



DROP OF INSPIRATION EP35: UNCOMPROMISED STEWARDSHIP

Celeste Rosenlof: You're listening to Drop of Inspiration, a Young Living podcast. Join me for leadership lessons, conversations with Young Living influencers, and an inside perspective on our company. I'm your host, Celeste Rosenlof. Today we're traveling across the Pacific Ocean and to Taiwan to see the Sourcing pillar of the Seed to Seal® standard in action. This pillar, along with Science and Standards, helps Young Living deliver the highest quality of products wherever we are in the world.

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[Background chatter, birds chirping]

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Celeste Rosenlof: I want to share a quick conversation that took place there. In it, you'll hear Tiger telling the Director of Media Productions, Johnny Turner, about the varieties of lemons that make up Jade Lemon essential oil and the grafting process that gives the oil its signature tangy scent.

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Tiger: So usually we would use a grafting and use a rootstock. That's a Taiwan aromatic lemon. So you see, we will have a stocking like that. You'll see here. And that's one of the reasons made Jade Lemon special.

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Johnny Turner: So you have the base tree and then you come in and you graft?

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Tiger: Yeah, graft, with the eureka lemon from America. So they get marriage in Taiwan. *(Chuckles)* America and Taiwan's lemon tree get married and become Jade Lemon.

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Celeste Rosenlof: In the Jade Lemon orchard, Tiger told Young Living employees about farming



in Taiwan and how each farm there practices different methods, producing variations within the same botanical.

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Tiger: Taiwan, there are not many farmers, big farmers in Taiwan. Taiwan is small place, so usually you will see farmers they own their land, but it's a small land. But each farmer will manage their...orchard or farms in a special way. So you will see the crops, fruit, or even the plants will have their own features or specialty. That's because each farmer is small farmers, and they deal with and manage the orchards in their own way.

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Celeste Rosenlof: We see this tradition of handcrafting botanicals as a strength of the Taiwanese farm. Like the particular characteristics that make each botanical invaluable, we see the merit in the uniqueness of our suppliers, too. They all have one thing in common though: They consistently meet our non-negotiable benchmarks of Seed to Seal.

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Tiger: Because the essential oils come from the nature. And you have to know that there exists a lot of difference in different environment. So... (*chuckles*) so we think that --

Johnny Turner: It's special.

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Tiger: Yeah, it's special. And that makes Young Living special too. (*Chuckles*)

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Celeste Rosenlof: These unique practices, geographies, and botanicals can present various challenges. Young Living strives to work with our suppliers to use best practices, meet volume demand, and more. But it goes both ways. One recent challenge we worked on cooperatively with the Taiwan farm was finding a way to bring back Valor® essential oil blend. So here is a little bit of the backstory. We knew that to fulfill the growing demand for this blend, we needed to find something with similar constituents as one of the original hard to source botanicals, and that's where Camphor Wood oil came in. When we went looking for a supplier in Asia, our contacts on the Taiwan farm became invaluable assets to helping us source that oil.

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We needed to find a source that would meet our requirements and produce essential oil using methods that maintain the natural chemical structure of the botanical. I wanted to know more about the relationships we cultivate with our partner farms and Seed to Seal-certified suppliers, so I turned to the YL expert on the topic and owner of the Sourcing pillar, Chief Supply Officer Lauren Walker.

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Celeste Rosenlof: Welcome, Lauren, to Drop of Inspiration.

Lauren Walker: Hi, Celeste, how are you?

Celeste Rosenlof: Doing well, thank you.

Lauren Walker: Excellent.

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Celeste Rosenlof: Okay, so, we wanted to talk about the Taiwan farm, you know, in the context of the Sourcing pillars. So can you tell us a little bit about the history of the farm?

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Lauren Walker: Sure. So our relationship with Dr. Lee, who is actually the owner of this partner farm, goes back about five or six years. Probably around 2011, we had a team of people that went to, like, a convention. There were some speeches that were happening in Taiwan at the university out there and had come in contact with Dr. Lee. And he is really renowned in terms of being a botanist, as well as a horticulturist, really specializing in medicinal plants.

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And, of course, that piqued our interest. And the more we got to really know him, we got to understand the fact that he has a farm and the fact that he was distilling oils. And so that's when our relationship began. So from there, we spent a lot of time with him traveling to Mona. He spent a lot of time with Gary. Gary actually flew to Taiwan to spend time with him and his family. We were introduced to his son, Tiger. And most of our relationship right now is through Tiger, but Dr. Lee plays a huge role in influencing and helping us understand and better understanding the region of what's in the region and how we source.

