

N O V E

These slides reflect the situation and knowledge available at the time of their preparation (January 2026).

The information and assessments presented are those of the consultant and are intended for discussion and contextual understanding only.

They should not be used as the sole basis for business or investment decisions.

Please note that policy developments are evolving rapidly and, as a result, the information in these slides may no longer be accurate in the near future.



N O V E

CONTEXT



GEOPOLITICAL CONTEXT

Chemicals on the EU's 2025 - 2026 Agenda

Europe's chemicals sector is entering a period of deep uncertainty. Once a cornerstone of Europe's industrial strength, it is now under pressure from high energy costs, rising import dependency and strong competition from the U.S. and Asia. Leading industry players have warned that current EU frameworks are not supporting the sector and that more decisive action is needed to keep production and investment in Europe.

In response, the European Commission has presented the **Chemicals Industry Package**, covering actions such as the creation of the **Critical Chemicals Alliance**, as well as broader simplification measures via **omnibus proposals**, notably the Chemical Omnibus.

Broader political uncertainty is adding another layer of complexity. Recent political dynamic shifts in the European Parliament exposed growing polarisation over the **balance between environmental ambition and industrial competitiveness**, signalling a shift away from the Green Deal mindset of the previous mandate toward a more industry-first approach.

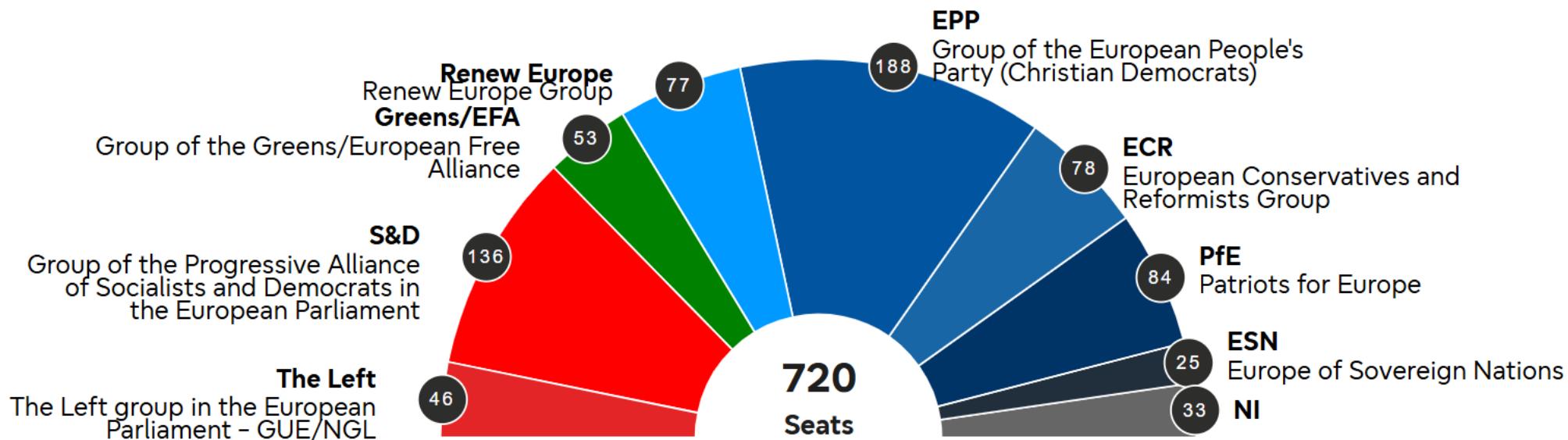
Against this backdrop, chemicals will inevitably continued feature prominently on the EU's agenda: the long-awaited targeted **REACH revision** - still officially foreseen for 2025 but in practice likely to arrive in 2026, and the **Omnibus VI proposal** focused on the simplification of rules dealing with chemicals, namely the **Classification, Labelling and Packaging Regulation (CLP)** and the **Cosmetic Products Regulation (CPR)**.



