



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

First Surveillance Audit

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# 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](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

Primary contact for SBP: Maggie Schwartz, mschwartz@scsglobalservices.com

Current report completion date: 01/Jul/2020

Report authors: Kyle Meister

Name of the Company: Enviva Pellets Sampson, LLC

Company contact for SBP: Don Grant, Don.Grant@envivabiomass.com

Certified Supply Base: Counties in North Carolina, South Carolina and Virginia

SBP Certificate Code: SBP-04-43

Date of certificate issue: 03/Sep/2019

Date of certificate expiry: 02/Sep/2024

This report relates to the First Surveillance Audit

## 2 Scope of the evaluation and SBP certificate

Enviva Pellets Hamlet, LLC is a single-site certificate for the production of wood pellets for use in energy production and transport to the port of Wilmington, North Carolina for storage, aggregation, vessel loading, and shipping. It also covers a Supply Base Evaluation for the sourcing of feedstock from select counties in the states of North Carolina, South Carolina, and Virginia. The certificate also includes communication of Dynamic Batch Sustainability (DBS) Data.

The scope of this surveillance audit included an assessment of conformance to procedures, documentation, records and databases to ensure the organization's management system can continue to ensure conformance to SBP Standards 1, 2, 4, and 5. Audit methods used were field audits, remote inspection of the pellet mill and interviews with relevant staff and supplier representatives. The evaluation included a review of documentation such as the Supply Base Report, including the Risk Assessment, PEFC DDS, supplier contracts and SAR, among others.

### 3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer's management system is capable of ensuring that all requirements of specified SBP Standards are implemented over scope of certification.

The following Critical Control Points (CCPs) were identified and evaluated (edit list as appropriate and describe how the organization controls each point and how it was evaluated). Note that you may identify other CCPs for a particular client which you should also describe in the report:

CCP	Description, including how evaluated by SCS
Processes for procurement and processing, transport and storage	All wood delivered to the mill is tracked in a centralized system. Prior to delivery of round-wood, in-woods chips, saw dust or shavings to the scale house, the owner name, district of origin (Lat/Long), product type, etc. are obtained from the supplier. This was confirmed via review of procedures, supplier documentation, and the BP's chain of custody credit accounts. Roundwood is processed into wood pellets by being chipped, dried, hammered, and extruded into pellets, and the bark is used as boiler fuel. In-woods chips are dried, hammered, and extruded into pellets. Sawmill residual is hammered and pelletized. The conversion factors used to allocate the Roundwood, thinning, in-wood chips and mill residuals into pellets are maintained and evaluated by BP staff. This was confirmed via remote inspection of the pellet mill, review of the FSC/PEFC COC report, and interviews with staff.
Volume accounting method	The procedures detail the process to properly maintain the volume credit spreadsheet, with provisions for subtracting certified product sold and for carrying only the past 12 months of credits. This was confirmed via review of the credit account and DTS records.
Documentation of transactions	Invoices are issued, and all outgoing transactions of SBP-certified biomass are recorded in the DTS, which was confirmed via review of DTS records.
Energy data collection and reporting	The organization developed and maintains databases to record data values and calculate energy data as required by Standard 5 and keeps records that substantiate the data.

## 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

- Name of SBP-endorsed Regional Risk Assessment:
- N/A, no SBP-endorsed Regional Risk Assessment.

# 5 Description of Company, Supply Base and Forest Management

## 5.1 Description of Company

Enviva Holdings, LP (“Enviva”) currently owns and operates seven plants in the south-eastern United States. The Hamlet facility will be the eighth plant, once operational. The design capacity of Enviva Pellets Hamlet, LLC. is approximately 600,000 metric tons of pellets per year. Enviva Pellets Hamlet, LLC. Currently employs 79 people, including technicians, engineers, and operators. The Enviva Hamlet pellet mill is located near Hamlet, NC in Richmond County. Construction began in late-2017 and the facility was beginning commissioning operations during the on-site audit. Full design production capacity is planned for 2021. Pellets will be transported by rail to the North Carolina State Ports Authority in Wilmington, NC for export to customers.

The organisation is a legal entity located in: North Carolina, United States of America

The following descriptions and activities apply to the organisation:

<b>Biomass activity</b>	<b>Feedstock sourced</b> <input type="checkbox"/> NA, trader only	<b>Feedstock claims*</b> <input type="checkbox"/> NA, trader only	<b>Relationship to other SBP-certified biomass producers/traders</b>
<input checked="" type="checkbox"/> Pellet producer & trader <input type="checkbox"/> Stationary/ <input type="checkbox"/> Mobile Woodchip producer & trader <input type="checkbox"/> Pellet trader <input type="checkbox"/> Woodchip trader	<input checked="" type="checkbox"/> Primary <input checked="" type="checkbox"/> Secondary <input type="checkbox"/> Pre/ <input type="checkbox"/> Post-consumer tertiary	<input checked="" type="checkbox"/> FSC 100%/Mix Credit <input type="checkbox"/> FSC Mix x% <input checked="" type="checkbox"/> 100% PEFC <sup>1</sup> /Volume Credit <input checked="" type="checkbox"/> SFI Forest Management or 100% <input checked="" type="checkbox"/> ATFS <input type="checkbox"/> Other FSC, SFI or PEFC (e.g., FSC Controlled Wood):	<input type="checkbox"/> NA, not linked via ownership and/or agreement to other SBP-certified entities; or <input checked="" type="checkbox"/> Organisation is linked to other SBP-certified entities via ownership or agreement: refer to all Enviva entities listed on the <a href="#">SBP certificate database</a> .

