

## Self-Regulatory Code of Conduct for the Sale of Confectionery, Chocolate and Biscuit Products in Duty Free & Travel Retail

### **Introduction**

This Self-Regulatory Code of Conduct for the Sale of Confectionery, Chocolate and Biscuit Products (the “Products”) in Duty Free & Travel Retail (the “Code”) is designed for all stakeholders involved in the sale of the Products in the duty free and travel retail industry (the “Industry”), due to its unique nature and differences from domestic market retailing, targeting sales primarily towards adult purchasers with a focus on gifting, premium and limited edition products. Members of the Industry should fully understand and implement this Code.

Industry members should ensure that their external advertising, marketing and public relations consultants are aware of and comply with this Code. Where appropriate, Industry members should partner with airport operators, airlines and other third-party duty free & travel retail stakeholders to achieve this Code’s objectives.

The Code is driven by a sense of social responsibility and is designed to address in a holistic manner, all the aspects of duty free and travel retail confectionery and chocolate products sales, from customer communications, staff training and conduct, as well as sampling. The Code is purely advisory only and does not have any legal statute.

### **Purpose**

In recent years, retailers, manufacturers, national authorities and industry associations have adopted voluntary codes and guidelines for the responsible sale and advertising of many product categories. This Code establishes working principles, designed specifically for the duty free & travel retail channel, working alongside other category codes for the channel, and codes adopted by confectionery, chocolate, and biscuit manufacturers in other sales channels.

### **Why a separate Code for Duty Free & Travel Retail?**

A separate code is warranted for duty free & travel retail due to unique features that distinguish it from domestic retail:

- a. Its unique customer base which consists of international travellers frequently unable to understand the local language.
- b. Duty free & travel retail customers are travellers with little time to spare or who visit duty free & travel retail shops as an inherent part of the travel experience.
- c. Duty free & travel retail customers evaluate the product offer in one duty free setting to another within our channel far more than making comparisons to offers in other distribution channels.
- d. Children represent a very small proportion of visitors to duty free & travel retail shops; children travelling internationally are accompanied by an adult except in exceptional circumstances.
- e. Products distributed and retailed by the duty free & travel retail industry pass through highly regulated environments and supply channels, such as customs bonded warehouses and security restricted areas.
- f. Airport opening hours mean that duty free & travel retail shops are often open 24 hours, 7 days a week, 365 days a year.
- g. There is a much more limited range of products on sale in duty free & travel retail than on the domestic market due to space constraints.
- h. Gifting is the primary motivation for purchase. Products are often specially packaged for duty free & travel retail with premium and super-premium special editions, intended primarily as gifts and are developed, launched and promoted only in the duty free & travel retail channel.

Therefore, recognising the above alongside the multi country distribution platforms and training programmes of our business, duty free and travel retail requires a Code that reflects the unique challenges this presents.

### **Definitions in this Code**

- a. *“Duty free & travel retail”* is the duty and tax free sales of consumer goods to travellers airside in the security restricted zone at airports, on board aircraft, ferries and cruise ships, and at border shops and seaport shops.
- b. *“Customer Communications”* are all brand advertising or marketing communications to consumers, regardless of the medium used (e.g. print, broadcast media, internet, new technologies and sponsorship) and including consumer and trade promotion, merchandising and point of sale material.

### **Chapter 1: Guidelines for Customer Communications**

- a. Customer Communications relating to the Products should be truthful and honest and should not misrepresent the characteristics, qualities or nature of the products.
- b. Customer Communications should be transparent and prepared with a due sense of social responsibility and be based on principles of fairness and good faith and not in any circumstances be unethical or otherwise impugn human dignity and integrity.
- c. Marketing communications will be responsible and shall not target children.

### **Chapter 2: Guidelines for Sales in Duty Free and Travel Retail**

- a. Industry member companies and associations are encouraged to develop communication and education materials for staff in the form of guides, leaflets and websites as part of appropriate training which should be updated on a regular basis to implement the guidelines set forth below.
- b. Retailers should be aware of, and sensitive to, category adjacencies when merchandising the Products in duty free & travel retail shops and do so in a responsible manner to the extent practicable and in line with regulatory requirements.
- c. The supply chain from manufacturer up to the point of sale and storage and merchandising at the point of sale should respect

temperature and humidity guidelines recommended by the manufacturer.

d. Products approaching their best before date will be removed from sale or will be merchandised in such a manner that the short remaining shelf life is understood by the consumer.

### **Chapter 3: Guidelines for Point of Sale Sampling or Tasting Activities**

a. Sampling or tastings of the Products should only be offered to children in the company of an adult and where the adult gives consent to consumption by the child.

c. Sampling or tasting items of the Products should not be left unattended in the demonstration area. The number of samples offered should not exceed that which will permit the consumer to fully appreciate the nature of the product being promoted.

d. Only staff and third parties with appropriate training should conduct sampling and tastings.

e. Cross selling promotions shall only be conducted with appropriate product categories with respect to travellers ages and cultures.

### **Chapter 4: Observing and Implementing the Code**

a. Industry members should adhere to applicable laws and regulations and ensure that the Products in the duty free & travel retail environment comply to health and food safety guidelines.

b. The Industry will promote adoption of the Code by its membership and take appropriate steps to measure its implementation and effectiveness and address incidents of non-compliance.

c. Industry members shall review and discuss the implementation of this Code on a regular basis and monitor observation of this Code.

d. A copy of the Code will be posted on industry associations' websites and shall be provided to any interested party upon request.