

Enviva and Earthworm Foundation

Annual report 2023



July 2024



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| Our Work around the World in 2023



Biomass

Field work in 3 countries

USA & Canada

US Southeast and British Columbia field implementation, Member management

UK & Switzerland

Productive forest member coordination, US Southeast support, EF Headquarters

Vietnam

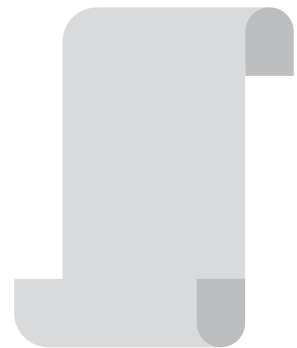
Vietnam field implementation

Leveraging Earthworm's expertise and field teams

As Enviva's US Southeast and international third-party sourcing diversifies, Earthworm's field teams and experts are consulted to understand regional contexts, risks, and stakeholder perspectives.

Partnership objective

Consistently improve and strengthen the implementation of Enviva's Responsible Sourcing Policy (RSP) through accountability, strategic guidance, and solution co-creation.



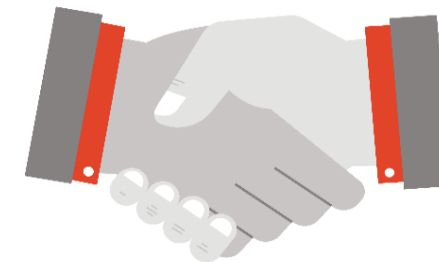
Policy

Assessment of, recommendations for, and accountability to improving systemic implementation of components of Enviva's Responsible Sourcing Policy, such as the High Conservation Value approach and grievance mechanism.



Due Diligence

Support robust third-party sourcing due diligence including risk assessment and management processes.



Supplier Engagement

Policy and values-driven engagement, training, and action plan monitoring with 8 suppliers in Vietnam and British Columbia.



Sourcing Strategy

Advising on responsible sourcing from third-party suppliers and incorporating regional trends and multi-stakeholder and rightsholder inputs.

| 2023 Key Facts and Figures



6 suppliers

Engaged suppliers through field visits and due diligence assessments in Vietnam.



2 trainings

Training for a supplier in May 2023 focused on worker rights, legality, traceability, verification, and on-going training and capacity building support with consultants.



3 action plans

Action plans developed for three suppliers to address conformance gaps with Enviva's policy.



HCV approach support

Facilitated an internal review of Enviva's High Conservation Value (HCV) approach and identified opportunities for improving its implementation in the US Southeast.



10 stakeholders & rightsholders engaged

Engaged stakeholders and First Nations in British Columbia to increase Enviva's understanding of the regional context, highlight identified risks, and develop recommendations for responsible sourcing.



Grievance process support

Reviewed Enviva's existing grievance process design and recommended considerations for future improvements.



What We Did Together

- Throughout 2023, Earthworm reviewed Enviva’s High Conservation Value (HCV) approach and recommended opportunities for improvement.
- In February, Enviva and Earthworm conducted a responsible sourcing assessment with a third-party supplier. Earthworm also participated in three Enviva responsible sourcing workshops in Vietnam.
- In February and March, Earthworm engaged Enviva leadership on known sourcing risks, recommending further assessment.
- In May, Earthworm trained a third-party supplier on worker rights, legality, traceability, and verification.
- In July, Earthworm partnered with Enviva on trainings for responsible sourcing.
- In September, Enviva and Earthworm visited British Columbia to develop understanding of sourcing practices through engagement with stakeholders (industry, academia, NGOs) and First Nation rightsholders. Earthworm produced a report with identified sourcing risks and provided actions and recommendations to align with Enviva’s responsible sourcing policy.
- In November, Earthworm and Enviva conducted onsite verifications with third-party suppliers and reviewed scorecards assessments.
- In November, Earthworm met with stakeholders in Mississippi and Alabama to understand current grievance implementation.



