

FRAGRANCE CREATORS' 2019 IMPACT



adaptability



FRAGRANCE CREATORS
ASSOCIATION™

DEAR MEMBERS.

As I sit here and take stock of Fragrance Creators' 2019 ROI—pages 3 to 10, to be exact—I hope you see what I see: **ADAPTABILITY**. Adaptability powered by:

- **The courage** to think big—strategic vision
- **Speed and agility**—keeping up with the pace of change
- **Tenacity**—can't stop, won't stop
- **A deep sense of responsibility**—do the right thing for people, perfume, and the planet, always.

Through foresight, innovative approaches, rapid mobilization, and focusing on delivering direct and meaningful ROI, **we have emerged as "association 2.0."**

Being a member of Fragrance Creators means you believe deeply in the importance of coming together to do good for the world in ways only possible by working collectively. And, I believe it is incumbent upon us, as your association, to continually demonstrate progress and deliver meaningful and measurable results for business and the public.

Overall, we have saved our members millions in unnecessary costs, advanced opportunities for growth, and promoted policies that are good for people and the planet. The following pages demonstrate how we have advanced the organization and how our product has directly impacted your business, the fragrance industry at large, and the public we ultimately serve.

2019 was our year for the public. **With the launch of The Fragrance Conservatory, we delivered the first and only comprehensive, emotionally engaging consumer resource in the world for accurate, relatable information about fragrance—including individualized and custom developed fragrance ingredient stories.**

Moving forward, the Fragrance Creators staff is geared up to tackle the uncertainties of tomorrow through adaptability—a central tenet that informs our strategy and everything we do.

Thank you for empowering and emboldening us this year. We look forward to all we will achieve together in the coming year.

Sincerely,

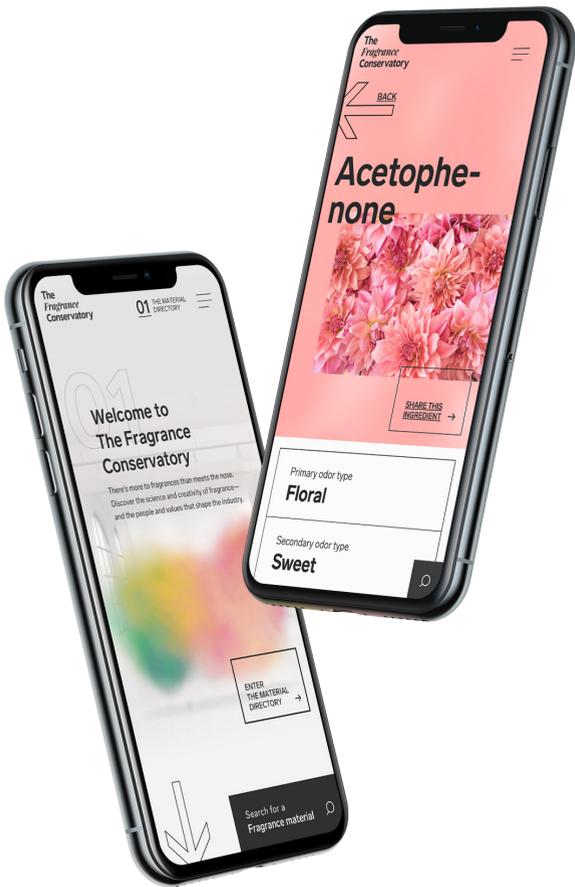
Farah K. Ahmed
President & CEO



FRAGRANCE CREATORS
ASSOCIATION™

RESULT #1

THE FRAGRANCE CONSERVATORY



Conceived and delivered the first of its kind online consumer resource of all things fragrance—the only consumer-relevant site in the world offering vetted, high-quality, accurate, relatable information about fragrance—including individualized and custom developed fragrance ingredient stories.



► IMPACT FOR BUSINESS

As an extension of our members' responsible product stewardship, this site provides third-party validation and directly amplifies their investments and efforts to strengthen public trust through education and transparency.



► IMPACT FOR PEOPLE

Born from a belief in the consumer's right to know, and by harnessing the power of design and emotional engagement, this site empowers people to make informed choices based on sound science and highly credible information—all housed in one accessible, searchable, and engaging place.



► WORTH NOTING

The impetus and passion for this project comes from our clear understanding of members' needs. It is also a demonstration of our: i) foresight in prioritizing the consumer; ii) responding to the needs and wants of the brands we represent; and iii) strategic vision and tenacity to deliver well.

This effort has been a tremendous example of synergistic partnership between fragrance houses and consumer product companies. It has also garnered positive sentiment from retail executives and media contacts, who are looking forward to the launch.



