



# Berrett-Koehler CONSTITUTION

## DECLARATION

We are embarked together on a journey to do the seemingly impossible—to *create a world that works for all*. No road map exists for this journey, so we are drawing one as we go, marker-by-marker.

We begin with the core values of *stewardship, quality, partnership, inclusion, and sustainability*—our signposts for what we mean by “a world that works for all” and our guides for how to get there. We seek to create organizations and communities that embody these values in their daily functioning while also promoting these values in many ways around the world.

This congruence—between ends and means, between what we say and what we do, between our aspirations and our actions, between our values and our structures—is at the heart of who we are.

When we use the name “Berrett-Koehler,” we refer simultaneously to an idea of what is possible in the world, to our values and commitments, to communities striving together to make a positive difference, and to organizations amplifying many people’s creative efforts. In using this name, we accept a deep responsibility to act in accordance with our mission and values for the benefit of the whole—our communities, organizations, the earth, and all living things—rather than primarily in our own self-interest. We elevate the quality and dignity of human relationships above individual gain.

We believe that to truly create a better world, action is needed at all levels: societal, organizational, and individual. We seek to change the underlying beliefs, mindsets, institutions, and structures that keep generating the same cycles of problems, no matter who our leaders are or what improvement programs we adopt.

To help us understand and live by these ideals, we are establishing foundational agreements, including a Berrett-Koehler Constitution—each a living document, subject to ongoing refinement as we grow in experience and capacity. Our journey is a bold experiment, one that will emerge over generations of contributions by multitudes of BK community members and friends.

## COMMITMENTS

### I. Introduction

“Berrett-Koehler” (hereinafter “BK”) identifies a broad and diverse community of individuals, groups, and organizations that share ideals and actions detailed in this Constitution. Organizations and groups agreeing to abide by the Constitution’s provisions are hereinafter called “BK Organizations.” The Berrett-Koehler Group, Inc., Berrett-Koehler Publishers, Inc., Berrett-Koehler Authors, Inc., and the Berrett-Koehler Foundation are the founding BK Organizations (“founding organizations”). Other groups and organizations are invited to become BK Organizations in accordance with the provisions of this Constitution.

The purposes of this Constitution are to clarify and codify what “Berrett-Koehler” stands for, to detail the commitments that all BK Organizations agree to embrace, and to define the relationships among the various BK Organizations. It is also intended to increase the probability that BK’s unique mission, values, and commitments will be put into daily practice in current and future BK organizations and will continue to be followed by succeeding generations of BK community members.

### II. Mission and Values

Each BK Organization articulates its own individual mission. A central element of that mission includes “Creating a World That Works for All.” For example, the mission of Berrett-Koehler Publishers, Inc., is “Connecting People and Ideas to Create a World That Works for All.”

Similarly, each BK Organization articulates its own individual values to support its mission. In defining what “Creating a World That Works for All” means and how it should inform daily practice, each BK Organization includes stewardship, quality, partnership, inclusion, and sustainability among its core values, generally in accordance with the following descriptions of these values.

**Stewardship.** We act as stewards or trustees—serving the interests of others and the whole—rather than acting as self-serving owners in administering the wealth, powers, privileges, and other resources entrusted to us. We emphasize choosing ser-

vice over self-interest, sharing responsibility for the whole, seeking the common good of our communities and society, and consuming only what we need.

**Quality.** Individually and collectively, we develop and use to our fullest ability the talents, capabilities, financial means, and other resources we now have and might develop. We are continually learning, growing, and progressing. We give our best efforts and performance. We take initiative to meet needs and make the most of opportunities. We create systems to do our work and serve others well. We add value in all we do.

**Partnership.** We accomplish our objectives and relate to others—including adversaries, subordinates, and the disadvantaged—through collaboration, invitation, dialogue, respect, openness, integrity, mutualism, and other dimensions of a partnership relationship rather than through compulsion, force, coercion, violence, or other manifestations of a hierarchical relationship. We are transparent toward all in our intent, decision making, structures, and policies. We seek to abolish class systems (wherein one group has enduring structural advantages over another group) in all areas of our organizations and communities, including ownership, wealth, belonging, power, accountability, compensation, and access to information and resources.

**Inclusion.** We value the many kinds of differences and similarities among people to foster inclusivity and diverse perspectives in how we work together and operate our organizations. We invite all voices to be heard, actively listen to others' perspectives, and strive to include underrepresented people and underrepresented perspectives. We foster a sense of belonging in a manner that allows everyone to feel respected and valued. We seek to abolish in our organizations and communities discrimination based on race, ethnic origin and identity, class, gender, gender identity, sexual orientation, age, disability, body size, nationality, language, religion, political beliefs, marital status, and other kinds of differences.

