



**SOCIAL ENTERPRISE GOLD MARK**  
ACCREDITED FOR BUSINESS EXCELLENCE

# **The Social Enterprise Gold Mark** **Framework and Assessment Guide**

**(Summary Version)**

## Summary of the Criteria and Assessment Process

*The following is a shortened version of the Gold Mark Framework and Assessment Guide. The more detailed version and the Review Form is available on request.*

The criteria of the Social Enterprise Gold Mark incorporate the six criteria of the original Social Enterprise Mark. An organisation must first demonstrate that it meets these six core criteria before starting their Gold Mark assessment. These are that an organisation must:

- a) have formally defined social and/or environmental objectives (or dedicate at least 51% of its annual profits to an organisation who does);
- 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 (51% +) of annual profit to social/environmental purposes;
- e) on dissolution, be committed to distributing all residual assets for social/environmental purposes;
- f) be able to demonstrate that social/environmental objects are being achieved.

The evidence requirements of the Gold Mark significantly extend upon the above requirements, covering a broader range of interests that organisations must be able to demonstrate more accomplished practice in:

- g) robust governance;
- h) effective stakeholder engagement;
- i) ethical and good business practice;
- j) financial transparency;
- k) the reporting of social impact.

The nature of the evidence requirements covered by each of the above criterion is summarised below. In determining how they are met, the Gold Mark assessment process generally comprises the following steps:

1. Completing the **Review Form** (available on request). **You must use the form provided.** The questions address the key elements of best practice covered by each of the Gold Mark criterion and ask you to provide a narrative summarising how your organisation meet the criteria.
2. Completing a Employee/Stakeholder Survey and achieving the required response rate: this varies according to the number of employees and it could include other stakeholders. Instructions for the Employee/Stakeholder Survey will be sent to you separately. (Please note: there is no absolute requirement to conduct a survey, but doing so provides additional evidence which can make the difference in determining whether or not Gold Mark criteria have been met).
3. Employee/Stakeholder interviews. These provide corroboration and help build upon the evidence from the Review Form and Survey. The number of interviews may vary according to the size and complexity of your organisation, but usually comprise a mix of individual and group interviews with people across a range of roles and responsibilities.
4. Post Assessment Report and Feedback. Your assessor will produce a report for the Social Enterprise Mark Accreditation Panel, summarising how far Gold Mark evidence requirements have been met. The Panel make a final judgement on this and you will then be notified of their decision and receive a copy of the report. A meeting to discuss this with SEMCIC representatives will then be arranged with you.

A summary of the Gold Mark criteria follows in the tables below. *NB: all references to social objectives, and other similar references to social impact, social value etc., also relate to and concern any environmentally related objectives that are core objectives within your strategic social and community mission (or relate to different operational policies and outputs).*

<b>GOLD STANDARD</b>	<b>RATIONALE</b>
<i>Criterion G</i> Robust Governance	<ul style="list-style-type: none"> <li>- The primary purpose of a social enterprise is to pursue social objectives: this may be directly achieved through its trading activities and/or evident through how profits generated from trading are primarily applied in supporting social objectives.</li> <li>- Robust governance means being able to demonstrate how this purpose is reflected in top-level governance arrangements, business planning and objective setting.</li> <li>- A good social enterprise should be able to show that there is an informed, capable, and accountable leadership, supported by appropriate structures that contribute towards the effective management of people and business interests.</li> </ul>
<i>Criterion H</i> Effective Stakeholder Engagement	<ul style="list-style-type: none"> <li>- A social enterprise primarily exists to deliver social benefits to specific groups of people and/or the general communities it works in. There may also be people and agencies a social enterprise works with in delivering these outcomes. These social beneficiaries and delivery associates are its stakeholders.</li> <li>- Effective stakeholder engagement is evident through how a social enterprise can show how different stakeholders have influenced plans and decision-making, helping ensure social objectives are being effectively targeted and served.</li> <li>- A good social enterprise should be able to show how it has identified and prioritised different stakeholder groups, along with how they are involved in governance and decision-making structures.</li> </ul>
<i>Criterion I</i> Ethical and good business practice	<ul style="list-style-type: none"> <li>- A good social enterprise will employ ethical and effective business practices that reinforce its social values and contribute to the positive social differences it creates.</li> </ul>
<i>Criterion J</i> Financial Transparency	<ul style="list-style-type: none"> <li>- A social enterprise exists to maximise the social impact and value it can create, above that of individual shareholder/member profits.</li> <li>- A good social enterprise is financially transparent so that it may be held accountable to its different stakeholders, through demonstrating fiscal responsibility, business viability, as well as showing how annual income and accumulated profits have been deployed.</li> <li>- This includes reporting on investments in support of social purposes but also concerns how a social enterprise can show it manages finances responsibly and in ways that reinforce trading sustainability, which underpins the capability to create regular social benefit.</li> </ul>
<i>Criterion K</i> Reporting Social Impact	<ul style="list-style-type: none"> <li>- The primary purpose of a social enterprise is to pursue social objectives: this may be directly achieved through its trading activities and/or evident through how profits generated from trading are primarily applied in supporting social objectives.</li> <li>- A good social enterprise will regularly monitor and report on the social impact it creates – in terms of the scope of its social outputs and the benefits these deliver for people and communities.</li> <li>- Measuring and reporting on these social outcomes provides transparency for stakeholders and should inform ongoing plans and developments.</li> </ul>