

dōTERRA
cō·impact
SOURCING®

SOURCING THE BEST AND HELPING THE MOST



Lemongrass farmers and harvesters in India



Wintergreen harvesters in Nepal

The dōTERRA Difference

With uncompromising selectivity, dōTERRA sources essential oils from around the globe. Committed to pursuing what's pure, dōTERRA places great value on the expert knowledge of farmers and artisan distillers in different parts of the world, many of whom have nurtured essential oil plants and distilled for generations. dōTERRA recruits their expertise into a Global Botanical Network, and in so doing, responsibly supports thousands of jobs around the world.

When dōTERRA looks for sourcing partnerships, we deliberately choose locations where we can produce the highest quality essential oils while improving the individual, social, economic, and environmental well-being of the communities.

Cō-Impact Sourcing

Cō-Impact Sourcing creates shared value for all stakeholders in the supply chain by being at the source and intentionally implementing environmental stewardship and/or social impact initiatives.

By deliberately seeking to improve the social, economic, and environmental well-being of farmers, distillers, and producers of Certified Pure Therapeutic Grade® (CPTG) essential oils, dōTERRA ensures sustainable sourcing so the natural resources can be available for generations to come. dōTERRA's Cō-Impact Sourcing strategy is also a deliberate approach to provide ethically responsible employment opportunities for those involved in the essential oil supply chain by creating and sustaining jobs in rural and underserved areas. dōTERRA is committed to benefiting everyone involved: from the small-scale producers to the end-users—from the source, to you (www.sourcetoyou.com).

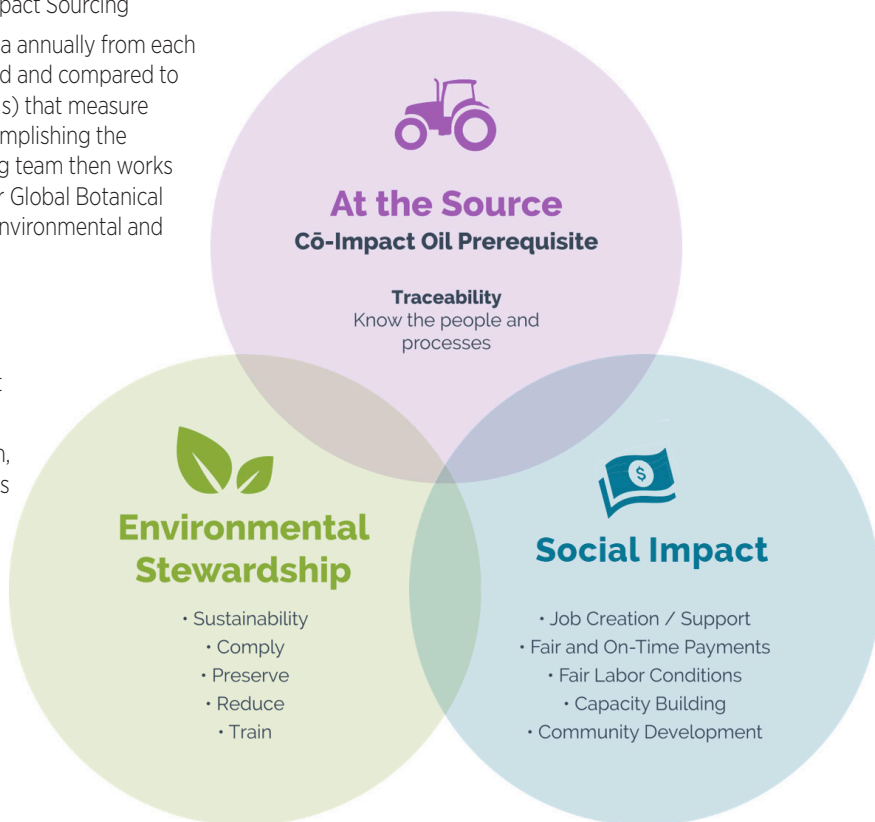


Measuring the Impact

To measure the impact of Cō-Impact Sourcing initiatives, dōTERRA gathers data annually from each supplier. Data is then aggregated and compared to Key Performance Indicators (KPIs) that measure all parties' progress toward accomplishing the objectives. Our strategic sourcing team then works closely with each member of our Global Botanical Network to help them address environmental and community needs.

At the Source

Our mission is to source the best and help the most. To be at the source of essential oil production, dōTERRA partners with suppliers who are transparent in their process and directly connected with every person in the supply chain. Knowing the people and the process, we are better equipped to help improve the health and safety of workers, improve the yield and quality of the final product, and decrease the environmental impact of producing essential oils.



