



REPORT

The Federation of Indian Chambers of Commerce and Industry (FICCI) hosted the 3rd International Fragrance Business Summit 2024 on October 25, 2024, at CSIR-CMAP, Lucknow. This initiative was organized in collaboration with CSIR-CMAP, Lucknow, supported by the Ministry of MSME, the Government of India, the Bureau of Indian Standards (BIS), and other industry stakeholders including International Fragrance Association (IFRA), Ultra International Limited, and Eternis Fine Chemicals Ltd.

The Summit centered around the theme *“Advancing Sustainable Opportunities: Inclusive Growth for the Fragrance Industry.”* This significant initiative gathered national and international experts, industry leaders, academics, and policymakers to discuss the future of the fragrance industry in a sustainable and inclusive manner.

Inaugural Session Highlights

The Summit opened with a ceremonial inauguration and welcome address by Ms. Bhuvana Nageswaran, Co-Chairman, FICCI Fragrance Taskforce and Director F&F, Ultra International Ltd. In her Welcome address, she shared about India’s market potential in the fragrance industry, as more than 80% of F&F Ingredients are exported. She emphasized that India is capable of expanding its role in this market but requires improvements in policies to ensure that farmers receive fair value for their hard work. She critically addressed the issue of adulteration in essential oils, stressing the need for a shift toward natural ingredients for the future. Ms. Bhuvana advocated for clean labels that guarantee genuineness, calling for the harmonisation of standards that prioritize transparency and quality while keeping the interests of farmers in mind and also a better global image of India.

The introductory remarks were delivered by Mr Michael Carlos, Chairman, FICCI Fragrance Taskforce and Chairman, Emeritus, The International Fragrance Association (IFRA), Dr. Prabodh Kumar Trivedi, Director and Professor (AcSIR), CSIR-Central Institute of Medicinal and Aromatic Plants, Mr. Hans Holger, Chairman, The International Fragrance Association (IFRA), Ms. Martina Bianchini, President, The International Fragrance Association (IFRA), Mr. Jaideep M. Gandhi, President, Fragrances & Flavours Association of India (FAFAI) and on behalf of Mr. Sant Sanganeria, Founder Chairman & Managing Director, Ultra International Limited and Managing Trustee Sant Sanganeria Foundation, the introductory remarks were given by Mr Michael Carlos.

“India is a rising player in the global fragrance sector and is a leading source of key fragrance ingredients”, said Martina Bianchini, President of IFRA. Ms. Martina Bianchini emphasized the fragrance industry’s commitment to sustainability, using Sustainable Development Goals (SDGs) 1, 2, and 12 as essential tools to guide this mission. She explained that SDG 1, No Poverty, and SDG 2, Zero Hunger, promote sustainable sourcing practices that support local communities and agriculture, while SDG 12, Responsible Consumption and Production, encourages efficient resource use, waste reduction, and sustainable production cycles.

Organizations like FICCI and the International Fragrance Association (IFRA) play a crucial role in ensuring transparency and accountability, embedding these SDGs into sustainable charters that set high standards for industry practices. From the consumer perspective, these efforts build trust and demonstrate the industry's commitment to offering ethical and sustainable products, meeting the growing demand for environmentally and socially responsible choices.

"This summit was an opportunity to discuss sustainable growth and innovation. By working together, we can enhance consumer protection and support the development of the fragrance industry in India and beyond".

A key development was the signing of two Memorandum of Understanding between the Federation of Indian Chambers of Commerce & Industry (FICCI) and the International Fragrance Association (IFRA), which is expected to enhance collaboration in promoting sustainable practices and quality standards within the fragrance sector. "The signing of the MoU between IFRA and FICCI is a milestone in fostering stronger relationships between the global fragrance community and India", said Hans Holger Gliewe, Chairman of IFRA. "It symbolizes our shared commitment to advancing safety, sustainability, capacity and innovation in the fragrance industry in all corners of the world."

The second MOU was between CSIR-CIMAP and Harcourt Butler Technical University, Kanpur, aimed at strengthening academic-industry partnerships for research and development.

