



FROST & SULLIVAN  
INSTITUTE

# 2022 Frost & Sullivan Institute Enlightened Growth Leadership Award

Excellence in Best Practices



FROST & SULLIVAN  
**BEST PRACTICES**  
AWARDS

**Enviva Inc.**



## Congratulations!

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Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present Enviva Inc. with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes Enviva Inc. for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute



## Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. Enviva Inc. excels in multiple criteria.



### **Introduction**

Enviva Inc. (Enviva), formerly Enviva Partners, LP is a supplier of utility-grade wood pellets. Its products consist of processed woody biomass fuels in the form of wood pellets. The company's products are used as a substitute for coal in power generation, and combined heat and power plants. It is primarily serving power generators in the United Kingdom, European Union, and Japan. The Company owns and operates ten wood pellet production plants strategically located across the southeastern region of the United States, and exports wood pellets from six deep water export terminals to their customers worldwide.

### **'Innovating to Zero' on Global Priorities**

Enviva, headquartered in the United States, is a global renewable energy company that specializes in sustainable wood bioenergy. Enviva's products are helping to create a cleaner, healthier world by displacing fossil fuels. To reduce its own direct emissions, Enviva signed an agreement with GreenGas USA in 2021. The project intends to help the company offset its natural gas-related emissions from its operations. This unique initiative, the first of its kind in the U.S. Southeast, is expected to assist Enviva in offsetting an additional 75% of direct emissions from its manufacturing operations and eliminate more than 64,000 metric tons of carbon dioxide (CO<sub>2</sub>) from the atmosphere.

Enviva over the years has played a vital part in maintaining the forest ecosystem by collaborating with various organizations. In partnership with The Longleaf Alliance (TLA), as of 2021, Enviva has helped to restore 3,400 acres of longleaf forests across seven states in the U.S. Southeast. Similarly, in collaboration with U.S. Endowment for Forestry and Communities through which the company has supported conserving a total of 26,875 total acres of forest land. Through the Enviva Forest Conservation Fund, Enviva



*“Enviva has committed to achieving net-zero emissions in all its operations by 2030. It seeks to offset its Scope 1 and 2 emissions by replacing fossil fuels in its operations with new and innovative technology, acquiring 100% renewable energy, and integrating it across its operations.”*

**- Priyanka Sharma, Research Analyst,  
Frost & Sullivan Institute**

assists African American landowners by offering financial and technical knowledge to safeguard their forestlands from involuntary land loss through its partnership with Sustainable Forestry and African American Land Retention Network (SFLR) initiative. Likewise, the company through Enviva Heirs Property Fund (EHPF), is collaborating with nonprofit organizations and property professionals across the United States Southeast to assist families by providing advocacy to help them secure their lands and seize sustainable value from their land.

Pertaining to its core mission the company has leveraged any possible technology that is available, for instance, in 2021, it struck a deal with Mitsui O.S.K Lines to develop and deploy the "Wind Challenger" – a cargo ship that uses new technology, hard sail, to convert wind energy to propel, which would help to offset the greenhouse gas (GHG) emissions emitted during the transport of the wood pellets.

Enviva has committed to achieving net-zero emissions in all its operations by 2030. It seeks to offset its Scope 1 and 2 emissions by replacing fossil fuels in its operations with new and innovative technology, acquiring 100% renewable energy, and integrating it across its operations. This ambitious goal is crucial because it will help to alleviate the consequences of climate change while setting a precedent for other businesses to follow. Frost & Sullivan Institute applauds Enviva's persistent commitment to place global goals at the forefront of its activities and its efforts to achieve them, as well as its drive to lead the industry toward sustainability and by making strides to lower its emissions to zero by 2030.

### ***Growth Excellence & Industry Partner Ecosystem***

Enviva has established itself as a growth-oriented company, with a total production capacity of approximately 6.2 million metric tons per year. The company was founded in 2004, went public in 2015, and completed the corporate conversion in 2021. In 2021, the company's revenue increased by 20% from the preceding year, equivalent to \$999.2 million from \$ 830.5 million in 2020. The increase in revenue resulted from the 16% increase in product sales compared to the sales in the previous fiscal year. Similarly, the company generated an adjusted EBITDA of \$116.7 million in the fiscal year 2021, compared to \$81.8 million in the year 2020, absorbing a \$34.9 million increase attributable mostly to increased revenues, demonstrating a robust market performance.