\*This refers to feedstock claims that the BP may receive per the scope of its Chain of Custody (COC) certificate(s) and not necessarily to claims actually received during the audit period. Equivalents to FSC Controlled Wood or PEFC Controlled Sources must also qualify per an SBE and/or RRA to qualify as SBP-compliant feedstock. See section 5.4 for more details.

Feedstock is sourced from the following regions by administrative unit:Country(ies)	United States of America
States/Provinces/Territories	North Carolina, South Carolina, and Virginia
Number of counties sourced from in case only a portion of an administrative unit is in the SB	North Carolina (65), South Carolina (31), and Virginia (9)

## 5.2 Description of Company’s Supply Base

### Brief description of the Supply Base within the regional context

<sup>1</sup> PEFC recognizes SFI Forest Management, American Tree Farm Standard (ATFS), and CAN/CSA Z809 SFM as 100% PEFC in North America. Other duly recognized standards may be found here: <https://www.pefc.org/> (e.g., CERFLOR Brazil, CERFOAR Argentina, CertforChile, PEFC Estonia, PEFC Latvia, PEFC Lithuania, PEFC Uruguay, Responsible Wood Australia, New Zealand NZFCA, etc.).



Enviva operates one pellet mill in Richmond County, North Carolina under the name Enviva Pellets Hamlet, LLC. Its supply base encompasses a total area of 9.6 million hectares of timberland within North Carolina, South Carolina and Virginia and is referred to as Hamlet Supply base area within Wilmington Region.

During the start-up phase of the Hamlet facility, planned feedstock volumes are as follows: 45% of feedstock will be sourced directly from the forest in the form of low-grade roundwood or woodchips, all of which are vetted and qualified prior to delivery. Suppliers must sign a contract with Enviva Hamlet prior to first delivery. This contract requires suppliers to use duly-trained loggers during harvest, follow Best Management Practices (BMPs) for water and soil 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 converted to plantations or non-forest use, and wood from forests in which genetically modified trees are planted.

Enviva may use forest residues, such as tree tops, limbs, deformed trees and any other wood produced during harvest that is otherwise unacceptable to other wood users in the area. Enviva's sourcing does not directly compete with other forest product industries since there are few economically viable options for low-grade material outside of pulp & paper. Due to structural changes in the pulp & paper industry and shifting demand for pulp & paper products, Enviva can accept low-grade hardwood material that used to be sold almost exclusively to local pulp mills. The Hamlet facility will source about 7% of total wood harvested in area. However, it warrants mention that pulp & paper still represents the dominant use of low-grade material within the supply base area of Enviva Hamlet. Enviva does not use sawlogs in the production of pellets, nor does the plant use any construction debris, treated wood, or post-consumer material.

The Hamlet facility, during the start-up phase, plans to source approximately 55% of feedstock from secondary feedstock suppliers (sawmills and wood industry residues). 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. Additional details are provided in the Enviva Hamlet Supply Base Report (SBR), which is on its website.

**Description of how the producer sources feedstock**

Refer to expert from the BP's SBR:

*Enviva has implemented management systems to ensure that the wood used to make wood pellets meets our strict sustainability requirements. Specifically, Enviva maintains a robust tracking and monitoring program to ensure that all our suppliers deliver wood that is sourced according to our expectations. First, Enviva uses our SFI Fiber Sourcing verifiable monitoring program as a basis for monitoring tract harvests. In addition, we maintain a Track & Trace database which includes information at the tract level, including data on the forest type, age, GPS coordinates, acreage, and the percent of volume from that tract being sold to Enviva. Before agreeing to accept material from a certain tract, Enviva's foresters must obtain this tract-level data and enter it into our database, which generates a unique tract ID. Then, upon delivery to the Hamlet mill, each load is linked to that tract's ID number. As a result, Enviva knows the tract-level attributes for all the primary wood entering the mill.*

*The Track & Trace data collection is supported by tract audits performed by Enviva foresters. During tract audits, Enviva foresters validate data on the tract characteristics in addition to ensuring that best management practices (BMPs) for water quality are properly implemented, special sites are properly protected, and loggers are trained, along with other metrics for responsible harvesting. Enviva only accepts wood from tracts in which the logger has completed and maintains training through a SFI-approved trained logger program.*

Enviva monitors all incoming raw material to ensure that feedstock meets Enviva's sustainable sourcing policy. If any of these monitoring programs uncover issues with incoming raw material, Enviva will contact suppliers to notify them of the issue. If needed, Enviva will cease accepting deliveries from a supplier who does not perform to our sustainability standards. Enviva will not accept further deliveries from a poorly performing supplier until the supplier demonstrates the ability to adhere to Enviva's sustainability requirements.

