PAS 808:2022

Purpose-driven organisations: Worldviews, principles and behaviours for delivering sustainability

A BSI executive briefing







Author Ben Kellard Director of Business Strategy, CISL

Contents

| Overview | 3 |
|---|---|
| | |
| The worldviews, principles and behaviours behind PAS 808:2022 | 4 |
| How can organizations use PAS 808:2022? | 5 |
| | |
| Suggested next steps | 6 |
| | |
| Further reading | 7 |
| What is the CISL? | 7 |
| About the author | 8 |
| | |
| Why choose BSI? | 9 |

bsi.

Overview

It has never been more complicated for organizations operating in the UK than it is right now. The challenges and concerns raised by social inequality, resource depletion and an acknowledged climate emergency have made it less clear what role businesses should play in society. Customers, investors and regulators increasingly want to know that organizations are driving solutions to society's shared challenges and aspirations and not making matters worse. However, there is little consensus on how a business can best position themselves to do this.

PAS 808:2022 was developed with these challenges in mind. PAS 808:2022 is a principlesbased guidance document that describes the worldviews, principles and behaviours of a purpose-driven organization (PDO) and sets out what organizations might need to do to be aligned with these principles. A PDO is an organization that exists to contribute to a sustainable future and does this through innovating, managing and caring properly for its systems, resources and stakeholders, while ensuring enough profit.

PAS 808:2022 is intended for CEOs and business leaders who want to understand what it means to be a purpose-driven organization and align fully with a sustainable future – as such it marks a watershed moment in clarifying a consensus view of what sustainable business practice looks like. Rather than asking leaders to read a wide range of approaches to purpose-driven and sustainable organizations and then assimilate these concepts into best practice, PAS 808:2022 does it for them. From there, they can decide if they want to be supported on their journey by other organizations or standards. PAS 808:2022 also sets out key definitions to build clarity about the end objective – an organization whose decisions are fully aligned with long-term wellbeing for all (sustainability).

Available as a free download from 12 July 2022, it was developed by a steering group of experts convened by BSI, including: the Cambridge Institute for Sustainable Leadership; Business in the Community; the Chartered Management Institute; the World Business Council for Sustainable Development; Blueprint for Better Business; the Department of Culture, Media and Sport; KPMG; Anglian Water; BSI; Jones Lang LaSalle; the John Lewis Partnership; and B Lab UK. The launch marks the beginning of a testand-learn phase with insights from implementation fed back into future development.

The worldviews, principles and behaviours behind PAS 808:2022

PAS 808:2022 unites the concepts of strategy, purpose and sustainability into a clear definition of what 'organizational purpose' is: namely, that businesses exist specifically to make the most optimal contribution possible to the long-term wellbeing of all people and the planet.

It also makes clear that to be purpose-driven requires achieving that purpose in a way that protects and enhances the health of: systems (such as the climate); capital inputs (natural human, social, financial and manufactured); and stakeholders (such as employees).

The PAS starts by setting out worldviews – the assumptions and values that sit behind any principle. These explain why, at a fundamental level, PDOs are different from what might be termed 'business-as-usual' organizations.

The principles are organized into three categories of behaviours, and these are the core areas that a PDO should consider. Firstly, PAS 808:2022 sets out the behaviours required to establish the pinnacle 'value creation' objective of a PDO that is expressed in its purpose. This principle is is described as 'Wellbeing Ends' – the innovative impacts, outcomes and outputs of activities which, by design, enable the organization to deliver their optimal contribution to the long-term wellbeing of people and planet.

The PAS also describes how, in delivering these ends, a PDO will ensure that it is making a fair contribution to the health of the social and environmental systems we all rely on and taking



care of the stakeholders that enable it to achieve its purpose. This second category of principles is described as 'Healthy Means' – the actions and methods chosen to achieve or deliver the 'Wellbeing Ends'.

The third category of principles is about the way in which the ends are achieved, and the means protected – with a focus on making decisions in a way that is aligned with social norms and using the best data available. This is called the 'Wise and Ethical Method'. The behaviours in PAS 808:2022 then set out how the governing body, executive leaders and wider organization can behave in a way that is in line with these principles and worldviews.

The principles and behaviours seek to be general enough to apply to any organization in any sector or country. However, while care was taken to make the language and principles applicable to all organizations, small and medium-sized enterprises may need to interpret them according to their precise requirements.

Rather than focus on what is easy and feasible, PAS 808:2022 sets out what is necessary and sufficient for a PDO – this is what makes it an ideal guidance document that can anchor the widescale debate and action desperately needed. PAS 808:2022 can assist organizations seeking to:

- Reduce negative impacts on nature and society
- Reduce liabilities and risks
- Shape long-term direction
- Describe key factors in a rapidly changing world
- Identify new markets
- Innovate sustainable value propositions
- Attract, retain and motivate talent
- Improve organizational performance, efficiency and agility.

