

PAS 808:2022

Purpose-driven organizations – Worldviews, principles and behaviours for delivering sustainability – Guide



Publishing and copyright information

The BSI copyright notice displayed in this document indicates when the document was last issued.

© The British Standards Institution 2022

Published by BSI Standards Limited 2022

ISBN 978 0 539 17006 1

ICS 03.100.01, 03.100.70 and 13.020.99

No copying without BSI permission except as permitted by copyright law.

Publication history

First published July 2022

Contents

Foreword	ii
0 Introduction	iv
1 Scope	1
2 Normative references	2
3 Terms and definitions	3
4 Framework and overview	7
5 The core worldviews of a PDO	9
6 Overview of principles and behaviours of a purpose-driven organization	18
7 Principles and behaviours of a purpose-driven organization	20
Annexes	
Annex A (informative) Frequently asked questions	34
Annex B (informative) Contextualizing the principles and behaviours of a PDO	36
Bibliography	39
List of figures	
Figure 1 – The ends, means and method of purpose-driven organizations	vi
Figure 2 – Worldviews, principles and behaviours of a purpose-driven organization.....	8
Figure 3 – PDO worldviews	10
Figure 4 – PDO principles	18
List of tables	
Table 1 – Commonly shared worldviews and values of purpose-driven organizations	14
Table B.1 – Contextualizing the principles and behaviours of a PDO	36

Foreword

This PAS was sponsored by Anglian Water, The British Standards Institution, HM Government, JLL and KPMG. Its development was facilitated by BSI Standards Limited and it was published under licence from The British Standards Institution. It came into effect on 31 July 2022.

Acknowledgement is given to Dr Victoria Hurth, as the technical author, and the following organizations that were involved in the development of this PAS as members of the steering group:

- Anglian Water
- B Lab UK
- Blueprint for Better Business
- Business in the Community
- Cambridge Institute for Sustainability Leadership
- Chartered Management Institute
- Future-Fit Foundation
- HM Government
- JLL
- John Lewis Partnership
- KPMG
- ReGenerate
- The Wildlife Trusts

Acknowledgement is also given to co-opted members of the steering group, together with the members of a wider review panel who were consulted in the development of this PAS.

The British Standards Institution retains ownership and copyright of this PAS. BSI Standards Limited as the publisher of the PAS reserves the right to withdraw or amend this PAS on receipt of authoritative advice that it is appropriate to do so. This PAS will be reviewed at intervals not exceeding two years.

This PAS is not to be regarded as a British Standard. It will be withdrawn in the event it is superseded by a British Standard.

The PAS process enables a guide to be rapidly developed in order to fulfil an immediate need in industry. A PAS can be considered for further development as a British Standard, or constitute part of the UK input into the development of a European or International Standard.

This publication can be withdrawn, revised, partially superseded or superseded. Information regarding the status of this publication can be found in the Standards Catalogue on the BSI website at bsigroup.com/standards, or by contacting the Customer Services team.

Where websites and webpages have been cited, they are provided for ease of reference and are correct at the time of publication. The location of a webpage or website, or its contents, cannot be guaranteed.

Use of this document

As a guide, this PAS takes the form of guidance and recommendations. It should not be quoted as if it were a specification or a code of practice.

Presentational conventions

The guidance in this PAS is presented in roman (i.e. upright) type. Any recommendations are expressed in sentences in which the principal auxiliary verb is "should".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Where words have alternative spellings, the preferred spelling of the Shorter Oxford English Dictionary is used (e.g. "organization" rather than "organisation").

Contractual and legal considerations

This publication has been prepared in good faith, however no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by BSI in relation to the adequacy, accuracy, completeness or reasonableness of this publication. All and any such responsibility and liability is expressly disclaimed to the full extent permitted by the law.

This publication is provided as is, and is to be used at the recipient's own risk.

The recipient is advised to consider seeking professional guidance with respect to its use of this publication.

This publication is not intended to constitute a contract. Users are responsible for its correct application.

Compliance with a PAS cannot confer immunity from legal obligations.

0 Introduction

0.1 General

Long-term wellbeing for all people and planet could be the closest we might get to a “meta-purpose” of society as a whole, something the Brundtland report sets out in detail¹⁾. The problems facing this societal meta-purpose are now at a crisis point, with leading scientists and global representatives desperately calling for radical and urgent change to the way we treat nature and people. The near-term threat of catastrophic climate change is just one of many markers of our crisis point.

This PAS outlines how becoming a Purpose-Driven Organization (PDO), will help solve these grand challenges and meet the increasing demands of society.

Organizations are society’s chosen innovation vehicle. They bring people and resources together in an “economy” in order to create something of value to that society. The ultimate value goal of society, and the economy, is the same as the goal of sustainability – to achieve high levels of wellbeing for everyone, in a way that can continue over the long term. In other words, the goals of society, sustainability and the ultimate goals of the economy are aligned. And yet our sustainability crisis reveals that organizations are not optimized for this goal and are often pulling in the opposite direction. Becoming a PDO fully aligns an organization with society and sustainability, and while not easy, helps overcome many of the tensions, challenges and drags on innovation that organizations are currently facing.

0.2 The new demands on organizations

Organizations are judged to be both core to the cause of the sustainability crises and core to the solutions needed. Society is demanding that organizations lead the charge to create profitable solutions to the problems of people and planet and not harm them, or worse, profit from harm. Specifically, society is asking organizations to:

- a) gear their innovation to the solutions to long-term wellbeing for all people and planet;
- b) prove they are not degrading the social and environmental systems that everyone relies on in the process and;
- c) achieve these goals in a method that is wise and ethical, even if that is beyond what the law dictates.

0.3 The challenge for organizations

More and more organizations say they want to be purpose-driven, but it is difficult because it is such a departure from the philosophy that has driven the conventional approach for business since the 1970s. That philosophy says that as long as an organization is operating in their own financial or survival interest, staying within the law and engaging competitively in the market, then market will automatically optimize society’s wellbeing. This self-interest motive leads naturally to a focus on capturing this financial income as quickly as possible. A short-term self-interest approach is most obvious in large public or private businesses, but it is also evident in organizations of all kinds and all sizes, including governments, higher education, non-governmental organizations and small and medium-sized enterprises. To ease stakeholder pressure to address the negative effects of this, many organizations have adopted corporate social responsibility (CSR) programmes. These tend to result in an ad-hoc series of actions which do good, and can be comprehensive and multi-year, but remain peripheral to the operation of the business.

¹⁾ Here we use an operational rewording of the Brundtland report’s definition of sustainability: “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”, with needs being the core way in which wellbeing is achieved. The addition we make here is to include the wellbeing of the “planet” as an end goal which is an umbrella term to encapsulate all potential ethical stances about the intrinsic value of nature including “eco-centricism”, “species-centricism” and “deep ecology”. Ultimately the wellbeing of people and planet is inseparable and so pursuing one fully, helps achieve the other.

More recently some organizations have started to take the science on the degradation of our social and environmental systems and the demands of stakeholders seriously. These organizations realize they need to shift their decision making consciously in their long-term self-interest. As a result, they create a rationale to actively invest in the health of the systems, resources and stakeholders they rely on. This enlightened view is connected to stakeholder capitalism where the perspectives and interests of the full range of different stakeholders in their business are being systematically considered – workers, customers, suppliers and the communities in which they operate. These organizations are also starting to increase their knowledge of how they impact social and environmental systems and set targets in a genuine attempt to reduce their negative impact. But this approach is still limited in its ability to address the profound crises we face, because it does not put a sustainable future at the heart of the value creation ambitions of an organization. To align fully with a sustainable future requires an organization to become a purpose-driven organization.

0.4 Purpose-driven organizations

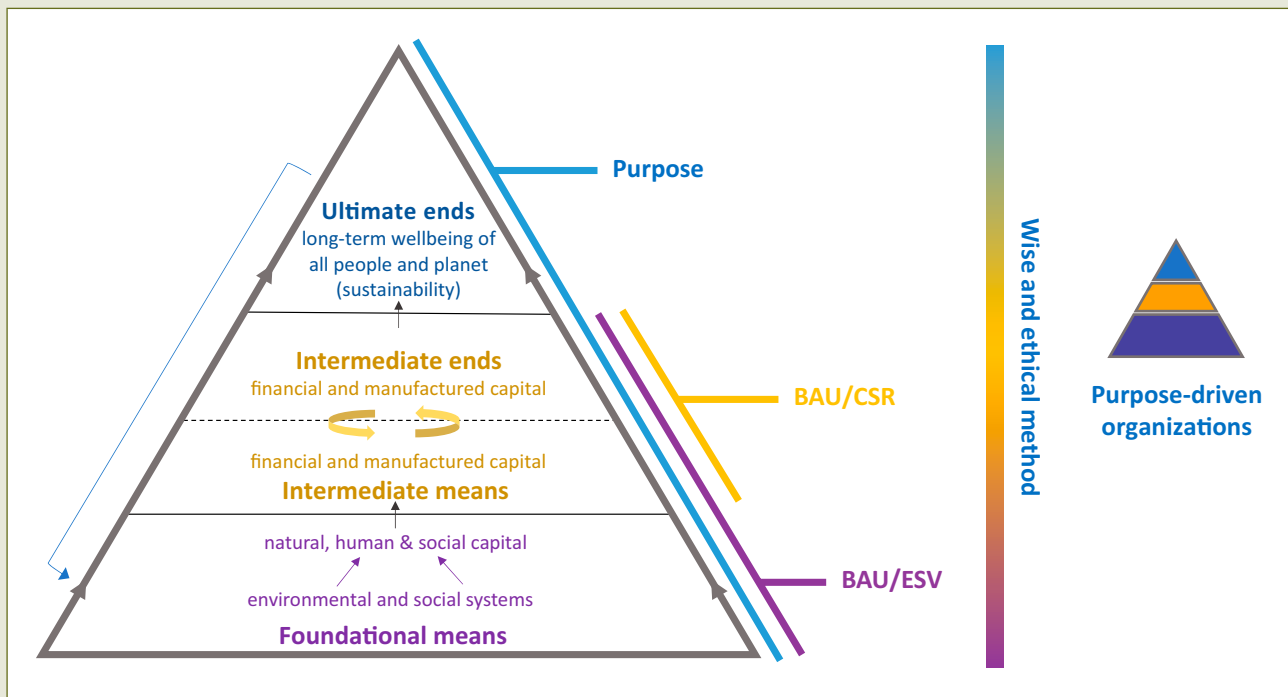
As pressure for deeper root and branch transformation grows, PDOs are responding directly to it. Purpose-driven organizations have made a break with conventional thinking and are built (or being re-built) to meet society's new demands and work for sustainability by design. PDOs:

- a) exist for a meaningful end – to achieve an optimal strategic contribution to the long-term wellbeing of all people and planet (sustainability), and therefore are innovatively aligned with a sustainable future and society's best interest (see 7.1, Wellbeing ends);
- b) make sure that, at a minimum, and regardless of its purpose, they make a fair and adequate contribution to ensuring that the systems, capitals and stakeholders they rely on are healthy – hence not overexploited and regenerated where needed. Failing in this would risk long-term wellbeing of all people and planet; the basis of a PDO's reason to exist (see 7.2, Healthy means); and

- c) approach these two tasks with decision-making that is both wise (thoughtfully based on the best available evidence about the system as a whole in the long-term) and ethical (based on strong values that are in line with the moral landscape about how people ought to be treated), weeding out unethical and imprudent decision-making based on ill-considered information or decision-making which does not support the wellbeing of those it interacts with and influences (see 7.3, Wise and ethical methods).

Transitioning to being PDO is challenging because it changes core assumptions about the role and remit of organizations – but by doing so, it also unleashes organizations to fully meet the real and urgent challenges we face. Figure 1 outlines how the conventional short-term self-interest approach is focused narrowly on producing intermediate ends, via intermediate means; how a long-term self-interest approach extends the legitimate concern of organizations to investing in the health of the foundational means (and associated ultimate capitals); and how PDOs are focused on the ultimate ends, foundational means and wise and ethical method.

Figure 1 – The ends, means and method of purpose-driven organizations²⁾



NOTE See Annex A for answers to frequently asked questions about purpose-driven organizations.

0.5 The aims of this PAS

This PAS sets out what it means to be a PDO in practice by outlining key worldviews, values, principles, behaviours and defining key terms. It aims to give confidence to those who are genuinely seeking to become purpose-driven or who already are purpose-driven, to shout more clearly and consistently about their struggle and their success, and help others see what is possible. PAS 808 provides a way for an organization on a purpose-driven journey to understand both where it is going and how far away from that it might be, although it does not describe how to take the journey. This PAS can form the basis of accountability for an organization and help demonstrate their level of maturity in becoming purpose-driven to its stakeholders. It is not a certification standard however, and therefore the provisions are written as guidance and good practice. It is hoped that this PAS will therefore also reduce the number of organizations making false claims about purpose and in doing so diluting its incredible potency and potential to systemically address issues of our unsustainable global economy. It is also an aim of this PAS that policy makers, regulators and all other stakeholders be able to diagnose how far they are supporting or hindering these types of truly valuable organizations to become successful PDOs.

0.6 How to use this PAS

This PAS is based around the behaviours of a PDO, the principles that guide these and the worldviews that underpin them. The principles and behaviours are organized in relation to the core objectives of a PDO: achieving wellbeing ends, assuring healthy means and employing a wise and ethical method. Figure 2 sets out the framework for this PAS and the way that the PAS is organized.

This PAS starts by exposing PDO worldviews. These are the base assumptions that unite and characterize PDOs. These are assumptions about what is valuable and how the world works. As such they underpin the principles PDOs use to make decisions and, in turn, these principles motivate the patterns of behaviour PDOs tend to demonstrate. The more of these behaviours an organization demonstrates, and the more frequently an organization demonstrates them, the more likely, and robustly, it is to be a PDO. This PAS does not include an exhaustive list of all the principles and behaviours that PDOs might demonstrate but focuses on those that set them apart from non-PDOs.

²⁾ Adapted from Donella Meadow’s adaptation of Herman Daly’s triangle of a sustainable economy.

0.7 Where to start?

All worldviews, principles and behaviours listed in this PAS are included because they are deemed important markers of a PDO, even though others might exist. They are not prioritized and do not represent a journey that starts at Principle 1 and ends at Principle 7. However, for organizations seeking to start, or further, their journey to being purpose-driven, understanding personal and organizational worldviews and examining how aligned they are to a PDO (see Table 2) is important as worldviews form the basis of purpose and values. If these are misaligned with a PDO, then behaving in line with the principles and behaviours set out in this PAS will be unnecessarily hard. This could lead to damaging behaviours, such as purpose-washing (where an organization overstates or misstates their purpose-driven motives) and purpose-hushing (where genuine action is hidden and progress slowed).

Some organizations, after considering their worldviews, might identify themselves as being driven by long-term self-interest. Here, long-term financial income or survival is what primarily guides decision-making. For those organizations, this PAS can still be of use, prior to moving towards being fully purpose-driven. In order to contribute to the health of the social and environmental systems that underpin organizational success, the two MEANS principles (Principle 3 and Principle 4) will be a useful place to focus on, in conjunction with the METHODS Principles 5, 6 and 7. After progressing against these principles, it is likely that looking again at worldviews might result in the level of ambition needed to move towards becoming a PDO.

