

6.6 Fair operating practices

6.6.1 Overview of fair operating practices

6.6.1.1 Organizations and fair operating practices

Fair operating practices concern ethical conduct in an organization's dealings with other organizations. These include relationships between organizations and government agencies, as well as between organizations and their partners, suppliers, contractors, customers, competitors, and the associations of which they are members.

Fair operating practice issues arise in the areas of anti-corruption, responsible involvement in the public sphere, fair competition, socially responsible behaviour, relations with other organizations and respect for property rights.

6.6.1.2 Fair operating practices and social responsibility

In the area of social responsibility, fair operating practices concern the way an organization uses its relationships with other organizations to promote positive outcomes. Positive outcomes can be achieved by providing leadership and promoting the adoption of social responsibility more broadly throughout the organization's sphere of influence.

6.6.2 Principles and considerations

Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships between organizations. Therefore, observance, promotion and encouragement of standards of ethical behaviour underlie all fair operating practices. Preventing corruption and practising responsible political involvement depend on respect for the rule of law, adherence to ethical standards, accountability and transparency. Fair competition and respect for property rights cannot be achieved if organizations do not deal with each other honestly, equitably and with integrity.

6.6.3 Fair operating practices issue 1: Anti-corruption

6.6.3.1 Description of the issue

Corruption is the abuse of entrusted power for private gain. Corruption can take many forms. Examples of corruption include bribery (soliciting, offering or accepting a bribe in money or in kind) involving public officials or people in the private sector, conflict of interest, fraud, money laundering, embezzlement, concealment and obstruction of justice, and trading in influence.

Corruption undermines an organization's effectiveness and ethical reputation, and can make it liable to criminal prosecution, as well as civil and administrative sanctions. Corruption can result in the violation of human rights, the erosion of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth^{[41][44][45][46][120][121][131]}.

6.6.3.2 Related actions and expectations

To prevent corruption an organization should:

- identify the risks of corruption and implement and maintain policies and practices that counter corruption and extortion;
- ensure its leadership sets an example for anti-corruption and provides commitment, encouragement and oversight for implementation of the anti-corruption policies;
- support and train its employees and representatives in their efforts to eradicate bribery and corruption, and provide incentives for progress;

- raise the awareness of its employees, representatives, contractors and suppliers about corruption and how to counter it;
- ensure that the remuneration of its employees and representatives is appropriate and for legitimate services only;
- establish and maintain an effective system to counter corruption;
- encourage its employees, partners, representatives and suppliers to report violations of the organization's policies and unethical and unfair treatment by adopting mechanisms that enable reporting and follow-up action without fear of reprisal;
- bring violations of the criminal law to the attention of appropriate law enforcement authorities; and
- work to oppose corruption by encouraging others with which the organization has operating relationships to adopt similar anti-corruption practices.

6.6.4 Fair operating practices issue 2: Responsible political involvement

6.6.4.1 Description of the issue

Organizations can support public political processes and encourage the development of public policy that benefits society at large. Organizations should prohibit use of undue influence and avoid behaviour, such as manipulation, intimidation and coercion, that can undermine the public political process.

6.6.4.2 Related actions and expectations

An organization should:

- train its employees and representatives and raise their awareness regarding responsible political involvement and contributions, and how to deal with conflicts of interest;
- be transparent regarding its policies and activities related to lobbying, political contributions and political involvement;
- establish and implement policies and guidelines to manage the activities of people retained to advocate on the organization's behalf;
- avoid political contributions that amount to an attempt to control or could be perceived as exerting undue influence on politicians or policymakers in favour of specific causes; and
- prohibit activities that involve misinformation, misrepresentation, threat or compulsion.

6.6.5 Fair operating practices issue 3: Fair competition

6.6.5.1 Description of the issue

Fair and widespread competition stimulates innovation and efficiency, reduces the costs of products and services, ensures all organizations have equal opportunities, encourages the development of new or improved products or processes and, in the long run, enhances economic growth and living standards. Anti-competitive behaviour risks harming the reputation of an organization with its stakeholders and may create legal problems. When organizations refuse to engage in anti-competitive behaviour they help to build a climate in which such behaviour is not tolerated, and this benefits everyone.

There are many forms of anti-competitive behaviour. Some examples are: price fixing, where parties collude to sell the same product or service at the same price; bid rigging, where parties collude to manipulate a

competitive bid; and predatory pricing, which is selling a product or service at a very low price with the intent of driving competitors out of the market and imposing unfair sanctions on competitors.

