

1 – Agreements unlikely to breach	2 – Agreements that may breach	3 – Agreements that would breach, but capable of exemption
<p>The CMA considers that agreements which are unlikely to infringe the Chapter 1 prohibition include agreements to phase out unsustainable inputs (such as moving to more environmentally friendly packaging), so long as there is no appreciable increase in pricing. Other more benign examples unlikely to raise concerns include joint awareness campaigns on environmental issues, or joint industry training funds – so long as the main parameters of competition are unaffected (i.e. price, choice, quality or innovation).</p>	<p>The clear examples here from the CMA focus on agreements which will likely breach the prohibition ‘by object’ (i.e. simply their existence is problematic). The obvious example is an agreement between competitors on the price at which they will sell products meeting an agreed environmental sustainability standard. On the other hand, some agreements might be problematic ‘by effect’ – e.g. in the case of an agreement to introduce a new sustainability labelling system, whether other businesses are able to take advantage of the system on non-discriminatory terms.</p>	<p>The CMA sets out some examples of where an agreement would likely infringe the Chapter 1 prohibition, but sets out its thinking in terms of the Section 9(1) exemption criteria. For instance, an agreement amongst furniture producers to only import and use sustainable timber in their products – but where this would significantly increase furniture prices. In such circumstances the benefit of higher sustainability might ‘offset’ the dis-benefit of increased cost to consumers. The CMA does make clear however, that any potential benefits must be clearly evidenced.</p>