0.8 Who is this PAS for?

This PAS provides guidance for organizations and their stakeholders. Although everyone in a PDO has an important role to play in bringing about the desired behaviours, the behaviours in this PAS are directed at governing bodies and executive managers because of their accountability, and power, to shape action across the organization. The table in Annex B sets out the areas of an organization where the behavioural categories detailed in this PAS are most likely to be driven by and demonstrated, although this will vary by organization and small organizations are unlikely to have these distinguishable areas. This PAS is also useful for anyone who works for an organization that wants to initiate and support change towards becoming a PDO, e.g., legislators who do not want to hinder these kinds of truly valuable organizations, and instead clear the way for them, and ideally incentivize them. The guidance in this PAS simultaneously serves as a tool for external stakeholders to hold an organization to account for any purpose-driven claims. If an organization is not demonstrating a high occurrence and frequency of the behaviours outlined in this PAS it has little basis upon which to claim that it is purpose-driven. If an organizational purpose cannot be justified as an optimal strategic contribution to long-term wellbeing for all people and planet, which guides all decision-making in the organization, it is something other than a purpose, such as a brand promise, positioning statement, strategy or financial goal.

This page is intentionally left blank.

1 Scope

This PAS gives guidance to governing bodies and executive managers on what a purpose is, how a purpose-driven organization (PDO) approaches decisions, and how it acts.

It outlines the worldviews, principles and the associated behaviours and activities of a PDO. It establishes common terms and definitions related to purpose.

This PAS gives guidance to governing bodies and executive managers of organizations on how to:

- a) develop their understanding of purpose and determine the relevancy and level of challenge of their individual organization in becoming a PDO;
- b) understand the worldviews, principles and behaviours of a successful PDO and determine what their organization might need to do to be aligned with these;
- c) provide the basis for an organization to develop their own strategies and approaches to enacting and embedding purpose in their policies, processes, practices, products, services and value networks; and
- d) provide the basis for aligning the purpose with decision making across the organization.

This PAS is primarily intended to be used by governing bodies and executive managers in organizations of any size and type in their understanding and implementation of a purpose. It is applicable to all organizations, including:

- 1) private and public sector organizations;
- 2) regulators;
- 3) central and local government; and
- 4) professional bodies.

It is also intended to be relevant to others who provide services and support to organizations and for a wider set of stakeholders who might benefit from understanding purpose and who might invest in, support and help hold organizations to account for their commitments to purpose.

This PAS does not include specific guidance on how an organization can transform into becoming a PDO.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes provisions of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies:

BS ISO 37000, *Governance of organizations – Guidance*

3 Terms and definitions

3.1 accountability

obligation to another for the fulfilment of a responsibility (see 3.23)

NOTE 1 *The obligation includes the duty to inform and to explain the manner in which the responsibility was fulfilled.*

NOTE 2 *The non-fulfilment of a responsibility has consequences that can be enforced on the accountable party.*

3.2 capitals

stocks of value that are affected or transformed by the activities and outputs of an organization

NOTE *Capitals can include ultimate capitals such as social, human and natural capitals as well as capitals that derive from these including financial and manufactured capital.*

3.3 compliance

meeting all the organization's (3.15) compliance obligations (3.4)

[SOURCE: BS ISO 37301:2021, 3.26]

3.4 compliance obligations

requirements that an organization (3.15) mandatorily has to comply with as well as those that an organization voluntarily chooses to comply with

[SOURCE: BS ISO 37301:2021, 3.25]

3.5 constituting documents

authoritative and unique set or collection of documents that establishes the organization's (3.15) existence and accountability (3.1)

NOTE *Documents vary depending on the type and location of the organization, and can include a deed of incorporation, articles of association or charter and can be amended from time to time.*

3.6 delegation

assignment of authority and responsibility (3.23) from one that holds them to another

3.7 ethical behaviour

behaviour that is in accordance with accepted principles (3.21) of right or good conduct in the context of a particular situation and is consistent with international norms of behaviour (3.13)

[SOURCE: BS EN ISO 26000:2010, 2.7]

3.8 executive manager

person who has authority delegated from the governing body for implementation of strategies and policies to fulfil the purpose of the organization

[SOURCE: BS ISO/IEC 38500:2015, 2.7, modified – Notes 1 and 2 have been deleted]

3.9 financial profit

monetary gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something

3.10 governance of organizations

human-based system by which an organization (3.15) is directed, overseen and held accountable for achieving its defined purpose

[SOURCE: BS ISO 37000:2021, 3.1.1]

3.11 governing body

person or group of people who have ultimate accountability (3.1) for the whole organization (3.15)

NOTE 1 *Every organizational entity (3.15) has one governing body, whether or not it is explicitly established. When the organization is not an organizational entity, the term governing group (3.12) is applicable where "governing body" is used throughout this PAS.*

NOTE 2 *A governing body can be explicitly established in a number of formats including, but not limited to, a board of directors, supervisory board, sole director, joint and several directors, or trustees.*

NOTE 3 ISO management system standards make reference to the term “top management” to describe a role that, depending on the standard and organizational context, reports to, and is held accountable by, the governing body.

3.12 governing group

person or group of people who govern an organization (3.15)

NOTE 1 In some cases, the governing group can include executive managers or persons who have a top management role, while keeping management and governance roles distinct.

NOTE 2 In some cases, the governing group can include a person or group of people representing an organizational entity (3.15).

NOTE 3 Where an organization spans multiple organizational entities, it is governed by a governing group. Additionally, where an organization exists wholly within an organizational entity (e.g. a subsidiary company or department), it has a governing group that is responsible for maintaining the organizational entity’s integrated governance.

NOTE 4 ISO management system standards make reference to the term “top management” to describe a role that, depending on the standard and organizational context, reports to, and is held accountable by, a governing group.

3.13 international norms of behaviour

expectations of socially responsible organizational behaviour derived from customary international law, generally accepted principles (3.21) of international law, or intergovernmental agreements that are universally or nearly universally recognized

NOTE 1 Intergovernmental agreements include treaties and conventions.

NOTE 2 Although customary international law, generally accepted principles of international law and intergovernmental agreements are directed primarily at states, they express goals and principles to which all organizations (3.15) can aspire.

NOTE 3 International norms of behaviour evolve over time.

[SOURCE: BS EN ISO 26000:2010, 2.11]

3.14 member stakeholder

stakeholder (3.27) who has a legal obligation or defined right to make decisions in relation to the governing body (3.11), and to whom the governing body is accountable

NOTE 1 These rights or obligations are often recorded in the organization’s (3.15) constituting documents, laws and/or regulations.

NOTE 2 Decisions can include, for example, the determination of the composition of the governing body or the parameters within which the governing body is to make decisions.

NOTE 3 Governing bodies are accountable to these stakeholders for the organization’s outcomes as well as the governing body’s performance.

NOTE 4 Member stakeholders are often referred to, and can include, shareholders and members of an organization.

3.15 organization

person or group of people that has its own functions with responsibilities (3.23), authorities and relationships to achieve its objectives

NOTE The concept of organization includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, charity or institution, or part or combination thereof, whether incorporated or not, public or private.

[SOURCE: BS ISO 37301:2021, 3.1, modified — Note 2 to entry has been deleted]

3.16 organizational entity

organization (3.15) that has a distinct and independent existence

NOTE In some cases an organizational entity can be a legal entity

3.17 organizational purpose

organization’s (3.15) reason to exist that is an optimal strategic contribution to the long-term wellbeing (3.30) of all people and planet

NOTE 1 The organizational purpose encodes the ultimate value the organization intends to generate for specified stakeholders (3.27).

NOTE 2 The organizational purpose guides the performance objectives and provides clear context for daily decision making by relevant stakeholders.

NOTE 3 *The organizational purpose is an optimal strategic contribution to long-term wellbeing for all people and planet (sustainability) rather than just a justifiable contribution.*

3.18 organizational resilience

ability of an organization to absorb and adapt in a changing environment

3.19 organizational values

beliefs about desirable outcomes or actions defined by the organization (3.15) as good and important, to be explicitly or implicitly shared and applied by the organization

3.20 precautionary principle

principle (3.21) of decision-making that stipulates that lack of full scientific certainty does not postpone implementation of effective measures to mitigate against threats of serious or irreversible damage to the health of social and environmental system

NOTE *Effective measures are actions which take a long-term approach and which might anticipate changes on the basis of scientific knowledge.*

3.21 principle

fundamental truth, proposition or assumption that serves as foundation for a set of beliefs or behaviours or for a chain of reasoning

[SOURCE: BS 13500:2013, 2.14, modified]

3.22 reference stakeholder

stakeholder (3.27) to whom the governing body (3.11) has decided to account to when making decisions pertaining to the organizational purpose (3.17)

NOTE 1 *For example, scientific advisory board to a research organization, parents of the pupils in a school, community advisory boards for companies.*

NOTE 2 *In some cases a member stakeholder (3.14) can also be a reference stakeholder.*

3.23 responsibility

obligation to act and take decisions to achieve required outcomes

[SOURCE: BS ISO/IEC 38500:2015, 2.22]

3.24 social impact

relevant and significant change in social value or outcomes to the extent caused by an activity

NOTE 1 *Changes in wellbeing, and therefore in social value, outcomes or impact, can be positive or negative.*

NOTE 2 *Changes in wellbeing may arise indirectly, for example, from environmental changes.*

[SOURCE: BS 8950:2020, 3.4]

3.25 social responsibility

responsibility (3.23) of an organization (3.15) for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour (3.7) that:

- contributes to sustainable development (3.29), including the health and the welfare of society;
- takes into account the expectations of stakeholders (3.27);
- is in compliance (3.3) with applicable law and consistent with international norms of behaviour (3.13); and
- is integrated throughout the organization and practised in its relationships

NOTE 1 *Activities include products, services and processes.*

NOTE 2 *Relationships refer to an organization's activities within its sphere of influence.*

[SOURCE: BS EN ISO 26000:2010, 2.18]

3.26 social value

wellbeing (human) in the short term and long term

[SOURCE: BS 8950:2020, 3.6]

3.27 stakeholder

entity that can affect, be affected by, or perceive itself to be affected by a decision or activity

NOTE 1 *Stakeholders can include member stakeholders (3.14) reference stakeholders (3.22) and other stakeholders, including customers, regulators, suppliers, employees and nature.*

NOTE 2 *In ISO management system standards, a stakeholder can be referred to as an "interested party".*

[SOURCE: BS ISO 37301:2021, 3.2, modified – The term "interested party" has been deleted. Notes 1 and 2 to entry have been added]

3.28 sustainability

state of the global system where the needs of the present are met without compromising the ability of future generations to meet their own needs

NOTE 1 *Environmental, social and economic aspects are often referred to as the three pillars that underpin the achievement of sustainability. These interact and are interdependent.*

NOTE 2 *Sustainability is the goal of sustainable development (3.29).*

NOTE 3 *The satisfaction of needs results in wellbeing (3.30).*

NOTE 4 *Sustainability can be treated as an expression of the ultimate goal ('meta-purpose') of society as a whole.*

NOTE 5 *Sustainability, as a goal, has three components:*

- a) *meeting needs and therefore achieving wellbeing;*
- b) *achieving this for everyone and not just a few; and*
- c) *achieving this over the long-term, for future as well as current generations.*

NOTE 6 *Wellbeing can be extended to relate to non-human beings and systems.*

[SOURCE: ISO Guide 82:2019, 3.1, adapted]

3.29 sustainable development

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

NOTE *Sustainable development can be treated as an expression of the broader expectations of society as a whole regarding how to meet its ultimate goal (meta-purpose) of sustainability (3.28).*

[SOURCE: BS EN ISO 26000:2010, 2.23. Note has been modified]

3.30 wellbeing

positive state of being where current and future needs are met, such that there is the capacity and opportunity to flourish

NOTE 1 *Wellbeing is also referred to as "flourishing" or a "good life".*

NOTE 2 *Wellbeing exists at the individual, household, country and global level and can be applied to people and nature, and to individuals and systems.*

NOTE 3 *Wellbeing can be assessed by subjective and objective measures.*

NOTE 4 *Wellbeing can be achieved on varying timescales and to varying degrees.*

NOTE 5 *Sustainable development underpins the achievement of wellbeing for all people and planet.*

[SOURCE: BS 8950:2020, 3.7, adapted]

3.31 wise

having or showing experience, knowledge, and good judgement towards achieving long-term wellbeing of all people and planet

4 Framework and overview

The guidance in this PAS details the common worldviews, principles and associated behaviours of a PDO which distinguish it from a non-PDO. All organizations should have at least one governing body and executive manager, even if that is an organization of one where the two roles are performed by the same person. The governing body (see 3.11) is a person or group of people who have ultimate accountability (see 3.1) for the whole organization (see 3.15) and the executive manager (see 3.8) is a person who has authority delegated from the governing body for implementation of strategies and policies to fulfil the purpose of the organization.

