

Criteria to define a Social Enterprise

	Requirement	D	C	B	A	
Financial independence	1a Economic activities are socially and environmentally sustainable	The company works according to socially and ecologically sustainable principles in its business activities.	<ul style="list-style-type: none"> - The economic activity contains approaches for social and ecological sustainability (e.g. "do no harm"). - The organization can demonstrate that it operates in a more socially and environmentally sustainable manner than organizations in the same sector with a comparable company size or with comparable products/services 	Additionally: <ul style="list-style-type: none"> - The economic activity is conducted in full compliance with sustainable principles. - The actions go beyond reducing negative social or environmental impacts. 	Additionally: <ul style="list-style-type: none"> - Sustainable action can be proven by internal measurements. - The company comparison can be documented with key figures and measurements. 	Additionally: <ul style="list-style-type: none"> - The sustainability of the economic activity can also be proven by at least one certificate for sustainable action (public or private)
	1b Stable financial situation	The company has a stable financial situation.	<ul style="list-style-type: none"> - The forecast for the next 2 financial years shows stable finances. 	<ul style="list-style-type: none"> - The past 1 financial years show stable finances. - The forecast for the next 2 financial years shows stable finances. 	<ul style="list-style-type: none"> - The past 3 financial years show stable finances. - The forecast for the next 3 financial years shows stable finances. 	<ul style="list-style-type: none"> - The past 5 financial years show stable finances. - The forecast for the next 3 financial years shows stable finances.
	1c Level of income vs. expenses	The company can cover part of its expenses through sales revenue.	<ul style="list-style-type: none"> - Revenue accounts for at least 25% of all funding. 	<ul style="list-style-type: none"> - Revenue accounts for at least 51% of all funding. 	<ul style="list-style-type: none"> - Revenue accounts for at least 75% of all funding. 	<ul style="list-style-type: none"> - Revenue accounts for at least 100% of all funding
Societal objective	2a Societal objective	The organization meets specific social or environmental needs or actively contributes to the public welfare.	<ul style="list-style-type: none"> - Problem areas are specifically named (social or ecological problem, affected stakeholders, interrelationships and causes of the problem). - The organization pursues at least one SDG. 	Additionally: <ul style="list-style-type: none"> - The causes of the problem can be presented in detail and underpinned with data. 	Additionally: <ul style="list-style-type: none"> - The problem area has been examined in detail. Scientific studies on the problem area can be cited. 	Additionally: <ul style="list-style-type: none"> - The problem area has been examined in detail. Scientific studies on the problem area can be cited. - The future prospects are presented. Scientific sources are also cited for these future scenarios.
Area of Impact	3a Innovation	The organization is innovative or offers an innovative product or service.	<ul style="list-style-type: none"> - The organization offers an innovation that is offered only occasionally or rarely by a few other local providers, i.e. the innovation may already be the norm in the national context. 	<ul style="list-style-type: none"> - The organization offers an innovation that is offered only occasionally or rarely by a few other national providers, i.e. the innovation may already be the norm in an international context. 	<ul style="list-style-type: none"> - The organization offers an innovation that is not offered by any other national provider. 	<ul style="list-style-type: none"> - The organization offers an innovation that is not offered by any other national provider. - The innovation pursues the goal of structurally changing systems, especially those that have led to the cause of the social problem (systemic change).
	3b Process to increase impact	The organization has developed an impact model as well as introduced a process to improve its societal impact.	<ul style="list-style-type: none"> - The intended impact is described and defined in a legal framework, e.g. in the articles of association. - The output and outcome of the work are described. 	Additionally: <ul style="list-style-type: none"> - The output and outcome are provided with qualitative or quantitative key figures (at least 3 key figures). - A qualitative and / or quantitative survey is carried out (at least every 5 years). - The potential for improvement based on the surveys can be described. 	Additionally: <ul style="list-style-type: none"> - A qualitative and / or quantitative survey is carried out (at least every 2 years). - The potential for improvement based on the surveys is incorporated into the work. - External stakeholders are regularly informed about this process (reporting). 	Additionally: <ul style="list-style-type: none"> - The evaluation is carried out according to a standard at least every 2 years. - The evaluation is accompanied by an external organization (on a one-off or permanent basis).
