

# UNDERSTANDING SOCIAL RESPONSIBILITY FROM A CONSUMER PERSPECTIVE

responsibility such as:

**Accountability:** accepting moral obligation to be accountable for its impacts on society and the environment. Accountability implies that the organization is answerable to those affected by its decisions and activities.

**Transparency:** disclosing in a clear, balanced and truthful manner and to a reasonable and sufficient degree the policies, decisions and activities for which an organization is responsible including the actual and potential impacts on society and the environment.

**Ethical behaviour:** Commercial enterprises should behave ethically based on principles or rules concerning integrity, honesty and transparency.

**Rule of law:** Commercial enterprises must respect the rule of law i.e. complying with legal and regulatory requirements.

**Stakeholder:** An organization should respect and consider the interests of its stakeholders.

## Is there any ISO standard for Social Responsibility?

As varying interpretations of social responsibility exist, it is extremely important that there is a common perspective and understanding about the principles and practices of social responsibility. International Standards Organization (ISO) launched the

development of the future ISO 26000 standard providing voluntary guidance on social responsibility.

More companies will opt for this standard for more business and better image. We believe that the goodwill resulting from adopting ethics and values will, in the long run, translate into economic gains. Those who don't will lose out.

## When will ISO 26000 be ready?

ISO 26000 is currently targeted for publication in late 2010. For more information on ISO 26000 and the ISO Working Group on Social Responsibility: [www.iso.org/sr](http://www.iso.org/sr)

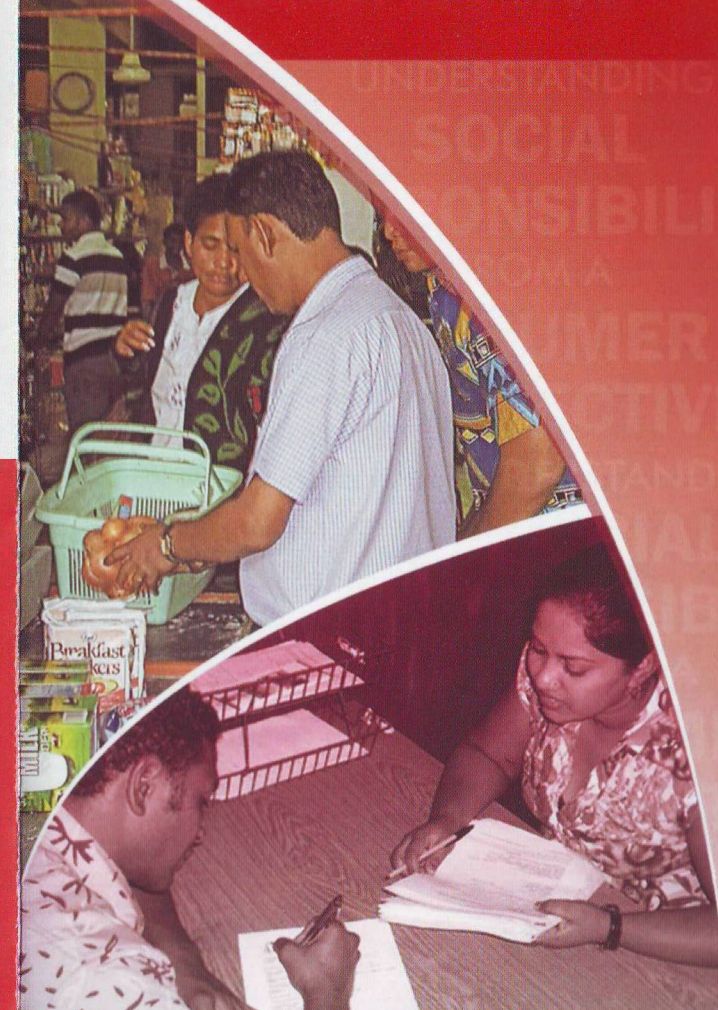
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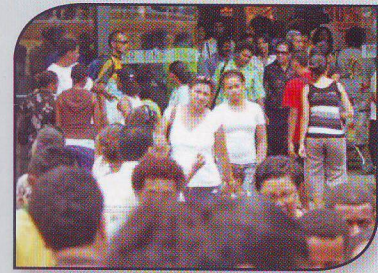
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## Why Social Responsibility is important?

In the wake of globalization, consumers have



become increasingly conscious not only of what we buy, but also how the goods and services we buy have been produced. Environmen-

tally harmful production, child labour, dangerous working environments and other inhumane conditions are examples of issues being brought into the open.

All companies and organizations aiming at long-term profitability and credibility are starting to realize that they must act in accordance with norms of right and wrong. More than ever, an organization's performance in relation to the social environment in which it operates, and its impact on the natural environment, has become a critical part of measuring its overall performance.

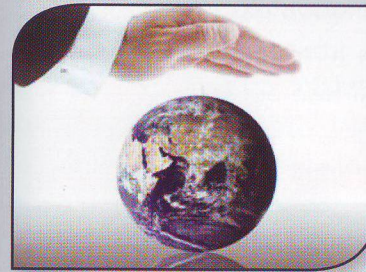
Organizations are subject to greater scrutiny by their various stakeholders, including customers or consumers, workers and their trade unions, the community, non-gov-



ernmental organizations, students, financiers, donors, investors and other commercial entities.

## What is social responsibility?

Social Responsibility refers to the continuing com-

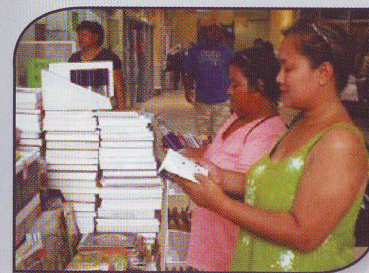


mitment by an organisation to become responsible for the impacts of its decisions and activities through transparent and ethical behaviour. It takes into

consideration labour practices, human rights, environment and consumer protection. The aim of social responsibility is to contribute to the sustainable development, health and welfare of society.

## Social Responsibility from consumers' perspective

Social Responsibility (SR) means respecting con-



sumer rights, trading fairly and working for a fairer and more sustainable society. Social Responsibility is not accumulating exorbitant profits through unfair

contract terms, false claim, misleading omissions, bait

advertisement, exclusive dealings, price fixing, false or misleading representation.

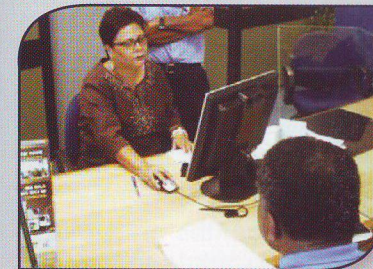
## Social Responsibility and Charity

Charity should not be used to conceal a company's impact on society and environment. Charity is meaningless if the profits generated are through unfair trade practices, labour exploitation, environmental degradation and abuse of human rights. Charity should not be used by an organization to avoid addressing the impacts of the activities. In fact SR is all about accumulating profits through ethical means and sharing it with society.

Social Responsibility aims to:

- Generate respect for consumer rights through responsible organization behavior;
- Help promote fair trade and accessibility to safe and quality products;
- Weed out unethical trade practices and promote ethical practices in an organisation

## Principles of Social Responsibility



Companies that claim they are socially responsible should then be based on the principles of social