

dōTERRA[®]

Australia Pty Ltd



ACTIVELY PREVENTING AND FIGHTING
MODERN SLAVERY

dōTERRA
cō·impact
SOURCING

dōTERRA
healing hands
FOUNDATION



Modern Slavery Statement

This Modern Slavery Statement is made by dōTERRA Australia Pty Ltd (ACN 145700689) (**dōTERRA Australia**) in accordance with its reporting obligations under the Modern Slavery Act 2018 (Cth) (**MSA**). dōTERRA Australia is an Australian subsidiary in the global group of dōTERRA companies (the **dōTERRA Group**) and does not wholly or partially own or control any other entity or entities.

dōTERRA Australia recognises and takes seriously its corporate responsibility to address and mitigate potential modern slavery risks. This statement sets forth the steps designed to identify and eliminate potential human rights violations in dōTERRA Australia's operations and supply chains in accordance with the mandatory criteria of the MSA.

This statement constitutes dōTERRA Australia's Modern Slavery Statement for the reporting period of 1 January 2020 – 31 December 2020.

About dōTERRA Australia

dōTERRA Australia is an Australian subsidiary in the dōTERRA Group, known throughout the world as the leader in the essential oils market. dōTERRA Australia's ultimate parent company is Thrive Holdings, LLC, a Utah, USA registered company. Established in 2010, dōTERRA Australia helps support the dōTERRA Group's business objectives in Australia. dōTERRA Australia and the dōTERRA Group utilise a direct selling model that allows distributors to work with customers who use dōTERRA products around the world.

Matters of decision-making, the conduct of business operations, the structure of internal corporate governance and the supply and procurement of products are all features which are uniformly applied and considered across all corporate entities within the dōTERRA Group. That is, each individual dōTERRA subsidiary including dōTERRA Australia will act in accordance with the decisions made by the dōTERRA Group at large.

dōTERRA Australia, specifically, has 44 employees, is headquartered in Melbourne and purchases products manufactured by the dōTERRA Group for distribution throughout Australia and New Zealand. dōTERRA Australia's distribution network includes partners in Melbourne and Perth to assist with its essential oils and health and wellness products, including personal care and supplement products. dōTERRA Australia has many supply chains that contribute to the operation of its business, including seven oil suppliers in Australia. dōTERRA Australia and the dōTERRA Group, with over 170 essential oils and other direct source ingredients in the dōTERRA Group's product line, source these oils and other ingredients from over 45 nations (located in North and South America, Europe, Asia, Oceania, and Africa). dōTERRA Australia, in coordination with the dōTERRA Group, also sources non-oil related products and materials such as diffusers, bottles, packaging materials and raw materials for personal care and supplement products, from the United States, Europe, China and other countries, including locally in Australia. The number and location of suppliers continues to change as new materials are discovered and new suppliers are located.

dōTERRA Australia

Headquarters: Melbourne

Employees: 44

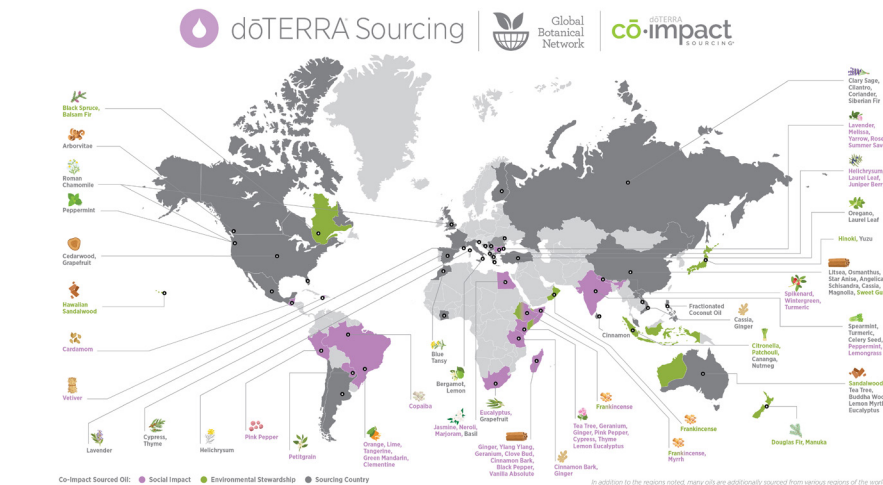
Product: 170 Essential Oils

Source Locations: 45 Nations

GLOBAL SOURCING TEAM

Employees: 22

From: 8 Countries, including Australia



The number and location of suppliers continues to change as new materials are discovered and new suppliers are located.

dōTERRA Australia is committed to sourcing the highest quality and ethically-produced ingredients for its products through a dedicated and vibrant global and local botanical network. We rely on and encourage open and positive relationships with our suppliers in order to continue to monitor and improve our practices.

