

Private Equity Firms Refuse to Stop Selling Deadly Lead Chromate

Blackstone and American Securities Dominate Global Market

San Francisco, **September 5**, **2024** – Two of the largest private equity firms in the U.S. that control the majority of the global production of lead chromate refused to stop making and selling these pigments despite a recent ban by the European Union. The ongoing use of this chemical is responsible for lead poisoning and deaths in countries around the world.

In 2023 **Blackstone** purchased DCL Corporation/ Pigment Services with backing from Wells Fargo Bank. The company also operates a joint venture in China with Xinxiang Highland Pigments Co., Ltd – one of the largest producers of lead chromate. Despite the well-known hazards, the company has no control over its use but falsely claim that these products "can and must be used safely, without posing health and environmental risks to children." The company reported using up to 100,000 kg of lead and 10,000 kg of hexavalent chromium annually at its production facility in Ontario, Canada.

American Securities purchased three pigment companies and renamed the combined company as Vibrantz Technologies. The company has three plants in Mexico and additional facilities in more than 25 countries around the world.

These private equity firms take advantage of the lack of regulation and weak enforcement in developing countries where they see an opportunity to expand sales although they acknowledge that there are alternatives.

Lead chromate is one of the most common lead compounds used in paints and plastics and has been added to adulterated spices to enhance color. This chemical is also found in lipsticks, eye liner, rubber, ceramics, and printing inks.

Due to the hazardous nature of this chemical containing lead and hexavalent chromium – a known human carcinogen – environmental organizations have been calling for a ban on all uses. The European Union banned the production, import and export of this chemical since 2019 after demonstrating that there are safer alternatives for all applications.

Lead chromate was responsible for more than 500 lead poisoning cases among children in the U.S. over the past year from cinnamon applesauce tainted with this pigment. The U.S. Food and Drug Administration traced the source of these cases to lead chromate in the cinnamon. Dozens of lawsuits have been filed on behalf of the poisoned children and the company that makes the applesauce has filed for bankruptcy.

"These private equity firms are acting completely irresponsibly in selling this hazardous chemical in dozens of countries around the world despite the knowledge of the harm caused by lead in paint, plastics, spices and other products." said Perry Gottesfeld, Executive Director of Occupational Knowledge International (OK International) an environmental health non-profit.

"Although we have reached out to these firms in writing, they have declined to respond to our request to act on their stated governance principles and stop the production of these deadly compounds" Gottesfeld added.

Lead chromate accounts for 3% of worldwide lead consumption but is responsible for a much larger portion of the harm due to its widespread use in spices and other consumer products. The world's largest chemical manufacturer BASF phased out the production of this chemical in 2012 and two of the three largest global paint companies removed it from all of their products.

"We are asking Blackstone and American Securities to immediately stop making and marketing lead chromate." said Sofia Chavez, Executive Director of Casa Cem, a leading environmental organization in Mexico.

Lead chromates are widely used in road marking paints causing exposures to workers and adding costs for the eventual removal process to address the occupational exposure and for hazardous waste disposal. This use of lead chromate in road paints is a significant source of emissions of lead dust and water from contaminated runoff.

The use of lead chromate remains legal in most countries in the world although it has been known for more than 100 years that lead in paint results in harmful exposures to children who come in contact with these materials and to workers during the manufacture, application, and removal of these coatings. In 2009 more than 120 countries voted unanimously at the UN International Conference on Chemicals Management (ICCM) to eliminate the use of lead in all paints and coatings.

Unregulated lead exposures are causing ongoing IQ loss, lower school performance, an increase in antisocial, aggressive and violent behaviors in children and increased rates of heart attacks and deaths among adults. More than 5 million deaths a year are attributed to lead exposure.

About Occupational Knowledge International (OK International)

OK International is a U.S. based NGO that works to build capacity in developing countries to identify, monitor, and mitigate environmental and occupational exposures to hazardous materials in order to protect public health and the environment. For more information: <u>www.okinternational.org</u>.

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