EUROPEAN PARLIAMENT

2024 ELECTIONS

The European Parliament elections held in June 2024 brought significant shifts across the political landscape, reshaping group dynamics and coalition prospects. The centre-right EPP remained the largest political group, followed by the centre-left S&D, which nonetheless suffered a loss of seats. The far-right Patriots for Europe recorded strong gains, contributing to a broader rebalancing in which liberals Renew Europe, and far-right ECR and Patriots for Europe now contend for a potential kingmaker role, while the Greens experienced substantial losses. In the end, a centrist coalition ultimately took the lead with the support of the Greens; however, recent political debates have pointed to a slight shift of the EPP toward the right, adding new complexity to the functioning of this coalition.



EUROPEAN COMMISSION

2024-2029 COMPOSITION

01 DECEMBRE 2024 – The European Commission begins its mandate, led by President Ursula von der Leyen.

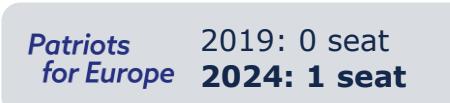
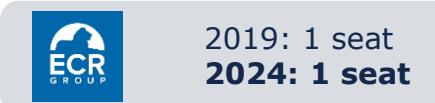
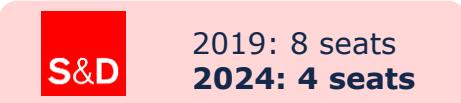
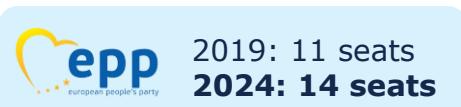
KEY CHANGES VS THE 2019-2024 MANDATE:

- 6 Executive Vice Presidents (EVPs) coordinating thematic clusters.
- 20 Commissioners working under these clusters, except for Commissioner Dombrovskis (in charge of the legislative simplification agenda) and Commissioner Šefčovič (Trade), who operate under von der Leyen's direct leadership on these matters.

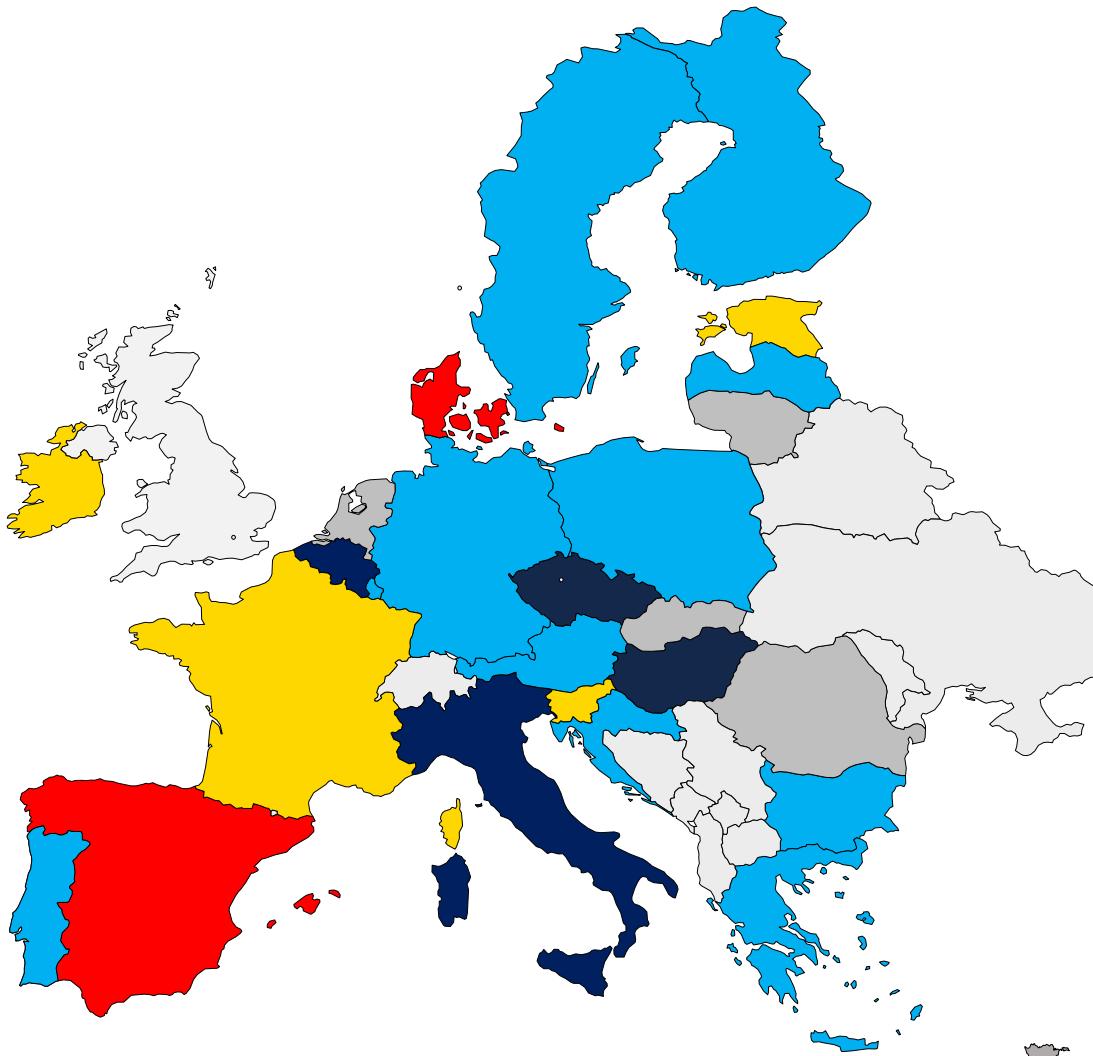
POLICY FOCUS:

- Strengthening economic resilience and industrial leadership.
- Boosting innovation, digital transformation, and AI.
- Enhancing security, defence, and strategic autonomy.
- Balancing green transition with economic pragmatism.

REPRESENTATION OF POLITICAL GROUPS:



EUROPEAN COUNCIL



Current Council composition

■ EPP ■ S&D ■ Renew ■ ECR ■ Ind. ■ PfE



- **EPP** largest party with 10, **PL, DE** as major **MS**
- **S&D** has 3 seats, including **ES**
- **RE** has 4, including **FR**
- **ECR** has 2, including **IT** and, most recently **BE**
- **PfE** has 2, in **HU** and **CZ**
- Independents have 5, in **NL, LT** and **CY** aligned with **EPP, RO, SK** expelled from **S&D**.

N O V E

2024-2029 MANDATE



EU MANDATES

2019-2024 vs 2024-2029

KEY TOPICS:

In the previous mandate, the EU focused heavily on enabling the **green and digital transitions**, positioning these twin priorities as the backbone of its long-term strategy for competitiveness and resilience. Central to this agenda was the ambition to make Europe the **first climate-neutral continent by 2050**, driving forward policies and investments aimed at reducing emissions, modernising industry, and integrating digital innovation across all sectors of the economy.

KEY TOPICS:

In the current mandate, the EU has placed a stronger emphasis on **competitiveness, simplification, and industrial resilience**, reflecting the need to adapt to an increasingly tense geopolitical environment marked by US-China rivalry and the ongoing war between Russia and Ukraine. This shift aims to streamline regulation, reduce administrative burdens, and strengthen Europe's industrial base to ensure greater stability and strategic autonomy in a more volatile global landscape.

KEY DELIVERABLES:

The previous mandate delivered a substantial package of sustainability-focused legislation, including the **Ecodesign for Sustainable Products Regulation (ESPR)**, the **Packaging and Packaging Waste Regulation (PPWR)**, and the **EU Deforestation Regulation (EUDR)**, all aimed at reducing environmental impact across value chains.

