



SOCIAL ENTERPRISE GOLD MARK
ACCREDITED FOR BUSINESS EXCELLENCE

The Social Enterprise Gold Mark

Framework

Summary of the Criteria, Application and Assessment Process

The criteria of the Social Enterprise Gold Mark builds upon the six criteria of the original Social Enterprise Mark. These are that an organisation must:

- a) have social and/or environmental objectives;
- b) be able to demonstrate that it is an independent business;
- c) earn at least 50% or more of its annual income from trading;
- d) commit the principal proportion (50% +) of any profit made by the business to social/environmental purposes;
- e) on dissolution of the business, be committed to distributing all residual assets for social/environmental purposes;
- f) be able to demonstrate that social/environmental objects are being achieved. Applicants must agree to a statement that as a Mark holder they would strive to maximise social impact and minimize environmental damage.

If you have not already achieved it, meeting the above criteria automatically forms part of your assessment for the Social Enterprise Gold Mark. The additional Gold Mark criteria are:

- g) robust governance;
- h) ethical and good business practice;
- i) social impact and financial transparency.

The Gold Mark assessment process comprises three key steps:

1. Completing an Application Submission and providing responses to all mandatory requirements (a template for this will be provided).
2. Completing a Stakeholder Survey and achieving the required response rate (this is usually set at 15% of total employees or a minimum of 200 responses, but should include other stakeholders – see definition below). Instructions for the Stakeholder Survey will be sent to you separately.
3. Stakeholder interviews. This mainly involves senior management and other key personnel with responsibilities relevant to the evidence referred to in your application but should also involve other stakeholders (principally this includes Directors, Governors, Trustees and others involved in governance arrangements, but this can also include clients, service users and partner agencies).

The tables that follow below summarise the broad rationale for each of the Gold Mark criteria; they also summarise the nature of the supporting evidence you will need to provide to show how you meet the criteria.

You are not required to meet all aspects of this but should be able to demonstrate compliance with a wide variety of the items referred to.

The purpose of stakeholder interviews is to corroborate and build upon the details of your application, supporting evidence and Stakeholder Survey. Dependant on the response rate to the survey, it may be necessary to conduct more comprehensive interviews with employees and other stakeholders, to explore specific concerns in greater detail.

THE SOCIAL ENTERPRISE GOLD MARK – CRITERIA G APPLICATION TABLE

GOLD STANDARD	RATIONALE	LIKELY SUPPORTING EVIDENCE AND CONSIDERATIONS FOR ASSESSMENT THAT YOU SHOULD REFER TO IN YOUR APPLICATION (KEY MANDATORY REQUIREMENTS ARE MADE IN BOLD)
<p><i>Criterion G</i></p> <p>Robust Governance.</p>	<p>Strong governance for social enterprise is evident through how an organisation can show that stakeholders influence decision making at governing body level (and beyond).</p> <p>Arrangements are in place to ensure there is an informed and capable leadership that represents the interests of all key stakeholders.</p> <p>How stakeholders influence or are represented on the governing body may be defined within governing documents or other published policies that provide a transparent commitment to inclusive governance involving all key stakeholder groups.</p>	<p>Governing documents (your organisation’s constitution e.g. company rules, memorandum & articles of association) and possibly other policies or codes of conduct that – ideally - are made publically available. These should describe company ownership (shareholdings and/or membership), and confirm how key stakeholders influence strategic decision-making made by your governing body (board, trustees, governors, etc.). There may also be other support structures in place through which stakeholders are able to influence plans.</p> <p>Board recruitment policies and methods, along with their induction & ongoing training.</p> <p>Diverse range of skills and experience evident at board level.</p> <p>Board processes that demonstrate:</p> <ul style="list-style-type: none"> • Democratic/representative decision-making; • Accountability; • Inclusive and effective communication. <p>You are required to forward a copy of your latest governing documents with your application, including any amendments, along with details of company shareholding and/or membership composition.</p> <p>If stakeholder representation is not defined within your governing documents, then you must provide evidence that confirms how you encourage and achieve stakeholder representation at governing body level or how they are at least able to influence this through other means.</p>