By describing what principles sustainable businesses need to follow, organizations can use the PAS to both understand where it is today and then inspire and inform where it wants to get to. The organization will then need to use its judgement to decide how it goes from where it is, to where it wants to be.

How can organizations use PAS 808:2022?

While PAS 808:2022 will help to identify potential ways to evolve, this PAS does not include step-bystep guidance on how to become a PDO; rather, it is based on principles which organizations can apply flexibly. These leave the evolution open to assessment by the organization as well as by third parties.

How the organization applies PAS 808:2022 will depend on considerations like its size, sector, industry, culture, starting point and available resources. So, what can an organization expect when setting out on this journey?

Organizations aspiring to be purpose-driven find that the process is an iterative one that progresses as the organization learns more about itself, its external context and the emerging opportunities and challenges that being purpose-driven presents. So organizational learning is an important part of the journey.

This learning will involve any organization identifying external barriers and enablers, as it seeks to anticipate future trends and evolve its understanding of the role it can best play to contribute to collective long-term wellbeing.

This includes being realistic about any current

headwinds. A PDO assesses these factors and then adopts appropriate strategies to reshape and harness them, taking into account its spheres of control and influence.

This might involve, for example, positive advocacy to shape regulation (such as pricing-in externalities) or enabling any new infrastructure required for future products and services (such as charging points for electric vehicles).

In contrast, businesses locked into BAU, waiting for regulatory or market changes, risk being left behind or stuck in a complicated limbo and trying to adapt to ever-increasing stakeholder demands without a clear rationale for doing so.

By contrast, organizations that are pivoting to a more sustainable, purpose-driven future have the potential to differentiate themselves by demonstrating a clear sense of identity, attracting the best talent and having the internal rationale to invest and create the new markets, products and services that society really needs.

PAS 808:2022 will be an invaluable guide to ambitious organizations on that journey.

Suggested next steps

CEOs and senior management can create or review their organization's aspirations to see if sustainability is at the heart of the company's purpose and core propositions. By embedding the organizational purpose into its decision-making and governance, they can create a culture of inclusion, aligning their people and policies with that purpose. By monitoring its progress and having internal accountability, an organization can then publicly and transparently set out the company's commitment to action.



Further reading

The governance behaviours in PAS 808:2022 are aligned with BS ISO 37000, *Governance of Organizations – Guidance*, which should be used for further context and recommended governance behaviours.

What is CISL?

The University of Cambridge Institute for Sustainability Leadership partners with business and governments to develop leadership and solutions for a sustainable economy. It aims to achieve net zero, protect and restore nature, and build inclusive and resilient societies.

For over three decades it has built the leadership capacity and capabilities of individuals and organizations, and created industry-leading collaborations, to catalyze change and accelerate the path to a sustainable economy. Its interdisciplinary research engagement builds the evidence base for practical action.

About the author



Ben Kellard Director of Business Strategy, CISL

Ben Kellard is CISL's Director of Business Strategy and advises leading businesses on how to align their purpose and strategy with the transition to a sustainable economy. He specializes in best practice for how to develop and integrate a sustainable purpose into an organization. He authored the 'Leading with a sustainable purpose' report that captures practical insights from four leading businesses.

As well as shaping CISL's research into what a sustainable, purposedriven business looks like, he collaborates with several international initiatives that share the same goal. He draws on over twenty years of experience as an organizational development consultant, eleven of which were with the international not-for-profit 'Forum for the Future.' Ben was a member of the PAS 808:2022 steering group.

Disclaimer

The views and opinions expressed in this white paper are those of the authors. They do not necessarily reflect the official policy or position of BSI Group. This white paper is not a peer-reviewed work. Although it may be a sponsored publication, it is issued solely for information of the authors' views and opinions only. BSI Group makes no representations as to accuracy, suitability or validity of information. All information is provided on an 'as is' basis. BSI accepts no liability for any loss or damage caused, arising directly or indirectly in connection with reliance on its contents except to the extent that such liability may not be excluded in law.

○ Why choose BSI?

As the financial, environmental, and social climates of our planet continuously shift, BSI's founding purpose to benefit society is more relevant now than ever before.

By shaping, sharing, embedding, assessing, and supporting industry best practice, for 120 years BSI has equipped organizations with the tools and techniques they need to turn today's challenges into tomorrow's opportunities.

Working globally across a range of sectors – with specialist expertise in automotive and aerospace, the built environment, food and retail, and healthcare – BSI offers a range of services and solutions to make organizations worldwide more trusted and resilient. We adopt innovative technology and processes to offer our services in an efficient and effective manner, partnering with our clients to embed sustainable behaviours for the long-term benefit of their people, their customers, and our planet.



Download **PAS 808:2022** and a full range of other standards now at: <u>knowledge.bsigroup.com</u>



Read more about standards at: <u>knowledge.bsigroup.com</u>