

SBP

Sustainable Biomass Partnership

SCS Global Services Evaluation of Enviva Pellets Cottondale Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sustainablebiomasspartnership.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see
www.sustainablebiomasspartnership.org*

Document history

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1 Overview

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Primary contact for SBP: Sarah Harris, sharris@scsglobalservices.com

Report completion date: 22/Jun/2017

Report authors: Ellen Kincaid (Lead Auditor), Tucker Watts (Technical Expert), Robert Hrubes (Technical Expert)

Certificate Holder: Enviva Pellet Cottdonale, 2500 Green Circle Parkway, Cottdonale, FL 32431 USA

Producer contact for SBP: Shawn Cook Shawn.Cook@envivabiomass.com, Kim Cesafsky Kim.Cesafsky@envivabiomass.com; Allison Gratz Allison.Gratz@envivabiomass.com

Certified Supply Base: Primary and secondary feedstock for the Cottdonale regional supply base includes Florida, Alabama, Georgia, Mississippi, South Carolina, and Tennessee.

SBP Certificate Code: SBP-04-04 (Previously: SBP-03-05)

Date of certificate issue: 6/Feb/2017

Date of certificate expiry: 5/Feb/2022

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Scope of the evaluation and SBP certificate

Certification scope: Production of wood pellets, for use in energy production, at Enviva Pellets Cottondale and transport to the Panama City Port Authority for storage, aggregation, vessel loading and shipping. It also covers a Supply Base Evaluation for the sourcing of feedstock from US states Florida, Alabama, Georgia, Mississippi, South Carolina, and Tennessee.

SBP certificate: **SBP-04-04** (*Previously SBP-03-05*)

3 Specific objective

The specific objective of this surveillance audit was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of SBP Standards 1: Feedstock Compliance Standard, 2: Verification of SBP-compliant Feedstock, 4: Chain of Custody, and 5: Collection and Communication of Data (including Instruction Documents 5A: Collection and Communication of Data, 5B: Energy of GHG Data, 5C: Static Biomass Profiling Data) are implemented across the entire scope of certification. This was achieved by collecting assessment information, generating assessment findings, preparing the assessment report SBP Public Summary, and verifying the SAR and Biomass Profiling Datasheet through empirical data.

4 SBP Standards utilised

4.1 SBP Standards utilised

The following SBP standards were utilized:

SBP ST 1: Feedstock Compliance Standard V1.0 March 2015

SBP ST 2: Verification of SBP-compliant Feedstock V1.0 March 2015

SBP ST 4: Chain of Custody V1.0 March 2015

SBP ST 5: Collection and Communication of Data V1.0

Including, ID 5A Collection and Communication of Data V1.1 October 2016, ID 5B Energy and GHG Data V1.1 October 2016, & ID 5C Static Biomass Profiling Data V1.1 October 2016

The above standards are available at <https://sbp-cert.org/documents/standards-documents/standards>.

4.2 SBP-endorsed Regional Risk Assessment

Not applicable – no SBP-endorsed Regional Risk Assessment available for the supply base region.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Enviva Holdings, LP (“Enviva”) owns and operates six plants in the United States. In January 2015 Enviva acquired the Cottondale facility. The Cottondale facility first began production in April 2008 as Green Circle Bioenergy, Inc. Cottondale produces over 700,000 metric tons of pellets per year and employs more than 100 people, including technicians, engineers, and operators. The majority of feedstock is sourced as roundwood with additional woodchips (both wet and dry) also being purchased. Bark from the roundwood is used as energy in the dryer. Additional bark is purchased to fully power the dryer.