It also introduced major corporate accountability frameworks through the **Corporate Sustainability Due Diligence Directive (CSDDD)** and the **Corporate Sustainability Reporting Directive (CSRD)**, significantly expanding companies' obligations on responsible business conduct and transparency.

KEY DELIVERABLES:

In this mandate, core files include the **Clean Industrial Deal** and the **Competitiveness Compass**, which outline the Union's strategic direction for a resilient and future-proof industrial base.

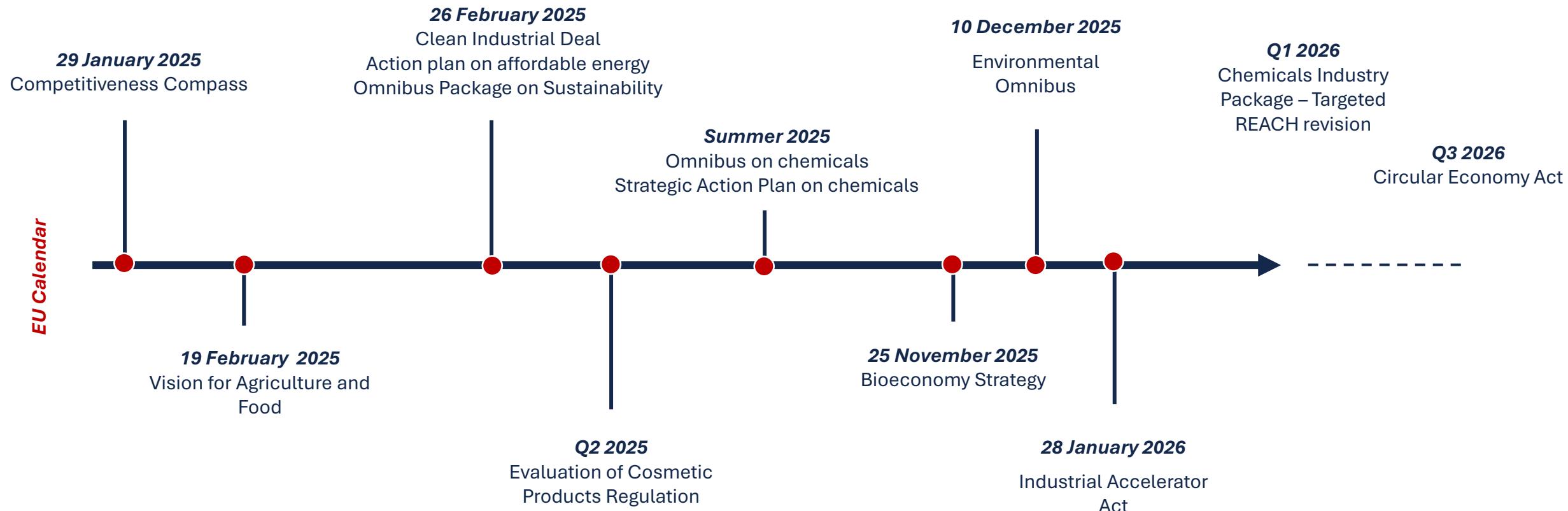
Complementing these are two major **omnibus proposals**—one on reporting and one on chemicals—designed to simplify existing rules and reduce administrative burdens.

The European Commission also prepared a dedicated **Chemical Industry Package** to support innovation and long-term sectoral competitiveness, and is preparing a **Circular Economy Act** aimed at accelerating Europe's transition toward more sustainable production and resource use.



EU TIMELINE

KEY MILESTONES – EUROPEAN COMMISSION



N O V E

EU LEGISLATION RELEVANT FOR ESSENTIAL OILS



CLASSIFICATION, LABELLING & PACKAGING REGULATION

CLP

In force since 2009, the CLP Regulation sets out how chemicals must be classified, labelled, and packaged to ensure the safety of people and the environment. It requires suppliers to provide clear and consistent information about potential hazards, covering **physical, health, and environmental** risks.

