

Sectors: Biomass Electric Power Generation

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By: BankTrack & Environmental Paper Network


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Sector	Biomass Electric Power Generation
Headquarters	
Ownership	<i>listed on NYSE</i> See Enviva's shareholders here .
Subsidiaries	
Website	https://www.envivabiomass.com/

About Enviva

Enviva is a US-based company and the world's largest producer of industrial wood pellets. It operates [ten manufacturing plants](#) across six Southeast US states and [six terminal facilities](#) where they ship pellets worldwide. It's three biggest mills, located in Ahoskie, NC, Northampton, NC and Southampton, VA had a combined production capacity of 1.4 million metric tons per year when constructed, but now have an annual production capacity of over [1.9 million metric tons](#) since receiving authorisation permits to expand two of the mills. The company makes and exports wood pellets to utility companies in Europe like [RWE](#) in the Netherlands, [Drax](#) in the UK, and Orsted in Denmark. Enviva's newest corporate office was opened in [Tokyo, Japan](#) as the company seeks to serve the growing biomass industry in Japan and South Korea.

Latest developments

Class action lawsuit alleges wood pellet maker Enviva is “engaged in textbook greenwashing”

[Nov 19 2022](#)

Investor short sold Enviva stock over greenwashing

[Oct 12 2022](#)

Why this profile?

As a pellet manufacturer, Enviva sources wood from [native hardwood forests](#) in an area designated as a global biodiversity hotspot in the southeastern United States. In addition, large diameter wood known to be high in carbon has been found in

Enviva's supply chains. Through destructive logging practices, Enviva is contributing to the destruction of irreplaceable forests and increasing greenhouse gas emissions.

Impacts

Impact on human rights and communities

Environmental injustice: [Studies](#) have found that a wood pellet manufacturing plant in southeastern US is 50% more likely to be located in a so-called “Environmental Justice community”, defined as a county where the poverty level is below the state median poverty level and at least 25% of the population is Black, Indigenous, or People of Colour (BIPOC). Most of [Enviva’s pellet plants](#) are sited in locations where the wood dust, air pollution and noise from their operations disproportionately affect Black and low-income communities, who are often already exposed to high levels of industrial pollution and social deprivation. In Hamlet, North Carolina, there are only 6,500 residents and [five polluting companies](#), including an Enviva wood pellet plant.

Air pollution: A [2018 report](#) by the Environmental Integrity Project found that 21 wood pellet mills exporting to the EU, including those operated by Enviva, emit thousands of tons of particulate matter, carbon monoxide, nitrogen oxides (smog), and volatile organic compounds per year. These are all associated with a range of illnesses, including respiratory and heart disease and cancer. The report also finds that many of these wood pellet facilities have violated air permit limits and highlighted frequent fires and explosions caused by wood dust combustion at pellet mills.

Impact on climate

Not only does the demand for wood pellets to burn for energy impact forests, but it also exacerbates the climate crisis. Burning biomass from forests creates [more carbon emissions than burning coal](#), per unit of energy, and the increased carbon dioxide concentrations [persist in the atmosphere](#) for decades. In addition, forests offer crucial protection from extreme weather events such as floods and droughts that are becoming increasingly common due to climate change, but the demand for wood pellets for energy is driving forests across the US to be cut down.

Impact on nature and environment

Destructive sourcing practices: Since 2013, [multiple investigations](#) have found that Enviva’s pellet mills routinely source whole trees and other large-diameter wood rather than “residues” or “waste” from forests, and that many of these trees are taken from clearcuts of ecologically valuable and highly biodiverse hardwood or wetland forests. These forests are located in the North American Coastal Plain global biodiversity hotspot and provide key habitats to many at-risk species, purify the air and improve water quality, and store large amounts of carbon.

Monoculture plantations: Enviva sources wood from coastal hardwood forests as well as from [monoculture pine plantations](#). The demand for wood pellets is increasing the trend to plant monoculture plantations. However, these have [harmful effects](#) on ecosystems and biodiversity. Monoculture plantations hardly provide habitat for wildlife and deplete soil fertility and freshwater. In addition, industrial tree plantations are also associated with an increased risk for the [occurrence of fires](#).