6.6.5.2 Related actions and expectations

To promote fair competition, an organization should:

- conduct its activities in a manner consistent with competition laws and regulations, and co-operate with the appropriate authorities;
- establish procedures and other safeguards to prevent engaging in or being complicit in anti-competitive behaviour;
- promote employee awareness of the importance of compliance with competition legislation and fair competition;
- support anti-trust and anti-dumping practices, as well as public policies that encourage competition; and
- be mindful of the social context in which it operates and not take advantage of social conditions, such as poverty, to achieve unfair competitive advantage.

6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain

6.6.6.1 Description of the issue

An organization can influence other organizations through its procurement and purchasing decisions. Through leadership and mentorship along the value chain, it can promote adoption and support of the principles and practices of social responsibility.

An organization should consider the potential impacts or unintended consequences of its procurement and purchasing decisions on other organizations, and take due care to avoid or minimize any negative impacts. It can also stimulate demand for socially responsible products and services. These actions should not be viewed as replacing the role of authorities to implement and enforce laws and regulations.

Every organization in the value chain is responsible for complying with applicable laws and regulations and for its own impacts on society and the environment.

6.6.6.2 Related actions and expectations

To promote social responsibility in its value chain, an organization should:

- integrate ethical, social, environmental and gender equality criteria, and health and safety, in its purchasing, distribution and contracting policies and practices to improve consistency with social responsibility objectives;
- encourage other organizations to adopt similar policies, without indulging in anti-competitive behaviour in so doing;
- carry out appropriate due diligence and monitoring of the organizations with which it has relationships, with a view to preventing compromise of the organization's commitments to social responsibility;
- consider providing support to SMOs, including awareness raising on issues of social responsibility and best practice and additional assistance (for example, technical, capacity building or other resources) to meet socially responsible objectives;
- actively participate in raising the awareness of organizations with which it has relationships about principles and issues of social responsibility; and

- promote fair and practical treatment of the costs and benefits of implementing socially responsible practices throughout the value chain, including, where possible, enhancing the capacity of organizations in the value chain to meet socially responsible objectives. This includes adequate purchasing practices, such as ensuring that fair prices are paid and that there are adequate delivery times and stable contracts.

6.6.7 Fair operating practices issue 5: Respect for property rights

6.6.7.1 Description of the issue

The right to own property is a human right recognized in the Universal Declaration of Human Rights. Property rights cover both physical property and intellectual property and include interest in land and other physical assets, copyrights, patents, geographical indicator rights, funds, moral rights and other rights. They may also encompass a consideration of broader property claims, such as traditional knowledge of specific groups, such as indigenous peoples, or the intellectual property of employees or others.

Recognition of property rights promotes investment and economic and physical security, as well as encouraging creativity and innovation.

6.6.7.2 Related actions and expectations

An organization should:

- implement policies and practices that promote respect for property rights and traditional knowledge;
- conduct proper investigations to be confident it has lawful title permitting use or disposal of property;
- not engage in activities that violate property rights, including misuse of a dominant position, counterfeiting and piracy;
- pay fair compensation for property that it acquires or uses; and
- consider the expectations of society, human rights and basic needs of the individual when exercising and protecting its intellectual and physical property rights.

6.7 Consumer issues

6.7.1 Overview of consumer issues

6.7.1.1 Organizations and consumer issues

Organizations that provide products and services to consumers, as well as other customers, have responsibilities to those consumers and customers. The issues that are mainly applicable for customers purchasing for commercial purposes are dealt with in 6.6. Issues that are mainly appropriate for people who purchase for private purposes (consumers) are dealt with in the present clause. Particular parts of both 6.6 and the present clause could, however, be applicable to either customers or consumers.

Responsibilities include providing education and accurate information, using fair, transparent and helpful marketing information and contractual processes, promoting sustainable consumption and designing products and services that provide access to all and cater, where appropriate, for the vulnerable and disadvantaged. The term consumer refers to those individuals or groups that make use of the output of the organizations' decisions and activities and does not necessarily mean that consumers pay money for products and services. Responsibilities also involve minimizing risks from the use of products and services, through design, manufacture, distribution, information provision, support services and withdrawal and recall procedures. Many organizations collect or handle personal information and have a responsibility to protect the security of such information and the privacy of consumers.