In addition to these MOUs, the inaugural session also featured the release of a short film on sustainable aroma clusters, showcasing efforts toward eco-friendly and socially responsible fragrance production. A segment on technology transfer highlighted CSIR-CIMAP's initiatives to share its advancements in aroma technology with industry stakeholders, fostering innovation and accessibility. In this area, there were two technology transfers, for Production of Lutein from Marigold flowers using green technology to M/s COROMANDEL INTERNATIONAL LTD, Secunderabad, Telangana and Production of Polymeric Beads Technology for Mosquito Larvicidal to M/s. Yauvanchakra Private Limited, Jaipur, Rajasthan. Another highlight was the launch of a new green tea variety, symbolizing the sector's commitment to integrating wellness and sustainability into its products.

Chief Guest at the Summit was Shri Awanish Kr. Awasthi, IAS (retd.), Chief Advisor to Hon'ble Chief Minister, Uttar Pradesh. In his Keynote Address, Shri Awasthi spoke about the connection between the five senses and the fragrance industry, emphasizing the sector's role in creating sensory experiences. He highlighted India's position as an emerging economy, projected to reach a GDP of \$5 trillion, and stressed the importance of cultivating the country's youth.

He underscored the significance of Uttar Pradesh's role in promoting sustainable development within the fragrance industry and highlighted the state government's commitment to fostering a business environment that supports innovation, inclusivity, and sustainability. With Uttar Pradesh representing around 20 percent of India's population, he suggested that the state has immense potential to train its youth, farmers, and workforce, thereby strengthening its economic progress. He envisioned tripling agricultural growth through high-value crops like cash crops and fragrance crops, which can drive local

economic development. Shri Awasthi encouraged support for original and locally sourced products, aligning with Sustainable Development Goals and fostering inclusivity in the industry. His address set the tone for the summit's focus on sustainable growth, economic inclusion, and innovation within the industry.

Mr Vishwas Swarup, Co-Chair, FICCI UP State Council and MD - India Pesticides Ltd., in his concluding remarks and vote of thanks, Mr. Swarup highlighted the fragrance industry's commitment to eco-friendly projects and the importance of harnessing technological advancements to achieve sustainability goals. He spoke of the industry's focus on reducing its environmental footprint, from sustainable sourcing practices to innovations in production that minimize waste and energy consumption. Mr. Swarup emphasized the need for a clear, forward-looking vision, advocating for investments in green technologies that can propel the industry toward a more sustainable future.

FOCUS SESSIONS AND KEY DISCUSSIONS:

SESSION 1: ENHANCING ECONOMIC GROWTH THROUGH SUSTAINABLE DEVELOPMENT PRACTICES AND INNOVATION:

This session emphasized the economic potential of the fragrance industry when aligned with sustainable development goals. Experts discussed innovative sustainable practices, such as eco-friendly sourcing, waste reduction, and the use of renewable resources. They highlighted how sustainable practices not only mitigate environmental impact but also contribute to long-term economic growth and consumer trust. aimed at exploring ways to integrate sustainable practices across the fragrance industry.

Dr. Prabodh Kumar Trivedi, Director and Professor (AcSIR) at CSIR-CIMAP, chaired the session. Dr. Trivedi emphasized the need for sustainable approaches in fragrance production and the importance of fostering growth that is both inclusive and environmentally responsible. Dr. Trivedi recognised each panellist's contributions to the fragrance industry's long-term development, notably their dedication to ethical sourcing, technological innovation, and aroma crop output expansion.

In his presentation, Dr. Alok Kalra, former Chief Scientist & Director (In-Charge) at CSIR-CIMAP, discussed Sustainable Production Practices for Sourcing Quality Raw Materials. Dr. Kalra advocated for the development of Sustainable Aroma Clusters, a model designed to enhance the quality of raw materials while supporting local economies and conserving natural resources. His presentation stressed that these clusters could streamline the sourcing of high-quality, sustainably grown aromatic crops, ensuring long-term resource availability for the fragrance industry.

