABLE FORESTRY STANDARDS



PLEDGES IN CONSERVATION LEADERSHIP

LETTER FROM OUR CHIEF SUSTAINABILITY OFFICER



Dear friends and colleagues,

Our Responsible Sourcing Policy (RSP) describes our commitment to responsible feedstock sourcing and guides our day-to-day decision making. But our efforts do not end there. We understand that continuous improvement is not only possible, but necessary for a growing business like ours. That's why we establish new Implementation Plans each year; these Implementation Plans describe that year's commitment to improvement and engagement.

Since we laid out our 2021 RSP Implementation Plans earlier this year, we've seen vaccination numbers continue to rise and case numbers continue to decline, allowing us to ease some of our restrictions around social distancing and travel brought on by the pandemic. We're grateful that our local economies are opening back up, and we've enjoyed being able to get back on the road for business trips and to catch up on milestones in person with our loved ones. Things are thankfully returning to normal.

We are making good progress on our 2021 Implementation Plans, and we describe that progress in this Mid-Year Report. As we did last year, we've achieved some of our goals already and we're on track to meet the rest by the end of the year.

We should note that our RSP Implementation Plans are related only to the goals we laid out as part of our feedstock sourcing and our impact in the forest, however – this year we've also set some ambitious goals related to reaching net zero in our manufacturing operations by 2030, and we're on track to publish our second Corporate Sustainability Report later this year (the first was published last October).

Thank you for your interest in our RSP, our feedstock sourcing, and this Mid-Year Progress Report. We are proud of what we've achieved, and – with your help – we know we can go even further.

Yours in Forest Stewardship,

Jennifer Jenkins, PhD
Vice President and Chief Sustainability Officer

2021 IMPLEMENTATION PLANS



**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 focused on in 2021.

POLICY PROVISION AND PLAN

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

- Implement new satellite- and field-based methodology to monitor forest regeneration in tracts harvested in 2018. (Monitoring three years after harvest allows time for forests to begin regeneration.)
- Continue monitoring tracts harvested in 2017 but brought into our forest regeneration assessment system in 2020 to provide more details on methodological questions, such as exact timing of forest regeneration.
- Implement a risk-based monitoring approach for incoming tracts to ensure forest regeneration especially in areas at higher risk of land use change.

Water quality protected.

- Share forestry best management practices (BMPs) compliance rates with state forestry commissions to help improve logger training and BMP monitoring in our sourcing areas.
- Assist the North Carolina Forest Service (NCFS) in raising awareness about lesser known harvesting restrictions.

HCVs maintained.

- Use the comprehensive High Conservation Value (HCV) Resource Network approach to implement an expanded HCV program as designed and piloted in 2020, that includes checking tracts for imperiled species and ecological communities.
- Work with landowners and/or suppliers to implement management practices consistent with the conservation of an imperiled species or ecological community when identified in prospective tracts. We will only source from such tracts if there is an agreement to help conserve the element occurrence.

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

PLAN

Implement new satellite- and field-based methodology to monitor forest regeneration in tracts harvested in 2018. (Monitoring three years after harvest allows time for forests to begin regeneration.)

Continue monitoring tracts harvested in 2017 but brought into our forest regeneration assessment system in 2020 to provide more details on methodological questions, such as exact timing of forest regeneration.

Implement a risk-based monitoring approach for incoming tracts to ensure forest regeneration especially in areas at higher risk of land use change.

STATUS

We successfully implemented our 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 2018.



Using our satellite- and field-based methodology, we are continuing to monitor forest regeneration at tracts from which we sourced in 2017. We are interested in identifying growth over time in an effort to determine when "early successional" forest may transition to "regenerated" forest.



We have begun using a new risk-based monitoring approach for incoming tracts to ensure forest will be kept as forest, with particular focus on areas where there is a greater risk of conversion from forest to non-forest land uses.



Water quality protected.

PLAN

Share forestry best management practices (BMPs) compliance rates with state forestry commissions to help improve logger training and BMP monitoring in our sourcing areas.

Assist the North Carolina Forest Service (NCFS) in raising awareness about lesser known harvesting restrictions.

We plan to use the July 2021 issue of our BMP Newsletter as a tool to start conversations with state forestry commissions and illustrate the applicability of the inspection data we collect. This will allow us to gauge interest in sharing data and begin fostering mutually beneficial relationships.



