



Track & Trace® Audit Report for Enviva Inc.

Surveillance Audit 2022

Evaluation date: August 1 – September 23, 2022

Report date: January 27, 2023

Company Contact

Emily Ulrich, Senior Manager, Sustainability
4242 Six Forks Rd, Suite 1050
Raleigh, NC 27609
Tel: 984-789-3420

Audit Managed By

NEPCon LLC
13 Jolina Court, 2nd floor
P.O. Box 99
Richmond, VT 05477
Contact person: Kara Wires
Tel: 802-434-3420
Email: kwires@preferredbynature.org

EXECUTIVE SUMMARY

The annual surveillance audit of Enviva's 1H2022 data was conducted between August 1, 2022 and September 23, 2022. The Company's conformance with the Track & Trace® (T&T®) Standard V1-0-2 was evaluated during completion of the standard checklist.

Four new CARs were issued related to Indicators 2.4 (training program), 6.1 (data verification), 8.4 (complaints) and 8.5.1 (grievances). Two OFI were issued regarding Indicators 8.3 (internal audits) and 10.2 (public claims).

The evaluation concludes that public claims are approved. The Company is in good standing with past CARs and OFIs.

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 21, 2022

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
TABLE OF CONTENTS	2
INTRODUCTION	3
PUBLIC CLAIMS and CAR AND OFI STATUS	5
GENERAL AUDIT INFORMATION	9
CORRECTIVE ACTION VERIFICATION AND FINDINGS	14
ANNEX 1: Site Selection: Matrix for determination of R (Risk Index)	27

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 Inc.** hereafter referred to as "Company", against the requirements of the Track & Trace® Standard (V1-0-2) and Audit Procedures (V1-0-2). 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.

Impartiality commitment: Preferred by Nature commits to using impartial auditors and our clients are encouraged to inform Preferred by Nature management if violations of this are noted. Please see our Impartiality Policy here: <http://www.preferredbynature.org/impartiality-policy>.

Description of the Overall Audit Process





The surveillance assessment began with an opening meeting at the Operations Headquarters in Raleigh, NC on August 1, 2022, during which the audit plan, objectives and scope were discussed. The Company's conformance with the Track & Trace® (T&T) Standard V1-0-2 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 were chosen based on specific features including data changes, acreage, age, etc. This tract sampling followed the sampling protocol within the T&T Audit Procedures V1-0-2 (see Annex 1). Five to six 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. Paper and digital records were also reviewed to demonstrate conformance with T&T Standard.

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 or Commodity Manager by phone.

A closing meeting was held on September 23, 2022 via Microsoft Teams to review preliminary findings and discuss next steps.

Types of findings and color coding of each that are used in the Track & Trace Standard:

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.</p> <p>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 detailed review of evaluation conclusions.

PUBLIC CLAIMS and CAR AND OFI STATUS

Public Claims



The Auditor reviewed the data and calculations used to make public claims. The following summary information has been found to be verifiable for the January through June 2022 reporting period:



- county: >170 counties
- states: AL, FL, GA, NC, MS, SC, VA
- working forests: >1800
- BLHW: .5%; Mixed: 14.2%; Other HW: 3.1%; Pine w HW: 47.4%; Pine wo HW: 13.6%; Non T&T: remainder (21.2%)
- Age: 32 years old at final harvest
- Wood Supply Map: <1% total primary fiber is not mapped
- Note: Percentage of Softwood/ Hardwood (SW/HW) mix purchased by the Company not verifiable

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 21, 2022




Open Corrective Action Reports (CARs)


Indicator	Grading	Summary Finding	Deadline for conformance
2.4		CAR 01/22 - Of the 17 tracts visited by the auditor, 4 were set up with an incorrect age class bracket. One tract was detected by the Company during a field inspection. The auditor found that responsible personnel misunderstood the T&T age class definition and/or were inaccurately reporting.	6 months from report finalization July 27, 2023
6.1		CAR 02/22 - Desktop verification of T&T data is not completed in a timely manner impacting other verification and monitoring efforts. The Company has not clearly defined its expectations within the program procedures but desktop verification is generally expected to be completed within 2 months of tract set-up within the Company system. The auditor found that this is not happening consistently and should be completed within a shorter timeframe. Due to the number of tracts found to be inaccurately aged and with the error undetected by	6 months from report finalization July 27, 2023

		the T&T Program (3 of the 17 tracts evaluated), the auditor identified risk factors for inaccurate aging (e.g., poor performing or new supplier, suppliers that share T&T via text/phone rather than by form, etc.) were not adequately taken into account when determining the frequency and intensity of the field inspection sampling.	
8.4		CAR 03/22 - The Company has a mechanism to receive and address complaints and inquiries from external parties however the Company does not maintain a log of these to track classification, investigation, and resolution, where applicable.	6 months from report finalization July 27, 2023
8.5.1		CAR 04/22 - Processes are in place to receive and respond to grievances, sent in anonymously or not by the Track & Trace Program Manager. This is not an independent system and therefore not in conformance with the standard indicator.	6 months from report finalization July 27, 2023




