



Consumer Charter for Global Business

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Intent of This Charter

This Charter was prepared by Consumers International, the international federation of consumer organisations. It is based on the eight consumer rights: the right to basic needs, safety, information, choice, a fair hearing, redress, consumer education and a healthy environment. The Charter sets out best business practice in areas of interest to consumers such as ethical standards, competition, product standards, marketing, labelling, disclosure of information and consumer redress. It draws on the experience of consumer organisations and is modelled on existing international codes of practice. The aim of the Charter is to develop corporate practice in light of consumer concerns. The accompanying Charter Assessment Form translates the Charter's principles into practical goals for business. The Form helps assess the company's progress in attaining the standards set by the Charter. The Charter's provisions can also be the basis for national and international regulation of business practices. They provide a focus for consumer education campaigns and highlight how different corporate activities can affect consumer rights.

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1. Ethical Standards

Consumers have the right to expect:

1.1 That corporations will conduct all of their operations, including all stages of the production, distribution and marketing process, in such a way that the interests of consumers of the end product or service are considered at every stage.

1.2 That corporations will conduct all their operations in such a way that, as a minimum, complies with the provisions of the OECD's Recommendation of the Council on Bribery in International Business Transactions.

1.3 That corporations have published statements of ethics or conduct. These statements shall apply to all countries in which the corporation operates and shall be publicly available and presented in a clear and concise manner.

2. Competition Issues

Consumers have the right to expect:

2.1 That corporations will encourage the development and maintenance of fair, transparent and open competition. In light of this commitment, corporations agree to:

a) as a minimum standard abide by local and national competition and anti-trust laws in each country in which they operate;

b) ensure that all parts of the corporation are aware of local competition rules and comply fully with their provisions;

c) base their operating procedures on international standards of business practice (including the UNCTAD Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices) where competition or anti-trust laws are not in operation.

2.2 That in light of the provisions of Article 2.1, corporations agree:

a) not to enter into arrangements or agreements with competing corporations that, whether directly or indirectly, result in an agreement to fix prices on any product or service. Such prices include the retail, wholesale or consumer price, export prices and import prices or any price charged to a third party;

b) not to enter into any agreement with a competing corporation whose effect, whether direct or indirect, involves the division of territory, be it national or international, into zones of operation. For the purposes of this Charter, a zone of operation can be any geographical area in which corporations operate;

c) when transferring goods or services within the legal body of a corporation, to price these goods and services as if the subsidiary were a separate corporation (the so-called "arm's length" principle) and not to use any other method of pricing calculation as a means of avoiding the payment of taxes on their body;

d) not to enter into any agreement that results, either directly or indirectly, in a monopoly position for that corporation in its home market.

3. Marketing Practices

Consumers have the right to expect:

3.1 That all goods and services produced and distributed by corporations shall

be marketed or promoted in such a way that:

- a) all claims made in the advertising or promotion are independently verifiable;
- b) all claims made in the advertising or promotion in any particular country are consistent with levels of honesty and truthfulness that are either legally established or that any reasonable person would set;
- c) marketing campaigns or promotions do not mislead consumers;
- d) such campaigns or promotions do not abuse the trust of consumers or exploit any lack of knowledge or experience on their part.

3.2 That corporations shall, as a minimum level, abide by the laws and regulations concerning the promotion and advertising of goods and services operating in the country concerned.

3.3 That corporations will also observe relevant internationally agreed codes which control the promotion of specific products, such as the WHO International Code of Marketing of Breast-milk Substitutes and the WHO Ethical Criteria for Medical Drug Promotion, and that where laws or regulations regarding advertising and promotion do not exist, corporations will base their operating procedures on international standards of business practices.

3.4 That corporations will take particular care when marketing their products and services to children. Advertising of harmful products (such as tobacco and alcohol) should not, in any manner, be aimed at children.

4. Product Standards

Consumers have the right to expect:

4.1 That all goods and services produced, distributed or marketed by corporations are:

- a) capable of use for the purposes claimed;
- b) safe, both for the use intended and for any reasonable foreseeable use made;
- c) durable and reliable and offer levels of utility and suitability that, as a minimum, conform to standards defined in laws or regulations, or would be construed as reasonable by an ordinary person;
- d) regularly monitored and tested by corporations to ensure that they conform to the standards listed above.

4.2 That all goods and services produced, distributed or marketed by corporations are designed and manufactured:

- a) to generally accepted international levels, or
- b) as a minimum, to standards no less stringent than those of comparable enterprises in the country concerned with a clear commitment to achieving generally accepted international standards.

4.3 That all goods produced, distributed and marketed by corporations are:

- a) produced in such a manner that causes as little damage as possible to the environment, both directly and indirectly;
- b) distributed in such a manner as to minimise damage to the environment, both directly and indirectly;
- c) transported in such a manner as to minimise damage to the environment, both directly and indirectly;
- d) insofar as it is reasonable, disposed of in a manner that is consistent with the principle of environmental sustainability.

5. Provision Of Information And Labelling

Consumers have the right to expect:

5.1 That corporations will provide information regarding purchase and use (for products and services) and content, maintenance, storage and disposal (for products) in such a way that:

- a) any information is comprehensible, that is, written clearly and legibly and in the officially recognised language(s) operating in each country;
- b) any information displayed is clearly visible and in an obvious position on the product;
- c) all information relating to possible misuse of the product is displayed prominently and clearly and in language and symbols that are clearly recognisable;
- d) the same level and detail of information are provided in all the countries in which the corporation operates.

5.2 That corporations will provide consumers with information on the appropriate recycling, re-usability and disposal of their product.

5.3 That corporations will only use environmental symbols on their labelling that are independently developed and standardised.

5.4 That where a product or service, in either a direct or indirect manner, is potentially harmful to the consumer of that product or service:

- a) all information pertaining to that potential harm is comprehensible, and displayed clearly, legibly and prominently on the product or is made available prior to the provision of the service concerned;
- b) all labelling relating to the use of the product or the provision of the service exhibits a nationally, or where none exists, an internationally recognised symbol indicating the nature of the danger, the means by which that danger can be avoided and the remedy needed to treat any harmful effect of the product or service.

6. Complaints Procedures

Consumers have the right to expect:

6.1 That corporations will establish and operate a system of informal redress through conciliation for the fair settlement of consumers' just claims. This will include fair compensation for unsatisfactory goods or services.

6.2 That corporations will institute procedures to enable consumers to enforce their statutory or contractual rights against a corporation.

7. Guarantees

Consumers have the right to expect:

7.1 That corporations will provide consumers with some form of guarantee relating to their products and/or services.

7.2 That such a guarantee is additional to any statutory obligation and does not prejudice the rights of a consumer to enforce their contractual rights against the producer or retailer of the product.

7.3 That it is clearly stated that such a guarantee is binding for the corporation

giving it regardless of whether it has a direct contractual relationship with the consumer.

Definition

A corporation is a legally established entity involved in the production, distribution, marketing or promotion of a good or service. For the purposes of this Charter it shall include public bodies that carry out the functions listed. A corporation may, or may not, operate in more than one country.