A supplier is considered to be at the source when:

- There is documentation and traceability on employees, farmers, harvesters, sorters, and distillers involved in the production.
- There is transparency into the methods of cultivation, harvesting, transportation, and processing.

Environmental Stewardship

Cō-Impact Sourcing partners focus on Environmental Stewardship to ensure the sustainability of natural resources used to produce dōTERRA's essential oils and/or address other environmental factors. Projects implemented in the category of Environmental Stewardship ensure the longevity of the natural resources and the environments in which the plants grow. They also help to minimize the impact of cultivation, harvesting, distillation, and transportation, as well as provide those involved in the supply chain with the knowledge and tools to reduce their environmental footprint. Projects also include efforts to propagate and cultivate wild-harvested species (reducing over-harvesting pressure), preserve biodiversity, and manage the spread of invasive species.

Social Impact

As needed and where appropriate, our Cō-Impact Sourcing partners engage with the dōTERRA Healing Hands Foundation® to focus on Social Impact initiatives, providing support to communities in the form of social impact projects, trainings, cooperative facilitation, and more. Because many of our essential oils are intentionally produced in developing countries, dōTERRA is in a unique position to build and support ethical supply chains and fund social impact projects that benefit rural communities in need. Often, essential oil farmers, harvesters, growers, and distillers in underdeveloped areas are paid unfairly or taken advantage of, limiting their ability to escape poverty. Cō-Impact Sourcing promotes economic development opportunities and provides tools to help families and communities lift themselves out of poverty.

dōTERRA is eager to support the communities involved in our essential oil and other ingredient supply chains in both developing and developed countries through Cō-Impact Sourcing because of the tremendous good that can be done by remaining focused on sourcing the best and helping the most.



