



The International  
Fragrance Association

# A SHIFT to a more resilient and competitive Europe

A forward-looking strategy  
for the 2024-2029 EU legislative term  
from the fragrance industry



[ifrafragrance.org](https://ifrafragrance.org)

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A *SHIFT*  
to a more resilient  
and competitive  
Europe

# Stimulate innovation; preserve our heritage

Consider the interplay between innovation and cultural heritage when evaluating new and existing rules by making use of the policymaking tools available

## Harness our success

Leverage the fragrance industry's proven safety & sustainability initiatives and expertise in the policy design process

## Involve the value chain

Embrace the industry's expertise as a valuable resource for meaningful legislation

## Follow the science

Base decision-making on robust science and data, preserving an exposure-based risk assessment approach

## Tune to compete

Design and refine legislation for both competitiveness and environmental goals

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## Stimulate innovation; Preserve our heritage

IFRA champions the **preservation of traditional fragrance ingredients and methods** that are culturally significant and unique to specific regions – while **integrating the innovation** that keeps the sector at the **forefront of quality, safety and consumer enjoyment**.



Fragrance is more than just attractive smells: it is an **entire ecosystem**. Fragrance businesses of all sizes – including hundreds of SMEs across the EU – craft high quality products, foster sustainable tourism, and underpin cultural traditions that are at the **heart of the identity** of many European regions.

By investing 8% of the annual turnover – representing 2x the EU average investment of large global companies – in research and development, **the fragrance industry is a role model in Europe embracing new technologies and encouraging creativity**.

Innovation allows the fragrance industry to maintain and sustain the roots of these traditions. It has enabled the sector to **stand out, develop and expand** whilst continuously adapting to the evolution of tastes, techniques and legislative change.

The sector drives **continuous improvement** and is **investing heavily in digital technologies**, such as Artificial Intelligence.

Artificial Intelligence tools can support the management of evolving consumer needs, through digitalizing informed use of sustainable alternatives, incorporating the cutting-edge knowledge on the safety and environmental footprint of raw materials, and in parallel optimizing raw material management, and reducing waste.

**European policy makers must build on the fragrance sector's demonstrated ability to innovate and grow while embracing its deep cultural roots.**

The European Union has already identified this need, having created a mechanism to assess these characteristics.

The European Commission's **Better Regulation Toolbox** requires these **legitimate factors** to be carefully considered and weighted. The Toolbox includes, *inter alia*, evaluation of elements such as **Research and Innovation, an SME "test"**, and reflects upon **cultural aspects**. However, the commitment to the implementation of these tests is still not as robust as it should be.



## THE WAY FORWARD

Fully implement the Better Regulation Toolbox and guidelines so that new and existing legislation is evaluated with a view to boosting innovation, preserving cultural heritage, and stimulating regional development and SMEs around Europe.

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## Harness our success

The fragrance industry already has a long and successful track record of prioritizing safety and sustainability, while allowing for innovation and creativity in fragrance formulation. We believe that **future legislation should recognize this foundation and build upon existing voluntary industry initiatives**. These industry rules are already a valuable asset that policymakers can draw upon to provide added value to future EU policy design.

The industry has advanced the safe use of fragrance ingredients, notably through the establishment of its **Code of Practice** and the **IFRA Standards** over the past five decades.

These Standards are grounded in a rigorous risk assessment methodology, conducted by the **Research Institute for Fragrance Materials (RIFM)**, and that is constantly evolving in the face of new science and expertise. These Standards are a successful example of the safe management of substances for specific product categories.

Those initiatives are complemented by the comprehensive multi-stakeholder **International Dialogue for the Evaluation of Allergens (IDEA)**, facilitated by IFRA and supported by the European Commission to foster dialogue for the evaluation of allergens together with academia, industry and leading scientists. These initiatives encompass dedicated workstreams to apply **alternatives to animal testing in risk assessments**, vital to achieve Europe's ambition for a transition towards animal-free legislation.





To reinforce the sector's responsible approach on safety, since 2022, a **pluri-annual fragrance ingredients surveillance study** is currently scaled up to be run in about 10 clinics across Europe, to provide learnings on trends in contact allergy and related exposure conditions.

The European Union possesses one of the world's **most comprehensive regulatory frameworks**, and we are committed to assisting in further developing this already substantial science-based structure, ensuring it remains practical for implementation.

Together, **the fragrance and flavor industries have already worked on supporting this existing basis with the IFRA-IOFI Sustainability Charter**. The Charter seeks to aid companies of all sizes optimize their sustainability efforts, taking a life-cycle approach to products up and down the sectors' value chains.