5.2 Description of Biomass Producer’s Supply Base

Enviva operates the Enviva Pellets Cottondale mill located in northwest Florida, USA. The supply base area includes 47 counties in Florida, 67 counties in Alabama, 145 counties in Georgia, 23 counties in Mississippi and 13 in South Carolina. The entire Cottondale supply base encompasses 295 counties and 41,742,577 hectares. Cottondale procures all of their fiber from primary and secondary sources from the defined supply base area. Their internal fiber procurement group is responsible for the implementing the voluntary standards including the Sustainable Forestry Initiative® (SFI) Fiber Sourcing and Chain of Custody (CoC) Standards, and the Programme for the Endorsement of Forest Certification (PEFC™) CoC Standards. Feedstock is sourced primarily direct from the forest in the form of roundwood or wood chips from primary suppliers, all of whom are vetted and qualified prior to delivering. Fiber cannot be delivered to the mill until a contract is signed with the supplier. The contract requires suppliers to use trained loggers during harvest, follow Best Management Practices (BMP’s) for water quality, and to avoid controversial sources of fiber, such as illegal logging, wood harvested in violation of traditional and civil rights, wood harvested in forests where high conservation values are threatened by management activities, wood harvest in forests being converted to plantations or non-- forest use, and wood from forests in which genetically modified trees are planted. Enviva foresters confirm trained logger status and ensures that loggers delivering fiber maintain their continuing education as required. Enviva uses forest residues, such as tree tops, limbs, deformed trees and any other wood produced during harvested that is otherwise unacceptable to other wood users in the area. Enviva does not use sawlogs in the production of pellets, nor does the plant use any construction debris, treated wood, or post-- consumer material. Enviva also sources secondary feedstock from a variety of sawmill and wood industry suppliers. Sawmills source high-- quality logs from the forest and mill them into products like two-- by-- fours. Wood industry suppliers use the products created by sawmills to produce products such as furniture or other assembled wood products. These feedstocks are most commonly in the form of sawdust or shavings and may be green or kiln-- dried.

Enviva Cottondale’s Supply Base Report is provided at: <http://envivabiomass.com/sustainability/wood-sourcing/sustainable-biomass-partnership>

5.3 Detailed description of Supply Base

- Primary supply area contains 2.5 million hectares of forested land.
 - Approximately 48% pure pine or pine overstory with a hardwood understory
 - 32% hardwood
 - 20% mixed forests
- Of the secondary feedstock;
 - 99.8% is southern yellow pine
 - 0.2% hardwood
- 14.2% of primary feedstock is sourced from an SBP-approved Forest Management Scheme, however all feedstock is covered by Cottondale's supply base evaluation and confirms an "SBP Compliant" claim for all finished pellets.
- 0% of tertiary feedstock is sourced.

A quantitative description of the Supply Base can be found in Enviva Cottondale's Supply Base Report (SBR).

5.4 Chain of Custody system

Enviva has an adequate management system and documented procedures to determine feedstock compliance to SBP requirements. The organization uses its PEFC Chain of Custody certificate as a base for its SBP certificate. All wood, both primary and secondary feedstock, is tracked from the district of origin, through the pellet mill, and to the port. Feedstock is brought in via trucks to the mill. The feedstock is segregated by type; woodchips/ sawdust, roundwood, and bark (used in the dryer). After pelletizing the material is loaded onto a train and transported to the Panama City Port Authority to be loaded onto a ship.

Although the legal point of sale is at the loading of the ship, GHG information is gathered until point of delivery to the customer.

Enviva uses a database to gather and control information related to feedstock such as supplier name, logger, scale tickets, fibre type, certification, and district of origin. This database can appropriately track output volumes. Trademark/logo use is controlled from the Enviva Head Office and will not be used by Enviva Cottondale.

6 Evaluation process

6.1 Timing of evaluation activities.

Evaluation Activity	Date	Persons Involved	Approx. Duration
Scoping transfer of certificate	February 6, 2017	<u>Enviva Cottondale</u> Allison Gratz (Enviva Director of Sustainability) <u>SCS</u> Julian Eldridge (SCS Operations Manager) Michelle Tuyen (SCS New Business Coordinator) Ellen Kincaid (SCS Technical Associate & SBP Lead Auditor)	2 hours
SCS Stakeholder Consultation	March 27, 2017	<u>SCS</u> Julian Eldridge (SCS Operations Manager)	2 hours
Pellet Mill Audit in Cottondale, Florida and Port Facility Audit in Panama City	April 11 – 12, 2017	<u>Enviva Cottondale</u> Allison Gratz (Enviva Directory of Sustainability) Don Grant (Enviva Regional Manager, Sustainability and Certification) Mickey Knapp (Enviva Assistant Procurement Manager) Alan Jaye (Enviva Procurement Manager) Shawn Cook (Enviva Sustainability Forester) Kim Cesafsky (Enviva Senior Sustainability Analyst) <u>SCS</u> Ellen Kincaid (SCS Technical Associate & SBP Lead Auditor)	16 hours
Pellet Mill Audit and Forest tract visits (11 tracts visited) and Audit Closure	April 11 - 14, 2017	<u>Enviva Cottondale</u> Allison Gratz (Enviva Directory of Sustainability) Don Grant (Enviva Regional Manager, Sustainability and Certification) Mickey Knapp (Enviva Assistant Procurement Manager) Alan Jaye (Enviva Procurement Manager)	16 hours