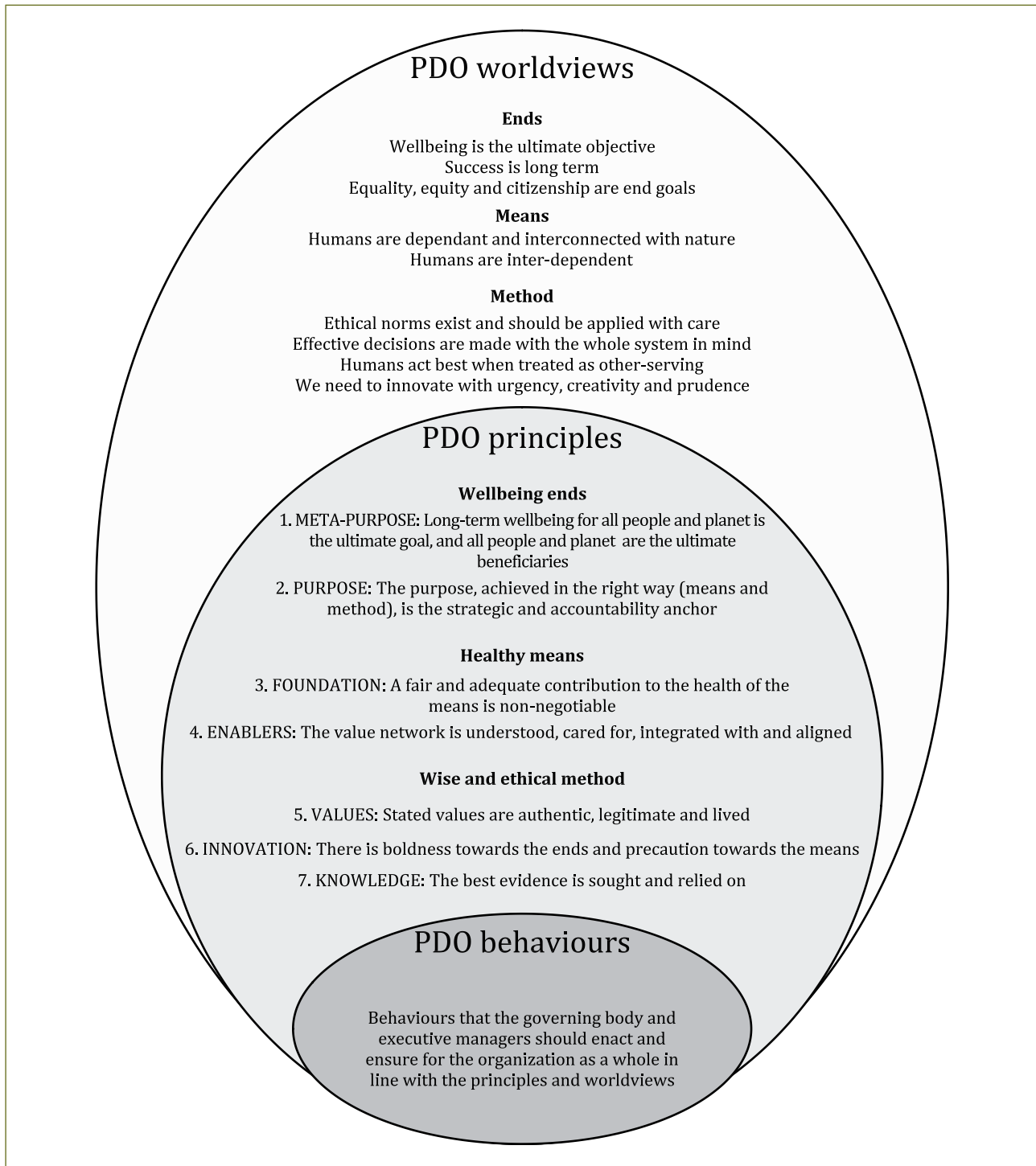
***NOTE** See ISO 37000 Governance of Organization: Guidance sets for more information about organizational governance.*

The worldviews and principles in this PAS are structured by ends, means and method. Accordingly:

- ends are worldviews and principles regarding the ultimate objectives of a PDO.
- means are worldviews and principles regarding the ultimate dependencies that enable the ends to be achieved by a PDO.
- method is the manner in which the ends are achieved and the health of the means assured.

Figure 2 outlines what this PAS covers and includes the core worldviews and principles that are detailed in this PAS.

Figure 2 – Worldviews, principles and behaviours of a purpose-driven organization



5 The core worldviews of a PDO

COMMENTARY ON CLAUSE 5

This clause sets out the fundamental ways of thinking about the world that underpin the principles and behaviour of a PDO.

5.1 General

A purpose cannot be determined without values, and both purpose and values, as well as the way they are enacted, are encompassed in an organization's worldviews.

Worldviews are central assumptions and beliefs about:

- a) what outcomes are valuable to protect or enhance;
- b) the problems, threats or opportunities in relation to a); and
- c) how the world works and hence how these problems, threats or opportunities can be addressed and therefore how what is valuable can be protected or enhanced.

These worldviews underpin an organization's principles. Principles are the way employees tend to approach decisions, whether these are written down or not. Worldviews therefore underpin an organization's behaviours, its actions or inactions.

Over time, as these worldviews meet the realities of the operating context of an organization, they result in particular tangible and intangible aspects of an organization that make up its culture and which shape the decisions made, including:

- 1) tangible aspects, such as:
 - i) systems;
 - ii) mission;
 - iii) vision;
 - iv) business model;
 - v) strategy;
 - vi) processes;
 - vii) structures;
 - viii) rewards;
 - ix) artefacts etc.; and

- 2) intangible aspects, such as:

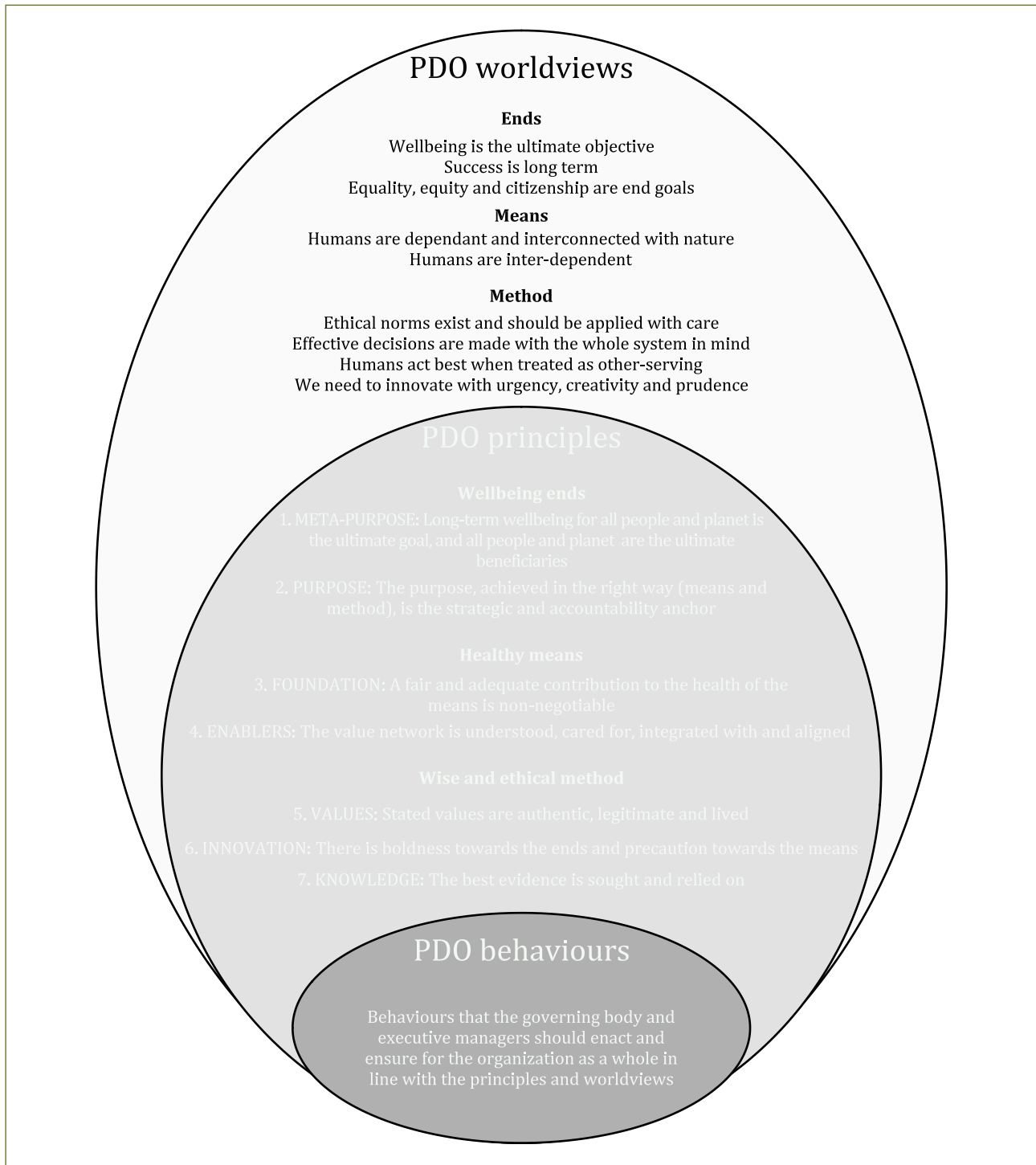
- i) behaviour;
- ii) assumptions;
- iii) emotions;
- iv) stories;
- v) heroes;
- vi) routines; and
- vii) cognitive scripts etc.

Taken as a whole, organizational worldviews form the foundational spirit or character of a culture, otherwise known as the organization's ethos. Organizational worldviews encompass organizational values; what an organization sees as a valuable outcome and the desirable behaviour that is assumed to achieve them.

An organization might be conscious of its worldviews, e.g., when it writes down and commits to its values or when foundational assumptions are openly questioned. However, worldviews frequently operate below consciousness.

Figure 3 shows how the worldviews that PDO's are likely to share underpin the principles that guide decision-making and, accordingly, the behaviours that they demonstrate.

Figure 3 – PDO worldviews



5.2 Long-term wellbeing for all people and planet: the three core worldviews of a PDO

5.2.1 General

The foundational worldviews of PDOs stem from the fact that humanity's meta-purpose of long-term wellbeing for all people and planet (sustainability) is the shared primary outcome of PDOs and the value that they seek to protect and enhance.

NOTE The term “wellbeing”, is often used to mean only one aspect of what makes a good life, e.g. subjective aspects of mental health or as part of the term “health and wellbeing”. However, wellbeing in fact describes the overall positive state, of which physical and mental health are the major components and is increasingly used in national and global narrative to mean the overall outcome of needs being met.

PDOs share an understanding, based on science and observation, that wellbeing is under severe and urgent threat. Reflecting increasing scientific consensus, the types of interconnected problems threatening long-term wellbeing for all people and planet that PDOs are likely to identify include:

- a) directly felt social wellbeing problems (ends) e.g.:
 - 1) malnutrition;
 - 2) obesity;
 - 3) mental health issues;
 - 4) exploitation and violations of freedom (e.g. modern slavery)
 - 5) loneliness, isolation and exclusion;
 - 6) product-induced physical and mental health issues;
 - 7) pollution-induced physical and mental health issues;
 - 8) anomie (meaninglessness);
 - 9) injustice; and
 - 10) disconnection with nature.
- b) problems of wellbeing based on unhealthy social and environmental systems (means) that are indirectly felt by society, many of which are also directly impacting environmental wellbeing outcomes, e.g.:
 - 1) climate change;
 - 2) biodiversity loss;
 - 3) inequality and inequity;
 - 4) soil erosion;

- 5) break down of community structures;
- 6) loss of trust in social institutions;
- 7) unethical use of technology;
- 8) fresh water loss;
- 9) disruption to the nitrogen and phosphorus cycles;
- 10) ocean acidification; and
- 11) corruption.

As well as sharing worldviews about the problems facing wellbeing, PDOs tend to also share worldviews about how the world, the economy and organizations function in ways that threaten or protect this value. This shapes how PDOs are likely to think about the best strategies and actions to solve these issues.

These shared views provide a platform for efficient collaboration between different PDOs, while allowing for a plurality wide variety of purposes where different PDOs can focus on solving the problems that they are best placed to address given their strengths, weaknesses, opportunities and threats.

While these worldviews naturally vary among and within PDOs, those that are commonly shared are listed in 5.2.2 to 5.2.4. These set out worldviews within the three core PDO values which are:

- i) to protect and enhance wellbeing (see 5.2.2);
- ii) over the longer-term (see 5.2.3); and
- iii) for everyone (see 5.2.4).

Together these values form the heart of society's meta-purpose as well as being the definition of sustainability.

5.2.2 PDO worldviews on wellbeing

Worldviews concerning wellbeing that PDOs are likely to share include:

- a) wellbeing describes the fundamental positive outcome state for living beings. It is the basis of social value. The innovation and actions required to achieve wellbeing for everyone over the long term (while keeping social and environmental systems and associated capitals healthy) is the ultimate end objective of the economy and the objective of sustainability. The overall purpose of a PDO is to optimize its contribution to this;
- b) deciding on what wellbeing is, and how to achieve it, is a basic, subjective and philosophical matter and therefore requires ongoing discussion by society. If organizations are to be able to help achieve wellbeing they also need to be part of these discussions so that they understand it well enough to positively impact it and not harm it;

- c) there are categories of fundamental needs that underpin wellbeing which are considered to be universal (e.g. identity, health, freedom, participation), and there are generalized levels of minimum levels of provision (minimum floors) for each of these in order to sustain a base level of physical and psychological health. However, there is a huge variety of ways that fundamental needs can be met, and optimized, and society increasingly relies on the economy and organizations to understand the best way of using resources to meet needs and therefore enhance wellbeing;
- d) relationships are at the core of achieving wellbeing; healthy, mutually supportive relationships with ourselves, each other and with nature. Relationships based on self-interest are unlikely to result in optimized wellbeing for a third party;
- e) many organizations pretend to meet real needs but only as a means to maximize financial income. Hence there is no oversight or accountability as to whether the promises made to society are true or whether in fact needs are being undermined;
- f) many organizations routinely transform resources to capture short-term value for themselves and offload the issues and costs related to this onto others and future generations. In doing this they also offload costs onto their own future;
- g) as a result of a narrow short-term focus on one type of primary value creation (i.e. financial profit maximization), for organizational survival or for one set of stakeholders (e.g. members/shareholders), while some clear benefits have resulted, overall, organizations have tended to meet the short-term desires of a few while systematically undermining the health of the social and environmental systems and associated capitals for everyone in the process;
- h) the social and environmental systems relied upon are now under severe and urgent threat with both the ultimate ends and means being beyond accountability and hence neglected and/or destroyed. This is the root of unsustainability;
- i) by manipulating the connections between underlying needs and ways of consuming, over the years the link between ways of consuming and the optimal, sustainable meeting of our needs has become distorted. It is therefore very difficult for consumers to optimize their wellbeing in the market and know how best they can make decisions that are good for them or others in either the short or long term;
- j) organizations have relied on government to create the right laws that keep organizations operating in a way that doesn't undermine long-term wellbeing for all people and planet, at the same time often seeking to reduce this interference. Organizations, particularly large corporates, have become so powerful and effective at lobbying that they are able to make this governance mechanism ineffective;
- k) organizations and society have been run under the false assumption that nature can be drawn from and also used as a sink to dispose of unwanted materials, combining biological and manufactured materials, without consequence. This was always at odds with rational behaviour, but the science is now clear that this linear approach that works against environmental systems is one of the root issues undermining wellbeing; and
- l) as a consequence of a) to k), there is a need for organizations to transition to being PDOs, or be created as PDOs, so that organizations optimize their contribution to solving problems of long-term wellbeing for all people and planet and do not, in fact, undermine this goal.

5.2.3 PDO worldviews on long-term orientation

Worldviews concerning long-term orientation that PDOs are likely to share include:

- a) short-term gains are being focused on at the expense of long-term wellbeing. High levels of wellbeing that are achieved now for some are at the expense of future wellbeing. Organizations routinely decide to financially profit now and push the consequences of this onto the future (as well as onto others);
- b) degradation of social and environmental systems has reached a point where they might never recover, and this has a profound impact on the long-term projection for wellbeing as well as affecting wellbeing presently. This means that to secure wellbeing for the long term requires urgent action now;
- c) to enhance wellbeing of all people and planet in the long term might require sacrificing some aspects of current wellbeing, for some people. However, with innovative thinking that breaks free of old norms and redesigning how wellbeing is understood and achieved, there is no reason why even higher levels of wellbeing cannot be achieved going forward; and

- d) in order that organizational decisions work to protect and enhance the health of the social and environmental systems, rather than destroying them, it is vital to understand how complex systems operate, the effects of decisions now, and in the long term, and to build this knowledge into short-term decision-making.
- h) strong leadership is needed to solve environmental threats to wellbeing without exacerbating wellbeing inequalities, inequities and undemocratic influence.

