



Asda response to Competition and Market's Authority Draft Guidance on Environmental Claims on Goods and Services

Asda welcomes the opportunity to provide feedback on the draft guidance around environmental claims. We know that sustainability is an important issue for our 18 million weekly customers, who regularly identify it as a top priority for them.

As a large business, we know we have a responsibility to provide these customers with sustainable choices that save our customers money, cut our costs and protect our planet. Our commitments include being an end-to-end net zero carbon emissions business by 2040.

Asda is supportive of the draft guidance being advisory and views this as a positive step in encouraging businesses and suppliers to make credible claims around the environmental impact they are having.

There are a number of principles, which we hope the guidance continues to take into account:

- As an advertiser of claims, it would be helpful to cover both business-to-consumer and business-to-business relationships as sourcing information will be key to substantiating these claims. Sometimes information will not be made available to us, and we would hope the guidance could take account of this.
- Sector specific checklists with examples of evidence would enable businesses to make the right decisions first time to avoid the need for claims.
- The principles for compliance with consumer protection law are the right ones

There are some areas where the guidance could be strengthened to provide businesses with clarity on how they can make claims and what corrective actions could be. For example, in the case study on food waste and the restaurant not having collected data, it remains unclear whether they could avoid this by having the relevant data in place. We would welcome clarity on where responsibility sits. For example, if a supplier has advised us of a carbon neutral yoghurt and they allege they can prove it, we could advertise it and then potentially be liable if someone makes a complaint. We believe that responsibility should sit with the product owner/manufacturer. Otherwise, this represents a challenge in needing to validate every claim, thereby disincentivising the innovation in the above yoghurt example. At the moment, we are unable to validate the size of the overall carbon footprint on packaging.

We would also welcome clarity on the definitions of life cycle and where only one component changes. For example, if the above yoghurt pot's plastic is reduced by 50% but nothing else in that cycle changes (e.g. supplier and logistics remain the same), the business would need clarity on whether they can continue to claim it is more environmentally friendly. We are concerned that the guidance could disincentivise important innovations such as plastic reduction if businesses are unable to promote something positive due to the product's life cycle not changing.

Registered in England
02064777
Registered Office:
Asda House,
Southbank,
Great Wilson Street,
Leeds LS11 5AD

elsewhere. Additionally, it is unclear what the 'whole of a business' activity' covers, as business may own or be owned by larger organisations.

Given consumer interest in the environment and shopping more sustainably, we would want to be able to demonstrate the benefits and positive changes to our customers from any claims and subsequent improvements. Therefore, it would be helpful to have an established process, with examples of what would meet guidance. For example, while companies may take small steps towards reducing their packaging, examples would mean business can avoid unintended consequences such as some of that packaging being more difficult to recycle. The guidance should encourage companies to take the small steps necessary to reaching a bigger goal.

Finally, we would welcome an additional principle about environmental claims where it requires a customer to take a specific action. For example, cotton carrier bags are better for the environment if they are used a certain amount of times. The product itself does not inherently lower its impact unless customers change the way they use them. The guidance could take account of this to drive customer behaviour in the right direction.