IFRA-IOFI
Sustainability Report
2020-21
About IFRA

The International Fragrance Association, founded in 1973, represents the interests of the fragrance industry worldwide.

Fragrances are the fusion of science and art: where chemists become creators, and where molecules make memories. Fragrances are unique; they are designed with care, passion and ingenuity, and give pleasure to people around the world who use and enjoy fragrance every day – from a fresh-smelling shampoo to a stylish perfume, a scented candle to freshly-laundered sheets.

IFRA comprises seven multinational companies, 21 national associations in four regions representing hundreds of small and medium-sized fragrance manufacturers, and supporting members. Its mission is to promote the safe use of fragrance for everyone’s enjoyment.

Fragrances are a key platform technology used by consumer goods companies – for fine fragrances, personal care products including cosmetics, home care and cleaning, and industrial and institutional applications.

IFRA’s flagship safe use program, the IFRA Standards, applies safety management measures based on scientific assessment and the evaluations of an independent Expert Panel.

The program is at the heart of the IFRA Code of Practice, which applies to all IFRA members, including members of IFRA’s national associations. The Code also requires members to abide by local, national and international regulation, and to apply good manufacturing practices.

ifrafragrance.org

About IOFI

Founded in 1969, the International Organization of the Flavor Industry (IOFI) is the global association representing the industry that creates, produces and sells flavorings worldwide.

Flavorings are ingredients whose primary purpose is to provide taste; a taste experience can help us recapture a childhood memory, put us in a good mood or make our food and drinks much more enjoyable.

IOFI advances the global trade of safe, responsibly produced flavorings that respect the environment and enrich the lives of consumers.

With 17 regional and national associations and ten major global companies as members, a management staff of scientific and regulatory experts located in Brussels and Washington D.C. and a network of top-notch industry volunteers, IOFI interacts and collaborates with stakeholders around the world.

One of IOFI’s driving principles is to ensure the safe use of flavoring ingredients globally, and central to achieving this goal, is the IOFI Science Programme. IOFI works with internationally recognized safety assessment bodies to ensure the industry meets their needs for sound scientific data.

With an official observer status at the United Nations WHO/FAO Codex Alimentarius Commission, IOFI participates in Codex discussions to foster global standards and guidelines that contribute to public health and promote regulatory convergence around the globe.

iofi.org
Acknowledgements

A big thank you to all signatories of the IFRA-IOFI Sustainability Charter for your support and participation in the creation, development and launch of the initiative.

We would like to thank in particular the more than 100 companies who provided feedback on their actions for this Sustainability Report, which allowed us to present a representative picture of the state of play on sustainability in our industries.

We also thank the many members and external experts who offered their support and guidance over the past five years, especially the IFRA-IOFI Sustainability Task Force for their active engagement in developing the Charter.

Finally, thank you to the IFRA and IOFI teams for their work on the Charter and on this Annual Report.

Find out more

To get more information about the Charter, go to ifra-iofi.org or contact Maxime Marchal at mmarchal@iofi.org or David O’Leary at doleary@ifrafragrance.org.
Welcome to the first annual IFRA-IOFI Sustainability Report.

Formally launched last year, the Charter has been long in the making. Since 2016 we have worked with members and external experts to discuss, develop and refine the program and create an ambitious new approach to sustainability across the two industries.

The Charter is a voluntary framework that has been signed by 126 companies. It represents a collective commitment to making the difference for the planet, for people and for our business across five Focus Areas - responsible sourcing, reducing our environmental footprint, employee well-being, product safety, and transparency and partnerships.

In this Sustainability Report, we get an opportunity to present the state of play - how these companies are fulfilling or working towards the Commitments in the Charter.

The results are impressive, both in terms of the percentage of the industries by market share and in terms of individual companies (our industries including many small or medium-sized enterprises).

The results reflect the fact that many companies have long-standing sustainable development commitments and have been engaged in initiatives for many years. In the coming years we hope to further improve thanks to the Charter’s collective framework and the tools provided to help raise the bar across the industry.

We cannot ignore the political, economic and social context that accompanies this first annual Sustainability Report. The COVID-19 pandemic continues to dominate our lives and our businesses, and has emphasized the need for greater sustainability.

Although the Charter is a project that has been years in the making, its time has truly come: an opportunity to underline our sectors’ commitment to more responsible sourcing and production, to employee well-being, and to economic sustainability.

We will continue to highlight and reinforce this commitment both through the Charter and in our work on public policy globally, including the EU Green Deal and the US Sustainability Agenda, as well as initiatives in Asia-Pacific and Latin America.

This first Sustainability Report represents a benchmark for us to measure progress in future years. We hope to see, in the next twelve months, more companies making progress along the sustainability path, and more companies committing to the Charter.

IFRA and IOFI will continue to provide signatories and all members with its best efforts, expertise and support to help maintain the fragrance and flavor industries’ continuous efforts on sustainability, in the context of the United Nations Sustainable Development Goals.
This first IFRA-IOFI Sustainability Report is a significant milestone on the sustainability journey of the fragrance and flavor (F&F) industries.

Since 2016, IFRA and IOFI, as the global representative bodies of the F&F industries, have worked with members to develop a common Sustainability Charter.

The Charter seeks to define what sustainability means for our industries and creates a sectoral framework. Such frameworks are important value creators, helping to improve performance and raise the bar on sustainability across industries.

This report highlights the state of play of the F&F industries in the five Focus Areas of the Charter:

- Ensure responsible sourcing throughout the value chain
- Reduce our industries’ environmental footprint and address climate change
- Enhance the well-being of employees and ensure a rewarding labour environment
- Be at the leading edge of product safety
- Be transparent and a reliable partner for society

The Charter was formally launched in July 2020 with around 100 signatory companies - a figure that exceeded expectations and that showed the interest and willingness of F&F companies to engage in a common initiative and make commitments on a series of shared goals.

Once the Charter was launched, the next step, in autumn 2020, was to invite all signatory companies to participate in a baseline survey on their own performance against the five Charter Focus Areas in order to provide a representative picture of the overall sustainability maturity level of our industries.

Of the now 126 signatories to the Charter, more than 80 per cent responded to the 31-question survey on the five Focus Areas and 17 Commitments.

It should be noted that in the F&F industries, a relatively small number of large global multinational corporations represent more than four-fifths of the market, while the remainder is made up of small and medium-sized enterprises. The results therefore need to be interpreted with these market dynamics in mind.

The results will be a baseline against which we can measure progress in the industries. That overall picture is an impressive one: the results, which will be the baseline for future Sustainability Reports, show a high level of ‘maturity’ in the industries on sustainability.

Across the five Focus Areas, we consistently see more than two in every three companies having strategies in place, or in the pipeline, to address these sustainability challenges. When mapped against market share, the overwhelming majority of the F&F market has plans in place to improve its performance.