He emphasizes the need to minimize chemical usage in agriculture, advocating for bio-stimulants and early mint technology in water-scarce areas, noting that optimal harvesting can reduce pesticide use by 50%. He addressed renewable energy resource management and reducing carbon emissions through composting, utilizing waste for mushroom production, and creating environmentally friendly cutlery that is compostable or recyclable. He shared about apiculture, emphasizing the diversity in sustainability by training farmers in honey extraction and teaching rural women to produce wax for making fragrant candles. Focusing on menthol mint as an aroma crop, he noted that farmers are harvesting crops

rotationally from rice to potatoes to mint, maintaining good soil health with minimal pesticide use. These practices result in a reduction of approximately 1.85 kilo tonnes of carbon emissions and less fossil fuel consumption, with increased farmer participation benefiting both the fragrance industry and India's overall growth.

In the Panel Discussion Dr. Ajit Kumar Shasany, Director, CSIR-NBRI (National Botanical Research Institute), Lucknow, spoke on the Biotechnological Interventions in Production, underscoring the role of biotechnology in enhancing crop yield, resilience, and quality. He highlighted how cutting-edge biotechnology can drive sustainable crop production, contributing to the fragrance industry's supply chain. He emphasised the significance of plant taxonomy and his expertise in biodiversity research and microbiology. He focussed on domesticating wild plants for floriculture purposes. The National Botanical Research Institute (NBRI) has made significant contributions to floriculture research, which is essential for creating sustainable practices. Dr. Shasany explained the micro-circular economy, focussing on temple economies where flowers are frequently tossed into waterways. He suggested using these flowers to extract essential oils and natural colours or reusing them as vermicompost to promote sustainability and efficiency.

Dr. Sudesh Kumar Yadav, Director, CSIR-IHBT (Institute of Himalayan Bioresource Technology), Palampur, focused on the **Value Addition of Aroma Crops**, discussing innovations that add economic value to aromatic crops and enhance their application in the fragrance industry. He mentioned that the ongoing research and training programmes for farmers, facilitated by MSME, aimed at developing skills from cultivation to solvent extraction and production. Dr. Shukla notes that aromatic plants provide farmers with approximately 10% additional benefits, making them a viable economic option. He highlighted the use of advanced technologies to achieve fragrance and flavour goals, acknowledging the contributions of CMAP and NBRI in this area. He asserts that with proper training, farmers can become entrepreneurs, adapting to the global demand for fragrant materials. Currently, there are around 300 fragrant materials, of which 110 are certified by the Indian regulatory body for consumption, reflecting a 12% growth in the sector.

Overall, the Session underscored the importance of sustainable development, innovation, and biotechnology in the fragrance industry and the key role the research institutions are playing and the huge possibilities that exist if large players initiate joint projects with the Research Institutes. The discussions and presentations have set a forward-thinking agenda, encouraging sustainable practices that benefit producers, consumers, and the environment alike.

SESSION 2: EMERGING FRAGRANCE MARKETS: OPPORTUNITIES FOR INDIA AND SKILL DEVELOPMENT

As global demand for fragrance products expands, India stands as a pivotal market and production hub. India is uniquely positioned to take advantage of the rising global demand for fragrances, thanks to its rich heritage of natural ingredients, a growing domestic consumer base, and a skilled workforce. Likewise, Skill development is a vital area for the fragrance industry in India to ensure sustainable growth and to meet the international standards expected in a competitive global market. This session examined growth

opportunities for Indian businesses within the fragrance industry and the status of Skill development.

Mr. Michael Carlos, Chairman of the FICCI Fragrance Taskforce and Chairman-Emeritus of The International Fragrance Association (IFRA), chaired the session. He highlighted the urgent need for sustainability in the fragrance industry, stressing that innovation and responsible sourcing are critical to addressing environmental and ethical challenges. Emphasizing the industry's role in global well-being and its impact on personal care, he urged collaboration to achieve more sustainable and inclusive growth.

