



Track & Trace® Audit Report for Enviva LP

Assessment 2021

Evaluation date: August 3 – September 9, 2021

Report date: December 8, 2021

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INTRODUCTION

Preferred by Nature is an international non-profit organization that delivers sustainability services and engages in innovation projects to facilitate the transformation of business practices and consumer behaviour to promote the responsible use of natural resources.

The purpose of this report is to document conformance of **Enviva LP** hereafter referred to as "Company", against the requirements of the Track & Trace® Standard (V1-0-1) and Audit Procedures (V1-0). The report presents the findings of Preferred by Nature auditors who have evaluated the Company's systems and performance against the applicable indicators. The focus of this verification audit is on Track & Trace data integrity and public claims.

Dispute resolution: If Preferred by Nature clients encounter organisations or individuals having concerns or comments about Preferred by Nature services, these parties are strongly encouraged to contact the relevant Preferred by Nature regional office or any member of the Preferred by Nature Chain of Custody Programme. Formal complaints and concerns should be sent in writing.

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1 General Audit Information

Company Information	
Company Under Evaluation	Enviva
Company Contact	Emily Ulrich, Manager, Sustainability and Supply Chain Transparency
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Audit Information	
Evaluation Type	Initial Assessment
Evaluation Dates	August 3, 2021 – September 9, 2021
Report Finalization Date	December 8, 2021
Verification Body and Contact Info	NEPCon, Preferred by Nature 13 Jolina Ct. Richmond VT 05477 Office: (802) 434-3420

Certification Information			
Type of certification, scheme	Certification code	Validity Dates	
Chain of Custody, Forest Stewardship Council	SCS-COC-006588	Exp. 4/2/2022	
Chain of Custody, Sustainable Forestry Initiative	SCS-SFI/COC-006588	Exp. 2/10/2025	
Chain of Custody, Programme for the Endorsement of Forest Certification	SCS-PEFC/COC-006588	Exp. 2/10/2025	
Sustainable Biomass Programme	<i>Certificate</i>	<i>Certificate code</i>	<i>Expiry</i>
	Traders License	SBP-04-03	4/6/2022
	NOR	SBP-04-10	1/14/2026

	SOU	SBP-04-11	1/14/2026
	AHO	SBP-04-09	1/14/2026
	SAM	SBP-04-06	1/30/2027
	GRE	SBP-04-25	11/29/2021
	HAM	SBP-04-43	9/2/2024
	COT	SBP-04-04	2/5/2027
	AMO	SBP-04-12	6/27/2023
	WAY	SBP-04-21	1/16/2026

Auditor name(s)	Role	Qualifications
Alicia Raimondi	Lead Auditor [Program Management & Sampson Mill]	Alicia Raimondi is a graduate of North Carolina State University with a Master’s degree in natural resource policy and economics. After earning her degree, Alicia continued to work for the Department of Forestry and Environmental Resources as a Research Associate. She trained to be a Chain-of-Custody Lead Auditor for Rainforest Alliance in August 2014. Alicia currently works as a Supply Chains Manager conducting FSC, SFI, PEFC, and SAS Chain-of-Custody audits and is the region’s FSC Controlled Wood Technical Expert. In October 2018, Alicia passed the SBP Auditor Training Programme. Alicia’s Responsible Sourcing role includes providing tailored services to commercial clients in support of their sustainability goals.
Jenna Mueller	Audit team member [Greenwood and Southampton Mills]	Jenna Mueller started with the Rainforest Alliance in 2013 as a Staff Auditor and has completed hundreds of forestry audits at all levels of the supply chain primarily for FSC Chain of Custody and including PEFC, SFI and Canopy Style audits. Additionally, she audits Rainforest Alliance COC agriculture clients and completed SBP training in 2018. Prior to working at Rainforest Alliance and NEPCo, Preferred by Nature, Jenna worked as a consultant and environmental compliance auditor, spent three years in international development, and worked for seven years in environmental positions such as a biologist, manager, and technician. While working for the US Fish & Wildlife Service she routinely provided comments on Environmental Assessments, Environmental Impact Statements, and issued Special Use Permits. Jenna earned a bachelor’s degree in Biology from Western Colorado University and a master’s degree in Sustainable International Development from the Heller School for Social Policy and Management at Brandeis University.

Participating Site(s)	Audit date(s)	Number of field visits	Total on-site audit time
Operations Headquarters	August 3-6, 2021	N/A	3.25 days
Sampson [SAM]	August 9-12, 2021	9	1 day (mill) 1.5-2 hours/ tract
Southampton [SOU]	August 23-26, 2021	9	1 day (mill) 1.5-2 hours/ tract
Greenwood [GRE]	August 30 – September 2, 2021	9	1 day (mill) 1.5-2 hours/ tract

2 Scope of the T&T Audit Program

Participating Site	Address/ Tel/Fax/Email	Site activity	Selected for audit
Corporate Headquarters	7272 Wisconsin Ave Suite 1800, Bethesda, MD 20814 T: (301) 657-5560	Office	<input type="checkbox"/>
Operations Headquarters	4242 Six Forks Rd, Suite 1050, Raleigh, NC 27609 T: (984) 789-3665	Office	<input checked="" type="checkbox"/>
Ahoskie [AHO]	142 NC Route 561E Ahoskie, NC 27910	Pellet Manufacturer	<input type="checkbox"/>
Amory [AMO]	205 Martin Luther King Blvd, Amory, MS 38821	Pellet Manufacturer	<input type="checkbox"/>
Cottdale [COT]	2500 Green Circlly Pkwy, Cottdale, FL 32431	Pellet Manufacturer	<input type="checkbox"/>
Greenwood [GRE]	200 Enviva Way, Greenwood, SC 29646	Pellet Manufacturer	<input checked="" type="checkbox"/>
Hamlet [HAM]	1125 NC-177, Hamlet, NC 28345	Pellet Manufacturer	<input type="checkbox"/>
Northampton [NOR]	830 Lebanon Church Rd, Garysburg, NC 27831	Pellet Manufacturer	<input type="checkbox"/>
Sampson [SAM]	11499 Faison Hwy, Faison, NC 28341	Pellet Manufacturer	<input checked="" type="checkbox"/>