On responsible sourcing, the awareness and level of active engagement in the F&F industries is high. More than 70 per cent of respondents - including the companies that make up the vast majority of the market - engage in dialogue with
farmers and local communities, supporting equitable practices, community development and education.

The bulk of the market has advanced human rights and labor standards roadmaps, as well as biodiversity action plans. Our Toolbox of laws and sustainability programs provide the tools that will help other companies develop similar roadmaps and action plans.

On **environmental footprint and climate change**, the overall footprint of the F&F industries is relatively small and the industries exhibit a good environmental profile. More than 75 per cent of respondents, and more than 90 per cent of the F&F market by market share, have a global environmental strategy, implementing eco-design measures and acting to reduce consumption and waste.

Between a fifth and a third of respondents - again, representing the lion’s share of the market - have waste roadmaps or are implementing new business practices to reduce energy and water consumption, greenhouse gas emissions and waste. Uptake of green chemistry principles is strong and has the capacity to grow.

IFRA and IOFI have taken steps to improve understanding of the concept of green chemistry by hosting a Masterclass for its members in March 2021 with one of the concept's founders, Dr John Warner.

On **employee well-being and offering a rewarding labor environment**, the F&F industries already demonstrate high standards. More than 70 per cent of respondents have occupational health and safety strategies that go beyond implementation of regulatory requirements in place and nearly half are using internationally recognized evaluation tools.

Around half of respondents - including the biggest companies - exhibit best practice on occupational health and safety. This includes offering equal opportunities and fair treatment of all employees, promoting diversity and inclusion, and providing training and development opportunities to upgrade professional skills. The vast majority of the industries' employees benefit from this high standard.

The COVID-19 pandemic has presented many occupational health and safety challenges for the F&F industries, and IFRA and IOFI have supported member companies through the development of best practice guidance documents and by monitoring legislative and policy changes around the world.

F&F companies play an essential role in the two industries’ value chains – delivering our products into high-quality food supply chains and the hygiene and cleaning product supply chains.

Consumers expect high-quality and reliable products that would contribute to their health and well-being at a time of crisis: the fragrance and flavor industries worked hard to deliver essential products to our customers and to consumers, keeping facilities open, supply chains working, and employees safe.

The F&F industries are already at the leading edge of **product safety** – a non-negotiable requirement. In addition to complying with our respective
Codes of Practice, compliance with existing regulations is crucial.

Dialogue helps to support product safety, and our survey highlights how more than 90 per cent of respondents engage in dialogue with downstream customers on product stewardship and how more than a quarter provide educational support in a proactive way to ensure optimum safety and strengthen confidence in the safe use of our materials.

On transparency and partnerships, more than three in four respondents have a global responsive governance strategy in place, including all the largest companies. More than three in every five respondents employ anti-corruption measures that go beyond legal requirements and approximately two-thirds are engaged in ongoing dialogue with political stakeholders, with almost every signatory company involved in some form of dialogue.

The impressive results provided by signatories complement the work done by IFRA and IOFI as global representative bodies of the F&F industries.

We are engaged in sectoral partnerships with organizations such as the Union for Ethical Biotrade and GIZ, a German development agency, to develop sustainability best practices.

IFRA and IOFI also support signatories by providing tools and information through webinars, speaker sessions, and an online Toolbox with information on good practices, details of legal and regulatory frameworks and sustainability programs, and international disclosure standards.

In 2021, we will establish a new standing Sustainability Committee to further refine our common framework and drive the implementation of the Charter and improve its governance. We will also work to expand the geographical scope of the Charter and the number of signatories.

But our goals will remain consistent: to raise awareness in the sector, provide a common framework for action and implementation, build dialogue and partnerships and report on our progress. We ultimately seek to make a difference for the planet, for people and for our business through our common, sectoral sustainability framework.

We look to work with our customers, partners and stakeholders to design the safe and sustainable products of the future.

And, with a strong reference to the United Nations Sustainable Development Goals (SDGs), the fragrance and flavor industries will continue to use the Charter to contribute to public policy objectives and to communicate about our activities according to international reporting standards and the SDGs.
About the Charter
The Charter and its goals

A new, collective and complementary approach

The International Fragrance Association and the International Organization of the Flavor Industry, together with their members, have developed the IFRA-IOFI Sustainability Charter as a collective effort to raise the bar for sustainability in the flavor and fragrance (F&F) sectors.

The Charter builds on the F&F industries’ proud heritage and on the long-standing commitment to sustainable development across its many dimensions that has been shown by many individual companies.

The Charter complements company sustainability programs, helping our industries as a whole to make advances on sustainability by sharing best practice and benchmarking progress.

A voluntary, open, inclusive framework

This voluntary framework shows our industries’ sense of responsibility and our commitment to making the difference. The Charter is open, inclusive and comprehensive, taking a ‘life-cycle’ approach and giving the opportunity and tools for everyone in our industries to contribute to a brighter and more sustainable future.

Making the difference – for the planet, for people, and for our business

Our Charter underlines the key role sustainability plays in our business, inspired by the United Nations Sustainable Development Goals (also known as the Global Goals).

As the F&F industries, we play a pivotal and unique role in sourcing a wide range of raw materials from natural and synthetic origin and turning them – with the help of cutting-edge science – into valued high-end products.

An expression of purpose

The Charter is an expression of purpose: acting responsibly and using our influence throughout the value chain to drive positive change upstream, with farmers and other suppliers; in our own industries; and downstream, with consumer goods companies and retailers.

It also reflects the core principles that have guided our work in the past and set the path for a sustainable future: a commitment to health and safe use, and to exceptional product performance; a focus on innovation and on economic sustainability and prosperity; and a spirit of transparency and partnership.
About the Charter

Charter principles

Aspirational and achievable
Voluntary and inclusive
Anti-trust compliant
Complementary initiative

A life-cycle approach to sustainability

1. Responsible sourcing
2. Environmental footprint
3. Well-being of employees
4. Product safety
5. Transparency & partnerships
The timing of the Sustainability Charter is... perfect, because this Charter demonstrates that the fragrance and flavor industries are well prepared to meet increasingly ambitious climate and environment as well as social requirements.