Closed Corrective Action Reports (CARs)

The following CARs were issued during the initial assessment audit in 2021, and have since been closed by Enviva.

Indicator	Grading	Summary Finding	Status
2.3		CAR 01/21 - The Company does not have written procedures to meet all standard indicators.	CLOSED <i>Evaluation described in this report</i>
3.3		CAR 02/21 - Timeline for incorporating materials outside the scope of the T&T Program has not been established with plans for periodic review.	CLOSED <i>Evaluation described in this report</i>
5.4		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).	CLOSED <i>Evaluation described in the Corrective Action Verification Report as part of the Track & Trace@ Audit Report 2H2021</i>

8.4.1		<p>CAR 04/21 - The process to receive and address external complaints has been shared with suppliers, however, has not been made public.</p>	<p>CLOSED <i>Evaluation described in the Corrective Action Verification Report as part of the Track & Trace® Audit Report 2H2021</i></p>
-------	-----------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------

Open Opportunities for Improvement (OFI)

Indicator	Grading	Summary Finding
2.4		<p>OFI 01/22 - The Company added a temporary contract woodyard during the data period. The auditor reviewed a signed contract agreement that included procedures and evidence of procedural implementation. The Company staff person responsible for training the woodyard staff on their procedures confirmed training was conducted and ongoing communication was maintained during the temporary contract, however records of the training were not maintained. The Company should have procedures for and keep records of training completed.</p> <p>Note: OFI issued during data verification audit. See related report for more details.</p>
8.3		<p>OFI 02/22 - As the T&T Program continues to grow, the Company should consider modifying the audit schedule (e.g., conducting the internal audit more than 3 months ahead of the external audit) to ensure teams have sufficient time to address any nonconformances issued internally and to finalize data used in verified public claims ahead of the third-party audit.</p>
10.2		<p>OFI 03/22 - The Company has used the third-party auditor's name in social media posts. These were excerpts from previously approved language. Responsible personnel were unclear when approval was needed.</p>

Closed Opportunities for Improvement (OFI)

The following OFIs were issued during the initial assessment audit in 2021 and have since been closed by Enviva.

Indicator	Grading	Summary Finding
-----------	---------	-----------------

<p>1.3</p>		<p>OFI 01/21 – From Track & Trace® Audit Report 1H2021</p> <p>COMPANY RESPONSE – The Company developed a procedure to monitor tracts on a weekly basis for specific indicators of potential land use change. Records are maintained and will be used for continued improvement of the monitoring program.</p>
<p>2.4</p>		<p>OFI 02/21 – From Track & Trace® Audit Report 1H2021</p> <p>COMPANY RESPONSE – The Company updated and implemented a training program for suppliers and internal staff to address some of the weaknesses identified during the initial assessment and internal audit. Completion of training requirements is monitored by T&T Program Management.</p>
<p>8.1</p>		<p>OFI 03/21 - From Track & Trace® Audit Report 1H2021</p> <p>COMPANY RESPONSE – The Company added another data bucket as recommended.</p>

GENERAL AUDIT INFORMATION

Company Information	
Company Under Evaluation	Enviva Inc.
Company Contact	Emily Ulrich, Senior Manager, Sustainability
Company Contact Info	4242 Six Forks Rd, Suite 1050 Raleigh, NC 27609 Office: +1 (984) 789-3665

Audit Information	
Evaluation Type	Surveillance Audit
Evaluation Dates	August 1 – September 23, 2022
Report Finalization Date	27 January 2023
Verification Body and Contact Info	NEPCon, Preferred by Nature 13 Jolina Ct. Richmond VT 05477 Office: (802) 434-3420

CVA Audit Information	
Evaluation Type	Corrective Action Verification (CVA)
Evaluation Dates	19 December 2022
Report Finalization Date	4 January 2023
Comment	The auditor reviewed indicator 3.3, the previous audit and corrective action reports, and the evidence submitted by Enviva to close the corrective action request number 02/21.