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And so the relationship has truly grown quite a bit. And through his relationship with Gary, it just really flourished. And when we think about partner farms and developing that relationship, it's about mutual benefit and interest and long-term relationships. It's not a relationship that we're going to have two, three years. It's we see that relationship almost for a lifetime. And that's a



relationship we have with Dr. Lee and his farm right now. And so it's just been truly amazing. So we've elevated our relationship with him from Seed to Seal-certified supplier to partnership and it's happened several years ago.

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Celeste Rosenlof: That's great. That's so cool that he had a legacy of essential oils and that history. I think that's really cool. So you mentioned that they have become a partner farm now. And what does it take for someone to become a partner farm? What did it take for Taiwan to become a partner farm?

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Lauren Walker: Absolutely. So every relationship that we have with farms and farmers, people who supply oils to us, start out as a Seed to Seal-certified supplier, and that's important to note because regardless of the relationship, being a Young Living-owned farmed, a partner farm, or a Seed to Seal-certified supplier, the standards are the same. We expect a high quality that is differentiated from other oils that we can get on the market.

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It goes back to the business aspect of it. We dig into their relationship with their country. Are they following the right laws, the ethical requirements? We make sure that they are paying appropriate taxes. So that all starts out as Seed to Seal-certified suppliers. The partnership grows and develops over time. As we spend time with them, and we spend time in their communities, and we get to know the people who serve with them on the farms, we look to see how can we benefit mutually. Because obviously if they're in this for the long haul, then it benefits Young Living as well, and so it's really exciting.

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So we do things like could we support their local community? Can we build schools? Can we invest in their equipment? Can we upgrade the technology for distillation practices to make sure that they have the latest and greatest? Can we teach them? Can they coach and teach us about practices? And so it becomes a very mutual, beneficial relationship. And that, over time, develops to be the partnership deal. So it comes with multiple contracts, it comes with additional relationship building. Like we travel to see

them. We send large teams there to spend time with them. Again, to continue to coach and see how we can serve them in the community and continue to upgrade their facilities to be the very best in class.

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Celeste Rosenlof: It's so hands-on.



Lauren Walker: Tremendous. And requires a ton of time, but it's worth it because it ensures the longevity of oils for not just Young Living but for everyone, right? We want to make sure that our goal is to make sure that our members have access to the best quality oils that are out there. But you know what, if we are changing the standard for everyone and the expectations for everyone, that's good for everyone. That's good for the world, right? Anyone who uses oils, we want to make sure that we are setting the standard of quality that others will then follow.

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Celeste Rosenlof: Yeah, that's really interesting. I think one thing that we've kind of seen come into fruition in the last several months is the Camphor Wood oil, right? And Taiwan helped us obtain that oil. Can you tell us about the problem-solving efforts that went on behind the scenes of getting that oil?

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Lauren Walker: Oh, wow (*chuckles*). That was too exciting. First of all everyone, a lot of our members are very familiar with Valor. Valor oil has been around for some time, and it went out of stock because of Rosewood oil. We stopped sourcing it because it was just very difficult from a compliance standard to have that, and so we stopped selling it. And so how do you find a replacement? So we know where substitutes for that type of oil exist in that particular region. And through our relationship with the partner farm, the Taiwanese Co-op farm, we spent a lot of time with them, and Dr. Lee took us around and showed us other options and alternatives. And he was the one that introduced us to the Camphor Wood oil. And so, again, it's through that mutual relationship. That's what's so great about building these relationships because it's not only beneficial for the oils that we get from them, but it opens our eyes to the world of things that are out there that helps Young Living in the long haul.

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So it was great. So we went there. We actually sent a film crew. We sent a team of people, cross-functional team. So people from my Sourcing team were there, R&D, we

had a person from Sales and Marketing—we sent a large group over there to understand Camphor Wood oil. We took air samples, water samples, oil samples coming off the distillation process. We went through their business practices. We made sure that they're going to be a supplier that we can rely on for the long haul, and we also just wanted to make sure that we were just getting the best possible oils. So again, through our relationship with Dr. Lee, we found this Camphor Wood oil, and then through further evaluation and going on site and seeing what they have to offer, it just became a part of our portfolio and we're really, really proud of where it's come today. So now, Valor's back! (*Chuckles*)



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Celeste Rosenlof: Yeah, that's so exciting! And it's exciting, it seems like there's a sort of... there was kind of a discovery process that went along with that, which seems really exciting and that would just be fascinating to follow along with, I think.

