



Sustainable Biomass Program

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

Main (Initial) Audit

[www.sbp-cert.org](http://www.sbp-cert.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.3

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

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

Primary contact for SBP: Sarah Harris

Current report completion date: 26/Jun/2018

Report authors: Tucker Watts, Sebastian Häfele

Name of the Company: Enviva Holdings LP; Enviva LP 205 Martin Luther King Jr. Blvd Amory, MS  
38821, United States

Company contact for SBP: Don Grant

Certified Supply Base: Counties in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana,  
Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, and Texas in the  
Southeast and Central United States of America.

SBP Certificate Code: SBP-04-12

Date of certificate issue: 28/Jun/2018

Date of certificate expiry: 27/Jun/2023

This report relates to the Main (Initial) Audit

## 2 Scope of the evaluation and SBP certificate

This certificate covers the production of wood pellets, for use in energy production, at Enviva Pellets Amory and transport to the port of Mobile, AL for storage, aggregation, and vessel loading. The scope does not include a supply base evaluation.

### 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 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.

The following critical control points were identified and audited:

Feedstock procurement: feedstock is procured as SBP-compliant through the purchase of feedstock with a claim from an SBP-approved FM or COC system and as SBP-controlled feedstock through the use of the BP's PEFC DDS.

Receiving of feedstock and storage: All incoming feedstock is weighed before entering the plant end volumes, feedstock information, supplier, etc is automatically recorded in an electronic database. Feedstock is stored onsite.

Accounting of volumes is achieved through the PEFC percentage ledger.

Documentation of transactions: it is planned to use the DTS to cover all transactions of SBP-certified biomass.

Collection and reporting of energy data: This is established via comprehensive databases in spreadsheets that allow for a transparent calculation of the required data. Reporting is done through the SAR. Static Biomass Profiling Data are reported in the respective spreadsheet template.

## 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

## 5 Description of Company, Supply Base and Forest Management

### 5.1 Description of Company

Enviva Holdings LP (“Enviva”) operates the Enviva Pellets Amory mill located in northeast Mississippi, USA. Primary feedstock originates directly from the forest in the form of in-woods chips and secondary feedstock is received as residues from primary wood processing facilities and wood industry manufactures.

### 5.2 Description of Company’s Supply Base

The catchment area for primary feedstock at this facility includes portions of Alabama and Mississippi. The supply base area for secondary feedstock includes counties in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, and Texas in the Southeast and Central United States of America. The entire Amory supply base area encompasses 623 counties and 52,504,045 forested hectares.

Link to BP’s supply base report: <http://www.envivabiomass.com/sustainability/wood-sourcing/sustainable-biomass-partnership/>

### 5.3 Detailed description of Supply Base

The average primary feedstock catchment area radius for Amory is 72 km. This area contains 1.1 million hectares of forested land. The supply base area for secondary feedstock has an average radius of 536 km. The entire supply base area of 93.6 million hectares contains 52,504,045 forested hectares, and has an annual growth to drain ratio of 1.94:1 for all species, 1.39:1 for hardwood, and 2.22:1 for pine (US Department of Agriculture Forest Service, 2016). A growth to drain ratio greater than 1 indicates that forest growth exceeds harvest removals. The Forest can be classified by two management types natural forest (74%) and plantation (26%).

Please refer to the biomass producer’s publically available supply base report for more details.

### 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 types received are woodchips, shavings and sawdust. After pelletizing the material is loaded onto trucks that transport it one mile to a river port where the pellets are dumped onto barges. Then barges are transported to the port of Mobile, Alabama for storage and to be loaded onto a ship.

The legal point of sale is at the loading of the ship.



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.

## 6 Evaluation process

### 6.1 Timing of evaluation activities

Evaluation Activity	Date	Persons Involved	Approx. Duration
Audit of ST 5 data	August 8, 2017	Enviva  Allison Gratz, Kim Cesafsky, Don Grant, Shawn Cook  SCS  Sebastian Häfele	4 hours
On site audit: port of Mobile, AL	August 21, 2018	Enviva  Don Grant, Shawn Cook, Adam Graddick  SCS  Sebastian Häfele	2 hours
Pellet Mill Audit in Amory and visit to river port loadout area	August 22, 2017	Enviva  Don Grant, Shawn Cook, J. Davis Lovelace  SCS  Sebastian Häfele	8 hours
Sawmill remote audits	August 23, 2017	Enviva  Don Grant, Shawn Cook, Kim Cesafsky  SCS  Tucker Watts (Forester, Technical Expert)	8 hours <sup>1</sup>
Sawmill on-site audits	August 24, 2017	Enviva  Don Grant, Shawn Cook, Kim Cesafsky	8 hours

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		SCS Tucker Watts (Forester, Technical Expert)	
Sawmill on-site audits & closing meeting	August 25, 2017	Enviva Don Grant, Shawn Cook, Kim Cesafsky SCS Tucker Watts Sebastian Häfele (closing meeting)	4 hours

## 6.2 Description of evaluation activities

The onsite audit was conducted over the course of five days and included an audit of the documented management system, collection and communication of energy data, site tour, and remote and on-site audits of suppliers (sawmills). Sawmill on-site and remote audits were performed as part of a previous audit scope that included an evaluation to SBP Standards 1, 2, 4, and 5. Since then, SBP Standard 1 and the supply base evaluation have been removed from the certificate scope.