*Identifying and protecting High Conservation Value (HCV) Areas:*

While gathering Track & Trace data on specific tracts prior to purchase, Enviva's foresters must evaluate whether there is a risk that the tract might be considered HCV or have an HCV area present. This assessment is conducted on a site-by-site basis in order to evaluate the condition of the stand and to maximize the likelihood of regeneration of desirable species post-harvest.

Overall, when deciding whether to purchase primary feedstock from a given tract, Enviva's goal is to determine whether that tract will, if harvested, produce a new tract with the same desirable species composition that was present before harvest. Some indicators that are considered in this decision include forest type, location, species composition, hydrology and water flow, stand age and soil saturation. When assessing a tract for HCVs, Enviva evaluates all of these important characteristics. If there is evidence based on this first level of evaluation that the site may contain an HCV area, the Forester must perform a second level review which includes an on-site assessment, data collection and documentation prior to purchase.

At the landscape scale, we endeavour to contribute to a working forest landscape with a diversity of age classes representing various forest type assemblages which can, over the long and short term, provide wildlife habitat, recreation, buffers for climate change, and other ecosystem services, while still playing a pivotal role in conservation and working forests in the supply base area.

*Minimizing risk from Secondary Feedstock*

Enviva purchases sawmill and wood industry residues in the form of sawdust, shavings, or other waste products from the milling process (Figure 4). Secondary feedstock suppliers receive an initial visit prior to beginning deliveries, to verify their operations and products. All sawmill and wood industry suppliers are required to complete a Residual Supplier Reporting Form, providing Enviva with information on the source of their wood as well as any certifications and species used. Enviva includes their supply areas in our supply base evaluation and provides each supplier with feedback on their supply area, noting any areas of risk that may be present. Enviva may choose to cease deliveries from a supplier which refuses to provide the necessary data for us to properly include their supply area in our risk assessment. Enviva contacts each sawmill and wood industry supplier annually to ensure their data are accurate.

**General description of the forest resources and forest management practices within the Supply Base** (Land use, ownership, socioeconomic conditions, forest composition, and profile of adjacent lands)

Refer to the following excerpt from the SBR:

**Ownership, Land Use and Certification**

Forest ownership patterns within the supply base are typical for the southern US, with the highest percentage of the forest owned by private landowners. Forest land ownership categories for each state in the supply base are presented in Table 2 (USDA Forest Service, 2019). The majority land use in the supply base area is generally agriculture or forestry. Land use data for the supply base area is presented in Table 3 (USDA Economic Research Service, 2017). Major forest certification schemes such as the American Tree Farm System® (ATFS), Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council™ (FSC) have program participants within the supply base. The states within the supply base have over 2 million hectares certified; SFI® Forest Management has 1.1 million certified hectares, ATFS holds 0.6 million certified hectares, and 0.3 million hectares are FSC certified (US Endowment for Forestry & Communities, 2020)

Table 2. Forested Hectares by State and Ownership Type

Ownership Type	NC	SC	VA	Total
Private	4,520,332	3,276,936	733,954	8,531,222
State and Local	334,968	188,275	16,578	539,821
Federal	228,099	258,157	40,172	526,428
Total	5,083,399	3,723,368	790,704	9,597,471

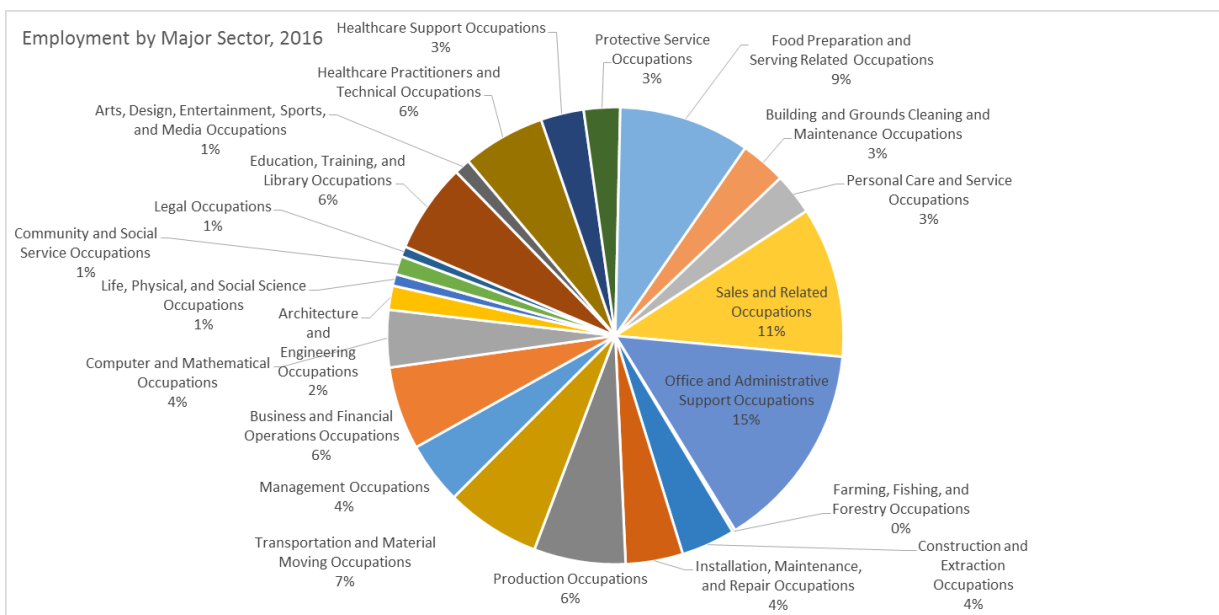
Table 3. Land Use by State (State-wide Basis)