Sourcing team includes 22 employees operating out of 8 countries, including one employee in Australia, who interact with suppliers through regular on-site visits, annual trainings and surveys, and ongoing communication. dōTERRA Australia and the dōTERRA Group place great value on the expert knowledge of growers and distillers who form part of our global botanical network.

dōTERRA Australia adheres to sourcing guiding principles of the dōTERRA Group's Co-Impact Sourcing® model for creating and maintaining long-term, shared value supplier partnerships which in turn support stronger local economies and healthier, more stable supply chains. The dōTERRA Group's Healing Hands™ initiatives offer resources and tools to global sourcing communities and charitable organisations in seven areas of impact including anti-trafficking, clean water and sanitation, disaster relief, empowering women, global health, self-reliance, and supporting children. In Australia, the dōTERRA Healing Hands Foundation – Australia & New Zealand® specifically focuses on supporting children and women.



Risks of Modern Slavery Practices in Operations and Supply Chains



Globally, the International Labor Organization (ILO) estimates that there are 14.2 million people trapped in forced-labour in industries including agriculture, construction, domestic work and manufacturing. As a retailer and manufacturer of essential oils and health and wellness products, dōTERRA Australia and the dōTERRA Group recognise the importance of assessing how our industry and supply chains may interact with modern slavery.

During our first reporting period, dōTERRA Australia has focussed on its raw material supply chains and improving its assessment tools and activities to measure and ensure its suppliers are performing appropriately and adhering to their commitments to prevent the risk of modern slavery.

The key risks identified in our raw material supply chains include:

1. Working with suppliers in farming and/or rural regions that use labour to carry out functions which are not immediately visible because the work is undertaken in remote locations.
2. The country of product origin has inadequate legal protections for workers, including a weak capacity to effectively monitor workplace standards and enforce compliance with national standards.
3. Supply coming from countries (including developing countries in Asia and Africa) where it is reported by international organisations and/or NGOs to have a high prevalence of modern slavery or labour rights violations, other human rights violations and/or child labour.
4. Traceability of the supply chain when working with distributors with a varying network of suppliers. The accessibility of information is reliant on the relationships formed with the distributors and requires open and transparent communication, and a commitment to protect, respect and offer remedy to any affected parties.

dōTERRA Australia recognises that there will be other, more discrete risks of modern slavery along its local and domestic supply chains. These concern goods and services within sectors other than production and manufacturing.

dōTERRA Australia acknowledges that even where risks may not yet have been identified, there is still potential for them to exist. Throughout the next reporting period and beyond, dōTERRA Australia seeks to broaden its review of supply chain risks to other goods and services provided to, and arising out of, its business.



Actions Taken to Assess and Address Modern Slavery Risks

dōTERRA Australia, in coordination and working in tandem with other entities within the dōTERRA Group, has implemented several practices to identify, raise awareness of, and combat modern slavery risks, including the following:

- *Supplier Code of Conduct*
- *Governance*
- *Overseeing and Working with Sourcing Partners and Their Communities*
- *Annual Group Trainings, Regular On-site Visits, and Regular Evaluations*
- *Humanitarian Work to End Human Trafficking*



Supplier Code of Conduct

dōTERRA Australia, in coordination with the dōTERRA Group, works with suppliers who are willing to align with the dōTERRA Group's comprehensive Supplier Code of Conduct. Based on ILO standards and internationally accepted good labour practices, this Code of Conduct applies to the whole supply chain, including sub-suppliers, sub-contractors, and farms. Standards equally apply to permanent, temporary and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers. High standards for fair, safe, and healthy working conditions and environmental responsibility throughout our supply chains are detailed in the Supplier Code of Conduct signed by contracted sourcing partners. Full compliance is expected in the following areas of concern:

- I. ALL APPLICABLE LAWS AND CODES
- II. CHILD LABOUR LAWS
- III. NO FORCED LABOUR
- IV. NO HARASSMENT OR ABUSE AND SAFE DISCIPLINARY PRACTICES
- V. NO DISCRIMINATION
- VI. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING
- VII. RESPECTFUL AND SAFE EMPLOYMENT RELATIONSHIPS
- VIII. FAIR WAGES AND BENEFITS
- IX. COMPENSATION FOR OVERTIME
- X. REGULAR AND ALLOWED HOURS OF WORK
- XI. SAFE AND HEALTHY WORKPLACES
- XII. ENVIRONMENTAL POLICIES AND STANDARDS
- XIII. COMMUNITY SUPPORT
- XIV. PRE-APPROVED SUBCONTRACTING
- XV. ANIMAL WELFARE
- XVI. TRACEABILITY
- XVII. CODE OF CONDUCT COMMUNICATION AND EDUCATION
- XVIII. QUALITY CONTROL SYSTEMS

dōTERRA Australia and the dōTERRA Group have secured the consent, signature and commitment of the dōTERRA Group's essential oil suppliers to the Supplier Code of Conduct. In addition, modern slavery contractual provisions have been implemented into supply, procurement and other related contracts.





Governance

A full team of global sourcing experts are directly employed by the dōTERRA Group, including one employee of dōTERRA Australia, and supported by representatives from across the dōTERRA Group including legal, compliance, audit and assurance, government relations, and human resources. Each area of expertise supports the oversight of risk factors to ensure that humans are treated with respect and dignity. All layers in the business model, from the seven founding executives of the dōTERRA Group to contracted supply chain management, are designed to support and expand human rights.

Overseeing and Working with Sourcing Partners and Their Communities

dōTERRA Australia and the dōTERRA Group continually invest in developing long-term relationships and seek to work with third parties that share the commitment to high ethical standards and operate in responsible ways. The dōTERRA Group's Co-Impact Sourcing initiative is designed to work with individual sourcing communities and meet the specific needs of the areas. Because of this, teams are on the ground regularly working hand-in-hand with sourcing partners. This continuously builds strong relationships where everyone benefits through shared value creation.

Trainings take place during on-site visits, through partner organisations, and annual summits. Members of the dōTERRA Group's Global Strategic Sourcing Team regularly visit our suppliers globally. During those visits, they will conduct evaluations of the work conditions, conduct informal and formal trainings on the sourcing guiding principles, and work with partners on various improvements that can be made.



Annual Group Trainings, Regular On-site Visits, and Regular Evaluations

As noted above, the dōTERRA Group's Global Strategic Sourcing team includes 22 employees operating out of 8 countries (US, China, Australia, Kenya, Tanzania, Luxembourg, Nepal and Brazil) who interact with suppliers through regular on-site visits, annual trainings and surveys, and ongoing communication. For example, in relation to surveys, these included questions about the implementation and compliance with modern slavery and human trafficking laws and regulations. The Global Strategic Sourcing team travels the globe to build personal relationships with suppliers and other members of the supply chain, including farmers, harvesters, and distillers. Their time on the ground, in essential oil-producing areas, allows them to witness first-hand the employment practices and any potential exploitation and then provide immediate feedback to partners. After on-site visits, the Global Strategic Sourcing team members prepare Back to Office Reports (**BTOR**) and can recommend ending partnerships with suppliers if suspicion of exploitation or slavery arises.

During our first reporting period, where possible and within compliance with local COVID restrictions, the dōTERRA Group's Global Strategic Sourcing Team travelled many miles to many sourcing countries. Our local sourcing team visited Australian and New Zealand suppliers prior to Australia implementing very strict COVID restrictions on travel, however, during such restrictions, continuous contact was maintained with all suppliers via phone, video conference and messaging.

The dōTERRA Group's founding executives and other members of corporate management also visited suppliers for various purposes. While on location, they toured farms and distillation sites, interviewed employees, and trained in-country management. In addition, the Executive team met regularly with the Global Strategic Sourcing Team to discuss global sourcing initiatives and progress reports.

