

Walmart Publicizes List of High Priority Chemicals as Part of its Sustainable Chemistry Initiative

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In its continuing response to growing consumer demand for sustainable products that minimize harmful impacts on human health and the environment, Walmart publicized, for the first time, a list of what it considers to be eight “high priority chemicals,” including a number of solvents, preservatives, and antimicrobial agents such as toluene, butylparaben, and triclosan,¹ that its suppliers are expected to “reduce, restrict, and eliminate” in the products they provide to Walmart.² The list continues Walmart’s implementation of its 2013 Policy on Sustainable Chemistry in Consumables, in which Walmart stated its commitment to “empower customers . . . with information about the products that we offer them and to accelerate the use of sustainable chemistry practices.”³

The Policy defines “sustainable chemistry” as “the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances, both to humans and the environment.” It focuses on “priority chemicals,” which include carcinogens, mutagens, and reproductive toxicants, and – quoting REACH, the European Union regulation governing chemicals – “any chemical for which there is ‘scientific evidence of probable serious effects to human health or the environment which give rise to an equivalent level of concern.’” The Policy then incorporates by reference a number of United States, European Union, and United Nations hazardous or toxic chemicals lists. These include California’s Proposition 65 list of developmental/reproductive toxicants and EPA’s Priority PBT (persistent bioaccumulative and toxic chemicals) list. Together, the consolidated information constitutes a list of “Walmart

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Priority Chemicals” that the Policy targets for reduction, restriction, or elimination.

The Policy gives additional priority to “Walmart High Priority Chemicals.” Until recently, Walmart identified those high priority chemicals only to its suppliers, as a “starting point” for their sustainable chemistry efforts. Walmart had been criticized in the past for not publicizing its list of Walmart High Priority Chemicals. But the company was obviously sensitive to the fact that disclosing that list would have a broad impact on suppliers outside of Walmart’s consumables business and, indeed, for all consumer product manufacturers worldwide. Its reticence was likely intended to allow an orderly process for its suppliers to transition to safer chemical formulations in their products.

The Policy has already had a large effect on suppliers’ product formulations. According to its 2016 Global Responsibility Report, Walmart’s Policy has resulted in a 95% reduction by weight in the amount of high priority chemicals in Walmart products.⁴ Given how potentially cumbersome and expensive it may be to reformulate products and alter manufacturing, packaging, and distribution processes in response to the Policy, suppliers have more than likely applied changes imposed by the Policy on all of their product lines rather than only the products they supply to Walmart.

Given how potentially far-reaching the effects of the Policy may be on their business, suppliers dedicate resources to determine which steps they can and should take in response to Walmart’s increasing turn towards transparency in their product offerings. Removal of even a single ingredient from a product may involve complicated technical and market calculations and effects on a company’s bottom line. Most importantly, suppliers will need to understand the role Walmart Priority Chemicals play in their products, and what actual consumer exposure to those chemicals really is, to make their own determination about when, how, and to what degree they reduce or replace them with other chemical formulations. These determinations will be even more pressing by 2018, when Walmart will begin to require suppliers to list all priority chemicals – not just high priority chemicals – on packaging for all products supplied to the company.

¹ See Sustainable Chemistry Implementation Guide, *available at* http://www.walmartsustainabilityhub.com/app/answers/detail/a_id/310.

² See *id.*

³ Sustainable Chemistry Policy in Consumables, *available at* http://www.walmartsustainabilityhub.com/app/answers/detail/a_id/310.

⁴ See Walmart 2016 Global Responsibility Report, *available at* <http://corporate.walmart.com/2016grr>.