		Shawn Cook (Enviva Sustainability Forester) Kim Cesafsky (Enviva Senior Sustainability Analyst) SCS Ellen Kincaid (SCS Technical Associate & SBP Lead Auditor) Tucker Watts (Forester, Technical Expert) Robert Hrubes (Forester, Technical Expert)	
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6.2 Description of evaluation activities

Update for certificate transfer to SCS:

Certificate Transfer

The certificate transfer consisted of a review of the Supply Base Evaluation, Risk Assessment, and Documented Control System. Method of review consisted of a discussion of documentation, procedures, and interviews. Most time was spent on the Supply Base Evaluation.

Surveillance Audit

The onsite Surveillance Audit was conducted over the course of four days and included an audit of the Supply Base Evaluation, Documented Management System, Collection and Communication of Greenhouse Gas data, site tour, and procurement sites.

Audit methods consisted of review of documentation, studies, assessments, surveys, websites, and staff interviews. The site tour and visits were evaluated by review of documentation, monitoring results, observations, and interviews. Most time was spend on the Supply Base Evaluation. Equal time was spent on the Documented Management System and Greenhouse Gases.

6.3 Process for consultation with stakeholders

Enviva’s stakeholder consultation process:

Enviva conducted an additional stakeholder consultation from December 16, 2016 to February 3, 2017 as the supply base area for Cottondale changed in 2016. Enviva sent a stakeholder consultation email out to 130 local and potentially interested stakeholders. This email a copy of the current SBE and a comment form, with instructions on how to comment. Enviva also set up a separate webpage on its website for each consultation as well that contained all the same information as the email and had a downloadable SBE and comment form.

For the certificate transfer of Enviva Cottondale, SCS Global Services conducted a stakeholder consultation:

Geographical area(s): The geographical area for the stakeholder consultation is the same as the supply areas identified in the company's Supply Base. This stakeholder consultation included Florida, Alabama, Georgia, Mississippi, and South Carolina in the USA.

List of Stakeholders invited: SCS relies on its Master Stakeholder List, which contains stakeholders that are identified by type, e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal. This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders that were not geographically relevant to the certificate-holder/applicant's supply area(s). Relevant FSC Network Partners were also included in the invitation process.

SCS launched their stakeholder consultation for the Evaluation audit of the Cottondale facility on March 27, 2017 from SCS's Emeryville office to stakeholders. Stakeholders had the opportunity to present their points of view to the auditor(s) in confidence.

SCS received one comment regarding Enviva Cottondale's procurement operations / supply base (see section 12.5 for summary of comment). Attached is the actual notification for Enviva Cottondale. They were selected to geographical relevance to Enviva Cottondale supply base:

This email is being sent to you because SCS Global Services (SCS) has identified you as a potential stakeholder able to provide relevant comments regarding Enviva, LP's fiber sourcing program for their Cottondale, FL mill under that mill's certification as a Biomass Producer (BP) within the Sustainable Biomass Program (SBP) framework.

Background – About SBP

SBP was formed in 2013 by European utilities that are using biomass, mostly in the form of wood pellets or chips, in large thermal generating plants. Biomass-fired power and heat generation is seen as an important technology for achieving the EU's 2020 renewable energy targets and EU member states are adopting their own national approaches to ensuring that the biomass used is legally and sustainably sourced.