Certification Information		
Type of certification, scheme	Certification code	Validity Dates
Chain of Custody, Forest Stewardship Council	SCS-COC-006588	Exp. 4/4/2027

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	4/6/2027
	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	11/29/2026
	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
	LUC	SBP-04-72	5/11/2027

Auditor Name	Role	Qualifications
Alicia Raimondi	Lead Auditor [Operations Headquarters & Ahoskie 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.
Randy Coots	Audit team member [Cottondale Mill]	B.S. in Forestry from West Virginia University. Thirty-seven years' experience in the field of forestry, including positions with 2 state forestry agencies (FL & WV), 4 forest products companies, U.S. Forest Service, a surveyor, self-employed forestry consultant, and now currently employed by Preferred by Nature as a Forestry Specialist. Member of the Society of American Foresters and a

		Certified Forester (#1547), and a WV Registered Professional Forester (#266). Completed FSC COC Lead Auditor training Aug. 2018, and FM Lead Auditor training in May 2018. Completed 27 Chain of Custody audits (2 of which were Controlled Wood), 29 Forest Management audits (16 as lead auditor, 5 reassessments/2 as lead), 4 SAP (Smallholders Access Program) audits, and 5 Smart Logging audits.
C. Reed Russell	Audit team member [Waycross Mill]	Education: A.A.S in Wildlife, Hocking Technical College; B.S. in Wildlife Ecology & Management, West Virginia University; M.S. in Wildlife Ecology, University of New Hampshire. Experience: Reed has worked in the field of wildlife ecology, management and research for over 20 years. He is a Certified Wildlife Biologist and author of 34 scientific, peer-reviewed articles on wildlife ecology and management. Reed is a freelance biologist and a research associate in the Department of Environmental Studies at the University of North Carolina at Asheville. He has worked as an FSC Forest Management auditor since 2001. He completed the FSC Lead Auditor Training in 2008, FSC CoC training in 2009, ISO 9001 Quality Management Systems training in 2010, FCS Forest Management Auditor Transition Exam in 2017, and SFI Lead Auditor Training in 2022. Reed has participated in 95 FSC Forest Management certification assessments and audits throughout the Appalachian, Lake States, Mississippi Alluvial Valley, Northeast, Ozark-Ouachita, Pacific Coast, and Southeast Regions.

Scope of the T&T Audit Program

In-woods deliveries for the reporting period January through June 2022 are in-scope for this Surveillance audit. Orange highlighted rows in the table below indicate the site was selected for audit.

Participating Site	Address/	Site Activity	Selected for Audit	# Tracts visited
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"/>	0
Ahoskie [AHO]	142 NC Route 561E Ahoskie, NC 27910	Pellet Manufacturer	<input checked="" type="checkbox"/>	6
Amory [AMO]	205 Martin Luther King Blvd, Amory, MS 38821	Pellet Manufacturer	<input type="checkbox"/>	
Cottondale [COT]	2500 Green Circle Pkwy, Cottondale, FL 32431	Pellet Manufacturer	<input checked="" type="checkbox"/>	5

Greenwood [GRE]	200 Enviva Way, Greenwood, SC 29646	Pellet Manufacturer	<input type="checkbox"/>	
Hamlet [HAM]	1125 NC-177, Hamlet, NC 28345	Pellet Manufacturer	<input type="checkbox"/>	
Lucedale [LUC]	150 GM Luce Rd, Lucedale, MS 39452	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 type="checkbox"/>	
Southampton [SOU]	26570 Rose Valley Rd, Franklin, VA 23851	Pellet Manufacturer	<input type="checkbox"/>	
Waycross [WAY]	3390 Industrial Blvd, Waycross, GA, 31503	Pellet Manufacturer	<input checked="" type="checkbox"/>	6

Material Type Sourced	Participating Site(s)	Species of Material Input	Volume Reporting Period
Primary material: Roundwood, in-woods chips	All pellet manufacturers	Domestic hardwood and softwood species	January 1 – June 30, 2022

Participating Site	Material Type Sourced	Number of Suppliers	Supplier Type(s)	Average no. of Tiers in the Supply Chains	General Supply Area
Ahoskie	Roundwood, chips	26 Suppliers 8 Landowners	Loggers, Brokers, Landowners	2	NC/VA
Amory	Roundwood, chips	1	Forest management enterprise	1	AL/MS
Cottondale	Roundwood, chips	16 Suppliers 30 Landowners	Loggers, Brokers, Landowners	2	AL/FL/GA
Greenwood	Roundwood, chips	29 Suppliers 8 Landowners	Loggers, Brokers, Landowners	2	SC/GA

