Welcome to this first IFRA Annual Report, looking back on our Association’s activities and achievements in 2019.

The year was one of significant progress for IFRA – on public regulatory issues, communication and stakeholder engagement. From dealing with the daily details to managing our longer-term strategy, we make some big advances for our industry and our members.

The world around us is changing rapidly - so we needed a strategy that makes us fit for this future. The IFRA Board approved this document in summer 2019, and now our challenge - with our members - is to implement it and achieve the goals it sets.

We also make long-term advances on the IFRA Standards, notifying members of the 49th Amendment, which features major structural changes to our safe use program.

The IFRA Fragrance Ingredient Glossary, the Value of Fragrance report and the IFRA-IOFI Sustainability Initiative are major additions to our range of initiatives and to tools we offer members in support of business and advocacy activities.

And internally, we have strengthened our regions - launching our Latin America operation - and boosted our communications output.

At the same time, we focused on the ‘bread-and-butter’ of regulatory and technical issues that are of such value to members - science-based advocacy for ingredients and technology, and building relationships and projects that endure.

2020 has, of course, started with its own challenges: this report was due to have been presented at our new Global Fragrance Summit in April. That meeting and others have sadly had to be postponed due to the global health situation in the first half of this year.

But our work continues - and we hope that this Annual Report serves as a reminder of some of the things we achieved as an Association and how - working together - we make the difference.
KEY ACHIEVEMENTS IN 2019

In no particular order, our main successes of the year

01. APPROVED THE NEW IFRA GLOBAL STRATEGY
02. PUBLISHED THE VALUE OF FRAGRANCE REPORT
03. RELEASED THE IFRA FRAGRANCE INGREDIENT GLOSSARY
04. UPDATED THE IFRA STANDARDS - 49TH AMENDMENT
05. ADVANCED THE IFRA-IOFI SUSTAINABILITY INITIATIVE
06. PROGRESS ON FRAGRANCE ENCAPSULATION
07. ENHANCED THE IDEA INITIATIVE
08. ESTABLISHED NEW SOCIAL MEDIA CHANNELS & WEBSITE
Our most long-lasting achievement in 2020 was the approval by the IFRA Board of a new Global Strategy for 2019-2024.

This document, which will guide our work for the next five years, sets out a new Vision, Mission and Core Values for our Association.

The Global Strategy outlines four ambitious long-term strategic goals, covering self-regulation and advocacy, global collaboration, sustainability, and consumer knowledge and enjoyment.

Each of these goals has series of operational objectives – the key tasks that we need to undertake to achieve our goals and realize our Vision and Mission.

The IFRA Global Strategy is the result of a consultative and collaborative process of the IFRA Board with IFRA members and the IFRA team.

The next step is to implement it collaboratively with members, Regional Committees and partners.

Our Vision
Fragrance is a safe and essential part of life

Our Mission
IFRA promotes the safe use of fragrance for everyone’s enjoyment

Our Core Values
Science is our foundation
We advocate with integrity
We are committed to collaboration

Our Strategic Goals
Self-Regulation and Advocacy / IFRA Standards as a responsible approach to the safe use of fragrance materials

Global Collaboration / The industry as a model of global collaboration

Sustainability / The industry as a positive force for environmental, social and economic sustainability

Consumer knowledge and enjoyment / Leading to greater understanding, trust and enjoyment
We all know how fragrance brings value to our lives: a perfume that evokes memories; the comfort given by fresh-smelling laundry; the clean feeling provided by a fragranced shower gel.

But fragrance also brings economic and social value, and so IFRA launched in June 2019 a new analysis by global consultancy PwC. The report studies the contribution of our industry in terms of jobs and value added, highlighted our role as an innovative, sophisticated and global industry.

The report found that fragrance can boost value of consumer products by factor of ten, and that the manufacturing of fragrance ingredients alone adds €7.2bn to the economy.

According to the report, the fragrance industry generated sales worth €7.3bn in 2017, contributing to €357bn in global sales generated by consumer product manufacturing and retailing.

The report also shows our industry's social value: we support 26,000 highly skilled jobs in our industry, and nearly 400,000 jobs among our suppliers in more than 50 countries – helping to sustain and give back to communities around the world.

As there is no public definition of the fragrance industry – and where it starts and ends - one of the innovations of the report is a mapping of the global and complex ‘fragrance value chain’.

This chain begins with 3,000 suppliers of natural and synthetic raw materials, from smallholder farms to synthetics manufacturers. It continues with an innovative fragrance industry that delivers ingredients for use in fine fragrance,
cosmetics and personal care products, and household products and detergents.

Manufacturers of these products use a wide range of retail channels to bring them to consumers, meeting people’s emotional and functional needs.

The report covers Europe, the Middle East and Africa, Asia-Pacific and Latin America. It was launched in Mexico City in June 2019, with regional launches in Asia-Pacific (Singapore, in September 2019) and Latin America (São Paulo, in November 2019) - all generating positive media coverage in local business and global trade media.

ifrafragrance.org/value

“This report highlights how the fragrance industry is sophisticated, global and innovative. As an industry, we invest eight per cent of net sales in R&D - higher than all sectors in the EU other than pharmaceuticals and technology hardware.