SBP's objective is to develop the tools necessary to demonstrate that, as a minimum, solid biomass used for energy production meets these national requirements. The SBP Framework is designed as a clear statement of principles, standards and processes necessary to demonstrate such compliance. Wherever possible, the Framework takes into account and builds on existing regulatory mechanisms and on voluntary certification standards already applied to other forest product streams or to other biomass sources.

The SBP Framework provides a means to collect data describing the nature of the feedstock as well as data to be employed in the regulatory calculations of greenhouse gas (GHG) savings from its use. It also provides a means to demonstrate that risks to forest carbon stocks are managed and that forests' carbon sequestration capability is maintained.

Collectively, the six SBP Standards represent a certification framework, or scheme, against which organizations can be assessed for compliance by independent third-party Certification Bodies (CBs) such as SCS. An organization that satisfactorily demonstrates compliance receives a certificate and is entitled to make SBP claims in relation to its biomass.

For more information, and/or to obtain copies of the six SBP standards, please visit:

<http://www.sustainablebiomasspartnership.org/>

Notification

SBP does not require that certification bodies such as SCS consult stakeholders during the annual surveillance audits of BP's. However, this BP is transferring their SBP certificate to SCS, so the upcoming

audit represents SCS' first chance to engage with stakeholders in order to verify that the BP's management systems are working effectively and consistently across their entire supply base. Attached is their Supply Base Evaluation (SBE) for your consideration.

Consultation

With this email, SCS encourages interested stakeholders to submit relevant information and/or comments regarding the BP's forest management and fiber sourcing/procurement operations, in order to evaluate the BP's compliance with SBP requirements. SCS will:

- review and record all submissions
- evaluate relevant submissions
- document actions taken in relation to relevant submissions, and
- document its conclusions regarding compliance of the BP with the Standards.

If you have any questions/concerns regarding this notification, please email us back and we will follow up with you accordingly.

If you are not interested in participating or providing any comments for this organization, then you do not need to do anything at all in response to this email.

If you would like to be permanently removed from our stakeholder list (and thus not receive any future notifications in regards to this, or any other company), please reply with 'remove'.

Best regards,

There was one response to SCS Global Service's stakeholder consultation.

7 Results

7.1 Main strengths and weaknesses

The main strengths of the Enviva Cottondale include an effective greenhouse gas record keeping system. The employees involved in the SBP program at Enviva Cottondale are very knowledgeable and understand their duties and how they relate to SBP.

The weaknesses are described in section 12.4 Nonconformities.

7.2 Rigour of Supply Base Evaluation

Enviva has developed a detailed SBE including a clear description of their Supply Base Area. The geographical scope of the SBE are the counties in Florida, Alabama, and Georgia for primary feedstock and counties in Alabama, Florida, Georgia, Mississippi, and South Carolina in USA for secondary feedstock to ensure that fiber is not received from outside the SBE scope area.

The SBE was developed internally by qualified personnel using credible third party data sources and was peer reviewed. Their existing management and monitoring systems implemented to meet other voluntary standards and designed to ensure compliance with applicable laws and regulations.

Risk was designated low for all core Indicators, with the exception of 1 Indicator which was designated as specified risk. Enviva implemented additional controls and mitigation measures to reduce the Indicator to low risk. SCS Global Services conducted a review of the SBE process and concluded that it meets the SBP standard requirements during the surveillance audit.

7.3 Compilation of data on Greenhouse Gas emissions

Enviva Pellets Cottondale has a sophisticated excel database where all Greenhouse Gas data is compiled. All compilation is conducted by one individual at Enviva, Kim Cesafsky, and she appropriately keeps the data for each pellet mill under the Enviva umbrella separate from the other pellet mills. For Enviva Pellets Cottondale, most energy use is invoiced by the month and requires no adjustment to match the reporting period, however electricity is billed approximately 10 days offset from the reporting period and a conversion

7.4 Competency of involved personnel

The SBE was completed by Enviva's in-house fiber procurement group who has local forestry experience and knowledge of ecological and social values associated with the supply base, applicable laws and regulations, business management practices, operation of suppliers, and the local forest resource.