Hamlet	Roundwood, chips	26 Suppliers 9 Landowners	Loggers, Brokers, Landowners	2	NC/SC/VA
Lucedale	Roundwood, chips	16 Suppliers 40 Landowners	Loggers, Brokers, Landowners	2	AL/MS
Northampton	Roundwood, chips	67 Suppliers 13 Landowners	Loggers, Brokers, Landowners	2	NC/VA
Sampson	Roundwood, chips	36 Suppliers 1 Landowner	Loggers, Brokers, Landowners	2	NC
Southampton	Roundwood, chips	44 Suppliers 16 Landowners	Loggers, Brokers, Landowners	2	NC/VA
Waycross	Roundwood, chips	27 Suppliers	Loggers, Brokers	2	FL/GA

Complaints Procedures

Complaints Procedures can be found at the following website:

https://www.envivabiomass.com/wp-content/uploads/TT_Complaints_20200908.pdf

CORRECTIVE ACTION VERIFICATION AND FINDINGS

Corrective Action Verification of CARs 01/21 and 02/21

Two CARs received by Enviva during the 2021 initial assessment audit, CAR 01/21 and 02/21, have been assessed by the auditing body and found to be closed. The Corrective Action Verification details are as follows.

CAR 01/21

CAR Number:	01/21
CAR Grading:	Needs Immediate Action <input type="checkbox"/> In Progress <input checked="" type="checkbox"/>
Standard & Indicator:	T&T Standard V1-0-1, Indicator 2.3
Description of Non-conformance:	The Company does not have written procedures to meet all standard indicators.
Corrective Action Request:	Company shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
CAR conformance deadline:	8 months from report finalization date (8 Aug 2022)
Client evidence:	<p>Corrective Action Evidence – 8 Jun 2022</p> <p>The Company completed its root cause analysis within 60 days of report finalization, as verified during interview and document review (tab ‘CAR_0121’ of Exhibit 5). The root cause was identified as a misinterpretation of the standard by the Program Manager around required procedures. Additionally, the Company’s internal audit focused on core areas 5 and 6 and therefore procedures for other core areas were not reviewed.</p> <p>The proposed corrective action plan included:</p> <ol style="list-style-type: none"> a) Identify all missing procedures through crosswalk of standard and written procedures b) Develop written procedures, where currently missing c) Liase with the Manager of Certification to align written procedures to other schemes, where possible d) Add procedure for document review in the internal audit and assign someone independent to review each core area of the standard and ensure there is a written procedure for each <p>The Company provided a revised set of procedures covering all requirements for core areas 8, 9, and 10 and for indicators 6.1 and 2.6 (Exhibit 1 & 2 - new and revised set of procedures).</p> <p>Corrective Action Evidence – 8 Aug 2022</p> <p>The Company updated its procedures and field inspection form, requiring verification of harvest type for each stand.</p> <p>In addition, the Company identified arboriculture, salvage, and pre-harvest as difficult to verify, especially post harvest. Therefore, the Company will use satellite imagery at the close of the data period to review all of these</p>

	<p>tracts to determine the final harvest type: clearcut or thinning. Final and thinning harvest types are reported publicly on the website and final harvest tracts are used to calculate the publicly reported average age class of final harvests.</p>
<p>Evaluation of evidence:</p>	<p>Evaluation of Corrective Action Evidence – 8 Jun 2022</p> <p>During the last 6 months, the auditor verified during interviews and document review that the root cause analysis was completed within the 60 day deadline. New or revised written procedures have been developed to address the root cause and close the nonconformance, with the exception of procedures for indicator 6.1.</p> <p>During review, the auditor found that the Company had not clearly defined their verification methodology for harvest type (indicator 6.1). New procedures describe the use of a yield monitoring to identify tracts that are delivering more tons/acre than is expected based on harvest type and acreage. While this is a useful tool for monitoring, it is not a verification method. The Company has defined the expected tons/acre for two groups: 1) clearcut and seed tree or 2) thinning, selection, and salvage/arboriculture.</p> <p>The Company has not developed a procedure that verifies data at the level of public reporting (i.e., final (clearcut or seed tree), thinning (thinning or selection), preharvest, and salvage/arboriculture). The Company does have other mechanisms in place to verify harvest type (e.g., field verification for location, satellite imagery monitoring), however these procedures are indirectly reviewing this data point and are not developed to manage potential risk of misclassification. Therefore, the CAR has been kept open with an extended timeline.</p> <p>Evaluation of Corrective Action Evidence – 8 Aug 2022</p> <p>The Company had not previously formalized its methodology for harvest type verification. With formal procedures for verification and an updated field inspection form, this data point is documented based on the sampling practice already in place.</p> <p>The auditor reviewed satellite imagery for a sample of tracts that were set-up as arboriculture/ salvage or pre-harvest and reclassified as “clearcut” or “thinning” for public reporting. The auditor found the reclassification to be accurate and the approach acceptable.</p>
<p>CAR status:</p>	<p>CLOSED</p>
<p>Comments (optional):</p>	<p>Due to the single indicator unaddressed, the auditor extended the timeline for conformance from 8 June 2022 to 8 August 2022. The decision was made to do so in order to allow the Company sufficient time to develop and implement an appropriate procedure for verification of harvest type. This table reflects the auditor’s assessment of conformance both on June 8th and August 8th, 2022.</p>