Martina Bianchini
IFRA President

Sophisticated and global
Our industry is at the heart of a complex value chain, generating Value Added, jobs and consumer satisfaction globally

Adding value
Through manufacturing, blending and R&D, our industry is the driver for product development and growth

Making a difference
Fragrance drives purchases and market differentiation, and supports people and communities through high-skilled jobs

Fragrance can be a key driver for consumer choice... brands often rely on innovation with fragrances to differentiate their products and drive value

Value of Fragrance report
In October 2019 IFRA launched the Fragrance Ingredient Glossary, a harmonized glossary of positive olfactory descriptors of fragrance ingredients using simple terms and language.

The Glossary, known as the ‘FIG’, covers all materials on the IFRA Transparency List (other than functional ingredients not used for odor-giving properties) and includes a primary descriptor and two other descriptors.

It is the result of many months’ work by a multi-country, multi-company Glossary Working Group led by Lisa Hipgrave of IFRA UK.

This Group included representatives of large, medium-sized and small fragrance houses from around the world. Team members include industry professionals with broad cross-functional expertise.

Following a global consultation of IFRA members and partners, and a legal review, the Glossary was made available for use by members, suppliers and customers, giving them a common language to describe fragrance ingredients.

It is an inclusive and collaborative database that is covered by copyright and ‘owned’ by the industry. The use of the FIG is voluntary. Members are encouraged to use the FIG, or to develop any alternative approaches should they wish to do so.

Ifrafragrance.org/glossary

The Glossary is a great tool - our members are very happy with it
An IFRA National Association
After several years of work, IFRA notified the 49th Amendment to its Code of Practice and revised IFRA Standards at the end of 2019 - the biggest ever update to the industry’s safe use program.

The updated Standards are derived from a new safety assessment approach, include rules based on overall consumer use of fragranced products, and feature new and revised product categories.

The new Standards introduced 25 new Standards, taking the total number to 214. There were also changes to around one hundred existing Standards.

The new Standards for dermal sensitization are based on the Quantitative Risk Assessment (QRA2) methodology, developed through a multi-stakeholder process involving dermatologists, academics, the industry and other stakeholders.

The new Standards look at aggregate exposure of fragrance ingredients via different consumer products, using a database of real-life product use and habits that feeds into a statistical model, helping us to understand how people use fragrance products in everyday life and to set rules that ensure they can continue to use them safely.

Fragrance ingredient manufacturers and compounders around the world will have until 10 February 2021 to comply with the new Standards for new fragrance creations, and until 10 February 2022 for existing creations.

The new Standards were developed over several years and were subject to a lengthy global stakeholder consultation in

We want consumers to continue to enjoy fragranced products with confidence. The IFRA Standards are our contribution to setting an industry-wide global framework and guidance for every manufacturer and compounder to follow. This boosts transparency while ensuring there is space for creativity and innovation.

Martina Bianchini
IFRA President
2019. IFRA will continue to offer education, training and implementation support to members, consumer goods companies and other stakeholders to ensure correct application of the Standards.

The IFRA team and members worked hard over several months and years, and especially in the last quarter of 2019, to ensure that the updated Standards and guidance documents were sent to members by the end of the year.

Matthias Vey, who has led IFRA’s work on the Standards for 20 years and is now IFRA’s Vice-President for Scientific Affairs, led the process along with Cécile González, our Scientific and Regulatory Affairs Manager, whose great dedication and attention to detail were crucial to a successful outcome.

The notification of the Standards in early 2020 was accompanied by a new, more consumer-focused approach to our external communications, and notably on the IFRA website.

The formal notification was marked by our best-attended webinar yet, in which we informed members and partners about the changes.

In 2020, a series of face-to-face training and information sessions are scheduled as the implementation process begins.

ifrafgrance.org/safe-use
In 2020 IFRA, working with our colleagues in the flavor industry, will launch the IFRA-IOFI Sustainability Initiative.

This Initiative provides a new common, voluntary framework on sustainability, complementing to the work already undertaken by companies.

In 2019 we launched the first phase of the work, establishing the life-cycle commitments of the Initiative and launching a survey of members to understand the current state of play on sustainability. This survey will allow us to benchmark progress in the coming years.

The Sustainability Initiative seeks to raise awareness of sustainability within the industry, provide businesses with a toolbox, allow us to report on industry-wide progress, build stakeholder trust and identify opportunities for collaboration.

The Initiative spans the value chain, from sourcing, to environmental footprint, to well-being in the workplace, to product safety and transparency.

ifra-iofi.org

Five focus areas of the IFRA-IOFI Sustainability Initiative

- Responsible sourcing
  - Partnerships with communities
  - Labor practices and human rights
  - Sustainable use of ecosystems

- Environmental footprint
  - Ecodesign
  - Energy consumption
  - GHG emissions
  - Water intake
  - Waste and circular economy
  - Green chemistry

- Well-being of employees
  - Occupational health and safety
  - Equal opportunities, diversity, inclusion
  - Training and development

- Product safety
  - Safety-by-design
  - Product stewardship

- Transparency
  - Ethics and integrity
  - Stakeholder dialogue and collaboration
Working with partners, we have made good progress on advocating for the key industry technology of fragrance encapsulation.