The principles of this clause apply to all organizations in their role of serving consumers; however, the issues may have very different relevance, according to the kind of organization (such as private organizations, public

service, local welfare organizations or other types) and the circumstances. Organizations have significant opportunities to contribute to sustainable consumption and sustainable development through the products and services they offer and the information they provide, including information on use, repair and disposal.

6.7.1.2 Consumer issues and social responsibility

Consumer issues regarding social responsibility are related to, among other matters, fair marketing practices, protection of health and safety, sustainable consumption, dispute resolution and redress, data and privacy protection, access to essential products and services, addressing the needs of vulnerable and disadvantaged consumers, and education. The UN Guidelines for Consumer Protection^[155] provide fundamental information on consumer issues and sustainable consumption (see Box 11).

Box 11 — UN Guidelines for Consumer Protection

The **UN Guidelines for Consumer Protection** is the most important international document in the realm of consumer protection. The UN General Assembly adopted these Guidelines in 1985 by consensus. In 1999 they were expanded to include provisions on sustainable consumption. They call upon states to protect consumers from hazards to their health and safety, promote and protect the economic interests of consumers, enable consumers to make informed choices, provide consumer education, make available effective consumer redress, promote sustainable consumption patterns and guarantee freedom to form consumer groups^[155].

These principles of consumer protection are elaborated and detailed throughout the text of the UN Guidelines, and are commonly referred to as the “consumer rights”^[144].

6.7.2 Principles and considerations

6.7.2.1 Principles

The UN Guidelines for Consumer Protection^[155] and the International Covenant on Economic, Social and Cultural Rights^[144] express principles that should guide socially responsible practices regarding the legitimate needs of consumers, including satisfaction of basic needs and the right of everyone to an adequate standard of living, including adequate food, clothing and housing, and to the continuous improvement of living conditions and availability of essential products and services, including financial. They also include the right to promote just, equitable and sustainable economic and social development and environmental protection. These legitimate needs include:

- **safety** The right of access to non-hazardous products and protection of consumers from hazards to their health and safety stemming from production processes, products and services;
- **being informed** Access of consumers to adequate information to enable them to make informed choices according to individual wishes and needs and to be protected against dishonest or misleading advertising or labelling;
- **making choices** The promotion and protection of the economic interests of consumers, including the ability to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality;
- **being heard** Freedom to form consumer and other relevant groups or organizations and the opportunity of such organizations to present their views in decision-making processes affecting them, especially in the making and execution of government policy, and in the development of products and services;
- **redress** Availability of effective consumer redress, in particular in the form of fair settlement of just claims, including compensation for misrepresentation, badly made products or unsatisfactory services;

- **education** Consumer education, including education on the environmental, social and economic impacts of consumer choice, enables consumers to make informed, independent choices about products and services while being aware of their rights and responsibilities and how to act on them; and
- **healthy environment** This is an environment that is not threatening to the well-being of present and future generations^[160]. Sustainable consumption includes meeting the needs of present and future generations for products and services in ways that are economically, socially and environmentally sustainable.

Additional principles include:

- **respect for the right to privacy** This is drawn from the Universal Declaration of Human Rights, Article 12^[156], which provides that no one be subjected to arbitrary interference with their privacy, family, home or correspondence, or to attacks upon their honour and reputation, and that everyone has the right to the protection of the law against such interference or attacks;
- **the precautionary approach** This is drawn from the Rio Declaration on Environment and Development^[158] and subsequent declarations and agreements^{[130][145][172]}, which advance the concept that where there are threats of serious or irreversible damage to the environment or human health, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation or damage to human health. When considering cost-effectiveness of a measure, an organization should consider the long-term costs and benefits of that measure, not only the short-term economic costs to the organization;
- **promotion of gender equality and empowerment of women** This is drawn from the Universal Declaration of Human Rights and the Millennium Development Goals (see Boxes 2, 6 and 13). It provides an additional basis on which to analyse consumer issues and prevent perpetuation of gender stereotypes (see also Box 12); and
- **promotion of universal design** This is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. There are seven principles to universal design: equitable use, flexibility in use, simple and intuitive use, perceptible information, tolerance for error, low physical effort and size and space for approach and use^{[40][134]}.