Southampton [SOU]	26570 Rose Valley Rd, Franklin, VA 23851	Pellet Manufacturer	<input checked="" type="checkbox"/>
Waycross [WAY]	3390 Industrial Blvd, Waycross, GA, 31503	Pellet Manufacturer	<input type="checkbox"/>

Material Type Sourced	Participating Site(s)	Species of material input	Volume Reporting period X-X
Primary material: Roundwood, in-woods chips	All pellet manufacturers	Domestic hardwood and softwood species	January 1 – June 30, 2021

Participating Site	Material type sourced	Exact number of suppliers	Supplier type(s)	Average no. of tiers in the supply chains	General description of the supply area
Ahoskie	Chips	46 Suppliers	Loggers, Brokers, Landowners	2	NC/VA
Amory	Chips	1 Supplier	Forest management enterprise	1	AL
Cottondale	Roundwood, chips	53 Suppliers	Loggers, Brokers, Landowners	2	AL/FL/GA
Greenwood	Roundwood, chips	39 Suppliers	Loggers, Brokers, Landowners	2	NC/SC/GA
Hamlet	Roundwood, chips	50 Suppliers	Loggers, Brokers, Landowners	2	NC/SC/VA
Northampton	Roundwood, chips	80 Suppliers	Loggers, Brokers, Landowners	2	NC/VA
Sampson	Roundwood, chips	48 Suppliers	Loggers, Brokers, Landowners	2	NC
Southampton	Roundwood, chips	86 Suppliers	Loggers, Brokers, Landowners	2	NC/VA/PA*
Waycross	Roundwood, chips	33 Suppliers	Loggers, Brokers	2	FL/GA

*Note: Enviva sourced from PA during this data reporting period. This is not typical sourcing practice, and so this state is not listed under the general supply area description column.

3 Complaints Procedures

See **CAR 04/21** - The process to receive and address external complaints has been shared with suppliers, however, has not been made public.

<https://www.envivabiomass.com/mission-and-values/ethics-and-compliance-hotline/>

EVALUATION CONCLUSIONS

Based on auditor's recommendation and Verification Body quality review, the following decision was made:

Verification Body decision:	<input checked="" type="checkbox"/> Public Claims Approved <input type="checkbox"/> Public Claims Not Approved
Date of decision:	October 7, 2021

1 Corrective Action Reports (CARs)

Indicator	Grading	Summary Finding	Deadline for conformance
2.3	In Progress	CAR 01/21 - The Company does not have written procedures to meet all standard indicators.	6 months from report finalization
3.3	In Progress	CAR 02/21 - Timeline for incorporating materials outside the scope of the T&T Program has not been established with plans for periodic review.	12 months from report finalization
5.4	In Progress	CAR 03/21 - Changes in harvest plan (increase/decrease of harvest area) after tract set-up resulted in minor data errors (e.g., stand, forest cover type, acreage, age) that do not significantly impact the overall sourcing percentages posted publicly.	6 months from report finalization
8.4.1	In Progress	CAR 04/21 - Complaints procedure is not public.	6 months from report finalization

2 Opportunities for Improvement

Indicator	Summary Finding
1.3	OFI 01/21 - One of the tracts visited appeared to be in the early stages of conversion to non-forest use. As this is against Enviva's Responsible Sourcing Policy, this should be monitored and if converted, analysed for root cause to avoid similar situations in the future.
2.4	OFI 02/21 - While the training program was found to be adequate in terms of impacts on data, the auditor found several areas for possible improvement moving forward.
8.1	OFI 03/21 - CAPAs logged according to 8 "buckets". The auditor recommended an additional coding for driver error (e.g., using wrong gate pass to enter mill) to help

track errors to the driver and/or producer and prevent common occurrences in future.
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3 Description of the Overall Audit Process

The initial assessment began with an opening meeting at the Operations Headquarters in Raleigh, NC on August 3, 2021, during which the audit plan, objectives and scope were discussed. The organization's conformance with the Track & Trace® (T&T) Standard V1-0-1 was evaluated during completion of the standard checklist. Interviews were conducted via Microsoft Teams and in person. The auditor triangulated evidence through interviews, document review, and observation whenever possible. This included the use of shared screens, system queries, interview, etc. During the Operations Headquarter audit, the auditor identified tracts of interest where data changes were made during desktop verification. Two tracts were randomly selected by the auditor and others chosen based features including, data changes, acreage, age, etc. This tract sampling followed the sampling protocol within the T&T Audit Procedures V1-0 (see Annex 1). Nine tracts per mill were selected for field audit.

For each mill, the auditor interviewed a sample of staff, suppliers, and drivers responsible for implementing T&T Program Procedures. Records to demonstrate conformance were reviewed through remote technology or in hard copy.

During each field audit, the auditor reviewed the harvest map and tract set-up form to ground-truth data collected. Whenever possible, suppliers and Enviva Commodity Managers met the auditor at the tract. If unavailable, the auditor spoke with the supplier by phone.





A closing meeting was held on September 9, 2021 via Microsoft Teams to review preliminary findings and discuss next steps.

Notes:




During audit planning, three mills were selected for the initial assessment using the sampling methodology outlined within the T&T Audit Procedures (see Annex 1). Due to growing health and safety concerns from COVID-19 in Georgia and Florida, the audit team decided to switch mills 2 weeks prior to evaluation at Waycross. To mitigate risk to all those involved in the audit, the decision was made to replace Waycross with Greenwood.

