

Local Economic and Employment Development (LEED)

Labels for the Social Economy



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Preface

The social economy has gained prominence in EU and OECD countries as a driver of job creation (accounting for 6.3% of the EU workforce) and economic activity with social impact. Over the past decade, it has been increasingly recognised as a major contributor to economic development, employment, entrepreneurship, social inclusion, the green and digital transition, democratic participation and community resilience at both the national and subnational levels. This momentum is growing worldwide, with almost all EU and OECD countries having adopted at least one law, policy, strategy or plan to recognise, promote and harness the potential of the social economy.

Social economy organisations are pioneers and vehicles for social innovation, often developing new ways to combine economic and social value that later become mainstream. Examples of this include ethical finance, organic food movements and circular economy practices, all of which were spearheaded by the social economy.

However, despite their significant contributions, social economy entities often struggle with visibility, funding, recognition and scaling. Their hybrid models, which typically have social aims, sometimes combined with environmental objectives, can fall between the cracks of conventional regulatory and support systems, particularly for entities with market-based approaches and activities.

Recognising its strategic importance, the European Union and the OECD have been working closely together to create an environment that can further strengthen the impact of the social economy. This includes efforts to develop and reinforce legal frameworks, adopt robust approaches to social impact measurement, improve access to markets and finance and build sector-specific expertise to integrate the social economy more effectively into mainstream economic and social policies. In addition, the European Union adopted the Action Plan on the Social Economy in 2021 and the Council recommendation on developing social economy framework conditions in 2023, and, in 2022 the OECD adopted the Recommendation on the Social and Solidarity Economy and Social Innovation.

Building on decades of successful and fruitful collaboration, the EU and the OECD have now developed this guide to clarify the role of labels for the social economy, which, depending on national contexts, can include legal statuses, as well as public and private labels for organisations, their products or financial instruments. It offers practical guidance for public authorities and private label managers on how to design, implement and evaluate labelling schemes that promote trust, visibility and quality. The broader goal of this publication is to expand the impact of the social economy—bringing its values and benefits to more people, communities and businesses across Europe and beyond.



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Foreword

Labels play an important role in the identification and recognition of social economy entities. This is helpful given the diversity of legal structures, governance models, products, services and operational approaches of such entities. By enhancing their visibility, labels can significantly raise awareness among a range of stakeholders—including policy makers, consumers, businesses and investors—about the social economy and the benefits it can bring. Increased visibility through well-designed labelling schemes can foster greater understanding, trust and engagement, ultimately facilitating access to measures such as funding, preferential tax treatment and new market opportunities across both public and private sectors.

This comprehensive guide maps existing labels tailored to, or available for, social economy entities. It highlights the diversity of labelling approaches and their potential to support the development of the social economy. Furthermore, it provides a practical checklist of key questions that policy makers and private label managers could consider throughout the process of designing, implementing and evaluating labels. This checklist includes actions to make sure labels meet the expectations and requirements of policy makers, social economy entities, as well as investors and consumers. It also highlights the need to incorporate clear, credible processes to verify compliance with defined criteria, thereby fostering trust in, and legitimacy of, labels. Finally, it stresses the need to develop effective communication and outreach efforts to enhance recognition and understanding of labels.

The guide underscores that the success of labels for the social economy relies on their ability to be meaningful, transparent and well-communicated. When effectively designed and implemented, labels can serve as useful tools to promote social innovation, support sustainable development and unlock new opportunities for social economy entities across public and private markets in sectors such as the circular economy and tourism.

This guide builds on extensive OECD and EU work on legal frameworks, as well as the European Commission's mappings of social enterprises and their ecosystems across Europe. It synthesises insights and findings from a variety of sources, including a targeted survey administered to the European Commission Expert Group on the Social Economy and Social Enterprises (GECES), as well as the OECD Informal Expert Group on the Social and Solidarity Economy and Social Innovation. Additionally, the guide incorporates insights from 25 consultations involving more than 50 stakeholders, ensuring a broad and diverse range of perspectives.

This guide was developed by the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), as part of the Programme of Work of the OECD Local Employment and Economic Development (LEED) Programme, jointly with the European Union.

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Executive summary

Social economy entities—including associations, co-operatives, foundations, social enterprises and mutual societies—seek to have positive social and environmental impacts while generating economic value. They are significant drivers of job creation, employing 11.5 million people across EU countries, representing approximately 6.3% of its total employed population.

However, recognising social economy organisations remains challenging in the absence of comprehensive legal frameworks, dedicated national strategies and policies—particularly for social enterprises, as in many countries they can have several legal forms. This complexity is compounded by the wide diversity of legal structures, objectives, governance models and operational approaches of social economy entities across different countries.

The inability to identify social economy entities impedes their development and expansion in several ways. The lack of clarity makes it difficult for stakeholders—such as policy makers, financial institutions, consumers and other businesses—to effectively direct their different actions, including taxation measures, procurement, funding, finance, donations or purchasing choices, toward social economy entities. Additionally, without clear identification, collecting data on the size, scale, number and impacts of social economy organisations, as well as contributions to job creation and across sectors becomes challenging. This data deficit prevents stakeholders from accurately assessing the need for, and the effectiveness of, support measures aimed at specific entities in the social economy.

Labels are tools which can be used to identify social economy entities, their goods and services, as well as financial products channelled towards them. Depending on national contexts, they can include legal statuses for social enterprises (such as ESUS in France and work integration social enterprise statuses in many EU countries), private labels (such as the Social Enterprise Code in the Netherlands and the international People and Planet First verification) and labels for financial products channelled towards the social economy (such as Finansol in France). Social economy organisations can also use labels that are not specific to the social economy but aim to signal adherence to some environmental and/or social standards. Examples of such labels include the EU Ecolabel and Fairtrade. The 2022 OECD Recommendation on the Social and Solidarity Economy and Social Innovation and the 2023 Council recommendation on developing social economy framework conditions emphasise the importance of labelling systems as a means to increase the visibility and impact of the social economy. More broadly, the importance of transparent and credible sustainability labels is highlighted in the EU Directive on empowering consumers for the green transition.

In the social economy, credibility and transparency are critical for labels, as they need to effectively convey the values, principles and social impact pursued by social economy entities. Poorly designed and implemented labels can lead to issues such as greenwashing, where organisations falsely claim that their governance, activities, products or practices are related to the social economy or are socially responsible or environmentally sustainable. Such misleading representations can undermine trust, distort market signals and hinder the social economy's efforts to achieve its social missions.

What labels are available to social economy entities?

The guide maps a wide range of labels specific or available to social economy entities. The mapping analyses the purpose, benefits and challenges of 17 public and 9 private specific labels for the social economy, 11 broader impact labels, 4 solidarity and impact finance labels, 3 ESG finance labels and 6 implicit labels. Labels relevant to the social economy can be classified into three broad categories:

1. *Specific labels for the social economy*

Specific labels for the social economy are only available to social economy organisations. They can be managed by public or private entities, each offering different types of benefits. The main purpose of public social economy labels is to identify social economy entities, in particular social enterprises as they can adopt a wide range of legal forms, to channel policy measures. They may include, for example, a legal status for social enterprises (e.g. ESUS accreditation in France, Social Co-operative Enterprise mark in Greece, or the WISE status in Bulgaria and Spain). A public benefit status is also available in most EU Member States to channel preferential tax measures, such as the charity status in Ireland. In some countries, such as the Netherlands and Finland, private social economy labels have emerged from well-organised grassroots movements or networks, usually in the absence of a public sector alternative. Unlike public social economy labels, they do not have tax measures tied to them, can be based on principles rather than rules, tend to be verified by third parties and are more likely to be used across countries.

Specific labels for the social economy ensure that labelled entities, in particular social enterprises, prioritise impact by reinvesting their surplus into their mission through restrictions on surplus or profit distribution. Some social enterprise labels, such as those for co-operatives in Belgium or social enterprises in Italy, also have an asset lock requirement that prevents entities, in the event of liquidation, from distributing their surpluses to shareholders.

2. *Broader impact labels*

Broader impact labels typically identify organisations or products seeking to have positive social and/or environmental impact. They are used by a wide range of organisations and therefore cannot be used to distinguish social economy entities but are open for them to use. For example, some impact labels aimed at companies, such as the *Società Benefit* (Benefit corporation) status in Italy, the *Société à Mission* designation in France or the private B Corp certification available globally, are not social economy labels and do not require labelled organisations to have a profit or asset lock in place. Ecological and ethical product labels, such as the EU Ecolabel and Fairtrade can be used by a wide range of organisations, including social economy entities.

3. *Social and solidarity finance labels*

Social and solidarity finance labels help to channel finance towards social economy entities. They include labels that identify financial products funding the activities of social economy organisations (e.g. Finansol in France, *Financité's Finance Solidaire* in Belgium) and European Union labels for funds (European Social Entrepreneurship Funds) or organisations (European Code of Good Conduct for Microcredit Provision) financing the social economy among other entities.

Implicit labels are not labels per se but can still signal adherence to standards

Implicit labels are not labels per se. They signal adherence to some standards without being explicitly defined as a label. For instance, being a member of a network or an association such as the National Union of Credit Unions for Employees in Romania, CEPES in Spain, ESS France or the Third

Sector Association in Italy, can act as a quality label. Moreover, receiving funding from a reputable organisation can signal adherence to investor standards. Local currencies, such as the *Sol Violette* currency in Toulouse, France, can also act as labels as they only circulate among eligible organisations.

What benefits do labels bring?

Labels can provide many benefits if they are aligned with the evolving needs of stakeholders, include transparent verification processes and are widely recognised. These include:

- **Signalling that an entity operates in alignment with social economy principles and values**, differentiating it from other types of organisations;
- **Raising visibility and serving as an identification tool for stakeholders to channel their actions** towards the social economy, such as (i) donations, (ii) consumption choices, (iii) preferential tax measures, (iv) funding and (v) procurement decisions;
- **Facilitating the identification and operation of social economy entities across borders**;
- **Improving trust in the social economy** by serving as markers of credibility, transparency and accountability.

What is holding back the uptake of labels?

The uptake of specific labels for the social economy can be improved if a range of challenges are addressed. They include:

- **Low awareness** of the label;
- **Limited incentives**, such as preferential taxation, social procurement clauses or other policy measures, associated with the label;
- **High administrative burden and costs** associated with obtaining and maintaining the label;
- **Proliferation of labels**, which may lead to confusion and loss of trust in the labels and the social economy more broadly.

What can policy makers and private label managers do?

The guide provides a practical checklist of questions that is aimed at policy makers but can also be used by private labels managers to design, implement and evaluate labels for the social economy. The actions outlined in the guidance do not necessarily follow a chronological order.

Design considerations

When designing labels, label managers can (i) define the label's purpose and (ii) develop standards that align with this purpose. Defining the label's purpose involves assessing the needs of label stakeholders such as social economy entities, policy makers, consumers, other businesses and investors, to set the label's goals. This helps to determine the appropriate/relevant policy measures or incentives associated with the label that are balanced against efforts to avoid unnecessarily onerous reporting burdens that could create significant, potentially insurmountable, costs, especially for smaller entities. This balanced design approach enhances labels' credibility and effectiveness while promoting a broader adoption of their goals. Developing standards requires a thorough review of existing labels to ensure that new ones either complement or supersede them. It is also important to consult stakeholders to evaluate their ability to comply with and adopt these labels. This consultation helps identify and minimise risks, such as high administrative burdens and/or a lack of incentives for adoption. Additionally, when designing the

scope of the standards, it is important to allow for adjustments that may be necessary during implementation to address challenges or comply with regulations.

Implementation strategies

Label implementation involves (i) considering relevant legal frameworks, (ii) identifying and mitigating risks, (iv) assessing and (v) monitoring compliance with standards, and (vi) scaling the label. Policy makers or social economy entities managing a label need to first align the label with relevant laws, including competition or consumer protection laws. In particular, tax measures and subsidies should align with national and international state aid and competition laws. Labels such as social enterprise or public benefit status can help bridge gaps between organisational and tax law. These labels can also identify entities providing services of general economic interest, which may be exempt from EU State Aid rules under certain conditions. Testing the label through a pilot can help to identify and mitigate potential risks such as high administrative burden and lack of resources among targeted entities to ensure compliance with the label's requirements. Transparent and thorough assessment and monitoring of compliance with standards through independent assessment mechanisms, expert committees awarding the label and periodic reporting can significantly enhance the label's credibility. Nevertheless, burdensome reporting requirements can make the label less accessible to smaller entities with fewer resources. Scaling the label through effective communication, a sustainable financial model and possible expansion across borders can increase awareness about the label and maximise the number of eligible entities benefitting from incentives associated with the label. However, label expansion without strong control mechanisms can make the standards too broad or weaken the assessment rigour, undermining the label's credibility.

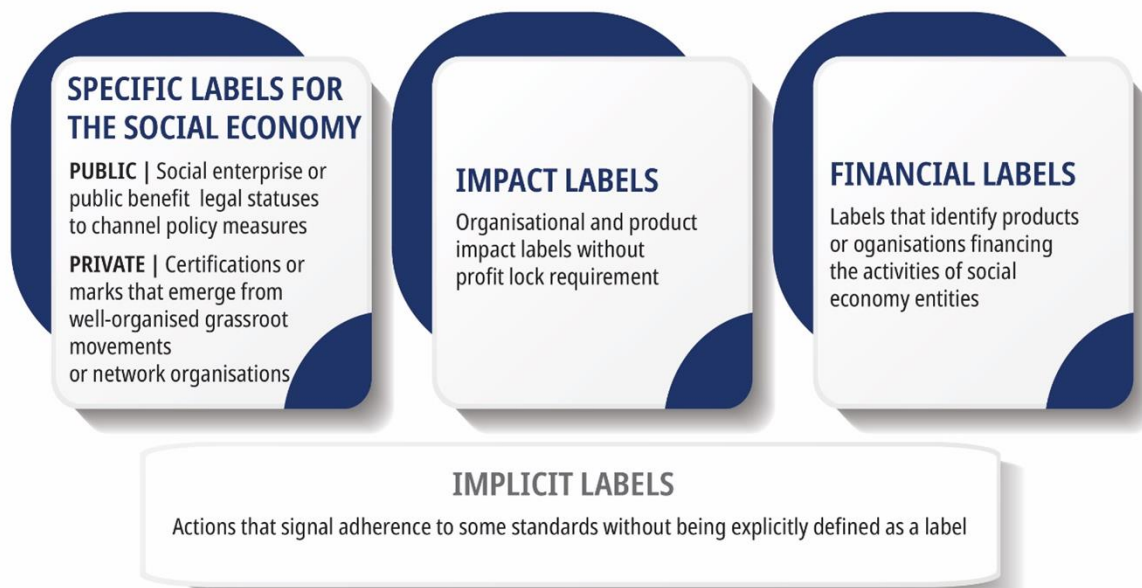
Evaluation approaches

Periodic label evaluations can ensure that the label continues to meet stakeholder needs, communicate the label's impact and act as evidence for any changes to the label. They usually involve (i) assessing the label's effectiveness and adapting over time, followed by (ii) managing change. Assessing effectiveness includes answering evaluation considerations with relevant data at pre-determined time intervals and, if needed, implementing changes based on the evaluation results. Managing change usually involves setting a clear implementation timeline and communicating about the changes.

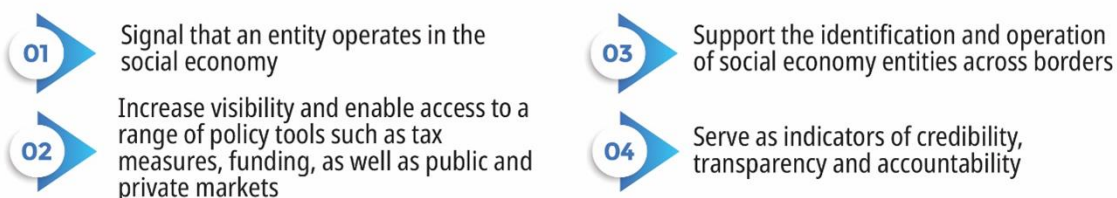
Infographic 1. Mapping labels for the social economy

► Labels are a tool to identify the social economy

Labels for the social economy may include legal statuses, private labels, certifications and marks that identify organisations and their products or services. While some labels are specific to the social economy, other types of labels can be relevant within this context.



► They can bring a wide range of benefits



► However, uptake remains low due to several challenges



Source: Author's elaboration.

Infographic 2. Guidance on labels for the social economy

► What does developing labels for the social economy involve?



► The guidance



is primarily aimed at policy makers but can also be relevant for private label managers

provides guiding questions to be considered when introducing or managing a label

builds on learnings from public and private social economy and impact labels

Source: Author's elaboration.

1 Introduction

Social economy entities contribute to a wide range of sectors and policy areas such as employment, social inclusion, as well as environmental and digital transitions. However, it might be difficult for policy makers, other businesses, investors and consumers to identify them given the diversity of their legal forms, objectives and operational approaches. This can also hinder channelling actions such as taxation measures, procurement, investments and consumption choices towards social economy entities. Labels, which might include legal statuses for social enterprises and public benefit organisations, as well as private labels, certifications or marks, can help to identify social economy entities, their goods or services and the financial products aimed at them. Easier identification through labels with transparent verification mechanisms and effective communication can raise awareness of and trust in the inclusive and people-centred approach of the social economy.

What is the social economy and why is it important?

The social economy typically refers to a set of entities such as associations, non-profit organisations, co-operatives, mutual societies, foundations and social enterprises. Both the 2023 EU Council Recommendation on developing social economy framework conditions and the 2022 OECD Recommendation on the Social and Solidarity Economy and Social Innovation refer to the activity of these entities and organisations as typically driven by social objectives, solidarity, the primacy of people over capital and, in most cases, by democratic and participative governance (OECD, 2022^[1]; Council of the European Union, 2023^[2]). They also highlight their social purpose and business models centred around collaboration and the re-investment of surplus into achieving their purpose (OECD, 2023^[3]).

Social economy entities contribute to a range of policy areas. Estimates show that they employ at least 11.5 million people in the EU, representing 6.3% of the employed population and in 2021 had a turnover of EUR 912.9 billion (European Commission, 2024^[4]). Moreover, social economy organisations play an important role in addressing the needs of underserved groups such as women, youth, older persons and refugees through providing employment, training, housing and care, among other services (OECD, 2023^[5]; OECD, 2022^[6]; OECD, 2023^[7]). They operate in a range of sectors such as health and social services, trade and retail, energy, education, tourism and recycling, and are increasingly recognised by countries for their contribution to community building, as well as the green and digital transitions (OECD, 2023^[8]; OECD, 2023^[9]; OECD/European Commission, 2022^[10]; European Commission, 2024^[4]).

What do labels refer to?

Depending on national contexts, labels for the social economy can include legal statuses (albeit not always), private labels, certifications and marks that single out organisations, as well as their goods and services. These terms can be used interchangeably in many countries. However, usually, certification refers to a label that is awarded after an assessment by a third party. Labelling can also be understood in broader terms such as any action that signals an adherence to a set of defined standards. For example, belonging to an industry association based on certain criteria such as ethical finance can show that an organisation follows pre-defined principles.

Why are labels important for the social economy?

The OECD Recommendation for the Social and Solidarity Economy and Social Innovation and the EU Council recommendation on developing social economy framework conditions emphasise the importance of exploring labelling systems for the social economy (OECD, 2022^[1]; Council of the European Union, 2023^[2]). More broadly, the importance of transparent and credible sustainability labels is highlighted in the EU Directive 2024/825 of the European Parliament and of the Council on empowering consumers for the green transition (European Parliament and the Council, 2024^[11]).

Labels can bring several benefits to social economy entities; the main ones are outlined below.

Identification and visibility among governments, consumers, other businesses and investors

Labels for social economy entities can be a tool to identify and improve the visibility of social economy entities as well as their products. Labels can act as an identification mechanism in contexts where legal frameworks for the social economy are less developed but can also be part of existing social economy legal tools. For instance, the public benefit status is used to channel policy measures to labelled organisations, some of which are part of the social economy, in Germany, Hungary and the Netherlands, where there are no legal frameworks dedicated to the social economy. In the Netherlands, a private Social Enterprise Code is used as an identification mechanism for social enterprises. In France, on the other hand, the ESUS legal status for social enterprises is part of the 2014 Social Economy Law (OECD, 2023^[3]).