Following the sessions, a panel discussion took place with notable industry leaders, including, **Dr. Babu U V** - Director of Research & Development, Himalaya Wellness Company, **Ms. Martina Bianchini** - President, The International Fragrance Association (IFRA), **Ms. Monisha Mullick** - Senior Perfumer, ROBERTET India Pvt. Ltd., **Ms. Shilpa Mhatre** - Head of Consumer Technical Insights & Design, Marico Ltd. and **Mr. Vivek Yadav** - Director, Deloitte Consulting India. Each panellist provided insights into sustainable practices, emerging trends, and consumer expectations. Discussions highlighted the role of technology and consumer insights in designing fragrances that align with current environmental consciousness.

Mr. Vivek Yadav in his presentation shared the roadmap for India's economy, emphasizing the country's position as the fourth-largest beauty product market. He highlights that Deloitte's research indicates the fastest growth rates and highest gross margins are found in sectors such as fashion, beauty, home products, and electronics. Mr. Yadav mentioned a remarkable growth potential, with projections estimating an increase from \$19 billion last year to \$29 billion this year in the beauty product sector. He points out that this growth is particularly evident in tier 2 and tier 3 cities, emphasizing the importance of cluster development involving agriculture, farmers, and industry collaboration. This integrated approach can help drive sustainable growth and enhance India's global market presence.

Ms. Shilpa Mhatre, highlighted the thriving personal care industry, emphasising popular Marico products like Parachute and Saffola. She emphasises how fragrance has turned into its own brand. She also highlighted the distinct preferences of Gen Z, Gen Alpha, and millennials, stating that their diverse tastes pose challenges for the sector in addressing consumer demands. She emphasised the importance of collaborative business support in efficiently addressing these difficulties and improving product offerings tailored to the tastes of each age.

Dr. Babu U V discussed the need for innovative R&D to create eco-friendly products without compromising on quality. He advocated a holistic approach to natural fragrances, focusing on Mentha Piperita. He emphasizes the importance of classifying production hubs by regional strengths, as each area—such as the U.S., Turkey, China, and India—offers unique qualities. He shared that the market's growth over the past 50 years, from limited supplies to thriving demand and focus is on pure fragrance, not cosmetics, achieved through careful blending of essential oils. He highlighted the need to prevent adulteration and pesticide contamination, stressing a commitment to 100% natural products. He also mentioned about the rising momentum of organic products and the role of biotechnology in advancing natural fragrance quality and sustainability.

Ms. Monisha discusses the rapid growth of the Indian fragrance market, noting a shift in consumer preferences from traditional talcum powders to deodorants and a variety of sophisticated fragrances. She highlights the wide price range, with perfumes available from as low as Rs. 800 to as high as Rs. 20,000, reflecting the diverse consumer base. The fragrance dosage in products has significantly increased, moving from 3-5% to 20-25%, which shows the rising potential per fragrance in India. Ms. Monisha also emphasized the appeal of unique Indian fragrances and the growing

consumer awareness of international brands. She underlined the importance of educating consumers about fragrances and brands to cultivate a deeper understanding and appreciation within the market.

Ms. Martina Bianchini addressed the importance of raising awareness about the challenges in the fragrance industry, particularly focusing on sustainable sourcing practices like those for Agarwood. She emphasized the need for rigorous safety assessments and the protection of biodiversity in fragrance production. She also highlighted the industry's role in skill development, noting efforts to support education through specialized perfumery courses. These initiatives aim to equip future professionals with the expertise needed to address industry challenges responsibly and sustainably.

The session concluded with an open discussion and Q&A session, allowing participants to engage directly with the panellists. This interactive segment provided further clarity on topic.

SESSION 3: HARMONIZING FRAGRANCE SAFETY: CREATING GLOBAL STANDARDS FOR CONSUMER PROTECTION

This session focussed on the fact that as India's fragrance industry expands both domestically and internationally, establishing harmonized safety standards has become essential to safeguard consumer health and ensure product quality. The increased demand for transparency and responsible sourcing highlights the need for robust fragrance safety standards that align with global expectations. By harmonizing fragrance safety protocols, India can strengthen consumer protection, boost its exports, and build trust in Indian fragrance products worldwide. Panellists from IFRA, RIFM and other experts in this area discussed frameworks for harmonizing fragrance safety regulations to build consumer confidence and facilitate smoother international trade.