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Lauren Walker: Oh, yeah, we have many of those. If I can divert really quickly --

Celeste Rosenlof: Yeah.

Lauren Walker: -- We had something recently. So there's a product called Valerian and also another product called Roman Chamomile that has been out of stock for years, several years. And we just could not find the right quality. We were finding adulterated product, we were finding product that just didn't meet our quality of standards. And so because Gary's all about purpose and it's not about profit, he chose that we're not going to sell it until we find the right oil. So through another relationship, actually a different part of the farm, this person introduced us to a place in Bulgaria that has Roman Chamomile. And so it was great. So we established a relationship similar to how we did it with Camphor Wood oil. And while we're there, they're talking about the city and the town. And as they're talking about the town, they mention the name of the town, and it loosely translated to "Valerian City," or "City of Valerian."

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Celeste Rosenlof: Oh, interesting.

Lauren Walker: We're like, what? The bells start going off, and we're like, "Do you guys do Valerian?" And they said, "No, well, we did it 20-plus years ago, but no one does it anymore," because there was apparently some wars and other things that were taking place in that region of the world, and it just drove a lot of the people in that business out.

But now things are much more stable. And so we said, "Are there people who still have that understanding?" And they're like, "Sure!" So guess what, we now have a partner farm in Bulgaria called Balkan Botanical Farms.

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And they do not only have Roman Chamomile, but also Valerian. So Valerian is coming back and people are thrilled about that. But it goes back to what Gary's has established years ago. Gary has always said the best way and the only way to truly understand the quality of our oils is to go and spend time with the people who are growing the plants and distilling it. It's through those relationships that you learn, that you grow. Now for us to be ignorant and sit here on this side of the world and say, "We know everything, we're the experts," it's not beneficial. There are people who know things so much better than us. And to tap into them, and their resources, and what they



know just truly grows Young Living in our competencies and capabilities and to truly be the global leaders in essential oils.

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Celeste Rosenlof: Yeah, that's really great. I think that undercurrent of respect comes through when you're talking about it—that we respect what they're doing, and they in turn respect the standards that we set and the high bar that we hold people to.

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Lauren Walker: Absolutely. Seed to Seal. And Seed to Seal is so real. So as I mentioned to you before, 100 percent of every oil that we get here comes from Seed to Seal-certified suppliers. So they're 100 percent. And there's a process that comes along with that. So at a bare minimum, it's about the quality standards, it's about validating everything that they send to us, even before they send it to us. We expect air shipments to come in. We test it thoroughly and then we approve—and this is for every single lot we get from them—then we approve them to ship it. And then it gets tested through that process all over again once it lands here on our site. But in addition to that, it's all about the business practices.

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It's about, “What is Seed to Seal?” So we spend time with every single person that supplies us oil on our Seed to Seal standards. What does it mean? Have them relay it back to us. What do we expect? Are they communicating to us if there's any deviations in process or issues that are coming up? How fair do they pay their workers? It covers a whole lot of things. And it's what keeps integrity strong. We hold them to high standards.

They meet those expectations and standards and it's because of our relationships. If things aren't going as they anticipate, they share that with us, so that there's this true transparency so that it's a win-win for everyone.

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Celeste Rosenlof: Now, can you tell us what are we doing to improve our strategic sourcing efforts?

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Lauren Walker: Yes, well, it's a lot. So if you can imagine how fast we're growing. Young Living has grown tremendously over the last several years and there is no end in sight. So it's truly exciting. The scary part is the amount of oil it's going to take to make sure that we have products always available. And you know, there are going to be times where we can't get the right quality, so we're going to shut it off, just like the examples that I gave you with Valerian. But at the same time, it's up to us to be very disciplined and think strategically about where is the



industry growing? What is going to be critically important to us in the future? What blends we're going to come out with? What oil-infused products we're going to be developing in the future, and do we have enough oil to support all of that, plus the growing needs of our members in the business?

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And it's a very complex challenge but it is one that we gladly take on. So what we do, is we do strategic planning with Gary and a larger team. So we actually had a big session this past December, and we renew it every few months or so. But it's the annual cycle for the big strategic plan. Back in December we had this big meeting and we talked about our needs around the globe for oils. And it was daunting. If we want to grow to be a really, really big company, and what the requirements are going to be, it's insane how much oil we're going to need. But it's great, because through this planning—and we actually invited some suppliers to join us so that they can hear what our growth plans are, so they can start planning not just for what they're going to planting for next year and the year after that, but five and ten years out. And they walked away with "holy cow." But it establishes a sense of urgency of what's needed. We then take back a plan, it goes back to our farms, not just our Young Living owned farms, but our partner farms, so that they can start.

