



dōTERRA

Rebuilding Bulgaria

THE ESSETERRE CO-IMPACT STORY



Melissa planting

A New and Different Chapter for Bulgaria

Bulgaria is a country rich with opportunity, but it has faced challenges in reaching its full potential. Bulgaria is part of the European Union (EU), but has one of the lowest GDP in the EU—with nearly a quarter of its population living at or below the global poverty line—and is experiencing at present the most extreme population decline in the world. Sadly, each year emigration erases dozens of towns from Bulgaria's map. High death and low birth rates are also significant factors in depopulation, but lack of opportunity is the primary driver for this migration away from the country. As the nation's men and women search for jobs abroad, severe structural and industrial decay become increasingly common. Experts on distribution of EU funds cite the high concentration of investments and resources in certain regions at the expense of others as a contributing factor to lagging infrastructure and a diminishing population.

Before the fall of Communism, Bulgaria was not only an active industrial nation, it also had some of the world's preeminent essential oil research, development, and production. Organizations like the Rose Institute in Kazanlak were renowned for their sophistication and cutting-edge research. In the Post-Communist Era, not only did industry falter, as evidenced by the crumbling factories around Dobrich, but the Rose Institute, not able to withstand the darkening shade of corruption, withered as well. Without the State's guiding hand and subsidies, Bulgarian farmers stopped planting aromatic crops, tore down and sold distilleries, and sowed their fields with wheat, sunflower, and corn, the focus of substantial government funding. Now large-scale agro-business dominates the commercial landscape and small, independent farmers are a part of Bulgaria's storied past.

There are, however, opportunities to help write a new and different chapter for Bulgaria. The country remains an agricultural haven for growing an abundance of aromatic plants, and the people are rich in know-how. In particular, the Black Sea climate zone of Bulgaria

produces some of the world's best Lavender and Melissa. Its sunny and dry climate during harvest coupled with dry, well-drained, sandy soils are ideal for these aromatic plants. For these reasons, dōTERRA chose Eastern Bulgaria as the place to create a world-class production center for some of its most valued oils.

The result is a Bulgarian company established in 2015 called Esseterre Bulgaria EOOD. Esseterre is a farming and distilling operation with a headquarter and production center in the agricultural heart of Bulgaria - Dobrich. Esseterre is now the largest distillery in Bulgaria and will continue to revitalize the essential oils industry through dōTERRA's Co-Impact Sourcing® approach, becoming a significant force for facilitating sustainable, diversified development in Bulgaria.

Strategically Placed

Basing operations in Dobrich was a strategic choice for doTERRA to continually pursue what's pure. Esseterre's distillery is centrally located to the Lavender and Melissa farms supplying the raw materials, minimizing risks and



Esseterre's distillation capacity expanded in 2019



Three additional large stills installed in 2019 for Frankincense and Myrrh resins

producing the highest quality oils possible. Melissa should not be transported over long distances post-harvest since the plant is easily damaged and needs to be distilled shortly after harvesting. As such, Esseterre does not harvest Melissa that is grown more than 50 kilometers from its distillery. Lavender is also best distilled within one day of harvesting.

A Year-Round Industry

Esseterre has initially focused on Lavender and Melissa oil production, but the farmers are capable and anxious to do even more. The distillery operates year-round in order to facilitate a more efficient and optimal use of Bulgaria's abundant, high quality aromatic plants. Among the crops that Esseterre will distill during the Lavender and Melissa off-seasons are Yarrow and Summer Savory. Esseterre has also established additional relationships with other farmers and distillation partners nearby for expanded capacity as needed. Furthermore, in order to make full productive use of Esseterre's facilities, a variety of seed oils such as Coriander Seed and Fennel Seed, as well as dōTERRA's Frankincense and Myrrh resins imported from Somaliland and Ethiopia, are distilled year-round including the colder, non-farming months.