6.7.2.2 Considerations

Although the state has the primary responsibility for ensuring that the right to satisfaction of basic needs is respected, an organization can contribute to the fulfilment of this right. Particularly in areas where the state does not adequately satisfy people's basic needs, an organization should be sensitive to the impact of its activities on people's ability to satisfy those needs. It should also avoid actions that would jeopardize this ability.

Vulnerable groups have different abilities and, in their role as consumers, vulnerable groups (see 6.3.7.2) have particular needs to be addressed and can, in some cases, require specially tailored products and services. They have special needs because they may not know their rights and responsibilities or may be unable to act on their knowledge. They may also be unaware of or unable to assess potential risks associated with products or services and thus to make balanced judgements.

6.7.3 Consumer issue 1: Fair marketing, factual and unbiased information and fair contractual practices

6.7.3.1 Description of the issue

Fair marketing, factual and unbiased information and fair contractual practices provide information about products and services in a manner that can be understood by consumers. This allows consumers to make informed decisions about consumption and purchases and to compare the characteristics of different products and services. Fair contractual processes aim to protect the legitimate interests of both suppliers and consumers by mitigating imbalances in negotiating power between the parties. Responsible marketing may

involve provision of information on the social, economic and environmental impacts across the whole life cycle and value chain. Details of products and services provided by suppliers play an important role in purchasing decisions because this information may provide the only data readily available to consumers. Unfair, incomplete, misleading or deceptive marketing and information can result in purchase of products and services that do not meet consumer needs, and result in a waste of money, resources and time^{[122][124]}, and may even be hazardous to the consumer or the environment. It can also lead to a decline in consumer confidence, with consumers not knowing whom or what to believe. This can adversely affect the growth of markets for more sustainable products and services.

6.7.3.2 Related actions and expectations

When communicating with consumers, an organization should:

- not engage in any practice that is deceptive, misleading, fraudulent or unfair, unclear or ambiguous, including omission of critical information;
- consent to sharing relevant information in a transparent manner which allows for easy access and comparisons as the basis for an informed choice by the consumer;
- clearly identify advertising and marketing;
- openly disclose total prices and taxes, terms and conditions of the products and services (as well as any accessory required for use) and delivery costs. When offering consumer credit, provide details of the actual annual interest rate as well as the annual percentage rate (APR) charged, which includes all the costs involved, amount to be paid, number of payments and the due dates of instalment payments;
- substantiate claims or assertions by providing underlying facts and information upon request;
- not use text, audio or images that perpetuate stereotyping in regard to, for example, gender, religion, race, disability or personal relationships;
- give primary consideration in advertising and marketing to the best interests of vulnerable groups, including children, and not engage in activities that are detrimental to their interests;
- provide complete, accurate, and understandable information that can be compared in official or commonly used languages at the point of sale and according to applicable regulations on:
 - all important aspects of products and services, including financial and investment products, ideally taking into account the full life cycle;
 - the key quality aspects of products and services as determined using standardized test procedures, and compared, when possible, to average performance or best practice. Provision of such information should be limited to circumstances where it is appropriate and practical and would assist consumers;
 - health and safety aspects of products and services, such as potentially hazardous use, hazardous materials and hazardous chemicals contained in or released by products during their life cycle;
 - information regarding accessibility of products and services; and
 - the organization's location, postal address, telephone number and e-mail address, when using domestic or cross-border distance selling, including by means of the Internet, e-commerce, or mail order;
- use contracts that:
 - are written in clear, legible and understandable language;

- do not include unfair contract terms, such as the unfair exclusion of liability, the right to unilaterally change prices and conditions, the transfer of risk of insolvency to consumers or unduly long contract periods, and avoid predatory lending practices including unreasonable credit rates; and
- provide clear and sufficient information about prices, features, terms, conditions, costs, the duration of the contract and cancellation periods.

6.7.4 Consumer issue 2: Protecting consumers' health and safety

6.7.4.1 Description of the issue

Protection of consumers' health and safety involves the provision of products and services that are safe and that do not carry unacceptable risk of harm when used or consumed. The protection should cover both the intended use and foreseeable misuse^{[124][155]}. Clear instructions for safe use, including assembly and maintenance, are also an important part of the protection of health and safety.

An organization's reputation may be directly affected by the impact on consumers' health and safety of its products and services.