ANDERS WIJKMAN
Honorary President, Club of Rome
Former Member of the European Parliament
Speaking at the first IFRA-IOFI Sustainability Community webinar, September 2020

<table>
<thead>
<tr>
<th>Charter objectives</th>
<th>Description</th>
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<tbody>
<tr>
<td>1. Raise awareness</td>
<td>We seek to raise awareness of sustainability throughout the fragrance and flavor (F&amp;F) sectors.</td>
</tr>
<tr>
<td>2. Give businesses a toolbox</td>
<td>We offer a toolbox detailing best practices, legal norms and standards to help raise the bar.</td>
</tr>
<tr>
<td>3. Report on progress</td>
<td>We benchmark progress as an industry, providing annual Sustainability Reports.</td>
</tr>
<tr>
<td>4. Build stakeholder trust</td>
<td>We want to enhance dialogue with stakeholders, informing them of progress and gathering feedback.</td>
</tr>
<tr>
<td>5. Identify possible collaboration</td>
<td>The Charter is a platform for greater exchange of ideas, and cooperation within and outside the F&amp;F sectors.</td>
</tr>
</tbody>
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Charter signatories
126 signatory companies at 31 May 2021

ADM
Advanced Biotech Inc.
Argerville S.A.S.
Aromatica
Aromáticos La Victoria S.A. de C.V.
Aroma S.A.
Arylessence Inc.
Austria Juice GmbH
Axxence Aromatic GmbH
Azur Fragrances
BASF S.E.
Bell Flavors & Fragrances
Best Value Chem Pvt Ltd
Blue Pacific Flavors Inc.
Bontoux S.A.S.
Brenntag South Africa (Pty) Ltd.
Buteressence B.V.
Carvansons Ltd.
Chemi, Com. Japan Corp.
Citrál Óleos Essenciais Ltda.
Citrus and Allied Essences Ltd.
Cosmo International Fragrances S.A.
CPL Aromas Ltd.
Creative Flavours & Fragrances S.R.L.
Curt Georgi GmbH & Co. KG.
Custom Essence Inc.
Daiho Perfumery Co. Ltd.
Destilaciones Bordas S.A.
Destilla GmbH
Dreidoppel GmbH
Royal DSM
Eikodo & Co. Ltd.
Essencia, Ätherische Oele AG
Eurofragrance S.L.U.
European Flavours & Fragrances P.L.C.
Expressions Parfumées
F.D. Copeland & Sons Ltd.
FGA Laboratories Co. Ltd.
Firmenheim S.A.
Flavor & Fragrance Specialties Inc.
Flavorchem Co.
Floral Concept
Foodarom Group Inc.
FoodSpec Co. (Pty) Ltd.
Fourchem (Pty) Ltd.
Frey + Lau GmbH
Fuyo Trading Inc.
Givaudan S.A.
Grau Aromatics GmbH & Co. KG.
GRC Parfum S.P.A.
Holland Aromatics B.V.
International Flavors and Fragrances Inc.
Ikeda Corporation
Illovo Sugar Ltd.
Ina Trading Co. Ltd.
Inabata Koryo Co. Ltd.
Inoue Perfumery MFG. Co. Ltd.
Jean Gazignaire S.A.S.
Jean Niel S.A.S.
Kancor Ingredients Ltd.
Kerry Group
Kobayashi Perfumery Co. Ltd.
Koei Kogyo Co. Ltd.
Kohken Food & Flavor Co. Ltd.
Kyowa Perfumery Co. Ltd.
La Tour S.A.
Laboratorios Mixim S.A. de C.V.
Lausitzer Früchteverarbeitung GmbH
Lionel Hitchen Ltd.
L’Italiana Aromi S.R.L.
Luich Essence S.L.
Lucta S.A.
MG International Fragrance Co. (Gülçiçek)
Miltitz Aromatics GmbH
Miyasaka Koryo Co. Ltd.
Müller & Koster S.P.A.
Musashino Aromatic Chemical Co. Ltd.
Nagaoka Co. Ltd.
Neone Creation Co. Ltd.
Nippon Flavour Kogyo Co. Ltd.
Nippon Koryo Yakuhin Kaisha, Ltd.
Nissin Perfumery Co. Ltd.
Ocean Spray Cranberries Inc.
Ogawa & Co. Ltd.
Ohtsuki & Co. Ltd.
O’Laughlin Industries Inc.
Omega Ingredients Ltd.
Orchadia Solutions Ltd.
Parfex S.A.
Parfum Parfait Ltd.
Payan Bertrand S.A.
PepsiCo Inc.
Phoenix Aromas & Essential Oils LLC
Premier Specialties, Inc.
PT. Indesso Aroma
PT. Van Aroma
Puris Natural Aroma Chemicals (Pty) Ltd.
Quintessence Fragrances Ltd
Quintis (Pty) Ltd.
Robertet S.A.
Sacmar srl
Sakae Aromatic Co. Ltd.
San-Ei Gen F.F.I. Inc.
Sasakikoryo Co. Ltd.
Seikodo Ishida Co. Ltd.
Shiono Koryo Kaisha Ltd.
Shonan Flavors Inc.
Silesia Gerhard Hanke GmbH & Co. KG.
Skimmelberg Fynbos Oils (Pty) Ltd.
Solvay Aroma Performance
Sozio
Symrise AG
Synaco S.A.
Synergy Flavors Inc.
T. Hasegawa Co. Ltd.
Taiyo Corporation
Takasago International Corporation
Tanemura & Co. Ltd.
TechnicoFlor Group
Treatt Plc
Ultra International Ltd.
V. Mane Fils
Versions Originales Aromatiques
Virginia Dare
Vollmens Fragrances Ltda.
Yokoyama Koryo Ltd.
Charter signatories

National/regional breakdown
According to signatory company headquarters

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<th>Region</th>
<th>North America</th>
<th>Latin America</th>
<th>Europe</th>
<th>Africa</th>
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<td>Count</td>
<td>18</td>
<td>5</td>
<td>58</td>
<td>6</td>
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IFRA-IOFI Sustainability Charter

A Sense of Responsibility, a Commitment to Sustainability

Our commitment to more sustainable businesses and a more sustainable planet

A new imperative
It is increasingly clear that a commitment to sustainable business practices also makes good long-term economic sense.

Whether it is by reducing use of finite resources, careful management of renewable resources, responsible employment practices, promoting leading-edge safety standards, or nurturing of relationships with stakeholders, customers and consumers, all aspects of a business value chain can benefit from a sustainable approach.

It is in this context, and with a strong reference to the United Nations Sustainable Development Goals (SDGs), that the flavor and fragrance industries launch this sustainability initiative.

A framework for progress
Through this voluntary initiative, the flavor and fragrance industries seek to encourage enhancements in the field of sustainability by offering advice, sharing best practice, and measuring improvement by:

▪ Raising awareness of sustainability within the sector
▪ Providing businesses with a toolbox to help them continuously improve their performance
▪ Reporting on progress at an industry level
▪ Continuing to build trust between the flavor and fragrance industries and stakeholders
▪ Identifying opportunities for collaboration to address shared challenges

IOFI and IFRA, as the global organizations representing the flavor and fragrance industries, provide the platform for companies to identify, assess and report on advances in the field of sustainability, setting a framework for progress that encompasses the life-cycle – from sustainable sourcing, to environmental footprint, to well-being of employees, to product safety.