Although created and owned by dōTERRA, Esseterre is really a Bulgarian firm, built and managed by Bulgarians. Expert managers, distillers, farmers, and engineers make up the team. Along with impeccable industry-related skills, the Esseterre team is most characterized by a shared commitment to positively impact their own communities. Esseterre has brought new investments to the area and is partnering with dozens of local farmers, and there are many more who are eager to join forces with Esseterre's mission and dōTERRA's Co-Impact Sourcing® approach. Esseterre offers farmers a chance to increase their incomes not only through the production of higher value crops, but also with on-time payments, long-term fair pricing, producing and harvesting support, and technical knowledge-sharing.

Reviving a Legacy

Esseterre's distillery is located on the outskirts of an industrial town with many empty fields and abandoned warehouses—legacies of Bulgaria's past, but not its future. Esseterre is not a company that simply aims to just grow and distill Lavender. Rather, its goals are to produce the highest quality essential oils for dōTERRA's needs while revitalizing the country's agricultural and industrial legacy, thus building a stronger today and tomorrow for farmers and their communities.



ESSETERRE QUICK FACTS

Esseterre is now the largest distillery in Bulgaria, with farming and distillation operations headquartered in Dobrich, 50 kilometers north of Varna in the heart of lavender production. Esseterre currently operates 37 different distillation units for the variety of oils produced.

Through the dōTERRA Co-Impact Sourcing® approach, Esseterre is currently working with over 100 Lavender and Melissa farmers. Annually Esseterre produces on-site more than 50,000 kilograms of Lavender oil and 1,000 kilograms of Melissa oil.

Esseterre is also dōTERRA's primary distillation facility for imported Frankincense and Myrrh resins from Somaliland and Ethiopia, which are distilled year-round. Esseterre has become a world leader in resin distillation quality and oil yield.

Due to Bulgaria's prime growing conditions and skilled labor, Esseterre has an extensive product list. Esseterre is a major essential oil producer for dōTERRA, including the production of Lavender, Melissa, Yarrow and Summer Savory. It has also partnered with other farmers and distillers nearby for expanded production capacity as needed.

Esseterre is a growing company and at present directly employs more than 90 full-time staff, including engineers, accountants, logistics managers, and technical experts. On a seasonal basis, it will employ upwards of 180 employees. Indirectly, it supports hundreds of farmers from contracted farms, their full-time and seasonal employees, as well as other experts like architects, engineers, and researchers.

With the most advanced state-of-the-art GC/MS and FID laboratory in Bulgaria, this on-site capability ensures production of the best quality oils, while also exploring the viability of brand new oils for dōTERRA and providing quality bonuses for farmers.



Wellness Advocates participating in an orphanage renovation project, Dobrich area

A Helping Hand for Bulgaria's Youth

Esseterre is also dedicated to involving the youth of Bulgaria. Through donations from the dōTERRA Healing Hands Foundation™ (HHF), Esseterre is supporting an innovative Bulgarian non-profit organization known as The Social Teahouse. In Bulgaria, a disproportionate number of orphans need more resources than are available. Many are forgotten by the State at a young age, never gaining access to the necessary opportunities to avoid lives of despair and hardship.

The Social Teahouse provides training and opportunity to youth who are leaving State care, providing a three-year mentorship program that builds professional and personal skills. HHF has funded the purchase and refurbishment of key infrastructure for the Social Teahouse's new headquarters in Varna. The dōTERRA

Healing Hands Foundation is also funding programs to help revitalize local orphanages in the Dobrich area through improvements to bathrooms and addressing other needs.

The Milk Canteen in Dobrich provides healthy, affordable meals for all children between the ages of 10 months and 3 years old. dōTERRA Healing Hands Foundation has helped the Milk Canteen with new and updated equipment, renovated employee bathrooms, and a new vehicle so that they can provide home deliveries.

Esseterre and the dōTERRA Healing Hands Foundation also work with and provide funding for other local organizations and projects in Dobrich and Bulgaria to ensure broader support in the local community.

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