5.2.4 PDO worldviews on equality, equity and citizenship

Worldviews concerning equality, equity and citizenship that PDOs are likely to share include:

- a) needs fulfilment is unevenly distributed but it doesn't need to be that way. There are enough resources, if used in the right way, for everyone to have their needs met and therefore have high levels of wellbeing, but only if organizations are focused strategically on achieving long-term wellbeing for all people and planet, in a way that ensures the health of social and environmental systems, in a wise and ethical manner;
- b) people rich in physical or financial resources can be poor in wellbeing with their suite of human needs not adequately met. People who are poor in resources are more likely not to be having their range of human needs met adequately;
- c) wellbeing should be achievable for everyone in the long term. Achieving high levels of wellbeing but only for select groups of people, while the wellbeing of others lags far behind, is not sustainable and is to be actively avoided;
- d) it is important that adhering to the fundamental value of equality is kept front of mind if the problems of long-term wellbeing are to be solved in a way that doesn't create a worse life for many who live now, as well as those yet to be born;
- e) there are already high levels of inequality across the world and this continues to worsen. It is known that the current system that optimizes financial income also systematically concentrates this income for the benefit of an affluent minority;
- f) influenced by an historical context, many part of society have reduced opportunities and access to wellbeing, and it is important that innovation to solve problems of long-term wellbeing includes rectifying these inequity issues;
- g) all members of society should be able to influence important decisions that are made about long-term wellbeing for all people and planet. Those with more influence should demonstrate that they are acting on behalf of the long-term wellbeing of all people and planet and not just their own interests; and

5.3 PDO organizational values

PDOs share worldviews about long-term wellbeing for all people and planet (sustainability) and the ways in which is it under threat, therefore these worldviews tend to result in shared views about what ways the organization can protect and enhance this and what conduct is the best way to ensure this.

Table 1 outlines a non-exhaustive list of commonly shared fundamental values of PDOs (arising from the worldviews summarized in 5.2). These underpin the PDO principles and behaviours (see Clause 7). Not all PDOs share all values or interpret the desired behaviours in the same way. A PDO also tends to recognize that these values are only legitimate if they reflect the moral landscape, i.e. that they are aligned with international norms of behaviour, or they are transparently and conscientiously trying to change these where these current norms are judged to misalign with long-term wellbeing for all people and planet.

Table 1 – Commonly shared worldviews and values of purpose-driven organizations

Key:

- What is most valuable to us, which we wish to protect and enhance: ends
- What is the right way to understand what underpins that value: means
- What is right and best way to act to achieve the ends and keep the means healthy: method

PDO organizational worldviews	PDO organizational values	PDO desired conduct
<p>Wellbeing is the ultimate objective Wellbeing represents the ultimate value generation objective and creating it for others is the basis of a meaningful life.</p>	<p>Wellbeing should be maximized.</p>	<p>Primarily seek to satisfy the wellbeing of others Act to directly increase the wellbeing of others, rather than assume consumption levels, satisfied desires or income as a proxy for wellbeing, and make sure not to benefit from actions that reduce wellbeing.</p> <p>Wellbeing is interconnected Accept and welcome the fact that serving the wellbeing of others is one of the best ways to increase wellbeing for oneself.</p>
<p>Success is long-term Wellbeing today at the expense of wellbeing that can be sustained is illogical and unethical.</p>	<p>Success should be assessed over the long-term.</p>	<p>Bring the long term into decision making Make sure that the material longer-term knock-on consequences of decisions on wellbeing for all people and planet are taken into account before acting.</p> <p>Give future generations a voice Ensure that the voice of future generations and their interests is represented before decisions are taken.</p>
<p>Equality, equity and citizenship are end goals We are all of equal and high worth and should have the same opportunities to achieve wellbeing and influence long-term wellbeing for all people and planet.</p>	<p>All people should be treated equally, with fair chances and their opinions made to matter.</p>	<p>Treat others equally Treat all people with the same level of concern for their wellbeing.</p> <p>Actively level-up Support those who face barriers of opportunities, including actively seeking their opinions in decision making.</p> <p>Treat others with dignity and respect Treat everyone with the same level of respect.</p> <p>Respond to the opinions of others Listen to and reflect the opinion of others in decisions made that effect long-term wellbeing for all people and planet.</p> <p>Rights of nature Nature has a right to wellbeing.</p>

Table 1 – Commonly shared worldviews and values of purpose-driven organizations (*continued*)**Key:**

	What is most valuable to us, which we wish to protect and enhance: ends
	What is the right way to understand what underpins that value: means
	What is right and best way to act to achieve the ends and keep the means healthy: method

PDO organizational worldviews	PDO organizational values	PDO desired conduct
<p>Humans are dependent and interconnected with nature</p> <p>Our wellbeing is intricately connected with the wellbeing of nature. Wellbeing can be achieved to the extent that natural systems are healthy.</p>	<p>A deep and nurturing relationship should be created with nature.</p>	<p>Build nurturing relationships with nature</p> <p>Understand nature and what underpins its wellbeing and capacity. Build empathy, compassion and an understanding of our dependencies on nature and use this to guide decisions to protect and enhance nature.</p> <p>Understand nature impacts</p> <p>Understand how the organization impacts nature and nature impacts organizations.</p> <p>Give nature a voice</p> <p>Ensure that the voice of nature as a stakeholder of the organization, and its interests, is represented in decision making.</p>
<p>Humans are interdependent</p> <p>Our wellbeing and the wellbeing of others is interdependent. We can achieve wellbeing to the extent that social systems are healthy.</p>	<p>A deep relationship should be created between stakeholders and society as a whole.</p>	<p>Build nurturing relationships with stakeholders</p> <p>Understand stakeholders and what underpins their wellbeing and capacity. Build empathy and compassion for stakeholders and use this to guide decisions.</p> <p>Understand impacts</p> <p>Understand how the organization impacts the wellbeing of society via changes to social value, and how society impacts the organization.</p> <p>Give all stakeholders a voice</p> <p>Ensure that the voice of stakeholders, and their interests, are represented in decision making.</p> <p>Create space to give without the need to receive</p> <p>Build enough resources into planning for human acts of kindness that support the wellbeing of others, outside of organizational strategy and without the need for justification.</p> <p>Treat others empathetically</p> <p>Build empathy and compassion for the lives of others and use this to guide decisions.</p>

Table 1 – Commonly shared worldviews and values of purpose-driven organizations (continued)

Key:

- What is most valuable to us, which we wish to protect and enhance: ends
- What is the right way to understand what underpins that value: means
- What is right and best way to act to achieve the ends and keep the means healthy: method

PDO organizational worldviews	PDO organizational values	PDO desired conduct
<p>Ethical norms exist and should be applied with care</p> <p>Society has some clear norms about what is the right and good way to act – found in law and international norms of behaviour. Social rules often need to be interpreted in practice, and therefore consciously acting with moral character (virtues) is a way to remain accountable to society as a whole and to the ultimate ends of wellbeing of all people and planet in the long term.</p>	<p>Behaviour should be ethical.</p>	<p>Do the right thing</p> <p>Act with the intent to create long-term wellbeing for others. Make sure to know enough about the consequences of actions to be able to do this.</p> <p>Use the moral landscape as the guide</p> <p>Be guided by the rules about the right way to create long-term wellbeing based on international and long-standing human norms of what is right.</p> <p>Ethical behaviour includes being accountable to society as a whole</p> <p>All members of society, including future generations, have equal and collective governing rights and ultimate accountability is owed to them.</p>
<p>Effective decisions are made with the whole system in mind</p> <p>The world is a complex, interconnected system. Resolving problems of long-term wellbeing cannot be carried out by an organization that doesn't understand its system and doesn't have the support of its stakeholders.</p>	<p>The system, its interactions and its dependencies should be understood.</p>	<p>Seek and use the best information and available evidence to make decisions</p> <p>Seek out the most valid and reliable information when making any decision to the extent possible and work to improve systems of accurate information provision over time. Act with precaution (see 3.20) where negative consequences of a decision are high and evidence is low.</p> <p>Humility</p> <p>Recognize that the organization, and any actor in it, can only partially understand the best way to achieve the purpose and that it relies on those around them to make the best decisions.</p> <p>Diversity</p> <p>Recognize the genuine value of listening to differing opinions and seek to create space for diverse views that represent the system in which the organization operates and is dependent to influence organizational decision making. Respect these differing views and actively recognize and manage cognitive biases that prevent this.</p>

Table 1 – Commonly shared worldviews and values of purpose-driven organizations (*continued*)**Key:**

	What is most valuable to us, which we wish to protect and enhance: ends
	What is the right way to understand what underpins that value: means
	What is right and best way to act to achieve the ends and keep the means healthy: method

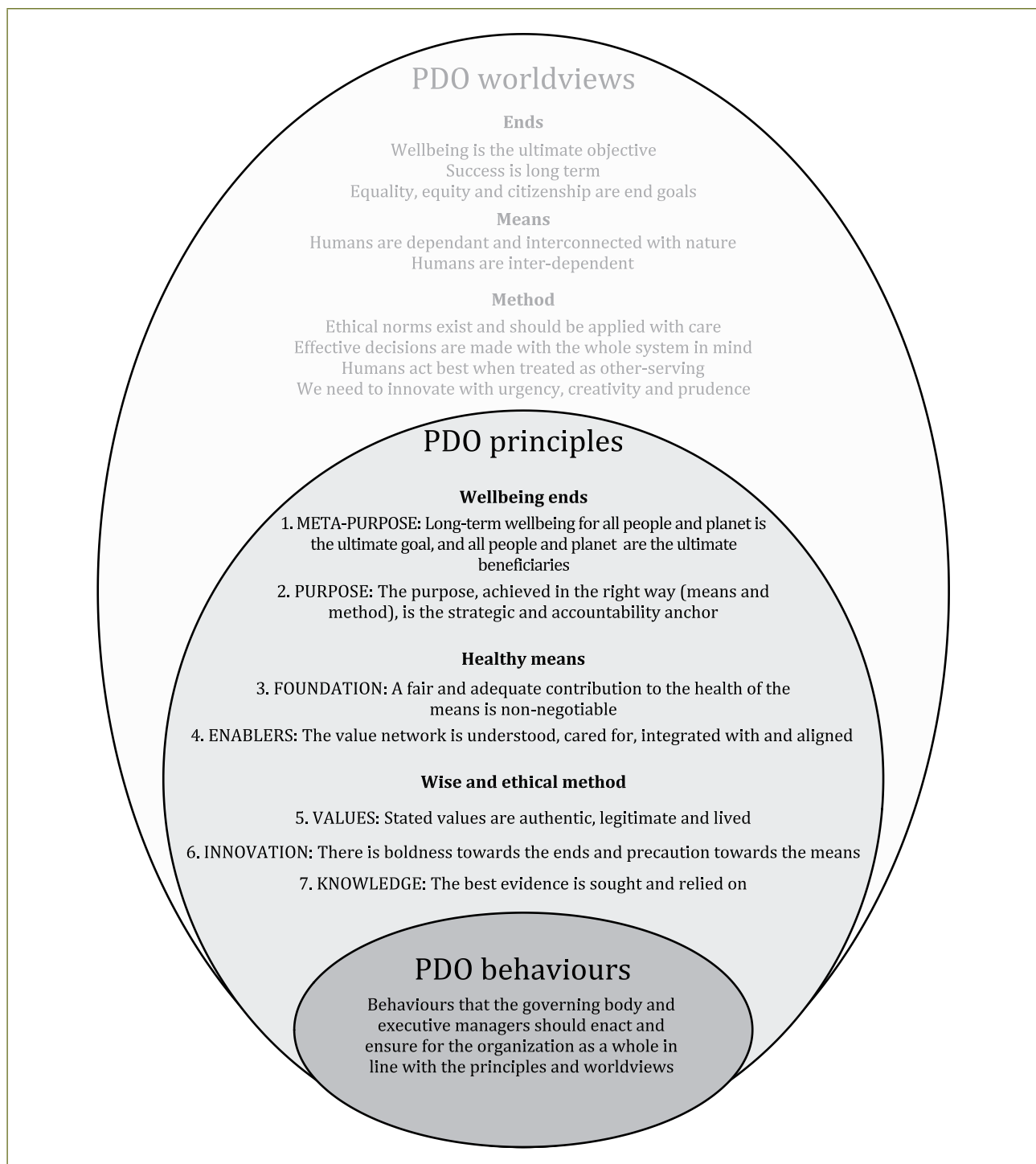
PDO organizational worldviews	PDO organizational values	PDO desired conduct
<p>Humans act best when treated as other-serving</p> <p>Humans are powerfully driven by the desire to make others' lives better and the more open with others you can be the more they will be able to support you.</p>	<p>Assume the best and create mutual understanding and trust.</p>	<p>Assume good motives</p> <p>Assume employees and stakeholders have the organization's best interest at heart unless proven otherwise and then seek to bring this out.</p> <p>Support good motives</p> <p>Reward good motives with transparent and accurate information about the impact on others that resulted. Ensure that financial rewards do not diminish the value of good motives.</p> <p>Honesty</p> <p>Communicate the true intent behind actions.</p> <p>Transparency</p> <p>Be transparent with motives, actions, achievements, and failings, to the greatest degree possible.</p>
<p>We need to innovate with urgency, creativity and prudence</p> <p>Long-term wellbeing for all people and planet is under urgent threat and requires transformative approaches and accelerated learning. We also need to take care not to inadvertently make things worse.</p>	<p>Act with urgency and boldness in creating positive change but with prudence towards potential effects.</p>	<p>Beyond feasibility</p> <p>Anchor innovation against the urgency faced and the nature of the threats to long-term wellbeing for all people and planet. Orientate innovation to what is necessary, not what currently appears feasible. Act boldly where negative consequences of acting are low. Don't use lack of evidence as an excuse to remain in the default position.</p> <p>Admit mistakes</p> <p>Own failures with pride and explain and use information about them to improve. Welcome the failures of others and use the information to improve.</p> <p>Use the best evidence</p> <p>Evaluate the best evidence about what is already known before making decisions. Act with precaution (see 3.20) where negative consequences of a decision are high and evidence is low.</p> <p>Continual learning</p> <p>Create ways of sharing and responding to insights at all levels of the organizations and the systems it is nested in. Work with knowledgeable others to accelerate experiential learning.</p>

6 Overview of principles and behaviours of a purpose-driven organization

The worldviews of a PDO, as per 5.2, including the shared values in 5.3, translate into principles that guide how the organization intends to approach organizational decisions on a consistent basis. The consistent applications of PDO principles results in patterns of behaviours that characterize a PDO.

There are seven core principles that guide a PDO and together set it apart from other types of organizations. These are expressed in Figure 4:

Figure 4 – PDO principles



Achieving the purpose outcomes (wellbeing ends) in the way intended (protecting and enhancing the health of the means and in a manner that is wise and ethical), is the core task of a PDO and the core accountability of a governing body and responsibility of executive management.

