Seed to Seal Certified CBD Products Young Living Essential Oil Infused

HOT OFF THE VINE Young Living Essential Oils infused CBD oil is now available. Remember, at this time there is no PV associated with a purchase so will not contribute to your YL volume ... with that said, I am excited about the new product, have purchased a sampling of the products and look forward to using and sharing them . . . follow this link for the updated FAQ: Link to FAQ: <u>http://static.youngliving.com/en-US/PDFS/CBD_FAQ_2019.pdf</u> ... and read on for more details . . .

Young Living members have been clamoring for cannabidiol (CBD) products backed by Young Living's Seed to Seal standard. Thanks to Nature's Ultra, you can now access CBD oil and other products infused with Young Living essential oils. We're committed to making sure that our members get only the best when it comes to essential oil products, which is why we're working with this company to ensure you can get pure products from a source you can trust.

When the 2018 Farm Bill passed, it opened a lot of opportunity by declassifying hemp-derived CBD as a Schedule 1-classified drug in the Controlled Substances Act. However, there are still limitations related to the sale of CBD, so Young Living will not carry CBD products at this time. Eventually, we hope to offer essential oil-infused CBD products in-house.

Our solution is to work with an organization that aligns with our values, including our Seed to Seal commitment. We'll supply Nature's Ultra with YL essential oils, so they can create CBD products that meet the standard you rely on. You'll get access to:

*Quality CBD products

- *Oils and other products whose sourcing follows YL's exacting guidelines
- *Innovative solutions infused with Young Living essential oils

Nature's Ultra has an experienced management team, an accomplished and credentialed scientific advisory board, vertically integrated farming processes based on organic hemp plant cultivation practices in Colorado, and quality extraction

and testing methods. Their approach to sharing high-quality products mirrors our own, and we're excited about their broad range of offerings, including roll-on oils, tinctures, and pet care products.

Our teams have worked alongside Nature's Ultra to ensure that every step in their production process meets our high standards. Though they are not a Young Living supplier, we've performed the same audits we require of our partner farms and Seed to Seal-certified suppliers, ensuring that they're providing you with a product that has our approval.

The marriage of CBD oil and essential oils highlights the best features in each. Nature's Ultra offers CBD isolate products, meaning there is no tetrahydrocannabinol (THC), the compound found in marijuana that causes cognitive effects like euphoric or dissociative perceptions and is found in small amounts in fullspectrum products. Nature's Ultra utilizes the terpenes in essential oils to increase the overall spectrum of the product, so it is no longer an isolate, while still creating a pure, THC-free product.

So why try a CBD product? CBD products can be a great way to enhance your Young Living essential oil and nutritional supplement routine! CBD is a plant-based compound that binds on CB-1 and CB-2 receptors in the body's endocannabinoid system. This neurochemical system regulates a wide range of functions in the body. CBD is believed to regulate things like appetite, immune system function, and pain management without cognitive effects (unlike tetrahydrocannabinol/THC).

Nature's Ultra will begin selling CBD products infused with Young Living essential oils on their website . . . <u>https://naturesultra.com/</u> . . . on Wednesday, February 6, at 8 a.m., MT. Products will be available for retail purchase only, meaning the products from Nature's Ultra will have no PV or commissions and are not for resale.

When discussing CBD products infused with Young Living essential oils, we're encouraging our members to stay clear of product claims indicating that CBD can be used as a drug intended to diagnose, cure, mitigate, treat, or prevent disease. Please refer to Nature's Ultra for information about the products available. Link to FAQ: http://static.youngliving.com/en-US/PDFS/CBD_FAQ_2019.pdf

Follow up from Ben Riley, Young Living Chief Sales Officer

I want you all to know I have read every one of your comments and understand where many of your frustrations are coming from. This is unlike anything we have ever done before. As an Executive team, we have really ruminated on how to get CBD to you and your customers. Our first priority and concern is for our core business. We would love to sell CBD through Young Living. However, we have been advised that there is a potential risk to our core business if we were to sell CBD directly from Young Living today. Those risks could be as serious as our merchant bank refusing to transact for Young Living due to having CBD products in house, which would mean we could not collect money for any of our products, ultimately compromising your OGV and income. Clearly too big of a risk for us to take on at this time.

At the same time, based upon comprehensive feedback, a vast majority of our Young Living Members are interested in a Seed to Seal certified CBD product in a space of ambiguous regulation and quality certification. In addition to feeling the onus of a need among our members and being in a position to provide a high quality, efficacious solution (This is right in our wheelhouse!), we also feel the responsibility to be creative and proactive in preparing for what this will ultimately mean to your business.

Many of you have expressed concern that we are providing an oil (Ylang Ylang) to Nature's Ultra which is not currently available for sale as a single in the USA (Although we did have enough to offer it on the top tier of the PV Promo this month). Understandably, the optics on this are puzzling. However, the amount of oil we provided Nature's Ultra to make their blends was so small, it had no bearing on what we can and cannot offer for sale in the United States. Many of these same oils and blends are also for sale in other countries, because we can support their volumes. The blessing of being a member in the USA is, due to our size, you usually get all the new, exciting products first. However, the other side of that same coin is that the volume demands in the USA are so significant that it is easily the most difficult market to support with inventory. We will review and perhaps not provide this oil to Nature's Ultra until we get them back in stock in the USA. Not because it will resolve our problem, but so you don't have to explain why they are available.

It has been stated in a previous comment that CBD is not a panacea, which is absolutely true. However, there are many families for whom CBD is a game changer, including for my own extended family (a sibling). I mentioned in a previous comment but will restate here, that Young Living is not profiting from this product. We are providing YL oils at 5% mark-up to our partner, purely to cover the logistical cost of getting oils to them. We are supporting these products for a purpose, not a profit.

That is not to say that it won't ultimately be profitable for you and YL. However, we all will only realize the true economic benefit once it is brought in house. Rest assured, we are pursuing this option with due haste, however, there are a few dynamics which we are unable to directly control. This option, while not only providing products which YL families have expressed they need, also positions us strongly to be able to move with alacrity once we are comfortable that the primary risks to bringing this product in-house have been mitigated.

Please do not promote CBD in your business if you feel conflicted or disinclined to do so. Obviously, there is not a compelling economic reason for you to promote these products (And frankly there isn't a compelling economic reason for YL either at this stage). We respect you as independent CEOs of your own business and would expect you to manage your business as you see fit as long as it is within the bounds of ethics as established by our Policies and Procedures.

As Mary has stated, toward the end of Gary's life, CBD is a product that significantly helped him. This is, therefore, a passion project for all of us. It is complicated inasmuch as we have had to find a creative solution to provide it to you. I want you to know, we respect your opinion and always consider it and the impact to your business in everything that we do. Nothing in our business happens without first answering the question, "How will this affect our members", which usually includes direct feedback from many of you (in this case including a pretty comprehensive survey). Your business is our business. Young Living has always been a product-driven company, often times at the expense of profit. This is why we provide you with the best Essential Oils in the world, barnone. We have found that by always being true to that purpose, in the long run, it makes for good business. We trust that will hold true in this case as well, even if today it's not as obvious as we believe it will be in the future.