A flexible, open and responsive approach
The flavor and fragrances industries are diverse, so there can be no one-size-fits-all approach. This initiative is intended to be open and inclusive.

In this spirit, companies will assess the advice according to their activities and adapt their approach to reporting, including any validation and certification, based on their size and the scope of their activities.

The intention of this initiative is to encourage broad support and participation, driving continuous improvement in five key areas as part of our commitment to sustainability.

But the initiative also seeks engagement and dialogue – both within the flavor and fragrance value chains, and with stakeholders outside our industries. We are committed to listening to and seeking advice from external stakeholders, to understanding society’s expectations of us, and to using the feedback we receive as part of a continual review of our approach.
Our commitment to sustainability

The flavour and fragrance industries aspire to:

1. Ensure responsible sourcing throughout the value chain
   1.1 We foster the economic health of farmers and local communities with fair and long-term partnerships
   1.2 We promote respectful labour practices in line with human rights and international labour standards
   1.3 We aspire to protect, restore and promote sustainable use of ecosystems

2. Reduce our industries’ environmental footprint and address climate change
   2.1 We continuously seek to reduce the environmental footprint of our product portfolio (natural and synthetic)
   2.2 We apply measures to efficiently manage resources such as water and energy, reduce GHG emissions, and support the integration of circular economy principles
   2.3 We are inspired by green chemistry principles

3. Enhance the well-being of employees and ensure a rewarding labour environment
   3.1 We make employees’ health and workplace safety a priority
   3.2 We aspire to ensure equal opportunities and fair treatment of all employees, and promote diversity and inclusion
   3.3 We provide opportunities to upgrade professional skills through training and development

4. Be at the leading edge of product safety
   4.1 We submit our ingredients to a multi-step safety assessment and comply with rigorous risk management measures
   4.2 We work with our customers to design products that are safe for consumers and the environment
   4.3 We comply with the requirements of regulators and downstream customers and often go beyond to ensure optimum safety
   4.4 We practice product stewardship by providing information and strengthening confidence in the safety of our materials

5. Be transparent and a reliable partner for society
   5.1 We provide regulatory bodies, industry partners and their downstream customers with technical, scientific and communication support while protecting intellectual property
   5.2 We do not tolerate anti-competitive behaviour, corruption and bribery practices within our business and our Members themselves are committed to complying with the IFRA-IOFI Antitrust Compliance Policy
   5.3 We communicate about our activities according to international reporting standards and the UN Sustainable Development Goals
   5.4 We enhance stakeholder dialogue and collaboration along the value chain, including with other businesses, NGOs and governments, to address shared areas of interest
With a strong reference to the United Nations Sustainable Development Goals (SDGs), the fragrance and flavor industries will continue to use the Charter to contribute to public policy objectives and to communicate about our activities according to international reporting standards and the SDGs.

Activities under each Focus Area relate to one or more of the United Nations Sustainable Development Goals.

We have selected a series of SDGs for each Focus Area, ranked according to their relevance to the Charter, and noted some specific sub-targets of particular relevance.

Please note that this mapping is based on our own assessment and may differ from individual company approaches.

**FOCUS AREA 1 - RESPONSIBLE SOURCING**

**15 LIFE ON LAND**
- Relevant sub-target
  - 12.2 By 2030, achieve the sustainable management and efficient use of natural resources

**FOCUS AREA 2 - ENVIRONMENTAL FOOTPRINT**

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
- Relevant sub-target
  - 9.2 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
FOCUS AREA 3 - WELL-BEING OF EMPLOYEES

Relevant sub-targets

8.8 Protect labour rights and promote safe and secure working environments for all workers

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

FOCUS AREA 4 - PRODUCT SAFETY

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
Charter development

**Q4 2016**

**Kick-off conference**
IFRA and IOFI brought together a group of members at a meeting in Nice to begin the journey.

**2018**

**Internal reality check**
Based on initial discussions in the Task Force, we gathered feedback from a wider group of members.

**Q3-Q4 2019**

**External reality check**
IFRA and IOFI consulted policymakers and other trusted external opinion leaders to gather feedback and suggestions.

**July 2020**

**Public launch of the Charter**
With around 100 companies signed up, we made the initiative public and launched our website.

**Q4 2020**

**Charter toolbox published online**
To aid progress against the Charter Commitments, we provided information on legal frameworks and other programs.

**Q1 2017**

**Sustainability Task Force established**
IFRA and IOFI set up a standing joint group of members to map the path forward for the Sustainability Charter.

**Q2 2019**

**Trial run**
The feedback on the Charter allowed us to conduct a sample survey to understand the state of play.

**Q4 2019**

**Legal assessment**
Mindful of the need to ensure fair competition and compliance with anti-trust law, we requested a legal check.

**Q4 2020**

**Signatories respond to survey**
Signatories were invited to complete a survey: the results in this 2020-21 Report represent a ‘baseline’ to measure progress.

**June 2021**

**First Sustainability Report published**
This first Report gives the results of the survey, an overview of the Charter, and highlights our other activities in 2020-21.
From Commitment to Progress

Following general endorsement by senior company representatives of the Charter, we moved into a four-step tiered approach that takes participating companies and the F&F industries from commitment to progress:

1. **Commitment**
   Participating companies agree to progress on five Focus Areas and 17 Commitments

2. **Reporting**
   Signatories complete a survey, allowing us to assess industry progress

3. **Improving**
   Companies receive a ‘toolbox’ with provided information on legal frameworks and other programs

4. **Highlighting progress**
   An aggregated annual Report shows progress as an industry, including in relation to UN Sustainable Development Goals
Results & Activities 2020-21
About the Report

This first annual IFRA-IOFI Sustainability Report is an important one.

First, it provides an opportunity to introduce the Sustainability Charter to a wider audience: to share information about our journey to raise the bar for sustainability in our industries.

Second, it provides the first data on the 'maturity level' in our industries against the Commitments contained in the Charter. It sets the benchmark for future reports, allowing us to measure progress in the coming years and for signatory companies to drive improvement.

Part A: State of Play

The first part of the Report is based on a survey of signatory companies. More than 100 companies responded to the survey - a response rate of more than 80 per cent, covering the vast majority of the industries by market share. This feedback allows us to present a representative picture of sustainability across the industries.

The survey included 31 questions based on the five Focus Areas and 17 Commitments. Signatory companies gave a self-assessment of their sustainability efforts - an indication of whether they had programs in place or were planning initiatives; the extent to which they reported their work; and how they complied with internationally-recognized norms and standards. The results of the survey are set out in two ways.

The principal metric is the number of companies. This approach allows us to assess progress across the industry, from small businesses to large multinationals, giving equal weighting to each company.

However, we believe that it is also important to give a more balanced impression of the sustainability profile of the industries by taking into account market share. We have therefore used available data to estimate the industries' overall sustainability profile based on the size of companies.