Labels allow stakeholders, including policy makers, financial players, businesses and consumers to channel their actions towards the labelled entities. Such actions can include donations, funding, tax measures, procurement and purchasing from social economy entities. This is particularly important as 71.2% of responding organisations to the 2023-2024 Social Enterprise Monitor identify poor understanding/awareness of social enterprises among *general public/customers* as a barrier. Poor understanding and awareness of social enterprises among *banks/investors/support organisations* is a barrier for 69.1% of respondents (Gazeley, Bennett and Dupain, 2025^[12]).

Access to funding and preferential taxation measures

Labels can facilitate access to funding and taxation measures. This is particularly important given the 39% gap between financing needed and secured among the surveyed social enterprises in the 2023-2024 Social Enterprise Monitor (Gazeley and Bennett, 2025^[13]). For instance, the ESUS accreditation in France gives the labelled entities access to financing from solidarity-based financial products and additional funding from public development banks, as well as fiscal advantages for investors. The social enterprise legal status in Latvia gives access to grants for company development and compensations for employment of persons with disabilities, as well as some tax exemptions. The People and Planet First verification gives verified organisations access to GrantStation, a platform that helps to identify potential funding sources. The certificate of compliance with the European Code of Good Conduct for Microcredit Provision is required for microfinance institutions, some of which are social economy entities, to access EU funding under the InvestEU Social Investment and Skills Window and the Employment and Social Innovation (EaSI) strand of the European Social Fund Plus.

Access to public and private markets

Some social economy labels give labelled entities access to public and private markets. This can have a significant impact on social economy organisations as disadvantages concerning public procurement offerings is a barrier for 59.3% of responding organisations to the 2023-2024 Social Entrepreneurship Monitor (Gazeley, Bennett and Dupain, 2025^[12]). Public labels such as the ESUS accreditation in France and the social enterprise status in Latvia give labelled entities access to public procurement opportunities. In the Netherlands, companies that have signed a social return on investment contract with 60 municipalities are encouraged to purchase from enterprises who have the Social Enterprise Code label. Private procurement is also important as in the 2023-2024 Social Enterprise monitor, 49.3% of responding social enterprises identified disadvantages concerning private procurement offerings as a barrier (Gazeley, Bennett and Dupain, 2025^[12]). The private People and Planet First verification, for example, allows verified entities to show their status on the SAP Business Network and potentially expand their business customer base.

However, label proliferation and inadequate implementation can lead to confusion, increase administrative burden and ultimately result in loss of trust in labels and the social economy more broadly. Countries could reflect on the necessity of labels when existing legal forms already allow for clear identification of social economy entities. Adding labels in this case can create an additional administrative burden for organisations and confuse consumers and investors. Moreover, robust verification mechanisms need to be developed to ensure a rigorous implementation of labelling systems and avoid greenwashing.

What is the aim and approach of this guide?

The guide maps several social economy labels and provides guidance for the design, implementation and evaluation of labels. The mapping reviews and compares public and private labels that are specific to the social economy, broader impact labels, and considers some financial and implicit labels that can benefit social economy entities. It presents the benefits and challenges associated with different types of labels for public authorities, social economy entities, consumers and investors. The guidance builds on the findings from the mapping to provide a practical checklist of questions that policy makers or private label managers can consider when designing, implementing and evaluating labels for the social economy. The guide is based on a range of sources described in Box 1.1.

Box 1.1. Evidence informing the guide

The guide builds on European Commission mappings of social enterprises, as well as findings from the legal workstream of the OECD Global Action “Promoting Social and Solidarity Economy Ecosystems”, the OECD Practical Guidance for Policy Makers on Designing Legal Frameworks for Social Enterprises, the Policy Guide on Legal Frameworks for the Social and Solidarity Economy and other relevant publications.

These sources were complemented by a review of 17 public and 9 private labels specific to the social economy, 11 broader impact labels, 4 solidarity and impact finance labels, 3 ESG finance labels and 6 implicit labels.

A survey on labels for the social economy was sent to the Commission Expert Group on the Social Economy and Social Enterprises (GECES) and the non-EU members of the OECD Informal Expert Group on the Social and Solidarity Economy and Social Innovation in June-July 2024. It has received 45 responses. Almost half of these responses (44%) came from social economy and social finance networks, almost a third (29%) from public authorities, almost a quarter (24%) from social economy entities and 2% from academics. More than three quarters of responses (76%) covered social economy labels available in Western Europe, almost a fifth (18%) of responses mentioned labels available in Eastern Europe, 13% indicated cross-border labels and 4% (2 responses) were dedicated to labels outside of the EU (Canada and Korea). The responses were almost equally split between public (53%) and private (47%) labels. While the survey is not representative, it reflects the points of view of different stakeholders, including social economy entities, label managers and networks, who might have different levels of awareness and knowledge about labels.

The work also builds on the findings from 25 focus group discussions and interviews conducted with 50+ stakeholders in September – December 2024 (see Annex A).

Sources : European Commission (2020^[14]), OECD (2022^[15]), OECD (2022^[16]), OECD (2023^[3])

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2 Mapping labels for the social economy

Labels for the social economy can broadly be classified into three categories: (i) specific labels for the social economy, (ii) broader impact labels and (iii) financial labels. Moreover, implicit labels can signal adherence to a set of standards without being explicitly defined as labels. This chapter provides an overview of labels with distinct goals and standards that can be used by and for social economy entities. It presents the benefits, challenges and comparisons of different types of labels for the social economy.

Labels for the social economy can broadly be classified into three different categories: (i) **specific labels for the social economy**, (ii) **broader impact labels** and (iii) **financial labels**. They can label organisations or products. Labelling can also be understood in broader terms as any action that signals an adherence to a set of defined standards, which in this guide will be referred to as “implicit labels”. For example, belonging to an industry association based on certain criteria can show that an organisation follows pre-defined principles. Implicit labels are not labels per se. They are not the main focus of this research and further work is required to assess their effectiveness. Examples of labels covered in this work are provided in Figure 2.1.

Figure 2.1. Examples of labels

	Public	Private	Implicit
Specific labels for the social economy	ESUS (France) WISE status	Rec'UP (Belgium) People and Planet First	CEPES (Spain) ESS France
Broader impact labels	EU Ecolabel Società Benefit (Italy)	B Corp Impact Score (France)	Mouvement Impact France
Financial labels	European Code of Good Conduct for Microcredit Provision EuSEF	Finansol (France) Finance Solidaire (Belgium)	UNCAR (Romania) Sol Violette (France)

Source: Author's elaboration

Specific labels for the social economy

Some labels are designed exclusively for social economy entities. Most specific labels for the social economy are aimed at social enterprises as they usually do not have a dedicated legal form (OECD, 2022^[1]). They can be developed and managed by public or private entities and either label a wide range of social enterprises or apply to a restricted group, such as social co-operatives or work integration social enterprises (WISEs). Other types of specific labels for the social economy include NGO and charity labels (e.g. in Lithuania and Ireland), usually managed by public authorities, and labels for social economy products (e.g. Rec'Up, Electorev and co-operative brand labels), usually implemented by private actors.

Public labels for the social economy

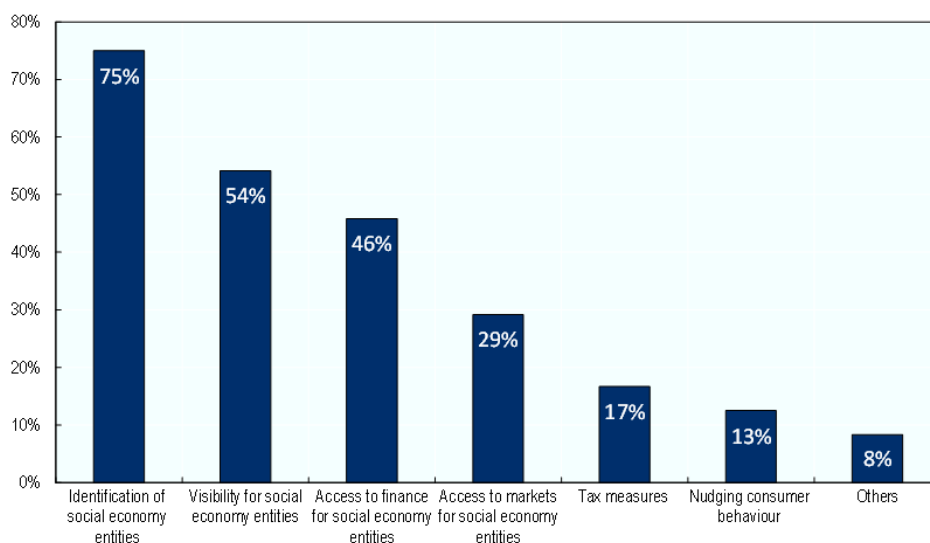
Public labels for the social economy might take the form of a legal status. Legal statuses are public labels that are adopted by organisations based on predefined criteria to be eligible for some policy measures. They usually label social enterprises, including co-operatives and work integration social enterprises (WISEs), public benefit organisations, non-governmental organisations (NGOs) or charities.

Public labels typically aim to identify social economy entities, enhance their visibility, facilitate public support measures, nudge consumer behaviour and engage the private sector. In the OECD/European Commission survey on labels for the social economy, the most stated purpose of public

labels was identification of social economy entities (75% of public label responses), followed by visibility (54%) and access to finance (46%), mainly in the form of regional funding or compensation for employment of individuals who are disadvantaged on the labour market (Figure 2.2). Access to markets, mainly through public procurement, is mentioned as a purpose in almost a third (29%) of public label responses, tax measures in almost a fifth (17%) of responses and nudging consumer behaviour in slightly more than one in ten (13%) of responses. Another survey and interviews conducted in 2019 among Dutch social entrepreneurs showed that a potential legal status for social enterprises (BVM) would facilitate their communication with funders, other businesses and consumers by explicitly showing their “impact first” mission. Moreover, having a legal status would simplify the organisational structure as many social enterprises currently have to set up a company and a foundation to operate (Argyrou, Lambooy and van Schaik, 2024^[2]).

Figure 2.2. Purpose of public social economy labels

The share of public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned purposes



Note: Based on 24 public label responses to a multiple-choice question. As each respondent could choose several options, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Legal statuses for social enterprises

Legal statuses are often used to identify social enterprises where there is no dedicated legal form for them. The comparison of reviewed organisational impact labels, including social enterprise legal statuses, is presented in tables in Annex 2.A. This section will provide a typology of different types of legal statuses with examples and outline their key features.

Several countries have introduced social enterprise legal statuses available to social enterprises that can operate in many impact areas. For example, in France, the ESUS accreditation, introduced in the 2014 Framework Law on the Social and Solidarity Economy, allows commercial companies to become part of the social economy if they follow the requirements outlined in the law (Box 2.1).

Box 2.1. The *Entreprise Solidaire d'Utilité Sociale* (ESUS) accreditation in France

The *Entreprise Solidaire d'Utilité Sociale* (ESUS) accreditation was introduced in the 2014 Social and Solidarity Economy (SSE) law. It aims to formally recognise and support enterprises that have a primary social utility objective. At end-2024, there were almost 3 000 ESUS-labelled entities.

Standards

To qualify for the ESUS status, enterprises must meet the following standards:

1. **Social and solidarity economy:** The enterprise must be part of the social and solidarity economy, as defined in the 2014 Law. This includes mutual organisations, co-operatives, foundations, associations or commercial companies with social and solidarity economy status recorded in the trade and companies register.
2. **Social utility objective:** The primary objective must be to create social impact, such as supporting vulnerable populations, promoting social cohesion, contributing to environmental sustainability, enhancing citizenship education or supporting international solidarity.
3. **Stakeholder involvement:** The enterprise must have an advisory body or a consultation procedure that involves different stakeholders, whose participation is not linked to their financial contribution.
4. **Allocation of resources:** A significant portion of the enterprise's resources must be allocated to activities with social utility, ensuring that at least two-thirds of operating costs are directed towards achieving social impact. Additionally, the majority of profits must be reinvested, with at least 50% allocated to retained earnings and reserves, including 20% to a statutory development reserve. Reserves must not be used to increase share capital or be distributed among shareholders. Furthermore, enterprises cannot refund shareholders for their capital contribution using profits, except in case of a loss.
5. **Public listing:** The enterprise must not be publicly traded.
6. **Salary restrictions:** The highest remuneration must not exceed ten times the minimum wage and the average of the five highest salaries must be less than or equal to seven times the minimum wage.

Work integration enterprises, providers of welfare services to children, neighbourhood associations and adapted businesses do not need to justify their social utility objective but still need to respect the salary restrictions, must not be publicly traded and are required to apply for the status to benefit from the associated measures.

Assessment and monitoring

The ESUS status is granted by departmental prefects after an examination process usually performed by the Departmental Directorates for Employment, Labour and Solidarity (DDETS), or in some cases by Regional Directorates for the Economy, Employment, Labour and Solidarity (DREETS). The application process requires a self-declaration by the applying entity. The authority then verifies compliance with the criteria and decides on granting the ESUS status. The status is valid for five years, after which enterprises must reapply to maintain it. The duration is limited to two years for enterprises that have existed for less than three years.

Measures tied to the label

The label allows access to financing from solidarity-based financial products and additional funding from public development banks, fiscal advantages for investors, public procurement opportunities, increased

ability to create or integrate a Territorial Economic Cooperation Cluster (PTCE), enhanced eligibility for local business support programs and broader access to voluntary calls for proposals from private and public actors, as well as the use of municipal buildings.

Success factors

The status has extensive policy measures tied to it and allows public authorities to clearly identify eligible entities.

Challenges

The awareness and uptake are low: only around 3 000 entities have the ESUS accreditation out of more than 155 000 enterprises in the social economy. The implementation of the status is not uniform across regions as the social criteria may be interpreted differently and some implementing entities lack qualified staff to evaluate applications.

Sources : Ministère de l'Économie, des Finances et de la Souveraineté industrielle et numérique (2024^[3]), Direction Générale du Trésor (2025^[4]), Aïse (2025^[5]), Conseil supérieur de l'économie sociale et solidaire (2024^[6]), OECD/European Commission survey on labels for the social economy

In Denmark, a Registered Social Enterprise label can be obtained by all legal entities with limited liability (associations, foundations and companies) if (i) the purpose of the legal entity refers to social, employment, health, environmental or cultural aims, (ii) the surplus or profit generated is reinvested to support the social mission (a maximum of 35% of after-tax profits can be distributed to owners and investors); (iii) a significant share of revenues is generated through sales of goods and services, (iv) the management and operations are independent from the public sector; and (v) governance is inclusive and allows stakeholder involvement (Hulgård and Chodorkoff, 2019^[7]). As of June 2025, there are more than 1 000 enterprises in the register (Central Business Register, 2025^[8]). However, Social Entrepreneurs in Denmark estimate that the number of entities in the register that fulfil the criteria is around 500-600 (Bach and Langergaard, 2024^[9]). The majority of stakeholders consulted for the 2018 evaluation of the label agreed that the registration scheme needs to be maintained but also outlined some challenges. These include difficulty with the registration process, especially for smaller entities, lack of awareness about reporting requirements, limited communication about the registration scheme and the lack of benefits associated with the registration, especially given the restriction on dividends that hinders the labelled entities' access to external investments (Danish Business Authority, 2018^[10]).

In Latvia, a Social Enterprise status was introduced in the 2018 Law on Social Enterprises and allows access to state grants for company development, subsidies for employment of individuals with a disability, some tax exemptions and access to public procurement (Box 2.2).

Box 2.2. Social Enterprise status in Latvia

Introduced in 2018, the Social Enterprise status is aimed at limited liability companies focused on social impact. As of June 2025, there are more than 250 social enterprises registered with the status, a quarter (24%) of which operate in the education sector and a fifth (21%) in work integration. Almost half of the registered social enterprises are located in the Riga (capital city) region.

Standards

To qualify for the Social Enterprise status in Latvia, organisations must meet the following standards:

1. **Clear social mission:** The organisation must have a defined social mission, which is stated explicitly in its founding documents. The mission should focus on addressing societal challenges, such as unemployment, social exclusion or environmental sustainability.
2. **Profit reinvestment:** Profits must be reinvested into the organisation's social mission. Distribution of profits to owners or shareholders is restricted, ensuring that financial gains are used to advance social goals.
3. **Stakeholder involvement:** The organisation must involve its target beneficiaries in decision-making processes.
4. **Economic activity:** The organisation must engage in economic activities that contribute to its financial sustainability. The revenue generated should support the social mission and enhance the organisation's capacity to create impact.

Assessment and monitoring

The Ministry of Welfare is responsible for granting and monitoring the Social Enterprise status. Applicants undergo an evaluation to ensure compliance with the required social criteria and commitment to social impact. Once granted, the status is subject to regular monitoring, with organisations required to submit annual reports detailing their social activities, financial performance and impact achieved.

Measures tied to the label

Organisations with a Social Enterprise status get access to grants for company development and compensations for employment of individuals with a disability, some tax exemptions and procurement incentives for companies employing persons with a disability and providing health, social and cultural services.

Success factors

Half of the respondents to the 2023-2024 European Social Enterprise Monitor in Latvia believe that the Social Enterprise status is valuable and fit for purpose. Social entrepreneurs with experience in administrative procedures do not face significant difficulties with meeting the criteria.

Challenges

A fifth of respondents to the 2023-2024 European Social Enterprise monitor agree that the Social Enterprise status is valuable but think that the existing framework needs to be improved or better implemented. Some social enterprises find the application and monitoring process burdensome and face challenges with defining their social purpose and measuring their impact. Moreover, some entities use the status just to get the associated benefits instead of signalling and focusing on their impact.

Sources: Latvian Ministry of Welfare (n.d.^[11]), Latvian Ministry of Welfare (2025^[12]), EKA University of Applied Sciences and Social Entrepreneurship Association of Latvia (2025^[13]), Licite-Kurbe and Groma (2021^[14]), OECD/European Commission survey on labels for the social economy

Lithuania introduced the Social Business legal status in October 2024. In the European Social Enterprise Monitor survey conducted just before the introduction of the status, more than half (66.7%) of surveyed social enterprises in Lithuania believed that a specific legal status/register/designation for social enterprises was needed (Žebrytė and Bražiūnaitė, 2025^[15]). The status is available to micro, small and medium sized enterprises (MSMEs) that (i) use more than 50% of their profits (if any) for the creation of social and/or environmental impact, (ii) provide access to their financial statements in an orderly manner, and (iii) meet independence from the state requirements. The status is granted by the Innovation Agency under the Ministry of Economy and Innovation. Organisations with a Social Enterprise status can get access to financial and non-financial support from the state (Lietuvos Respublikos ekonomikos ir inovacijų ministerija, 2024^[16]). As of June 2025, more than 60 enterprises have the Social Enterprise status (Inovacijų agentūra, 2025^[17]).

In Luxembourg, the Societal Impact Company (*la Société d'Impact Sociétal – SIS*) is a ministerial accreditation that is available for any commercial company (public limited company, limited liability company, simplified limited liability company, co-operative society) that has a social, environmental and/or societal purpose. SIS companies must meet the following conditions: i) define precisely their social purpose and the social impact sought; ii) identify performance indicators to quantify the social impact achieved by their commercial activity; iii) re-invest profits with at least 50% of the share capital made up of impact shares that do not grant any dividend rights; iv) limit annual salaries to a maximum of six times the minimum wage; and v) not borrow from its associates or issue debt instruments. The advantages for societal impact companies include preferential tax treatment (for companies whose share capital fully consists of impact shares) and access to national and European public procurement (Le gouvernement du Grand-Duché de Luxembourg, 2021^[18]). According to the publicly available register, there are around 80 registered enterprises with 100% impact shares (Le gouvernement du Grand-Duché de Luxembourg, 2025^[19]). All societal impact companies benefit from the Impact Luxembourg label.