The intention to act in line with the principles might not always translate into consistent PDO behaviours at all times. This is because of the realities and variances of the dynamic contexts organizations operate in. Additionally, the legacy “cultural hardware” such as systems, structures and processes that were designed to maximize financial income as the overarching goal, can work against a PDO living in a way that is true to their purpose-driven intent (worldviews and principles) in practice. This is particularly true when established organizations are transitioning towards being a PDO, but even new PDOs are influenced by a wider culture of conventional thinking and practice. Hence, organizations who claim to be PDOs might have genuine intent but it might be difficult for them to enact in this intent practice.

A PDO that doesn't display many of these behaviours and is not able to consistently demonstrate displaying more of them, more of the time (or explain why they are not appropriate) might either have powerful stakeholders that are blocking progress or they might not have PDO worldviews that are held strongly enough, by enough of the organization, to be considered a PDO.

The behaviours are focused on those that the governing body and executive managers should be demonstrating and enabling, via their influence on decision-makers throughout the organization. These organizational-wide decision-makers, in turn, influence the broader value network and all other relevant stakeholders.

7 Principles and behaviours of a purpose-driven organization

COMMENTARY ON CLAUSE 7

This clause sets out the seven core principles of a PDO, categories of behaviours associated with these principles and specific behaviours within these categories. Each principle clause starts with a rationale for that principle.

7.1 Wellbeing ends – principles for the reason the organization exists

7.1.1 Principle 1: Long-term wellbeing for all people and planet is the ultimate goal and all people and planet are the ultimate beneficiaries

7.1.1.1 Rationale

Long-term wellbeing for all people and planet (sustainability) is the anchor for the purpose of a PDO and hence the ultimate frame for all PDO decision making.

This means that all people (including future generations) and our planet are the ultimate beneficiaries and current society is considered to have ultimate control rights over a PDO on behalf of all people and planet, even if these rights are devolved, e.g. to a board of directors of an organization. Any benefits to the organization itself, including its survival or the benefits to stakeholders involved in the organization, while important, are secondary. In reality, the organization is more likely to survive and flourish over the long term when the wellbeing of all people and planet is enhanced. The fact that the inverse is not true – the organization is less likely to survive and flourish over the long term if the wellbeing of people and planet is degraded – means there is a natural order to this hierarchy of beneficiaries.

Therefore, all aspects of decision making, including decisions about purpose and accountability, should be ultimately justified against whether or not the decision is likely to optimize long-term wellbeing for all people and planet.

Although the purpose scopes out a narrower strategic focus where trade-offs between stakeholders might be necessary, after win-win options have been exhausted, the ultimate focus on all stakeholders (people and planet) and their long-term wellbeing remains.

A PDO might take a human-centric view that preferences human wellbeing above all else. It should be made clear if this is the case, because who is included as ultimate beneficiaries is core to strategy and policy decisions. A lack of clarity about whether non-human wellbeing is an end in itself or a means to an end can create unnecessary division and confusion.

7.1.1.2 Behaviours

7.1.1.2.1 Act in ways that consistently demonstrate commitment to long-term wellbeing for all people and planet

The governing body and executive managers should demonstrate their commitment to long-term wellbeing for all people and planet as the ultimate strategic frame for decision making, accountability and hence measure of performance by acting in ways that consistently show to others that their personal worldviews prioritize and align with this. Where they don't align, the governing body and executive managers should openly and actively advocate for alternative framings and assumptions about what the meta-purpose of PDO peers should be.

7.1.1.2.2 Ensure long-term wellbeing for all people and planet is the ultimate decision frame

The governing body and executive managers should make long-term wellbeing for all people and planet the ultimate strategic frame for decision making, accountability and hence measure of performance by:

- a) ensuring that decisions about what the purpose and any sub-purposes should be, and the intended way that purpose is to be achieved, is the optimal contribution to long-term wellbeing for all people and planet that the organization can make. To achieve this, they should:
 - 1) ensure there is adequate understanding of:
 - i) the core drivers, trends and dependencies of long-term wellbeing for all people and planet;
 - ii) the strengths and capacities of the organization in relation to it; and
 - iii) the dynamic context in which the organization operates;

- 2) continually evaluate whether the purpose, any sub-purposes, and the way it is intended to be achieved, are appropriate and optimal contributions to long-term wellbeing for all people and planet and make adjustments as required (e.g. by utilizing and updating a materiality assessment to help determine this);
 - 3) ensure that decisions about what the purpose and any sub-purposes should be, and the intended way the purpose is to be achieved (means and method), are informed by relevant stakeholders that can represent society as a whole, including future generations and non-human stakeholders as appropriate; and
 - 4) list and actively manage cognitive biases (unconscious tendencies in ways of thinking that humans share) that shape how decisions are made by the governing body, executive managers and decision-makers throughout the organization;
- b) default to long-term wellbeing for all people and planet as the arbitration/decision frame where the purpose is inadequate in helping resolve strategic choices or stakeholder conflicts;
 - c) ensure that decision-makers throughout the organization feel empowered to use long-term wellbeing for all people and planet as the ultimate decision frame where required;
 - d) where the survival of the organization is prioritized for a short-period, even though wellbeing degradation is possible, careful consideration to the risks entailed and remedies needed is required so that health of the means is not breached (principle 3) and the decision can be justified as ultimately in service to the purpose; and.
 - e) keep society as a whole appropriately informed about the progress the organization is making in achieving positive impacts via achieving the purpose in the way intended, along with justification as to why this is an optimal contribution to long-term wellbeing for all people and planet and will reasonably result in the minimum health of social and environmental systems and associated capitals (see 7.1.2.2.7).

7.1.2 Principle 2: The purpose, achieved in the right way (means and method), is the strategic and accountability anchor

7.1.2.1 Rationale

For a PDO, the purpose is an optimal strategic contribution to long-term wellbeing for all people and planet and is the highest scoping for what overall value the organization primarily exists to create. A PDO is a positive impact-focused organization that commits to achieving specified positive changes to wellbeing (impact), in a way that ensures the health of social and environmental systems and in a method that is ethical and wise – as specified in its organizational purpose. This purpose encodes the core impact and related high-level outcomes that the governing body is accountable for, and forms the definition of success.

Therefore, the purpose provides the primary strategic guide for decision making across the organization and anchors this decision making to long-term wellbeing for all people and planet.

7.1.2.2 Behaviours

7.1.2.2.1 Articulate, elaborate and act in ways that consistently commit to the purpose

The governing body should provide direction as to how to achieve the purpose in the way intended as a guide for decision-makers throughout the organization and for external stakeholders, including:

- a) deciding on the organizational purpose. Some purposes in essence repeat the meta-purpose of long-term wellbeing for all people and planet, without providing any strategic information about the specific contribution that the organizational will make to this goal. This is not helpful as a guide for strategic decision making, does not narrow down the part the organization is best placed to contribute and hence is difficult to action and be accountable to. More detail that narrows the scope is required so that effective decisions about how to direct energy and allocate resources can be made. Conversely, if a PDOs purpose is defined too narrowly, it will limit the creativity and agility of the organization in making its optimal contribution. In order to arrive at an optimal, legitimate, valid, distinctive, enduring and useful purpose, the purpose should be selected based on:
 - 1) the most urgent and important problems faced in respect to long-term wellbeing for all people and planet, and the material factors influencing this (e.g. by utilizing a materiality assessment);

- 2) the organization's core capabilities or potential capabilities to address the problems identified;
 - 3) what other organizations are already doing to solve the problems identified, and particularly where other organizations might be better placed to do so; and
 - 4) future trends affecting the organizational context and the nature of the problems facing long-term wellbeing for all;
- b) articulating and encoding the purpose, along with the way the purpose should be achieved (means and method), in a written statement. This statement should provide the highest-level strategic scoping of an organization by clarifying the specific contribution it will make towards its general goal of serving the long-term wellbeing of all people and planet. The purpose statement should include:
- 1) the nature of the wellbeing ends: details about the highest-level strategic outcome states (overarching value generation goal) that the organization aims to achieve. This should be clearly justified as the organization's optimal contribution to long-term wellbeing for all people and planet. These outcome states might be numerous but should be tied together by an overarching narrative that logically connects them together and in relation to the meta-purpose. Purposes might be anchored against a specific social or environmental problem that is threatening long-term wellbeing for all people and planet (e.g. climate change). Purposes might also target areas of wellbeing that are specifically underserved and, in those populations where they are underserved (e.g. financial security in those with lower education levels);
 - 2) details of the commitment to healthy means: a sub-statement confirming a non-negotiable commitment to not harming, not benefiting from harm, and where possible increasing the health of social and environmental systems and associated capitals in the process of achieving the purpose (see 7.2). This should include the highest-level parameters for the organization to follow e.g. redlines/ floors/ guardrails while the organization is achieving the purpose; and
 - 3) details of the commitment to wise and ethical method of achieving the purpose: including the values and associated behaviours it will adhere to when carrying out all its activities;
- c) elaborating the purpose as necessary, so that decision-makers throughout the organization can effectively align and guide strategy and policy decision making and resolve conflicts. At the same time, it should not elaborate in too much detail which would risk hindering the bold creativity required. Elaboration can include specifying the vision (what the organization or world will be like if the purpose is achieved) and mission (a high-level overview of what the organization does in order to achieve the purpose). To be legitimate and strategically useful, the purpose statement should also be elaborated to confirm and expand:
- 1) an overall commitment to the meta-purpose of long-term wellbeing for all people and planet including all a formal recognition that people and planet are the ultimate beneficiary stakeholders;
 - 2) why the chosen purpose (and sub-purposes) are a valid and ambitious contribution to long-term wellbeing for all people and planet and be considered an optimal contribution;
 - 3) why the organization is best placed to provide this particular contribution; and
 - 4) a stakeholder clarification statement which provides guidance on how stakeholders should be taken into account in decision making, including details of:
 - i) ultimate beneficiary stakeholders i.e. all people and planet over the longer-term, including future generations as the primary decision-making anchor
 - ii) primary beneficiary stakeholders i.e. those whose wellbeing the purpose primarily serves. In the case where the purpose is focused on addressing an ultimate social or environmental system problem (e.g. climate change or inequality), the ultimate beneficiary stakeholders would be all people and planet (see 7.1.1);
 - iii) influential stakeholders: those the governing body is legally bound to (e.g. member stakeholders) and those it chooses to account to (e.g. reference stakeholders)
 - iv) enabling stakeholders i.e. those who the organization relies on to achieve the purpose in the way intended; and
 - v) affected stakeholders i.e. those who are affected by the decisions the organization makes, even if their effect on the organization is non-existent, unperceivable or very limited; and

- d) encoding the purpose and the way it is intended to be achieved, in the organization's constituting documents (see 3.5), if and when possible;
- e) providing strategic guidance about how the purpose can be achieved in the way intended, including specifying:
 - 1) a value generation model (see BS ISO 37000) built from a clear theory of change regarding what value is to be created, delivered and sustained and how the organizational system will be organized so that this can be achieved (this can sometimes be known as the business model);
 - 2) the strategic outcomes assessed as necessary to achieve the purpose in the way intended and by which strategy is to be devised against (see BS ISO 37000); and
- f) demonstrating commitment to the purpose and the way it intends it should be achieved (means and method) by exemplifying this in their behaviour and communications.

7.1.2.2.2 Align strategy and policy to achieving the purpose

The governing body and executive managers should ensure that all strategy and management policy is created against the guidance given by the governing body:

- a) to achieve the organization's optimal contribution to long-term wellbeing for all people and planet, via the purpose (ends);
- b) while ensuring a fair and adequate contribution to the health of social and environmental systems (and associated capitals) (means); and
- c) in a wise and ethical manner (method).

7.1.2.2.3 Align interests and decision-making to the purpose

The governing body should align interests and decision making throughout the organization (including of the governing body itself) with the primary accountability for achieving the purpose outcomes in the way intended, including:

- a) ensuring that the governing body structures, processes, competencies and understanding of duties reflect accountability for the organization as a whole to achieve the purpose outcomes in the way intended as the justifiable optimal way that the organization can strategically contribute to long-term wellbeing of all people and planet;

- b) ensuring that the governing body and executive managers provide organizational direction, including all strategy and policy, that is consistently and transparently aligned with achieving the purpose in the way intended;
- c) ensuring that the governing body and executive managers are able to make decisions that consistently prioritize the achievement of the purpose in the way intended, are informed by the interests of society as a whole and are sufficiently independent of the interests of any particular stakeholder;
- d) ensuring that the governing body and executive managers devise and implement an accountability system that achieves the purpose in the way intended by:
 - 1) clarifying roles, responsibilities and reporting mechanisms in the organization and how they work together to achieving purpose outcomes in the way intended;
 - 2) effectively holding to account those who it has, through delegation, given the responsibility to achieving purpose outcomes in the way intended; and
 - 3) intentionally developing an internal and external reporting framework about performance in relation to the purpose, in the way intended, that provides material, accurate, complete and timely information and which enables and welcomes stakeholder scrutiny.
- e) ensuring that the governing body and executive managers devise and implement an oversight system that achieves the purpose in the way intended. This information should be actively used to make effective judgements about performance and any corrective action; and
- f) implementing formal, proactive and anticipative risk governance and associated risk management frameworks. These should define risk for the organization, including the work of the governing body and executive managers, as:
 - 1) the effect of uncertainty (positive or negative) on achieving the purpose in the way intended (means and method); and
 - 2) the effect of uncertainty (positive or negative) on the purpose being able to achieve the meta-purpose of long-term wellbeing for all people and planet.

Clearly communicated risk limits and associated tolerances should be set. These should be based on tolerances of the organization and of relevant stakeholders, and risk treatments should be aligned against this.

The governing body and executive managers should work to make the purpose, not themselves as leaders, the principal guide for the organization.

The governing body should appropriately engage member and reference stakeholders as important participants in articulating, elaborating and achieving the purpose in the way intended via their influence over governance. Both these types of stakeholders, to a greater or lesser extent, exert some control over the way the organization operates. Special care is needed to make sure that benefit required by other types of stakeholders, such as those who are impacted by the organization but do not directly impact the organization, is understood by the PDO, as these are often voiceless stakeholders who are likely to suffer from a lack of information about how the PDO affects them and could have important effects on the organization that are difficult to understand.

7.1.2.2.4 Align the culture to achieve the purpose

The governing body and executive managers should align the organization's tangible culture (e.g., structure, processes, systems etc.) and intangible culture (e.g. worldviews, other assumptions, routines, heroes, stories etc.) with achieving the purpose outcomes in the way intended way and do not hinder this, including:

- a) ensuring that employees and other stakeholders are allowed to safely articulate their worldviews and other assumptions and be engaged in a process that supports alignment with achieving purpose outcomes in the way intended;
- b) ensuring that structures, processes, systems, strategy, policy and any other tangible aspects of the organization are working towards achieving purpose outcomes in the way intended;
- c) ensuring that routines, heroes, stories and any other intangible aspects of the organization are working towards achieving purpose outcomes in the way intended; and
- d) clarifying roles and responsibilities in the organization and how they work together in achieving purpose outcomes in the way intended.