CAR 02/21

CAR Number:	02/21
CAR grading:	Needs Immediate Action <input type="checkbox"/> In Progress <input checked="" type="checkbox"/>
Standard & Indicator:	T&T Standard V1-0-1, Indicator 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.
Description of Non-conformance:	Timeline for incorporating materials outside the scope of the T&T Program has not been established with plans for periodic review.
Corrective Action Request:	<p>Company shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
CAR conformance deadline:	December 8, 2022
Client evidence:	<p>Enviva staff submitted their CAR 02/21 evidence on 6 December 2022. The evidence contained an overview of the CAR, root cause analysis, and specific actions to close the non-conformance with indicator 3.3.</p> <p>The Enviva pellet mill inputs that are outside of the scope of the T&T Program are:</p> <ol style="list-style-type: none"> 1. In-woods fuel 2. In-woods feedstock 3. Arboriculture contracts 4. Secondary/mill residuals 5. Chip mill chips <p>Enviva also purchases 3rd party pellets that are outside of the T&T Program. Those pellets are added to the stock that the Company sells to end users.</p> <p>The evidence to close the CAR contained a timeline and a strategy regarding the status of non-T&T conforming materials, including:</p> <ul style="list-style-type: none"> • deciding on whether it is possible to incorporate them into the T&T Program, • engaging the suppliers to understand whether incorporating non-T&T conforming material is feasible, • periodically reviewing sources to decide whether to continue to purchase the material or eliminate it as a source • increasing transparency of materials that do not and may not conform to the T&T Program by “origin/species testing” • Timeline for meeting these objectives includes all of the 2023 and 2024 <p>There is also a short discussion about revising the T&T Program indicator given that, as written, some non-conforming material may not ever be able to conform to the T&T Program.</p>
Evaluation of evidence:	The evidence provided does not provide a timeline for “incorporating materials outside the scope of the T&T Program”. The commitment and timeline is about the <i>feasibility</i> of incorporating a source into the T&T Program. Over the next two years, Enviva will evaluate each of the sources







	<p>outside of the T&T Program and decide, based on discussions with suppliers and internal staff, whether adding the source to the T&T Program is feasible. If it is not feasible to add the source to the T&T Program, Enviva will periodically monitor the source and consider ways of being transparent about its origin.</p> <p>Conformance with indicator 3.3 hinges around the intent of the requirement “a timeline for <i>incorporating materials outside the scope</i> of the T&T Program”. The evidence does not directly commit Enviva to “incorporating the materials”, however, given the commitment to determine the feasibility of incorporating the materials, implementing a timeline for accomplishing the feasibility study(ies), being transparent about the origin of the non-conforming material, and periodically reviewing the sources, the CAR can be closed.</p>
CAR status:	CLOSED
Comments (optional):	<p>It should be noted that Enviva has made the decision to <i>revise the standard and commit to what makes sense to commit to</i>. Given this decision, conformance with indicator 3.3 in the future may change.</p> <p>The next annual audit should verify that the commitments made in the Enviva evidence document “TT_CAR0221_EvidenceforClosure_legal” to study the feasibility of incorporating the non-conforming materials into the T&T Program and being transparent about the origin of the non-conforming material is being implemented.</p>


Findings by Standard Indicator

The following tables outline the grading of the Company to each Standard indicator.




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.		
	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 or 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. 		
	1.3 The Company has communicated its sourcing commitments and policies to all staff, suppliers and stakeholders.		
	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.		

