

The European Green Deal

How the fragrance industry can help make it a success

IFRA policy positions (2022 – 2024) on the European Green Deal and Chemicals Strategy for Sustainability



European Commission Secretariat General – Policy Coordination Brussels, 1/09/2022

Overview

- **IFRA supports the aims of the Green Deal** to transform the EU's economy for a sustainable future and subsequently:
 - The EU's efforts to ensure health and environmental protection
 - Improving the competitiveness of European industry
 - Promoting recovery from the COVID-19 pandemic
 - Fostering the EU's open strategic autonomy and making the transition to a bio-based economy.
- By leveraging our strong track record on sustainability, we aim to:
 - Build a more sustainable fragrance industry
 - Examine how to apply the life-cycle approach at every stage of the fragrance value chain, from responsible sourcing of natural ingredients to enhancing efficiencies in our manufacturing processes
 - Embed green chemistry principles ever more in our daily work, with a strong reference and commitment to the UN SDGs.





What is a fragrance?

- A fragrance is typically a mixture of around 60 to 80 ingredients in household products and can go up to several hundreds in fine fragrances.
- The perfumer's palette is composed of **thousands of substances some of which are complex** (around 900 are natural complex substances), representing a small contribution by volume in the final product but playing a **major role in society**.
- The list of ingredients currently used by the fragrance industry in all products (consumer and professional uses) is publicly available on the IFRA Transparency list
- Fragrance is a cornerstone of European cultural heritage and shared prosperity.

Support : Hygiene, Malodor Control, Cleaning, Disinfection, Sanitation, Wellness













We have three different categories of members, representing companies large and small

The fragrance industry is composed of a wide range of manufacturers, from few multinational companies to 750 SMEs.

IFRA believes it is important to build on the industry initiatives and knowledge to develop meaningful and proportionate provisions for the fragrance industry, manageable and enforceable by all operators, from multinational companies to the hundreds of SMEs operating in the sector.

7

Regular Members (global companies)

23

National Associations (organised in four Regional Committees)

10

Supporting Members (in countries with no National Association)





IFRA's role in Europe and globally

- Our role is to oversee the **safe use of fragrances** and mixtures via the IFRA Code of Practice (CoP).
- This is the fragrance industry's **global safe use programme**, enshrining best practice in the sector.
- Mandatory for all IFRA members and widely followed by non-IFRA members, the CoP includes the IFRA Standards, which ban, restrict or set criteria for the use of certain ingredients, based on rigorous scientific evidence.
- The Standards are set by IFRA based on safety assessments prepared by the Research Institute for Fragrance Materials (RIFM).





The IFRA Code of Practice and IFRA Standards are central to our commitment to the safe use of fragrance

The Code of Practice covers the manufacture and handling of all fragrance materials, for all types of fragrance applications



It applies to all IFRA members worldwide



The IFRA Standards are the basis of the globally recognised management system for the safe use of fragrance materials



IFRA regulates the safe use of fragrances, derived from RIFM assessments and endorsed by an Expert Panel

Member companies

IFRA
Code / Standards
Safety management



RIFM
Research and testing
Safety assessment

Independent Expert Panel

Endorsement of safety assessments and IFRA Standards



Environmental dimension







- Ensure responsible sourcing
- Reduce environmental footprint
- Enhance employees' wellbeing
- Be at the edge of product safety
- Be a transparent and reliable partner





- Our industry is committed to sourcing natural fragrance ingredients responsibly by reconciling nature conservation with social commitment
- Green chemistry, biomimicry, industrial processes and technologies are inspired by nature



Our sector has a track record on sustainability:

- Our industry invests heavily in R&D, shifting towards renewable carbon, renewable feedstocks and bio-sourced ingredients
- Our members are active in global sustainability initiatives*
- IFRA-IOFI signed a memorandum of understanding with the Union for Ethical Biotrade (UEBT)



Social dimension





Fragrances respond to essential consumer needs in daily products for health, wellness and hygiene

- Across a broad range of consumer products, fragrance is a major factor for consumers' acceptance and satisfaction
- Fragrances play a key role in our lives and our personal well-being – whether in our personal care and home care products, in fine fragrances, and in industrial cleaning products.

Fragrance is a cornerstone of European cultural heritage and shared prosperity

- Countries and regions across Europe have their own signature scents, from Provence French Lavender to Bulgaria's Rose Valley
- Across Europe, the production of fragrance natural raw ingredients supports the regional economy, sustainable tourism development and attracts people and investment
- In 2018, UNESCO classified the skills and know-how linked to perfume in the Grasse region as an intangible cultural heritage of humanity



Economic dimension

Fragrance market

€8bn

Economic output of fragrance manufacturers in Europe

1/3(€2,3bn)

Sector's Gross Value Added (GVA) to the European economy *

Employment

19,000

Full-time jobs supported by the industry in Europe

Skills and R&D

8%

Proportion of net sales invested in R&D by fragrance manufacturers

Double

Of the EU average for large global companies

Business environment

800 companies

Manufacturing fragrance ingredients in Europe

50% of the economic output is generated by large businesses

50% is generated by SMEs (around 750)





IFRA's proactive approach to policy making

IFRA's policy recommendations are based on an overarching collaborative approach of policy making between industry and relevant stakeholders, including other businesses, NGOs, EU and national authorities, based on evidence and active contribution to the policy design discussions of the industry:

Fragrances are strictly regulated and subject to IFRA global safe use programme— so that they are safely used in consumer products.