State	Cropland	Pasture	Forest	Urban areas	Other
North Carolina	14%	5%	58%	10%	13%
South Carolina	10%	5%	68%	8%	9%
Virginia	12%	11%	61%	7%	9%

**Regional Socio-economic Conditions**

Regional employment is graphed below and provides a snapshot of the social mixture of the supply base. Mining and Timber Harvesting make up 0.2% of the total employment in the region. However, due to the nature of pellet production, it also supports other sectors such as trade, transportation and material moving, production, installation, maintenance and repair, business and financial operations and office and administrative occupations which in total make up an additional 40% of the labour force. The mean annual income for the region is \$51,174 and mean annual income for the employment sector including Forestry is \$29,990 (Bureau of Labor Statistics, 2016). Mean annual income for an average mill worker in the region is \$34,255 (Bureau of Labor Statistics, 2016). Enviva employs directly approximately 79 people in the region. Further, Enviva’s operations became an additional market to 43+/- harvesting crews and sawmills, along with additional work for forest managers, and feedstock and pellet transport companies. Local contractors are used in maintaining the mills, providing hundreds of spin-off jobs. Figure 3 illustrates employments by the major industrial groups for the two states included in the supply region (Bureau of Labor Statistics, 2016).

Figure 2 North Carolina, South Carolina and Virginia Employment by Major Sector



According to a report created for Enviva by Chmura Economics & Analytics, the estimated total annual economic impact (direct, indirect, and induced impacts) of constructing the Hamlet wood pellet manufacturing plant is estimated to be \$133.1 million while supporting an estimated 635 jobs. An additional indirect impact of \$24.9 million and 145 jobs will benefit North Carolina businesses that support the plant's operation, including local logging and trucking companies **Invalid source specified.**

### **Pellet Feedstock Profile**

Primary feedstock is sourced direct from the forest in the form of round wood or chips from +/- 43 suppliers, all of whom are vetted and qualified prior to delivering. All suppliers must sign a contract with Enviva before wood can be delivered to an Enviva mill. The contract requires suppliers to use trained loggers during harvest, follow best management practices for water quality, and to avoid controversial sources of wood, such as illegal logging. Enviva foresters confirm trained logger status and ensure that loggers delivering wood maintain their continuing education as required. All suppliers and loggers must adhere to posted safety requirements while on Enviva property.

Primary feedstock from forest residues, such as tree tops, limbs, deformed and low-grade trees, and any other wood produced during harvest that is otherwise unacceptable to other wood users in the area is delivered to an Enviva mill as woodchips. A single load of roundwood from the same harvest can contain tops, limbs, and/or small diameter or malformed understory trees that cannot be distinguished from one another through visual inspection. Enviva does not use sawlogs in the production of pellets, nor do we 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.

At the Hamlet plant, the pellet feedstocks sourced in 2019 (July 1 through December 31, 2019) had the following characteristics:

- Primary Feedstock (roundwood and forest residues direct from the forest) comprised 91% of the feedstock, all categorized as SBP-compliant Primary Feedstock
- Secondary Feedstock (sawmill and wood industry residues) made up 9% of the feedstock supplied by 14 mills and is SBP-Compliant Secondary Feedstock
- 6% of the feedstock was certified to an SBP approved certification scheme
- Hardwoods make up 28% of the feedstock and softwood species comprise the remaining 72%.

Hamlet's primary feedstock is tracked through our Track & Trace monitoring program (see description of the program in the following "Track & Trace" section), meaning that we maintain detailed information on the types of forests that provide our pellet feedstocks.

A more detailed breakdown of the feedstocks received by Enviva's Hamlet mill is below, by volume:

- 9% was made up of residues supplied by sawmills and wood industries.
- 27% was made up of hardwood and pine chips and roundwood from mixed oak-pine forests. These forests are managed for the production of pine sawtimber at low-intensities and contain a mixture of hardwood and pine trees. These forests are either planted in pine or naturally seeded from adjacent stands or seed trees, and little to no fertilizers or herbicides are applied to them throughout their life cycle. This establishes an overstory of straight, large-diameter pine trees with an understory of crooked, small-diameter hardwood trees that cannot be made into solid wood products.
- 29% was made up of hardwood and pine chips and roundwood from pine forests. These are forests that were planted in pine and either managed moderately with minimal effort to prevent

hardwood trees from growing in the understory, or more intensively to suppress significant understory growth, thereby increasing the forest's growth rate and yield. These forests are generally thinned 1-2 times throughout their growth cycle, meaning that certain trees are removed to reduce density in the forest and create additional room for the remaining trees to grow to sawtimber size and quality. These thinned trees are sold to low-grade consumers like Enviva.