THE SOCIAL ENTERPRISE GOLD MARK – CRITERIA H APPLICATION TABLE

GOLD STANDARD	RATIONALE	LIKELY SUPPORTING EVIDENCE AND CONSIDERATIONS FOR ASSESSMENT THAT YOU SHOULD REFER TO IN YOUR APPLICATION (KEY MANDATORY REQUIREMENTS ARE MADE IN BOLD)
<p><i>Criterion H</i></p> <p>Ethical and good business practice.</p>	<p>Ethical and good business practices reinforce a social enterprise culture, contributing to the positive social and/or environmental differences being achieved.</p>	<p>Policies and practices that demonstrate compliance with accepted principles of best business practice, along with other recognised operational models and standards (including any formal accreditations and awards, as well as any sector specific ones).</p> <p>Other evidence and examples illustrating the implementation and monitoring of policies and practices, along with the outputs and other ways in which these have benefited the organisation and people.</p> <p>Key Performance Indicators used to assess progress, inform improvement actions and measure success in implementing ethical and good business practices over time.</p> <p>You must be able to describe your staff pay ratio, which should confirm the ratio for highest to lowest pay levels, (e.g. 1:20) and any measures in place for monitoring improvements, preventing slippage etc. If your Directors/Senior Managers have received bonuses or other in-kind benefits in the last year, you should also provide details of these.</p> <p>You should be able to provide evidence and illustrative examples confirming good practice covering at least 3 of the following areas:</p> <ul style="list-style-type: none"> • examples of how employees have influenced key strategic decision-making concerning operational delivery, the design of your products and/or services, or other interests; • examples of how other stakeholders have influenced such key strategic decision-making; • your investment in employee training and development (including how you develop opportunities for people to improve themselves); • complaints procedures, customer feedback mechanisms (and examples of how you have responded to such feedback); • employee work-life balance, health and well-being policies; • health & safety policy; • equality & diversity policy; • environmental/recycling policies. <p>As well as forwarding details of any policies, their implementation and monitoring activities governing the above areas, consider what specific examples you can provide illustrating actual practice and the differences this has made to the organisation and people.</p>

THE SOCIAL ENTERPRISE GOLD MARK – CRITERIA I APPLICATION TABLE

GOLD STANDARD	RATIONALE	LIKELY SUPPORTING EVIDENCE AND CONSIDERATIONS FOR ASSESSMENT THAT YOU SHOULD REFER TO IN YOUR APPLICATION (KEY MANDATORY REQUIREMENTS ARE MADE IN BOLD)
<p><i>Criterion 1</i></p> <p>Social Impact and Financial Transparency (how financial assets are being deployed to maximise social and/or environmental impact).</p>	<p>Transparency in how the annual income and any profits accumulated are invested in social and environmental purposes, whilst ensuring financial robustness and trading sustainability.</p> <p>Transparency includes being able to quantify and qualify the social and environmental differences created through the business and from accumulated profits – the social impact, benefits and value generated.</p>	<p>Financial transparency should be primarily evident through audited management and filed accounts. It should be further evident in any annual reports published as well as business plans. (Any historic information should not be more than three years old).</p> <p>Financial accounts, business plans and other supporting evidence should ideally provide details of the following:</p> <ul style="list-style-type: none"> • that trading activities are the primary sources of income and means of achieving your social and/or environmental mission; • annual profits generated; • bonus payments to employees, any payments to business owners/shareholders, or other payments to external sources, that do not form part of operational expenditure or have clear social and/or environmental purposes; • any significant financial investments in social and/or environmental commitments – particularly investments in infrastructure (physical and human resources) that go beyond the requirements for delivering core income generation services (i.e. ones that purely “add value” to expected quality and levels of service delivery), or altruistic donations to other external social purposes; • what additional social value has been achieved through ongoing operational activities; this could include the cost equivalent of people’s time, or other resources expended on supporting activities that are not a requisite part of income generation activities - or it could be quantifiable public savings created; • investment plans towards social and/or environmental purposes for up to 3 years (both relevant to trading services that fulfil a social purpose as well as those that may go beyond these and support more altruistic purposes, adding social value as described above); • key performance indicators - financial but also those showing how social and environmental impact is being measured and valued; • social auditing activity, social impact analysis and reporting (against key performance indicators and any in addition to these); • targeted and expected sources of future income; • how competitive edge is achieved through innovation and diversification of products, services and other business activities. <p>You should be able to provide copies of business plans that explain targeted and/or expected sources of income, investment and expenditure (ideally covering the previous, current and forthcoming business years).</p> <p>You must be able to provide copies of your audited management or filed accounts for the last two years, along with any supporting information that provides additional details of all income and expenditure and how this breaks down.</p> <p>You should be able to confirm which individuals and/or groups in your organisation have a responsibility for helping set targets for, then monitoring and reporting on, social value and impact.</p>