Further precautions were taken at the mills and in the field to reduce health and safety risks from COVID-19. Interviews were conducted outside with physical distance or remotely through Microsoft Teams or by phone. Data verification was always done on-site to ensure audit credibility.


AUDIT FINDINGS

Full conformance		N/A
In Progress		<p>Critical Indicators: 6 months (60 days for investigation and design of corrective action plan, implementation to be verified within 6 months)</p> <p>Progressive Indicators: 12 months from report finalization.</p>
Needs Immediate Action		<p>Active public claims must be removed until the nonconformity is closed.</p> <p>New public claims may not be made until the nonconformity is closed and verified by third-party auditing body.</p>
Opportunity for Improvement		<p>The Company has 12 months from report finalization to respond. Corrective action is not required.</p>


Note: The Verification Body may make exceptions to the timelines above, where justified. All exceptions are noted in the grading below.




Core Area	Indicator	Grading	Summary Finding
1. Policy and Commitment	1.1 The Company has made a commitment to source raw materials using a traceability program/ platform that records the location and relevant data of the harvest. The commitment includes a means to provide external stakeholders transparency to the Company's sourcing.		Yes, commitment and implementation has been communicated through published reports online as well as email announcements of published information. Access is unrestricted and transparent.
	1.2* The Company has developed a publicly available Responsible Sourcing Policy endorsed by Sr. Management. The Policy includes commitments that the company is not involved in the following activities: <ul style="list-style-type: none"> • illegal logging or the trade in illegal wood for forest products; • violation of traditional and human rights in forestry operations; • destruction of high conservation values in forestry operations; • conversion of forests to plantations or non-forest use. 		<p>While not signed by Senior Management, the Responsible Sourcing Policy (RSP) has been endorsed. Endorsement verified during interviews and review of senior leadership public announcements and website postings.</p> <p>Sustainability policy goes beyond primary sources (included in Track & Trace) to include secondary sources (mill residues) and third-party pellets. The Company has not included wood-based fuel sources (purchased outside of T&T tracts) within their Responsible Sourcing Policy.</p>
	1.3 The Company has communicated its sourcing commitments and policies to all staff, suppliers and stakeholders.		<p>Yes, the Company has communicated its sourcing commitments externally and internally.</p> <p><u>Suppliers</u> - Purchase agreements include references to responsible sourcing policy and T&T requirements. Interviews found suppliers to be knowledgeable about commitments and policies. The auditors found that very few suppliers were aware of the complaints policy. All said they would go to their Commodity Manager if they had a complaint. Only a couple suppliers realized the information was available online. All suppliers knew that Enviva would not buy material from a site</p>

		<p>undergoing conversion from a forest, as confirmed through interviews. While it was reiterated to the auditor by the Commodity Managers and suppliers that material from conversions from forests were not allowed, one tract did have indications (e.g., stumps pulled, debris piled up, bulldozing evident, etc.) of conversion. The auditor interviewed the supplier, over the phone, who said the landowner asked the cost to reforest, indicating to him they plan to do so. Neither the supplier nor Commodity Manager had visited the site since harvest. During the field visit, the auditor asked the Commodity Manager what would happen now and was told the supplier would be flagged in their system. Enviva should monitor instances like this and record any trends that may indicate possible future conversion (e.g., proximity to other buildings, road access, etc.) OFI 01/21</p> <p><u>Staff</u> - Email notification; Meetings and trainings by Sustainability & Wood Procurement Teams. Staff interviewed were very knowledgeable.</p> <p><u>Stakeholders</u> - Senior leadership sends communication regarding RSP via email and posts reports online. This includes RSP Implementation Plans and Progress Reports. Emails sent to broad sustainability listserv. Listserv includes stakeholders from diverse backgrounds (academics, government, conservation organizations - friendly and critics, industry, biomass producers, etc.) List does not include a critical campaigning organization as an active stakeholder within the company's sourcing area. All materials sent via email are also posted publicly online and therefore accessible to this stakeholder. The stakeholder list was compiled in coordination with Earthworm and was available to the auditor upon request.</p>
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	1.4 All relevant personnel and suppliers demonstrate awareness of the Company's sourcing policies and their role in ensuring compliance with the commitments made.		Staff and suppliers interviewed demonstrated awareness of company policies and their role. Particular emphasis was made on adhering to the policy against conversion. Some Commodity Managers interviewed explained how they would consider the surrounding land and would follow-up with suppliers if there could be potential for conversion. For example, harvesting next to a church could indicate cemetery expansion. In the example for 1.3 it was next to a volunteer fire department and there was new home construction near the boundaries of the tract.
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* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.




Core Area	Indicator	Grading	Summary Finding
2. Resource Requirements	2.1 The Company appoints key personnel responsible for implementation of the T&T Program procedures.		Yes. Commodity Managers are responsible for supplier communication/ negotiation, reviewing set-up forms for completeness, checking maps for High Conservation Value indicators, and completing field audits (as assigned by Sustainability). Sustainability Foresters complete field audits. GIS Specialist is responsible for data verification by desk. Fiber Admins are responsible for entering tract information into databases, creating purchase orders, sending out gate passes (where applicable). Scalers are responsible for ensuring loggers are scanning in under the correct tract and issuing ticket correction if necessary. Sustainability Analyst is responsible monitoring tract yields and follow-up. Sustainability Manager is responsible for maintenance of the T&T program. Senior Management leads the Responsible Sourcing Commitments. A list of personnel in each role was provided for each mill included in this evaluation.