This includes **17 specific commitments** such as sustainable sourcing of raw materials, reducing carbon footprint in production processes, and minimizing waste via better integration of circular economy principles. More than 135 companies pledged to adhere to those commitments. As outlined in the Charter, green chemistry has an important role to play. As such, IFRA has introduced a **Green Chemistry Compass**. This tool, which is publicly available, aids our members in **navigating towards the conscious selection of greener, safer, and more sustainable raw materials**.



## THE WAY FORWARD

*Build on proven sectoral initiatives and expertise to prioritize a bottom-up approach to policymaking which makes use of successful industry programs.*

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## Involve the value chain in policy design

As a proactive stakeholder ready to participate in the collaborative policy-making process with EU policymakers – and representing a sector with considerable scientific and practical expertise, the **partnership between the industry and policymakers** is the most effective route to crafting **policies that are both actionable and beneficial for the EU's societal development and economic growth, as well as for the protection of human health and the environment.**

Half of the European fragrance industry's output is created by around 750 SMEs, that are often only tenuously placed to deal with the complexity of new regulation.

**Ambitious legislation remains important in achieving policy goals but remains only as good as its application and enforcement.**

The fragrance sector is located right in the **centre of a complex and interconnected value chain.** This value chain is already subject to an **intricate patchwork of regulation** in Europe. This means that even nuanced regulatory changes can have outsized effects up and down the value chain. The impact of unintended consequences can accumulate in unpredictable ways.





This approach allows **the sector to serve as a resource by offering scientific and economic expertise** and expressing informed concerns throughout the policy formulation process. **Future European policies must be meaningful for society and actionable for all parties affected.**

For instance, the **harmonized classification of fragrance ingredients** (due to upstream chemicals legislation) can lead to the **loss of some olfactive families** from cosmetic, personal and homecare products, **without bringing any additional safety or sustainability benefits.**

As such, the fragrance industry seeks to work closely with policy makers from the beginning to ensure that **meaningful and workable sector-specific rules** are actually deployed across the EU.



## THE WAY FORWARD

Reinforce early-stage industry engagement and the inclusion of all value chain actors' voices in discussions like the High-Level Roundtable on the Chemicals Strategy for Sustainability.

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## Follow the science

IFRA promotes an approach whereby **science and data remain at the heart of decision-making**. This science and data do exist and can be relied upon for their robustness and methodological acceptance. This is to say: **the management of chemicals can, and should, always be informed by a comprehensive understanding of substances' intended usage and potential exposure.**

This is **particularly important for fragrances**, which represent a **relatively small element in the consumer product** and in itself are composed of **many single ingredients.**

Many fragrance ingredients, both synthetic and natural, which originally may be constituents of plants such as rose, lavender and jasmine, and are widely used in perfumery, cosmetics, or personal care products, could be banned or severely restricted with the implementation of an approach, that does not take exposure into consideration.

**A more refined use of regulatory tools is needed, to address hazards and prevent undesired cascading effects on consumer uses and industries** efficiently and appropriately.

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Legislators should continue to **design legislation that takes into account both hazard and exposure**, recognizing that not all substances pose equal risks under normal conditions of use.

By **adopting an exposure-based risk assessment approach**, regulators can focus resources on addressing significant risks while **avoiding unnecessary restrictions on safely used ingredients and formulations**.



## THE WAY FORWARD

*Base chemical risk assessment and management on a good understanding of intended uses and exposure, involving stakeholders to gather data-rich science-led input.*

## Tune to compete

As a signatory of the **Antwerp Declaration for a European Industrial Deal**, IFRA calls upon the introduction of this Industrial Deal at the core of the **new European Strategic Agenda for 2024-2029**.

A comprehensive action plan should be established to elevate competitiveness as a strategic priority and create the conditions for a stronger business case in Europe.

To **accelerate the green transformation and strengthen the industry's resilience**, IFRA calls for legislation creating an **enabling framework** for sustainable innovation. This would require that European ambitions leverage **sectoral initiatives**, avoiding overly prescriptive and detailed implementing regulations.

This is critical for the **competitiveness of companies of all sizes**, and prevents over reporting, ensures coherence and stays tuned with sector-specific industrial realities.

Such a setup would make legislation clearer and easier to follow for fragrance companies and regulators alike, **open up opportunities for small and medium-sized businesses, and keep consumers and the environment safe**.

In this regard, IFRA supports the ongoing European Commission **Transition Pathway for the Chemical Industry** and has responded to the Call for Transition Initiatives. Our shared goal is to strengthen Europe's competitiveness, increase its resilience in the face of changing geopolitical landscape while supporting investment in safe and sustainable chemicals.



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On the latter and given its **established foundation of knowledge and expertise on safety and sustainability**, IFRA actively supports, and contributes to, the **Safe and Sustainable by Design (SSbD) European Framework**.