- 19% was made up of hardwood and pine chips and roundwood from naturally occurring pine forests with hardwood understory. The canopy of pine forests with hardwood understory contains pine trees that are primarily grown to produce pine sawtimber. These forests can also contain a low-quality hardwood understory. Hardwood growth happens naturally through root and seed propagation.
- 6% was made up of hardwood and pine chips and roundwood from other hardwood forests. These are low-intensity managed hardwood forests that are naturally seeded with an overstory of large-diameter oak, poplar, and hickory hardwood trees and a significant understory of small-diameter maple, oak, and sweetgum hardwood trees.
- 1% was made up of hardwood chips from bottomland hardwood forests. These are very low-intensity managed hardwood forests that are located in lowland areas and floodplains along rivers or other water bodies and which have soils that are saturated or flooded for at least part of the year. These forests contain overstories of large-diameter oak, gum, and cypress trees that originate from seedlings and sprouts arising out of stumps from previously harvested trees and a significant understory of small-diameter hardwood trees. When the landowner decides to harvest, the forest is clearcut and the stems of the large-diameter hardwood trees are sold to hardwood sawmills or furniture manufacturers, while the small diameter understory hardwood trees and tops and branches of sawtimber trees are sent to lower grade consumers like Enviva.
- 0.0% was made up of wood from landscaping and urban tree management activities.
- 9% of Hamlet's primary volume is from a chip mill operation that is certified to FSC Chain of Custody/Controlled Wood.

### **General Forest Management Techniques**

#### *Forest management in hardwood systems*

Hardwood forests are managed either as even-aged or uneven-aged stands. Most hardwood stands are 40 to 50 years when harvested if managed as an even-aged stand. No site preparation or fertilizers are used on hardwood forests. Typically, hardwood management relies on natural regeneration of stands where forest tracts are harvested and the natural processes of seedling establishment and sprout growth from the remaining stumps (called "coppice") produce the next forest.

#### *Forest management in pine systems*

Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine seedlings planted by hand to defined stand densities. Some pine stands may be released after 5 years and are not intensively managed thereafter, which permits the growth of hardwood tree species within the stand, creating a mixed pine and hardwood forest.

Forestry practices in the region can vary greatly due to landowner demographics and forest types. There are financial and tax incentives available to forest landowners to encourage management, replanting, and riparian zone buffer incentives (North Carolina Forest Service, 2019), (South Carolina Forestry Commissions, 2018).

More information on the composition of the forests of the US Southeast and socioeconomic trends is available from the USDA Forest Service:

1. Ecosystem Provinces: [https://www.fs.fed.us/land/ecosysmgmt/colorimagemap/ecoreg1\\_provinces.html](https://www.fs.fed.us/land/ecosysmgmt/colorimagemap/ecoreg1_provinces.html)
2. Silvics of North America: [https://www.srs.fs.usda.gov/pubs/misc/ag\\_654/table\\_of\\_contents.htm](https://www.srs.fs.usda.gov/pubs/misc/ag_654/table_of_contents.htm); and

3. Fire Effects Information System: <https://www.fs.usda.gov/rmrs/tools/fire-effects-information-system-feis> and [https://www.fs.fed.us/database/feis/pdfs/Little/aa\\_SupportingFiles/LittleMaps.html](https://www.fs.fed.us/database/feis/pdfs/Little/aa_SupportingFiles/LittleMaps.html).

4. U.S. Forest Resource Facts and Historical Trends: [https://www.fia.fs.fed.us/library/brochures/docs/2012/ForestFacts\\_1952-2012\\_English.pdf](https://www.fia.fs.fed.us/library/brochures/docs/2012/ForestFacts_1952-2012_English.pdf)

**Link to BP's Supply Base Report**

Refer to BP's webpage: <https://www.envivabiomass.com/> and on the SBP certificate database entry: <https://sbp-cert.org/certificate-holders/enviva-pellets-hamlet-llc-sbp-04-43/>

## 5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the organisation's Supply Base Report (SBR) file located on its entry page of the SBP Certificate Database. The following are summary statistics from the SBR:

a. Total Supply Base area (ha): (see b)

b. Tenure by type (ha):

Ownership Type	NC	SC	VA	Total
Private	4,520,332	3,276,936	733,954	8,531,222
State and Local	334,968	188,275	16,578	539,821
Federal	228,099	258,157	40,172	526,428
Total	5,083,399	3,723,368	790,704	9,597,471

c. Forest by type (ha):

Forest Cover Types	NC	SC	VA	Grand Total
White/ red/ jack pine	16,918	0	7,840	24,758
Spruce/fir	2,503	0	0	2,503
Longleaf/slash pine	168,398	182,593	0	350,991
Loblolly/shortleaf pine	1,822,125	1,591,339	205,701	3,619,165
Other softwoods	7,985	11,378	2,308	21,671
Oak/pine	699,321	428,938	113,210	1,241,469
Oak/hickory	1,650,102	704,856	417,662	2,772,619
Oak/gum/cypress	463,597	613,068	5,915	1,082,580
Elm/ash/cottonwood	183,902	138,502	21,478	343,882
Maple/beech/birch	626	463	2,463	3,551
Other hardwoods	9,712	629	4,787	15,129
Exotic hardwoods	8,971	6,360	583	15,915
Nonstocked	49,241	45,244	8,758	103,243
Totals	5,083,401	3,723,369	790,705	9,597,475

d. Forest by management type (ha):

