

Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail

Introduction

This Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free & Travel Retail (the “Code”) is designed specifically for manufacturers, distributors, wholesalers and retailers in the duty free and travel retail industry (the “Industry”), due to its unique nature and differences from domestic retailing. 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.

Above all the Code seeks to harness the potential of duty free and travel retail, an industry which has long been at the vanguard of responsible alcohol consumption thanks to its emphasis on luxury, premium quality brands and limited editions and on an adult consumption experience. The Code is designed to address in a holistic manner, all the aspects of duty free and travel retail alcohol sales, from commercial communications to labelling, staff training and conduct, as well as sampling.

Purpose

In recent years, retailers, manufacturers, national authorities and industry associations such as the International Centre for Alcohol Policies have adopted voluntary codes and guidelines for the responsible sale and advertising of alcohol products. This Code works alongside such other codes by establishing working principles designed specifically for the duty free & travel retail channel.

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 speak the local language and potentially unfamiliar with national laws on age of purchase, etc.
- 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. Children and minors represent a very small proportion of visitors to duty free & travel retail shops in which alcoholic beverages are sold, and

children and minors travelling internationally are accompanied by an adult except in exceptional circumstances.

- d. The Industry manufactures, distributes and retails alcoholic beverages through highly regulated environments and channels such as customs bonded warehouses and security restricted areas under control of Customs and other national government authorities.
- e. Airport opening hours mean that duty free & travel retail shops are often open 24 hours, 7 days a week.
- f. Alcoholic beverages purchased in departure duty free & travel retail shops or on board airlines are exported by the customer and will be imported by the customer in the case of arrival shops. Customs restrictions limit what each passenger can import free of duties within a personal tax and duty-free allowance.
- g. Passengers purchasing alcoholic beverages may not consume the products until they have imported the product after clearing Customs at their destination. This requirement may be enforced by the selling of alcohol products in original sealed packaging or, where International Civil Aviation Organization requirements apply, in sealed tamper-evident bags (STEBs), which must remain unopened until the travellers have reached their final destination and have cleared customs formalities.
- h. There is a much more limited range of products on sale in duty free & travel retail than on the domestic market. Products are often special premium and super-premium special editions, intended as gifts, developed, launched and promoted only in the duty free & travel retail channel.

Definitions in this Code

- a. *“Duty Free & Travel Retail”* is the duty and tax free sales of consumer goods to travellers airside at airports, on board aircraft, ferries and cruise ships, and at border shops and seaport shops.
- b. *“Commercial Communications”* are all brand advertising or marketing communications to consumers, regardless of the medium used (e.g. print, broadcast media, labelling, packaging, internet, new technologies and sponsorship) and including consumer and trade promotion, merchandising and point of sale material.
- c. *“Minors”* are young people below the applicable minimum legal purchase age in the country where the alcoholic product purchase or sampling occurs.

Chapter 1: Guidelines for Commercial Communications

- a. Commercial Communications relating to alcoholic products should be truthful and honest and should not misrepresent the characteristics, qualities or nature of the products.

- b. Commercial Communications should be 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. Commercial Communications should not show images of persons who a person reasonably would perceive as being intoxicated.
- d. Commercial Communications should have a clearly visible and appropriate responsible drinking message.
- e. Alcohol product labelling should not promote the alcoholic strength of the product as a desirable characteristic, quality or ingredient.
- f. Promotions and price comparisons should not encourage volume purchasing for excessive or irresponsible consumption.
- g. Commercial Communications and promotional activities should not be aimed at minors or show minors consuming alcoholic beverages and should not invite minors to participate in promotions.
- h. Commercial Communications should not use models and actors who are not at least 25 years of age. Store staff retailing alcohol should not be below the legal age for purchasing alcohol beverages.
- i. Age restriction rules applied to the purchase of alcohol products should be clearly displayed or otherwise communicated to potential purchasers who do not appear to meet the age qualification.

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. Industry members should make efforts to display a responsible drinking message on all advertising and marketing materials in a clear and eye-catching manner in the areas where alcoholic products are on sale.
- c. Staff in duty free & travel retail shops should be instructed not to sell to customers who appear to be intoxicated. Staff should be properly trained on how to manage such customers and when to request intervention of security.
- d. Staff shall not sell alcoholic beverages to minors. Anyone who looks under the legal age should be asked for identification and proof of age. Security requirements for international travellers mean that customers are required to carry identity documents that will provide age verification.
- e. Alcohol beverages in duty free & travel retail shops to the extent practicable should not be merchandised adjacent to products in the duty

free and travel retail area aimed at children, such as confectionery, toys and clothing.

- f. No items resembling children's clothing or toys should be offered as promotional incentives (gifts with purchase).

Chapter 3: Guidelines for Point of Sale Sampling, Tasting and Research

- a. No sampling or tastings of alcohol products should be knowingly offered to minors.
- b. The "barred pregnant women" pictogram should be displayed on the counter at all sampling points or alternate signage warning that "Pregnant women should avoid drinking alcohol throughout their pregnancy".
- c. Alcohol sampling or tasting products should not be left unattended in the demonstration area.
- d. Staff should not aggressively or persistently offer samplings.
- e. Staff should provide water on request to customers during sampling or tastings.
- f. Only staff and third parties with appropriate training should conduct sampling and tastings.
- g. The above guidelines also apply to sampling and tastings as POS research.

Chapter 4: Observing and Implementing the Code

- a. Industry members should adhere to all national laws and regulations applicable to the marketing and sale of alcoholic beverages in the duty free & travel retail environment.
- 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 association's websites and shall be provided to any interested party upon request.