

SBP

Sustainable Biomass Program

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

Scope Change Audit

www.sbp-cert.org



Completed in accordance with the CB Public Summary Report Template Version 1.4

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

Document history

Version 1.0: published 26 March 2015

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1 Overview

CB Name and contact: SCS Global Services, 2000 Powell St. Ste 600 Emeryville, CA 94608

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

Current report completion date: 28/Jan/2019

Report authors: Sebastian Haefele & Theodore Brauer

Name of the Company: Enviva Pellets Greenwood, LLC

Company contact for SBP: Don Grant, (984) 789-3642 ext 1069, don.grant@envivabiomass.com

Certified Supply Base: Select counties in US states Georgia, North Carolina and South Carolina.

SBP Certificate Code: SBP-04-25

Date of certificate issue: 30/Nov/2016

Date of certificate expiry: 29/Nov/2021

This report relates to the Scope Change Audit

2 Scope of the evaluation and SBP certificate

The manufacture of wood pellets and rail transport to the port of Wilmington, North Carolina, including Standards 1, 2, 4 and 5 for the Greenwood, SC facility. It also covers a Supply Base Evaluation for the sourcing of feedstock from US states Georgia, North Carolina and South Carolina. The scope includes communication of Dynamic Batch Sustainability Data.

3 Specific objective

The object of this expansion of scope audit was to confirm:

- The Biomass Producer's management system is implemented across the entire scope of certification (SBP ST 4, & 5).
- Implementation of Dynamic Batch Sustainability Data communication as per Instruction Document 5D.
- Organization conforms with the requirements at critical control points; including supplier documentation with feedstock properties (trip/ scale tickets) and incoming loads database, material accounting records, credit ledgers for tracking of volumes, feedstock types and claims, spreadsheets with total volume of pellets produced, staff awareness assessed through interviews.
- Collection assessment information
- Generating assessment findings

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

Not applicable: No SBP endorsed Regional Risk Assessment for supply area.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

The Biomass Producer (BP) receives wood fibre as roundwood from thinnings or clear-cuts at their pellet mill located in Greenwood, South Carolina. The Company sources pine roundwood from selected counties in South Carolina and Georgia. The procurement organization consists of a procurement manager and procurement forester.

5.2 Description of Company's Supply Base

Greenwood purchases primary and secondary feedstock from hundred fifty (150) counties containing 12,271,715 hectares of forest. States or portions of states include; Georgia (58 counties), North Carolina (46 counties) and the entire state of South Carolina (46 counties) within the United States. Forests are the predominant land use in this supply base (66%). Hardwood forests comprise the largest forest type (50%) of the supply area's forest followed by pine forests (38%). The pine/oak forest comprises 11% of the supply area's forest type while about 1% of the forest is considered non-stocked. About 78% of the supply area's forests are managed as natural forests (9,592,730 hectares) while the remaining 22% of the supply area's forests are artificially regenerated (2,678,685 hectares).

Greenwood purchases its primary feedstock in the form of roundwood and in-woods chips from suppliers who purchase standing timber from landowners. Private forest landowners account for 86% of the forestland within the wood basin. Federal lands account for a little more than 10% with the remainder (<4%) owned by state and local governments. Tracts owned by small landowners will provide about 75% of the primary feedstock while large private landowners will provide the remaining 25%. Primary feedstock from public lands may occur but should be de-minimus.

5.3 Detailed description of Supply Base

A few summary statistics of the supply base are presented below. For a more detailed description of the supply base, please refer to the supply base report.

- Total Supply Base area (ha): 12,271,715 ha
- Tenure by type (ha): Privately owned (10,545,375 ha) / Public - Federal (1,267,575 ha) / Public - State (283,822 ha) / Public - Local (174,943 ha)
- Forest by type (ha): Temperate
- Forest by management type (ha): Plantation (2,678,685 ha) / Managed Natural (9,320,629 ha) / Natural (272,101 ha)

- Certified forest by scheme (ha): SFI (438,542 ha) / FSC (130,226 ha) / ATFS (125,182 ha)

5.4 Chain of Custody system

The Company is FSC/PEFC Chain of Custody certified and has used the management and control systems required for these CoC certifications to implement the SBP program. The CoC certificate is a single site. Pellets are manufactured at the facility and railed to a port in Wilmington, NC. Ownership of the pellets transfers to another entity when the pellets are weighed and unloaded at the port.