One of the largest roadblocks to implementation of harvesting restrictions like Riparian Buffer Rules is lack of hard copy text describing the rules for suppliers and landowners. Enviva and the NCFS joined forces to develop a one-page informational flyer for the Tar/Pam and Neuse Buffer Rules to be distributed to professionals working in these protected watersheds. So far this year we have reached 10% of logging crews actively working in these watersheds and distributed dozens of flyers. We will continue our on-the-ground distribution and education work, with a goal to reach 50 logging crews (which we estimate to be approximately 50% of the total) by the end of the year.



HCVs maintained.

PLAN

Use the comprehensive High Conservation Value (HCV) Resource Network approach to implement an expanded HCV program as designed and piloted in 2020, that includes checking tracts for imperiled species and ecological communities.

Work with landowners and/or suppliers to implement management practices consistent with the conservation of an imperiled species or ecological community when identified in prospective tracts. We will only source from such tracts if there is an agreement to help conserve the element occurrence.

STATUS

Enviva and other members of the National Council for Air and Stream Improvement (NCASI) are in the process of finalizing agreements with NCASI to begin accessing NatureServe information. Execution of agreements should be completed by mid-July. Access to mapping information should follow shortly after. We are also evaluating other publicly available information to supplement the NatureServe information for cases when a state Natural Heritage Program is unable to share precise coordinates.



On Track

Implementing this plan requires careful delineation of conditions on the landscape in order to ensure that our sourcing does not harm and, where possible, enhances biodiversity, as always ensuring harvesting is the best outcome for any tract we source from. We are in the final stages of the development and deployment of a training module to ensure that commodity managers are using consistent protocols. The training module to educate commodity managers has been completed and is headed for production. Staff will be trained in Q3 and we will go live with the program in early Q4.



On Track

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 focused on in 2021.

POLICY PROVISION AND PLAN

Verification

- Continue to prioritize purchasing of certified wood to reach our goal of 31% forest management (FM) certified feedstock (i.e. ATFS, SFI, FSC) by 2025.
- Continue to support our Tree Farm and Forest Stewardship Council® independently managed groups (IMGs), focusing on landowners pursuing ecological forest restoration, particularly for longleaf and bottomland hardwoods (BLHW).
- Assess all third-party suppliers against our RSP and develop improvement plans where required. Assess and report on all direct third-party suppliers and carry out assessments on a sample of suppliers from our trading partners.
- Launch a risk assessment process for use in third-party certifications to streamline our ability to identify and communicate conservation risks associated with our sourcing.

Transparency

- Prepare to conduct a second internal audit to our Track & Trace® (T&T) Standard by end of Q2. Conduct the first external, third-party audit to our T&T Standard.
- Implement T&T in Q1 at Waycross, GA, our most-recently acquired plant, and at our newly-built plant in Lucedale, MS once operational by the end of the year.
- Incorporate additional verified, mapped data related to field inspections, BMP compliance, and restoration, to enhance transparency of our T&T wood supply map.
- Build upon our existing blockchain pilot technology, working with GoChain and other partners, to develop a technology solution that integrates with existing systems and processes.

Verification

PLAN

STATUS

Continue to prioritize purchasing of certified wood to reach our goal of 31% forest management (FM) certified feedstock (i.e. ATFS, SFI, FSC) by 2025.

We are continuing to prioritize purchasing of certified wood, and we expect to be able to reach this goal by 2025 if not before.



Continue to support our Tree Farm and Forest Stewardship Council® independently managed groups (IMGs), focusing on landowners pursuing ecological forest restoration, particularly for longleaf and bottomland hardwoods (BLHW).

So far this year, we have certified 8,822 acres to Enviva's managed groups. An additional 2,364 acres have been certified to North Carolina, Mississippi, and South Carolina state-maintained Tree Farm programs.



Assess all third-party suppliers against our RSP and develop improvement plans where required. Assess and report on all direct third-party suppliers and carry out assessments on a sample of suppliers from our trading partners.

We have carried out assessments on all but one of our third-party suppliers and developed action plans for implementation in the remainder of 2021 with one of our direct suppliers and one of our trading partners.



Launch a risk assessment process for use in third-party certifications to streamline our ability to identify and communicate conservation risks associated with our sourcing.

We are scoping this work to ensure consistency with the revised Sustainable Biomass Program (SBP) Standard.



Transparency

PLAN

STATUS

Prepare to conduct a second internal audit to our Track & Trace® (T&T) Standard by end of Q2. Conduct the first external, third-party audit to our T&T Standard.

The results of the June internal audit were positive and indicated that our systems and processes are ready for the first third-party audit to the T&T Standard. We are currently preparing for the third-party audit to take place in August.



Implement T&T in Q1 at Waycross, GA, our most-recently acquired plant, and at our newly-built plant in Lucedale, MS once operational by the end of the year.