RESULT #2

EU TARIFF SAVINGS



Prevented over \$91 million in tariffs on essential oils and other fragrance-related materials being imported from the European Union.



► IMPACT FOR BUSINESS

Blocked the imminent 25% tariff increase on essential oils and other fragrance-related materials imported from the EU, which would have affected every fragrance business, with many of these ingredients having no alternative sourcing options.



► IMPACT FOR PEOPLE

Prevented potential negative impacts on hundreds of thousands of American jobs as well as mitigated increased costs for American consumers of all backgrounds, who rely on common scented products every day.



► WORTH NOTING

In a trade climate where relationships with key trade partners are fluctuating and where tariffs are in effect and rising, we successfully avoided another increase despite the odds having been predicted otherwise. This further validates our foresight in prioritizing trade advocacy and demonstrates our ability to immediately establish a highly effective new advocacy vertical. For the first time, we arranged for our President & CEO to testify twice before USTR, and our team also facilitated the testimonies of two Fragrance Creators Board Members.

Top: President & CEO Farah Amed with Deputy United States Trade Representative Jeff Gerrish. Bottom: Al Bauer of Citrus & Allied Essences and a Fragrance Creators Board Director with Erica Lermont of The Lermont Company and a Fragrance Creators Board Director after testifying before USTR.

RESULT #3

CARB VOC



Persuaded California Air Resources Board (CARB) to dramatically reduce the amount of fragrance subject to reduction under the state's volatile organic compounds (VOC) mandate, which lessens the potential negative impacts on direct fragrance sales, ability to innovate, and consumer choice.



► IMPACT FOR BUSINESS

Prevented severely reduced future growth of the fragrance industry by halting limitations on the amount of fragrance in consumer products subject to reduction—i.e., CARB amended its assumption that fragrance is 100% VOC, instead using the 25% we recommended. Limited potentially significant increases in reformulation costs and time, thereby freeing industry R&D to work on future developments. This critical decision will have an expanded effect as CARB sets the regulatory ceiling that has historically been followed by the Ozone Transport Commission (enacted by 17 states) and Canada.



► IMPACT FOR PEOPLE

Protected the public from having severely limited access to scented or malodor-reducing products and preserved everyone's ability to experience the many well-being and other benefits of fragrance.



► WORTH NOTING

We have revived the fragrance industry's relationship and trust with CARB. We overcame previous skepticism by producing high-quality data, information, and expertise (including the benefits of fragrance). We are now viewed by CARB as a highly credible and highly valued stakeholder.

RESULT #4

EPA NEW CHEMICALS



Fragrance Creators aided progress of EPA new chemical approval submissions for innovative, environmentally safer, greener, more sustainable fragrance materials.



► IMPACT FOR BUSINESS

EPA has now expressed a better understanding of and a willingness to advance members' innovative chemistry.



► IMPACT FOR PEOPLE

Advancing consumer access to delightful newer and greener fragrances while supporting jobs in innovation and STEAM (Science, Technology, Engineering, Art, and Math).



► WORTH NOTING

We engaged Congressional staff and others to provide critical technical, legal, and scientific explanations to EPA in support of our member's submissions. Through this process EPA recognizes Fragrance Creators as a reliable industry partner. We are well positioned to further amplify our support of new chemical submission in response to upcoming EPA rulemaking.

RESULT #5

IMPORTANCE & BENEFITS OF FRAGRANCE



Established the first and only unified industry effort to develop, vet, and deliver information, data, examples, and stories about the benefits of scent that grow and amplify the public's understanding and love of fragrance across all product categories.



► IMPACT FOR BUSINESS

Delivering a steady stream of vetted, positive content about fragrance that our member companies can directly leverage to advance their various business and other initiatives.



► IMPACT FOR PEOPLE

Empowering people with information about the benefits of using scented products to enhance well-being and the quality of their lives and the lives of their families.



► WORTH NOTING

We have pioneered uncharted territory. We are creating an organized and sound science-based body of information that will enhance our and related industries' efforts to increase trust and understanding of fragranced products.



Fragrance Creators' Danbury Group, a subgroup of its Importance and Benefits of Fragrance Committee, brought together Board Directors, members, and staff with health and wellness leaders from Danbury, Connecticut, for a fragrance benefits summit, hosted by Takasago in Rockleigh, New Jersey.

RESULT #6

STATE LEGISLATION IMPACTING FRAGRANCE



Maintained effective engagement and management of state legislative activity despite a 100% increase (73 bills in 22 states) over the previous year.