Some countries have introduced a social enterprise label for co-operatives. For instance, Belgium has a Social Enterprise national accreditation scheme that can be used only by co-operatives that pursue explicit social aims (Economie, 2024^[20]). Greece also has a Social Co-operative Enterprise mark that prevents labelled entities from distributing profit among members, 60% of which has to be invested into job creation and the co-operative's social and/or environmental mission. Members can be either individuals or legal entities and can only have one vote no matter the number of shares they own (Geormas and Glaveli, 2019^[21]). As of March 2024, there are more than 1 500 registered social co-operatives (Greek Government, n.d.^[22]). Czechia has introduced a Social Co-operative label for co-operatives providing long-term employment to individuals who experience difficulties on the labour market (European Commission, 2019^[23]). In Italy, all types of co-operatives are subject to a profit and asset lock. In addition to this, social co-operatives have to contribute to the general interest that goes beyond their members. A-type social co-operatives engage in social welfare and educational activities and B-type co-operatives focus on work integration of disadvantaged workers, who must make up at least 30% of the employees (Borgaza, 2020^[24]). As of June 2025, there are almost 10 000 Type A social co-operatives, more than 5 000 Type A and Type B social co-operatives and almost 5 000 Type B social co-operatives (Ministry of Enterprises, 2025^[25]).

Austria, Belgium, Bulgaria, Croatia, Germany, Poland, Romania (Box 2.3), Slovenia and Spain have introduced a status for work integration social enterprises (WISEs) (European Commission, 2020^[26]). Spain has two labels for work integration social enterprises: employment integration enterprises (EIs, *Empresas de Inserción*) and (ii) special employment centres of social initiative (CEEs) specifically targeting people with disabilities. Employment integration enterprises are limited liability companies or co-operatives that must have more than 30% of workers in the employment integration process during the first three years of activity, with this share rising to 50% from the fourth year onwards. An additional requirement is to provide services of general economic interest (Díaz, Marcuello and Nogales, 2020^[27]).

Box 2.3. Social Mark for work integration social enterprises (WISEs) in Romania

The WISE status was introduced in the 2015 Social Economy Law. It aims to promote employment opportunities for vulnerable populations, such as people with disabilities, long-term unemployed individuals and other marginalised groups. The status is only available for entities with a social enterprise certification. As of March 2025, more than 40 WISEs have a valid certificate for the mark.

Standards

To qualify for the WISE status, social enterprises must meet the following criteria:

1. **Social mission:** The organisation must aim to fight exclusion, discrimination and unemployment through providing employment opportunities for disadvantaged groups.
2. **Employment focus:** At least 30% of the organisation's workforce must be from disadvantaged groups, including individuals with disabilities, those facing long-term unemployment or those at risk of social exclusion. The total working time of employees from disadvantaged groups must represent at least 30% of the working time of all employees.

Assessment and monitoring

The WISE status is granted and monitored by the Ministry of Labour and Social Protection. Organisations seeking this status must undergo an evaluation to verify compliance with the eligibility criteria. Once approved, WISEs are subject to annual monitoring, during which they must submit reports detailing their employment outcomes, financial performance and progress towards their social mission. The labelled entities receive a certificate that is valid for three years and a logo that must be displayed on the organisation's products or documents with the provision of their service.

Measures tied to the label

WISEs may receive support from local authorities, including access to public land, promotional help and local tax exemptions. They can also receive subsidies for hiring vulnerable individuals. Moreover, the public procurement law allows WISEs to benefit from special clauses.

Success factors

A wide range of policy measures is tied to the label.

Challenges

The policy measures associated with the mark are not implemented in practice. For instance, according to the 2021 Barometer of the Social Economy in Romania, only 0.5% of the surveyed entities benefited from special procurement clauses. The label is little known among businesses and the media. As a result, very few entities have the mark: only 19% of the responding entities to the 2021 Barometer integrating vulnerable groups had the mark.

Sources: Romanian Government (2015^[28]), National Employment Agency (2025^[29]), Vamesu (2021^[30]), OECD/European Commission survey on labels for the social economy

Box 2.4. Social Enterprise status in Bulgaria

The Social Enterprise status was introduced in the 2019 Law on Enterprises of the Social and Solidarity Economy. As of June 2025, more than 180 social enterprises (7 Type A+ and the rest Type A) have been officially registered under this label and 11 are under review.

Standards

The law allows social enterprises to register as Type A or Type A+. Organisations must fulfil requirements 1, 2 and either 3 or 4 to be eligible for the Type A social enterprise label:

1. **Social mission:** The organisation must engage in activities with a social value (e.g. accessible tourism for people with disabilities, food delivery for the elderly, social integration activities), according to the methodology published by the Ministry of Labour and Social Policy.
2. **Inclusive governance:** The organisation is managed in a transparent and inclusive way. Members and employees participate in decision-making process.
3. **Profit reinvestment:** More than half and at least BNG (Bulgarian leva) 7 500 (around EUR 3 800) of the business profits after tax for the most recent accounting period funding a social activity or objective.
4. **Inclusive employment:** At least 30% and not less than 3 individuals of the company's workforce must come from disadvantaged groups.

To qualify for the Type A+ label, organisations must meet all Type A requirements and at least one of the following criteria:

1. **Local impact:** The enterprise's social added value is concentrated in municipalities with unemployment rates during the past 12 months equal or higher than the national average.
2. **Larger profit reinvestment:** More than 50% and not less than BGN 75 000 (around EUR 38 000) of the after-tax profits are spent on initiatives or projects addressing social issues.
3. **Continuous inclusive employment:** People from disadvantaged groups make up at least 30% of the workforce and have been employed continuously by the company for the past six months.

Assessment and monitoring

The Social Enterprise label is granted and monitored by the Ministry of Labour and Social Policy. The Ministry reviews the application and issues a decision within 14 days. Once approved, social enterprises are required to undergo evaluations every three years for Type A organisations and every two years for Type A+ organisations.

Measures tied to the label

Organisations with the Social Enterprise status get funding support, access to vocational training programs and can use a logo for their entity, products or services. Donations of up to 10% of accounting profit are considered tax deductible if a corporate taxpayer makes a donation in favour of registered social enterprises. Additionally, Type A+ social enterprises have the right to use municipal and state buildings, and receive financial support for their employees' vocational training.

Sources: Bulgarian Government (2019^[31]), Bulgarian Ministry of Labour and Social Policy (n.d.^[32]), Bulgarian Ministry of Labour and Social Policy (2019^[33]), Lex.bg (2007^[34])

Some countries allow registered social enterprises to use a social enterprise label on their products. For example, in Romania, labelled WISEs must place a dedicated label on their products or documents demonstrating service provision (Box 2.3). In Bulgaria, every social enterprise registered in the register of social enterprises receives a logo that can be placed on their products (Box 2.4).

Common features of public social enterprise labels include a profit and sometimes an asset lock requirement, inclusive governance standards and reporting obligations. The profit lock requirement is introduced to ensure that the labelled companies prioritise impact over profit by reinvesting all or a share of the profit into their purpose. The share of the profit that can be distributed is either capped at a fixed percentage rate (e.g. 50% of the annual profits in the case of ESUS companies in France, social enterprises in Bulgaria and social businesses in Lithuania), a fixed yield rate based on the amount that an individual shareholder pays (e.g. a Belgian co-operative with a Social Enterprise label can distribute no more than the yield of 6% on the capital paid by the shareholders) or a mix of both approaches (e.g. an enterprise with an Italian social enterprise label can distribute up to 50% of the yearly profits if the distribution is not greater than the yield of 2.5% on the capital paid by the shareholders). Some public Social Enterprise labels (e.g. Belgian co-operatives recognised as social enterprises and Italian social enterprises) also have an asset lock requirement that prevents labelled entities, in the event of liquidation, from distributing its surpluses to shareholders (Mujica Filippi et al., 2021^[35]).

Governance standards usually require considering the interests of stakeholders (e.g. the ESUS accreditation in France, Social Enterprise status in Latvia and Bulgaria) or restrict shareholder voting power, which is more common for co-operatives (e.g. Social Enterprise label for co-operatives in Belgium). Most public labels (e.g. Latvian Social Enterprise status, Belgian Social Enterprise status for co-operatives, Italian Social Enterprise label) require labelled organisations to submit an annual activity report that outlines the actions and funding dedicated to its social purpose (Mujica Filippi et al., 2021^[35]).

Public benefit status

In many EU countries, entities established in legal forms such as an association, foundation or limited liability company can obtain the public benefit organisation (PBO) legal status. This legal status usually qualifies entities for preferential tax treatment. For example, in Denmark and Hungary, PBOs are exempted from paying corporate income tax on economic activities that support their social mission (OECD, 2023^[36]; European Commission, 2023^[37]).

NGO and charity statuses

Some countries have a non-governmental organisation (NGO) or a charity public label that identifies organisations meeting its criteria. For example, in Lithuania, the NGO label introduced by the Ministry of Social Security and Labour targets organisations such as associations, foundations and public establishments that are “a public legal person, independent from state and municipal institutions and agencies, established on a voluntary basis for the benefit of the public or of a group thereof, which does not have as its aim the pursuit of political power or the achievement of religious objectives”. Entities can note their NGO character in the Register of Legal Entities (Lietuvos Respublikos Seimas, 2022^[38]). The label allows entities to benefit from state funding and other support programmes for NGOs and facilitates the monitoring of the sector by public authorities. From January 2025, organisations with an NGO label can get access to a voluntary allocation of up to 1.2% of an individual’s income tax (Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos, 2025^[39]). As of June 2025, there are more than 16 000 registered NGOs (Registų centras, 2025^[40]).

In Ireland, entities with a charitable purpose defined in the Charities Act that perform all their activities to advance this purpose and have a public benefit can get a charitable status. Certain organisations, such as those promoting athletic sports, political parties or causes, trade unions and chambers of commerce cannot

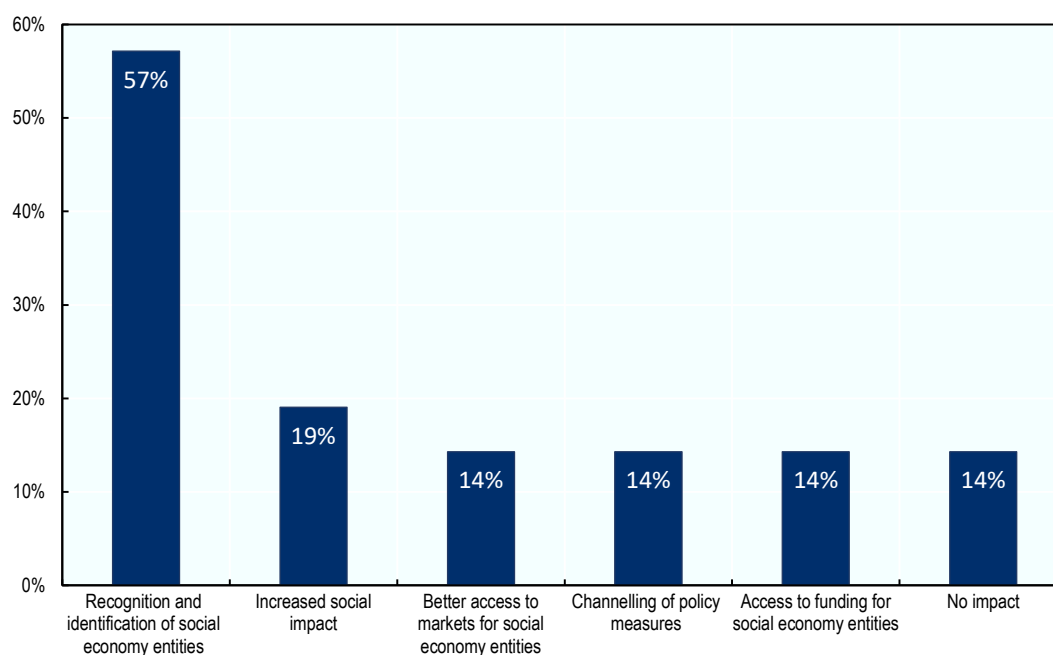
get the status. The Charities Regulator, an independent statutory body, maintains a public register of charities and ensures compliance with the Act (Charities Regulator, n.d.^[41]). As of June 2025, there are more than 14 000 charities registered with the Charities Regulator (Charities Regulator, n.d.^[42]).

Impact of public labels

The benefits and challenges of public social economy labels for different stakeholders are summarised in Table 2.1. In the 2023-2024 Social Enterprise Monitor, 63.8% of responding social enterprises saw a value in an existing or potential social enterprise legal status in their country (Gazeley, Bennett and Dupain, 2025^[43]). The most common positive implication of public social economy labels mentioned in the OECD/ European Commission survey on labels for the social economy is identification and recognition of social economy entities (57% of respondents), followed by increased social impact (19%), access to markets (14%), policy support (14%) and funding (14%) (Figure 2.3). Moreover, almost all public label responses (91%) identified labels that are free to obtain and maintain. Focus groups and stakeholder interviews also highlight that public labels can enhance consumer and investor trust in the social economy, improve its visibility and act as an incentive for improvement of the labelled entities.

Figure 2.3. Benefits associated with public social economy labels

The share of public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned positive consequences.



Note: The share is based on the author's interpretation of 21 open-ended responses identifying public labels. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

While benefits are clear as outlined above, the uptake of public labels for the social economy in some countries remains low. It is difficult to estimate the number of eligible social enterprises for a label and calculate the uptake rate in the absence of other identification mechanisms. However, the number of labelled social enterprises remains limited. For instance, only around 3 000 entities have the ESUS accreditation in France out of more than 155 000 enterprises in the social economy (Direction Générale

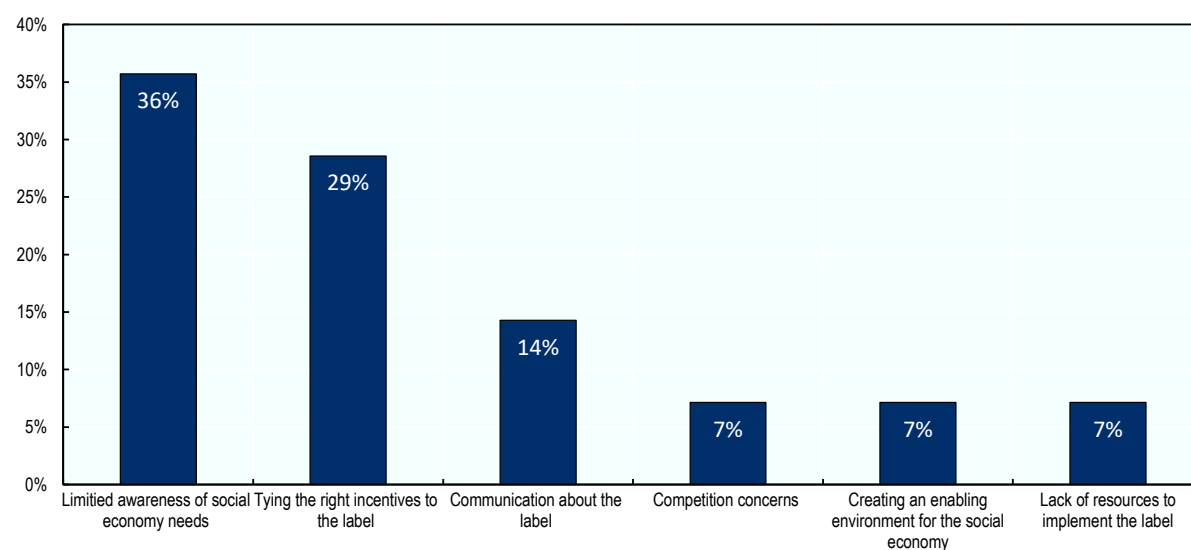
du Trésor, 2025^[4]; Avise, 2025^[5]). There are 45 entities with a valid certificate for a Social Mark in Romania, around 80 registered enterprises with 100% impact shares in Luxembourg, 181 registered Social Enterprises in Bulgaria and 264 entities with a Social Enterprise status in Latvia (National Employment Agency, 2025^[29]; Bulgarian Ministry of Labour and Social Policy, n.d.^[32]; Latvian Ministry of Welfare, 2025^[12]; Le gouvernement du Grand-Duché de Luxembourg, 2025^[19]).

The most common identified challenge for public authorities (Figure 2.4) is limited awareness and understanding of the social economy ecosystem's needs (36%), followed by providing the right incentives to adopt the label (29%) and communication about the label (14%). Other challenges for public authorities include ensuring that the labelled organisations do not have an unfair advantage over other businesses (7%), creating an enabling environment for the social economy (7%) and the lack of funding and resources to implement the label (7%). Focus groups and interviews confirm these findings.

The most common identified challenge for social economy entities (Figure 2.5) is the administrative burden associated with labels (36%), followed by limited awareness and understanding of the label (29%) and criteria that exclude some social economy entities (21%). Focus groups and interviews confirm these findings and further highlight that public labels can take a long time to amend, which can render them less relevant for the social economy as the needs of the ecosystem evolve. Moreover, trust in the labelled entity can be tied to the label's reputation and consumers and investors might not be aware of public labels as they are primarily designed to support the channelling of policy measures.

Figure 2.4. Challenges for public authorities associated with public social economy labels

The share of public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned challenges.

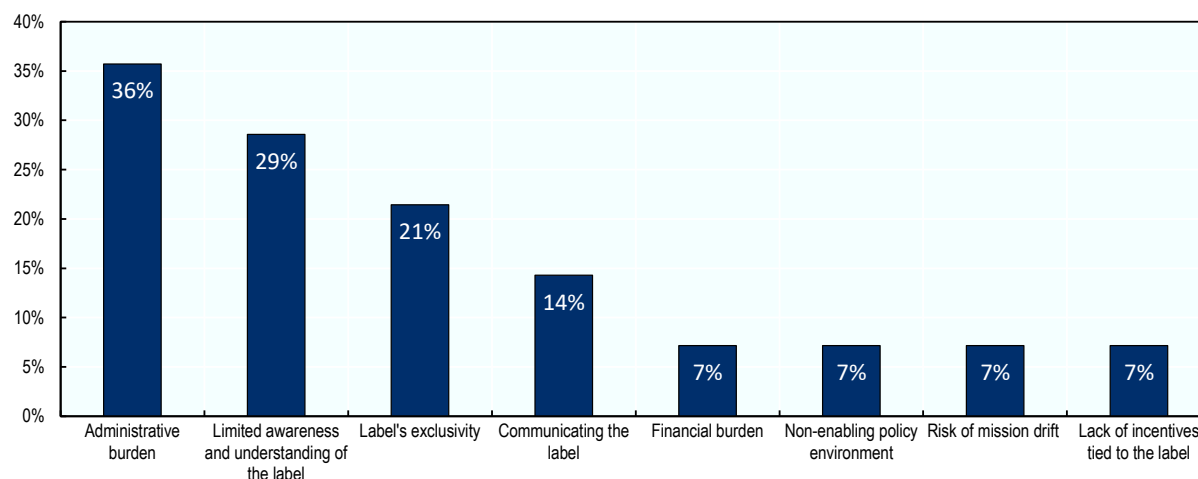


Note: The share is based on the author's interpretation of 14 open-ended responses identifying public labels. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Figure 2.5. Challenges for social economy entities associated with public social economy labels

The share of public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned challenges.



Note: The share is based on the author's interpretation of 14 open-ended responses identifying public labels. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Table 2.1. Benefits and challenges associated with public social economy labels

	Benefits	Challenges
Public authorities	✓ Identification and recognition of social economy entities ✓ Channelling of policy measures ✓ Promoting transparency ✓ Facilitating data collection	• Limited awareness of the social economy ecosystem's needs • Providing incentives to adopt the label • Lack of resources and expertise to implement the label • Ensuring that labelled entities do not have an unfair advantage over other businesses • Creating an enabling environment for the social economy
Social economy entities	✓ Access to markets ✓ Access to funding and taxation measures ✓ Limited direct financial cost ✓ Increased social impact ✓ Incentive for improvement ✓ Increased trust in the social economy	• High administrative burden • Limited awareness of the label • Criteria not aligned with the needs • Time needed to amend the label • Lack of incentives tied to the label • Trust in the labelled entity can be tied to the label's reputation
Consumers	✓ Identification of social economy entities	• Limited awareness of the label
Investors	✓ Tax relief ✓ Identification of social economy entities	• Limited awareness of the label

Sources: Author's elaboration based on OECD/European Commission survey on labels for the social economy, consultations and background research

Private labels for the social economy

In some countries private social economy labels have emerged from grassroots movements or network organisations, usually in the absence of a public sector alternative. For example, the Social Enterprise Code in the Netherlands (*Code Sociale Ondernemingen*) (Box 2.5) was developed by an independent committee in collaboration with Social Enterprise NL to recognise social enterprises as the legal form for social enterprises (*Besloten Vennootschap maatschappelijk* - BVM) is still under development (Argyrou, Lambooy and van Schaik, 2024^[2]). The overview of organisational impact labels, including private labels for the social economy, reviewed for this work is available in Annex 2.A. This section will present some examples and common features of private social economy labels, compare them with public labels and consider some benefits and challenges associated with them.