Products and services should be safe, regardless of whether or not legal safety requirements are in place. Safety includes anticipation of potential risks to avoid harm or danger. As all risks cannot be foreseen or eliminated, measures to protect safety should include mechanisms for product withdrawal and recall.

6.7.4.2 Related actions and expectations

In protecting the health and safety of consumers, an organization should take the following actions and pay special attention to vulnerable groups (with special attention to children) that might not have the capacity to recognize or assess potential dangers. It should:

- provide products and services that, under normal and reasonably foreseeable conditions of use, are safe for users and other persons, their property, and the environment;
- assess the adequacy of health and safety laws, regulations, standards and other specifications to address all health and safety aspects^{[1][2][3][34][35]}. An organization should go beyond minimum safety requirements where there is evidence that higher requirements would achieve significantly better protection, as indicated by the occurrence of accidents involving products or services that conform to the minimum requirements, or the availability of products or product designs that can reduce the number or severity of accidents;
- when a product, after having been placed on the market, presents an unforeseen hazard, has a serious defect or contains misleading or false information, stop the services or withdraw all products that are still in the distribution chain. An organization should recall products using appropriate measures and media to reach people who purchased the product or made use of the services and compensate consumers for losses suffered. Measures for traceability in its value chain may be pertinent and useful;
- minimize risks in the design of products by:
 - identifying the likely user group(s), the intended use and the reasonably foreseeable misuse of the process, product or service, as well as hazards arising in all the stages and conditions of use of the product or service and, in some cases, provide specially tailored products and services for vulnerable groups;
 - estimating and evaluating the risk to each identified user or contact group, including pregnant women, arising from the hazards identified; and
 - reducing the risk by using the following order of priority: inherently safe design, protective devices and information for users;

- assure the appropriate design of information on products and services by taking into account different consumer needs and respecting differing or limited capacities of consumers, especially in terms of time allocated to the information process;
- in product development, avoid the use of harmful chemicals, including but not limited to those that are carcinogenic, mutagenic, toxic for reproduction, or persistent and bio-accumulative. If products containing such chemicals are offered for sale, they should be clearly labelled;
- as appropriate, perform a human health risk assessment of products and services before the introduction of new materials, technologies or production methods, and, when appropriate, make documentation available to consumers;
- convey vital safety information to consumers using symbols wherever possible, preferably those that have been internationally agreed, in addition to the textual information;
- instruct consumers in the proper use of products and warn them of the risks involved in intended or normally foreseeable use; and
- adopt measures that prevent products from becoming unsafe through improper handling or storage while in the care of consumers.

6.7.5 Consumer issue 3: Sustainable consumption

6.7.5.1 Description of the issue

Sustainable consumption is consumption of products and resources at rates consistent with sustainable development. The concept was promoted by Principle 8 of the Rio Declaration on Environment and Development^[158], which states that to achieve sustainable development and a higher quality of life for all people, states should reduce and eliminate unsustainable patterns of production and consumption. The concept of sustainable consumption also encompasses a concern for animal welfare, respecting the physical integrity of animals and avoiding cruelty^[175].

An organization's role in sustainable consumption arises from the products and services it offers, their life cycles and value chains, and the nature of the information it provides to consumers.

Current rates of consumption are clearly unsustainable, contributing to environmental damage and resource depletion. Consumers play an important role in sustainable development by taking ethical, social, economic and environmental factors into account based on accurate information in making their choices and purchasing decisions.

6.7.5.2 Related actions and expectations

To contribute to sustainable consumption, an organization, where appropriate, should:

- promote effective education empowering consumers to understand the impacts of their choices of products and services on their well being and on the environment. Practical advice can be provided on how to modify consumption patterns and to make necessary changes;
- offer consumers socially and environmentally beneficial products and services considering the full life cycle, and reduce adverse impacts on society and the environment by:
 - eliminating, where possible, or minimizing any negative health and environmental impact of products and services, and where less harmful and more efficient alternatives exist, providing the choice of products or services that have less adverse effects on the society and the environment;
 - designing products and packaging so that they can be easily used, reused, repaired or recycled and, if possible, offering or suggesting recycling and disposal services;

- preferring supplies that can contribute to sustainable development;
- offering high quality products with longer product life, at affordable prices;
- providing consumers with scientifically reliable, consistent, truthful, accurate, comparable and verifiable information about the environmental and social factors related to production and delivery of its products or services, including, where appropriate, information on resource efficiency, taking the value chain into account^{[12][13][14][15]};
- providing consumers with information about products and services, including on: performance, impacts on health, country of origin, energy efficiency (where applicable), contents or ingredients (including, where appropriate, use of genetically modified organisms and nanoparticles), aspects related to animal welfare (including, where appropriate, use of animal testing) and safe use, maintenance, storage and disposal of the products and their packaging; and
- making use of reliable and effective, independently verified labelling schemes or other verification schemes, such as eco-labelling or auditing activities, to communicate positive environmental aspects, energy efficiencies, and other socially and environmentally beneficial characteristics of products and services^{[13][14][15]}.

