

Proposed 7th Governance Principle: Caring for People & Place

The proposed principle would add *Caring for People & Place* as a seventh principle to the Charities Governance Code. It aims to ensure that charities consider the impact of their activities on communities and the environment, and include proportionate processes for listening to and engaging with affected stakeholders.

Principle 7: Caring for People & Place

Why this principle is important

Charities are established to provide a public benefit. This principle promotes responsible decision-making to ensure that a charity's activities do not detract from this by causing unintended harm to communities or the environment.

Putting the principle into action

7. Core standards for caring for people & place

7.1 Formally adopt a governance statement committing the charity to consider its social and environmental impact in its decision-making.

7.2 Promote diversity and inclusion within the Board to ensure a range of perspectives and lived experiences relevant to the charity's purpose and activities.

7.3 Establish proportionate consultation or stakeholder engagement processes for major strategic or operational decisions affecting communities or beneficiaries.

7.4 Use a structured decision-making checklist to assess social and environmental risks associated with major decisions, including potential adverse impacts on communities and the environment (carbon footprint, biodiversity).

7.5 Include an annual Board agenda item to review the charity's social and environmental impact (positive and negative) and minute any key decisions.

Additional standards

7.6 Ensure at least one trustee attends annual training or professional development on social and environmental governance.

7.7 Where relevant, establish mechanisms (such as expert advice or stakeholder representation) to consider environmental perspectives in strategic decisions.

7.8 Consider community and environmental needs in procurement and investment processes, where possible preferring options that strengthen communities and ecosystems (local, regenerative, recycled or repurposed).

7.9 Publish a concise statement in the annual report outlining key social and environmental impacts (positive and negative) and the charity's actions to address them.