Box 2.5. Social Enterprise Code in the Netherlands

The Social Enterprise Code in the Netherlands (*Code Sociale Ondernemingen*) was developed in 2017 by an independent committee in partnership with Social Enterprise NL and was officially launched in 2018. The Code maintains a register of social enterprises in the Netherlands, as of June 2025 totalling 80.

Standards

The Code is principle- rather than rule-based, which gives enterprises the flexibility to decide on how to implement the principles. The registered enterprise must prioritise impact over profit and follow 5 principles that align with the European definition of social enterprises:

1. **Impact-first mission:** The social enterprise commits to an impact-first mission, clearly outlined in legal documents, with measurable goals and transparent methods for achieving impact.
2. **Stakeholders:** The enterprise identifies key stakeholders and engages in continuous dialogue with them to foster support and drive systemic change.
3. **Finance:** Financial policy incorporates measures to limit profit distribution to shareholders and align all financial activities with the mission. The remuneration policy needs to be moderate.
4. **Implementation:** The enterprise registers in the social enterprise register and actively engages with the social enterprise community through constructive feedback on areas for improvement.
5. **Transparency:** The enterprise commits to transparency, openly sharing information on how it fulfils its mission, impact measurement, financial structure and operations, making it accessible or readily available on request.

Assessment and monitoring

The enterprises wishing to be in the register must fill out an application form that is reviewed by two already-registered enterprises. The two reviewers write a report for the Independent Board, which decides whether to include the candidate in the register. The enterprises that do not meet all the principles can be displayed as 'pending' in the register for up to two years. The registered enterprise must conduct self-evaluations of compliance annually and needs to be reviewed by two peers in the register at least every two years or as often as it wishes. The two reviewers write a report focusing on areas for improvement. The report must be sent to the Independent Board and key take-aways should be made public. As of January 2025, a verification fee of EUR 275 and an annual fee of EUR 350 must be paid.

Measures tied to the label

Certified enterprises benefit from local authority initiatives, including procurement incentives and contracts that prioritise sustainable and socially responsible suppliers.

Success factors

The Code increases the visibility of labelled entities and implementation structure creates a community of labelled entities.

Challenges

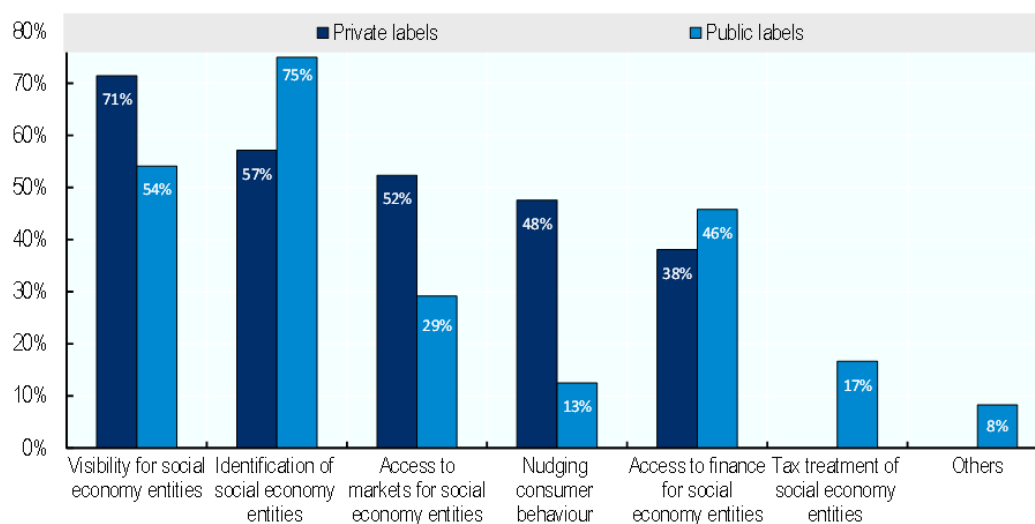
There is limited awareness of the label among local authorities and social finance providers, and it is challenging to communicate about the benefits of joining the register. Only around 80 enterprises are fully registered with the Code as of June 2025 out of an estimated 5 000 – 6 000 social enterprises in the country (data for social enterprises is from 2016).

Sources: Code Sociale Ondernemingen (2024^[44]), Code Sociale Ondernemingen (n.d.^[45]), OECD (2023^[46]), OECD/European Commission survey on labels for the social economy

The most stated purpose of private labels in the OECD/European Commission survey is to increase the visibility of labelled entities, with 71% of private label responses choosing this goal. This is followed by identification of social economy organisations (57%) and better access to markets (52%) (Figure 2.6). It is worth noting that compared to public labels, a greater share of private label responses identified visibility (71% for private labels vs. 54% for public labels), access to public and private markets (52% vs. 29%) and nudging consumer behaviour (48% vs. 13%) as a purpose. Tax treatment of social economy entities was identified as a purpose only in public label responses.

Figure 2.6. Purpose of private and public social economy labels

The share of responses to the OECD/European Commission survey on labels for the social economy stating mentioned purposes.



Note: Based on 21 private and 24 public label responses to multiple-choice questions. As each respondent could choose several options, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Some private labels focus either on specific sectors or impact areas. For instance, the *Wirkt Siegel* (“Seal of Impact”) label is given by PHINEO to German non-profit organisations working on a particular topic that is specified in the call for proposals. In 2025 the focus is on actions to fight discrimination (PHINEO, n.d.^[47]). Solid’R (Box 2.6) and Rec’Up (Box 2.7) labels managed by the Belgian Federation of Social Economy and Circular Economy Enterprises (RESSOURCES) focus on social economy organisations that collect second-hand goods.

Most of the private labels for the social economy reviewed for this work are aimed at organisations. However, a few, such as the Rec’Up (Box 2.7) and ElectroRev labels managed by RESSOURCES, focus on products and services sold and provided by social economy entities. Moreover, some co-operative grocery chains have a label for their products. For instance, Biocoop and *La Vie Claire* organic co-operatives in France place their own logos on many products sold in their stores.

Box 2.6. Solid’R international label

Solid’R was established in 2002 by the Belgian Federation of Social Economy and Circular Economy Enterprises (RESSOURCES). It labels enterprises that collect second-hand goods and prioritise social welfare over profit. As of June 2025, Solid’R labels 25 organisations in Belgium, Italy, France and Spain.

Standards

To qualify for the Solid’R label, organisations must meet seven core standards:

1. **People and labour over capital:** Most income must support employee development and fair pay, not profit distribution.
2. **Democratic decision-making:** All employees participate in strategic decisions; training supports active involvement.
3. **Voluntary and open membership:** Membership is open to all, with no exclusions based on political, religious or philosophical beliefs.
4. **Balancing member and public interests:** Enterprises follow social, tax and environmental laws to protect public and member interests.
5. **Solidarity and responsibility:** Employees act responsibly, promoting a culture of support and collaboration.
6. **Management autonomy:** Enterprises operate independently of controlling shareholders.
7. **Service over profit:** Activities must primarily benefit the community over financial gain.

Assessment and monitoring

Solid’R labelled enterprises undergo a structured assessment process, including an annual independent audit performed by Forum Ethibel, to verify adherence to its seven core principles. Every three years, large, medium and small-sized companies must complete a physical audit, while micro-sized organisations participate via video conference.

Measures tied to the label

Certain municipalities in Belgium allow Solid’R-labelled enterprises to place donation boxes to collect household items such as books, clothing and furniture. The collection boxes are also advertised on the RESSOURCES website. In Italy and the Brussels-Capital Metropolitan Area in Belgium, Solid’R labelled organisations get access to public support and procurement incentives.

Source: Solid’R (n.d.^[48])

Private social economy labels can be principles-based, which makes their criteria applicable to a wide range of contexts. Principle-based criteria, which are used by labels such as the Dutch Social Enterprise Code (Box 2.5) and the People and Planet First verification (Box 2.8), do not have strict thresholds or requirements. Instead, they rely on a set of principles common to social economy entities and allow the awarding entities to determine compliance on a case-by-case basis. This facilitates the international operation of private labels such as the People and Planet First verification as the criteria can be applied to different national contexts.

Box 2.7. Rec'Up label in Belgium

The Rec'Up labelling scheme is aimed at social economy sites such as retail stores, repair shops or recycling facilities that demonstrate a commitment to sustainability. The label aims to promote sustainability by recognising locations that adopt circular economy principles, such as waste reduction, product reuse and sustainable resource management. As of June 2025, there are 51 labelled sites and 18 labelled members.

Standards

The label is based on 120 product and service criteria:

Product criteria: Sites must offer sustainable products, such as reused, repaired or upcycled items, contributing to material life cycle extension and waste minimisation.

Service criteria: Certified sites must provide services supporting sustainable resource management, such as repair services, upcycling workshops or waste reduction initiatives. Services are evaluated based on their ability to promote reuse and reduce environmental impact.

Assessment and monitoring

The Rec'Up label is awarded after an assessment by an independent committee, which evaluates adherence to product and service standards. This assessment considers actions taken to reduce waste, promote reuse and provide sustainable services. Labelled sites are reviewed regularly by other labelled entities to ensure ongoing compliance, with the label subject to suspension or revocation if standards are not maintained.

Measures tied to the label

Entities labelled with the Rec'Up label benefit from two types of subsidies in the Walloon region. The employment subsidy covers the training costs of disadvantaged workers. The environmental subsidy is calculated by multiplying the number of tonnes of goods reused in Wallonia by a coefficient that depends on the product type. The more reused goods companies put on the Walloon market, the higher their subsidy.

Source: RESSOURCES (n.d.^[49])

Box 2.8. People and Planet First verification badge

People and Planet First is a global verification created by the Social Enterprise World Forum. It aims to enhance the ability of social enterprises or the local equivalent that meets the criteria, to access global opportunities and increase their visibility. As of June 2025, over 800 entities worldwide have the verification badge.

Standards

The criteria of People and Planet First are designed to prevent profit maximising businesses from co-opting the label and to be applicable in a wide range of local contexts:

1. **Purpose:** The enterprise must exist to address a social or environmental problem. This purpose needs to be publicly communicated and embedded in its governing documents.
2. **Operations:** The enterprise should prioritise its purpose, people and the planet over profit in its operational decisions, meeting minimum sector standards and monitoring relevant social and environmental metrics.
3. **Revenue:** The enterprise must have a self-sustaining revenue model, with earned income covering its expenses and a plan for long-term financial sustainability.
4. **Use of surplus:** The enterprise should reinvest the majority of any surplus towards its purpose.
5. **Structure:** The enterprise must adopt legal structures and financing that safeguard and lock in its mission long-term, with arrangements to protect its purpose during periods of transition.

Assessment and monitoring

The People and Planet First badge was designed as a participatory verification and not as a third-party certification. Certifications usually rely on a limited number of actors (the standards owner, an independent certifier and an accreditation body) and imply a high cost, whereas participatory verification relies on a wide range of stakeholders. The verification process is implemented through a network of partner networks. Promotion partners advertise the verification to their members but do not participate in the review process and are not paid. Single badge partners help with reviewing documents of their network members and are paid 60% of the verification fee. Double badge partners manage an existing label that aligns with or exceeds the standards of the People and Planet First verification and can offer the PPF badge with no additional payment or document review.

The verification process begins with enterprises submitting an online application form that can be used to apply to other verifications on the Good Market platform. Once approved, enterprises are prompted to pay a USD 85 (as of January 2025) verification fee online. Next, they complete a short verification form, selecting points for each of the five standards. The scores are not shared publicly to prevent comparison of organisations that exist in different local contexts and legal frameworks. If enterprises score at least one point for each standard, they receive a welcome pack that includes the verification certificate and badge. To ensure ongoing compliance, verified businesses must undergo an annual review, resubmit evidence and pay a USD 70 renewal fee to maintain their verified status.

Measures tied to the label

Verified social enterprises can show their status on the SAP Business Network, benefit from pro-bono legal services and access GrantStation, a platform that helps to identify potential funding sources, among other benefits

Sources: People and Planet First (n.d.^[50]), People and Planet First (n.d.^[51])

Private labels for the social economy are usually managed by social economy organisations, have an independent committee or board and can resort to a third-party to verify compliance. For example, the Social Enterprise Code in the Netherlands is managed by the Social Enterprise Code Foundation with an Independent Board that takes the final decision on the award of the Code. The Social Enterprise Mark in Finland was introduced by the Association of Finnish Work and is awarded by the Social Enterprise Label Committee of independent experts appointed by the board of the association (Box 2.9). Compliance with the criteria for the Solid'R label is evaluated by Forum Ethibel, and independent organisation with a focus on social impact and sustainable finance.

It is also sometimes necessary to be part of the association managing the label to qualify for it. For instance, an entity needs to be a member of the Association of Finnish Work to be able to obtain their labels (Association for Finnish Work, n.d.^[52]).

Box 2.9. Social Enterprise Mark in Finland

The Finnish Social Enterprise Mark is a label introduced by the Association for Finnish Work for enterprises that prioritise social impact while engaging in financially sustainable economic activities. As of June 2025, more than 300 organisations have the Social Enterprise Mark out of around 3 000 social enterprises in Finland.

Standards

To qualify for the Finnish Social Enterprise Mark, businesses must be members of the Association of Finnish Work, comply with priority conditions and meet one or more of the secondary criteria.

Priority Conditions

1. **Social mission:** The organisation must clearly outline its social mission in its business strategy. The enterprise must demonstrate a focus on creating social value, such as employment opportunities for disadvantaged groups or solutions to environmental challenges.
2. **Profit distribution:** The enterprise must use the majority of its profits to advance its mission, either reinvesting them back into the organisation or directing them toward causes aligned with the common good. The organisation must limit profit distribution by documenting it in the company's articles of association or equivalent.
3. **Openness and transparency:** Operations need to be communicated in an open and transparent way.

Secondary Conditions

1. **Governance:** The enterprise needs to allow employees to participate in decision-making and implement employee ownership.
2. **Impact measurement:** The enterprise needs to measure its impact.
3. **Employment of vulnerable individuals:** The enterprise needs to employ individuals who are disadvantaged on the labour market.
4. **Social innovation:** The enterprise needs to adopt a socially innovative operational model.

Assessment and monitoring

The Finnish Social Enterprise Mark is awarded by the Social Enterprise Label Committee of independent experts appointed by the board of the Association for Finnish Work. Labelled enterprises

are required to submit an annual electronic notification, with a comprehensive review and renewal process every three years to confirm adherence to the criteria. Recently created organisations that do not yet have a financial statement can be labelled for an initial period of one year if all the other criteria are met. The total cost of the labels consists of the association membership fee and a label fee, which are calculated based on the enterprise's turnover.

Measures tied to the label

The labelled entities benefit from marketing materials, access to training and peer-learning trips.

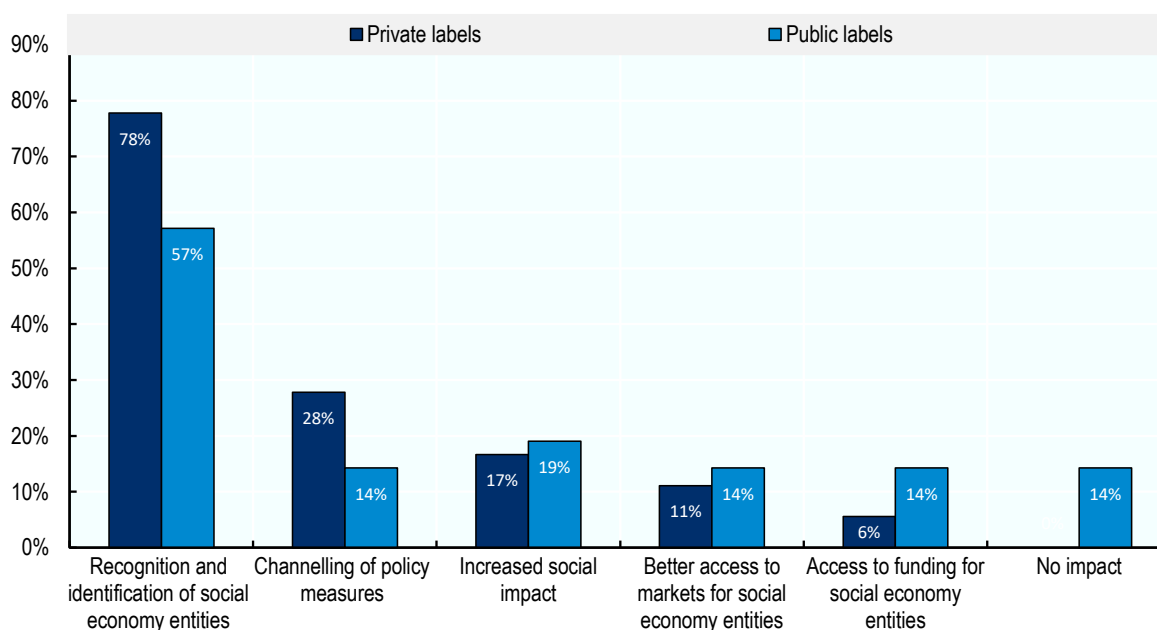
Sources: Association for Finnish Work (n.d.^[53]), European Commission (n.d.^[54]), Kaisu et al. (2025^[55])

The impact of private labels for the social economy

The benefits and challenges of private social economy labels for different stakeholders are summarised in Table 2.2. In the OECD/European Commission survey, recognition and identification (78% of private label responses) is by far the most mentioned positive consequence of private labels, followed by channelling of policy measures, mainly in the form of public procurement opportunities (28%), and increased social impact (17%) (Figure 2.7). It is worth noting that access to funding was identified as a positive consequence in a greater share of public than private label responses (14% vs. 6%).

Figure 2.7. Benefits associated with private and public social economy labels

The share of responses to the OECD/European Commission survey on labels for the social economy outlining mentioned positive consequences.



Note: Based on 18 private and 21 public label responses. The share is based on the author's interpretation of 18 private and 21 public label open-ended responses. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

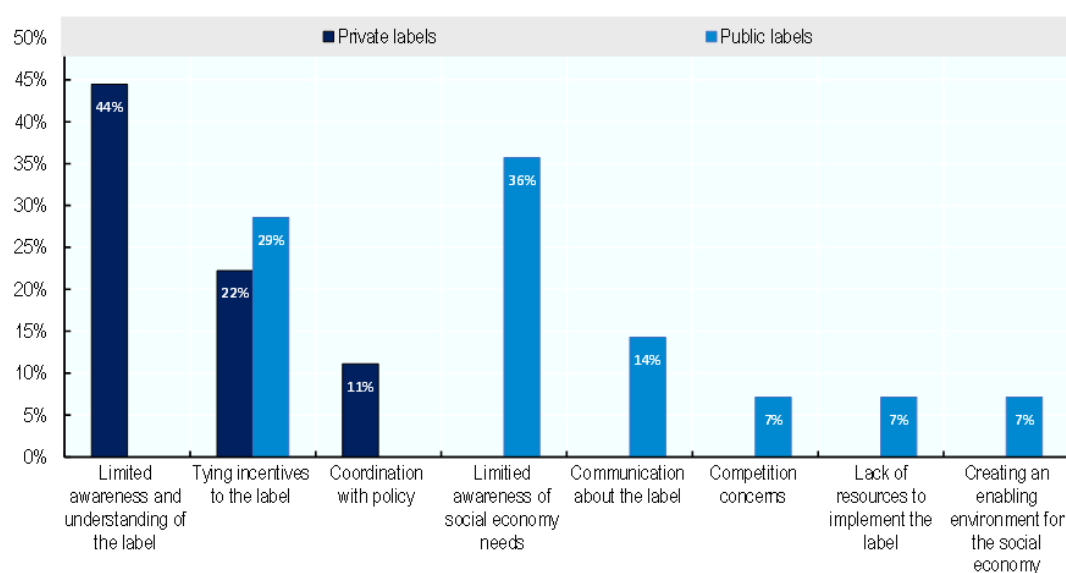
Although it is difficult to estimate the number of eligible entities for social economy private labels, the uptake remains low. As of June 2025, more than 300 organisations have the Social Enterprise Mark out of around 3 000 social enterprises in Finland (Association for Finnish Work, n.d.^[53]; Kaisu et al., 2025^[55]). There are 80 social enterprises in the Dutch Social Enterprise Code register out of the estimated 5 000 – 6 000 social enterprises in the Netherlands (Code Sociale Ondernemingen, n.d.^[45]; OECD, 2023^[46]). As of June 2025, there are 51 labelled sites and 18 labelled organisations with the Rec'Up label and the Solid'R label identifies 25 organisations in Belgium, Italy, France and Spain (RESSOURCES, n.d.^[49]; Solid'R, n.d.^[48]). As of June 2025, over 800 entities worldwide have the People and Planet First verification badge (People and Planet First, n.d.^[51]).