Annual summits are held for dōTERRA Australia and the dōTERRA Group's supply partners. During these summits, suppliers and partners:

- learn about high sourcing standards, best practices for fair labour conditions and sustainability, and communicate with each other about sourcing methods;
- commit to ensuring that their supply chain is free from slavery and exploitation;
- once trained, are able to carry-out trainings for their teams; and are asked to conduct evaluations and audits of farmers, harvesters and distillers in the essential oil supply chain.



dōTERRA Australia recognises that this ongoing effort requires listening to our suppliers and their employees' needs, and requires a collaborative approach using capacity-building tools such as root-cause analysis, training, and management system development to drive meaningful change.



Empowering people worldwide to make positive sustainable change.



HOPE



is a comprehensive anti-trafficking model.

Nearly US\$8 Million has been donated globally to fight modern slavery from 2015-2020



As a contributor to the fight against modern slavery, **dōTERRA Healing Hands** works together with many collaborative impact partners around the globe to prevent, rescue and provide trauma-informed aftercare for high risk populations and those who are currently or have been trafficked.





**dōTERRA Healing Hands Foundation
Australia/New Zealand (dHHFANZ) Projects**

Nearly AU\$1 million in humanitarian relief was offered in Australia to meet critical needs in the following areas of support:

- **Disaster Relief**
- **Supporting Children**
- **Empowering Women**
- **Global Health for COVID-19 Relief**
- **Anti-trafficking (HOPE)**



HOPE End Modern Slavery Projects in Australia in 2020



Hagar Australia - \$50,000: Hagar is working to help those affected by human trafficking as well as on ways to prevent it. dHHFANZ’s donation (made in February 2020) has been used to support Hagar’s core program in Cambodia called “The Whole Journey” that provides survivor case management, counseling, economic empowerment, legal protection, etc.



Anti-trafficking Rescue Organisation - \$55,000: This donation was made from the proceeds of World Trafficking Day 2020 where dōTERRA Australia sold over 2,000 Hope touch products. The donation will be used to fund aftercare programs and rescue missions.



Action on Poverty (AOP) - \$55,000: dHHFANZ is in the final stages of solidifying details for a partnership with Action on Poverty, an organisation that empowers local leaders and changemakers to break the cycle of poverty. dHHFANZ will provide a \$55,000 AUD donation towards an AOP anti-trafficking project in East Timor. This project will support survivors of human trafficking, educate vulnerable communities about trafficking prevention, and advocate for greater anti-trafficking measures. AOP will work with a local Timorese NGO, Psychosocial Recovery and Development in East Timor to implement the project.

Assessing the Effectiveness of dōTERRA Australia's Actions

Assessing the effectiveness of dōTERRA Australia's actions is an ongoing process and will need to be reviewed, monitored and updated as dōTERRA Australia's compliance efforts mature and transform to respond to the changing risk profile.

During this reporting period, dōTERRA Australia assessed the effectiveness of its actions to combat modern slavery and human trafficking risks in its operations and supply chains through the following indicators:

The number of suppliers that signed the Supplier Code of Conduct as part of their contractual agreements, including the renewal of such agreements;

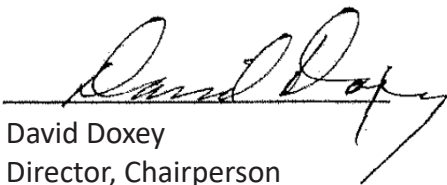
The number of BTOR provided by the Global Strategic Sourcing Team members after visits with suppliers in person and verifying compliance with the Supplier Code of Conduct; and

The number of annual surveys completed by our Co-Impact Sourcing partners, which require affirmative responses to questions about the implementation and compliance with modern slavery and human trafficking laws and regulations.

Throughout the next reporting period and into the foreseeable future, dōTERRA Australia, in coordination with the dōTERRA Group, will conduct, where possible and within compliance with local COVID-19 restrictions, on-the-ground sourcing audits of oil suppliers in our supply chain to confirm and verify compliance with modern slavery and human trafficking norms. dōTERRA Australia will also introduce, as a supplement to existing dōTERRA Group policies and commitments, a dōTERRA Australia modern slavery commitment statement.

This Modern Slavery Statement has been approved by the members of the Board of Directors of dōTERRA Australia Pty Ltd on 30 June 2021.

Signed for and on behalf of dōTERRA Australia Pty Ltd



David Doxey
Director, Chairperson