7.1.2.2.5 Align rewards and incentives to achieve the purpose

The governing body and executive managers should ensure that rewards and incentives throughout the organization work to optimize achievement of the purpose in the way intended by providing:

- a) director and executive managers with remuneration reflecting primary accountability for achieving the purpose outcomes in the way intended (e.g., 100% of remuneration can be justified as being connected to achieving the purpose in the way intended). Directors and executive managers should not be rewarded, financially or otherwise, for creating impacts that are not aligned with achieving the purpose in the way intended; and
- b) rewards and incentives throughout the organization that are designed to align the behaviour of employees and other relevant stakeholders with achieving the purpose outcomes in the way intended. Additionally, rewards and incentives, financial or otherwise, should not be given for creating impacts that are not aligned with achieving the purpose outcomes in the way intended.

7.1.2.2.6 Finance the purpose

Financial management and financing arrangements should be made wisely so that the purpose can be achieved in the way intended and the organization is not constrained in this task by these arrangements, including:

- a) ensuring there is alignment of purpose with those it gives any power to in return for financing (e.g. financial investors or those who lend money). This is specifically important when considering financing arrangements that results in giving legal control rights over the governing body's actions [for example when selling stock and creating member stakeholders (e.g., shareholders)] as this might influence their ability to govern the purpose in the way intended;
- b) ensuring that the form or duration of financing arrangements are appropriate for achieving the purpose in the way intended. The governing body should be creative about financing arrangements so that they align with the purpose and where possible provide benefits from being a PDO, e.g., by issuing green bonds or creating carbon or nature-based credits;

- c) ensuring that measures of financial success (e.g., financial profits) are based on true financial return net of all costs to achieve them that are borne by the organization or by externalized costs borne by other stakeholders, including future generations. Wherever possible costs should be converted to financial measures using the best available evidence and where this is not possible, limitations on the confidence in the financial profit figures should be transparently declared;
- d) ensuring that each organizational project or investment that requires financial resources is judged on its ability to achieve the purpose intended and at the same time generate enough true financial return [See c)] for this to be durable over time. In other words, the investment can be recouped along with any surplus required or reasonably expected by relevant stakeholders. If not, a clear “business case” is made for why excess returns elsewhere should be diverted based on their relative ability to achieve the purpose in the way intended. Financing arrangements made for the projects should be appropriate so that the project or investment can achieve the strategy, in order to achieve the purpose, in the way intended, and within appropriate timescales;
- e) creating expectations around residual financial asset allocation (financial return or reward) that are reasonable, clear, fair, shared by all parties and allow the company to achieve the purpose in the way intended; and
- f) establishing a clear board policy regarding how residual value (financial or otherwise) should be distributed and what level of residual value would trigger a review of whether the purpose was being optimally achieved via the innovations and investment in the organization.

7.1.2.2.7 Assess, measure and report against the purpose

The governing body and executive managers should ensure that voluntary assessment, including measurement, (beyond what the law requires) is undertaken where either measurement can be justified as being needed to inform decision making within the organization itself to achieve the purpose in the way intended or to inform the material decisions of relevant stakeholders. They governing body should:

- a) arrive at a clear and publicly declared rationale regarding what it decides to assess and measure and how this will be used in decision-making to make organizational changes. Critical areas to assess, measure and base action on as a result include:
 - 1) understanding if the purpose has been achieved, in the way intended and how/how not, in order to inform changes; e.g. via assessment or measurement of:
 - i) the impact of the organization on long-term wellbeing for all people and planet that has resulted from the actions or inactions of the organization;
 - ii) how well the strategic outcomes were achieved;
 - iii) how well the strategic outcomes met the purpose;
 - iv) how well the purpose met the meta-purpose of long-term wellbeing for all people and planet;
 - v) the success of strategy and of the policy to achieve it in the way intended;
 - vi) whether a fair and adequate contribution of the organization to the health of social and environmental systems and associated capitals (means) was achieved or not;
 - vii) in what ways the approach was wise and ethical (method); and
 - viii) key factors that support the achievement of the purpose in the way intended, including the articulation, elaboration of and commitment to the purpose (see 7.1.2.2.1) alignment of the culture (see 7.1.2.2.4), decision-making based on the best evidence, including about the nature of the emerging threats to long-term wellbeing for all people and planet (see 7.3.3), alignment of reward and incentives (see 7.1.2.2.5), appropriate collaboration with stakeholders in the value network (see 7.2.2) the quality of governance (see BS ISO 37000 for further guidance) and all other aspects of principles 1-7;
 - ix) potential unintended consequences that have been identified in the risk governance or risk management processes as requiring monitoring;
 - b) ensure that existing internationally standardized methodologies are being used to create measures where possible and where of sufficient quality and relevance. Where a new measure is deemed necessary, justification should be documented for why that measure has been created, what type of measure it is and why it is a measure that is of high quality. It should expose any assumptions made and justify the validity and reliability of any proxy measures against the purpose, the intended impact on means and the desired method;

- c) ensure that when deciding on voluntary measurement, care is taken to devise appropriate measures for:
 - 1) the social and environmental systems and associated capitals (resources), that are being specifically focused on for optimization via the purpose;
 - 2) the social and environmental systems and associated capitals, where enhancing their health is a specific part of the strategy to achieve the purpose; and
 - 3) all social and environmental systems and associated capitals that the PDO and society depends on, in order to demonstrate that the organization is fairly contributing to a non-negotiable minimum condition of health based on parameters and targets set (redlines/ floors/ guardrails);
- d) ensure mechanisms are in place to use the assessment or measures actively within decision-making where most appropriate;
- e) monitor whether assessment and measurement regimes in place are most appropriate;
- f) ensure that assessment and measures are reported honestly and transparently to relevant stakeholders including reporting on:
 - 1) whether the purpose had been achieved, and in the way intended (means and method); and
 - 2) any risks or opportunities the assessment or measures suggest and how they will be acted upon;
- g) ensure that, in relation to f):
 - 1) progress is communicated in a timely and appropriate format so that it enables society to hold the organization to account and feedback on areas of improvement needed;
 - 2) public scrutiny of whether the purpose is being achieved in the way intended is welcomed and encouraged with dialogue initiated in order to understand where improvements can be made; and
 - 3) feedback received by stakeholders:
 - i) represents the opinions of society;
 - ii) does not overly represent the interests of any particular stakeholder; and
 - iii) influences organizational decision making in a way that increases the contribution of the organization to long-term wellbeing for all people and planet;

- h) ensure that measures of financial resources (e.g. cash flow, profits or return on investment) are understood throughout the organization as critical, both for tracking and managing the financial viability of the organization and its ability to meet its commitments to stakeholders, as well as enabling the PDO to invest in, and achieve, the purpose in the way intended (means and method); and
- i) ensure that higher quantities of financial resources created or held by the organization are not viewed as an automatic indicator of performance success. Instead, excess financial resources could in fact indicate a failure to optimize the purpose or invest enough in the means to achieve it. The right level of residual financial capital will depend on the purpose, strategy, operating environment and expectations and requirements of relevant stakeholders.

7.2 Healthy means – principles for classifying, protecting and enhancing the means to achieve the purpose

7.2.1 Principle 3: A fair and adequate contribution to the health of the means is non-negotiable

7.2.1.1 Rationale

All activity, and therefore all value that a PDO seeks to create as a way to achieve its purpose, is underpinned by social and environmental systems and associated capitals (see Figure 1). Foundational capitals include natural capital as well as social capitals (including social and relational capital and intellectual capital). These in turn underpin intermediate capitals e.g. financial capital and manufactured capital.

The health of these systems and capitals (including financial) underpins the ability for long-term wellbeing for all people and planet to be achieved. Additionally, they might represent intrinsic value to an organization above and beyond their instrumental use for others. The views of an organization about what it believes has intrinsic value should be made explicit as part of the process to clarify worldviews (see 5.2).

The fact that all wellbeing rests on the health of these social and environmental systems, and associated ultimate capitals means that organizations should commit to protecting and enhancing their health and, as a minimum, ensuring they are doing all that is possible to ensure their organization, and others they can influence, are doing their fair and adequate part in staying within healthy thresholds.

An organizational purpose statement should include a non-negotiable commitment to contributing fairly and adequately to the minimum health of the means by not harming, not benefiting from harm, and ideally increasing, the health of social and environmental systems and associated capitals in the process of achieving the purpose (see 7.1.2.2.1).

As all social and environmental systems and associated capitals are in essence interconnected, it could be assumed that, with a wide enough view, a PDO would automatically recognize that protecting the foundational means of wellbeing is vital to be able to continue to support achievement of the purpose. However, a PDO should explicitly distinguish between strategy to achieve the purpose outcomes in the way intended, and strategy to ensure the organizations' fair and adequate contribution to the health of the means. This ensures that strategies to achieve healthy means are adequate, precautionary, fair, and exhaustive and that dilemmas between strategies can be more clearly analysed and resolved before trade-offs are made.

Protecting and/or restoring one or more of the foundational means might be chosen as the purpose of a PDO, e.g. reversing climate change or reducing inequality. In this case, strategy to not just ensure a minimum level of health, but to innovatively optimize them as the primary objective of the organization, should be established separately (see 7.1.2).

7.2.1.2 Behaviours

7.2.1.2.1 Identify and classify the means

The governing body and executive managers should provide guidance to decision-makers throughout the organization to distinguish between:

- a) the social and environmental systems and associated capitals (resources), that are being specifically focused on for optimization via the purpose;
- b) the social and environmental systems and associated capitals, where enhancing their health is a specific part of the strategy to achieve the purpose; and
- c) the full range of social and environmental systems and associated capitals that the PDO and all society relies on and which the organization should be fairly and adequately contributing to based on parameters and targets set (redlines/ floors/ guardrails).

7.2.1.2.2 Protect and enhance the health of the means

The governing body and executive managers should demonstrate their unwavering commitment to fairly and adequately contributing to a minimum level of health of global social and environmental systems, and related capitals, regardless of the perceived dependency of the organization on them. This contribution should be justified primarily by the fact that the health of these systems and related capitals is necessary for the long-term wellbeing of society as a whole (see 7.1.1). Secondly, the health of these systems is also recognized as underpinning the achievement of the purpose outcomes in the way intended (see 7.3.2). The PDOs should:

- a) ensure that the governing body, executive managers and decision-makers throughout the organization sufficiently understand the minimum health requirements, current state and inter-dependencies of social and environmental systems and associated capitals, the organization's material impacts on them and what a fair and adequate contribution to their health would be, including:
 - 1) ensuring material knowledge about the latest science regarding what constitutes a threshold for the health of all foundational social and environmental systems is available to decision-makers throughout the organizations;
 - 2) arriving at an assessment of the "safe operating" space and what activity the organization can safely engage in (i.e. impact allocation) to stay within this safe operating space, based on a precautionary principle (see 7.3.3);

NOTE This could, for example, be based on their relative turnover, size. The approach should be most justifiable to determine the precautionary proportionate burden of the organization on the underlying system health.

- 3) continually monitoring the latest science and what other organizations are likely or able to achieve, and adjust the organizational thresholds and allocation as needed and;
- 4) ensuring adequate stakeholder engagement process and collaborative arrangements.

NOTE Take special care to understand those stakeholders who are going to experience impacts and who are more voiceless, under-represented or more likely to lack material information for their decision making.

- b) ensure that policy parameters (red lines/floors/ guardrails) and associated short, medium and long-term targets are set for the intended impact the organization will have on social and environmental systems and associated capitals. These should be publicly declared and the fact that they represent a fair and adequate contribution should be publicly justified against the best available science. Progress should be closely monitored and reported along with specific and justifiable remedial action to be taken;
- c) ensure that all decision-makers throughout the organization are able to make decisions that contribute fairly and adequately to the minimum health requirements of social and environmental systems and associated capitals, and the organization's impact on them and specifically to act within the parameters set in order to achieve the intended targets;
- d) ensure that decision-makers throughout the organization are able to contribute fairly and adequately to the minimum health requirements of social and environmental systems and associated capitals, and the organization's impact on them and specifically to act within the parameters set in order to achieve the intended targets;
- e) work proactively to create change across the value network to ensure barriers are removed and opportunities enhanced to ensure the health of the means;
- f) advocate and support other organizations to optimise their contribution to the health of the means;
- g) advocate for external change (e.g. legal changes or stakeholder behaviour change) to enable the organization, and other organizations to ensure the health of the means; and
- h) apply the precautionary principle in all decisions related to the health of the means.

The governing body and executive managers should demonstrate commitment to enhancing the health of social and environmental systems and associated capitals wherever possible while achieving the purpose in the way intended, including:

- 1) ensuring that their decision making identifies and takes opportunities to enhance the health of social and environmental systems and associated capitals; and
- 2) seeking "win-wins" wherever possible (where maximum benefits are achieved at once), even when this is beyond the scope of achieving the purpose in the way intended or when only benefit-neutral to the organization itself.

7.2.2 Principle 4: The value network is understood, cared for, integrated with and aligned

7.2.2.1 Rationale

A PDO's value network is made up of all stakeholders that help the organization to achieve its purpose outcomes in the way intended (means and method). The value network includes the organization itself and extends to others that the organization directly engages with, and further beyond that to those people, organizations and systems that contribute to the value the organization creates or otherwise influences.

The following five PDO stakeholder groups are all part of the PDOs value network, playing different roles in enabling the purpose to be achieved in the way intended:

- a) ultimate beneficiary stakeholders i.e. all people and planet over the longer-term, including future generations as the primary decision-making anchor
- b) primary beneficiary stakeholders i.e., those whose wellbeing the purpose primarily serves. In the case where the purpose is focused on addressing an ultimate social or environmental system problem (e.g. climate change or inequality), the ultimate beneficiary stakeholders would be all people and planet (see 7.1.1);
- c) influential stakeholders: those it is legally bound to (e.g. member stakeholders) and those it chooses to account to (e.g. reference stakeholders)
- d) enabling stakeholders i.e. those who the organization relies on to achieve the purpose in the way intended (human or non-human); and
- e) affected stakeholders i.e. those who are affected by the decisions the organization makes, even if their effect on the organization is non-existent, unperceivable or very limited.

A PDO should understand, care for and integrate with its value network and the stakeholders that are part of it, and work to align this network to achieving the purpose outcomes in the way intended. Some parts of the network will have a greater material impact on the ability of the PDO to achieve its purpose in the way intended. Additionally, the PDO will also have varying material impacts on the long-term wellbeing of those in its value network, and the ability of those stakeholders to achieve their purposes.

Caring for the health of the stakeholders in the value network requires creating deep and beneficial relationships with value network stakeholders, as appropriate, in order to:

- 1) help the organization understand what stakeholders need in order to improve the stakeholders' underlying health, resilience and capacity;
- 2) working collaboratively to improve the stakeholders' health, resilience and capacity; and
- 3) sharing what the organization needs to do to achieve the purpose outcomes in the way intended which in turn enables stakeholders in the value network to proactively support the organization.

