



## Go Green or Go Home: ESG's Increasing Impact on M&A in the UK and Europe

By Oliver Williams, Edward Tran, Omar Marlek, Alex Potten, Alex Taylor, David Wood

In recent years, environmental, social and governance's (ESG) importance in M&A has grown exponentially. From a deal perspective, ESG has become increasingly prevalent in the life cycle of a typical transaction, from target screening and due diligence to post-closing synergies. With the UK, mainland Europe and the United States committed to being climate-neutral by 2050, dealmakers and professional service firms are now increasingly expected to keep ESG at the forefront of their minds. [Read Katten's advisory.](#)

## Litigation Beginning to Challenge Carbon Offsets

By Chris Cole

Imagine an entity that is currently heavily dependent on fossil fuels pledging to become "[net zero](#)" by calendar year 2050. This is not unique, as numerous countries, municipalities and companies have made exactly this public pledge. The concern is that many will not achieve these pledges because they rely heavily on the use of carbon offsetting, employing offsets obtained (or to be obtained) from voluntary carbon markets (VCMs), which activists and [others](#) have criticized as having dubious value. Even assuming all carbon offsets are perfectly accounted for, some have estimated that there are not, and will not be, enough of them available when the time comes to fulfill all of the outstanding pledges. [Read about carbon neutral claims.](#)



## Secondary Boycotts Against Businesses Displaying Rainbow Flags

By Chris Cole

In recent weeks, there has been a groundswell of so-called group "boycott" activity aimed at businesses that have publicly expressed solidarity with historically marginalized and underrepresented groups. Prominent examples

include boycotts against Bud Light (a beer made by Anheuser-Busch), Target, NorthFace, and Kohl's. The latter retailers have been accused by certain groups of displaying rainbow "PRIDE" flags in their stores, which have emerged as a political and cultural wedge issue — especially during PRIDE month. [Read about First Amendment issues in anti-PRIDE boycotts.](#)

## OFAC Issues Fact Sheet on Provision of Humanitarian Assistance to Sanctioned Countries

By Jacques Semmelman

On June 14, the US Treasury Department's Office of Foreign Assets Control (OFAC) published a [Fact Sheet: Provision of Humanitarian Assistance and Trade to Combat COVID-19](#) (Fact Sheet). The 14-page Fact Sheet provides a useful compendium of source materials issued by OFAC since the start of the pandemic in 2020 and includes relevant pre-pandemic information and materials. In an effort to ameliorate the hardship of economic sanctions, OFAC has issued general licenses authorizing US persons to provide certain humanitarian goods and services — such as agricultural products, food, medicine, clean water, telecommunication and internet assistance, and medical equipment — under specified conditions like an earthquake or other natural disaster. [Read about the OFAC's Fact Sheet.](#)



## What Will the FTC Do With Recycling?

By Chris Cole

The [FTC is in the process of updating its venerable Green Guides](#), which “govern” environmental marketing claims in the United States. A big part of the Guides is its [sections on Recycling Claims](#), which deal with whether and how marketers can claim products or packages they sell are “recyclable.” The Guides currently

create three tiers of permissible claims. If the item is accepted for recycling in 60 percent or more of communities where it is sold (a so-called “substantial majority” of communities), the marketer may make an unqualified claim that the product is recyclable. If it is between 25–60 percent, the marketer may make a qualified claim, and if it is less than that, the marketer should make a heavily qualified claim. [Read about potential FTC Green Guide revisions.](#)

## Making Tax an Essential Part of ESG

By Charlotte Sallabank, Christy Wilson

In an article for *Private Equity International*, Charlotte and Christy discussed responsible tax behaviors that companies should consider, including compliance, transparency, strategy and risk policy, to ensure they are conducting business responsibly and with environmental, social and governance (ESG) factors in mind. [Read a summary of Katten's article.](#)

## SEC Turns Up Heat on Climate-Related Comment Letters

By Farzad Damania, Ryan Lilley

Since the SEC provided a [sample comment letter](#) in September 2021, Katten has reviewed and analyzed the climate-related comment letters issued to over 70 companies on a stand-alone basis. Initially, it appeared that the SEC focused exclusively on larger companies with a market

capitalization exceeding approximately \$3.5 billion. However, during the second half of 2022, the SEC issued comments to companies with market capitalizations as low as approximately \$500 million. [Read Katten's article in Capital Markets Compass.](#)

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## CONTACTS

For questions about developments in the ESG space, please contact any of the following Katten attorneys and *ESG Guidepost* editors.



**[Johnjerica Hodge](#)**

Partner and Co-Chair, ESG Risk  
and Investigations  
[vCard](#)



**[India Williams](#)**

Partner and Co-Chair, ESG Risk  
and Investigations  
[vCard](#)



**[Christopher Cole](#)**

Partner and Chair, Advertising,  
Marketing and Promotions  
[vCard](#)



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