6 Evaluation process

6.1 Timing of evaluation activities

Audit Activity	Items to Review / Actions	Date & time (EST)
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP and SCS standards and protocols, client description of organization	January 25, 2019 11 am
Review of ST 5 ID-5D: procedures, staff interviews, material balances and records. DTS. For all seven mills	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, and records, tracebacks from certified outputs to eligible inputs. Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position.	11:20
Break		2:00 pm
Cont'd Review of ST 5 ID-5D.	idem	2:20-5:30
End of day 1		
Closing meeting preparation	Auditors take time to consolidate notes and review audit findings for presentation at closing meeting	January 28, 2019 3:45pm
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	4:00-4:30
End of audit		

6.2 Description of evaluation activities

The remote expansion of scope audit Audit was conducted to include instruction document 5D.

Audit methods consisted of review of documentation, studies, assessments, surveys, websites, and staff interviews.

6.3 Process for consultation with stakeholders

N/A – expansion of scope audit.

7 Results

7.1 Main strengths and weaknesses

The Company is certified to the FSC/PEFC Chain of Custody Standards, the FSC Controlled Wood and PEFC Controlled Sourcing Standards and the SFI Fiber Sourcing Standard. Accordingly, it has developed and refined its procedures to enable it to track fiber from the district of origin and throughout the supply system and manufacturing process. Strengths include the ability to track residual material back to the source mill. The Company's defined supply basin extends well beyond the normally accepted haul radii for its residual supplier mills to ensure the district of origin of the fiber is within the supply basin. The Company has exhibited a strong corporate commitment to source fiber sustainably. Enviva Greenwood operates a strong data collection, analysis, and reporting system for feedstock and greenhouse gas emissions. For weaknesses and opportunities for improvement, please refer to section 10.

7.2 Rigour of Supply Base Evaluation

N/A – expansion of scope to ID-5D

7.3 Collection and Communication of Data

The Manager of Sustainability and Sustainability Analyst are responsible for collecting data on energy, moisture content, material movements and inventories and related records such as ledgers, and invoices from different departments of the organization and external suppliers. Data are centrally compiled in a master spreadsheet. This spreadsheet also contains all necessary calculations.

7.4 Competency of involved personnel

The Company's management and control systems for SBP are the same as those used to meet the PEFC/FSC Chain of Custody, FSC Controlled Wood and the SFI Fiber Sourcing requirements. Key personnel tasked with implementing the Company's management and control systems relating to SBP compliance are well trained and competent, with strengths in markets, silviculture, management, harvesting, and conservation issues. Their knowledge of SBP requirements is strong. The Manager of Sustainability and Sustainability Analyst are well versed in all requirements regarding data collection and reporting, and manage comprehensive databases with clearly laid out tables and calculations. All records required during the audit were readily available.

7.5 Stakeholder feedback

N/A – expansion of scope to ID-5D

7.6 Preconditions

No pre-conditions.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Click or tap here to describe how the Certification Body assessed risk for the Indicators.

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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

Mitigation includes controls stated in contracts, implemented in training, and monitored for compliance. Master Wood Products Purchase Agreement requires fiber to be sourced from areas where proposed forestry activity does not threaten high conservation values. Suppliers provide specific tract information on the "Track and Trace Requirements" about the origin of the primary feedstock. Training is required for primary feedstock suppliers and their loggers to maintain Qualified Logging Professional status. As part of the training, primary feedstock suppliers and loggers receive training on high conservation value areas and the habitats/ecosystems where these areas are located. Monitoring is conducted through the Track and Trace System, and by state and federal agencies. Monitoring through the Track and Trace System is conducted on a maximum of 5% of the tracts or a total of 24 tracts annually. Secondary feedstock suppliers are audited annually to ensure their supply base is within the District of Origin, and to determine if the supplier has had any BMP or regulatory violations, and determine if the wood could originate from high conservation value areas. Federal and state agencies monitor BMP activity and conservation of high conservation value areas.

Witnessed signed contracts by all suppliers, data for Track and Trace System, compliance with training requirements in state training databases for all suppliers, and various forms for the monitoring of primary and secondary suppliers. A total of 27 field sites were sampled for primary suppliers with no issues identified. Verification of secondary suppliers was completed with no issues identified.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- *applicable requirement(s)*
- *grading of the non-conformity (major or minor) or observation with supporting rationale*
- *timeframe for resolution of the non-conformity*
- *a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.*

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Ciara McCarthy
Date of decision:	07/Feb/2019
Other comments:	<i>Click or tap here to enter text.</i>