Collaborating with the value network should be seen as vital for achieving the purpose and goes beyond understanding and caring for each other's health. A PDO should have chosen a purpose that is sufficiently ambitious and hence should be comfortable with the fact it cannot be solved by the organization alone. Therefore, it should recognize that deep, collaborative and co-creative relationships with value network stakeholders is central to its success. Duplication of effort in order to increase valuable outcomes for the organization, at the expense of others in the system, is a competitive business-as-usual approach that is not relevant for a PDO.

Some value network stakeholders will not be aligned with achieving the purpose in the way intended and this lack of alignment should be addressed.

7.2.2.2 Behaviours

7.2.2.2.1 Understand the value network

The governing body and executive managers should:

- a) ensure they, and decision-makers throughout the organization, have sufficient knowledge of the value network and the integrated way that it supports, or constrains, achievement of the purpose in the way intended by:
 - 1) clarifying the relationships in the value network that are material to achieving the purpose in the way intended, identify in what ways this is the case, what the associated risks are and the consequences for decision-making;
 - 2) making an overall assessment of likely material impacts on the PDO's ability to achieve the purpose in the way intended – utilising standard material impact guidance where useful (e.g. standardized sector impacts);

- 3) refining its understanding of impacts by engaging with value network stakeholders to determine which impacts are most material to the PDO;
- 4) assessing where decision-making in the PDO can improve the material outcomes; and
- 5) using the information about material impacts to adjust decision making about how to achieve the purpose in the way intended.

- b) ensure they, and decision-makers throughout the organization, have sufficient knowledge of the ways in which the organization could materially have a negative impact on stakeholders in the value network, including how it might inhibit stakeholders in the value network to achieve their strategic contributions to the long-term wellbeing of all people and planet by:
 - 1) making an overall assessment of likely material impacts the PDO has on value network stakeholders – utilising standard material impact guidance where useful;
 - 2) refining its understanding of impacts by engaging with value network stakeholders to determine which impacts are most material;
 - 3) assessing where decision-making in the PDO can improve the material outcomes for the value network stakeholders; and
 - 4) using the information about material impacts to adjust decision making about how to achieve the purpose in the way intended.

- 1) making an overall assessment of likely material impacts the PDO has on value network stakeholders – utilising standard material impact guidance where useful;
- 2) refining its understanding of impacts by engaging with value network stakeholders to determine which impacts are most material;
- 3) assessing where decision-making in the PDO can improve the material outcomes for the value network stakeholders; and
- 4) using the information about material impacts to adjust decision making about how to achieve the purpose in the way intended.

7.2.2.2.2 Care for the value network

The governing body and executive managers should demonstrate care and respect for all stakeholders in the value network as human or living beings, and the contribution they make to achieving the purpose in the way intended by:

- a) transparently recognizing all value network stakeholders for the vital contribution they make to the PDO and the purpose, regardless of the size of this contribution and their relative power;
- b) dealing with all value network stakeholders (including enabling stakeholders such as customers or suppliers) who support the purpose, financially or otherwise, honestly, ensuring their fundamental wellbeing is not reduced in order to achieve the purpose. This includes ensuring wellbeing of stakeholders who provide value to the PDO across its whole value network (e.g. those who supply water to farm the fields that produce the cotton relied on); and

- c) basing financial arrangements on terms that are fair. Suppliers, customers and taxes should be paid promptly and payments should not be avoided, even where the PDO's power or the law allows this.

7.2.2.2.3 Integrate with the value network

The governing body and executive managers should actively integrate with those value network stakeholders who can help achieve the purpose in the way intended by:

- a) formally recognizing that the ability to achieve the purpose in the way intended is fully reliant on the aligned support of those who form the value network, which is in turn reliant on relevant, deep and trusting relationships;
- b) formally recognizing that devising solutions to problems on their own often has a higher risk of failure and the probability of achieving the purpose in the way intended is reduced, compared to solutions achieved through well designed collaborations;
- c) providing guidance to decision-makers throughout the organization (including themselves), that the choice of collaborative relationship should not be bound by traditional norms about what constitutes an acceptable type of collaborator or an acceptable type of relationship, but instead be based on the likelihood of the relationship to optimally achieve the purpose in the way intended, while assessing any effects of uncertainty on this outcome (risk); and
- d) providing guidance to decision-makers throughout the organization, including the governing body and executive managers themselves, that competitive information should be monitored and acted on to help the PDO understand how it might be able to better achieve its purpose in the way intended, through adjustments to marketing strategy. Specifically, competitive information can be used to:
 - 1) revise the choice of target market, the purpose elaboration guidance [see b)] or where necessary, the purpose itself, where it is better served by another party;
 - 2) inform decisions about beneficial collaborations with other parties that can complement or enhance the purpose achievement in the way intended. Achieving the purpose will frequently require sharing ideas, strategy and resources with other parties based on their ability to help optimize achievement of the purpose; and

- 3) adjust the value proposition, e.g. where another party is giving the impression that they are working to achieve long-term wellbeing for all people and planet but are in fact deliberately obscuring the real negative impacts they are making. In which case the PDO should take remedial action, e.g. by better explaining and demonstrating the beneficial value for long-term wellbeing for all people and planet that it creates.

7.2.2.2.4 Align the value network

The governing body and executive managers should actively align stakeholders in the value network with achieving the purpose in the way intended and hence positively impact long-term wellbeing for all people and planet. They should support decision-makers throughout the organization to do the same by:

- a) assessing the potential for alignment of each value network stakeholder and create strategic objectives to align this with optimally achieving the purpose in the way intended – this should include taking in to account all aspects and levels of the network, e.g., objectives to advocate for change with stakeholders in the legal, political and sector contexts;
- b) agreeing a strategy to align the value network stakeholders with achieving the purpose in the way intended;
- c) ensuring that information about value network stakeholders is used to achieve the purpose in the way intended and not just used to create better outcomes for the organization;
- d) proactively using their knowledge, influence and experience in collaboration with others, to challenge and shift social norms and contribute to wider system change, consistent with the organizational purpose, health of the means and a wise and ethical method of operating;
- e) formally recognizing that PDOs, like all organizations, influence society's culture (e.g. through advocacy, advertising and internal rewards) and ensuring that this influence is transparently directed to helping relevant stakeholder worldviews, principles and behaviour to be aligned with helping to achieve the PDOs purpose in the way intended; and as far as possible, involve those whose behaviour is being changed.

7.3 Wise and ethical method – principles for the manner in which the purpose is achieved

7.3.1 Principle 5: Stated values are authentic, legitimate and lived

7.3.1.1 Rationale

A PDO should be guided in all the decisions it makes, by a clear set of organizational values. These values are based on foundational worldviews (see 5.2) and represent the fundamental valuable outcome that the organization believes are most important to protect and enhance. These values are usually expressed as ideal behaviour that is judged as most likely to achieve the valuable outcomes (see 5.1). PDOs share fundamental values that are anchored to sustainability – the valuable outcome of achieving wellbeing, in the long term and for all people (including future generations) and planet. Additional values chosen are likely to include some, or all, of the values described in Annex B, Table B.1.

7.3.1.2 Behaviours

7.3.1.2.1 Articulate the organization's values

The governing body and executive managers should ensure that the organization clearly and publicly articulates the organization's values by:

- a) identifying the organization's authentic worldviews and associated values and expected resulting behaviour;
- b) assessing which of the identified values and behaviours are aligned with being a PDO (see 5.1) and which are lacking, but desired; and
- c) stating the organizational values publicly, ensuring that it is made clear which organizational values and any associated behaviours authentically reflect the values and behaviour held by the majority of those in the organization, and where these are aspirational rather than authentic.

7.3.1.2.2 Live the organization's values

The governing body and executive managers should ensure that the values and associated behavioural guidance they give is continually lived throughout organizational decision making by:

- a) establishing organizational-wide guidance about the kinds of behaviours that will ensure the PDO-aligned values are lived through appropriate behaviour;

- b) continually checking if the actual worldviews, values and associated behaviours of the organization are aligned with being a PDO, and hence with achieving long-term wellbeing for all people and planet. If misaligned, a strategy should be established to shift these, starting with the governing body and executive managers; and.
- c) ensuring that the purpose, organizational direction given and the strategy that results (see 7.1 and 7.2) are all formulated in a way so that they are a lived expression of the authentic and aspirational values articulated by the governing body and taking remedial action as necessary.

7.3.2 Principle 6: There is boldness towards the ends and precaution towards the means

7.3.2.1 Rationale

The urgency of the threats to long-term wellbeing, and the need for strong creativity and innovation to address them, means that boldness is required when making decisions about how to achieve the purpose.

A PDO should continually challenge itself to see if it can go further, and faster towards achieving the purpose outcomes in the way intended and judge the boldness of its actions relative to the scale of the challenge specified in its purpose rather than relative to the achievements of other companies.

At the same time PDOs should act with precaution towards any action that might affect social and environmental systems and associated capitals, considering both impacts of action and inaction and acting pre-emptively to protect and enhance the health of social and environmental systems even where conclusive information is not available.

7.3.2.2 Behaviours

7.3.2.2.1 Innovate boldly

The governing body and executive managers should actively and creatively seek opportunities to maximize and accelerate the achievement of the purpose. They should create the permission and favourable conditions needed to do this where possible in line with the way the purpose outcomes are intended to be achieved (means and method), including:

- a) ensuring that organizational direction and strategy do not unnecessarily constrain the ability of the organization to creatively achieve the purpose or to adequately question the purpose as the optimal contribution the organization can make to long-term wellbeing for all people and planet;

- b) ensuring that risk governance and risk management frameworks support the bold achievement of the purpose outcomes in the way intended;
- c) ensuring that financial management and financing arrangements support the bold achievement of the purpose outcomes in the way intended;
- d) communicating and explaining what a bold decision to achieve the purpose in the way intended looks like (e.g. explore and engage with developers of new technology or co-create new offerings with stakeholders or competitors);
- e) transparently rewarding bold behaviour that achieves the purpose in the way intended, including failed attempts, and disincentivizes behaviour that is not ambitious enough within the governance and management parameters set (redlines/ floors/ guardrails); and
- f) ensuring appropriate tolerance to experimentation and failure, that is clearly communicated, enacted and incentivized, in order to create a psychologically safe environment for people to innovate within.

7.3.2.2.2 Act with precaution towards the means

The governing body and executive managers should ensure that the organization approaches all decisions in a way that respects the uncertainty surrounding how to ensure the health of the means, including:

- a) employing the precautionary principle (see 3.20) in all decision-making;
- b) ensuring that the parameters (redlines/ floors/ guardrails) and associated short, medium and long-term targets that are set (see 7.2.1.2.2b) ensuring an adequate buffer for remaining in safe limits of health;
- c) ensure that risk governance and risk management frameworks support the precautionous protection of the social and environmental systems and associated capitals;
- d) ensure that financial management and financing arrangements support the precautionous protection of the social and environmental systems and associated capitals;
- e) communicate and explain what a precautionous decision looks like; and
- f) transparently reward precautionous behaviour and disincentivize behaviour that is not precautionous towards the health of the means.

7.3.3 Principle 7: The best evidence is sought and relied on

7.3.3.1 Rationale

The nature of the problems facing long-term wellbeing are interconnected. These problems, and the solutions to them, are grounded in fundamental and complex social and environmental systems. A PDO has a primary motivation to produce reliable positive impacts on the ultimate desired outcome of long-term wellbeing for all people and planet and assure that harmful negative impacts on it are not created. This means that the nature of the information needed to make decisions and the information to accurately judge outcomes is different to a business-as-usual organization where only partial, additional, information is required in addition to their financial capital accounting.

A range of information is needed by a PDO in order to:

- a) know what innovations should be progressed or not;
- b) assure itself that it has achieved its purpose outcomes in the way intended (means and method);
- c) provide relevant stakeholders with information that is material to their long-term wellbeing and decisions they make about it. Information needed for decision-making by a PDO includes:
 - 1) the nature of the wellbeing outcomes and the best pathways to achieving these outcomes via various impacts (ends);
 - 2) the systems that the organization interacts with, impacts and depends on, including how the organization influences the health of social and environmental systems and associated capitals and enabling stakeholders, and the current states, pressures and trends related to these systems, capitals and enabling stakeholders (means); and
 - 3) the material information needs of relevant stakeholders and society as a whole.

Not all information needed will be available when a decision needs to be made. Increasing the chance of having access to this information at the right time and in the right form, requires engagement with information sources that organizations have not traditionally had to engage with. This is likely to require deep and informative relationships being built with stakeholders including:

- 1) academia;
- 2) government;
- 3) customers;
- 4) suppliers; and
- 5) organizations of all kinds.

Quality evidence is evidence that is relevant, verified independently (peer-reviewed) and informed by a range of stakeholders. The best evidence is the evidence that is practically able to be accessed and considered and is the highest quality available at the point that a decision is needed and is practically able to be accessed and considered. As well as using the best available information, PDOs bring the best evidence to bear on decisions and consistently work to improve its ability to consider the best evidence in decision making throughout the organization.

7.3.3.2 Behaviours

7.3.3.2.1 Make well-informed decisions about wellbeing ends

The governing body and executive managers should ensure that the organization sufficiently understands human and planetary wellbeing to make informed decisions about how to best achieve the purpose outcomes in the way intended and over the longer-term, that the best efforts are made with the information available and that capacity to make well-informed decisions is continually improved. This includes understanding how the wellbeing of some people and systems, affects the wellbeing of others (e.g. the effects of social inequality). The governing body and executive managers should:

- a) assure themselves of the integrity of the data and information used by themselves and throughout the organization to make decisions about wellbeing and problems facing it, including the accuracy and completeness of this data and information, such as putting great emphasis on engaging with primary beneficiary stakeholders whose wellbeing is in focus;
- b) ensure that the most appropriate data and information are actively and consistently used by themselves and decision-makers throughout the organization to make decisions about how to achieve the purpose in the way intended, including making sure that important information isn't intentionally, or unintentionally ignored; and
- c) ensure that they, and decision-makers throughout the organization seek to understand and have a view on what wellbeing is and how their decisions materially affect it.

7.3.3.2.2 Make well-informed decisions about healthy means

The governing body and executive managers should ensure that the organization sufficiently understands the functioning, minimum/ enhanced health requirements of social and environmental systems and associated capitals over the longer-term to make informed decisions and assures themselves that these decisions will not contribute to the breaching of safe thresholds of social and environmental health. They should:

- a) assure themselves of the integrity of the data and information used by themselves and decision-makers throughout the organization to make decisions about its fair and adequate contribution to the functioning, minimum/ enhanced health requirements of social and environmental systems and associated capitals, including the accuracy and completeness of this data and information;
- b) ensure that the most appropriate data and information are actively and consistently used by themselves and decision-makers throughout the organization to make decisions about how to ensure the minimum health of social and environmental systems and associated capitals; and
- c) ensure that they, and decision-makers throughout the organization, seek to understand and have a view on how their decisions provide the minimum health of social and environmental systems and associated capitals.

Where uncertain they should adopt the precautionary principle (see 3.20).