<p>2.2 Responsible personnel have the qualifications, authority, and competency to implement their assigned procedures.</p>		<p>Auditor reviewed job descriptions and responsibilities to ensure adequate qualification, authority, and competence to implement assigned procedures. This was confirmed through interviews and observation of performance. Responsibilities outlined and documented for each position in Company RASIC.</p>
<p>2.3 The Company develops and implements up-to-date documented procedures covering the requirements of this standard.</p>		<p>The Company has developed, documented, and implemented procedures covering most requirements of this standard. The QMS procedures are lacking a few minor procedures, see related findings in 8.1. Additionally, T&T variables that will be reported on publicly are unclear within procedures-- (TT_ProgramProcedure), see related findings in 6.1. While Program Management demonstrated knowledge of indicators 9.1-10.2, the Company did not have written procedures to meet these indicators. CAR 01/21.</p> <p>All Commodity Managers interviewed said they had access to the procedures through internal drives or through printouts they had put in binders. Documents on the internal drives are updated when revised. Those using printouts (binders) said they receive emails notifying them of changes.</p> <p>Version dates and reasons for edits are logged within the documented procedures (see exhibit file).</p>
<p>2.4 The Company develops and implements an adequate training program that covers all aspects of the T&T Program's procedures.</p>		<p>The Company developed a training program for the following groups:</p> <p><u>Staff</u> - Sustainability/ Wood Procurement/ Admin teams are required to watch a 30 min training video, download T&T user guide, and take quiz. Scalers receive separate 15 min training on T&T with follow-up quiz. Additional ad-hoc training, e.g., "Common Errors" in early 2021 was conducted to address and close out an internal nonconformance issued in late 2020.</p> <p><u>Suppliers</u> - The auditor did find that suppliers had a limited understanding of Enviva's Forest Cover Type (FCT) definitions, most notably Mixed versus Pine with HW understory. About</p>

		<p>10% of tracts delivering to SAM, SOU, and GRE had changes made to FCT during desktop verification. When the auditor asked each supplier to describe forest make-up and compared to Enviva FCT definition, changes made during desktop verification were agreed upon by auditor and supplier. Enviva should consider improving data at collection stage rather than verification stage.</p> <p><u>Drivers</u> – A driver training program was initiated in 2020 that primarily focused on safety, and a small section about scaling in correctly. Drivers are required to receive training. Less than handful of drivers at SAM had Enviva stickers on their helmets, a visual aid to confirm training completed. At SOU most drivers had stickers on hardhats, indicating they had taken the safety training. Almost all drivers interviewed at SOU said they receive some safety training. The scaler explained the deadline for completion of the training had been delayed because of COVID. GRE had not implemented a sticker program. At GRE most drivers said they had not received safety training. The auditor requested training records for GRE. While trainings could not be associated to a mill but are based on the state the driver's CDL was issued, it was evident that more than one hundred drivers had taken the training with SC and GA CDLs.</p> <p>It was unclear if there is a process to verify drivers have received training upon scaling in. When a scaler enters a ticket correction for a driver, often the driver's name is not collected.</p> <p>While the training program was found to be adequate in terms of impacts on data, the auditor found several areas for possible improvement moving forward. OFI 02/21</p>
	<p>2.5 The Company ensures the availability of resources and information necessary to support the implementation of the T&T Program.</p>	<div data-bbox="995 1203 1115 1305" data-label="Image"> </div> <p><u>Human Resources</u> - Within the last year, Enviva has added support in the following areas: GIS digitizing, fiber admin, sustainability analyst. During the Raleigh Office audit, Enviva had an open fiber admin position and the additional support is needed. These administrator roles are key to support the WPT</p>


			<p>team. The program is very administrative heavy, with manual entry of T&T data, ticket correction requests, and purchase order set up.</p> <p><u>Financial Resources</u> - Enviva will begin its budgeting process at the beginning of Q4. Last year's financial resources were allocated to new positions, expanding T&T monitoring and oversight, as well as expected costs for the verification audit. The Sustainability Team does not expect the need for significant additional financial resources over the next year.</p> <p><u>Technical Resources</u> - Auditor found stresses and additional work generated from multiple databases. Enviva is undergoing slow transition period to move all mills to the same database systems. This should conclude by end of Q2 2022. Any new mills will enter the T&T Program using the new database. Staff interviews found this new system to be helpful and efficient.</p>
	<p>2.6 The Company maintains all records related to the implementation of the T&T Program.</p>		<p>Auditor was provided with all records requested at the Raleigh office and mill audits. T&T Questionnaires, harvest maps, emails of change communication, etc. are all stored in tract folders allowing everyone who has access to review necessary files. Auditor verified through interview, observation of file folders, and review of procedures that these records are required to be kept on file for 3 years.</p>
	<p>2.7* The Company makes investments in new technologies that can benefit their T&T Program and the accuracy of data that it provides.</p>		<p>The Company has had conversations about new technologies to benefit their T&T Program, such as long-term plans for GPS tracking and a mobile app for suppliers to set up tracks in the field. The Company does monitor possible conversion through remote sensing. There are no commitments or timelines associated with these specific investments. Significant technological enhancement has been the move to a unified database across all mills for T&T data referenced in 2.5 above. This should be completed for all mills by the end of Q2 2022 and will benefit the T&T Program Management.</p>

* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.


Core Area	Indicator	Grading	Summary Finding
3. Scope of the T&T Audit Program	3.1 The Company defines the scope of the T&T Program which includes: <ul style="list-style-type: none"> a) types of raw material input b) types of suppliers and upstream suppliers c) species d) sites included in the T&T Program e) supply area 		<p>The Company has outlined the scope of the program within their procedures (TT_ProgramProcedure) and supplier list (TT_1H2021_PrimarySuppliers). Accepted species are within the MWPA. Auditor found scope documents to be accurate for the locations audited.</p> <p>The program scope, a) through e), was accurately applied to the locations audited.</p>
	3.2 The Company maintains records of implementation of the T&T Program. Records shall be maintained for a minimum of 3 years.		<p>The Company has a procedure and has maintained records for more than 3 years. All staff interviewed understood this requirement as it was already a requirement for other certification programs. All records requested by the auditor were made available.</p>
	3.3* The Company identifies materials outside of the scope of the T&T Program clearly and commits to a timeline for incorporating them into the scope of the program.		<p>Material outside the scope:</p> <ul style="list-style-type: none"> a) fuel sources for the mill (purchased outside of T&T tracts). no commitment or timeline. b) secondary or tertiary sources - Enviva has committed to sourcing these materials in line with the company's Sustainable Forestry Standards under the Responsible Sourcing Policy (RSP), however has not defined a timeline to bring them into the T&T Program. c) third-party pellets - Enviva has committed to sourcing these materials in line with the company's Sustainable Forestry Standards under the Responsible Sourcing Policy (RSP), however has not defined a timeline to bring them into the T&T Program.