The Session was Chaired by Dr. Siva Kumar, Regulatory Strategy Consultant. Dr. Shiv spoke about the essential role of sustainability and consumer safety as guiding principles in the fragrance industry. He explained that prioritizing safe, environmentally responsible practices allows the industry to grow while building consumer trust. He also highlighted that as the fragrance industry evolves, ensuring the safety of ingredients and manufacturing processes not only protects consumers but also strengthens the industry's credibility.

There were presentations by Ms. Anne Marie Api, President, Research Institute for Fragrance Materials, Inc., **Ms. Danielle Botelho**, Director of Scientific Operations, Research Institute for Fragrance Materials, Inc. and **Mr. Matthias Vey**, Vice President, The International Fragrance Association (IFRA) (he joined Virtually).

M. Anne Marie, a specialist in toxicology, elaborates on the work conducted at the Research Institute for Fragrance Materials (RIFM), where she and her team evaluate fragrance materials for safety. RIFM operates as an independent body, guided by an expert panel that adheres to Good Laboratory Practices and undergoes a rigorous peer review process. To ensure thorough assessments, RIFM collaborates closely with scientists worldwide. She outlined the key considerations in RIFM's evaluation process, which includes assessing skin sensitization, genotoxicity, and exposure levels, all within the framework of IFRA standards. This approach prioritizes human health and safety while minimizing animal testing, focusing on comprehensive and ethical safety assessments. Dr. Anne Marie highlighted RIFM's

commitment to maintaining these standards, ensuring safe and responsible use of fragrance materials across the industry.

Ms. Danielle Botelho, in her presentation discussed about the comprehensive risk characterization process at RIFM, focusing on evaluating fragrance materials across various exposure pathways—oral, dermal, and inhalation. She explains RIFM’s commitment to gathering and measuring consumer data, which offers an opportunity to connect scientific findings with real-world applications. The collaborative approach at RIFM, including exposure surveys and the use of animal testing alternatives. Every fragrance material with potential exposure is evaluated rigorously through data collection, exposure thresholds, component analysis, and data generation. She pointed out that Petitgrain mandarin oil was once predominantly used in fragrances, but the industry now offers a wide range of options. To ensure ongoing safety, RIFM’s assessments are reviewed every five years, evaluating raw materials to prevent issues like respiratory toxicity from inhalation. This process reflects RIFM's commitment to maintaining high safety standards across the industry.

Mr. Matthais Vey in his presentation shared about the role of IFRA in setting industry standards based on scientific research over the years. He emphasized the importance of transparency in ingredient disclosure, which forms the foundation for fragrance material research. IFRA conducts comprehensive surveys on exposure, volume, and doses, led by an expert panel that prepares and publicly releases safety standards. This commitment to transparency aims to enhance safety protocols across the industry, preventing harm to consumers, employees, and the environment. Mr. Vey explained that IFRA’s restriction standards help limit exposure to potentially harmful substances, benefiting the industry by ensuring its work is recognized on a global scale. He highlights that products are rigorously evaluated for skin sensitization, ensuring minimal fragrance transfer to the skin.

Post the presentations there was panel discussion comprising experts from Government and private sector, Dr. Parthasarathi Ramakrishnan, Principal Scientist, CSIR-Indian Institute of Toxicology Research, Lucknow, Shri Hari Mohan Meena, Scientist-C, BIS, and Member Secretary of the BIS Technical Committee, Dr Neeti Wilson, Partner - Anand and Anand (Virtual), Mr. Gagan Kumar, Managing Director, REACHLaw India Private Limited.

