

Asda Stores Limited ('Asda')

Formal commitment to implement changes to promotional practices

Asda has been engaged in a process of revising its Business Rules for Price Integrity and Advertising Compliance ('Business Rules') and is embedding those revised Business Rules across its estate of stores through a programme of training and a system of controls and monitoring.

Asda has shared those revised Business Rules openly with the Competition and Markets Authority ('CMA') and with Trading Standards. It has received Assured Advice in relation to the revised Business Rules from its Primary Authority partner, West Yorkshire Trading Standards Service.

The revision to the Business Rules has the effect of addressing concerns highlighted by the CMA in its enquiry into pricing practices in the groceries market, specifically:

- For reference price ('was' / 'now') promotions, ensuring that 'now' prices will not be advertised for longer than the 'was' price applied;
- For multi buy promotions, ensuring that (1) multi-buy offers will represent better value than a single product before the offer; (2) multi buy offers will not be immediately followed by reference price promotions.

Asda is fully committed to the new Business Rules which will be fully implemented in respect of all consumable food and drink or household grocery products sold by Asda in store or online by 1 August 2016.

Asda's Business Rules are intended to make sure that consumers are not misled and that all price promotions are genuine and do not contain any false information in order to ensure compliance with its obligations under consumer protection law.

The revised Business Rules are the principles which will apply to the communication of all of its prices and promotional activity in regard of consumable food and drink or household grocery products offered to consumers from 1 August 2016 onwards. Asda is also refreshing its suite of compliance controls and monitoring systems and training programmes to support the effective implementation of the Business Rules across its estate of stores and on-line.

Andrew Moore
Senior Vice President – Chief Merchandising Officer
(for and on behalf of Asda Stores Limited)

Signature

Date 22 April 2016