This part of the Report also includes further information on each Focus Area and maps each one against the relevant United Nations Sustainable Development Goals, also known as the SDGs or 'Global Goals'. (This mapping is based on our own assessment and may differ from individual company approaches.)

Part B: Our activities

The second part of the Report gives a short overview of the key events undertaken in 2020, including the formal launch of the Charter, the publication online of a 'Toolbox' of sustainability initiatives, programs and laws, and the creation of new groups to bring together signatories and oversee the development of the Charter.
PART A

State of play
FOCUS AREA 1

Responsible sourcing

About this focus area

Ensure responsible sourcing throughout the value chain

The fragrance and flavor industries have a key role to play in socio-economic development relating to the sourcing of raw materials – notably in relation to job creation, skills development and the improvement of employment prospects. This is especially important for people living far from the main centers of employment.

F&F companies must ensure respect for human rights and labor standards in our activities and products, as well as in our business relationships and in monitoring the activities of partners. In areas where there is political instability or even conflict, companies have to be especially vigilant.

In their operations and supply chains, F&F companies rely on a variety of ecosystem services that are generally classified as common property and/or public goods, and which must be protected. The protection and/or rehabilitation of biodiversity is an imperative as well as an opportunity to develop new projects and engage employees and wider communities.

As responsible industries, we should also seek to go beyond our core business activities by contributing to dynamic and positive change at a local level, whether through involvement in education or culture, community cohesion or wider technological development.

Results in summary

The survey results highlight good progress in the area of responsible sourcing: well over half of respondents already have a strategy in place; another fifth plan to create a strategy in 2021.

More than a third of respondents use internationally recognized evaluation tools, and when mapped against market share, well over 90% of the fragrance and flavor market is at this most advanced level.

More than 70% of respondents - including the companies that make up the vast majority of the market - engage in dialogue with farmers and local communities, supporting equitable practices, community development and education (Commitment 1.1).

Companies representing the vast majority of the market have developed roadmaps to identify, map and mitigate risks relating to labour standards (Commitment 1.2) - and we hope that in the coming years more companies will be able to join them.

Likewise, the 14 companies who have established biodiversity and ecosystem protection plans (Commitment 1.3) include the largest companies - meaning that F&F market as a whole demonstrates a strong attachment to respecting the natural world.

Activities under this Focus Area relate to a number of United Nations Sustainable Development Goals

The selected SDGs are ranked according to their relevance to the Charter
FOCUS AREA 1 - RESPONSIBLE SOURCING

Results

Number of companies

A ▶ Does your company have a global responsible sourcing strategy in place?

- 20 It does not have a strategy in place
- 19 It plans it as a future goal (within 12 months)
- 57 It has a strategy in place
- 5 This Objective is not relevant to its activities

B ▶ Does your company have recourse to internationally recognized evaluation tools?

- EcoVadis: 27
- SMETA: 27
- ISO26000: 6
- Others: 2

C ▶ What tools are used by your company?

3 OUT OF 4 RESPONDENTS

>90% OF THE F&F MARKET have a responsible sourcing strategy in place or plan to develop one within the next year
COMMITMENT 1.1 ▶ How does your company foster the economic health of farmers and local communities with fair and long-term partnerships?

- 26 companies do not engage with farmers and local communities.
- 18 companies engage in dialogue with farmers and local communities; no active participation in local initiatives, development projects, etc.
- 28 companies are occasionally involved in initiatives that contribute to the development of local communities.
- 24 companies pro-actively allocate budget to develop/participate in initiatives that contribute to the development of local communities.

**Results**

**Number of companies**

- **FOCUS AREA 1 - RESPONSIBLE SOURCING**
  - **MORE THAN 7 IN 10 RESPONDENTS**
    - are engaged in dialogue or initiatives to support farmers and local communities.
  - **>90% OF THE F&F MARKET**
COMMITMENT 1.2 ▶ How does your company promote respectful labor practices in line with human rights and international labor standards?

- 69: It is aware of and complies with international labour standards and relevant regulations in the countries in which it operates.
- 17: It leads ad hoc assessments of labour practices within its risk-prone supply chains.
- 10: It has a roadmap where risks related to non-respect of labour standards are significantly identified, mapped and mitigated.

COMMITMENT 1.3 ▶ How does your company protect, restore and promote sustainable use of ecosystems?

- 26: It is aware of relevant legislation and regulation regarding biodiversity protection within ecosystems impacted by its activities.
- 39: It is occasionally involved in initiatives that contribute to the protection of ecosystems impacted by its activities.
- 16: It systematically establishes concrete action plans intended to mitigate the impact of its activities on biodiversity and is proactively involved in initiatives to protect of ecosystems impacted by its activities.
- 14: It is proactively involved in initiatives to protect of ecosystems impacted by its activities.
FOCUS AREA 2

Environmental footprint and climate change

About this focus area

Reduce our industries’ environmental footprint and address climate change

Increasing concerns over climate change raised expectations of industry. Regulators, customers and other stakeholders want to know how we will anticipate issues, diminish risks, lower emissions and develop solutions. The fragrance and flavor industries are committed to a circular economy approach with practical measures that include limiting the environmental impact of their facilities and investing to comply with environmental rules.

Engaging in a circular economy approach requires us to rethink the old industry model and adapt it to changed societal expectations. For example, waste is becoming either a material resource or an energy resource (through recycling and energy recovery), with a circular economy approach allowing companies to create value and make savings by lowering waste treatment costs or reusing materials.

To ensure resource availability in the future, companies should ensure that the raw materials used in our industries - whether natural or synthetic – are used efficiently. The sustainability and environmental footprint of both natural and synthetic ingredients will need to be considered, examining the sustainability profile of each type on a case-by-case basis.

In addition, companies should use energy, water and other resources carefully, and implement the principles of green chemistry, in the knowledge that resource consumption is closely linked to their overall environmental impact – both globally and locally. Other concerns relate to the use of non-renewable resources. Optimizing consumption and avoiding overconsumption, particularly of electricity, not only reduces the environmental impact but can give companies a competitive edge.

Results in summary

More than 75% of respondents, and more than 90% of the fragrance and flavor market by market share, have a global environmental strategy, implementing eco-design measures and acting to reduce consumption and waste.

Between a fifth and a third of respondents have waste roadmaps or are implementing new business practices to reduce energy and water consumption, greenhouse gas emissions and waste (Commitment 2.2). With this number covering the vast majority of the market, the F&F industry exhibits a good environmental profile.

Green chemistry (Commitment 2.3) is an emerging practice but more than half respondents use it in some form, and IFRA and IOFI are taking action to increase awareness of green chemistry and encourage greater uptake of its principles.