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

As per June 2018, the Supply Base Evaluation has been removed from the certificate scope. In order to account for updates in relevant procedures and the supply base report, a review has been performed of those and the audit report has been updated accordingly.

## 6.3 Process for consultation with stakeholders

Starting February 13, 2017 and ending on March 27, 2017, Enviva conducted a public consultation on the draft Amory SBE. Stakeholders received an email that contained a copy of the Draft SBE and directions on how to comment. Emails were sent to over 150 individuals representing ENGOs, academic organizations, public agencies, landowners, and private companies. The same draft SBE and directions for commenting were available on the Enviva website during the consultation.

## 7 Results

### 7.1 Main strengths and weaknesses

Enviva manages an efficient energy and greenhouse gas collection system and adequately archives documentation and records such as invoices to support data reporting. The employees involved in the SBP program at Enviva Pellets Amory are very knowledgeable and understand their duties and how they relate to SBP. Enviva also maintains an effective tracking program for all suppliers of primary and secondary feedstock. Suppliers share a strong commitment to sustainability. Many are certified or in the process of being certified to a forestry standard.

The weaknesses are described in section 10.

### 7.2 Rigour of Supply Base Evaluation

Not applicable

### 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.

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 and the numbers and calculations as reported in the SAR are conclusive and replicable.

### 7.4 Competency of involved personnel

Enviva's in-house fiber procurement group 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. The fiber procurement group has many years of experience working in the supply base.

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.

## 7.5 Stakeholder feedback

SCS conducted a stakeholder consultation from March 10 through April 10, 2017. Two comments were received and have been addressed as follows:

BMP compliance and logger training are an integral element verified and documented in the Supply Based Evaluation of Enviva – Amory. Comment was positive on the implementation by Enviva – Amory.

Enviva does not currently receive primary fiber from the state of Louisiana. Most forestry associations and SIC's charge fees based on the primary fiber consumed at a mill. Enviva provides a secondary fiber market to a small number of mills operating in the state enabling them better utilize the primary fiber they purchase. If Enviva's sourcing practices change to include primary fiber from Louisiana, Enviva will revisit the need to become an active member of Louisiana's Forestry Association and SIC.

Outside of SCS's stakeholder consultation, SCS considered the following publication as stakeholder comment:

Hammel, D. The Sustainable Biomass Program: Smokescreen for Forest Destruction and Corporate Non-Accountability. Natural Resources Defence Council; Dogwood Alliance. JUNE 2017 IP: 17-05-E<sup>2</sup>.

The issue paper was considered since it presented alleged examples of the organizations nonconformance to the SBP standards. SCS requested the organization to respond to the comment and evaluated the comments. The issue paper criticized the organization's procurement practices as not in conformance with the standard, stating that harvesting took place in wetland hardwood forests.

The organization responded publicly to allegation brought forth in the stakeholders' comments as follows:

Through summary statistics of their Track and Trace system the organization showed that in 2017 the amount of feedstock sourced in bottomland hardwoods was between 2 and 3% of all of Enviva's pellet mills<sup>3</sup>. Most of the feedstock from hardwood species is sourced as understory from pine forests<sup>4</sup>. The organization states that it does not mainly source whole trees and large diameter wood as brought forth in the issue paper since these trees are used as saw logs in the timber industry primarily. Enviva further stated that "[...] on each of those bottomland tracts, our procurement team and sustainability foresters, along with the landowner, have determined that harvest is necessary to enable regeneration of the desired species." (J. Jenkins; Confronting Stories With Facts, Voices of Enviva blog, Oct 2017 (see footnote #4 on previous pages for source).

Feedstock sourced from upland hardwood forests made up between 5% and 6% in 2017 according to published Track and Trace data.