► IMPACT FOR BUSINESS

Prevented unworkable regulatory requirements, protected intellectual property, and eliminated increased, unnecessary compliance costs.



► IMPACT FOR PEOPLE

Protected the public from disclosure requirements and chemical regulations that were not based on sound science and could have resulted in greater risk of counterfeit products, increases in costs of goods, and consumer confusion.



► WORTH NOTING

We were the only group that was—and is—reliably focused on protecting fragrance. We lead on fragrance aspects of developing legislation and are also recognized as the thought leader in fragrance ingredient disclosure. By capitalizing on our relationships with our allied trades, we secured a seat at the table and a strong voice in multiple jurisdictions.



RESULT #7

NEW YORK STATE BUDGET



Working with allied trades, successfully persuaded the New York State Legislature to adhere to established policy-making procedures rather than allocating blanket authority to state agencies in mandating fragrance regulation, including ingredient disclosure.



► IMPACT FOR BUSINESS

Protected member companies from inappropriately broad, unilateral regulatory decisions impacting consumer products and chemical management absent any requirement for scientific accuracy or demonstrable benefit to public and environmental safety. Thereby expanding the opportunity to advocate for said requirements and agency accountability.



► IMPACT FOR PEOPLE

Successfully defended consumer choice, innovation, New York jobs, and intellectual property while decreasing potential public confusion, counterfeiting, and other unintended consequences that could have jeopardized New York's consumer protection mission.



► WORTH NOTING

All of the above was accomplished through coordination with our allied trades and our member experts, along with a sustained call to action to the entire membership. Our unique role was ensuring maximum alignment on fragrance provisions between product categories.

RESULT #8

CALIFORNIA LEGISLATION



Took the lead on fragrance disclosure strategy and negotiations, producing a bill (SB 574) that better aligned the needs of industry and NGOs. This leadership initiative was endorsed by industry members and stakeholders.



► IMPACT FOR BUSINESS

Achieved critical agreements that transformed an unworkable bill into one that is more consistent with existing federal law, while strengthening relationships that will pave the way for future dialogue in 2020.



► IMPACT FOR PEOPLE

Supported consumers' right to clearer and more relevant fragrance information—while avoiding information overload—thus empowering consumers to make better-informed choices.



► WORTH NOTING

Through our contemporary approach, including a deep respect for all stakeholders, we made substantial advancements by correcting mistakes and missteps and obtaining amendments, all within a few short months. Our leadership continues to showcase our ability to thrive in an evolving legislative climate.

RESULT #9

FDA COSMETIC SAFETY



Earned early trust with the Food and Drug Administration's (FDA) Office of Cosmetics and Colors (OCC), thereby enabling us to lead briefings and advance dialogue as the Agency develops its understanding of fragrance allergen safety.



► IMPACT FOR BUSINESS

Ensured that FDA is informed about the diligence with which the fragrance industry approaches safety evaluations of fragrance allergens—including review by an independent expert panel—and how companies use this information as they substantiate the safety of their products. In addition, secured invitations from FDA for member company executives to participate in meetings, providing direct access and relationship building opportunities with top agency decision-makers.



► IMPACT FOR PEOPLE

Supported FDA's mission of protecting public health by sharing industry best practices in evaluating fragrance allergen safety with the Agency.



► WORTH NOTING

For the first time, we elevated the fragrance industry's perspectives and expertise with FDA by bringing our industry leaders and technical experts (including RIFM) face-to-face with FDA's head of OCC and senior agency staff who have a direct hand in determining how fragrances allergens are evaluated for safety. We also demonstrated our commitment to collaborating with the value chain by including the Personal Care Products Council throughout our FDA engagement.



Left to right from top: Congresswoman Bonnie Watson Coleman (NJ-12), Co-Chair of the Fragrance Caucus, at Fragrance Creators' 2019 Perfumery Event. Paul Ireland of Takasago and Vice Chairman of Fragrance Creators' Board. President & CEO Farah Ahmed with Congresswoman Jackie Walorski—the association's 2019 Legislator of the Year—and Robert Weinstein, PhD, of Robertet and Chairman of Fragrance Creators' Board; and Robert Brown of Lebermuth and a Fragrance Creators Board Director at the 2019 Legislators of the Year Award Reception. Fragrance Creators Members with Congressman Barry Loudermilk (GA-11), Co-Chair of the Congressional Fragrance Caucus.

RESULT #10

THE CONGRESSIONAL FRAGRANCE CAUCUS



Gained recertification of the Fragrance Caucus by the 116th Congress, validating its value to Members of Congress and industry as we continue cultivating Congressional champions for fragrance.