T&T was fully implemented at Waycross in March and the plant will be included in the scope of our first third-party T&T Standard audit in August. We have begun working with the wood procurement team at Lucedale to prepare for T&T implementation when the plant becomes operational.



Incorporate additional verified, mapped data related to field inspections, BMP compliance, and restoration, to enhance transparency of our T&T wood supply map.

We will add these details to our online T&T supply map during the next data update, along with the results from our first third-party audit to the T&T Standard.



Build upon our existing blockchain pilot technology, working with GoChain and other partners, to develop a technology solution that integrates with existing systems and processes.

We are working with GoChain and other technology partners to build an integrated blockchain platform.



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 AND PLAN

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

- Continue to assist the Keeping Forests collaboration by helping to articulate and validate the important role forest management and markets play in the growth of forestland in the U.S. Southeast.

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 (EFCF) and continue to make progress toward accomplishing the EFCF's 10-year goal of helping to conserve 35,000 acres of BLHW.
- Prepare to expand the geographic reach of our forest conservation efforts through the EFCF to reflect our expanded sourcing regions.
- Promote Finite Carbon's CORE carbon offset program and recruit at least three landowners from Virginia, North Carolina, or Alabama to conserve their BLHW stands using the CORE digital platform.

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

PLAN

Continue to assist the Keeping Forests collaboration by helping to articulate and validate the important role forest management and markets play in the growth of forestland in the U.S. Southeast.

We continue to engage with Keeping Forests and are working to develop a messaging playbook for members to leverage across various platforms (including external speaking engagements, marketing materials, and presentations).

STATUS



On Track

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

PLAN

STATUS

Help conserve 3,500 acres of bottomland hardwood (BLHW) forests through the Enviva Forest Conservation Fund (EFCF) and continue to make progress toward accomplishing the EFCF's 10-year goal of helping to conserve 35,000 acres of BLHW.

Our grants through the EFCF were announced on June 29, 2021. With this year's awards, we will help conserve an additional 2,900 acres of BLHWs and 4,050 total forest acres.



Complete

Prepare to expand the geographic reach of our forest conservation efforts through the EFCF to reflect our expanded sourcing regions.

We are considering the range of options for expanding the geographic reach of our conservation work, and hope to finalize investment alternatives by Q4.



On Track

Promote Finite Carbon's CORE carbon offset program and recruit at least three landowners from Virginia, North Carolina, or Alabama to conserve their BLHW stands using the CORE digital platform.

The Finite Carbon program is undergoing its peer review in August. Once complete, learnings will be incorporated into the program. CORE will soft launch in South Carolina in late August or early September.



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 AND PLAN

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

- Implement a pilot project in Southeastern Virginia and Northeastern North Carolina to address the conversion of upland oak and other upland stands that provide critical habitat.

Help restore critical, threatened, or declining forest types.

- Recruit, write management plans for, and certify four landowners owning at least 1,000 acres of BLHW forests in coastal South Carolina, as part of our work with The Forest Stewards Guild to promote wildlife-oriented forestry.
- 1. Help certify 3,000 acres focused on longleaf management and restoration;
2. Contract with suppliers or landowners to conduct restoration-oriented sourcing from 4,000 acres of longleaf and other forest types; and
3. Help restore 3,500 acres of longleaf through our restoration-oriented sourcing, with verification by The Longleaf Alliance.
- Publish joint report with The Longleaf Alliance that highlights the first year of progress of our 5-year partnership aimed at protecting and restoring longleaf pine forests.

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

PLAN

Implement a pilot project in Southeastern Virginia and Northeastern North Carolina to address the conversion of upland oak and other upland stands that provide critical habitat.

We are on target to kick off this program in Q3.

STATUS



On Track

Help restore critical, threatened, or declining forest types.

PLAN

Recruit, write management plans for, and certify four landowners owning at least 1,000 acres of BLHW forests in coastal South Carolina, as part of our work with The Forest Stewards Guild to promote wildlife-oriented forestry.

1. Help certify 3,000 acres focused on longleaf management and restoration;
2. Contract with suppliers or landowners to conduct restoration-oriented sourcing from 4,000 acres of longleaf and other forest types; and
3. Help restore 3,500 acres of longleaf through our restoration-oriented sourcing, with verification by The Longleaf Alliance.

Publish joint report with The Longleaf Alliance that highlights the first year of progress of our 5-year partnership aimed at protecting and restoring longleaf pine forests.