The most commonly identified challenges associated with private labels for public authorities (Figure 2.8) are limited awareness and understanding of the label (44% of private label responses), followed by tying incentives to the label (22%) and coordination with policy (11%).

The most commonly identified challenges for social economy entities (Figure 2.9) are communication about the label (36%) and lack of incentives to adopt the label (36%). The lack of incentives to adopt the label might be explained by the fact that few policy measures are tied to private labels. The most common policy measure attached to the reviewed private labels is public procurement incentives, as is the case with the Social Enterprise Code in the Netherlands and the Solid'R label in Belgium. However, none of the private social economy labels reviewed for this work give labelled entities access to preferential tax treatment. Moreover, private social economy labels tend to incur a financial cost. In the OECD/European Commission survey on labels for social economy, private labels incurred a cost to social economy entities in 80% of responses. The comparison of public and private social economy labels is summarised in Table 2.3.

Figure 2.8. Challenges for public authorities associated with private and public social economy labels

The share of private and public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned challenges.

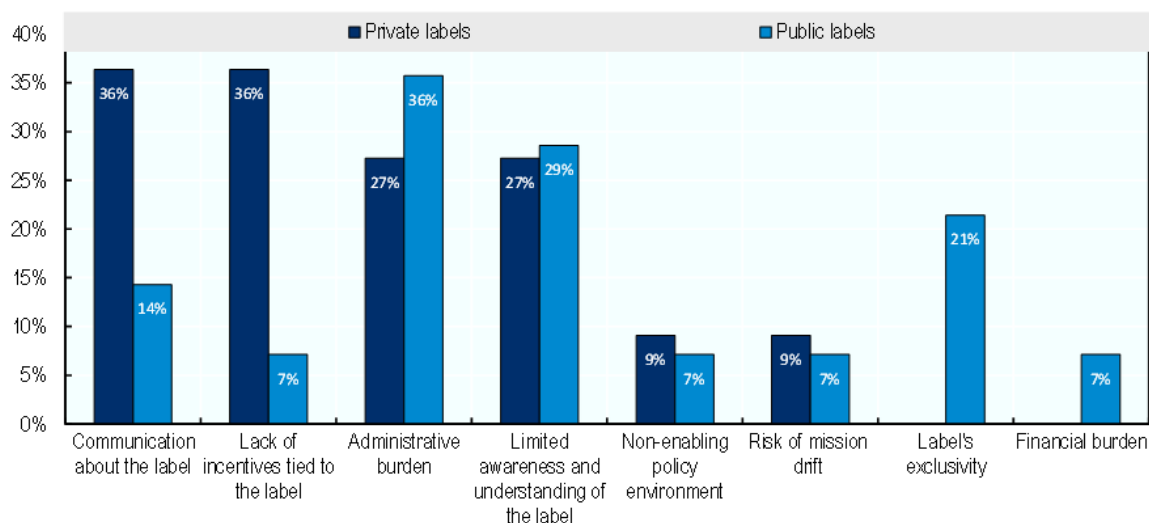


Note: Based on the authors' interpretation of 9 private and 14 public label open-ended responses. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Figure 2.9. Challenges for social economy entities associated with private and public social economy labels

The share of private and public label responses to the OECD/European Commission survey on labels for the social economy stating mentioned challenges.



Note: Based on the authors' interpretation of 11 private and 14 public label open-ended responses. As each respondent could mention several options in the same answer, the response total is above 100%.

Source: OECD/European Commission survey on labels for the social economy

Table 2.2. Benefits and challenges associated with private social economy labels

	Benefits	Challenges
Public authorities	✓ Inspiration for a public label ✓ A tool to identify social economy entities in the absence of a public label	• Limited awareness of private labels • Limited control over labels' standards and implementation
Social economy entities	✓ Access to markets ✓ Access to funding ✓ Increased social impact ✓ Incentive for improvement	• Limited access to policy measures • Relatively high financial cost • Administrative burden • Low awareness and understanding of the labels • The labels' financial model might lead to the relaxation of standards and possibly lower trust in the label
Consumers	✓ Identification and recognition of social economy entities	• Limited awareness of the label
Investors	✓ Identification and recognition of social economy entities	• Limited awareness of the label

Sources: Author's elaboration based on the OECD/European Commission survey on labels for the social economy, consultations and desk research

Table 2.3. Comparison of public and private social economy labels

	Public labels	Private labels
What is being labelled?	Organisations and very rarely products	Organisations and occasionally products
Purpose	Mostly identification for policy support	Mainly to increase visibility and access to markets
Criteria	- Typically rules-based - Only applicable at national level	- Can be principles-based - Can be applied internationally
Implementation	- Assessed and monitored by public authorities - Usually do not have a fee - Usually governed by public law	- Assessed and monitored by non-profit institutions - Usually incur a fee - Usually governed by trademark and/or competition law

Sources: Author's elaboration based on the OECD/European Commission survey on labels for the social economy and (Möslein, 2021^[56])

Broader impact labels

Increasing environmental and social concerns among consumers, investors, businesses and governments have led to the emergence of the so-called “impact labels”. Such labels can identify either organisations or products. The Ecolabel index, the largest global directory of ecolabels, lists more than 400 existing ecolabels in 199 countries and 25 industry sectors (such as agriculture, construction, textiles and tourism) that identify organisations and products based on pre-defined environmental and social standards (Ecolabel Index, 2024^[57]).

Impact labels are not specific to the social economy. Some of such labels, such as purpose-driven companies or the B Corp certification, are aimed at for-profit entities that do not have a profit lock in place, which is one of the major differences with specific labels for the social economy. As such, they cannot be used to differentiate social economy entities from other impact-driven organisations. Product impact labels are available to a wide range of organisations, including social economy entities, as long as their products meet the label's standards.

The most prominent public label for businesses that do not have a profit lock is a purpose-driven company or a benefit corporation. Italy was the first country in Europe to create a Benefit Corporation legal status in 2016 (Box 2.10). It identifies companies that aim to pursue a common benefit with no restrictions on profit distribution and sets some purpose, transparency, governance and reporting requirements.

Box 2.10. *Società Benefit* (Benefit Corporation) status in Italy

Italy was the first European country to introduce a Benefit Corporation status (*Società Benefit*) in 2016. *Società Benefit* companies must integrate social and environmental objectives into their corporate purpose and operations. At end-2024, there were more than 4 500 Benefit Corporations in Italy, an almost 40% increase from the previous year.

Standards

Key standards include:

Dual purpose requirement: *Società Benefit* companies must explicitly state in their bylaws that they are dedicated to acting in the interest of the common benefit alongside financial profitability. This purpose may include environmental protection, social cohesion, educational support, or health and wellness initiatives.

Commitment to transparency: The company must publish an annual impact report detailing its social and environmental performance. This report should follow recognised standards to ensure objectivity and be made publicly available to promote accountability.

Governance: A Benefit Corporation is a for-profit organisation and does not need to restrict the distribution of dividends to its shareholders. However, the governance structure must reflect a commitment to considering the impact of business decisions on all stakeholders, including employees, customers, communities and the environment, beyond just shareholders. Moreover, it must choose one or more person responsible for the achievement of the purpose.

Resource allocation and reporting: Companies are required to dedicate resources and design a strategy to achieve their social goals and report on specific metrics, such as carbon footprint, community engagement or employee well-being, as part of their annual impact report.

Assessment and monitoring

There is no specific regulatory authority in charge of monitoring Benefit Corporations; however, companies must comply with mandatory reporting standards to maintain transparency. Annual impact reports are evaluated by stakeholders and may be verified by third-party agencies to ensure accuracy and alignment with benefit objectives. In cases where a company does not meet its stated social goals, it may face reputational risk or scrutiny from stakeholders. Renewal of the designation is not required, but consistent reporting is essential to demonstrate ongoing commitment. Benefit corporations have to abide by the Antitrust Authority measures on misleading advertising and unfair commercial practices.

Measures tied to the label

Benefit Corporations are not subject to preferential fiscal treatment since there is no restriction on profit distribution. In 2019, the Public Contract Code was amended to introduce procurement reward criteria for companies that publish an impact report required for *Società Benefit* companies.

Sources: Camera dei Deputati (2016^[58]), Nativa et al. (2024^[59]), Nativa et al. (2024^[60]), Mujica Filippi et al. (2021^[35]), Ventura (2022^[61])

In 2019, France introduced a Mission-Driven Company (*Société à Mission*) status that allows companies to define one or more social and/or environmental “mission” and how it will be achieved in their bylaws. Enterprises with more than 50 employees need to establish a mission committee (or a mission referent in companies with less than 50 employees) to check on how the company implements the mission. The mission committee presents an annual report to the general assembly, which is submitted together with management report. The company’s mission needs to be audited by an independent third-party organisation every 2 years (every 3 years for companies with less than 50 employees) and the audit must be publicly available for at least 5 years. There are no fiscal incentives for mission-driven companies (Entreprendre.Service-Public.fr, 2024^[62]). As of June 2025, there are more than 2 000 mission-driven companies in France (Observatoire des sociétés à mission, n.d.^[63]). In both Italy and France, mission-driven companies are not required to have a profit lock but must dedicate significant resources to achieve the stated purpose (Mujica Filippi et al., 2021^[35]). The concept of purpose-driven companies is being developed in other European countries, including Belgium, Spain and Sweden (Communauté des Entreprises à Mission, 2024^[64]).

For example, in Spain a Benefit and Common Interest Corporation (*Sociedades de Beneficio e Interés Común*, *SBIC*) is a legal form that combines profit-making with a commitment to positive social and environmental impact. The status was introduced in Law 18/2022 and is aimed at capital companies that integrate social and environmental objectives into their corporate purpose and meet standards related to transparency, accountability and stakeholder engagement. The criteria and methodologies for validating the SBIC status are still under development and will align with international standards for benefit corporations (Agencia Estatal Boletín Oficial del Estado, 2022^[65]).

A private label for purpose-driven companies is the B Corp certification managed by the B Lab non-profit network (Box 2.11). The certification requires companies to undergo the B Impact Assessment that focuses on seven impact areas, undergo a risk assessment and incorporate the stated environmental and/or social purpose into its legal documents to safeguard its commitment to impact. The legal requirement can be met through becoming a purpose-driven company if the company’s jurisdiction allows it.

Box 2.11. B Corp certification

B-Corp certification is granted to businesses that meet pre-defined standards of social and environmental performance, accountability and transparency. Managed by the non-profit B Lab network founded in 2006, the B-Corp certification recognises companies that pursue purpose alongside profit. As of June 2025, there are almost 10 000 Certified B Corporations across 104 countries and 160 industries, more than 2 000 of which are in Europe (excluding the UK).

Standards

B Lab updated the B Corp standards in April 2025. Companies re-certifying before 30 June 2025 could use the old criteria to obtain the certification and those certifying for the first time have until the end of 2025 to be certified under the old standards. B Lab recommends that all businesses operating in the EU start to self-assess against the new standards as they align with the requirements of the Empowering consumers for the green transition directive (Directive 825/2024/EU), which will be applied from September 2026.

Old standards

To achieve B-Corp certification, companies must score at least 80 out of 200 in the B Impact Assessment that focuses on 5 key areas:

1. **Governance:** Companies are assessed on their ethics, transparency and accountability practices. This includes structures that ensure responsible decision-making and transparency in reporting impact and financial performance.
2. **Workers:** B-Corps must demonstrate fair treatment of employees, including factors such as wages, benefits, work environment and career development. The certification values diversity, inclusion and worker satisfaction.
3. **Community:** The certification requires companies to consider their impact on the communities they operate in, from local job creation and community engagement to supporting suppliers with ethical practices and contributing to economic empowerment.
4. **Environment:** Companies are assessed on their environmental impact, including resource use, carbon footprint, emissions, waste management and sustainable supply chains. B-Corps commit to reducing their ecological impact and promoting environmental sustainability.
5. **Customers:** B-Corps are evaluated on their dedication to serving their customers responsibly, ensuring that products or services create positive social impact and prioritise customer welfare.

In addition, the enterprises must legally commit to consider the impact of their actions on all stakeholders. The specific legal requirement depends on the company legal form but usually involves an update to the company's Articles of Incorporation. If the local legal environment does not allow stakeholder governance, certified B Corps need to sign a B Corp Agreement to commit to meet the legal requirement once it becomes legally possible in their jurisdiction.

New standards

In the new standards framework, the score system has been replaced by a threshold without a numerical score. The requirements are designed in a phased approach: for an initial certification, enterprises must meet Y0 sub-requirements and progressively align with Y3 and Y5 sub-requirements that depend on the company's size, sector, industry and location. The new standards focus on seven key areas:

1. **Purpose and stakeholder governance:** New requirements in this area include the implementation of a mandatory grievance mechanism for all companies, new rules on dividends and stock buyback for larger firms, and responsible marketing and communication as a required area of action.
2. **Fair work:** B-Corps must provide good quality jobs and positive workplace cultures. The updated standards introduce mandatory practices such as integrating worker feedback into decision-making, ensuring fair wage policies, and monitoring and improving workplace conditions.
3. **Justice, equity, diversity and inclusion:** B-Corps will need to introduce plans including the principles of justice, equity, diversity and inclusion at their workplaces and value chains with the final objective of building diverse and inclusive workplaces.
4. **Human rights:** Businesses are obligated to respect human rights through the adoption of robust due diligence processes. This includes the identification, prevention, mitigation and remediation of negative human rights impacts, along with ongoing monitoring and adaptation of due diligence practices over time.
5. **Climate action:** B-Corps are required to measure their emissions, establish reduction targets and implement climate transitions plans that support the global objective of achieving net-zero emissions by 2050.
6. **Environmental stewardship and circularity:** Companies must conduct environmental impact assessments, except for small and low-impact service sector firms. The standards include the development of environmental strategies focused on circular economy principles and

biodiversity protection. Service-based companies must evaluate and mitigate the environmental impacts associated with their clients and projects.

7. **Government affairs and collective action:** B-Corps must ensure responsible lobbying practices through transparent disclosures. Fiscal transparency must also be enhanced by publishing tax policies and reports by country of operation.

Assessment and monitoring

B-Corp certification is awarded after companies complete the B Impact Assessment, a comprehensive review that evaluates performance across the five (under old standards) or seven categories (under new standards) and pass a risk assessment. Additionally, they are required to amend their legal structure to incorporate stakeholder interests in decision-making. The assessment with standards, as of April 2025 is performed by B Lab staff but will transition to a third-party certification model to align with the requirements of Empowering consumers for the green transition directive (Directive 825/2024/EU). Certified B Corps must publish information about their performance in a dedicated profile on B Lab's website. Certification is valid for three years, after which companies must undergo a reassessment to maintain their status. As of January 2025, companies wishing to become a B Corp must pay a verification fee that ranges from EUR 2 500 to EUR 10 000 and an annual certification fee that ranges from EUR 1 000 to EUR 50 000, depending on their annual sales.

Measures tied to the label

B Lab states that the B Corp certification allows B corps to connect with each other, attract talented workforce, improve internal impact management practices and protect their mission through changing the legal form.

Sources: B Lab (n.d.^[66]), B Lab (n.d.^[67]), B Lab (2025^[68]), B Lab Europe (n.d.^[69]), B Lab Europe (n.d.^[70]), B Impact Assessment (2025^[71])

Some organisation-based impact labels act as a self-improvement tool for entities that wish to assess and showcase their impact. For instance, Impact Score, developed by the Impact France movement, allows any organisation to undertake an online self-assessment free of charge to get a score that reflects their impact across several dimensions (Box 2.12). Organisations can choose whether to make their Impact Score public or just use it internally to assess their social and environmental impact.

Box 2.12. Impact Score in France

Impact Score is a French platform initiated by 30 enterprise networks in 2019 and managed by the Impact France movement that allows organisations to assess, compare and improve their environmental, social and governance (ESG) performance through a transparent and accessible scoring system. An organisation of any size or legal form can complete the Impact Score assessment. It is neither a certification nor a label but rather a tool that helps organisations to improve their impact practices. As of June 2025, almost 10 000 organisations have performed an Impact Score, more than a quarter of which (27%) have made their result public and almost all of which (95%) are micro-, small- and medium-sized enterprises. Social economy entities tend to have higher scores than other types of organisations.

Standards

The score out of a 100 is calculated based on a questionnaire of around 60 questions (depending on the size of the business) in the following areas:

1. **Minimising negative impact:** This category focuses on social and ecological impact such as work integration, support for vulnerable populations, gender equality, carbon footprint, biodiversity and circular economy.
2. **Sharing power and value:** This category assesses areas such as an organisation's interaction with its stakeholders, the role of employees in decision-making, job stability, the differences in pay and responsible investing.
3. **Positive impact strategy:** This category includes the presence of a social or environmental purpose related to Sustainable Development Goals (SDGs), impact measurement, and sustainable and inclusive procurement.

Assessment and monitoring

An organisation wishing to perform an impact score needs to fill out a free online questionnaire. Depending on the size of the company, which determines the number and types of questions to be answered, the questionnaire takes less than 2 hours to complete. The questions ask for concrete numbers or facts, which makes it more difficult to lie or engage in green- or social- washing. No supporting documents are required, and the score is automatically calculated at the end of the process. The score is valid for 2 years. Companies can choose to make their Impact Score public on a dedicated online register, which implies that their responses become accessible to all, increasing the score's accountability and reliability. If the score is not made public, it still acts as a progress monitoring tool for the assessed organisation.

Measures tied to the label

Impact France has partnered with the Occitanie region in France, which in its Regional Plan for Economic Development, Innovation and Internationalisation aims for 50% of the enterprises in the region to start an ecological or social transformation by 2028. Since April 2023, it is compulsory for an enterprise to go through the Impact Score assessment to receive regional subsidies.

Sources: Impact Score (n.d.^[72]), Impact Score (n.d.^[73])

Labels dedicated to sustainable practices in a given sector and the circular economy are available to social economy organisations. For instance, social economy entities active in the tourism sector tend to contribute to fostering inclusive tourism practices such as catering towards persons with disabilities, adapting to local cultural practices, operating in remote areas while also contributing to work integration (European Commission, 2024^[74]). These entities can amplify their visibility and impact through obtaining a sustainable tourism certification. For instance, the Green Key certification, managed by the Foundation for Environmental Education, labels service providers in 6 categories: hotel and hostel, campsite and holiday park, small accommodation, attraction, restaurant and conference centre. The standards are tailored to each category but broadly focus on staff involvement, environmental management, guest information, waste management, administration and corporate social responsibility, among other areas (Green Key, n.d.^[75]). As of June 2025, there are almost 8 000 certified establishments in more than 90 countries (Green Key, n.d.^[76]).

The social economy contributes to circular economy through (i) recycling electronics and textiles, (ii) producing reusable consumer goods, (iii) repairing activities that extend the lifespan of materials and products, and (iv) restoring natural ecosystems, among other activities (OECD/European Commission, 2022^[77]). Social economy entities can use circular economy labels, such as the quality label for refurbished products developed by a Paris-based non-profit association RCube or the recycled content labels developed by Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (SFC) (Laubinger and Börkey, 2021^[78]).

Social economy entities also use environmental labels to signal their commitment to ethical and sustainable practices. For instance, the EU Ecolabel is an environmental label that covers a broad range of products and is quite widely recognised in Europe (Box 2.13). It is used by some co-operative supermarkets such as Coop Italia, which sells around nine million products every year with an EU Ecolabel. The supermarket chain has marketed its own *Vivi Verde* brand alongside the Ecolabel to build credibility and boost sales (European Commission, n.d.^[79]).