Shri Hari Mohan Meena, Scientist-C, BIS, and Member Secretary of the BIS Technical Committee, shared the role of the Bureau of Indian Standards (BIS) in developing comprehensive standards for quality and safety in the fragrance industry, covering raw materials, production processes, and final products. These standards are designed to ensure that fragrance products are safe for consumers, meet certain quality benchmarks, and are produced in a manner that adheres to safety guidelines. He noted that BIS is now focusing on chemicals, along with methods of sampling and testing for both natural and synthetic perfumery materials. To support this initiative, BIS has convened a committee of experts from RND, various CSIR organizations, and consumer groups. Currently, there are 110 standards related to fragrances and flavours, of which 50 are recognized as ISO standards. Shri Hari highlights that India’s robustness in standardization is bolstered by institutions like IITR and CSIR, which contribute significantly to eliminating any technical issues in the process.

Mr. Gagan outlined the strategic goals of his organization, emphasizing the need for safety and compliance in fragrance formulations for export. He highlighted the importance of

addressing hazardous materials and ensuring that all raw materials meet stringent regulatory standards. By working closely with suppliers, his organization aims to safeguard consumers and enhance the global competitiveness of Indian fragrance products. He also stressed the necessity of thorough assessments of fragrance formulations to identify potential hazards, promoting safe and sustainable practices that contribute to the growth and reputation of the fragrance export sector.

Dr. Neeti Wilson discussed the importance of indigenization in the fragrance industry, highlighting the role of the Indian Perfume and Fragrance Association (IPRA) in standardization and harmonization efforts. She emphasized that States have the right to manage their biodiversity resources, which necessitates obtaining permission from regulatory bodies for any biological resource utilization. Citing the Biological Diversity Act of 2003, Dr. Wilson explains that the National Biodiversity Authority (NBA) governs research and commercial use, including patent applications. She notes that any transfer of biological resources from India to foreign entities must involve a benefit-sharing agreement, ensuring that the country receives compensation for its natural products. Dr. Wilson stressed that the fragrance industry must prioritize transparency by reviewing benefit-sharing agreements clearly and thoroughly. This commitment to ethical practices will enhance the industry's sustainability and integrity while supporting local biodiversity.

Dr. Parthasarathi Ramakrishnan shared the innovative work being done at CSIR-IITR in the field of 3D bioprinting, positioning India at a parallel level with international organizations. He emphasizes the importance of reviewing both classical and historical databases to inform current practices. IITR conducts extensive research and testing on fragrance ingredients to determine their safety profiles. This includes testing for potential toxic effects, allergenicity, skin sensitization, and respiratory impacts, which are essential for compliance with both domestic and international safety standards. Through these safety assessments, IITR helps ensure that fragrances used in products are safe for consumers, reducing health risks and supporting regulatory compliance in the fragrance industry. By promoting eco-friendly formulations, IITR contributes to reducing the environmental footprint of the fragrance sector and helps companies transition to greener product lines. Dr. Narayan advocated for a statistical and knowledge-based approach, suggesting that the industry should prioritize the review of existing data rather than spending excessive time on new data collection. By utilizing available resources constructively, he believes the industry can effectively assess product safety, including toxicological evaluations, ensuring that fragrances meet safety standards without redundant efforts. IITR collaborates with both Indian and international fragrance companies, regulatory agencies, and research institutions to enhance fragrance safety and sustainability. These collaborations help IITR stay at the forefront of global trends in fragrance science, share best practices, and implement cutting-edge technologies within the Indian fragrance sector.

Conclusion

The 3rd FICCI International Fragrance Business Summit 2024 marked an important step in promoting a sustainable and inclusive fragrance industry in India. Through MOUs, technology transfers, and a focus on sustainability and safety, the Summit underscored India's role as a leader in the evolving global fragrance market. The discussions in various Sessions at the Summit helped analyse about the current status of Fragrance sector, trace the key developments which were shared with the Industry members, Government and

Associations. It also helped in acknowledging critical role played by the Regulatory bodies and Research Institutions in India like, CSIR-CIMAP, IITR, BIS, amongst others. The initiatives launched during this event will provide a pathway for the industry to advance in line with environmental and economic goals, with a focus on creating opportunities for inclusive growth, innovation, and consumer well-being.