- Hardwoods comprise 57% of the forested hectares. These forests are typically naturally managed.
- The remaining 43% of forests are softwood. Overall, although many pine stands are "planted" they are not intensively managed plantations with little or no understory; instead, once established they are left to grow and routinely have a hardwood dominated understory. Therefore, it is difficult to determine the exact percentage of true plantations in the region.

e. Certified forest by scheme (ha):

- FSC: 283,000 ha
- SFI: 1,163,000 ha
- ATFS: 631,000 ha

## 5.4 Chain of Custody system

As applicable, all material is subject to the organization's COC procedures for sourcing certified and non-certified material. The organization sources material from certified sources under its valid COC certificate(s) per the following systems:  FSC  PEFC and/or  SFI.

As applicable, any non-certified sources have been evaluated under the BP's COC Due Diligence System (DDS) or Controlled Wood procedures, as well as  SBE and/or duly approved  Regional Risk Assessment.

# 6 Evaluation process

## 6.1 Timing of evaluation activities

<b>Auditor name:</b>	Kyle Meister	<b>Auditor role:</b>	Lead auditor
<b>Technical expert:</b>	Shannon Wilks	<b>Auditor role:</b>	ST 1 Technical expert

<b>Supplier audits</b>	Primary supplier FMUs visited: 3 Secondary/Tertiary supplier interviews: 3/ 0
<i>Supplier sampling is determined using SBP sampling formulas described or cited in SBP Standard 3. Audit teams ensure to sample across the variety of forest ecosystems and/or feedstocks from which the organization sources, including by selecting different land ownership/management (e.g., small, public, private, etc.), harvesting types (thinning, final harvest), and feedstock type (primary, secondary, tertiary, hardwood, softwood, etc.).</i>	

A. Number of days spent on-site for evaluation:	2
B. Number of auditors participating in on-site evaluation:	1
C. Number of days spent by any technical experts (in addition to amount in line A):	1
D. Additional days spent on preparation, stakeholder consultation, and follow-up:	0.5
<b>E. Total number of person days used in evaluation (A * B + C + D):</b>	<b>3.5</b>

<b>Site Name or Location:</b>	Hamlet: 1125 North Highway 177, Hamlet, North Carolina 28345	
<b>Date and Time of Audit:</b>	29 June 2020 (10 am EST): opening meeting, review of audit scopes, initial document/interview requests, selection of ICT, and scheduling of remote inspections for sites listed below. 27 July 2020 (10 am EST): review of audit scopes, any remaining interview/document reviews, and closing meeting	
<b>Audit Activity</b>	<b>Items to Review / Actions</b>	<b>Approx. Time</b>
Opening meeting	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	90 min.
Review of previous nonconformities	Review of evidence of corrective actions taken by organization since previous audit (records, documents, pictures, etc.)	
Review of CoC/SBP procedures, products and material accounting	Written procedures, work instructions, feedstock description (see ID 5B section 4), product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)	1 day
Review of material balances and records	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable SBP/CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs	
Verification of calculations	Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable	
SBP ST 5, ID5E	Review of GHG data collection, including SAR, DTS, GHG data collection and interviews with relevant staff	
Evaluation of trademarks	Review of auditor-selected sample of SBP and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	



Secondary/Tertiary Supplier Interviews (Conducted via Phone)	<b>Hamlet:</b> 3 Secondary Suppliers	Approx. 15 minutes per call (~45 min.)
Walkthrough of facility	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control	60 min
Staff interviews	Interviews with appropriate number and diversity of staff to assess knowledge of CoC procedures related to their position	0.5 days
Closing meeting preparation	Auditor takes time to consolidate notes and review audit findings for presentation at closing meeting	60 min.
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	
30 September 2020		
<b>Postponed On-Site Audit Requirements</b> Primary Site Visits	SBP STD1-Primary harvest sites-(Hamlet: 3 Sites Selected) (Lunch stop included in harvest site visits)	1 work day
Staff interviews	Interviews with appropriate number and diversity of staff to assess knowledge of procedures related to their position	
Closing meeting and review of findings	Convene with all relevant staff to summarize audit findings, review identified nonconformities, and discuss next steps	
End		

## 6.2 Description of evaluation activities

Refer to the audit itinerary above. For all SBP evaluations, SCS collects evidence using a combination of direct observation, document and record review, and interviews with stakeholders and the organization's personnel & service providers. As reviewing all operations would be cost-prohibitive, SCS implements sampling techniques to ensure that all CCPs are assessed during evaluations. When relevant, other areas and locations are sampled during sequential audits to ensure that different aspects of the organization's control systems are evaluated.

## 6.3 Process for consultation with stakeholders

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, etc.) 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 base. A stakeholder notification is sent out to all identified stakeholders after the BP's stakeholder consultation period has ended. Stakeholder comments that are received outside of regular stakeholder consultation periods are fully considered. Methods used to interview stakeholders may include, for example, telephone calls, in-person meetings, and email exchanges.

No stakeholder consultation has been conducted by SCS Global Services during this surveillance audit. Comments received by the BP's consultation program may be addressed in its SBR.