			<p>d) primary deliveries received under exemption procedure (including chip mills). Exceptional circumstances have been approved for GRE and HAM mills and fall around 0.1% and 3% of total primary deliveries, respectively. The auditor found the Company was in ongoing conversations with the supplier to explore how to implement T&T. Contracts are up for renewal at the end of the year and no decisions have been made regarding their continued exemption. See TT Exemption Approval Procedure.</p> <p>The Company RSP includes the following commitment: “We expect the percentage of our [primary wood] supply that fully meets our expectations to gradually increase year over year, with a goal of eventually achieving 100 percent.” In the last year, the company did increase this through incorporation of data on sourcing from one large supplier that was previously approved under the exemption approval procedure.</p> <p>The Company has not defined a timeline for incorporating materials into the scope of the program. The result does not affect the credibility of the T&T data. CAR 02/21.</p>
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* Identifies progressive indicators that do not require full conformance initially and are meant to set long-term targets that can be achieved over time.


Core Area	Indicator	Grading	Summary Finding
4. Supplier Information	<p>4.1 A supplier list is maintained that includes the following information:</p> <ul style="list-style-type: none"> a) Name b) Address c) Type of supplier d) Number of tracts e) Location of tracts 		<p>The Company developed a supplier list (TT_1H2021_PrimarySuppliers) that includes information on a) through d) for the data period. e) is not specifically included in this supplier list, however each mill has a general supply area identified on its website and within procedures. For each mill, the Company downloaded a list of all tracts delivering into the mill during the audit period. This report includes the following information: supplier name, logger name, GPS coordinates, and</p>

			other data collected for T&T (TT_1H2021_Delivered). Auditors cross referenced information on the exhibits referenced above with each other to ensure tract level data is properly summarized at the supplier level. Further triangulation completed during interviews with a sample of suppliers.
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Core Area	Indicator	Grading	Summary Finding
5. Data Collection	5.1 The Company develops a T&T Questionnaire to be completed for each purchase of timber, including at minimum GPS coordinates of origin.		<p>Auditors reviewed tract set-up forms that are completed for each purchase of timber. As verified during interviews with Commodity Managers and Fiber Admins, these forms are required in order to create a purchase order. Occasionally, tracts are not set up within the system prior to loads arriving. In this case, scalers may accept this wood entering it into the system as a ticket correction with information including tract name, county, and supplier name. Scalers are only able to accept the wood from suppliers already set up with a Master Wood Purchase Agreement. Ticket corrections are made by the Fiber Admin team after the purchase order is set-up. In all instances, the auditor found set-up forms for all sampled tracts.</p> <p>There was only one mistake where loggers used the wrong gate pass at GRE and the supplier was not aware that the tract had been incorrectly attributed to the harvest. Tract information for both the active harvest and the tract selected for visit were entered into the system. While in the field, the auditor only had access to information on the tract that had not been harvested yet. Tract information was provided for the on-going harvest tract after field visit, and ticket corrections were completed. Upon detection, the Company followed all procedures to accurately attribute loads to the correct tract.</p>



	<p>5.2 T&T Questionnaires are collected for each purchase and data is uploaded into the Company information management system within a timely manner.</p>		<p>These questionnaires are collected for each purchase and data is uploaded within a timely manner, generally within 1-2 business days. Sometimes there is a lag if low Fiber Admin capacity. Maximum timeline is 5 business days because tracts must be set-up in order to process weekly pay. Some SAM suppliers identified slow responses by Enviva on tract set-up. At SOU and GRE suppliers said entry was usually very fast.</p>
	<p>5.3 The Company verifies the accuracy and completeness of the T&T Questionnaire within a timely manner.</p>		<p>Upon receipt of the T&T Questionnaire (also called the tract set-up from), suppliers, Commodity Managers (CMs) review the form and harvest map for accuracy and completeness. It is common for SOU and GRE suppliers to provide information through alternative means such as text or phone. In these cases, the CM will enter the information into the tract set-up form. In all cases, the CMs cross reference the supplier harvest map with information available in Google Maps/Earth and the CM will note if any of the information is inconsistent. The CM contacts the supplier to resolve the inconsistency. Additionally, CMs use the USFWS National Wetlands Inventory to review and create a wetlands map. Some CMs file this map in the tract's folder.</p> <p>The auditors were able to verify this process through interview with CMs and during record review for the tracts selected for field visits.</p>
	<p>5.4 The Company has a mechanism to ensure that suppliers notify them of any changes to the T&T Questionnaire data.</p>		<p>The Company has included language within its Master Wood Purchase Agreement, signed by all suppliers, that includes a requirement to communicate with Enviva any changes to the data provided at tract set-up. Changes in harvest plan (increase/ decrease of harvest area) after tract set-up resulted in minor data errors (e.g., number of stands, forest cover type, acreage, age) at five tracts delivering into SAM. These minor errors do not significantly impact the overall sourcing percentages posted publicly. CAR 03/21. The auditor did not</p>