6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution

6.7.6.1 Description of the issue

Consumer service, support, and complaint and dispute resolution are the mechanisms an organization uses to address the needs of consumers after products and services are bought or provided. Such mechanisms include proper installation, warranties and guarantees, technical support regarding use, as well as provisions for return, repair and maintenance.

Products and services that do not provide satisfactory performance, either because of flaws or breakdowns or as a result of misuse, may result in a violation of consumer rights as well as a waste of money, resources and time.

Providers of products and services can increase consumer satisfaction and reduce levels of complaints by offering high quality products and services. They should provide clear advice to consumers on appropriate use and on recourse or remedies for faulty performance. They can also monitor the effectiveness of their after-sales service, support and dispute resolution procedures by surveys of their users^{[124][127]}.

6.7.6.2 Related actions and expectations

An organization should:

- take measures to prevent complaints^[4] by offering consumers, including those who obtain products through distance selling, the option to return products within a specified period or obtain other appropriate remedies;
- review complaints and improve practices in response to complaints;
- if appropriate, offer warranties that exceed periods guaranteed by law and are suitable for the expected length of product life;
- clearly inform consumers how they can access after-supply services and support as well as dispute resolution and redress mechanisms^{[5][6]};
- offer adequate and efficient support and advice systems;
- offer maintenance and repair at a reasonable price and at accessible locations and make information readily accessible on the expected availability of spare parts for products; and

- make use of alternative dispute resolution, conflict resolution and redress procedures that are based on national or international standards, are free of charge or are at minimal cost to consumers^{[5][6]}, and that do not require consumers to waive their rights to seek legal recourse.

Box 12 — Consumer dispute resolution

The ISO family of quality management standards contains a set of three guidance standards pertaining to: customer satisfaction codes (designed to decrease the likelihood of complaints arising); complaints handling; and external dispute resolution (in those situations where the complaints cannot be resolved within the organization). Taken together, the three standards provide a systematic approach to customer complaints prevention and handling and dispute resolution. Organizations can also use one or more of these standards, depending on their needs and circumstances. The guidance in these standards assists organizations in meeting their obligations to provide consumers with redress and to give them an opportunity to be heard. The standards are:

- ISO 10001, *Quality management — Customer satisfaction — Guidelines for codes of conduct for organizations*^[4]. This International Standard assists organizations in developing and implementing effective, fair and accurate codes of conduct.
- ISO 10002, *Quality management — Customer satisfaction — Guidelines for complaints handling in organizations*^[5]. This International Standard provides guidance on how organizations can fairly and effectively address complaints about their products and services.
- ISO 10003, *Quality management — Customer satisfaction — Guidelines for dispute resolution external to organizations*^[6]. This International Standard addresses situations where organizations have been unable to resolve complaints through their internal complaints handling mechanisms.

6.7.7 Consumer issue 5: Consumer data protection and privacy

6.7.7.1 Description of the issue

Consumer data protection and privacy are intended to safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used and secured. Increasing use of electronic communication (including for financial transactions) and genetic testing, as well as growth in large-scale databases, raise concerns about how consumer privacy can be protected, particularly with regard to personally identifiable information^{[36][123][124][125]}.

Organizations can help to maintain their credibility and the confidence of consumers through the use of rigorous systems for obtaining, using and protecting consumer data.

6.7.7.2 Related actions and expectations

To prevent personal data collection and processing from infringing privacy, an organization should:

- limit the collection of personal data to information that is either essential for the provision of products and services or provided with the informed and voluntary consent of the consumer;
- refrain from making the use of services or the claim to special offers contingent on agreement by the consumer to the unwanted use of data for marketing purposes;
- only obtain data by lawful and fair means;
- specify the purpose for which personal data are collected, either before or at the time of data collection;