Impact on wildlife and biodiversity: The North American coastal plain where Enviva harvests timber has recently been recognised as a [global biodiversity hotspot](#). The Southeast is unique in having more than 1,500 endemic vascular plants (species found nowhere else in the world) while experiencing more than 70 per cent habitat loss. Intensive logging is a major threat to biodiversity. The production of wood pellets uses more wood than other types of logging, which means that less wood is left on the ground to support forest regrowth. This [affects soil health](#) and leads to a significant loss of habitat for wildlife. Forest-dependent species such as [certain birds](#) depend on dead and old trees for their habitat. Removing trees, branches, roots and dead wood from forests for biomass destroys habitat, including nesting and breeding sites, for thousands of bird species. Once a forest has been cut down, it takes decades, if not centuries, for it to grow back to its [original ecosystem productivity](#). Moreover, it takes decades to centuries for a regenerating forest to regain its ecosystem productivity once it has been cut down.

Impact on pandemics

Wood biomass is associated with high rates of deforestation as well as monocultures of various crops. There is a growing body of evidence that shows the connection between deforestation and an increased risk for [disease outbreaks and pandemics](#). For example, monocultures like eucalyptus plantations reduce biodiversity leaving species like rats and mosquitoes, which are more likely to spread dangerous pathogens, to thrive. This biodiversity decline results in a loss of natural disease regulation and poses a risk for human, animal and environmental health.

Governance

Bank policies

The following bank investment policies apply to this project:

Barclays

Environmental and Social Risk Briefing - Forestry & Logging

Nov 18 2015 | Barclays

ESG reporting framework

Feb 17 2021 | Barclays

Citi

Environmental and Social Policy Framework

Mar 1 2022 | Citi

Bank of Montreal (BMO)

Environmental Policy

Dec 14 2020 | Bank of Montreal

Goldman Sachs

Sector Guidelines: General Industries, Agriculture/Soft Commodities, Metals & Mining, Oil & Gas, Power Generation

Date listed represents date as accessed on website

Jan 25 2022 | Goldman Sachs

HSBC

Agricultural commodities policy

Feb 15 2020 | HSBC

JPMorgan Chase

Environmental and social policy framework

Oct 8 2021 | JPMorgan Chase

Royal Bank of Canada (RBC)

Environmental and social risk management

Date listed represents date as accessed on website

Feb 26 2021 | Royal Bank of Canada

Applicable norms and standards

Soft Commodities Compact

Timeline

Class action lawsuit alleges wood pellet maker Enviva is “engaged in textbook greenwashing”

Nov 19 2022

In November 2022, a class action lawsuit was [filed](#) against Enviva, accused of making [false and misleading statements](#) about the environmental sustainability of their wood pellet production and procurement, as well as misleading statements about their finances. The suit comes after a [Blue Orca Capital report](#) condemning the company’s greenwashing of its polluting activities, which even receive European subsidies.

Investor short sold Enviva stock over greenwashing

Oct 12 2022

On October 12, 2022, [Blue Orca published a report](#) which alleged, among other things, that satellite imagery indicated that, in many instances, Enviva is “procuring wood from the widely condemned practice of clear-cutting,” or removing full swaths of forest, and further revealed that two former senior Enviva executives “unequivocally stated that [the Company] sources wood from clear-cutting.” The activist investment firm stated that Enviva is “flagrantly greenwashing its wood procurement” and therefore shorted its stockholding. On this news, Enviva’s stock fell as much as 20.5% during intraday trading on October 12, 2022. Enviva has [publicly denied](#) the findings of the report. Following the report and on behalf of investors, the law offices of Frank R. Cruz [announced](#) that they would investigate Enviva's possible violations of federal securities law.

Financiers

The banks listed below provided credit (loans and underwriting) to Enviva and/or its subsidiaries between 2016 and 2022. In addition, those commercial banks that hold over USD 1 million in Enviva shares have been listed below. For a list of Enviva's top shareholders, see [here](#).