			<p>find any data discrepancies at tracts delivering into SOU or GRE.</p> <p>During interviews with suppliers, all suppliers understood the requirement to alert the Commodity Manager of changes that would increase harvest areas, however for changes that resulted in a harvest reduction were not thought to be necessary to communicate.</p>
	<p>5.5 A procedure has been developed and implemented to identify and mitigate nonconforming data upon collection that includes:</p> <ul style="list-style-type: none"> a) timely notification of responsible management personnel b) communication of data issues to the supplier with a timeline for response and resolution c) prevention of unconfirmed materials from entering the production process until the resolution has been found d) records of resolution methods and date 		<p>The Company has developed several ways to identify and mitigate nonconforming data upon collection, including tract set-up information by Commodity Managers, scaler ticket correction, and data entry by Fiber Admins. The auditor interviewed Commodity Managers who receive tract set-up forms from the suppliers, review for accuracy and completeness, map using Wetland Mapper tool, and where questions arise, reach out to supplier for immediate resolution. Tracts are not set up until data has been collected and reviewed per requirement 5.3. If tracts are not set-up in the system on-time for first delivery, scalers create a "ticket correction" and fiber admins correct the loads to the correct tract once set up. Additionally, if any of the numerous monitoring programs result in nonconforming data detection, the Corrective Action Preventative Action (CAPA) system logs issue, corrective action, and timeliness of correction.</p>

Core Area	Indicator	Grading	Summary Finding
6. Data Verification	6.1 The Company identifies and implements a mode of verification for each data point that is adequate to ensure accuracy of data and specifies:		<p>Program procedures are unclear on which data points are a part of the T&T verification audit. For example, bold data points on page 6 does not include intent to regenerate. While "Verification Methods" and "Field Audit" include intent to regenerate on page</p>


	<p>a) The method of conducting the verification (e.g. field vs desk)</p> <p>b) The frequency and intensity for conducting the verification;</p>	<p>7. During interviews and review of public data points, "intent to regenerate" is not considered a T&T variable..</p> <p><u>Field</u> - Procedures indicate age class and intent to regenerate is verified during field audit. Since there may be more than one stand, this is part of it too and the age class must be entered in the system for each stand (when more than one is identified). Additionally, interviews suggested when sites selected for field verification, the age class was just copy and pasted over from the set-up to the field audit checklist. Staff did indicate that professional judgement is used and if something looked really off, they would discuss with supplier. However this has not happened to the Commodity Managers and Sustainability Foresters interviewed during this audit. The Company has procedures to conduct field audits on a sampling basis and doing so on a risk-based approach and in accordance with their other forest certifications. Given the two variables included in the field-based verification, the auditor found the sampling methodology sufficient. There is a procedure for the Sustainability Team to verify field audit information against set-up. The auditor found during interviews that a field audit found different age class on one occasion. The age class noted during field audit was within 10-year buffer, accepted by Enviva. A Sustainability Forester interviewed identified another time where GPS coordinates were updated after field audit and communicated with the appropriate Fiber/Sustainability staff.</p> <p>Auditor reviewed field audit reports for a random sampling of tracts. Auditor cross referenced field audit reports with tract set-up to confirm information was consistent. Two of the tracts visited by the auditors were also verified via field audit. In one situation, the Commodity Manager (CM) had visited the tract 1-2 days into harvest and changes were made to harvest plan after field visit.</p> <p><u>Desk</u> - The following data points are verified by desk: GPS location, county, state, map, acreage, forest cover type, and</p>
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		<p>number of stands. Other procedures include guidelines for digitizing tracts, definitions, and 'red flag' data combinations. Additional 'red flag' checks trigger the GIS Specialist to take a closer look (detailed in procedures and explained during interview). Auditor reviewed a sample of tracts that had possible data inaccuracies, as noted by the GIS Specialist. Within the sampling, auditor found several examples of inaccuracies between acreage and map where the map provided was the parcel map and not a harvest map. Outreach to CM was done through the CAPA process that requires the responsible CM to review and respond within required timelines.</p> <p>The auditor reviewed verification notes from the GIS Specialist from a sample of tracts supplying each mill. Desk verification is completed for all tracts set-up in system. Procedures include 4-week verification with at maximum, 8 weeks.</p> <p>The Track & Trace program has not identified modes of verification for many of the data points collected within the T&T tract set-up form (e.g., landowner type, tract certification, % harvest volume, harvest start date, harvest end date, long leaf present/ restoration, was stand established by planting, how stand will be regenerated, preharvest stocking, estimated tons). Therefore, any claims made using these data points are not verifiable within the current T&T framework.</p> <p>While harvest type does not include a specific mode of verification, this is inherently verified during field visit as well as through yield monitoring, where a clearcut entered as thinning would blow the expected yield and result in a CAPA. Procedures on verification method for harvest type are unclear in program procedures, see findings in 2.3.</p>
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	<p>6.2 A list of credible resources and technological tools to check data is maintained and kept up to date.</p>		<p>Desktop verification procedures include references to technological tools used for these steps. Appropriate spatial layers are used for wetland mapping by Commodity Managers (CMs) and for desktop verification by the GIS Specialist.</p> <p>Tract yield monitoring, completed by the Sustainability Analyst, uses very conservative estimates for expected yield per acre based on a literature review. Articles are relevant and timely, albeit very conservative in estimates according to the literature. The auditor felt that yield monitoring was a new mode of tract monitoring and starting conservative with the expectation for annually review was appropriate, especially since this yield monitoring caught many instances of data error.</p>
	<p>6.3 When data gaps or inaccuracies are found, a system is in place to follow up with responsible site personnel to provide corrected data in a timely manner. The system includes:</p> <ul style="list-style-type: none"> a) Documented correspondence to the responsible site personnel to investigate the issue found b) Investigation conducted and reported back to the responsible personnel within 10 business days c) Records of any corrective actions needed d) Records of resolution of the data error within 30 days 		<p>The Company utilizes an internal technology system to document and issue corrective action or preventative action (CAPA) requests. The auditor reviewed a sample of CAPAs issued by the GIS Specialist (during desktop verification) and the Sustainability Analyst (during yield monitoring) and found a) through d) to be met.</p>