Box 2.13. EU Ecolabel

The EU Ecolabel is a voluntary ecolabel, established by the European Union in 1992, to promote products and services with a lower environmental impact throughout their lifecycle. It aims to help consumers identify eco-friendly products that meet high environmental standards. The label covers a broad range of products, including household items, cleaning supplies, textiles and services, but excludes food and pharmaceuticals. As of June 2025, more than 100 000 products and services have been awarded the EU Ecolabel. Data from the 2023 Eurobarometer on the Ecolabel show that almost 4 in 10 (38%) Europeans have seen the label before, compared to slightly more than a quarter (27%) in 2017. In the same survey, three-quarters of respondents agree that they trust the lower environmental impact of the labelled products and around 4 in 10 of respondents often or sometimes purchase products with the EU Ecolabel.

Standards

To receive the EU Ecolabel, products and services must meet stringent criteria across various environmental and often social categories. These criteria are specific to each product group and are developed and regularly updated by the European Commission in consultation with the EU Ecolabelling Board. The Board consists of representatives of National Competent Bodies and 13 stakeholder organisations, as well as 3 EU and UN bodies. Technical manuals are published for each product category, which provide general information on the application process and the product-specific criteria.

Assessment and monitoring

The EU Ecolabel is awarded by National Competent Bodies within EU Member States, which receive and assess applications. They are tasked with ensuring that third-party verification is done in a consistent, neutral and reliable way. The application process requires documentation from the producer demonstrating compliance with criteria specific to their product category. Certification is valid for a period specified by the category guidelines, after which products may need to be reassessed under updated standards.

Measures tied to the label

Certain regions in the EU use the Ecolabel for their green procurement. For example, the City of Kolding in Denmark uses the EU Ecolabel alongside other ecolabels to procure products such as cleaning supplies, paper and uniforms.

Sources: European Commission (n.d.^[80]), Ipsos European Public Affairs (2023^[81]), TNS Political (2017^[82]), European Commission (2016^[83])

Launched in 1992, the Fairtrade mark is a widely recognised ethical label for goods/products that is used by some social economy entities. It has various economic, social and environmental standards depending on the type of organisation that produces the product (co-operatives and associations vs. large plantations and farms with hired workers) and the place of the entity in the value chain (producers vs. traders who buy and sell Fairtrade products). The producers selling through Fairtrade must be paid at least Fairtrade Minimum Price, which depends on the product, and get access to a Fairtrade Premium, which can be invested in their chosen projects. Fairtrade products, as well as products with other ethical labels, are often sold at co-operative grocery stores such as Biocoop in France (Biocoop, n.d.^[84]). Other product labels that social economy entities can consider include schemes in the fields of textile and waste separation, sustainable fishing and organic production, among others.

Impact of broader labels on the social economy

The benefits and challenges associated with broader impact labels are presented in Table 2.4. The main benefit for social economy entities is greater access to markets, including consumers, other businesses and governments. For instance, recent studies show that consumers are willing to pay a premium for sustainable products (Merbah and Benito-Hernández, 2024^[85]; De Canio and Martinelli, 2021^[86]). The EU Ecolabel is sometimes used as criteria for procurement decisions (European Commission, 2016^[83]). Sustainable tourism certifications have a positive impact on hotels' financial metrics by attracting a growing number of customers who are willing to pay a higher price for a sustainable accommodation option (Bianco, Bernard and Singal, 2023^[87]).

However, the proliferation of labels can lead to an information overload. This makes it harder for consumers and buyers to compare different products, negating the labels' original purpose of providing clear and accessible information (France Stratégie, 2022^[88]; WWF and Greenpeace, 2021^[89]). Moreover, some focus groups and interviews conducted in the context of this work highlighted that broader organisation-based impact labels can lead to confusion over the definition of the social economy. This confusion might result in the broadening of the social economy criteria and channel consumer, investor and government support away from social economy entities.

Table 2.4. Benefits and challenges associated with broader impact labels

	Benefits	Challenges
Public authorities	✓ A tool to identify products with high social and environmental impact for procurement	• Difficult to prioritise among many options
Social economy entities	✓ Access to markets	• Potential for confusion with entities not in the social economy • Channelling of support measures away from the social economy • Administrative burden
Consumers	✓ Guide decisions	• Difficult to differentiate between many existing labels
Investors	✓ Guide decisions	• Do not allow to identify social economy investments

Note: The benefits and challenges are presented in the context of labels being used by social economy entities

Sources: Author's elaboration based on focus group discussions and desk research

The comparison between specific labels for the social economy and broader impact labels is presented in Table 2.5. Broader impact labels tend to cover both organisations and products, label entities without a profit lock, focus on consumer attraction and choice, have more product- and sector-based criteria and be more often assessed by third-party organisations than reviewed specific labels for the social economy.

Table 2.5. Comparison of specific labels for the social economy and broader impact labels

	Specific labels for the social economy	Broader impact labels
What is being labelled?	• Mainly organisations • Entities with a profit lock	• Organisations and products • Entities without a profit lock
Purpose	• Identification and visibility • Policy support	• Identification and visibility • Consumer attraction and choice
Criteria	• Profit lock criteria • Tend to be based on organisational characteristics, rarely products or sectors	• No profit lock criteria • Can be based on products and sectors
Implementation	• Often assessed by the label manager (public or private)	• More often assessed by third-party organisations

Source: Author's elaboration based on desk research

Financial labels

Solidarity and impact finance labels

A number of financial labels identify products that finance the activities of social economy entities. For instance, the Finansol Label in France identifies savings products with a strong social impact (Box 2.14). In Belgium, the *Finance Solidaire* label developed by *Financité* labels all financial resources available to an entity that finance social economy activities (Financité, 2023^[90]). As of June 2025, more than 100 enterprises across Belgium have the label (Finance solidaire, n.d.^[91]).

Box 2.14. Finansol label in France

The Finansol label, established in 1997 and managed by the FAIR association, labels savings products with a solidarity-based focus in France. In 2024, solidarity-based savings in France reached EUR 29.4 billion, representing a 7% increase compared to the previous year. As of June 2025, approximately 200 financial products hold the label.

Standards

The Finansol standards focus on three key areas:

1. **Social impact:** All or part of the collected funds must support social impact activities or at least 25% of interest must be regularly donated to entities engaging in social impact activities. Social impact includes initiatives in the areas such as access to employment and housing, health, mobility, culture, education, international development and environment.
2. **Transparency and investor information:** Financial institutions must provide comprehensive information about supported projects, fund usage and social impact, both at subscription and during the investment period.
3. **Coherence:** All assets, not just the solidarity component in a labelled product, must be managed according to sustainable finance principles, including environment, social and governance criteria. Institutions must also commit to product development, fair promotion and reasonable management fees aligned with investors' interests.
4. **Impact investing:** The investor or the financier must show intention to contribute to social impact, additionality of investment and measure its social and environmental impact.

Assessment and monitoring

The Finansol label is awarded to members of the FAIR association through a rigorous process managed by an independent committee of experts from social enterprises, finance, academia and civil society. The committee meets six to nine times a year to evaluate new applications and ensure ongoing compliance. Products undergo an initial assessment and are reviewed annually to verify adherence to the label's standards. Financial institutions must submit annual reports on project progress, product changes and transparency measures. Non-compliant products may face suspension or withdrawal of the label.

Measures tied to the label

The label allows consumers to differentiate savings products and increases the visibility of social financial products.

Sources: FAIR – Finance à impact social (n.d.^[92]), FAIR – Finance à impact social (2024^[93]), FAIR – Finance à impact social (2024^[94]), FAIR – Finance à impact social (n.d.^[95]), FAIR – Finance à impact social (2025^[96])

Some EU-level labels are aimed at funds or organisations that provide financing to social economy entities. The European Social Entrepreneurship Funds (EuSEF) label is applied to funds that focus on social businesses. The label can be awarded to a fund that directs at least 70% of its investments towards entities that have a primary objective of achieving “measurable, positive social impacts”, as stated in its articles of incorporation. These entities must not be publicly listed and have to use their profits to pursue a social mission. To ensure transparency and accountability, labelled funds must present the achieved social impact and the impact measurement methodology in their annual report. They must also report a number of investment-specific aspects such as the targeted impact area, the selection criteria for investment and the investments’ risk profile (European Union, 2013^[97]; OECD, 2015^[98]). As of June 2025, there are 19 labelled funds, most of which are located in Spain (European Securities and Markets Authority, 2024^[99]).

The European Code of Good Conduct for Microcredit Provision is a voluntary set of ethical standards for microcredit providers across Europe, some of which are social economy entities themselves or provide loans to social economy organisations (Box 2.15). Compliance with the Code is necessary for microcredit providers to access EU financial support.

Box 2.15. European Code of Good Conduct for Microcredit Provision

The European Code of Good Conduct for Microcredit Provision is a voluntary set of standards established by the European Commission to promote best practices among microcredit providers across Europe. It is aimed at non-bank financial institutions that provide loans of up to EUR 50 000 to microentrepreneurs. Banks have the option to endorse the Code. The Code aims to ensure that microcredit providers across Europe, which operate under different regulatory frameworks, adhere to a set of common ethical standards. As of February 2025, 58 microfinance providers have a certificate of compliance with the Code.

Standards

The Code’s clauses are divided into five key areas and consist of priority and non-priority clauses. To be certified, the microfinance provider needs to comply with all priority clauses and at least 80% of the weighted total of all clauses. All clauses have a level of difficulty assigned to them and some clauses are only applicable to large financial institutions. The criteria are grouped in the following way:

1. **Customer and investor relations:** The standards for the treatment of customers and investors as well as their rights, including information provision, avoiding over-indebtedness, customer care and staff behaviour.
2. **Governance:** The standards for governance and management structures, including strategic documents, board of directors, management qualifications and external audit.
3. **Risk management:** The common procedures to manage risk, including processes to identify, assess and prioritise risks, a senior staff member responsible for risk management, minimising credit risk, established anti-money laundering standards and an internal audit function.
4. **Reporting standards:** The section outlines the indicators that microcredit providers should collect, report and communicate, including portfolio at risk, operational sustainability ratio, institution’s mission and the number of registered complaints.
5. **Management information systems:** Standards for management information systems, including for production of main financial reports, publications on the quality of the loan portfolio as well as management and maintenance of client information.

Assessment and monitoring

The Code evaluation is funded by the Social Inclusive Finance Technical Assistance (SIFTA) under the InvestEU Advisory Hub managed by the European Investment Bank (EIB). The first step is to contact the EIB to receive the Code sign-up form. Then, the microfinance provider needs to fill out a self-assessment tool, and, if needed, to request technical assistance to support the implementation of the Code's clauses. The microfinance provider is also required to make public its financial and operational information. The institution needs to commit to implementing the Code in the 18 months (or 36 months for institutions younger than 3 years) that follow its sign-up. At the end of the implementation period, the assessed institution can choose to be evaluated by a third-party (Microfinanza Rating). Based on this evaluation, the Code Steering Group, which consists of voting members (European Commission and industry representatives) and non-voting members (European Investment Fund (EIF), EIB and Microfinanza Rating), decides on the award of certificate of compliance with the Code. The certification is valid for 4 years and certified institutions are required to report on progress half-way through the period.

Measures tied to the label

Compliance with the Code or its endorsement are compulsory for microfinance providers to get access to EU funding under the InvestEU Social Investment and Skills Window and the Employment and Social Innovation (EaSI) strand of the European Social Fund Plus.

Success factors

There are clear benefits associated with the certificate of compliance. The technical assistance to support the implementation of the Code's clauses helps entities to comply with criteria and makes the label more accessible.

Challenges

The Code's clauses do not consider all the national microfinance regulation specificities and are not adapted to all business models of microfinance providers.

Sources: European Union (2011^[100]), European Commission (n.d.^[101]), European Commission (2024^[102]), OECD/European Commission survey on labels for the social economy

Broader ESG finance labels

Broader environment, social and governance (ESG) financial labels are increasingly used. The number of ESG-labelled funds in Europe has increased from 806 at end-2019 to 2 733 in July 2023, more than a three-time increase (Novethic, 2022^[103]; Novethic, 2023^[104]). This growth can be explained by a high demand for sustainable financial products from consumers, especially young people, the increased awareness among investors about the impacts of climate and social risks on financial returns, and the evolving regulatory environment (OECD, 2023^[105]; OECD, 2022^[106]). More than 6 in 10 respondents to the 2022 Eurobarometer survey on retail financial services and products state that it is important for them that their savings and investments do not have a negative impact on the planet. Around half of the respondents are more likely to invest in a financial product if they are aware that it is sustainable. However, less than a third of respondents have access to information related to the sustainable impact of financial products or services (Ipsos European Public Affairs, 2022^[107]). This highlights the need for clear and transparent labelling systems to identify sustainable finance products.

The French ISR and Greenfin labels, created and managed by French public authorities, have among the highest numbers of labelled funds in Europe (Novethic, 2023^[104]). The ISR (*investissement socialement responsable* or socially responsible investing) label was created by the Ministry of Economy and Finance in

2016. It labels funds that consistently outperform their benchmark index or investment universe on at least two out of the four proposed ESG criteria. The standards are grouped into environment (e.g. carbon footprint, greenhouse gas emissions etc.), social (e.g. employee development, gender equality, etc.), governance (e.g. transparency on management pay, anti-corruption measures etc.) and the respect of human rights (e.g. fight against poverty) (Label ISR, n.d.^[108]). As of May 2025, almost 1 000 funds are labelled (Label ISR, 2025^[109]).

The Greenfin label was launched at the end of 2015 by the Ministry of Ecological Transition. It labels funds that invest in green projects such as energy, buildings, clean transportation and agriculture, exclude several activities, monitor and manage ESG controversies in their portfolio and measure their environmental impact. As of June 2025, there are more than 100 funds with a Greenfin label (Ministère de l'Aménagement du Territoire et de la Décentralisation, 2025^[110]).

Some sustainable finance labels are managed by private not-for-profit entities. The Towards Sustainability label in Belgium is managed by the Towards Sustainability Labelling Agency (CLA), a not-for-profit association. It labels financial products that (i) 'do no harm' on any of the ESG criteria (including exclusion of sectors such as weapons, tobacco and coal), (ii) have a positive impact (being best-in-class/best-in-universe or engaging in impact investing), and (iii) are transparent about their investment policies (Towards Sustainability, n.d.^[111]). As of June 2025, more than 700 products have obtained the Towards Sustainability label (Towards Sustainability, n.d.^[112]).

EU regulation requires a classification of sustainable finance funds. The Sustainable Finance Disclosure Regulation (SFDR), although not a labelling regime, describes how financial market actors should disclose sustainability information. It aims to inform investors in a standardised way about the impact of their investments and the sustainability risks that can affect their value (European Commission, n.d.^[113]). Under SFDR, financial products need to be classified into one of the three categories by the fund manager in a legal document such as the prospectus. Article 9 SFDR funds pursue sustainable investments as their main goal. Article 8 funds align with certain environment and/or social characteristics. Article 6 funds do not have formal sustainability objectives. The classification determines the level of required sustainability disclosure using the EU Taxonomy Regulation (Magaeva, Engelen and Van Liedekerke, 2023^[114]). Based on Morningstar data, at end-March 2025, the Article 8 category included more than 11 700 funds (47% of total number of funds), whereas the Article 9 group accounted for only 4.2% of total EU funds, or slightly more than 1 000 funds (Bioy et al., 2025^[115]).

Comparison of solidarity/impact and broader ESG finance labels

The main difference of solidarity/impact finance labels with ESG finance labels is the *intentionality* and *strength* of social impact. For instance, the Finansol label covers solidarity products that invest in social economy entities or engage in impact investing through intentionally investing in social and environmental initiatives and measuring their impact (FAIR, 2023^[116]). On the contrary, ISR, Greenfin and Towards Sustainability labels identify products that maximise financial return and only *consider* ESG criteria in their investment decisions without *intentionally* generating impact. The ISR and Towards Sustainability labels compare the product's ESG impact to the impact of similar products, which is a broader standard than impact intentionality. The stricter criteria partly explains the lower number of funds with a Finansol label than those with the French ISR label: as of June 2025, approximately 200 financial products hold the Finansol label compared to almost 1 000 funds with the ISR label (FAIR - Finance à impact social, n.d.^[95]; Label ISR, 2025^[109]).

The impact of financial labels on the social economy

Benefits and challenges associated with financial labels are presented in Table 2.6. The main benefit of these labels for social economy entities is access to finance. This is particularly important as external financing represented on average 89.1% of the total financial needs among surveyed enterprises in the 2023-2024 European Social Enterprise Monitor. The most requested funding was from public sources (46.3% of surveyed enterprises requested it and 12.5% fully received it), followed by private donations

(30% and 4%) and funding from foundations (27.4% and 5.6%). Financing from venture capital, venture debt, business angels and impact investment is less requested and had a greater share of respondents not receiving the funding than those who did (Gazeley, Bennett and Dupain, 2025^[43]). As the strain on public budgets grows, private financing will be playing a more important role in the development of social enterprises. Given the increasing demand for sustainable investment, solidarity and impact finance labels can act as a tool to channel private funds to social economy entities. Moreover, compliance with some financial labels, such as the European Code of Good Conduct for Microcredit Provision, is required for microfinance institutions to access some EU funding.

Table 2.6. Benefits and challenges associated with financial labels

	Benefits	Challenges
Public authorities	✓ Can help to collect data on the amount of financing going to social economy entities	• Can be difficult to single out the financing that goes only to social economy entities
Social economy entities	✓ Access to finance ✓ Visibility	• Smaller and less-known social economy entities can be excluded
Consumers	✓ Guide investment decisions	• Might not be aware of the labels
Investors	✓ Guide investment decisions	• Often do not allow to identify social economy investments

Note: The benefits and challenges are presented in the context of labels being used for investments in social economy entities

Sources: Author's elaboration based on consultations and desk research

Implicit labels

Membership in a network or association can signal an adherence to a set of standards and indirectly act as a quality label. For instance, the National Union of Credit Unions for Employees in Romania includes 37 territorial units, which consist of more than 1 000 credit unions with about 900 000 members. The role of the Union is to represent the members' interests in meetings with stakeholders and ensure their financial sustainability through engaging in prudential supervision and monitoring performance and risks. Moreover, the Union contributes to the development of the credit union system through organising training and borrowing external funds (UNCARSR, n.d.^[117]). Each member uses the logo of the Union, which acts as a quality stamp for credit union members and other stakeholders. Belonging to national and EU social economy networks such as CEPES (Spain), ESS France and the Third Sector Association (Italy) can also signal that the entity is part of the social economy and is committed to advancing the field.

Receiving funding and other types of support from a reputable impact investor or entity can show that social economy organisations adhere to the standards set by the counterparty. There is evidence to suggest that venture capital investments from the public sector facilitate companies' access to private venture capital through signalling to the market that the company is ready for investment (Guerini and Quas, 2016^[118]). In this case, the government venture capital firms are "labelling" that the targeted firms meet their standards without delivering a traditional label or certificate.

Local currencies can act as a guarantee label of products and services for which it pays. They are used in parallel to national currencies for exchanges of specific goods and services in a given area. The

use of local currencies can contribute to local economic development through encouraging trade and production (Rivero Santos, 2017^[119]). For instance, the *Sol Violette* currency, introduced in Toulouse, France in 2011, is aimed at social and solidarity economy entities. To use the currency, individuals need to subscribe to the association, get a subscription card and bring it to one of the exchange counters. There is also an option of exchanging euros for *sols* in some local branches of *Crédit Municipal* and *Crédit Coopératif*. The currency can then be used in the participating local, responsible and solidarity organisations and circulates among them. That way, the currency encourages short, local and responsible value chains (Sol Violette, n.d.^[120]). As of June 2025, there are more than 150 organisations that accept the currency and 83 000 *sols* (1 *sol* = 1 EUR) are in circulation (Sol Violette, 2025^[121]). For every *sol* in circulation, a euro is placed in bank accounts that finance either microcredit programmes or social economy projects in Toulouse (Sol Violette, n.d.^[120]).