Tea Tree distillation in Kenya

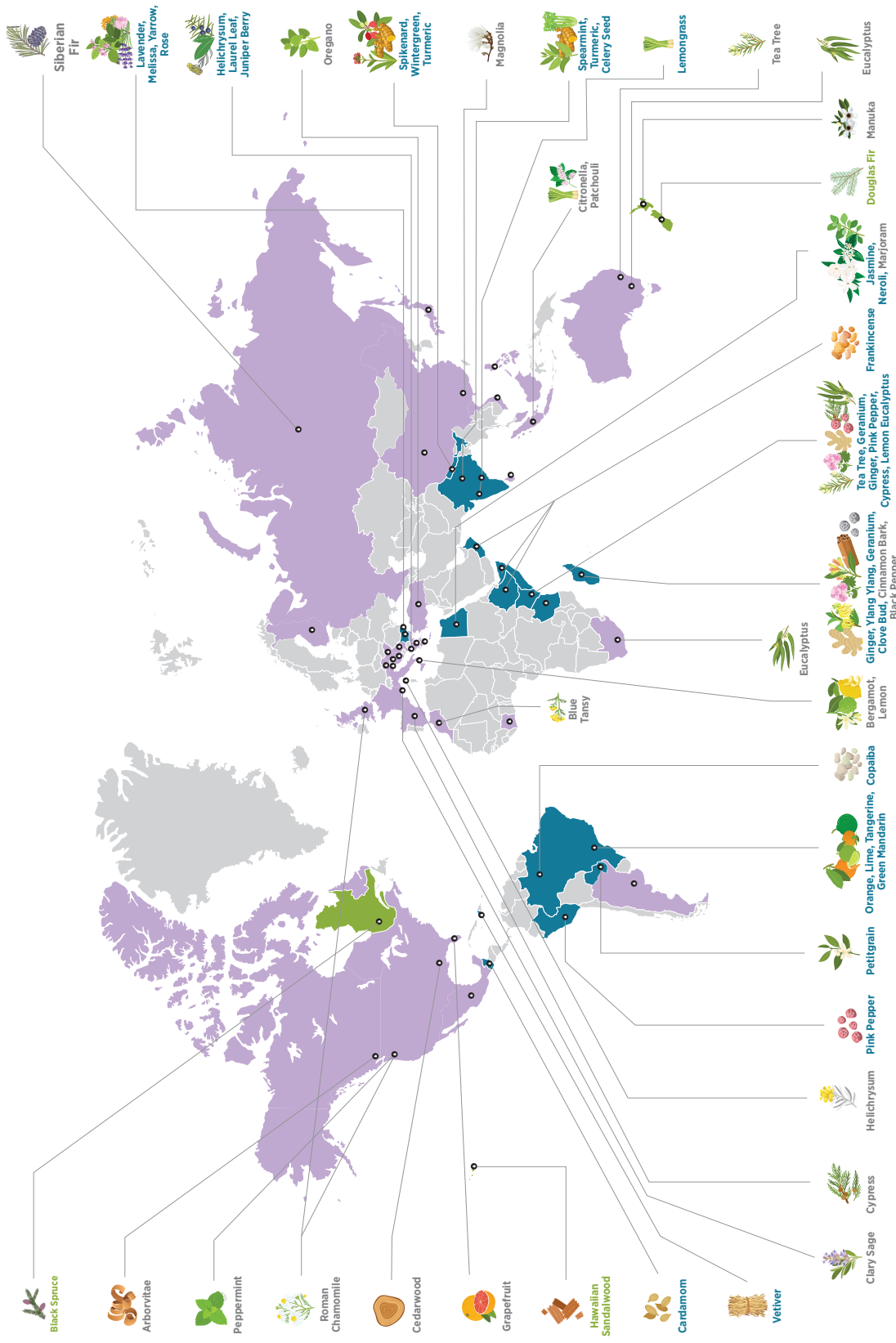


dōTERRA Sourcing



Global Botanical Network

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In addition to the regions noted, many oils are additionally sourced from various regions of the world. Co-Impact Sourced Oil: ● Social Impact ● Environmental Stewardship ●

Sourcing Guiding Principles

Through our Sourcing Guiding Principles and Cō-Impact Sourcing™, we can ensure that dōTERRA has a continuous supply of pure and natural essential oils, while also improving livelihoods and preserving natural resources.

- 1 Generating Jobs:** By creating and sustaining ethically responsible employment in rural and underdeveloped areas, dōTERRA seeks to support marginalized workers and small-scale producers in developing countries and to enable them to move from income insecurity and poverty to economic self-sufficiency.
- 2 Fair and On-Time Payments:** dōTERRA provides fair pricing that has been contractually agreed on by all through dialogue and participation, provides fair and on-time pay to producers, and can be sustained by the market. Fair pay means (i) provision of socially acceptable remuneration in the local context and which the producers themselves consider to be fair, and (ii) equal pay for equal work by women and men. Pre-payments or loans are often provided to sourcing partners to help manage cash flow and stabilize incomes throughout the year.
- 3 Building Supplier Capacity:** dōTERRA builds the capacity of farmers, distillers, and producers of essential oils. Increased capacity leads to increased incomes for supply chain partners by improving farming techniques, yields, process efficiencies, and productivity of the supply-chain ecosystem. dōTERRA supports initiatives, typically through local NGO partners, that deliver greater profitability through harvesting and storage services, technology improvements, logistics enhancements, provision of farm inputs, and agricultural training.
- 4 Sustaining Long-Term Partnerships:** dōTERRA promotes the growth of its partners through long-term contracts that do not maximize profit at their expense and facilitates predictable pricing for small-scale producers. dōTERRA finds appropriate, participatory ways to involve its partners in decision-making processes and ensures that communication channels are open at all levels of the supply chain.
- 5 Fair Labor Conditions:** Cō-Impact Sourcing® requires that dōTERRA partners ensure fair labor conditions and promote safe and healthy working environments free from exploitive practices, harassment, and discrimination. It requires partners to comply, at a minimum, with national and local laws and ILO conventions on health and safety, working conditions, and labor laws.
- 6 Promoting Cooperatives:** Cō-Impact Sourcing supports and respects the rights of all employees and producers to form and join cooperatives, bargain collectively, and maximize the benefits of collective organization. Such collective membership often enables members to obtain better pricing on agricultural inputs, access to financial instruments, and access to collectively-owned harvesting and other equipment.
- 7 Ensuring Environmental Stewardship:** Cō-Impact Sourcing promotes the use of energy efficient technologies and renewable energy technologies to minimize greenhouse gas emissions. dōTERRA supports *regenerative agriculture* practices, encourages agricultural producers to minimize their environmental impacts, and seeks to minimize the impact of waste streams on the environment. Priority is given to buying products made from raw materials that originate from sustainably managed sources, and bulk goods are dispatched by sea wherever possible to minimize carbon footprint.

- 8 Facilitating Community Development:** dōTERRA recognizes that the well-being of communities surrounding sourcing partners is key to the long-term viability of essential oil supply. Premiums are often paid for Cō-Impact Sourced oils, and these funds, as well as contributions from the dōTERRA Healing Hands Foundation, are used to support community development projects, such as the construction of schools, health clinics, training facilities, and clean water systems.



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