Core Area	Indicator	Grading	Summary Finding
7. Volume Summary and Calculations	<p>7.1 The Company maintains a material accounting record (e.g. spreadsheets, production control software) for each site that includes:</p> <ul style="list-style-type: none"> a) volume of raw material by input type b) volumes of raw material per type of supplier 		<p>The Company has three different databases for this information. One single database for hosting load and tract level data is used at two locations, whereas a split volume and tract database is used in other locations (one database for volume, one database for tracts). The Company is slowly transitioning all mills to one system which will reduce the need for data cleaning and possible tract redundancy.</p> <p>Auditor reviewed a cleaned database that included all tracts delivered to Enviva from Jan 1, 2021 – June 30, 2021 (1H2021) and included all key data to calculate public claim statistics.</p> <p>The auditors reviewed material accounting records of all material sourced at SAM, SOU, and GRE mills within the T&T Program during 1H2021.</p>
	<p>7.2 The Company maintains verifiable statistical data and calculations used to make public claims.</p>		<p>During the Operations Office audit, the Auditor reviewed the data and calculations used to make public claims.</p> <p>When applicable to multiple stands, where loads are received at the tract level and not stand level, the Sustainability Analyst developed an equation to attribute volumes based on percent of expected volume (collected at set-up and modified along the way based on Supplier/ Commodity Manager change communication). For example, stand 1 expects 4500 tons (90%) to Enviva and stand 2 expects 500 tons (10%) to Enviva. For each load, volumes will be attributed based on this spread. This impacts volumes reported for Forest Cover Type.</p> <p>At AMO, a different procedure is needed to log T&T data. Procedures and process reviewed found to be adequate.</p> <p>The following information is verifiable:</p> <p>county: >140 counties</p>


			<p>states: AL,FL,GA,NC,PA,SC,VA</p> <p>working forests: >1700</p> <p>Bottomland Hardwood (BLHW): .4%; Mixed Pine and Hardwood: 16.1%; Other Hardwood: 2.9%; Pine with hardwood understory: 38.7%; Pine without hardwood understory: 16.5%; Material received outside the scope of the T&T Program: remainder (25.5%)</p> <p>Age: 32 years old (however not at time of harvest, at time of final harvest because thinning/ arboriculture omitted)</p> <p>Softwood/ Hardwood mix not included in the scope of the audit and therefore not verified</p> <p>Wood Supply Map: <1% total primary fiber is not mapped (incl PA and some small volume from one supplier)</p>
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Core Area	Indicator	Grading	Summary Finding
8. Quality Management System	8.1 The Company develops and implements documented procedures for a Quality Management System (QMS) that meets the requirements of this section of the standard.		<p>The Company has documented procedures for most requirements; however, the auditor found the following procedures missing or inadequate:</p> <ul style="list-style-type: none"> - Internal audit program – As currently designed, the program does not <i>require</i> field inspections as part of the QMS internal audit. E.g., WAY tracts were not selected and included in the tract audit selection. - Alerting Verification Body of any nonconformances identified that impact current public claims. <p>See related findings in 2.3</p> <p>CAPAs logged according to 8 “buckets”. The auditors suggest additional coding for driver error (e.g., using wrong gate pass). While this information is recorded by Fiber Admin team during monthly key performance indicator (KPI) review, it is suggested</p>



			<p>the Sustainability Team track as well. This could help track errors to the driver and/or producer, to prevent common occurrences in future. At present, these are coded as N/A. OFI 03/21</p>
	<p>8.2 Nonconformities discovered via internal quality management systems that impact current public claims shall be reported to the Verification Body that approved them within 5 business days.</p>		<p>The Company does not have a procedure to meet this requirement, see findings from 2.3. Auditor verified during interviews with the Program Manager that this requirement is well understood. As this is an initial assessment, no reports have been made.</p>
	<p>8.3 An internal audit program has been developed and implemented to maintain the integrity of the QMS with the following in consideration:</p> <ul style="list-style-type: none"> a) Audits are conducted for each site included within the T&T program b) The audits are implemented prior to the first assessment and at least once annually c) The audits take into consideration the importance, scale and risk of the processes and areas to be audited, as well as the results of previous audits d) follow up actions resulting from the internal audit are taken in a timely manner e) existing opportunities for improvement are identified 		<p>The internal audit program has been developed in a manner that mostly aligns with the indicator intent. Audits were completed for each site prior to the external audit. Internal audit scope, staff interviewed, and sampling sizes were appropriate given the size unique nuances of wood procurement in each region. The internal audit was designed to include numerous parties, including members of the Fiber, Wood Procurement, and Sustainability Teams. The auditor did find that field visits to verify all T&T data were not completed for the WAY mill, and the internal audit program has been designed in a way that would not require field visits. Due to data issues found during the external audit during field visits, the auditor determined the program is inadequate as currently designed. See related findings in 8.1. Field verification of GPS and age class are completed for a sample of tracts at each mill annually as part of core area 6 (Data Verification).</p> <p>Follow-up actions were summarized in internal audit records, CARs graded, OFIs issued, and database edits made following program review by Program Manager.</p> <p>See Summary Findings (TT_InternalAuditReport_IAR), CAR Issued (TT_CorrectiveActionRequest_CAR), Internal Audit Procedures V1.0 (TT_InternalAuditProcedure).</p>