**Sustainability.** We follow individual and collective practices that are sustainable over the long term for our personal wellbeing, organizational fiscal and social responsibility, and community and environmental health. Our work supports establishing lifestyles, institutions, organizations, communities, economic systems, natural resource use, and other ways of living and interacting that are sustainable for generations going forward.

### **III. Relations among BK Organizations and with Their Stakeholders**

The principles detailed in this Constitution guide relations within and between BK Organizations. Each BK Organization interprets the provisions of its charter documents and internal policies and procedures in a manner consistent with this Constitution and seeks to change materially conflicting language in those documents, to the extent permitted by law and practicality, to conform such language to this Constitution.

#### **Commitments of BK Organizations to Their Respective Stakeholders.**

Each BK Organization publicly identifies its stakeholder groups (meaning groups that contribute to its operation and are substantially affected by it), including its employees, its customers (or recipients of its products or services), its sources of funding, its service providers, and the natural environment. (Additional stakeholder groups might include, for example, authors, sales partners, suppliers, and the local community.)

Each BK Organization communicates regularly with its stakeholders to share news and request feedback. In making and communicating decisions affecting its stakeholders, each BK Organization practices stewardship, transparency, clarity, and inclusiveness with respect to those stakeholders.

**Relations among BK Organizations.** BK Organizations relate to each other, support BK values, build the BK brand, and share BK resources in the following ways.

Each BK Organization respects the intellectual property of other BK Organizations and seeks written permission before making use of that intellectual property in ways that would otherwise infringe on it. Correspondingly, each BK Organization offers use of its intellectual property to other BK Organizations on fair-market commercial terms and seeks to make it feasible for other BK Organizations to use that intellectual property in ways that support the BK mission.

Organizations and groups that desire to be identified by the name Berrett-Koehler and to use certain BK resources (including but not limited to BK contact lists, BK visual brands, BK product brands, and BK intellectual property) formally agree to abide by the provisions of this Constitution to qualify for such use. The Berrett-Koehler Group, Inc., owns the trademarks (the “BK Marks”) associated with the Berrett-Koehler brand. As a condition to the use of BK Marks, each BK Organization will enter into a trademark license with The Berrett-Koehler Group, Inc.

## **IV. Board Governance**

Each BK Organization maintains its own separate legal structure, organizational structure, governance structure, and financial structure. Each BK Organization maintains its own governing body in the nature of a board of directors. Where practical, the governing body includes at least one representative from each of the other BK Organizations.

The governing body of each BK Organization bears ultimate responsibility for ensuring that the organization complies with these values and practices outlined in this Constitution. The governing body complies with all legal and fiduciary requirements applicable to it.

The governing body of each BK Organization employs a stewardship approach to corporate governance—ensuring that the interests and perspectives of all principal stakeholders and the BK community as a whole are considered in making major decisions while upholding the governing body’s fiduciary duties of care and loyalty to the organization it represents. Each BK Organization involves its stakeholder groups as resources in its process for recruiting, nominating, and selecting representatives on its governing body as permitted by their charter.

## **V. Staff Organizations**

Leaders of BK Organizations consult with staff members whenever undertaking changes in strategies, policies, and programs materially affecting the leaders or staff, including setting compensation and benefits structures.

The salary scale, criteria for compensation, and other human resource policies remain consistent, transparent, and equitable for all staff of BK Organizations.

All staff members provide leadership in helping their organizations meet their challenges as well as followership in supporting others’ work. Leaders and staff consistently take a proactive position in the interests of the whole organization in addressing issues. Leaders and staff practice civility and respect to all. Leaders and staff share information openly and do not form cliques or secretive inner circles to exclude others from important decisions.

## VI. Reports of Company's Performance in Meeting Commitments

**Financial Performance Report.** Each BK Organization establishes practices for financial rigor and transparency, including strong internal financial controls and reports based on accepted accounting standards. A BK Organization posts on its website its most recent three annual financial statements.

**Social Benefit Report.** A BK Organization posts on its website its most recent three annual social benefit reports, generally including the following: (1) the ways in which the organization during the year pursued its commitment to a general public benefit—including creating a world that works for all—and the extent to which general and specific public benefits were created; (2) how the organization acted in the interests of its stakeholder groups, including the natural environment; and (3) any circumstances that hindered the organization's creation of general or specific public benefits.