The impact of implicit labels on the social economy

While their main objective is not labelling or identifying social economy entities, implicit labels can promote the development of the social economy. For example, membership in umbrella organisations, associations or federations can encourage knowledge exchange, access to markets and spur discussions on policy developments for the social economy. Funding from a reputable investor can allow social economy entities to diversify their funding sources, become financially sustainable and support their impact measurement. Local currencies can expand the social economy entities' customer base and encourage local community development, thereby creating favourable conditions for the social economy to operate. These initiatives can also increase the awareness and visibility of the social economy without the need for entities to undergo lengthy and sometimes costly certification and reporting procedures.

Implicit labels might not completely fulfil the functions of a label. Focus group discussions and interviews highlight that the standards of implicit labels are not always publicly available or are not very strict, which carries the risk of green and impact washing. Moreover, smaller organisations might not have the resources or knowledge to apply for membership and funding. In fact, less than a third of the surveyed social enterprises in the 2021-2022 Social Enterprise Monitor reported being part of a national network or association and less than one in ten (6.4%) belong to an international membership or network organisation (Dupain et al., 2022^[122]). Consumers might also have limited awareness of professional associations, funders and local currencies. Implicit labels are not the focus of this research and further work is required to assess their effectiveness.

Labels across borders

Purpose of cross-border labels

Some social economy entities might choose to operate across EU borders and beyond to maximise their impact and have access to larger markets. Almost a third (29.8%) of the surveyed social enterprises in the 2023-2024 European Social Enterprise Monitor operated beyond national borders, either at the European level (15.5%) or beyond European borders (13.3%) (Gazeley, Bennett and Dupain, 2025^[43]). Social economy entities can either be global from their creation to address an international issue or internationalise in the later stages of their development to increase the number of their beneficiaries, scale their solution or gain access to global value chains (OECD, 2023^[123]).

Cross-border labels can facilitate the activities of social economy entities across borders as well as their access to markets, funding and support measures. In the EU, cross-border expansion of social economy entities should be facilitated by Single Market principles, in particular the freedom of establishment and the freedom to provide goods and services (European Union, n.d.^[124]). Labels recognised across borders can facilitate the functioning of the Single Market for social economy entities

through reducing the effort needed to register in another country and possibly allowing them to benefit from its support measures. Moreover, international labels can raise the labelled organisation's visibility among consumers and other businesses, giving entities access to larger markets. Lastly, international funders such as multilateral development banks tend to be more familiar with labels that are consistently used in different countries.

The sections below outline existing social economy cross-border labels and explore some challenges associated with cross-border labels brought up in focus group discussions and interviews conducted for this work. Further policy considerations on cross-border labels are provided in the Guidance section (Chapter 3).

Existing cross-border labels

Public social economy labels still face challenges to operate across borders, despite the availability of EU frameworks for some legal forms to enable such activities. The European Co-operative Society legal form (SCE) was adopted in 2003 and entered into force in 2006 to facilitate cross-border activities of co-operatives (Council of the European Union, 2003^[125]). It is an optional legal form that can be adopted by co-operatives with members from at least two Member States. As of June 2024, there are 113 registered SCEs, of which 75 are active. The number is small given that there are around 250 000 co-operatives in the EU (EURICSE, 2024^[126]). The European Foundation and European Mutual Society legal forms have been proposed and then withdrawn (European Union, 2012^[127]; European Parliament, 2013^[128]). A European Cross-Border Association legal form is currently being discussed in the European Parliament and Council (European Commission, 2023^[129]). Public labels specific to the social economy reviewed for this work do not operate across borders.

Some private labels specific to the social economy such as Solid'R and People and Planet First verification are available in several countries. This might be explained by fewer policy measures tied to them and their less specific standards that can be applied to a range of contexts. Sectoral (such as green tourism labels) and product labels (such as the EU Ecolabel and Fairtrade) also tend to be international because they aim to facilitate the organisation's access to socially and/or environmentally conscious (potential) consumers in different countries.

Mutual recognition can be applied to social economy products. It is used to remove barriers to the functioning of the Single Market by ensuring that goods lawfully sold in one Member State can be sold in others, even if they do not fully comply with the rules of the other country (with a few exceptions related to public safety, the environment or health). The rules usually refer to technical aspects such as designation, form, size, weight, composition, etc. Businesses that would like to sell their goods in other EU countries can present a voluntary mutual recognition declaration to show that their goods are "lawfully marketed in another EU country" (European Commission, n.d.^[130]).

Challenges associated with cross-border labels

Interviews and focus group discussions conducted for this work highlighted the following challenges:

- ***Setting standards that allow the label to serve the same purpose in different countries.*** National definitions of the social economy vary, which makes it complex to define criteria that could be applied to different contexts (OECD, 2024^[131]). The definition relevant to a range of countries needs to be quite broad, which may undermine the label's rigour and credibility as broader standards can be more difficult to interpret and verify. Moreover, it may be challenging for a label to serve the same purpose in different national contexts, especially if the main goal is access to policy measures, due to the different legal environments and policy priorities (OECD, 2023^[36]).

- **Harmonising national laws for labels to serve the same policy implications in different countries.** If a label does not have the same advantages in different countries, it can lower the incentive to adopt it and create confusion for the labelled entities. Moreover, as EU countries have different levels of social economy ecosystem development, not all of them may want to support the social economy in the same way and may lack incentives to harmonise the relevant laws.
- **Challenges with implementation.** For a label to remain credible and relevant, the standards need to be implemented uniformly. As the geographic reach of a label increases, it may be difficult to ensure the same interpretation of the criteria by the implementing bodies. Moreover, the rigour of the compliance assessment may vary, which can undermine the label's credibility. The implementation of cross-border labels also requires extensive communication campaigns, which may be difficult to coordinate as the label expands.
- **Social economy organisations might prioritise having an impact at local or national level.** It might also be difficult to maintain the participatory governance structure characteristic of social economy entities as they expand. Moreover, internationalisation of the social economy can result in mission drift as entities might prioritise economic motives over social impact. Lack of access to funding and business development support in some countries can also hinder the expansion of social economy organisations across borders. (OECD, 2023^[123])

Annex 2.A. Reviewed organisational impact labels

Annex Table 2.A.1. Reviewed organisational impact labels: *background information*

Background information						
Country	Label name	Label type	Year of introduction	Law that introduced it	Number of labelled entities (April 2025)	Register link
Belgium	Social Enterprise status	Public	2019	Companies and Associations Code/ Royal Decree Law (28 June 2019)	No publicly available data	The list is available on request from the Ministry of Economy (FPS Economy)
Bulgaria	Social Enterprise status	Public	2019	Law on Social and Solidarity Economy Enterprises (2019)	181	Link
Croatia	Work integration social enterprise status	Public	2020	Law on professional rehabilitation and employment of persons with disabilities	Data on the number of employed persons with disabilities no enterprises	No public register
Denmark	Registered Social Enterprise	Public	2014	Act No. 711 of 25 June 2014 on Registered Social Economy Enterprises	1157	Link
Finland	Social Enterprise Mark	Private	2011	N/a	350	Link
France	<i>Entreprise Solidaire d'Utilité Sociale (ESUS)</i> accreditation	Public	2014	Law on the Social and Solidarity Economy (2014)	2888 (2024)	Link
	Mission-Driven Company (<i>Société à Mission</i>)	Public	2019	Law PACTE (22 May 2019)	2126	Link
	Impact Score	Private	2019	N/a	9802	Link
Greece	Social Co-operative Enterprise mark	Public	2016	Law 4430/2016 on Social and Solidarity Economy	1694 (March 2024)	Available upon registration on the government platform
Italy	Social Enterprise label (<i>Impresa Sociale</i>)	Public	2017	Legislative Decree 112/2017 on the Regulation of Social Enterprises	4412	Link
	Social co-operatives	Public	1991	Law no. 381 of 8 November 1991	9 815 Type A; 5 002 Type A and Type B; 4 849 Type B	Link
	Benefit Corporation status (<i>Società Benefit</i>)	Public	2016	Stability Law no.20828 December 2015	4593 (end 2024)	Link
Latvia	Social Enterprise status	Public	2018	Social Enterprise Law 12 October 2017	264	Link

Country	Label name	Label type	Year of introduction	Law that introduced it	Number of labelled entities (April 2025)	Register link
Lithuania	Social Business status	Public	2024	Amendments to Law on the Development of Small and Medium Enterprises	62	Link
Luxembourg	Societal Impact Company (<i>la Société d'Impact Sociétal S/S</i>)	Public	2016	Law of 12 December 2016 on the Creation of Societal Impact Companies	77 with 100% impact shares	Link
Netherlands	Social Enterprise Code	Private	2018	N/a	80	Link
Romania	Social Enterprise certificate	Public	2015	Law no.219/2015 on the Social Economy	1665 (March)	Link
	Social Mark for work integration social enterprises (WISEs)	Public	2015	Law no.219/2015 on the Social Economy	45 (March)	
Slovakia	Registered Social Enterprise status	Public	2018	Act on Social Economy and Social enterprises 112/2018	592	Link
Spain	Employment Integration Enterprises (<i>Empresas de Inserción</i>)	Public	2007	Law 44/2007 for the Regulation of Insertion Companies	185 (estimation provided by CEPES)	Link
International	People and Planet First verification badge	Private	2023	N/a	840	Link
	B-Corp certification	Private	2006	N/a	More than 9000 worldwide, more than 2000 in Europe (excl. the UK)	Link
	Solid'R international label	Private	2002	N/a	25	Link

Note: The table is based on desk research, was last updated in June 2025 and might not include all the information available on each label. Sources: Belgium (Ministry of Economy Belgium, 2024^[132]); Bulgaria (Bulgarian Ministry of Labour and Social Policy, 2019^[33]); Denmark (Danish Business Authority, 2019^[133]; Danish Business Guide, n.d.^[134]); Finland (Association for Finnish Work, n.d.^[53]; Association for Finnish Work, n.d.^[135]); France (French Ministry of the Economy, Finance and Industrial and Digital Sovereignty, 2024^[136]; Business Public Service France, 2024^[137]; Impact Score, n.d.^[138]); Greece (Greek National Registry of Administrative Procedures, 2025^[139]); Italy (Italian Ministry of Labour and Social Policy, n.d.^[140]; Benefit Corporation Italy, n.d.^[141]); Latvia (Social Entrepreneurship Association of Latvia (SEAL), 2021^[142]); Lithuania (Innovation Agency Lithuania, 2025^[143]); Luxembourg (Le gouvernement du Grand-Duché de Luxembourg, 2021^[18]); Netherlands (Code Sociale Ondernemingen, 2025^[144]); Romania (Romanian Government, 2015^[28]); Slovakia (Social Economy in Slovakia, 2023^[145]); Spain (Ministry of Labour and Social Economy, n.d.^[146]); International (People and Planet First, n.d.^[50]; B Lab, n.d.^[66]; Solid'R, n.d.^[48]).

Annex Table 2.A.2. Reviewed organisational impact labels: *criteria*

Criteria								
Country	Label name	Available to a range of legal forms	Social mission over profit	(Partial) profit lock	Asset lock	Stakeholder engagement	Salary restrictions	Employment of vulnerable individuals
Belgium	Social Enterprise status	Only co-operatives	•	•	•	•		
Bulgaria	Social Enterprise status	•	•	Greater amount needs to be re-invested for Type A+		•		Continuous employment of vulnerable individuals for Type A+
Denmark	Registered Social Enterprise	•	•	•		•		
Finland	Social Enterprise Mark	•	•	•		Secondary condition		Secondary condition
France	<i>Entreprise Solidaire d'Utilité Sociale</i> (ESUS) accreditation	•	•	•		•	•	
	Mission-Driven Company (<i>Société à Mission</i>)	•						
	Impact Score	•						
Greece	Social Co-operative Enterprise mark	•	•	•		•	•	Only for Social cooperatives for integration of vulnerable individuals
Italy	Social Enterprise label (<i>Impresa Sociale</i>)	•	•	•	•	•		•
	Social co-operatives	Only co-operatives	•	•	•	•		For Type B
	Benefit Corporation status (<i>Società Benefit</i>)	Legal form of the enterprise changes to "Benefit Corporation"				•		
Latvia	Social Enterprise status	Only limited liability companies	•	•	•	•		
Lithuania	Social Business status	•	•	•				
Luxembourg	Societal Impact Company (<i>la Société d'Impact Sociétal SIS</i>)	•	•	•	•			•
Netherlands	Social Enterprise Code	•	•	•		•		

Country	Label name	Available to a range of legal forms	Social mission over profit	(Partial) profit lock	Asset lock	Stakeholder engagement	Salary restrictions	Employment of vulnerable individuals
Romania	Social Enterprise certificate	•	•	•	•	•	•	
	Social Mark for work integration social enterprises (WISEs)	•	•	•	•	•	•	•
Slovakia	Registered Social Enterprise status	•	•	•		•		
Spain	Employment Integration Enterprises (<i>Empresas de Inserción</i>)	•	•	•				•
International	People and Planet First verification badge	•	•	•				
	B-Corp certification	•				•		
	Solid'R international label	•	•	•		•		

Note: The table is based on desk research, was last updated in June 2025 and might not include all the information available on each label.

Sources: Belgium (Ministry of Economy Belgium, 2024^[132]); Bulgaria (Bulgarian Ministry of Labour and Social Policy, 2019^[33]); Denmark (Danish Business Authority, 2019^[133]; Danish Business Guide, n.d.^[134]); Finland (Association for Finnish Work, n.d.^[53]; Association for Finnish Work, n.d.^[135]); France (French Ministry of the Economy, Finance and Industrial and Digital Sovereignty, 2024^[136]; Business Public Service France, 2024^[137]; Impact Score, n.d.^[138]); Greece (Greek National Registry of Administrative Procedures, 2025^[139]); Italy (Italian Ministry of Labour and Social Policy, n.d.^[140]; Benefit Corporation Italy, n.d.^[141]); Latvia (Social Entrepreneurship Association of Latvia (SEAL), 2021^[142]); Lithuania (Innovation Agency Lithuania, 2025^[143]); Luxembourg (Le gouvernement du Grand-Duché de Luxembourg, 2021^[18]); Netherlands (Code Sociale Ondernemen, 2025^[144]); Romania (Romanian Government, 2015^[28]); Slovakia (Social Economy in Slovakia, 2023^[145]); Spain (Ministry of Labour and Social Economy, n.d.^[146]); International (People and Planet First, n.d.^[50]; B Lab, n.d.^[66]; Solid'R, n.d.^[48]).

Annex Table 2.A.3. Reviewed organisational impact labels: *implementation*

Implementation					
Country	Label name	Body managing the label	Body awarding the label	Validity length	Monitoring frequency
Belgium	Social Enterprise status	Federal Public Service Economy	Minister of the Economy	Indefinite period (as long as the enterprise meets the conditions)	Annual
Bulgaria	Social Enterprise status	Ministry of Labour and Social Policy	Ministry of Labour and Social Policy	3 years (Type A) / 2 years (Type A+)	3 years (Type A) / 2 years (Type A+)
Denmark	Registered Social Enterprise	Danish Business Authority	Danish Business Authority and the Minister for Children, Equality, Integration and Social Affairs	Indefinite period	Annual
Finland	Social Enterprise Mark	Association of Finnish Work	Social Enterprise Label Committee of independent experts	3 years	Annual
France	<i>Entreprise Solidaire d'Utilité Sociale (ESUS)</i> accreditation	Ministry of the Economy, Finance, and Industrial and Digital Sovereignty // Departmental Directorates for Employment, Labour and Solidarity (DDETS) OR Regional Directorates for the Economy, Employment, Labour and Solidarity (DREETS).	Departmental prefects	5 years / 2 years for enterprises with less than 3 years of existence	5 years / 2 years for enterprises with less than 3 years of existence
	Mission-Driven Company (<i>Société à Mission</i>)	National Enterprises Registry and Trade and Companies Register	National Enterprises Registry and Trade and Companies Register	Indefinite period	Third party audit every 2 years (3 years for companies with less than 50 employees)
	Impact Score	Impact France	Impact France	2 years	Not specified
Greece	Social Co-operative Enterprise mark	Directorate of Social and Cooperative Economy	Ministry of Social Cohesion and Family Affairs	Indefinite period	Annual
Italy	Social Enterprise label (<i>Impresa Sociale</i>)	Chambers of Commerce	Ministry of Labour and Social Policies	Indefinite period	Annual
	Social co-operatives	Regional Departments of Social Affairs, Employment, or Economic Development and Regional Chambers of Commerce	Regional Departments of Social Affairs, Employment, or Economic Development and Regional Chambers of Commerce	Indefinite period	Annual
	Benefit Corporation status (<i>Società Benefit</i>)	Chambers of Commerce	Chambers of Commerce	Indefinite period	Annual

Country	Label name	Body managing the label	Body awarding the label	Validity length	Monitoring frequency
Latvia	Social Enterprise status	Ministry of Welfare	Ministry of Welfare	Indefinite period	Annual
Lithuania	Social Business status	Innovation Agency	Ministry of Economy and Innovation	Indefinite period	Annual
Luxembourg	Societal Impact Company (<i>la Société d'Impact Sociétal – SIS</i>)	Luxembourg Social and Solidarity Economy Union	Luxembourg Social and Solidarity Economy Union	Indefinite period	Annual
Netherlands	Social Enterprise Code	Social Enterprise Code Foundation	Independent Board of the Social Enterprise Code Foundation	Indefinite period	Annual
Romania	Social Enterprise certificate	Ministry of Labour and Social Protection	Employment Agency	5 years	Annual
	Social Mark for work integration social enterprises (WISEs)	Ministry of Labour and Social Protection	Ministry of Labour and Social Protection	3 years	Annual
Slovakia	Registered Social Enterprise status	Ministry of Labour	Ministry of Labour	Indefinite period	Annual
Spain	Employment Integration Enterprises (<i>Empresas de Inserción</i>)	Ministry of Labour and Social Economy/ Registers of Insertion Companies of the Autonomous Communities	Ministry of Labour and Social Economy	Indefinite period	Annual
International	People and Planet First verification badge	Social Enterprise World Forum // Good Market Platform	Social Enterprise World Forum // Good Market Platform	Annual	Annual
	B-Corp certification	B Lab	B Lab	3 years	3 years
	Solid'R international label	RESSOURCES Federation	Forum Ethibel	3 years	Annual

Note: The table is based on desk research, was last updated in June 2025 and might not include all the information available on each label. Sources: Belgium (Ministry of Economy Belgium, 2024^[132]); Bulgaria (Bulgarian Ministry of Labour and Social Policy, 2019^[33]); Denmark (Danish Business Authority, 2019^[133]; Danish Business Guide, n.d.^[134]); Finland (Association for Finnish Work, n.d.^[53]; Association for Finnish Work, n.d.^[135]); France (French Ministry of the Economy, Finance and Industrial and Digital Sovereignty, 2024^[136]; Business Public Service France, 2024^[137]; Impact Score, n.d.^[138]); Greece (Greek National Registry of Administrative Procedures, 2025^[139]); Italy (Italian Ministry of Labour and Social Policy, n.d.^[140]; Benefit Corporation Italy, n.d.^[141]); Latvia (Social Entrepreneurship Association of Latvia (SEAL), 2021^[142]); Lithuania (Innovation Agency Lithuania, 2025^[143]); Luxembourg (Le gouvernement du Grand-Duché de Luxembourg, 2021^[18]; Impact Luxembourg, 2025^[147]); Netherlands (Code Sociale Ondernemingen, 2025^[144]); Romania (Romanian Government, 2015^[28]); Slovakia (Social Economy in Slovakia, 2023^[145]); Spain (Ministry of Labour and Social Economy, n.d.^[146]); International (People and Planet First, n.d.^[50]; B Lab, n.d.^[66]; Solid'R, n.d.^[48]).