Enviva's management and control systems for SBP are the same as those used to meet the SFI/PEFC CoC, which have been in place since 2012. Key personnel tasked with implementing and maintaining the management and control systems relating to SBP compliance are well trained and competent. Enviva

assigned management with appropriate skills and competency to implement and execute the management and control systems relating to SBP compliance. Management interviewed during the assessment were found to be knowledgeable of the SBP requirements.

Enviva engaged a qualified third party auditor, Scott Berg, President, R.S. Berg & Associates, Inc. to review the SBE. Scott Berg has many years of experience in auditing forestry certification programs and in the creation of supply base evaluations/risk assessments for chain of custody systems. Scott Berg also attended an SBP training session in January 2015.

7.5 Stakeholder feedback

PwC conducted the initial stakeholder consultation for Enviva Pellets Cottondale's main evaluation. An update to the stakeholder consultation conducted by SCS Global Services is in the Updates section (12.5) below.

7.6 Preconditions

Not applicable

8 Review of Biomass Producer’s Risk Assessments

SCS assessed risk for the indicators using the guidance in Section 11 of the SBP Framework standard 2: Verification of SBP-- compliant Feedstock and evaluated risk at both the regional and the individual forest level. When completing their Risk Assessment, Enviva primarily relied on their existing management and monitoring systems implemented to meet other voluntary standards and designed to ensure compliance with applicable laws and regulations. As a result of Enviva’s Risk Assessment approach, SCS was able to assess risk for the indicators using a desk review of the documents referenced in the Risk Assessment, as well as interviewing staff and suppliers and observing Enviva’s BMP compliance monitoring system being applied at three supplier harvesting locations during the on-- site portion of the SBP assessment.

Each criterion was evaluated and measured against Enviva’s existing forest certification and chain of custody programs. The supply base evaluation was peer reviewed by and independent third party. Enviva identified one indicator which has “specified risk”; however, via associated mitigation measures and controls Enviva subsequently designated the indicator as “low risk”.

Table 1. Final risk ratings of Indicators as determined after the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)		Indicator	Risk rating (Low or Specified)	
	Producer	CB		Producer	CB
1.1.1	Low	Low	2.3.3	Low	Low
1.1.2	Low	Low	2.4.1	Low	Low
1.1.3	Low	Low	2.4.2	Low	Low
1.2.1	Low	Low	2.4.3	Low	Low
1.3.1	Low	Low	2.5.1	Low	Low
1.4.1	Low	Low	2.5.2	Low	Low
1.5.1	Low	Low	2.6.1	Low	Low
1.6.1	Low	Low	2.7.1	Low	Low
2.1.1	Low	Low	2.7.2	Low	Low
2.1.2	Low	Low	2.7.3	Low	Low
2.1.3	Low	Low	2.7.4	Low	Low
2.2.1	Low	Low	2.7.5	Low	Low
2.2.2	Low	Low	2.8.1	Low	Low
2.2.3	Low	Low	2.9.1	Low	Low
2.2.4	Low	Low	2.9.2	Low	Low
2.2.5	Low	Low	2.10.1	Low	Low

2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

9 Review of Biomass Producer's mitigation measures

The following mitigation measures were taken to address the specified risks in the initial SBE.

Indicator 2.2.4: The Biomass Producer has implemented appropriate control systems and procedures to ensure that biodiversity is protected (CPET S5b).

Mitigation Measures: According to the FSC US Controlled Wood National Risk Assessment –DRAFT (v0.1) the following biodiversity concerns exist in the supply region for these critical habitats:

Southern Appalachians HCV1

- Aquatic Habitats: Exceptional aquatic biodiversity including fish, mussels, snails, crayfish, and amphibians are abundant in the Southern Appalachians. The Cahaba River watershed is the focal point of this habitat, but the richness of biodiversity extends out to the numerous smaller watercourses in the area as well.
 - Specified Risk: Sedimentation from roads during forest operations is a threat to biodiversity in this area.
 - Mitigation Measures: Silvicultural BMP's provide protection to waterbodies during road construction, maintenance, and other aspects of forestry operations. Components of logger training classes including BMP's, threatened and endangered species awareness, and identification of special sites help increase recognition and protection of these critical areas.
- Glades Habitat: The Glades consist of limestone and sandstone outcrops in Central Alabama that have a high density of rare plant species.
 - Specified Risk: The biodiversity values of these areas are potentially harmed when the value of the Glades is not recognized during harvest activities.
 - Mitigation Measures: The biodiversity values associated with the Glades should be considered when planning ramps and skid trails prior to harvest. Components of logger training classes include BMP's, threatened and endangered species, and identification of special sites.
- Montane Longleaf Pine: This area occurs in the rolling topography on the outside edge of the Coastal Plain and is similar to other Longleaf Pine ecosystems that provide a wide range of biodiversity values closely associated with native plant diversity. These open stands with abundant native groundcover provide optimal habitat for the Red-Cockaded Woodpecker and the Gopher Tortoise. The historical presence of fire in this area defined the range of Longleaf Pine and created the Montane Longleaf Pine ecosystem. As the population of this area increased and fire was withheld from the forest, the Longleaf ecosystem began a sharp decline to 3% of its original range.
 - Specified Risk: Further loss of this habitat could harm the species that depend upon this ecosystem.

- Landscape Level Mitigation Measures: A variety of federal, state, and private entities have led the push for Longleaf reforestation and ecosystem restoration in the southeast United States. A strong market for Longleaf Pine products is an essential component of any successful Longleaf reforestation effort. The Longleaf Alliance is the regional leader in Longleaf Pine management and restoration and they recognize that markets are an important catalyst for their objectives “Current markets make longleaf management more attractive than ever” (Longleaf Alliance, 2016).
- Mitigation Measures: When harvesting operations occur in and around Longleaf ecosystems, procedures are in place to protect those species closely associated with this habitat. Protection of the Red-Cockaded Woodpecker exist in the form of the U.S. Endangered Species Act. Logger training programs also educate producers in the identification and protection of threatened and endangered species and HCV areas.

Florida Panhandle HCV1

- Longleaf Pine: The Florida Panhandle is within the natural range of Longleaf Pine. The rich biodiversity associated with the Longleaf Pine ecosystem is a key component of this assessment of high conservation value. The open stands and abundant native groundcover present in the Longleaf ecosystem provide optimal habitat for the Red-Cockaded Woodpecker and the Gopher Tortoise. The historical presence of fire in this area defined the range of Longleaf Pine and created the Longleaf ecosystem. As the population of this area increased and fire was withheld from the forest, the Longleaf ecosystem began a sharp decline to 3% of its original range.
 - Specified Risk: Further loss of this habitat could harm the species that depend upon this ecosystem.
 - Landscape Level Mitigation Measures: A variety of federal, state, and private entities have led the push for Longleaf reforestation and ecosystem restoration in the Florida panhandle. A strong market for Longleaf Pine products is an essential component of any successful Longleaf reforestation effort. The Longleaf Alliance is the regional leader in Longleaf Pine management and restoration and they recognize that markets are an important catalyst for their objectives “Current markets make longleaf management more attractive than ever” (Longleaf Alliance, 2016). There several large landowners within the panhandle area that have focused their management efforts on Longleaf Pine ecosystem restoration. The Apalachicola National Forest located in Liberty and Leon counties contains over 470,000 acres that are managed primarily to foster Longleaf growth. There are 4 state forest in the area totalling over 250,000 acres that include longleaf restoration among their multi use objectives. The Nature Conservancy is currently restoring longleaf on over 6,000 acres in Liberty County on the Apalachicola Bluffs and Ravines Preserve. The Gulf Coastal Plain Ecosystem Partnership (GCPEP) is a partnership of 11 landowners in the western Florida Panhandle and south central Alabama developed to restore longleaf ecosystems on over 1 million acres. In addition to these specific efforts, the U.S. government Conservation Reserve Program (CRP) is a cost share program that encourages private landowners to plant Longleaf Pine.
 - Tract Level Mitigation Measures: When harvesting operations occur in and around Longleaf ecosystems, procedures are in place to protect those species closely associated with this habitat. Protection of the Red-Cockaded Woodpecker exist in the form of the U.S.