## VII. Ratification and Amendment

The governing body of each BK Organization designates one official representative ("official representative") of that organization, who need not be a member of that organization's governing body, to serve on the Constitution Governing Council ("CGC"). Official representatives act as proxies for their respective governing bodies, voting and acting only with the explicit consent of those bodies.

This Constitution will go into effect and be binding upon the signatory BK Organizations when the following two events have occurred: (1) the governing body of each of the founding organizations has followed each organization's formal decision-making process, as detailed in its bylaws or other governing document, to ratify and agree to be bound by the Constitution; and (2) all of the official representatives of the founding organizations have ratified and signed the Constitution.

Additional organizations may ratify the Constitution and become BK Organizations governed by it by doing the following: (1) receive authorization from the organization's governing body to apply to become a BK Organization; (2) apply in writing to the CGC to become a BK Organization, governed by the Constitution; (3) receive unanimous written approval from the current CGC to become a BK Organization; (4) and ratify the Constitution in writing. Upon becoming officially governed by

the Constitution, each new BK Organization may designate one person to be that organization's official representative on the CGC.

Any of the official representatives on the CGC may propose amendments to the Constitution. The Constitution may be amended by the unanimous written vote of the official representatives of the CGC, provided that each organization's governing body has authorized its official representative to vote in favor of the amendment. Upon each amendment, the CGC will publish the amended Constitution, signed by the official representatives.

### **VIII. Interpretation, Enforcement, Dispute Resolution, and Exit**

The CGC holds the responsibility of official interpreter of the meaning of each provision of the Constitution, each BK Organization's adherence to the provisions of the Constitution, and steps needed to bring organizations into compliance with the Constitution; the CGC may provide mentoring, coaching, and training, as needed, to help BK Organizations understand and adhere to the provisions of the Constitution. The CGC holds these responsibilities as the sole official arbiter of grievances and other disputes in relation to matters covered by the Constitution.

The official representative of any BK Organization may bring to the CGC a grievance or other dispute concerning matters covered by the Constitution or a concern about a BK Organization's adherence to the Constitution.

Decisions by the CGC in connection with enforcement and dispute resolution will be made by unanimous written agreement of all official representatives on the CGC. If the CGC finds itself unable to reach such unanimous written agreement, and if the official representatives of BK Organizations that are not party to the dispute and that are not the subject of the enforcement action (the "noninvolved official representatives") agree by unanimous written agreement that such action is warranted, the noninvolved official representatives may make a determination to remove such organization from being governed by this Constitution or being entitled to use the BK Marks or BK resources as specified in this Constitution. The noninvolved official representatives will then institute a dispute resolution proceeding that will consist of informal meetings of the official representatives (in person or by telephone) called by one or more of the noninvolved official representatives on at least 48 hours notice to all BK Organizations, to attempt to reach a unanimous agreement of the CGC and, if deemed likely to assist in the resolution process, insti-

tute nonbinding mediation before a mutually acceptable mediator. If such resolution cannot be reached within 180 days after the determination to remove, removal would take effect at that time. Mediation fees, if any, will be divided equally between the organization subject to removal and the remaining BK Organizations, but the parties would otherwise bear their own costs of dispute resolution.

Any BK Organization may voluntarily remove itself from being a party to and subject to this Constitution by the BK Organization's official representative giving 90 days written notice to the CGC of such action. The Constitution may be dissolved by the vote of two-thirds or more of the CGC official representatives.

## **IX. Legal Details**

The parties created by this Constitution maintain the legal relationship of independent contractors. Nothing contained in this Constitution may be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and no party will have authority to contract for or bind another party in any manner whatsoever. Nothing in this Constitution is intended to condone or require any violation of applicable laws—including the special legal requirements governing each of the BK Organizations and the requirements governing charitable organizations, benefit corporations, and other legal forms of the BK Organizations—and this Constitution will be interpreted in a manner consistent with such laws and the requirements of those laws will supersede anything to the contrary in the Constitution. If any provision of this Constitution is held to be invalid or unenforceable, the remaining provisions in this Constitution are intended to remain in full force and effect. This Constitution will be governed and construed by the laws of the State of California, without regard to its conflicts of law principles that would apply the laws of any other state. This Constitution and amendments thereto may be executed in counterparts, each of which will be deemed an original but all of which together will be deemed to be one and the same document.