7.3.3.2.3 Make well-informed decisions about a wise and ethical method

The governing body and executive managers should ensure that the organization understands how to act in way that is in line with an ethical and wise method of achieving the purpose. They should assure themselves of the integrity of the data and information used to by themselves and decision-makers throughout the organization to make decisions that are wise and ethical by ensuring that:

- a) the most appropriate data and information are actively and consistently used by themselves and decision-makers throughout the organization to make decisions that are wise and ethical; and
- b) they, and decision-makers throughout the organization seek to understand and have a view on how their decisions are both wise and ethical.

Annex A (informative) Frequently asked questions

A.1 What is the role of financial profit in a PDO?

All organizations need financial profit to be able to achieve their goals. All resources are valuable but money can be easily swapped with other resources making it particularly useful. In a PDO financial profits are a vital resource that enable the organization to optimize its contribution to long-term wellbeing for all people and planet. Financial resources are one of the lifelines of an organization (like breathing is for living) but like breathing, producing financial resources are not a reason to exist. Financial profit is vital for purchasing other resources and meeting the expectations of stakeholders [like member stakeholder (e.g. shareholders)] and it has some motivational qualities. PDOs work to create realistic expectations about financial returns, so that this valuable resource is not unnecessarily diverted away from creating true value towards its purpose. PDOs work to align stakeholders to support the purpose as the primary organizational goal and hence accept these limitations to their financial value capture. PDOs do not overstate or over-rely on the financial motive when incentivising stakeholders.

A.2 How does a PDO view stakeholders?

A PDO understands its deep co-dependency on stakeholders in general. However, the level of co-dependency will depend on the types of stakeholder, which are based on the PDO's purpose. The categories of stakeholders that a PDO will consider can be grouped into:

- a) ultimate beneficiary stakeholders, i.e. all people and planet over the longer-term, including future generations as the primary decision-making anchor;
- b) primary beneficiary stakeholders, i.e., those whose wellbeing the purpose primarily serves. Where the purpose is focused on addressing an ultimate social or environmental system problem (e.g. climate change or inequality), the ultimate beneficiary stakeholders would be all people and planet (see 7.1.1);
- c) influential stakeholders: those it is legally bound to (e.g. member stakeholders) and those it chooses to account to (e.g. reference stakeholders);

- d) enabling stakeholders, i.e. those who the organization relies on to achieve the purpose in the way intended; and
- e) affected stakeholders, i.e. those who are affected by the decisions the organization makes, even if their effect on the organization is non-existent, unperceivable or very limited.

A PDO will have clear guidance about how any conflict between these accountabilities will be dealt with, in order to optimize long-term wellbeing for all people and planet. Just because investors gatekeep access to financial resources, and have some specific legal influence over its governance, does not make them the priority stakeholder.

A.3 How does a PDO think about the triple bottom line and 3 pillars of sustainability?

The three pillars of sustainability (social, environmental and economic) was the early way to break down the strategy to achieve sustainable development. The idea is that if we worked to secure the proper functioning of all these for the longer-term we would achieve long-term wellbeing for all people and planet. The triple bottom line was an early way of an organization trying to account for those pillars. In reality we over-focused on the pillars, often in silos, and lost sight of the real complexity and interconnectedness of the systems that sustainability rests on and what these pillars support – long-term wellbeing for all people and planet. The SDGs exploded these pillars into seventeen goals which we can see as the global strategy for ensuring at least a threshold level of long-term wellbeing for all people and planet. An organization can't achieve all of these, but a PDO ensures its fair and adequate contribution to them and goes beyond that to determine what aspect(s) might become its optimal strategic contribution to long-term wellbeing for all people and planet.

A.4 How does a PDO view materiality assessments and what is considered material?

For a PDO, an impact is material if it affects the achievement of long-term wellbeing for all people and planet and information is material if it would affect the decision someone would make which impacts long-term wellbeing for all people and planet. What makes something ultimately significant for someone's wellbeing is a judgement. A materiality assessment is a process to help make decisions between alternative actions on the basis of understanding the most net positive impact on the long-term wellbeing of all people and planet. Therefore, it is vital that stakeholders are at the heart of a materiality assessment (a principal source of subjective measures) as well as relying on the best science (a principal source of objective measures). Once the nature, scale and timescale of the impacts of alternative actions is understood, an organization can make informed decisions about how to act. For PDOs materiality assessments are a critical and ongoing part of understanding if the purpose is an optimal contribution to long-term wellbeing for all people and planet if its actions help secure the health of social and environmental systems and associated capitals and whether the method employed is ethical and wise.

A.5 Is an organization that focuses on its long-term survival as the primary goal, a PDO?

In PDOs, the primary goal is achievement of the purpose as an optimal strategic contribution to the long-term wellbeing of all people and planet, the survival of the organization is secondary. If a purpose is adequately ambitious and allows enough room for interpretation in the vision (what the organization or world will be like if the purpose is achieved in the way intended), mission (a high-level overview of what the organization does in order to achieve the purpose in the way intended) and strategic outcomes (what strategy is to be designed to achieve in order to achieve the mission, vision and purpose in the way intended), this goal will be very long-term and survival of the organization hinged to it. However, if the organization achieves its purpose it will no longer function as a purpose – it will no longer be an optimal strategic contribution to society's meta-purpose. At this, theoretical, point the organization either chooses to close, having achieved its goal, or more likely, alter its purpose so that it remains optimal. In practice, being a PDO and long-term organization survival are intertwined:

- a) the governing body and executive managers of a PDO continually review the purpose and adjusting it if it is no longer an optimal contribution to the meta-purpose; and
- b) the fact that a PDO focuses on producing true value that is useful and meaningful for stakeholders, and that it is highly motivated to run its organization well, including the sustainable use of resources – because its innovation goals really matter.

That's not to say it is easy for any organization to survive in these complex and fast-moving times and PDOs need to work hard to not just react to current conditions but to lead the creation of the positive conditions of the future when they don't yet exist.

A.6 Who decides what value to pursue and how are PDOs held to account?

A PDO's work towards a transparent goal that it clearly, and transparently, justified in relation to society's best long-term interest, sets clear targets to achieve this goal in a way that protects and enhances the health of social and environmental systems and in a method in line with society's best interest – and is then transparent about how it has or has not achieved the purpose in the way intended. This means that accountability is based on the value to society that it is creating or destroying through its purpose – this accountability to real value creation is at the heart of being a PDO. A PDO will be continually monitoring that its purpose is indeed serving society's meta-purpose optimally and checking decision-making against the meta-purpose. In business-as-usual organizations it is assumed that the financial self-interest motive will not extend to other personal agendas and that a focus on marketing dynamics will help to keep this in check. Based on this assumption, we have given a very free reign to organizations to act with only limited liability and accountability mechanisms for anything other than financial value. Specifically, there has been no requirement for organizations to account for the true value created or destroyed, neither in terms of ultimate ends, foundational means nor their methods. As we move towards a purpose-driven capitalism, in service to a wellbeing economy accountability to the ends, means and method is being increasingly built into society's structures. "ESG" measures are the beginning of accountability measures for the foundational means and method (see Figure 1). Legislation across the globe is changing to require organizational evidence of fair and adequate contribution to the functioning of social and environmental systems and an ethical and wise method of decision-making. Legislation in corporate law, in some jurisdictions, is also beginning to support organizations to be purpose-driven and it seems likely this will accelerate as the scale of our unsustainability becomes increasingly understood.

Annex B (informative) Contextualizing the principles and behaviours of a PDO

The organizational values that a PDO are guided by are given in Table B.1.

Table B.1 – Contextualizing the principles and behaviours of a PDO

Principle category	Principle	Behavioural category	Group most likely to advance the behaviours			Area of the organization where behaviours are most likely to be demonstrated			
			Governing body	Executive managers	Employees	Value network	Products and services	Stakeholders and external collaboration	Reporting and disclosure
Wellbeing ends – principles for the reason the organization exists (see 7.1)	Long-term wellbeing for all people and planet is the ultimate goal and all people and planet are the ultimate beneficiaries (see 7.1.1)	Act in ways that consistently demonstrate commitment to long-term wellbeing for all people and planet (see 7.1.1.2.1)	√	√	—	—	—	—	—
		Ensure long-term wellbeing for all people and planet is the ultimate decision frame (see 7.1.1.2.2)	√	√	—	—	—	—	√
	The purpose, achieved in the right way (means and method), is the strategic and accountability anchor (see 7.1.2)	Articulate, elaborate and act in ways that consistently commit to the purpose (see 7.1.2.2.1)	√	√	—	—	—	√	√
		Align strategy and policy to achieving the purpose (see 7.1.2.2.2)	√	√	—	√	√	√	√
		Align interests and decision-making to the purpose (see 7.1.2.2.3)	√	√	√	√	√	√	√
		Align the culture to achieve the purpose (see 7.1.2.2.4)	√	√	√	—	√	—	√
		Align rewards and incentives to achieve the purpose (see 7.1.2.2.5)	√	√	√	—	—	—	—
		Finance the purpose (see 7.1.2.2.6)	√	√	—	—	—	—	√

Table B.1 – Contextualizing the principles and behaviours of a PDO (continued)

Principle category	Principle	Behavioural category	Group most likely to advance the behaviours			Area of the organization where behaviours are most likely to be demonstrated			
			Governing body	Executive managers	Employees	Value network	Products and services	Stakeholders and external collaboration	Reporting and disclosure
		Assess, measure and report against the purpose (see 7.1.2.2.7)	√	√	—	—	√	—	√
Healthy means – principles for classifying, protecting and enhancing the means to achieve the purpose (see 7.2)	A fair and adequate contribution to the health of the means is non-negotiable (see 7.2.1)	Identify and classify the means (see 7.2.1.2.1)	√	√	—	—	√	—	—
		Protect and enhance the health of the means (see 7.2.1.2.2)	√	√	—	√	√	√	√
	The value network is understood, cared for, integrated with and aligned (see 7.2.2)	Understand the value network (see 7.2.2.2.1)	√	√	—	√	—	√	—
		Care for the value network (see 7.2.2.2.2)	√	√	—	√	—	√	—
		Integrate with the value network (see 7.2.2.2.3)	√	√	—	√	—	√	√
		Align the value network (see 7.2.2.2.4)	√	√	√	√	—	√	—
Wise and ethical method – principles for the manner in which the purpose is achieved (see 7.3)	Stated values are authentic, legitimate and lived (see 7.3.1)	Articulate the organization's values (see 7.3.1.2.1)	√	√	√	—	—	—	√
		Live the organization's values (see 7.3.1.2.2)	√	√	√	—	—	—	—
	There is boldness towards the ends and prudence towards the means (see 7.3.2)	Innovate boldly (see 7.3.2.2.1)	√	√	√	—	—	—	√
		Act with precaution towards the means (see 7.3.2.2.2)	√	√	√	—	√	—	—

Table B.1 – Contextualizing the principles and behaviours of a PDO (*continued*)

Principle category	Principle	Behavioural category	Group most likely to advance the behaviours			Area of the organization where behaviours are most likely to be demonstrated			
			Governing body	Executive managers	Employees	Value network	Products and services	Stakeholders and external collaboration	Reporting and disclosure
	The best evidence is sought and relied on (see 7.3.3)	Make well-informed decisions about wellbeing ends (see 7.3.3.2.1)	√	√	—	—	—	—	—
		Make well-informed decisions about healthy means (see 7.3.3.2.2)	√	√	—	—	√	—	—
		Make well-informed decisions about a wise and ethical method (see 7.3.3.2.3)	√	√	—	—	√	—	—

Bibliography

Standards publications

For dated references, only the edition cited applies.
For undated references, the latest edition of the referenced document (including any amendments) applies.

Standards publications

BS 8950:2020, *Social value – Understanding and enhancing – Guide*

BS 13500:2013, *Code of practice for delivering effective governance of organizations*

BS ISO 37301:2021, *Compliance management systems – Requirements with guidance for use*

BS ISO/IEC 38500:2015, *Information technology – Governance of IT for the organization*

BS EN ISO 26000:2010, *Guidance on social responsibility*

ISO Guide 82:2019, *Guidelines for addressing sustainability in standards*

Other publications

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT. *Our Common Future, From One Earth to One World* <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf>

British Standards Institution (BSI)

BSI is the national body responsible for preparing British Standards and other standards-related publications, information and services.

BSI is incorporated by Royal Charter. British Standards and other standardization products are published by BSI Standards Limited.

About us

We bring together business, industry, government, consumers, innovators and others to shape their combined experience and expertise into standards-based solutions.

The knowledge embodied in our standards has been carefully assembled in a dependable format and refined through our open consultation process. Organizations of all sizes and across all sectors choose standards to help them achieve their goals.

Information on standards

We can provide you with the knowledge that your organization needs to succeed. Find out more about British Standards by visiting our website at bsigroup.com/standards or contacting our Customer Services team or Knowledge Centre.

Buying standards

You can buy and download PDF versions of BSI publications, including British and adopted European and international standards, through our website at bsigroup.com/shop, where hard copies can also be purchased.

If you need international and foreign standards from other Standards Development Organizations, hard copies can be ordered from our Customer Services team.

Subscriptions

Our range of subscription services are designed to make using standards easier for you. For further information on our subscription products go to bsigroup.com/subscriptions.

With **British Standards Online (BSOL)** you'll have instant access to over 55,000 British and adopted European and international standards from your desktop. It's available 24/7 and is refreshed daily so you'll always be up to date.

You can keep in touch with standards developments and receive substantial discounts on the purchase price of standards, both in single copy and subscription format, by becoming a **BSI Subscribing Member**.

PLUS is an updating service exclusive to BSI Subscribing Members. You will automatically receive the latest hard copy of your standards when they're revised or replaced.

To find out more about becoming a BSI Subscribing Member and the benefits of membership, please visit bsigroup.com/shop.

With a **Multi-User Network Licence (MUNL)** you are able to host standards publications on your intranet. Licences can cover as few or as many users as you wish. With updates supplied as soon as they're available, you can be sure your documentation is current. For further information, email cservices@bsigroup.com.

Revisions

Our British Standards and other publications are updated by amendment or revision.

We continually improve the quality of our products and services to benefit your business. If you find an inaccuracy or ambiguity within a British Standard or other BSI publication please inform the Knowledge Centre.

Copyright

All the data, software and documentation set out in all British Standards and other BSI publications are the property of and copyrighted by BSI, or some person or entity that owns copyright in the information used (such as the international standardization bodies) and has formally licensed such information to BSI for commercial publication and use. Except as permitted under the Copyright, Designs and Patents Act 1988 no extract may be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, photocopying, recording or otherwise – without prior written permission from BSI. Details and advice can be obtained from the Copyright & Licensing Department.

Useful Contacts:

Customer Relations

Tel: +44 345 086 9001

Email: cservices@bsigroup.com

Subscription Support

Tel: +44 345 086 9001

Email: subscription.support@bsigroup.com

Knowledge Centre

Tel: +44 20 8996 7004

Email: knowledgecentre@bsigroup.com

Copyright & Licensing

Tel: +44 20 8996 7070

Email: copyright@bsigroup.com



The Mira Corporate Suites, Plot 1 & 2,
Ishwar Nagar, Mathura Road, New
Delhi, Delhi 110065

www.bsigroup.com/en-IN

