

News

BCLP LAWYERS EXAMINE DIVERGING U.S. AND EU APPROACHES TO SUSTAINABILITY AGREEMENTS IN COMPETITION POLICY INTERNATIONAL

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BCLP Partners David B. Schwartz and Julie Catala Marty, together with Associates Darren Ray and Lucille Valadou, have co-authored an article for Competition Policy International analyzing a growing divide between U.S. and EU competition authorities in their approach to sustainability agreements and the risks companies may face when pursuing environmental collaborations in 2025.

In the U.S., the authors discuss how the return of the Trump administration signals increased skepticism toward sustainability agreements, with antitrust enforcement potentially being used to challenge pro-sustainability initiatives. The article examines past investigations, such as government inquiries into automakers that entered a fuel standard agreement with California regulators and congressional investigations into sustainability-focused investors labeled as a "climate cartel." While companies may have strong legal defenses, the authors share that political dynamics increase the risk of government scrutiny.

In contrast, the EU continues to integrate sustainability into competition policy. The European Commission has introduced guidelines that provide a framework for sustainability agreements, including a "safe harbor" for certain collaborations. Several national competition authorities have also launched informal guidance programs to support sustainable initiatives while ensuring compliance with antitrust law. At the same time, enforcement actions against anti-competitive sustainability agreements signal a "carrot and stick" approach, where companies are encouraged to collaborate on sustainability efforts but remain subject to penalties for collusion.

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