# 7 Results

## 7.1 Main strengths and weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>GHG data collection and calculation systems are consistently implemented.</li> <li>The Track &amp; Trace system ensures a high level of transparency in the supply chain, including via the BP's own evaluation of supplier FMUs.</li> </ul>	Refer to section 10.

## 7.2 Rigour of Supply Base Evaluation

NA, no Supply Base Evaluation conducted.

Is the current definition of scope adequate for the specific characteristics of the Supply Base and management systems in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are the means of verification and evidence provided enough to support the risk conclusion?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are mitigation measures implemented for specified risk sufficient and adequate?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA, no mitigation measures necessary
Are the personnel involved in the development of the Supply Base Evaluation (SBE) knowledgeable in the required fields?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>Refer to Section 10 for any deficiencies noted in the SBE.</i>	

## 7.3 Collection and Communication of Data

Enviva Pellets Sampson has a comprehensive database where all Greenhouse Gas data is compiled and maintained. All compilation is conducted by personnel at Enviva corporate in Bethesda, MD. Records and data are maintained separately for each facility under the Enviva umbrella. For Enviva Pellets Sampson, energy use is invoiced by the month and requires adjustment to match the reporting period for electricity. Other energy use, diesel, does not require adjustments.

## 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.

## 7.5 Stakeholder feedback

- No stakeholder comments were received before, during or after the evaluation.
- The following comments were received as described in the table below:

Stakeholder Comment	SCS Response

## 7.6 Preconditions

- No preconditions were issued.
- Preconditions were issued, all of which the organization closed as described in the Major NCRs noted in Section 10.

# 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.*

Review of Initial Assessment of Risk designated all core indicators as low, except 2.1.1, 2.1.2, 2.2.3, 2.2.4 and 2.4.1. Risk ratings were determined by reviewing the SBE, SBR and other supporting evidence such as Feedstock Compliance Implementation Manual, Controlled Wood Controlled Source Risk Assessment, Chain of Custody Procedures, supplier agreements and verification through field visits and interviews. No SVP is required.

**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	Specified	Specified
2.1.2	Specified	Specified
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Specified	Specified
2.2.4	Specified	Specified
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

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Specified	Specified
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

2.3.1	Low	Low
2.3.2	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

NA, no mitigation measures.

The organization implements the following mitigation measures

Indicator	Risk Assessment	Management system
2.1.1 The BP has implemented appropriate control systems and procedures for verifying that forests and other areas with high conservation value in the Supply Base are identified and mapped.	The US does not have an SBP approved regional risk assessment that fully considers all of the indicators.	Enviva is using the FSC US CWNRA as the baseline for determining potential areas of high conservation value. Additional work with interested and engaged stakeholders (see Section 6) has been incorporated into the supply base evaluation to supplement Enviva's ability to accurately map areas of high conservation value.
2.1.2 The BP has implemented appropriate control systems and procedures to identify and address potential threats to forests and other areas with high conservation values from forest management activities.	Related to 2.1.1 If areas of high conservation value cannot be adequately identified the management systems or mitigation measures cannot be implemented to reduce risk.	Related to 2.1.1 Enviva's use of the FSC US CWNRA and stakeholder engagement has adequately identified areas of high conservation value. Enviva has robust management systems that can address these areas of specified risk and manage the outcome to low risk.
2.2.3 The BP has implemented appropriate control systems and procedures to ensure that key ecosystems and habitats are conserved or set aside in their natural state (CPET S8b).	Related to 2.1.1 Identification of key ecosystems and habitats is necessary to begin the process of identifying if they are properly conserved or set aside.	Related to 2.1.1 Enviva's use of the FSC US CWNRA and stakeholder engagement has adequately identified areas of key ecosystems and habitats. Additionally, Enviva's Forest Conservation Fund provides grant monies to successful applicant to help them set aside or conserve forests containing high conservation values, key ecosystems and habitats. Further, Enviva's ongoing engagement with interested stakeholders has extended our reach into additional areas of conservation (See section 6). Enviva has robust management systems that can address these areas of specified risk and manage the outcome to low risk.