Endangered Species Act, and in 2014 Florida adopted the Forestry Wildlife Best Management Practices for State Imperilled Species that includes guidelines for protecting the gopher tortoise. Components of logger training classes including threatened and endangered species awareness, and identification of special sites help increase recognition and protection of these critical areas.

- Apalachicola Bay/River System: Biodiversity for this area is driven by aquatic species such as reptiles, amphibians, and mussels.
 - Specified Risk: The main threat from forest management activities is sedimentation of the river system.
 - Mitigation Measures: BMP's designed to protect water quality also protect the species associated with aquatic habitats. BMP compliance is required by contract for all Enviva suppliers, and BMP training is a key element in logger training programs.
- Steephead Ravines: There is a wide diversity of species including rare, threatened, and endangered species associated with the Steephead Ravines located along the Apalachicola River system due to the heterogeneity of the site conditions and the microclimates found there. This area contains the southernmost range of many northern species.
 - Specified Risk: These biodiversity values of areas are potentially harmed when the value of the ravines are not recognized during harvest activities.
 - Landscape Level Mitigation Measures: In Liberty County, the Apalachicola Bluffs and Ravines Preserve is a 6,000 acre area that has been established especially for protecting these areas.
 - Tract Level Mitigation Measures: These areas are associated with the Apalachicola River System and protected by existing BMPs. BMP compliance is required by contract for all Enviva suppliers, and BMP training is a key element in logger training programs.

Central Florida

- Pine Flatwoods Habit: This area is similar to other native pine ecosystems such as Longleaf Pine that provide a wide range of biodiversity values closely associated with native plant diversity.
 - Specified Risk: Further loss of this habitat could harm the species that depend upon this xeric upland ecosystem.
 - Mitigation Measures: When harvesting occurs in and around this habitat, consideration of biodiversity values should be made prior to placing landings or ramps in Xeric uplands. Protection for the Red- Cockaded Woodpecker exist in the form of the U.S. Endangered Species Act, and in 2014 Florida adopted the Forestry Wildlife Best Management Practices for State Imperilled Species that includes guidelines for protecting the gopher tortoise.

Overall, SCS Global Services has concluded that the identification and mitigation measures for this indicator are reasonably designed to address the identified risks and Enviva Pellets Cottondale is monitoring the effective implementation. Enviva Pellets Cottondale monitors the effectiveness through continual harvest

inspections of roundwood and wood chips from primary suppliers and the rigorous district of origin process with all sawmill and wood industry suppliers of secondary feedstock.

10 Non-conformities and observations

N/A – This is a surveillance audit and no non-conformities were issued at the Evaluation audit. New non-conformities are listed below.

11 Certification decision

Prior to the first surveillance audit of Enviva Pellets Cottondale transferred CBs to SCS Global Services. The certificate was not issued until February 6, 2017 so an extension of 90 days to conduct the first surveillance audit was granted. Below is the certification decision granted by PwC.

PwC has concluded that the Enviva Pellets Cottondale has the organizational capability to systematically meet the performance objectives and the requirements of the Standards based on the evaluation process described in Section 6 of this public summary. PwC's Practice Leader recommends certification of Enviva Pellets Cottondale as of August 5, 2016. The next assessment should be completed prior to February 25, 2017.

11.1 1st Surveillance Audit

Enviva Pellets Cottondale is in conformance with SBP STD 1 V1.0, SBP STD 2 V1.0, SBP STD 4 V1.0, and SBP STD 5 V1.0 (including SBP ID 5A, 5B, & 5C V1.1) with the exception of three major and one minor nonconformities. All major and minor nonconformities were closed before report finalization. Four observations were issued. Continued certification is approved.

12 Surveillance updates

12.1 Evaluation details

The first surveillance audit occurred April 11 – 14, 2017. The opening meeting was conducted at the Cottondale Pellet Mill in Cottondale, FL. At this site the bulk of SBP ST 4 and SBP ST 5 was audited. A walkthrough of the pellet mill was conducted on April 11, 2017. Most of the day of April 12 was conducted as a walkthrough of the Panama City Port Authority site. April 13 and 14 were held at the Cottondale location where documentation pertaining to SBP ST 1 and SBP ST 2 was audited. Also, during these days, 11 forest tracts were visited.