Stakeholder relationships	4a Involvement of the beneficiaries	The organization has established a relationship with the beneficiaries or their interest groups and includes them in its work.	<ul style="list-style-type: none"> - At least one beneficiary is described (e.g. age, gender, place of residence). - The beneficiary(ies) and/or their representatives are informed about the work in an appropriate manner. 	Additionally: <ul style="list-style-type: none"> - The beneficiary(ies) and/or their representative(s) have a right of co-determination in (certain) decisions, which are specified. - The beneficiary(ies) and/or their representative bodies are involved in the work in an appropriate manner. 	Additionally: <ul style="list-style-type: none"> - The beneficiary(ies) and/or their representative(s) are often involved in the work in an appropriate manner, e.g. by being employees. - The public is informed transparently about this involvement. (e.g. press releases, newsletters). 	Additionally: <ul style="list-style-type: none"> - The beneficiary(ies) and/or their representative bodies have a veto-right, e.g. by being shareholders.
	4b Goal-oriented cooperations	The organisation considers collaborations with other organizations as an effective way to achieve its mission.	<ul style="list-style-type: none"> - Possible collaboration partners can be listed. 	<ul style="list-style-type: none"> - The organization is in contact with potential collaboration partners from the same subject area (e.g. by inviting them to events). 	<ul style="list-style-type: none"> - The organization maintains at least one collaboration with at least one other (social) enterprise or organization from the same subject area. 	<ul style="list-style-type: none"> - The organization maintains several collaborations; at least with one other (social) enterprise or organization from within or outside its thematic field.
Appropriation of profits	5a Appropriation of profits	The company uses profits primarily to achieve its mission.	<ul style="list-style-type: none"> - Profits are reinvested in the organization more often than they are distributed. - Individual distributions are limited to less than 30% of profits in a financial year. 	<ul style="list-style-type: none"> - Profits are only distributed in exceptional cases and are otherwise reinvested. - Individual distributions are limited to less than 20% of the profits in a financial year. 	<ul style="list-style-type: none"> - Profits are not distributed, with less than one exception in the last 5 years. - Individual distributions are limited to less than 10% of the profits in a financial year. 	<ul style="list-style-type: none"> - The company does not distribute profits.
Organizational structure	6a Decisions are made in favour of the mission	The organization protects the mission from the influence of non-mission interests.	<ul style="list-style-type: none"> - organizational but no legal separation: <ol style="list-style-type: none"> a) Management by one or multiple owners b) Other Organizational separation of financial shares from decision-making rights - All decision-making bodies are staffed in such a way that decisions are not made at the expense of the societal mission. 	<ul style="list-style-type: none"> - organizational and legal separation: <ol style="list-style-type: none"> c) The majority (51% or more) of the organization's financial shares belong to the employees or the beneficiaries. 	<ul style="list-style-type: none"> - organizational and legal separation: <ol style="list-style-type: none"> d) Granting a veto right to a non-profit organization or foundation e) Set-up as a hybrid organization in which the decision-making rights are held, e.g. through patents, in a non-profit legal form, while the business operations (financial shares) are organised in another legal form. 	<ul style="list-style-type: none"> - Organizational and legal separation: organization in steward ownership, i.e. "the assets remain tied to the company".
	6b Decisions made with employees	The organization involves employees in important decisions.	<ul style="list-style-type: none"> - Employees are informed about important decisions in an appropriate manner. 	<ul style="list-style-type: none"> - Employees have a right of co-determination in a defined selection of decisions, which are set out i.e. in the articles of association. 	Additionally: <ul style="list-style-type: none"> - Employees have a veto-right in a defined selection of decisions, which are set out i.e. in the articles of association. 	<ul style="list-style-type: none"> - The organization is employee-led.