Sustainability is at the heart of fragrance industry sustainable growth, and its first source of inspiration is nature.

IFRA is engaged to establish a constructive and constant dialogue with other businesses, NGOs, EU and national authorities, by providing scientific inputs based on risk assessment and management.

IFRA's vision is to establish a collaborative approach of policies design with EU institutions in developing evidence-based policymaking.



IFRA's policy recommendations

1. In the CSS, the Commission has announced it will:

- Extend the generic approach to risk management to consumer products – including cosmetics and detergents.
- Revise the REACH authorisation and restriction processes.
- Develop safe and sustainable-by-design criteria for chemicals.

The IFRA Standards and IFRA-IOFI
Sustainability Charter are the
foundations of the fragrance industry's
approach to the EU Green Deal and the
CSS.



For nearly 50 years, IFRA has advanced the safe use of fragrance ingredients, via the IFRA Code of Practice, which include the IFRA standards. In addition, the IFRA-IOFI Sustainability Charter takes a lifecycle approach to its products across the value chains.

The IFRA Standards ban, restrict or set criteria for the use of certain ingredients, on the basis of continuously refined risk assessments carried out by the Research Institute for Fragrance Materials (RIFM).

The fragrance industry has a history of product safety over the last 50 years, that needs to be recognised in the CSS framework. The development of Safe and Sustainable by Design criteria for fragrances should be based on these initiatives.

IFRA's policy recommendations

2. In the CSS, the Commission has announced it will:

• Define criteria for essential uses that will guide the application of essential uses in all relevant EU legislation for both generic and specific risk assessments.

Fragrances respond to essential consumer needs in daily products for health, wellness and hygiene.

Across a broad range of consumer products, **fragrance** is a **major factor for consumers' acceptance and satisfaction**.

It is **essential to downstream user sectors**, such as personal care products, cosmetics and products such as hand sanitizers, surface cleaners and laundry products, to meet consumers' expectation and promote habits of hygiene. This needs to be considered in the context of upcoming discussions on the **application of the "Essential Use" concept.**



IFRA's policy recommendations

3. In the CSS, the Commission has announced it will:

- Assess how to best introduce in REACH (a) MAF(s) for the chemical safety assessment of substances.
- Amend REACH registration requirements to enable an effective identification of substances with critical hazard properties, (...), the move towards grouping approaches, (...), and the obligation of chemical safety reports for substances between 1-10 tonnes.
- Establish a coordination mechanism within the Commission to agree and synchronise (...) actions across chemical legislation as regards hazard identification/classification and risk assessment and oversee the process towards 'one substance, one assessment'

The transition pathway should preserve the unique qualities of fragrances.



Fragrance companies source a large number of synthetic and natural materials, which are all regulated by EU chemicals legislation.

The perfumer's palette is composed of thousands of complex substances, representing a small contribution by volume in the final product but playing a major role in society.

This should be considered in the context of upcoming discussions on the CSS, whether it is on the generic risk approach to groups of substances, the Mixture Assessment Factor, the new requirements for (very) low tonnage substances or for the application of the "One Substance, One Assessment" concept.

IFRA's policy recommendations for an enabling framework – focus on the Green Deal

To be successful, on the broader policy agenda of the Green Deal the EU must ensure policy consistency and coordination of the Green Deal different elements in the Better Regulation spirit, such as:

UN Sustainable Development Goals

Competitiveness and Job Creation:

 New Industrial Strategy
 SME Strategy for a Sustainable and Digital Europe

Research and Innovation: Horizon Europe



Climate: European Climate Law

Digital: Artificial intelligence

Energy:

- Gas storage proposal
 - REPower EU
 - Clean gases

Agriculture & Rural
Development: Farm to
Fork Strategy

Trade: trade agreements and sustainable finance

Environment:

- Biodiversity for 2030
- Circular Economy
 Action Plan
- Chemicals Strategy for Sustainability
- Zero Pollution Action Plan

IFRA's policy recommendations for an enabling framework – focus on CSS

To be successful, the Chemicals Strategy for Sustainability (CSS) must also be accompanied by a broader policy framework:

1.

Develop an ambitious and strategic research and innovation agenda for sustainable chemistry, to enable the speedy conversion of knowledge into innovation.

2.

Value policy consistency and regulatory predictability, to build increased value chain resilience and tackle global megatrends, and fully leverage the opportunities of the digital and green transitions by fostering innovation and cutting-edge technologies towards sustainable growth.

3.

Ensure animal testing is always the last resort, with full support for alternatives to animal testing for safety assessments. 4.

Safeguard consistency between European and international regulations, to promote global functioning markets.