We have provided input into key EU consultations, including a socio-economic impact analysis, working with industry partners. We also presented our arguments to three sessions held at the European Chemicals Agency.

We will step up our outreach in 2020, highlighting the social, economic and environmental benefits of fragrance encapsulation.
IDEA continues to be an asset for IFRA - an opportunity for us to work collaboratively with academics, dermatologists, regulators and other stakeholders.

The IDEA Annual Review, held in February 2019 at the European Parliament, highlighted the major progress made in the last six years on topics including the QRA2 methodology, advancing alternatives to animal testing, and hydroperoxides.

In 2019 we also held three workshops and two Supervisory Group meetings and prepared a pilot study for a clinical surveillance project.

We concluded work on a new logo, website and tools, focusing on IDEA as a long-term, multi-stakeholder, expert-led and responsible program. These new tools launched in early 2020.

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This is the model that should inspire and be followed by all industry sectors to manage their key issues. It is clear for me that IDEA is instrumental in building trust with regulators and policymakers.

Julie Girling
Member of the European Parliament
Speaking at the IDEA Annual Review 2019
In 2019 we took a big leap forward in our communications – notably a new website and social media channels.

Highlights included:

**New website**
We launched a modern, mobile-friendly new website at ifrafragrance.org, with easier navigation, clearer sections for the Standards, our Initiatives, Policy and News, and a new section giving the basics of fragrance and information about what we do.

**Social media channels**
Based on a comprehensive social media strategy, we launched activities on LinkedIn and Instagram, providing information to business-focused and consumer audiences about our activities.

**Rapid response procedure**
We finalized and tested a process to respond in a coordinated way to media enquiries, ready to communicate to members in early 2020.

**Global Fragrance Summit**
We began preparations for the Global Fragrance Summit - our rebranded annual meeting - which is due to take place in 2020 in Singapore.

**Supporting members with toolkits**
To make our outreach more efficient, we developed toolkits for members to communicate IFRA initiatives. For example, in June 2019 we provided a comprehensive set of communications materials (press release, social media assets, messaging, presentations) on the Value of Fragrance report.

**Positive media coverage on the Value of Fragrance report**
We stepped up our media outreach, with good media coverage in Mexico, Brazil, Singapore and elsewhere on the launch of IFRA’s socio-economic analysis.
**AND ALSO...**

**Coordinated industry positions**

IFRA led the development of new positions on topics such as alternatives to animal testing and fragrance encapsulation, and also worked with our regions to identify regional topics that may require the development of a common, global industry position.

**Boosted links with upstream and downstream partners**

We held two highly-valued IFRA Joint Advisory Group (JAG) meetings with more than 20 clients, as well as meetings on issues such as fragrance encapsulation in cooperation with the EU cleaning products association, A.I.S.E.

**Science-based advocacy on ingredients**

We delivered science-based advocacy to defend ingredients against restrictions under chemicals legislation - for example, ensuring that Methyl salicylate remains available for cosmetic use. This work took place in close coordination with Cosmetics Europe, which has offered full support to IFRA for future activities.

**Strengthening LATAM and other regions**

In November 2019 we launched our new IFRA LATAM operation, based in São Paulo, Brazil, with a seminar on our Value of Fragrance report and a social event.

In Asia-Pacific, we also hosted a regional launch of the Value of Fragrance report, plus a roundtable meeting on innovation with stakeholders in Singapore. In India, we helped set up a new task force seeking to promote the safe use of fragrance.

In Europe, we continued important work on fragrance encapsulation and our stakeholder engagement, including through the annual IFRA Europe Fragrance Party.
AND NOT FORGETTING...

...introducing new computer systems and software for managing the Labelling Manual and the NCS matrix...

...strengthening ties with our Chinese association, CAFFCI, including translation of the IFRA Standards into Chinese...

...successful outreach on regulatory affairs in Argentina, South Africa, Singapore and elsewhere...

...building closer links to perfumers, through meetings with the International Perfumer-Creators Society (SIPC)...

...holding training sessions and workshops in Indonesia, Singapore, Brazil, Mexico and many other places on the Sustainability Initiative and the IFRA Standards...

...active participation in conferences in Chile, Indonesia, Germany and elsewhere...

...holding another successful IFRA Europe Fragrance Party, cementing ties with the new European institutions (see photos)...

...playing a leading role on alternatives to animal testing, notably in CAAT and EPAA...

...further enhancing our work on the Nagoya Protocol and CITES, holding webinars, working with governments and building relations with interest groups such as UEBT...

...and maintaining a strong and committed team, dedicated to serving IFRA members

Finally, a big thank you to all our members for their participation and support in the achievements of 2019!