Activities under this Focus Area relate to a number of United Nations Sustainable Development Goals

The selected SDGs are ranked according to their relevance to the Charter
FOCUS AREA 2 - ENVIRONMENTAL FOOTPRINT

Results
Number of companies

A ▶ Does your company have a global environmental impact assessment and management strategy in place?

- 42 companies have a strategy in place
- 34 companies plan to develop one within the next year
- 24 companies do not have a strategy in place

B ▶ Does your company have recourse to internationally recognized evaluation tools?

<table>
<thead>
<tr>
<th>Tool</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>EcoVadis</td>
<td>22</td>
</tr>
<tr>
<td>CDP</td>
<td>14</td>
</tr>
<tr>
<td>ISO26000</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
</tr>
</tbody>
</table>

C ▶ What tools are used by your company?

- 13 companies answered NO
- 29 companies answered YES

3 OUT OF 4 RESPONDENTS have a global environmental impact assessment and management strategy in place or plan to develop one within the next year

>90% OF THE F&F MARKET
Focus Area 2 - Environmental Footprint

Results

Number of companies

Commitment 2.1 ▶ How does your company reduce the environmental footprint of its products?

28
It does not integrate an eco-design approach into its general manufacturing policies

16
It is considering an eco-design approach but has not implemented it yet

44
It has partially integrated eco-design principles into its processes

11
It leads life-cycle assessments and integrates accordingly eco-design principles into its processes

More than half of respondents have integrated some degree of eco-design principles into their processes

>90% of the F&F market
### COMMITMENT 2.2  
**How does your company apply measures to...**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>...efficiently manage resources such as energy?</td>
<td>21</td>
</tr>
<tr>
<td>...efficiently manage resources such as water?</td>
<td>19</td>
</tr>
<tr>
<td>...reduce greenhouse gas (GHG) emissions?</td>
<td>38</td>
</tr>
<tr>
<td>...reduce its waste footprint and integrate circular economy principles?</td>
<td>18</td>
</tr>
<tr>
<td>It does not measure or track footprint/consumption/emissions</td>
<td></td>
</tr>
<tr>
<td>It measures and tracks footprint/consumption/emissions and takes reduction measures</td>
<td>45</td>
</tr>
<tr>
<td>It has developed a mid- to long-term roadmap to reduce footprint/consumption/emissions</td>
<td>18</td>
</tr>
<tr>
<td>plus tries to optimize processes regarding water wastage</td>
<td>19</td>
</tr>
<tr>
<td>It has established long-term 'science-based' reduction targets</td>
<td>12</td>
</tr>
<tr>
<td>plus partially takes into account circular economy principles</td>
<td>14</td>
</tr>
<tr>
<td>It invests in and implements new business models to increase efficiency</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>12</td>
</tr>
</tbody>
</table>

It has established long-term 'science-based' reduction targets

Results

Number of companies
FOCUS AREA 2 - ENVIRONMENTAL FOOTPRINT

Results
Number of companies

COMMITMENT 2.3 ▶ How does your company implement green chemistry principles?

47
It does not incorporate green chemistry principles into its processes

39
It occasionally implements green chemistry principles into its processes

14
It develops assessment tools to fully incorporate green chemistry principles into its manufacturing processes

Speaking at the first IFRA-IOFI Sustainability Community webinar, September 2020

The safe and sustainable chemicals of tomorrow are bio-inspired from nature today.

I am glad that the fragrance and flavor industries have adopted green chemistry principles in the Charter, as they are the foundation for nature-embracing diversity in future raw materials.

The Toolbox, which includes the green chemistry principles, will help companies make supply chains more robust, resilient and competitive.

Dr JOHN WARNER
Chemist, inventor, educator, entrepreneur, and one of the founders of the field of green chemistry
FOCUS AREA 3
Well-being of employees

About this focus area

Enhance the well-being of employees and ensure a rewarding labor environment

Companies have a moral and legal duty to ensure health and safety at work. But there is also an economic incentive: prevention helps to reduce risks, prevent accidents and illness, and boost economic performance.

Given the materials used, the fragrance and flavor industries have the potential to expose workers to potential occupational risks. We should therefore anticipate and limit the risks associated with products and processes to ensure the health and safety of employees.

Like other industries, we have to address physical risks (from travel, musculoskeletal disorders, lifting, electrical charge, noise and so on) as well as psychological and social hazards. These issues also affect our employees and service providers, who should be informed of health and safety rules and guidance.

The fragrance and flavor industries, as significant employers, have a role to play on subjects such as equal pay and protection of certain groups in the workforce (such as young people, older people and people with disabilities).

The challenge is to allow diverse talents to express themselves fully and sustainably in the company, and to respect all differences. By implementing a diversity and equal opportunities policy and promoting inclusion, companies can increase their attractiveness as employers and improve performance.

A well-established social dialogue improves the functioning of companies and reduces the risk of conflict. Involving employees in the development and implementation of their own working conditions increases their satisfaction, well-being, motivation, loyalty and performance.

Results in summary

Employee well-being is a Focus Area where fragrance and flavor companies are already showing exceptional progress, with more than 70% of respondents having health and safety strategies in place that go beyond implementation of regulatory requirement; nearly half using internationally recognized evaluation tools.

Going beyond legal compliance and awareness of equal treatment principles, more than half of respondents embed these principles in their policies and processes. Based on market share, the vast majority of F&F employees have this advanced level of protection (Commitment 3.2).

Around half of respondents also report best occupational health and safety (Commitment 3.1) and training and development practices (Commitment 3.3), well beyond legal requirements in these fields.

Activities under this Focus Area relate to a number of United Nations Sustainable Development Goals

The selected SDGs are ranked according to their relevance to the Charter.

8 DECENT WORK AND ECONOMIC GROWTH
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
4 QUALITY EDUCATION
FOCUS AREA 3 - WELL-BEING OF EMPLOYEES

Results
Number of companies

A ▶ Does your company have a global occupational health and safety (OHS) strategy in place?

- 14: It does not have a strategy in place
- 17: It plans it as a future goal (within 12 months)
- 70: It has a strategy in place

B ▶ Does your company have recourse to internationally recognized evaluation tools?

C ▶ What tools are used by your company?

- EcoVadis: 36
- SMETA: 30
- ISO26000: 6
- SA8000: 3
- ISO45001: 11
- Others: 3

22 / 48
 NO
 YES

MORE THAN 5 IN 6 RESPONDENTS

>95% OF THE F&F MARKET

have a global occupational health and safety (OHS) strategy in place or plan to develop one within the next year
FOCUS AREA 3 - WELL-BEING OF EMPLOYEES

Results
Number of companies

COMMITMENT 3.1 ▶ How does your company make employees’ health and workplace safety a priority?