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If they can't supply that, what are they going to now do in their supply chain upstream to make sure that their suppliers, and the suppliers of the suppliers are prepared for what

our future growth is. And then we have meetings with them periodically to review what their plans are, and how they're making progress against our expectations for target growth. And it's great. So you know, a great example is the France farm, it's where we get our lavender from. Most of our lavender from, we get a lot of lavender from Mona as well, but we get a lot of lavender from France. And so we have a five-year plan. And so we're deep into year three now. And so if we didn't know two years ago what we wanted for next year, guess what, we wouldn't have enough for next year. So it's not about spot-buy, it's about strategic planning, it's about communicating with our suppliers and making sure that they understand our needs, and that they're planting well in advance, and they have a back-up plan if they can't meet that expectation that we have to validate because again, we just don't accept spot-buys.

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We validate their sourcing of materials as well. So it's a complex process, but because of the number of people who are engaged in it, including Gary, including the Executive team, including suppliers. It's a strong partnership where we're all providing input and perspective. We're laying out plans and we're holding people accountable to make sure that those plans get delivered and we're just continually renewing that process. So it's exciting and it can be scary. And I know people get scared about it, but you know, I think we have things under control.



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Celeste Rosenlof: Great. Is there anything else that you want to add about the Taiwan farm or about the Sourcing pillar that you think members should know?

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Lauren Walker: Yeah, you know, what I'd say is it's all about constant evolution and continuous improvement. We're always thinking about new ways and ideas to make sure we bring, whether it's innovation, you know, you think about oils, there's no innovation in oils. Yes there is. There's always new oils out there, new way to process, new way to farm, get higher yields. There's so much out there that we're constantly learning. That a standard that was in place last year could look completely different next year as we continue to learn and grow. The other exciting thing I'll mention too is that within the Sourcing pillar is that we've established a relationship with a company called SCS Global. And they are the world-class leaders in environmental and sustainability standards. And so again, like I said before, that we don't know everything there is to know, and that's why we partner or we learn from others. We learn from the best companies out there as well. And so through this partnership, they help coach us on

what are the best ways to farm, what are the best ways to be sustainable, to help communities in the area.

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They go with us on audits. We audit as many farms as we can during the course of a year, and they do an in-depth, 40-page analysis on every farm that they come to with us to learn and give these farms opportunities to grow. So here are the things that you do extremely well. Here is some opportunities for you, and how can Young Living help you continue to grow and get to this high level of standard? And so it's continued growth. But through that partnership of SCS Global, that's how we're continuing to stay on top of our game, to be the best in the industry in terms of knowledge and understanding of sustainable practices. So it's great. So there's so much happening, and I'm sure if we sat down another year from now, this would be completely even evolved more because of how much we're learning and growing. But the foundation here is, as we started talking about, the partnership farms, and the building of relationships has just been tremendous for us, and it's our source of growth. So it's fantastic.

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Celeste Rosenlof: Awesome. Well, I can hear the excitement and the passion coming through your voice, it's clearly something you --

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Lauren Walker: It's so fun. *(Chuckles)*



Celeste Rosenlof: Yeah, it seems like you enjoy it a lot. One more question, kind of take your executive hat off for a second. Can you tell us about one of your favorite products that comes from the Taiwan farm?

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Lauren Walker: Oh, yeah, Taiwan farm? Okay. I love Jade Lemon. Oils do different things for different people. For me, it really energizes me. I get invigoration when I use it. I use it around the house. I use it for cleaning. I add it to cleaning, especially my kitchen, I like that fresh smell in my kitchen and having a lemon fragrance. And Jade Lemon to me just really does the trick.

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Celeste Rosenlof: Yeah, oh, I love Jade Lemon. It's so fresh smelling.

Lauren Walker: It really is.

Celeste Rosenlof: It has that bright scent.

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Lauren Walker: I diffuse it in the kitchen, especially in the morning, and it just kind of awakens me when I get up and I'm downstairs cooking breakfast. That's great.

Celeste Rosenlof: Thank you so much, Lauren, it's been great to talk to you.

Lauren Walker: Thank you so much, Celeste.

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Celeste Rosenlof: It's so impressive and exciting to see how the Sourcing pillar affects operations around the world. Next time you open up a bottle of Jade Lemon or Valor, think about all the people—Dr. Lee, Tiger, Warren, and the many other people we didn't get to meet today—who helped make Mother Nature make it possible. Those relationships mean that we can trust the source. But our Seed to Seal commitment means that we also verify.

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