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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Revision of the Regulation on the Classification, Labelling and Packaging of Chemical Substances and Mixtures and its effects on the production of essential oil crops in the EU
- Information from the Bulgarian delegation on behalf of the Bulgarian, Romanian and Slovak delegations

With a view to the meeting of the Council (Agriculture and Fisheries) on 26 and 27 June 2023 the annex to this document contains a non-paper from Bulgaria, Romania and Slovakia on the above-mentioned subject.

Revision of the Regulation on the Classification, Labelling and Packaging of Chemical Substances and Mixtures and its effects on the production of essential oil crops in the EU

Bulgaria, Romania and Slovakia fully share the need to ensure high level of protection of human health and the environment, including by proper identification and classification of substances representing chemical hazards. At the same time, we have serious concerns about the approach proposed by the Commission in the revision of the Regulation on the Classification, Labelling and Packaging of Chemical Substances and Mixtures (CLP Regulation) regarding classification of essential oils.

Essential oils have a very complex chemical composition (up to several hundred or even thousands of compounds) which varies according to many factors: harvesting location, harvest year, season, climatic conditions, cultural practices, harvesting and storage/drying conditions, extraction conditions, etc. It is, therefore, common for different batches to have different chemical compositions. Up to now, as Natural Complex Substances (NCS) essential oils have been classified on the basis of testing of the substance as a whole (*a substance approach*). In the revision of the CLP Regulation the Commission proposes essential oils to be classified for certain hazards (carcinogenic, mutagenic, toxic for reproduction (CMR), endocrine disruptors and 4 others) on the basis of *a mixture approach* which will require individual testing of all constituent compounds of a given essential oil. This is a paradigm shift with enormous consequences for the production and consumption of essential oils in the EU.

If any constituents of the essential oils is classified in the above mentioned hazard classes, this will need to be reflected on the label of perfumes, cosmetics, food, detergents and other products containing essential oils (NCS account for 32 % of the ingredients used across the whole range of cosmetics products alone), notwithstanding the presence of robust scientific data that the substance as a whole to which the consumer is exposed is safe for use, which is empirically proven also by centuries of safe, wide use worldwide.

In fact, according to the current European legislation classification of a substance as CMR prohibits the use of this substance alone or as part of a complex substance in perfumes and cosmetics products, as well as its supply to the general public above the limits set out in the CLP Regulation. Coupled with a wavering of consumer confidence (again, in the absence of incontrovertible scientific evidence that there is a basis for this) and a demand shift to alternatives (mainly synthetic essential oils, imported from third countries that are very far away from the high European standards for health and environment protection), this will deal a crushing blow to the European essential oil producers.

Growing essential oil crops is a traditional agricultural activity with important social, economic and cultural dimensions in the European Union. Essential oils are a key element in a long value chain that ranges from farmers growing rose, lavender, mint, lemon balm, chamomile, etc. to the producers of consumer products, supporting thousands of jobs in Europe and producing very substantial and strategic revenues to rural communities across the European Union. The expected outflow of demand for essential oils as a result of this legislative change will force the agricultural producers to abandon growing essential oil crops and to move to other crops or leave the agricultural sector altogether. Thus, the amendment will affect at least 2500 farmers and over 30,000 seasonal workers engaged annually during the harvesting campaign in Bulgaria (the biggest producer of lavender and rose oil globally), more than 1200 farmers in France (second biggest producer of lavender oil globally), more than 5000 jobs in Spain (the biggest producer of lemon oil in Europe and the second largest producer globally), thousands of farmers in Italy (the biggest producer globally of Bergamot oil).

The essential oils industry contributes positively not only to Europe's economy but it is a cornerstone of European cultural heritage and sustainable tourism development, as well. Many regions across Europe such as the Rose Valley in Bulgaria, the Grass Region in France, Reggio Calabria in Italy etc. have their own signature scents and have become an emblematic characteristic of the country itself.

Bulgaria, Romania and Slovakia firmly believe that the current approach to the classification of essential oils should be kept unchanged - thus allowing continuation of the traditional growing of essential oil crops in the EU and the production of the emblematic essential oils that are trusted, safely used and appreciated by millions of consumers in, both the EU and third countries, without, at the same time, compromising in any way the application of the EU high standards of environment and public health protection.