- It is aware of and complies with international occupational health and safety (OHS) standards and relevant regulations in the countries in which it operates: 42
- It develops and implements a comprehensive occupational health and safety (OHS) management program aimed at preventing occupational diseases and reducing the severity and frequency of workplace incidents: 43
- It partially integrates occupational health and safety (OHS) management processes, ensuring continuous performance improvement: 16

COMMITMENT 3.2 ▶ How does your company ensure equal opportunities and fair treatment of all employees?

- It is aware of and complies with international standards and relevant regulations in the countries in which it operates: 29
- It takes the principles of equality of opportunity and fair treatment into account in the development of its policies and processes and partially implements them: 18
- It fully embeds the principles of equality in its policies and processes for both employees and governing bodies: 54
It regularly offers training programs and integrates the development of its workforce in its policies and processes for both employees and governing bodies.

It complies with international standards and relevant regulations in the countries in which it operates.

It offers incentives and/or opportunities for employees to obtain extra qualifications and partially integrates them in the development of its policies and processes.

**COMMITMENT 3.3**

How does your company provide opportunities to upgrade professional skills through training and development?

**FOCUS AREA 3 - WELL-BEING OF EMPLOYEES**

**Results**

Number of companies

18

34

49

**COVID-19 and employee well-being**

The coronavirus pandemic that began in 2019 has presented many occupational health and safety challenges for industry, including the fragrance and flavor industries.

IFRA and IOFI have supported member companies through the development of best practice guidance documents by OHS experts and by monitoring legislative and policy changes around the world and communicating key points.

F&F companies play an essential role in the two industries’ value chains and both IFRA and IOFI worked with governments to keep facilities open, keep supply chains working, and - crucially - keep employees safe.

This work by the two Associations highlights how the Sustainability Charter is a living, practical endeavor that helps the F&F industries respond to emerging challenges.
FOCUS AREA 4

Product safety

About this focus area

Be at the leading edge of product safety

Good manufacturing processes are the starting point for the development of products with a high level of safety and a good environmental profile. The benefits for companies of high-quality processes and products are significant – not only in relation to consumer satisfaction and protection, but also in terms of financial savings and competitive advantage.

‘Safety by design’ means that companies need to rethink key phases in a product life cycle, from manufacturing, to use, to end-of-life. It means managing risk, meeting customer and consumer expectations with regard to protection of human health and the environment, developing systems that ensure that the right people have the right information at the right time.

IFRA and IOFI have Codes of Practice addressing product safety and other topics. More information can be found on p37.

Results in summary

Product safety is at the heart of all the fragrance and flavor industries do, and is a non-negotiable requirement of F&F companies. As a result, our survey was more limited on this Focus Area: compliance is a ‘given’.

Nevertheless, we asked signatories for more information on how they work with customers in consumer good companies to ensure product safety (Commitment 4.2). More than 90% of respondents engage in some manner on this point, with around half of those doing so systematically. This includes all the largest companies, ensuring that the vast majority of the market is engaged in close cooperation on product safety.

On product stewardship (Commitment 4.4), around three in every five companies provide information beyond legal requirements, with more than a quarter providing educational support in a proactive way.
COMMITMENT 4.2 ▶ How does your company work with its customers to design products that are safe for consumers and the environment?

- 7 companies do not engage with customers to improve the health and safety impact of its products.
- 49 companies occasionally engage with customers to improve the health and safety impact of its products.
- 45 companies systematically engage with customers to improve the health and safety impact of its products through the different stages of a product life cycle.

Codes of Practice supporting product safety

IFRA and IOFI have Codes of Practice addressing product safety and other topics.

The IFRA Code of Practice is the global fragrance industry’s commitment to promoting the safe use of fragrance for everyone’s enjoyment. It applies to all IFRA members worldwide and covers the manufacture and handling of all fragrance materials, for all types of applications.

The Code of Practice has been shared with regulatory bodies and other stakeholders and is recognized in regulations or guidance documents issued by authorities around the world.

The IFRA Code of Practice has three obligations: comply with external regulation; apply the IFRA Standards (which ban, limit or set criteria for the use of certain ingredients); and adhere to good operating practices.

The IOFI Code of Practice consists of information describing best practices regarding the safety, composition, manufacture, description and labeling of flavorings.

The application of the Code of Practice does not relieve individual manufacturers or users of flavorings from the obligation to comply with all local, national, or international regulations that pertain to their operations. These regulations take precedence over this Code.

In those countries where specific legislation and regulations applicable to flavorings are not in force, the Code of Practice may serve as a best practices resource.
COMMITMENT 4.4  How does your company practice product stewardship?

39  It provides information to comply with legal requirements

33  It has established a consistent strategy to disseminate information on the safety of materials

29  It disseminates information and provides educational support in a proactive way
FOCUS AREA 5

Transparency & partnerships

About this focus area

Be transparent and a reliable partner for society

Business ethics guide companies to make decisions that are fair and transparent and to prevent risks associated with unethical business or industrial practices. Business failures in this area can have a significant impact in terms of reputational damage, as well as leading to possible commercial, civil or criminal penalties.

With a strategy in place, a company should develop indicators that allow analysis and follow-up of results and define a new direction if necessary. Although reporting is not an end in itself, these indicators have to be considered as a tool for continuous improvement.

Externally, a company can communicate on these indicators to strengthen the credibility of its actions and set an example. Building dialogue with external stakeholders helps to create an environment that is conducive to understanding of a company’s business and helping it to improve.

Through our collective sectoral framework, we seek to enhance transparency, communication and external reporting about our industries.

IFRA and IOFI conduct all our activities in line with our antitrust compliance policies. We provide regulatory bodies, industry partners and stakeholders with key technical and scientific information. We also enhance stakeholder dialogue and collaboration along the value chain with other businesses and stakeholders to address shared areas of interest.

Results in summary

More than three in four respondents have a global responsive governance strategy in place, including all the largest companies.

These companies are also engaged in the most advanced level of reporting on their sustainability activities, being among the 27 companies that report according to international standards.