By establishing a harmonised system that applies to all chemicals placed on the EU market, the CLP strengthens hazard communication for workers, consumers, and downstream users while supporting the free circulation of substances and mixtures within the single market. At the same time, it maintains alignment with international standards, ensuring coherence between EU requirements and global approaches to chemical safety.

TWO ONGOING CLH CLASSIFICATION

- **Tea tree oil (TTO):** Recently received a positive opinion from the SCCS, the EU expert body advising the European Commission on the safety of cosmetic ingredients. The opinion considers the use of TTO as safe in the specific cases assessed as well as supports the possibility of exemptions for certain uses of TTO in specific categories of cosmetic products. To secure such an exemption, it will be necessary to confirm that TTO is safe for use in food as well as demonstrate the absence of alternatives.
- **P-cymene:** The ECHA's RAC adopted its opinion on p-cymene on 28 November 2024. The opinion is yet to be published in full detail. The p-cymene harmonised classification (CLH) will be included in ATP 25. Meanwhile, the industry has raised concerns about the interpretation of Article 15(2) of the CPR, arguing that substitution of a constituent in a natural complex substance (NCS) may not always trigger an automatic ban.

REGULATORY PROCESS

- **Omnibus on chemicals:** Proposes a simplification of labelling requirements, offering greater flexibility for small packaging and multilingual labels, narrowing advertising obligations to consumer-facing products, and promoting digital labelling to reduce clutter on physical packaging.
- **Revision of the Regulation:** Aims at ensuring that more information about chemical hazards is identified and communicated, whilst simplifying certain labelling obligations, securing the competitiveness of the European chemical industry and reducing regulatory burdens.



IMPACT ON ESSENTIAL OILS

REGULATING MOCS

STATE OF PLAY

- The current text of the CLP foresees an exemption from classification rules for substances containing more than one constituent (**MOCS**) extracted from plants or plant parts (Article 5(6))
- By 11 December 2029, European Commission is expected to present a **scientific report** on the examination of the information on substances containing more than one constituent extracted from plants
- The report may be accompanied by a potential **legislative proposal** (Article 54a)

IFEAT ACTIONS:

Considering the above, the advocacy activities implemented by IFEAT aim to:

- Support the EFEO/IFEAT Scientific Platform/Programme in their work in terms of compiling data and further testing results on essential oils.
- Confirm the derogation by avoiding that the European Commission presents a legislative proposal for amendment.

To achieve the above objective, IFEAT will use the coming three years to gather the necessary data and information to give input to the call for evidence in preparation to the European Commission scientific report in support of the derogation.



REGISTRATION, EVALUATION, AUTORISATION, RESTRICTION OF CHEMICALS

REACH

The REACH Regulation is the EU's main framework for protecting human health and the environment from chemical risks by identifying hazardous properties early and taking measures such as restricting or phasing out substances of very high concern, while also promoting innovation and competitiveness in the chemicals sector. It places responsibility on industry to assess and manage chemical risks by gathering safety data and registering it with the European Chemicals Agency (ECHA), which manages the central databases, coordinates the evaluation of substances, and provides publicly accessible hazard information for consumers and professionals.

The REACH Regulation aims to:

- Ensure a high level of protection of human health and the environment against harmful substances
- Assess the safety of chemical substances in use in the EU
- Promote innovation and competitiveness
- Promote alternative (non-animal) methods for the assessment of the hazards of substances

Registration	Companies must register substances they produce or import ≥ 1 tonne/year with ECHA, including detailed information on hazards, uses, and risk management
Evaluation	ECHA and Member States review registration dossiers and testing proposals to check compliance and need for further data
Authorisation	Certain substances of very high concern (SVHCs) need prior authorisation for specific uses
Restriction	Conditions or bans can be placed on the manufacturing, placing on the market, or use of certain dangerous substance



TARGATED REACH REVISION

Q1 2026 with the Chemicals Industry Package

The revision is expected to include:

- **A potential shift from a risk-based to a hazard- based approach** to the assessment of chemicals – The degree of this shift is yet unknown.
- Targeting of so-called “**most harmful substances**” based on very high concern CLH classification.
- Use of the **generic risk management approach (GRA)**, which would allow materials/substances considered as “most harmful substances” to automatically be banned, unless essentiality is proven – Several different options are being considered.
- Potential use of the **essential use concept** where the use of the most harmful substances would only be allowed when two cumulative criteria are met:
 - (i) Use is necessary for health or safety or is critical for the functioning of society, and
 - (ii) No alternative acceptable from the standpoint of human health or the environment exists

TARGATED REACH REVISION

IFEAT OBJECTIVES & ACTIONS

OBJECTIVES AND ACTIONS

Given the current regulatory context, IFEAT's overarching objective is to help shift the policy conversation back toward a **risk-based approach**, rather than one driven solely by hazard classifications. At the same time, it is essential to **demonstrate the fundamental role and essentiality of essential oils**, both in industry and in final products.

To support these objectives, IFEAT has undertaken a set of targeted **actions**:

- Collect **data** and expert input from members to build a solid, **evidence-based argument** demonstrating the essentiality of essential oils.
- Develop a **White Paper** that consolidates this evidence and can be used strategically across different forums and engagements, including upcoming technical and policy discussions.
- Hold a **dedicated workshop** on the **essentiality of essential oils** on 3 June 2025 in Paris, organised in parallel with the EFEO AGM and Conference, offering a platform to present findings and engage stakeholders.

Together, these actions would reinforce IFEAT's ability to influence the regulatory debate and ensure essential oils are assessed through a balanced, science-based lens.



CPR

OVERVIEW

The CPR is the main regulatory framework for finished cosmetic products when placed on the EU market. It strengthens the safety of cosmetic products and streamlines the framework for all operators in the sector. The Regulation simplifies procedures to the extent that the internal market of cosmetic products is now a reality.

The regulation applies to all cosmetic products marketed in the EU, such as:

- Skincare (creams, lotions, gels)
- Haircare (shampoos, conditioners, dyes)
- Make-up
- Perfumes
- Oral care (toothpastes, mouthwashes)
- Personal hygiene products

REGULATORY PROCESS

- **Omnibus on chemicals:** Aims to establish a clear procedure for adding innovative ingredients, streamline rules for CMR substances (carcinogenic, mutagenic, or toxic for reproduction) and nanomaterial notifications, and promote digital tools like an online ingredient glossary. However, current discussions in the Council indicate that some of the proposals will be challenged by the co-legislators.
- **Revision of the Regulation:** Aims at integrating key concepts such as the generic approach to risk management, the essential use principle, combination effects, and the “One Substance, One Assessment” methodology. The revision will also aim to modernise several definitions, such as that of nanomaterials, and to simplify the overall regulatory framework.



COSMETIC PRODUCTS REGULATION

Ongoing evaluation

As the evaluation of the Cosmetics Products Regulation (CPR) progresses, IFEAT remains actively engaged to ensure that the specificities of essential oils are properly considered and safeguarded.

OBJECTIVES

- Ensure that essential oils and their derivatives are not subject to unnecessary restrictions in cosmetic products under the CPR evaluation.
- Maintain strong engagement so that the characteristics of natural complex substances are fully understood in the regulatory process.
- Leverage the work carried out under the REACH review to reinforce arguments on essentiality and irreplaceability.

ACTIVITIES

- Contribute to the **evaluation process**: Together with EFEO and other associations, IFEAT will contribute to the European Commission's study.
- Participate in **public consultations**:
 - A call for evidence was launched on 21 February 2025 and ran for four weeks.
 - IFEAT submitted comments to this call for evidence.
 - Continue stakeholder engagement.
- Maintain **active dialogue** with regulators, Member States, and sectoral partners to ensure that essential oils remain recognised and unrestricted in their forms and uses across cosmetic applications.



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