12.2 Significant changes

Enviva conducted an additional stakeholder consultation from December 16, 2016 to February 3, 2017 as the supply base area for Cottondale changed in 2016. Enviva sent a stakeholder consultation email out to 130 local and potentially interested stakeholders. No significant changes in mitigation measures or risk ratings occurred since the Evaluation audit.

12.3 Follow-up on outstanding non-conformities

N/A: PwC did not issue any non-conformities or Observations during the Evaluation audit.

12.4 New non-conformities

Requirement	Type & Grade of Finding	Deadline	Description	Status
ID 5A, 2.2.5 & 2.2.6, ID 5B 3.2.1, ID 5C 3.2.1, ID 5A 2.2.4, ID 5B 6.1.1	Major	Closed	The SAR's front page was not filled out, including SDI #, and Reporting Period	During the audit Kim worked on the SAR and has filled out the front page to include SDI # and the Reporting Period. CAR is closed.
ID 5B 2.1.1, ID 5B 3.3.1, ST 5 5.6, ST 5 6.3	Observation	N/A	Due to the complex relationships with Enviva COT and Enviva's trader license, it's important to be careful from which certificate an SREG and sale are issued from. Enviva COT needs to ensure that all GhG information comes from the correct certificate.	N/A
ID 5B 5.1.5	Major	Closed	During the audit it was found that the natural gas usage was entered into the SAR incorrectly due to a human error. Found the wrong	During the audit Kim went through and change all the affected data and reissued the

			value inputs for SAR.	calculations for Natural gas in the SAR. CAR is closed.
SBP ST 2 19.2	Major	Closed	The SBR has not been signed off by senior management.	After the closing meeting of the audit, Allison received an SBR signed off on by the senior management of Enviva. CAR is closed.
SBP ST 1, Indicator 1.1.3	Minor	Closed	Track and trace setup form, Enviva Tract Data Collection Form, has resulted in inaccurate information from the tracts during harvest. For example the tracts visited by Robert Hrubes: <ul style="list-style-type: none"> • Arrington Tract, form said it was a thin, but in fact a clear cut. Milton Plantation Tract, form said it was a clear cut but was clearly a thin.	Reviewed updated procedures titled “ENV-TT-02 Track and Trace Procedures VII_KC” with strategy implementation to prevent incongruences between the Tract Data Collection Form and actual harvest activities. CAR is closed.
SBP ST 1, Indicator 1.1.3	Observation	N/A	New Track and Trace Setup Form better than old Enviva Tract Data Collection Form, but could increase accuracy if there was a comment field in situations where further clarification is helpful. For example, the Weyerhaeuser/Greene Family Lot tract didn’t allow for further comments and could be confusing why 300 acres of 16 year roundwood was chipped for pellets. Would also be further improved to have a version number through the same document control system as used for other documents and procedures reviewed.	N/A
ID 5A 2.2.5 ID 5B 2.2.1, ID 5C 2.2.1	Observation	N/A	The organization should ensure that the SDI on the front page of the SAR is written as required by including the “SBP” prefix once the certificate number has been assigned to the organization. Also, the organization should ensure to include the SDI in the Biomass Profiling Datasheet.	N/A

12.5 Stakeholder feedback

There was one response to SCS Global Service’s stakeholder consultation:

Summary of Comment	SCS follow-up action
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<p>The stakeholder expressed gratitude towards Alan Jaye and Shawn Cook of Enviva Cottondale, for being active in the Florida Forestry Association.</p>	<p>SCS acknowledged receiving the comment and determined that no other actions were necessary.</p>
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12.6 Conditions for continuing certification

Several nonconformities were identified during the audit. Enviva Cottondale has closed all Major CARs and Minor CARs by the close of the audit, 2 Observations remain open.

12.7 Certification recommendation

Enviva Cottondale conforms to SBP STD 1 V1.0, SBP STD 2 V1.0, SBP STD 4 V1.0, and SBP STD 5 V1.0 (including SBP ID 5A, 5B, & 5C V1.1) with 3 Major CARs (all closed before end of audit), 1 Minor CAR, and 2 Observations issued. Continued certification is recommended.