More than three in every five respondents employs anti-corruption measures that go beyond legislative requirements (Commitment 5.2) and approximately two-thirds are engaged in ongoing dialogue with political stakeholders (Commitment 5.4), with almost every signatory company involved in some form of dialogue.
### Results

**Number of companies**

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  ▶  Does your company have a global responsive governance strategy in place?</td>
<td></td>
</tr>
<tr>
<td>It does not have a strategy in place</td>
<td>23</td>
</tr>
<tr>
<td>It plans it as a future goal (within 12 months)</td>
<td>22</td>
</tr>
<tr>
<td>It has a strategy in place</td>
<td>56</td>
</tr>
<tr>
<td>B  ▶  How does your company communicate about its activities according to reporting standards and the UN Sustainable Development Goals?</td>
<td></td>
</tr>
<tr>
<td>It does not disclose its sustainability performance beyond what is mandatory</td>
<td>47</td>
</tr>
<tr>
<td>It reports partially on its sustainability performance</td>
<td>26</td>
</tr>
<tr>
<td>It reports in accordance with internationally recognized standards like UNGC, GRI, etc.</td>
<td>9</td>
</tr>
<tr>
<td>It reports in line with international standards, noting contribution to UN SDGs</td>
<td>18</td>
</tr>
</tbody>
</table>

**MORE THAN HALF OF RESPONDENTS**

>95% of the F&F market report on their sustainability performance in some form, including under international reporting standards

<table>
<thead>
<tr>
<th>Tool</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI</td>
<td>18</td>
</tr>
<tr>
<td>UNGC</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
</tr>
</tbody>
</table>
FOCUS AREA 5 - TRANSPARENCY & PARTNERSHIPS

Commitment 5.2 ▶ How does your company prevent and fight anti-competitive behavior, corruption and bribery practices?

- **38** companies are aware and comply with relevant regulations in the countries in which they operate.
- **27** companies establish processes to prevent any anti-competitive behavior, corruption and bribery practices.
- **36** companies have formal processes to prevent anti-competitive behavior, corruption and bribery practices (such as documents signed by all employees) and penalties in case of violations.

Commitment 5.4 ▶ How does your company enhance stakeholder dialogue and collaboration along the value chain?

- **6** companies do not engage in any dialogue with stakeholders.
- **25** companies work in close cooperation with their stakeholders and actively involve them in the context of their activities.
- **30** companies communicate reactively with their stakeholders when needed.
- **40** companies have established an ongoing and consistent dialogue with their key stakeholders.
RESULTS & ACTIVITIES 2020-21

PART B

Our activities
Our activities in 2020-21

The public launch of the IFRA-IOFI Sustainability Charter on 1 July 2020 was an opportunity to share our initiative with the wider world and celebrate the achievement of bringing together more than 100 companies from the fragrance and flavor industries to back a joint program.

The launch featured media activities by the two Associations and by many signatories, with coverage in trade media and positive feedback on social media.

We also made improvements to the Charter website at ifra-iofi.org, including the creation of a blog, to clearly explain the various elements of the Charter, and the development of a new Toolbox for signatories.

This Toolbox provides resources for signatory companies on implementing the Commitments outlined in the Charter - with information on good practices, an opportunity to share good practice, details of legal/regulatory frameworks and sustainability tools/programs, and international disclosure standards.

We also worked to broaden the reach of the Charter: first, by providing translations of the Charter documents in Chinese, Japanese, Spanish and Portuguese on the Charter websites.

Second, we held a series of introductory webinars for IFRA and IOFI members to explain the Charter and encourage participation in the initiative. National webinars were held in 2020 and 2021 with companies and Associations from Turkey, Latin America, France, United States, Spain, South Africa, and Asia-Pacific.

We also created the IFRA-IOFI Sustainability Community - a platform for signatories and IFRA and IOFI national associations to come together and discuss sustainability topics and issues relating to the Charter.

The first Sustainability Community webinar, held in September 2020, included a thought-provoking presentation on ‘Rethink Economics: Give Value to Nature’ by Anders Wijkman, a former Member of the European Parliament and Honorary President of the Club of Rome.

Through the BioInnovation Africa (BIA) project, which is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is collaborating with like-minded partners such as IOFI and IFRA to foster equitable European-African business partnerships that contribute to biodiversity conservation and sustainable use.

Under the guidance of the South African Department of Forestry, Fisheries and the Environment (DFFE), IOFI, IFRA, their South African partner SAAFFI and the GIZ joined forces to elaborate a simplified and practical framework for the sustainable trade of Buchu, a native plant from South Africa. The practical framework recognizes and benefits traditional knowledge holders, and ensures compliance with the national Access and Benefit Sharing (ABS) regulations.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, a German development agency)
A second webinar, in December, focused on the Toolbox. The third webinar, in March 2021, looked at green chemistry. More than 300 participants joined a two-hour ‘masterclass’ with one of the founders of the green chemistry concept, Dr John Warner.

These Sustainability Community meetings continue in 2021. We are also launching a new Sustainability Committee, bringing together a smaller group of signatories and members to steer the Charter and other sustainability activities.

Externally, IFRA and IOFI representatives took part in online conferences to spread the word about the Charter. IFRA President Martina Bianchini gave a presentation at the European SDG Summit 2020 on Sector Sustainability Vision and Roadmaps, hosted by CSR Europe.

IFRA also hosted a session on sustainability at its Global Fragrance Summit in March 2021, with Sven Ballschmiede, IOFI Executive Director, joining the session and outlining the key points of the Charter.

Maxime Marchal, the Charter’s Project Manager, also presented at IFIA Japan, the Annual International Food Ingredients & Additives Exhibition and Conference, in May 2021.

IFRA and IOFI contributed to activities by members and partners, including a presentation at the annual meeting of the South African fragrance and flavor association, SAAFFI.

Work intensified on partnerships with external groups. IFRA and IOFI signed a memorandum of understanding with the Union for Ethical Biotrade (UEBT) and is working in South Africa with a German development agency, GIZ on sustainability activities relating to the growing and processing of Buchu, a native plant from South Africa, complementing the Associations’ existing work on compliance with the Nagoya Protocol.

The role of sectorial sustainability initiatives, such as the IFRA-IOFI Sustainability Charter, is significant, helping an entire sector move forward.

Such initiatives coordinate companies’ collective interests at a pre-competitive stage and raise sectors’ overall level of commitment towards responsible sourcing practices.

Through the partnership with UEBT, IFRA-IOFI and its members also take practical steps in turning such commitment into action.

MARIA JULIA OLIVA
Deputy Director & Senior Coordinator for ABS and Policy, Union for Ethical Biotrade (UEBT)
Glossary of reporting tools

**EcoVadis**
Paris-based provider of business sustainability ratings
ecovadis.com

**SMETA**
Sedex Members Ethical Trade Audit, a social audit method provided by Sedex
sedex.com

**ISO26000**
International social responsibility standard provided by the International Organization for Standardization
iso.org

**CDP**
Carbon Disclosure Project, a not-for-profit charity that runs a global disclosure system for management of environmental impact
cdp.net

**SA8000**
Global social certification system based on internationally recognized standards of decent work, provided by Social Accountability International
sa-intl.org

**ISO45001**
International standard for management systems of occupational health and safety, provided by the International Organization for Standardization
iso.org

**GRI**
The Global Reporting Initiative, an international independent standards organization to communicate impacts on issues such as climate change, human rights and corruption
globalreporting.org

**UNGC**
The United Nations Global Compact, a pact to encourage businesses to adopt sustainable and socially responsible policies, and to report on their implementation
unglobalcompact.org
ifra-iofi.org