* 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.		
	2.2 Responsible personnel have the qualifications, authority, and competency to implement their assigned procedures.		
	2.3 The Company develops and implements up-to-date documented procedures covering the requirements of this standard.		
	2.4 The Company develops and implements an adequate training program that covers all aspects of the T&T Program's procedures.		See CAR 01/22
	2.5 The Company ensures the availability of resources and information necessary to support the implementation of the T&T Program.		
	2.6 The Company maintains all records related to the implementation of the T&T Program.		


	2.7* The Company makes investments in new technologies that can benefit their T&T Program and the accuracy of data that it provides.		
--	--------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------	--





* 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 		
	3.2 The Company maintains records of implementation of the T&T Program. Records shall be maintained for a minimum of 3 years.		
	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.		




* 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 (can be email) c) Type of supplier d) Number of tracts e) Location of tracts 		
--------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------	--

Core Area	Indicator	Grading	Summary Finding
5. Data Collection	<p>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>		
	<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>5.3 The Company verifies the accuracy and completeness of the T&T Questionnaire within a timely manner.</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>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 		
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------	--



Core Area	Indicator	Grading	Summary Finding
6. Data Verification	<p>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> <ul style="list-style-type: none"> a) The method of conducting the verification (e.g., field vs desk) b) The frequency and intensity for conducting the verification; 		See CAR 02/22.
	<p>6.2 A list of credible resources and technological tools to check data is maintained and kept up to date.</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 		



Core Area	Indicator	Grading	Summary Finding
7. Volume Summary and Calculations	7.1 The Company maintains a material accounting record (e.g., spreadsheets, production control software) for each site that includes: a) volume of raw material by input type b) volumes of raw material per type of supplier		
	7.2 The Company maintains verifiable statistical data and calculations used to make public claims.		

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.		
	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.		
	8.3 An internal audit program has been developed and implemented to maintain the integrity of the QMS with the following in consideration: 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		See OFI 02/22

<p>d) follow up actions resulting from the internal audit are taken in a timely manner e) existing opportunities for improvement are identified</p>		
<p>8.3.1 Internal audits consider the most recent versions of Company procedures and policies related to the program.</p>		
<p>8.3.2 Internal audits are conducted by personnel who: 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>		
<p>8.4 The Company has a Complaints Mechanism to receive and address complaints from external parties.</p>		<p>See CAR 03/22.</p>
<p>8.4.1 The complaints mechanism shall be made public, with a means for submitting and receiving complaints.</p>		
<p>8.4.2 Complaints procedures require at a minimum: a) formal acknowledgement of the complaint within 10 business days b) keep the complainant informed of the progress in evaluating the complaint c) investigate the allegations and specify all its proposed actions in resolution to the complaint 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.		
	8.5.1 Independent systems shall be implemented in order to enable anonymous grievances by the workforce, including reporting & management		See CAR 04/22 .
	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.		

Core Area	Indicator	Grading	Summary Finding
9. Public Reporting	<p>9.1 The Company shall post a Public Report with the results of each T&T Audit.</p> <p>The public report includes:</p> <ul style="list-style-type: none"> a) a summary of the audit process 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. 		
	9.2 The Public Report shall be posted within 10 days of the completion of the T&T Audit.		

Core Area	Indicator	Grading	Summary Finding
10. Claims	10.1 Any use of the Track & Trace trademarks shall be approved by Enviva Inc prior to use.		
	10.2 Any use of the third-party auditing body name and/or logo shall be approved prior to use.		See OFI 03/22

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	
	10 or more Sites	0.4	0.4
Number of suppliers	0-99 Suppliers	0.1	
	100- 299 Suppliers	0.2	0.2
	300 or more 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	0.1
	Initial assessment	0.3	
TOTAL	(R = sum of the scores given)	Σ	0.8

Describe how sites were chosen: Due to a change in the 2021 audit plan where Waycross was replaced with another location due to Covid pandemic, Waycross was selected in 2022. Cottdale is a newer mill, operating in a separate geography than Waycross and Ahoskie, and was selected strategically.

Random Site Sample: Random number generator – Ahoskie

Notes for next evaluation:

Tract Selection: Sample Intensity

Site	# of Tracts	# Audited in Current Evaluation
Ahoskie	183 Tracts (24 certified – low risk)	6 Tracts
Cottdale	173 Tracts (27 certified – low risk)	5 Tracts
Waycross	278 Tracts (94 certified – low risk)	6 Tracts