Indicator	Management System	Means of Verification
<p>2.1.1 2.1.2</p>	<p>Use of FSC US CWNRA and stakeholder engagement to develop appropriate maps of high conservation value areas</p> <p>Control system/Procedures Enviva uses contractual language in its Master Wood Purchase Agreement requiring supplier to abide by all relevant laws and regulations. The contract includes the requirement to avoid the following unacceptable sources wood:</p> <ul style="list-style-type: none"> <li>• Illegally harvest wood;</li> <li>• Wood harvested in violation of traditional and civil rights;</li> <li>• Wood harvested from forests where high conservation values are threatened by management activities;</li> <li>• Wood harvested from old growth or semi-natural forests being converted to plantations or non-forest use;</li> <li>• Wood from forests where genetically modified trees are planted;</li> <li>• Wood in which there was a violation of the ILO Declarations on fundamental principle and rights at work.</li> </ul> <p>Enviva requires all suppliers to sign an annual Master Wood Supply Agreement. The Agreement requires suppliers to abide by forest management activities regulations.</p> <p>Enviva requires all suppliers to sign an annual Master Wood Supply Agreement. The Agreement requires suppliers to avoid feedstock sources from land use change.</p> <p>Enviva uses its Tract Approval process and District of Origin process to assess feedstock purchases conformance to these indicators.</p>	<ul style="list-style-type: none"> <li>• ENV-SFIS-01 SFI Certified Sourcing Implementation Manual</li> <li>• ENV-PEFCCOC-01 PEFC Chain of Custody Procedures</li> <li>• ENV-FSCCOC-01 FSC Chain of Custody Procedures</li> <li>• ENV-COC-03 Controlled Wood/Controlled Sources Risk Assessment</li> <li>• FSC US Controlled Wood National Risk Assessment</li> <li>• Stakeholder engagement</li> <li>• Master Wood Purchase Agreement</li> <li>• State BMP Manuals</li> <li>• Track &amp; Trace®</li> <li>• HCV Tract Approval Process</li> <li>• District of Origin Process</li> </ul>
<p>2.2.3 2.2.4 2.4.1</p>	<p>Control system/Procedures Enviva uses contractual language in its Master Wood Purchase Agreement requiring supplier to abide by all</p>	<ul style="list-style-type: none"> <li>• Preamble citations</li> <li>• ENV-SFIS-01 Certified Sourcing Implementation Manual</li> <li>• Track &amp; Trace® Program</li> </ul>

	<p>relevant laws and regulations. The contract includes the requirement to avoid the following unacceptable sources wood: (items related to this indicator are underlined)</p> <ul style="list-style-type: none"> <li>• Illegally harvest wood;</li> <li>• Wood harvested in violation of traditional and civil rights;</li> <li>• Wood harvested from forests where high conservation values are threatened by management activities;</li> <li>• Wood harvested from old growth or semi-natural forests being converted to plantations or non-forest use;</li> <li>• Wood from forests where genetically modified trees are planted;</li> <li>• Wood in which there was a violation of the ILO Declarations on fundamental principle and rights at work.</li> </ul> <p>The Master Wood Purchase Agreement requires suppliers to avoid key ecosystems and habitats such as old growth forests and forest that could be threatened by forest management activities.</p> <p>The Enviva Forest Conservation Fund, a \$5 million, 10-year program sponsored by Enviva and administered by the U.S. Endowment for Forestry and Communities, is designed to protect tens of thousands of acres of sensitive bottomland forests in the Virginia-North Carolina coastal plain. The Enviva Forest Conservation Fund will award matching-fund grants to non-profit organizations to permanently protect ecologically sensitive areas and preserve working forests. (<a href="http://envivaforestfund.org/">http://envivaforestfund.org/</a>)</p> <p>Enviva uses its Tract Approval process and District of Origin process to assess feedstock purchases conformance to these indicators</p>	<ul style="list-style-type: none"> <li>• ENV-PEFCCOC-01 PEFC Chain of Custody Procedures</li> <li>• ENV-FSCCOC-01 FSC Chain of Custody Procedures</li> <li>• ENV-COC-02 Controlled Wood/Controlled Sources Procedure</li> <li>• ENV-COC-03 Controlled Wood/Controlled Sources Risk Assessment</li> <li>• Master Wood Purchase Agreement</li> <li>• Track &amp; Trace®</li> <li>• District of Origin Process</li> <li>• HCV Tract Approval Process</li> <li>• State BMP Manuals and BMP monitoring data</li> </ul>
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In 2019 Enviva conducted 16 field site inspections in Enviva's Hamlet supply base area. Field inspection to monitor program implementation such as forestry BMP implementation adherence and adherence to Enviva HCV Tract Approval process. No instances of program violations related to high conservation values, biodiversity or negative impact to health or vitality of key ecosystems were recorded. All tracts inspected were in compliance.

Enviva's District of Origin process requires secondary feedstock suppliers to annually complete a Data Request Form. These forms are used to assess changes in a secondary feedstock suppliers sourcing practices and to determine if the feedstock provided by the supplier is SBP-compliant or SBP-controlled. In 2019, Hamlet received secondary feedstock from 14 suppliers, all are SBP-compliant based on their responses to Enviva Data Request Form and known high conservation value areas.

## 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.

### 2019 Findings

<b>NC number 2019.1</b>	<b>NC Grading: Observation</b>
<b>Standard &amp; Requirement:</b>	SBP ST 5 Instruction Document 5B, section 6.2
<b>Description of Non-conformance and Related Evidence:</b>	
The organization has participated in the pilot study to test the new draft template of the SAR. The information on storage facility was not included in the SAR. Since this template has not come into effect yet, this is graded as an observation.	
<b>Timeline for Conformance:</b>	Other
<b>Evidence Provided by Company to close NC:</b>	<i>Click or tap here to enter description provided by Company to close the NC.</i>
<b>Findings for Evaluation of Evidence:</b>	Reviewed revised SAR which now includes the required information of the storage site at the port. OBS closed in 2019 report.
<b>NC Status:</b>	Closed

### 2020 Findings

No new findings issued.

# 11 Certification decision

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

<b>Certification decision:</b>	Certification approved
<b>Certification decision by (name of the person):</b>	Theodore Brauer
<b>Date of decision:</b>	03/Jan/2021
<b>Other comments:</b>	<i>Click or tap here to enter text.</i>