Encouraged by the European Commissions' Directorate-General for Research and Innovation, IFRA introduced the fragrance value chain as one of the seven strategic value chains within the EU-funded SSbD network (the IRISS project). IFRA is currently designing and contributing to the platform via the submission of a specific case study on SSbD.



## THE WAY FORWARD

*Follow the recommendations of the Antwerp Declaration, creating an enabling framework for sustainable innovation, integrating legislative proposals through a stronger Secretariat General and Regulatory Scrutiny Board.*

# The fragrance industry and its value to Europe



The International Fragrance Association (IFRA) is the voice of the fragrance industry worldwide. **Fragrances are unique and complex combinations of ingredients, both natural and synthetic**, to create new scents that enrich our daily lives and stir emotions.

Through the different products delivered to consumers, it can make people feel fresh and clean but also support feeling calm, happy, strong or confident.

The roots of the modern fragrance industry in Europe go back more than 250 years, and the sector thus not only embodies **Europe's rich cultural heritage** but also plays a pivotal role in shaping its innovative, knowledge-driven future. These specificities and complexities characterize the distinctiveness of the sector.

The sense of smell, and thus **fragrance**, is an essential part of life, with important social and economic dimensions.



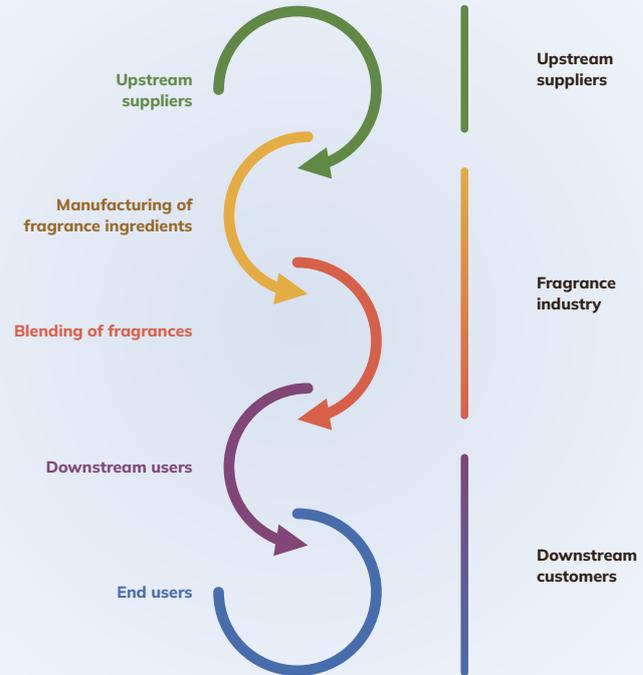


**Social role:** As an example of Europe's intangible heritage, fragrance has long played a social role, and while fragrances can take the form of a **refined art**, they also play a **vital role in everyday well-being** – from the aura of cleanliness in soap to the comfort of fresh-smelling laundry. If fragrances enrich our lives with pleasant scents, they also play a **vital role in neutralizing malodors**.

**Economic role:** By investing around **8% of its net sales in R&D**, the fragrance industry **unlocks value and product diversity for a broad variety of markets**, from perfumes, cosmetics and home-care products to industrial use in the health and hospitality sectors.

The fragrance industry is at the **heart of a sophisticated value chain**, supporting jobs for farmers, the chemicals sector, consumer goods manufacturers and retailers.

The European fragrance market is comprised of **around 800 firms, including 750 SMEs, and employing almost 20,000 people**. Its turnover in Europe is estimated at **€8bn**. Fragrance is a **key product differentiator for consumer products** generating **€357bn** of global sales.



The fragrance value chain



A SHIFT  
to a more  
resilient and  
competitive  
Europe

The background of the slide features a light blue gradient with several sprigs of yellow mimosa flowers scattered across it. The flowers are in various stages of bloom, with some showing their characteristic fluffy, spherical heads. The overall aesthetic is clean and fresh.

# **DISCOVER THE FRAGRANCE INDUSTRY'S RECOMMENDATIONS**



Stimulate innovation;  
Preserve our heritage



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Harness  
our success



### THE WAY FORWARD

Build on proven sectoral initiatives and expertise to prioritize a bottom-up approach to policymaking which makes use of successful industry programs.





## Involve the value chain in policy design



### THE WAY FORWARD

Reinforce *early-stage industry engagement* and the inclusion of all value chain actors' voices in discussions like the *High-Level Roundtable on the Chemicals Strategy for Sustainability*.



## Tune to compete



### THE WAY FORWARD

Follow the recommendations of the *Antwerp Declaration*, creating an enabling framework for sustainable innovation, integrating legislative proposals through a stronger *Secretariat General* and *Regulatory Scrutiny Board*.

## Follow the science



### THE WAY FORWARD



Base chemical risk assessment and management on a good understanding of intended uses and exposure, involving stakeholders to gather data-rich science-led input.

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