SCS evaluated the responses made by the BP as adequate to address the stakeholder comments. Adequate evidence that Enviva has implemented appropriate control systems and procedures to ensure that

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<sup>2</sup> <https://www.nrdc.org/resources/sustainable-biomass-program-smokescreen-forest-destruction-and-corporate-non>

<sup>3</sup> <http://www.envivabiomass.com/sustainability/track-and-trace/>

<sup>4</sup> <http://www.envivabiomass.com/voices-of-enviva/confronting-stories-with-facts/>

key ecosystems and habitats are conserved or set aside in their natural state have been reviewed during audits of mills Cottondale, Sampson, Ahoskie, Northampton, Southampton and Amory. During these reviews it has been found that the mills are in compliance with the SBP standard.

## 7.6 Preconditions

None noted.

## 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.*

Not applicable

**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

Not applicable

## 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.

<b>NC number 1</b>	<b>NC Grading:</b> Observation
<b>Standard &amp; Requirement:</b>	SBP ST5, ID 5B V1.1, 3.2.1
<b>Description of Non-conformance and Related Evidence:</b>	
The first mention of the reporting period listed a wrong period, however, the correct reporting period was stated several times in the SAR (p.12, 14, 20, 21, 25, 30), so this was graded as observation. Allison and Kim were aware of all requirements pertaining to the definition and reporting of reporting period, as per interviews.	
<b>Timeline for Conformance:</b>	<i>Choose NC timeline.</i>
<b>Evidence Provided by Company to close NC:</b>	Organization submitted updated version V3 of SAR.
<b>Findings for Evaluation of Evidence:</b>	Reporting period is stated correctly throughout the report. The observation has been addressed properly by the organization.
<b>NC Status:</b>	Closed

<b>NC number 2</b>	<b>NC Grading:</b> Minor
<b>Standard &amp; Requirement:</b>	SBP ST5, ID 5B V1.1, 3.2.1
<b>Description of Non-conformance and Related Evidence:</b>	
Staff interviewed were not aware of requirement to submit Static Biomass Profiling Datasheet to SBP for approval before sending it to Enviva's clients.	
<b>Timeline for Conformance:</b>	By the next surveillance audit, but no later than 12 months from report finalisation date

Evidence Provided by Company to close NC:	Organization submitted updated procedures regarding data collection and communication ENV-SBP-04.
Findings for Evaluation of Evidence:	ENV-SBP-04 Appendix III, Section 3.1.3 states the requirement of getting the BPD SBP approved. During the audit the auditor discussed this requirement with staff in depth and auditor concluded that staff is aware of this requirement now. CAR is closed.
NC Status:	Closed

NC number 3	NC Grading: Minor
Standard & Requirement:	SBP ST 5, ID 5B V1.1, 5.5.1
Description of Non-conformance and Related Evidence:	
Auditor reviewed electricity invoices from supplier Amory Water & Electric: February, April, August and November invoices were reviewed for reporting period 2016. An August invoice could not be produced, however the amount was listed on the invoice for September. All but the August kWh were reported correctly in the SAR and spreadsheet Amory Data V2. The August data were missing from the calculation of the average electricity demand per mt pellets. Since this concerned one value and the average value changed by less than 10% this is graded as minor nonconformity.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	BP updated the master datasheet to include the electricity consumption during August and corrected the average kWh / t pellets in the SAR V4.
Findings for Evaluation of Evidence:	Auditor reviewed SAR and Amory Data V2 spreadsheet. CAR is closed
NC Status:	Closed

NC number 4	NC Grading: Observation
Standard & Requirement:	SBP ST 5, ID 5B V1.1, 4.1.3
Description of Non-conformance and Related Evidence:	
During the mill walkthrough it was shown that material that could be used in pellet production is diverted to the dryer. This material makes up roughly 10% of dryer fuel and the rest is comprised of fines that are not suitable for pellet production. No separate feedstock input group for this feedstock has been specified in the SAR. This could potentially cause confusion as to the origin of the feedstock used in dryer.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	None applicable

Findings for Evaluation of Evidence:	As per SBP Normative Interpretation to SBP Standard 5 Instruction Document 5B, Section 4.1.3, this is no longer a requirement.
NC Status:	Closed

NC number 5	NC Grading: Observation
Standard & Requirement:	SBP Standard 2, 15.2
Description of Non-conformance and Related Evidence:	
The SBP Feedstock Compliance Implementation Manual lists SBP Standards 3 and 6 as normative references, although they are not applicable to the scope of the certificate. SBP Standard 4 is not listed. The SBR lists SBP Standard 1 to be in the scope, although it is not included for this main evaluation audit.	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Click or tap here to enter description provided by Company to close the NC.
Findings for Evaluation of Evidence:	Click or tap here to enter findings for evaluation of evidence by the auditor.
NC Status:	Open

## 11 Certification decision

<b>Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:</b>	
<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Ciara McCarthy
<b>Date of decision:</b>	27/Jun/2018
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>