Banks

[BPCE Group](#) France [profile](#)

[Details](#) ▼

Debt – corporate loan USD 40.63 million February 2021 - February 2026
source: Refinitiv

Equity – share owner/manager USD 1.6 million August 2022
Total amount of shareholding and bondholding as of August 2022
source: Refinitiv

[Bank of America](#) United States [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 1.7 million August 2022
Total amount of shareholding and bondholding as of August 2022
source: Refinitiv

[Bank of Montreal \(BMO\)](#) Canada [profile](#)

[Details](#) ▼

Debt – corporate loan USD 49.22 million April 2021 - April 2026
Revolving credit facility
source: Refinitiv

Debt – corporate loan USD 48.75 million February 2021 - February 2026
source: Refinitiv

Bond issue – underwriter USD 92.81 million December 2019 - January 2026
source: Bloomberg

Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	October 2018 - November 2023
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
Bank of New York Mellon United States profile Details ▼		
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 5.1 million	August 2022
Barclays United Kingdom profile Details ▼		
Debt – corporate loan Revolving credit facility <i>source: Credit Agreement</i> link	USD 49.22 million	April 2021 - April 2026
Debt – corporate loan <i>source: Refinitiv</i>	USD 40.63 million	February 2021 - February 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 185.63 million	December 2019 - January 2026
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	November 2018 - November 2023
Bond issue – underwriter <i>source: Refinitiv</i>	USD 25 million	October 2016 - November 2021
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 18.75 million	November 2016 - April 2020
Citi United States profile Details ▼		
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 49.22 million	April 2021 - April 2026

Debt – corporate loan <i>source: Refinitiv</i>	USD 48.75 million	February 2021 - April 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 92.81 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	October 2018 - October 2023
Bond issue – underwriter <i>source: Refinitiv</i>	USD 112.50 million	October 2016 - November 2021
Share issue – underwriter	USD 21.45 million	June 2021
Debt – corporate loan <i>source: Credit Agreement with Enviva link</i>	USD 10 million	2020
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 18.75 million	October 2016 - April 2020
Credit Suisse Group Switzerland profile Details ▼		
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 1.1 million	August 2022
Deutsche Bank Germany profile Details ▼		
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 2 million	August 2022
Goldman Sachs United States profile Details ▼		
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 49.22 million	April 2021 - April 2026
Debt – corporate loan <i>source: Refinitiv</i>	USD 48.75 million	February 2021 - February 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 92.81 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026

Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	October 2018 - October 2023
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 16.1 million	August 2022
Bond issue – underwriter <i>source: Refinitiv</i>	USD 25 million	October 2016 - November 2021
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 18.75 million	October 2016 - April 2020
HSBC United Kingdom profile		Details ▼
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 49.22 million	April 2021 - April 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 92.81 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
JPMorgan Chase United States profile		Details ▼
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	April 2021 - April 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 92.81 million	December 2019 - January 2026
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 29.17 million	October 2018 - October 2023
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 3.1 million	August 2022

Bond issue – underwriter <i>source: Refinitiv</i>	USD 112.50 million	October 2016 - November 2021
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 9.38 million	October 2016 - April 2020
Mizuho Japan profile		Details ▼
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 2.1 million	August 2022
Morgan Stanley United States profile		Details ▼
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 33.4 million	August 2022
Royal Bank of Canada (RBC) Canada profile		Details ▼
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 49.22 million	April 2021 - April 2026
Debt – corporate loan <i>source: Refinitiv</i>	USD 48.75 million	February 2021 - February 2026
Bond issue – underwriter <i>source: Bloomberg</i>	USD 92.81 million	June 2019 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 18.75 million	June 2020 - January 2026
Bond issue – underwriter <i>source: Refinitiv</i>	USD 7.14 million	December 2019 - January 2026
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 32.81 million	October 2018 - October 2023
Equity – share owner/manager Total amount of shareholding and bondholding as of August 2022 <i>source: Refinitiv</i>	USD 2.5 million	August 2022
Bond issue – underwriter <i>source: Refinitiv</i>	USD 25 million	October 2016 - November 2021
Share issue – underwriter <i>source: Refinitiv</i>	USD 21.45 million	June 2021
Debt – corporate loan Revolving credit facility <i>source: Refinitiv</i>	USD 9.38 million	October 2016 - April 2020

UBS Switzerland [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 4.2 million August 2022
Total amount of shareholding and bondholding as of August 2022
source: Refinitiv

Wells Fargo United States [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 31.9 million August 2022
Total amount of shareholding and bondholding as of August 2022
source: Refinitiv

Related Dodgy Deals