Enviva announced in 2022 that it will significantly increase wood pellet production for the application of its products in power and heat generators and industrials in difficult-to-abate sectors. The company also signed a long-term contract with Alder Fuels, a clean tech developer and greencrude producer. The agreement makes Enviva an exclusive supplier of sustainably sourced woody biomass of up to 750,000 metric tons annually to Alder's first Alder Greencrude(AGC) production facility. Furthermore, the company is currently negotiating long-term contracts with several leading industrial companies interested in large-scale decarbonization. The company expects to convert these negotiations, as well as several



other sales pipeline opportunities, including MOUs, into a binding contract worth \$1.5- \$2 million metric tons per year (MTPY) within the next year.

*“Enviva Inc.'s commitment to expand and excel as a market leader by continually placing environmental stewardship at the core of all its activities is commendable.”*

**- Priyanka Sharma, Research Analyst,  
Frost & Sullivan Institute**

Enviva has been advancing to meet the demands as a company that not only pursues its goals of reaching net-zero but also assists customers in meeting their demands for green products. The company announced its first shipment to Germany in 2022. These shipments will assist companies in Germany that are emerging industrial markets, such as steel and cement, which are in the design, development, and

application phases, not only in meeting their own net-zero goals but also in meeting their promise to provide green products.

Enviva's growth has been remarkable over the years; in addition to the products, they provide that assist in building a cleaner, healthier world, the firm is making significant efforts to improve and thrive as an organization. Frost & Sullivan Institute admires Enviva's accomplishments and congratulates the company on its commendable progress made through strategic partnerships and increased sales by capitalizing on growing demand.

### **Technology Leverage**

Wood pellets produced by Enviva are challenging the competing alternative energy sources today, as it is more renewable, sustainable, reliable, and dispatchable at scale. Besides, Enviva has leveraged various technologies as a foundation to grow while keeping sustainability central to its agenda. The company is leading the biomass industry by investing and installing ultra-modern technologies that support its core agenda i.e., environmental stewardship. For starters, it has deployed industry-proven air pollution control equipment, making the facilities the most controlled in the world with 95% destruction efficiency.

Likewise, transparency is critical to the company's sustainability values and its Responsible Sourcing Policy (RSP). To ensure this, the corporation developed Track & Trace® (T&T®) monitoring technology in 2016. T&T® is a unique monitoring technology, a program, that tracks each of the truckloads of wood they acquire from the forest to their manufacturing units. It helps to verify if the wood provided by the suppliers meets the stated criteria or not.

Enviva has strict conditions for suppliers who wish to sell their low-value wood to Enviva. The suppliers are expected to provide thorough information on the forests being assessed for harvest, including their precise location, the area covered, forest type, forest mix, and age. In addition, the organization expects suppliers to commit to replanting and regenerating the forest. This data is maintained in the T&T system, allowing the organization to provide an extraordinary level of transparency within the supply chain while retaining third-party sustainability certifications.

Frost & Sullivan Institute appreciates Enviva's continuous commitment to leveraging new technology and finding outstanding inventive ways to develop a sustainable environment.



## Conclusion

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Enviva Inc. has had tremendous growth in recent years. The firm has shown dedication to the environment and has been a pioneer in the development of innovative technology to assist the growing need for alternative/renewable solutions to displace fossil fuels. For its commitment to ESG goals and an innovative approach to meeting the needs of the global power and utility sector Enviva Inc. earns the Frost and Sullivan Institute "2022 Enlightened Growth Leadership Award".



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## What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

### Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**'Innovating to Zero' on Global Priorities:** The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

**Growth Excellence:** The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.



**Customer Value Chain:** The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

**Integrated Competition - Industry Partner Ecosystem:** The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

**Technology Leverage/Innovation:** The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.





## About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™



Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.



### Key Impacts:

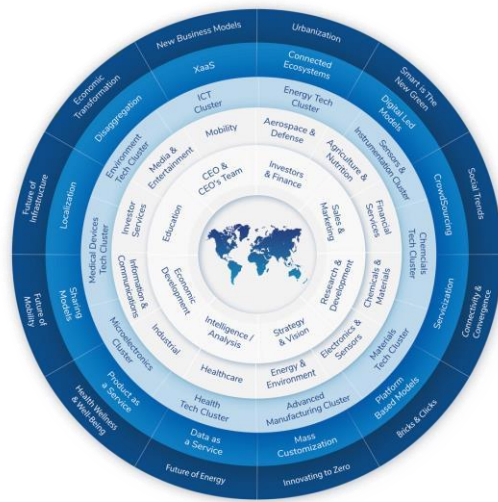
- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

### The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

#### Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)





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