Key Successes

Enviva-Earthworm Workplan Implementation

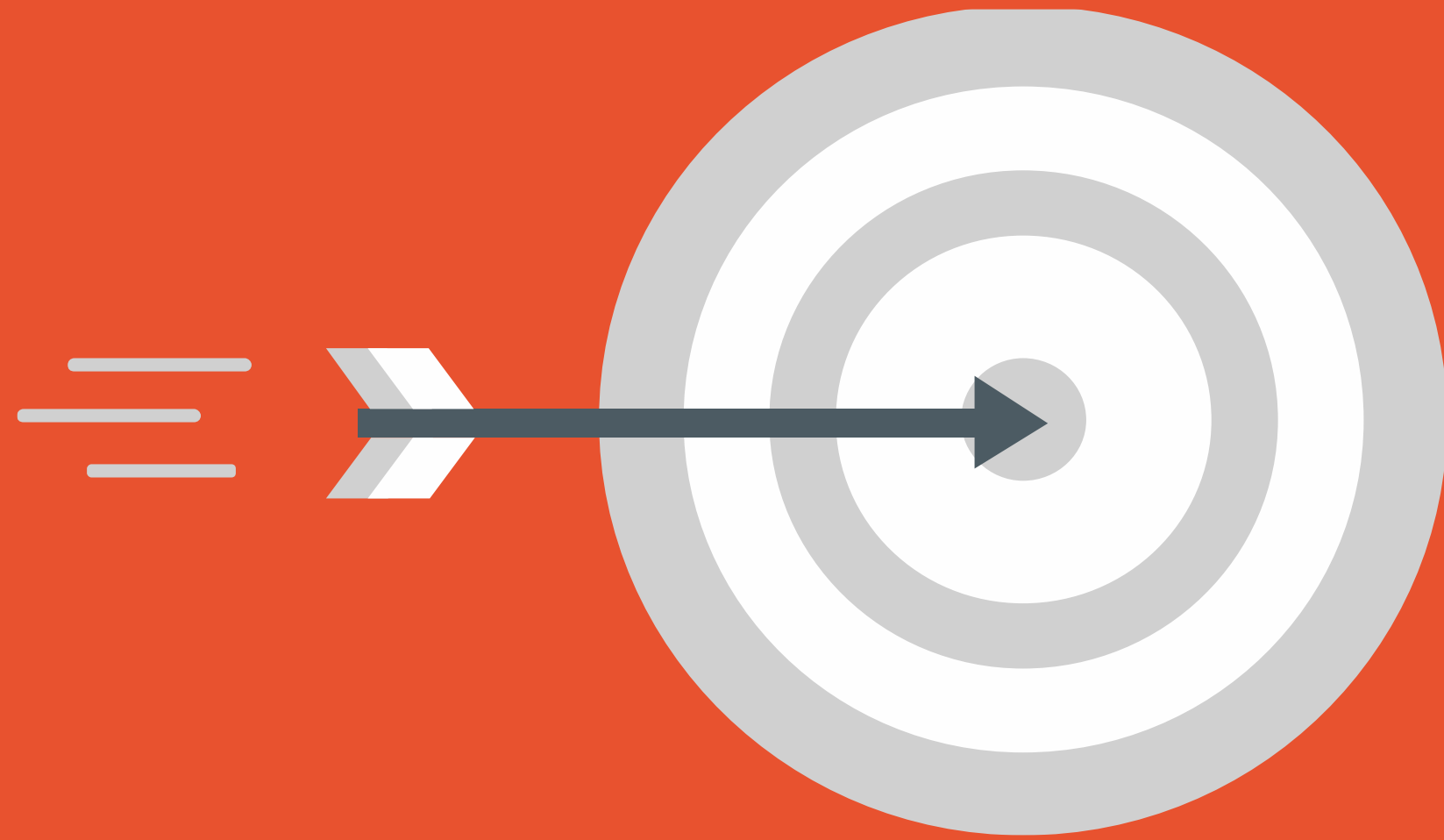
- Increased Enviva understanding of British Columbia sourcing risks and industry opportunities to improve forest management practices and consult and partner with First Nations.
- Increased capacity of third-party suppliers to ensure legality of their operations and sourced materials and respect worker rights.
- Improved coordination between Enviva and Earthworm around the High Conservation Value approach review.



Key Challenges

Enviva-Earthworm Workplan Implementation

- Business relationships between Enviva and suppliers influence supplier responsiveness.
- Third-party suppliers require ongoing support for implementation of Due Diligence Management System.
- Navigate finding effective tools to third party sourcing origins and Key Performance Indicators.



- Increase supplier capacity to conform with Enviva's RSP through development of robust standard operating procedures and sourcing area maps.
- Integrate lessons from 2023 workplan implementation into the responsible sourcing policy revision.
- Support Enviva in improving the implementation of its High Conservation Value approach.



The Way Earthworm Foundation Works with Enviva

Earthworm Foundation works with Enviva as a strategic guide on the road to responsible sourcing.

Earthworm Foundation acts as an accountability partner to Enviva. As Enviva implements its responsible sourcing agenda, EF supports the co-creation of solutions to strategic and operational challenges. Earthworm does this through both internal strategic analysis and facilitating external stakeholder and supplier engagements.

Values – We support the definition and internalization of our members' values into clear policies and commitments that redefine corporate value.

Transparency – We help map supply chain actors and geographies to chart strategies and foster accountability through publication of data and progress updates.

Transformation – We collaborate to implement tools and processes that transform the way business operates.

Verification – We innovate on solutions to measure impact, assess progress and ensure accountability.

About Enviva

Enviva is in its ninth year of partnership with Earthworm Foundation. Together we have made significant progress in developing a responsible sourcing policy, designing and implementing an HCV approach, and standardizing and building capacity for ensuring the sustainability of third-party sourcing.