► IMPACT FOR BUSINESS

Solidified ongoing direct access to Members of Congress and staff responsible for developing policies and overseeing federal agencies (e.g., EPA, FDA) that affect the fragrance industry, including tariff/trade, new chemicals, and important social issues.



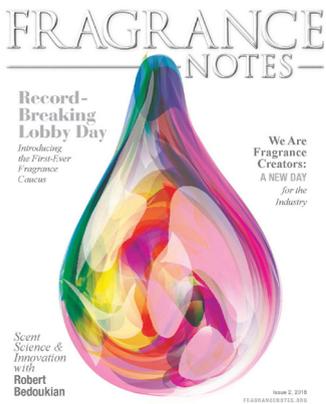
► IMPACT FOR PEOPLE

Achieved more effective representation of constituent interests by better educating their elected officials about fragrance and related issues. Additionally, the Fragrance Caucus provides a platform for Members of Congress and staff with diverging perspectives to come together and build bridges under the auspices and beauty of fragrance.



► WORTH NOTING

A congressional caucus is considered to be a major and difficult-to-attain achievement for any industry group. The Fragrance Caucus' investment in our events has increased awareness and appreciation for fragrance on Capitol Hill.



RESULT #11

FRAGRANCE NOTES



Continued sparking interest and building public goodwill for the people, passion, and values behind the products they use every day through the fragrance industry's signature publication.



► IMPACT FOR BUSINESS

Further amplified Fragrance Notes (print and digital), our signature publication, elevating industry leaders and experts through personal and professional storytelling, which, in the aggregate, humanizes the fragrance industry.



► IMPACT FOR PEOPLE

Provides an engaging opportunity to learn about our efforts and magnify fragrance's ability to enhance lives in an understandable and relatable way.



► WORTH NOTING

While The Fragrance Conservatory educates about fragrance, Fragrance Notes educates about the fragrance industry—highlighting our forward-thinking and thoughtful approach to design and authentic branding. We leveraged our President & CEO's social media footprint to distribute Fragrance Notes content to highly relevant audiences within the business community and the public.





FRAGRANCE CREATORS
ASSOCIATION™

THANK YOU TO OUR MEMBERS

ARYLESSENCE
Creativity FRAGRANCE @ FLAVOR Solutions

BASF
We create chemistry

BEDOUKIAN
RESEARCH

Bell

BERJÉ

CHANEL

CITRUS ALLIED
EST. 1913

Emerald Performance Materials
Kalama Chemical

Firmenich
for good, naturally

Givaudan

iff

INTAROME
FRAGRANCE & FLAVOR CORPORATION

KERRY

THE LERMOND COMPANY
A Division of L'Oréal International

MANE

P&G

ROBERTET
SINCE 1828

TAKASAGO

Agilex
FRAGRANCES

ALPHA AROMATICS

Andrea
Aromatics, Inc.

AGAN AROMA

AROMA
CREATIONS

Aroma
adornes e olende creatas

ARCADE BEAUTY

Ascent
Aromatics, Inc.

Atlanta Fragrance Incorporated

Belle Aire
CREATIONS

BONTOUX
DEPUIS 1898

CHEMIA
Fragrance & Flavor

THE CLOROX COMPANY

COMPAGNIE PARENTO LTD
MANUFACTURERS OF PERFUME COMPOUNDS SINCE 1912

COSMO
International Fragrances

CPL
AROMAS

CustomEssence

drom
FRAGRANCES

Excellentia

ESTÉE LAUDER COMPANIES

Fluor

Flavor & Fragrance
SPECIALTIES INC.
a LUCFO Company

FC&F
FRENCH COLOR & FRAGRANCE CO.

GINKGO BIOWORKS

Global Essence

information&insights | The Wercks

INNOVATIVE
fragrances inc
creativity • scent-sitivity • style

Johnson & Johnson CONSUMER INC.

LVMH

ST. EBERMUTH
NATURALLY SINCE 1910

LISAM
SYSTEMS

Medallion

MÖDERE.

O'LAUGHLIN

orchidia
fragrances

Pearlchem

PERFUMER'S
APPRENTICE

perfumer & flavorist

PHOENIX
Sourcing Your Success

PREMIER
SPECIALTIES

Prinova

REVLON

scJohnson
A L'Oréal company
at work for a better world

scentair

盛源
SHENGYUAN

Sozio

tru
fragrance • beauty

UNGERER & COMPANY

VIGON
FRAGRANCES FOR CONSUMERS