<p>8.3.1 Internal audits consider the most recent versions of Company procedures and policies related to the program.</p>		<p>Internal audits have been completed using most recent versions of the Company procedures and policies, as verified during interviews and internal audit records.</p>
<p>8.3.2 Internal audits are conducted by personnel who:</p> <ul style="list-style-type: none"> a) have knowledge of the program and its requirements AND b) will not be auditing their own work (things that they are responsible for) 		<p>Auditor verified during interviews with internal auditors, review of auditor responsibilities, and training records (interview guides per role/ auditor training slide deck) that internal auditors were well equipped to conduct the internal audits and did not audit their own work.</p>
<p>8.4 The Company has a Complaints Mechanism to receive and address complaints from external parties.</p>		<p>The Company has developed a complaints mechanism (TT_Complaints) to meet this indicator, as verified during interviews with the Program Manager. Complaints received will be routed to the Program Manager, reviewed, investigated, and complainant will be kept in the loop until a resolution is found and corrective action is completed. Procedure timelines meet the below requirements.</p>
<p>8.4.1 The complaints mechanism shall be made public, with a means for submitting and receiving complaints.</p>		<p>The process to receive and address external complaints has been shared with suppliers, however, has not been made public. Additionally, few suppliers (who did received information via email/ vendor training) were unaware of this mechanism. CAR 04/21.</p>
<p>8.4.2 Complaints procedures require at a minimum:</p> <ul style="list-style-type: none"> a) formal acknowledgement of the complaint within 10 business days b) keep the complainant informed of the progress in evaluating the complaint 		<p>The Company has developed procedures (TT_Complaints) to receive and address complaints from external parties as required by this standard. Auditor verified during interviews and review of procedures that a) through d) are included. See related findings above.</p>

	<p>c) investigate the allegations and specify all its proposed actions in resolution to the complaint</p> <p>d) a formal resolution within 60 days of receiving the complaint, including formal communication to the complainant</p>		
	8.5 The Company has a Grievance Mechanism to receive and address complaints from internal parties.		The Company has developed procedures to receive and address complaints from internal parties as required by this standard. Staff interviewed had received training on the program grievance mechanism however most were loosely aware of its existence. See procedures (TT_Greivance). No grievances have been processed under this procedure, as verified during interviews with the Program Manager.
	8.5.1 Independent systems shall be implemented in order to enable anonymous grievances by the workforce, including reporting & management		Processes are in place to receive and respond to grievances sent in anonymously or not. Grievances shall be managed by the Program Manager in a manner that aligns with the indicator intent.
	8.5.2 The company shall follow a non-retaliation standard towards grievance or any employee's union activity, which includes the protection of whistle blowers.		Procedures include this protection and was verified with program management.

Core Area	Indicator	Grading	Summary Finding
9. Public Reporting	<p>9.1 The organization shall post a Public Report with the results of each T&T Audit.</p> <p>The public report includes:</p> <p>a) a summary of the audit process</p>		The auditor verified during interviews that indicator 9.1-9.2 are well understood, however since this is an initial assessment, only the summary template was available as evidence. The Company does not have written procedures to post their report publicly. Progress on Implementation Plans are part of the company's annual reporting. 2021 Mid-Year Report announced

	<ul style="list-style-type: none"> b) the scope of the T&T Audit that include the sites and number of tracts visited c) any nonconformities found including the time period within which corrective actions are to be implemented shall be made d) volume data to support public claims e) the name and contact details of the Verification Body. 		the external audit of T&T Program to begin in August 2021. See related findings in 2.3.
	9.2 The Public Report shall be posted within 10 days of the completion of the T&T Audit.		See above.

Core Area	Indicator	Grading	Summary Finding
10. Claims	10.1 Any use of the Track & Trace trademarks shall be approved by Enviva Holdings, LP prior to use.		Track & Trace Claims Guidance has clear requirements to meet 10.1-10.2 however program procedures do not clearly define procedures to meet these indicators. Auditor found the Program Manager to be very knowledgeable about how to implement procedures to ensure these indicators are met. See related findings in 2.3.
	10.2 Any use of the third-party auditing body name and/or logo shall be approved prior to use.		See above

ANNEX 1: Site Selection: Matrix for determination of R (Risk Index)

Note: The R (Risk Index) is obtained by summing-up the scores given to the Company under evaluation.

Risk Factors		Score	Score Given
Ownership	All sites included in the T&T Program have common ownership	0.1	0.1
	Sites included in the T&T Program do not have common ownership	0.2	
Number of production sites included in the T&T Program	0-2 Sites	0.1	
	3-5 Sites	0.2	
	6-9 Sites	0.3	0.3
	> 10 Sites	0.4	
Number of suppliers	0-99 Suppliers	0.1	
	100- 299 Suppliers	0.2	0.2
	>300 Suppliers	0.3	
Complaints	Company has received a substantiated complaint of nonconformance with the T&T Standard	0.2	0
Company performance	No NCs issued in the previous evaluation OR Not applicable (no previous evaluation)	0.0	0
	Only 'In Progress' NCs in the previous evaluation	0.1	
	1-2 'Needs Immediate Action' NCs in the previous evaluation	0.3	
	3 or more 'Needs Immediate Action' NCs in the previous evaluation	0.4	
Audit Type	Annual surveillance evaluation	0.1	
	Initial assessment	0.3	0.3
TOTAL	(R = sum of the scores given)	Σ	0.9

Describe how sites were chosen: Southampton (supply area includes FSC-specified risk BLHW and represents Chesapeake region); Sampson (supply area includes FSC-specified risk BLHW, represents Wilmington region, and high number of individual tracts)

Random Site Sample: Random number generator – Waycross; Due to health & safety concerns from COVID-19 in Georgia and Florida, Greenwood was replaced with Waycross

Notes for next evaluation: Must visit Waycross [audit plan change due to COVID concerns]

Tract Selection: Sample Intensity

Site	# of Tracts	# Audited in Current Evaluation
Greenwood	239 Tracts (28 certified – low risk)	9 Tracts
Sampson	240 Tracts (29 certified – low risk)	9 Tracts
Southampton	284 Tracts (104 certified – low risk)	9 Tracts