STATUS

So far this year, 625 mailings advertising management plans have been sent, and six landowners have responded positively. Through our contractor, Milliken Forestry Company, we have connected with two landowners with BLHW, resulting in 600 acres. We have made additional efforts to connect with landowners through Audubon.



Complete

Working with our contractors, Milliken Forestry Company, and The Longleaf Alliance, we have completed management plans for 2,873 acres of restoration with an additional 1,127 acres in the pipeline. We have contracted to conduct restoration sourcing on 3,966 acres, and we have completed 608 of those acres.



Complete

We published The Longleaf Alliance/Enviva joint report, "[2020 Longleaf Restoration Progress](#)," on April 20, 2021.



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:

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

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.

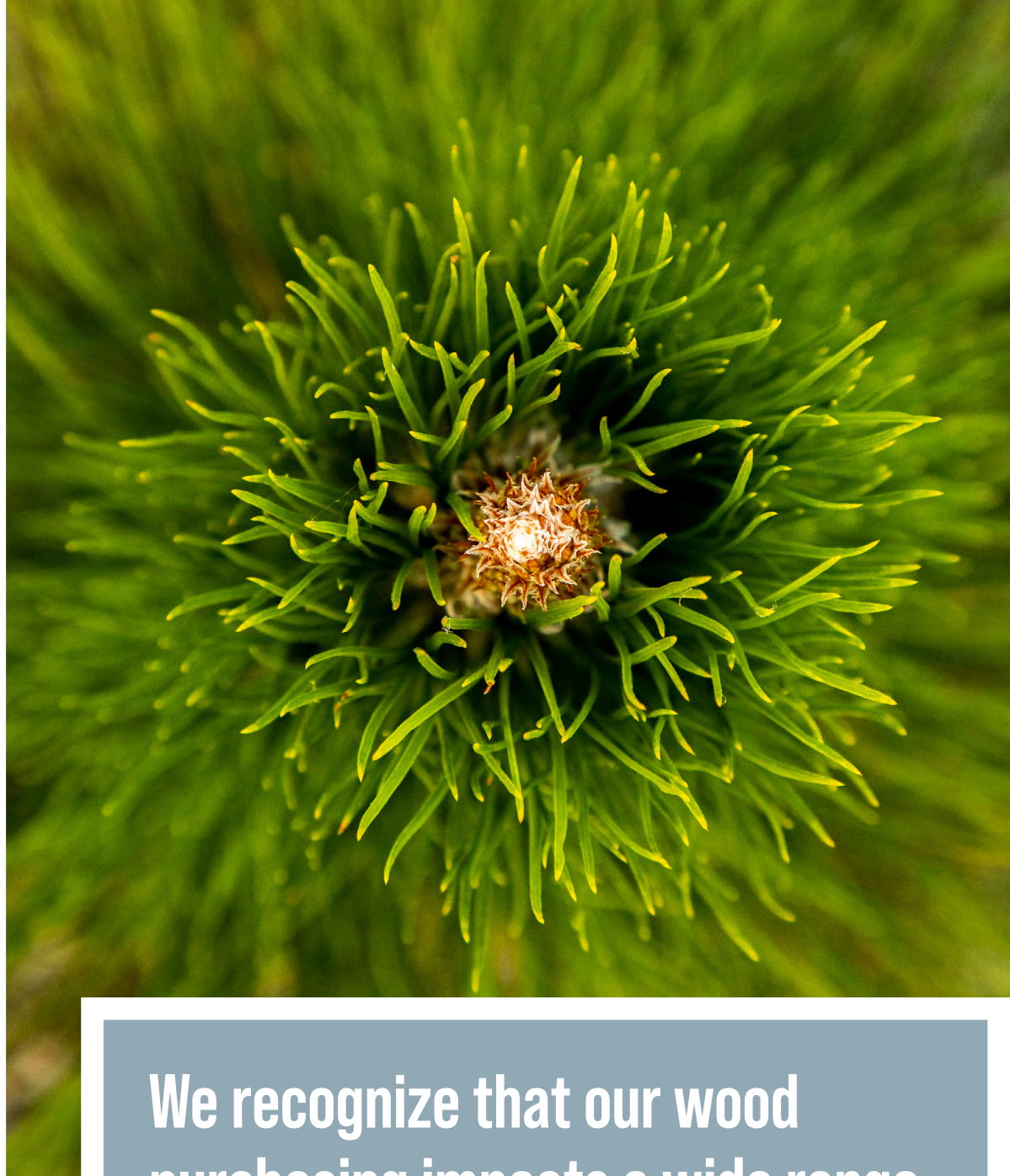
6. Pledges in Conservation Leadership

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.