Annex Table 2.A.4. Reviewed organisational impact labels: *tied policy measures*

Policy measures tied to the label									
Country	Label name	Public funding	Public procurement incentives	Preferential tax treatment for entities	Tax incentives for financial support	Business support measures	Compensation for disadvantaged employees	Support for employee training	Use of municipal/ state-owned buildings
Belgium	Social Enterprise status	•		•					
Bulgaria	Social Enterprise status	•			•			•	For Type A+
Denmark	Registered Social Enterprise								
Finland	Social Enterprise Mark								
France	<i>Entreprise Solidaire d'Utilité Sociale (ESUS)</i> accreditation	•	•		•	•			•
	Mission-Driven Company (<i>Société à Mission</i>)								
	Impact Score	•							
Greece	Social Co-operative Enterprise mark	•				•		•	•
Italy	Social Enterprise label (<i>Impresa Sociale</i>)	•	•	•	•		•		•
	Social co-operatives	•	•	•			For Type B	For Type B	•
	Benefit Corporation status (<i>Società Benefit</i>)		•						
Latvia	Social Enterprise status	•	•	•		•	•		
Lithuania	Social Business status	•							
Luxembourg	Societal Impact Company (<i>la Société d'Impact Sociétal SIS</i>)	•	•	For SIS with 100% social shares					

Country	Label name	Public funding	Public procurement incentives	Preferential tax treatment for entities	Tax incentives for financial support	Business support measures	Compensation for disadvantaged employees	Support for employee training	Use of municipal/ state-owned buildings
Netherlands	Social Enterprise Code		•						
Romania	Social Enterprise certificate	•					Social enterprises employing vulnerable individuals		
	Social Mark for work integration social enterprises (WISEs)	•	•	•			•		•
Slovakia	Registered Social Enterprise status	•	•	•			•		
Spain	Employment Integration Enterprises (<i>Empresas de Inserción</i>)	•			•		•	•	
International	People and Planet First verification badge								
	B-Corp certification								
	Solid'R international label	Italy and Brussels (Belgium)	Italy and Brussels (Belgium)						

Note: The table is based on desk research, was last updated in June 2025 and might not include all the information available on each label. Sources: Belgium (Ministry of Economy Belgium, 2024^[132]); Bulgaria (Bulgarian Ministry of Labour and Social Policy, 2019^[33]; Lex.bg, 2007^[34]); Denmark (Danish Business Authority, 2019^[133]; Danish Business Guide, n.d.^[134]); Finland (Association for Finnish Work, n.d.^[53]; Association for Finnish Work, n.d.^[135]); France (French Ministry of the Economy, Finance and Industrial and Digital Sovereignty, 2024^[136]; Business Public Service France, 2024^[137]; Impact Score, n.d.^[138]); Greece (Greek National Registry of Administrative Procedures, 2025^[139]); Italy (Italian Ministry of Labour and Social Policy, n.d.^[140]; Benefit Corporation Italy, n.d.^[141]); Latvia (Social Entrepreneurship Association of Latvia (SEAL), 2021^[142]); Lithuania (Innovation Agency Lithuania, 2025^[143]); Luxembourg (Le gouvernement du Grand-Duché de Luxembourg, 2021^[18]); Netherlands (Code Sociale Ondernemingen, 2025^[144]); Romania (Romanian Government, 2015^[28]); Slovakia (Social Economy in Slovakia, 2023^[145]); Spain (Ministry of Labour and Social Economy, n.d.^[146]); International (People and Planet First, n.d.^[50]; B Lab, n.d.^[66]; Solid'R, n.d.^[48]).

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3

Policy guidance on labels for the social economy

Labels are most effective when (i) their standards are aligned with their purpose, (ii) they have transparent and thorough verification mechanisms, (iii) they are widely recognised among stakeholders, and (iv) they are periodically evaluated. This section provides practical step-by-step guidance that is aimed at policy makers but can also be used by private label managers when designing, implementing and evaluating labels for the social economy. Each phase is divided into distinct yet interconnected steps that policy makers are likely to face when managing labels for the social economy. Every step, in turn, is followed by guiding questions with some non-exhaustive examples of possible answers.

This section provides practical step-by-step guidance on the critical stages for social economy labels. While this guidance is primarily aimed at policy makers, it can also be relevant for private labels used by social economy entities.

The guidance follows the typical cycle of managing a label, which consists of three phases: design considerations, implementation strategies and evaluation approaches (Figure 3.1). Each phase is divided into distinct yet interconnected steps that policy makers are likely to face when managing labels for the social economy. The three phases do not necessarily occur in a chronological order; for instance, evaluation can take place throughout the label cycle and can provide evidence to implement changes at each stage. Throughout the label management cycle, consultations and communication campaigns can enhance the label's relevance, credibility and recognition. Each action is followed by guiding questions that policy makers can ask when managing labels and provides some non-exhaustive examples of possible answers.

Figure 3.1. Managing labels for the social economy: a three-phase process



Source: Author's elaboration

The guidance builds on good practices and learnings from various types of labels, including public and private labels. It also considers labels that are specific to the social economy and those that are not aimed at social economy entities but adopt some practices that can be used for labels that are specific to the social economy. The different types of labels covered in the guidance are summarised in Box 3.1.

Box 3.1. Which labels are considered in this guidance?

Public labels that are specific to the social economy

Public labels that are specific to the social economy are often aimed at social enterprises. These labels are developed by public actors to identify social economy entities, target policy measures and enhance their visibility. They can apply to a broad range of social economy entities (e.g. ESUS accreditation in France, Societal Impact Companies in Luxembourg) or specific types of entities such as co-operatives (e.g. Social Enterprise accreditation in Belgium, Social Co-operative Enterprise mark in Greece) and work integration social enterprises (WISEs). The key criteria for these labels are the pursuit of a social mission, a (partial) profit lock (sometimes with an asset lock), consideration of stakeholder interests and periodic reporting.

Private labels that are specific to the social economy

Private labels that are specific to the social economy tend to emerge in countries with limited public recognition of social enterprises. They are often developed by grassroots movements or network organisations. The main aim of private labels is to facilitate recognition, enhance visibility, support identification and improve access to markets for social economy entities. For example, in the Netherlands, the Social Enterprise Code serves as a recognition tool for social enterprises in the absence of a legal status. The requirements for these labels include the pursuit of a social mission, stakeholder engagement and limits on profit distribution. Some private labels, such as Rec'Up in Belgium aimed at social economy circular economy entities, can apply to products and services.

Broader impact labels

Broader impact labels can be used by a wide range of organisations to signal their adherence to social or environmental standards. Labels for purpose-driven companies (e.g. Benefit Corporation designation in Italy, Mission-Driven Company status in France, B Corp certification), unlike specific labels for the social economy, do not have a profit lock requirement and therefore cannot be used to identify social economy organisations. Product-based labels such as the EU Ecolabel and Fairtrade are not specific to the social economy but can be used by social economy entities to attract socially and environmentally conscious consumers.

Financial labels

Financial labels can help to identify financial products or organisations supporting social economy entities. For example, the Finansol label (France) identifies financial products with a significant social impact that often finance social economy organisations. At EU level, the European Social Entrepreneurship Funds (EuSEF) label identifies funds investing in social businesses and the European Code of Good Conduct for Microcredit Provision provides standards for microfinance providers across Europe. Broader environmental, social and governance (ESG) finance labels such as ISR (France), Greenfin (France) and Towards Sustainability (Belgium) are used to label sustainable financial products that are not focused on supporting the social economy.

Source: Author's elaboration

1. Design considerations

1.1. Define the label's purpose

Why is it important?

Labels serve various purposes, including identifying entities, channelling policy measures, enhancing consumer trust, or promoting socially and environmentally responsible consumption. The specific goal of a label influences its target audience, criteria and implementation strategies. For example, when a label's primary aim is to identify social enterprises eligible for preferential tax treatment (such as the public benefit organisation status in Denmark and Hungary or the ESUS accreditation in France), the criteria are likely to include requirements related to public benefit, a worthy purpose, and/or a profit lock (OECD, 2020^[11]). Conversely, if a label's main goal is to foster consumer trust and promote socially and environmentally conscious consumption (such as Ecolabel or Fairtrade), its standards focus more on product characteristics. Furthermore, these labels often place a greater emphasis on having an easily recognisable logo.

What can policy makers consider?

Figure 3.2. Guiding questions – Define the label's purpose

	1.1.1. How can stakeholder needs be assessed to determine the label's goals?
	1.1.2. What complementary policies or incentives exist to meet the needs?

1.1.1. How can stakeholder needs be assessed to determine the label's goals?

Social economy entities are more likely to use and comply with label criteria if these labels directly align with their needs. To determine the needs, policy makers or other label managers can conduct consultations with social economy networks or expert councils such as the High Council for the Social Economy in France, the Spanish Social Economy Employers' Confederation (CEPES) and ADV Foundation in Romania. They can also rely on survey information such as the European Social Enterprise Monitor conducted in several European countries (30 in the 2023-2024 edition) or national surveys such as the Social Economy Barometer in Romania (ADV Romania, 2022^[2]; European Social Enterprise Monitor, 2025^[3]). The information from consultations and surveys can be complemented by framework conditions outlined in regional, national and international strategies such as the Aragon Region Plan for the Promotion of the Social Economy for 2022-2025 in Spain, the Strategy for Social Enterprises in Finland, the OECD Recommendation on the Social and Solidarity Economy and Social Innovation, and the EU Council recommendation on developing social economy framework conditions (Government of Aragon, n.d.^[4]; Ministry of Economic Affairs and Employment of Finland, 2022^[5]; OECD, 2022^[6]; Council of the European Union, 2023^[7]).

Label managers can also consult or study other stakeholders, such as investors and consumers, to understand their preferences and estimate the potential demand for the label. For instance, FAIR, the manager of the Finansol label, and France Active conduct yearly population surveys to understand solidarity saving trends in France (Opinionway, 2024^[8]; Opinionway, 2023^[9]).

Labels can address some of the needs by identifying relevant entities or products that qualify for policy measures, guiding consumer and investor decisions, and encouraging labelled entities to measure their impact. For instance, the public benefit organisation status in several EU countries gives

labelled entities access to preferential tax treatment thus freeing up some financial resources to dedicate to their initiatives. The Solid'R label in Belgium and the social enterprise status in Latvia give access to public procurement incentives, helping labelled entities to access markets. Moreover, periodic reporting requirements can encourage social economy organisations to measure their impact, facilitating their communication with stakeholders.

1.1.2. What complementary policies or incentives exist to meet the needs?

The introduction of a label needs to be supported by a well-functioning policy framework to encourage its adoption. This is particularly true for labels with policy measures tied to them such as public benefit status in many EU countries for tax measures and social enterprise status for procurement (such as the ESUS accreditation in France, Social Enterprise status in Latvia, WISE status in Romania), public funding (such as ESUS in France, Social enterprise status in Latvia, Social Enterprise label in Bulgaria), business support services (such as the ESUS accreditation, Social Enterprise status in Latvia), and fiscal incentives (for example, the ESUS accreditation in France, Social Enterprise status in Latvia). If, for instance, a label gives access to public procurement opportunities but in practice, social economy entities or civil servants are not aware of this advantage or are not familiar with social procurement, the label is less likely to be adopted. Moreover, if other policy areas, such as financial instruments for the social economy, are not developed, it is challenging to tie them to the label. Clear and effectively implemented incentives tied to the label strongly encourage its adoption. For example, the number of registered NGOs in Lithuania has increased from over 6 000 at end-2024 to more than 16 000 in June 2025, following the introduction of a requirement to be registered as an NGO to benefit from a voluntary allocation of up to 1.2% of an individual's income tax (Valstybinė mokesčių inspekcija prie Lietuvos Respublikos finansų ministerijos, 2025^[10]; Registrų centras, 2025^[11]).

1.2. Develop standards¹

Why is it important?

Standards define the information that the label aims to convey, determine the eligibility of entities or products for the label and influence the measures that can be tied to the label. Clear standards are particularly important for labels that are specific to the social economy as the social economy is often mixed up with concepts such as corporate social responsibility (CSR), purpose-driven companies and social innovation, among others (OECD, 2023^[12]). A key differentiating standard for social economy-specific labels is the (partial) profit lock requirement (e.g. the ESUS accreditation in France, Social Enterprise status in Bulgaria, Latvia and Lithuania, Social Enterprise accreditation for co-operatives in Belgium, Registered Social Enterprise label in Denmark, Societal Impact Companies with impact shares in Luxembourg, Social Co-operative mark in Greece). This standard differentiates social enterprises from mission-driven companies and makes them eligible for preferential fiscal treatment (e.g. ESUS in France, Social Enterprise status in Latvia, Social Impact Companies with 100% impact shares in Luxembourg). Social economy labels also usually have criteria related to inclusive governance and stakeholder involvement (e.g. Registered Social Enterprise label in Denmark, the ESUS accreditation in France, Social Enterprise label in Bulgaria) and sometimes an asset lock requirement (e.g. Belgian co-operatives recognised as social enterprises and Italian social enterprises) that prevents labelled entities, in the event of liquidation, from distributing its surpluses to shareholders (Mujica Filippi et al., 2021^[13]). It is also important to allow for adjustments of standards that may be necessary during implementation to address challenges or comply with regulations.

What can policy makers consider?

Figure 3.3. Guiding questions – Develop standards

	1.2.1. What standards and labels already exist?
	1.2.2. Who can be involved?
	1.2.3. What is the scope of the standards?

1.2.1. What standards and labels already exist?

Specific labels for the social economy are not numerous compared to broader impact labels. However, having several labels (specific labels for the social economy and broader impact labels) with similar criteria in one country can lead to confusion among stakeholders and increase the administrative burden for targeted organisations. Focus groups and interviews conducted for this work confirm this finding.

It is, therefore, best if labels complement or supersede existing identification tools to reduce the administrative burden for the labelled entities and minimise confusion. Additionally, research on consumer focused product labels shows that proliferation of labels with different standards and assessment methods risks confusing stakeholders and reducing trust in the labels and labelled products (France Stratégie, 2022^[14]; WWF and Greenpeace, 2021^[15]).

In some countries, labels developed by private entities can support the emergence of public labels. For instance, in the Netherlands, the private Social Enterprise Code acts as a blueprint for the potential social enterprise legal form (Social Private Limited Company - BVm). B Lab and the B Corp movement campaigned for the introduction of a benefit corporation legal status (not aimed at social economy) in more than 50 countries worldwide, including in Italy (introduced in 2016), France (introduced in 2019) and Spain (introduced in 2022) (B Lab, n.d.^[16]). Drawing inspiration from existing private initiatives can facilitate the reflection of stakeholder needs and allow public authorities to learn from successes or challenges experienced with the private label. Moreover, it can allow for a smooth transition between labels. A legal status can also be used to meet the requirements of private labels. For example, the benefit corporation legal status can be used by a company to meet the legal requirement for the B Corp certification.

International definitions and standards can provide criteria and best practices for labels, facilitating their comparability and expansion across borders. Specific labels for the social economy can include standards from international social economy definitions. For example, the criteria for the Register of Social Enterprises in Denmark, the ESUS accreditation in France and the private Dutch Social Enterprise Code are based on the social enterprise definition in the EU Social Business Initiative (Hulgård and Chodorkoff, 2019^[17]). Broader impact labels can use or be aligned with international sustainability and social impact standards (Box 3.2).

Box 3.2. Which international definitions and standards can be used for labels?

Social economy definitions set by international organisations

Social enterprise definition in the EU Social Business Initiative

The 2011 EU Social Business Initiative defines social enterprises as entities that prioritise social impact over profit. They operate in an entrepreneurial and innovative fashion, reinvesting profits to achieve social objectives, and are managed through open and inclusive governance. This definition was used as the basis for the Social Enterprise Code in the Netherlands and is aligned with the criteria for the ESUS accreditation in France and Registered Social Enterprises in Denmark.

OECD definition of the social economy

The OECD defines the social economy as organisations (e.g. associations, co-operatives, mutual societies, foundations, and social enterprises) that are “driven by societal objectives, values of solidarity, the primacy of people over capital and, in most cases, by democratic and participative governance”.

EU definition of the social economy

The EU defines the social economy as a range of entities with the following overarching characteristics: “the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and democratic and/or participatory governance”.

ISEAL Code of Good Practice for Sustainability Systems

ISEAL is an international non-profit organisation that codifies best practices for the development of social and environmental standards. ISEAL Code of Good Practice for Sustainability Systems defines practices for programs designed to measure and verify sustainability performance. The Code defines the key components of sustainability systems: standard-setting, assurance, monitoring and evaluation, and claims. ISEAL Community Members such as GreenSeal, GOTS or GoodWeave, abide by ISEAL’s Code of Conduct. ISEAL Code Compliant organisations, such as Fairtrade International and Rainforest Alliance, go a step further by implementing ISEAL’s Standards-Setting, Impacts and Assurance Codes of Good Practice. Companies undergoing the B Lab Impact Assessment for the B Corp certification can automatically get credit if they are certified by any full ISEAL member.

ISO standards

Labels can comply with the standards developed by the International Organization for Standardization (ISO). The ISO standards are created by international expert groups and provide a benchmark for businesses and public authorities to design and implement their own labels. ISO has not developed any standards specific to the social economy, however, several ISO standards are relevant for broader impact labels. For example, ISO 14024 standard on Type I environmental labelling sets principles for choosing product groups, criteria, compliance assessment and certification procedures for voluntary environmental labelling programmes such as the EU Ecolabel. In addition, ISO has developed a series of standards on the circular economy such as ISO 59020 on measuring and assessing circularity performance. The ISO Code of Good Practice for Standardization, used by B Lab, aims to ensure that standards are designed and implemented transparently and inclusively. As of March 2025, ISO is developing a standard for purpose-driven organisations.

Sources: ISEAL (2025^[18]), OECD (2023^[12]), European Union (2021^[19]), B Impact Assessment (2020^[20]), ISO (2018^[21]), European Union (2011^[22]), European Commission (n.d.^[23]), ISO (n.d.^[24]), ISO (n.d.^[25]), Hulgård and Chodorkoff (2019^[17])

1.2.2. Who can be involved?

Label managers can consult social economy entities and other label beneficiaries to reflect their needs and expertise in the standards. Public authorities usually consult a wide range of stakeholders, such as social economy entities, networks, advocacy groups and intermediaries, national and subnational policy makers from relevant ministries and departments, and academia on social economy laws that introduce a label (OECD, 2023^[26]). For instance, Slovakia engaged in a two-year long consultation process to collect views from academics, social enterprises and (local) governments before adopting the Act on Social Economy and Social Enterprises in 2018, which introduced the Registered Social Enterprise status (OECD, 2023^[26]; European Commission, 2020^[27]). The Brussels-Capital region in Belgium ran a two-year consultation process with the Brussels Employment Office Actiris, the Brussels Social Economy Consultation Platform and additional stakeholders, including academics, social enterprise federations and individual social enterprises, before introducing the 2018 Ordinance on Social Enterprises (OECD, 2023^[26]). Policy makers can also organise consultations specific to legal statuses. For example, the Dutch authorities conducted a public consultation with companies and the broader public on the proposed BVM legal scheme for social enterprises (Argyrou, Lambooy and van Schaik, 2024^[28]).

Private label managers also conduct stakeholder consultations to determine their standards. For example, the update of the Dutch Social Enterprise Code's standards will involve a consultation with social enterprises. The criteria for the Finnish Social Enterprise Mark were drawn up after an extensive consultation with stakeholders (European Commission, n.d.^[29]). B Lab has conducted two consultations on the proposed change of standards for the B Corp certification with over 1 000 stakeholders, including existing and potential B Corps, other businesses, academics and civil society/NGOs (B Lab, n.d.^[30]).

The European Code of Good Conduct for Microcredit Provision was introduced after a consultation in the form of six workshops that were attended by microcredit providers, trade associations, academics and regulators. The workshops were complemented by six online questionnaires, circulation of draft versions for comments and meetings with European microfinance networks (European Commission, 2021^[31]).

Labels can have independent expert committees that oversee standard development. For example, the principles for the Dutch Social Enterprise Code were developed by an autonomous commission of academics and practitioners. B Lab has a Standards Advisory Council, an independent body of experts in areas such as impact-driven companies, impact measurement and impact finance, among others, responsible for supporting the standard development process. Regional Advisory Groups aim to make sure that B Corp standards are applicable to a wide range of international contexts. The Multinational Standards Advisory Body is responsible for multinational company standards. The standards for ISR and Greenfin financial labels in France are developed and updated in consultation with label committees (Ministère de l'Aménagement du Territoire et de la Décentralisation, 2025^[32]; Label ISR, n.d.^[33]; Label ISR, n.d.^[34]). The Advisory Commission gives advice to the Board of Directors on updates to the criteria of the Towards Sustainability financial label in Belgium (Towards Sustainability, n.d.^[35]).

1.2.3. What is the scope of the standards?

The scope of the standards depends on the label's purpose such as identification of social economy entities, channelling of preferential tax treatment or recognition of for-profit businesses that aim to have a positive social and/or environmental impact. If the main purpose is to identify social enterprises or co-operatives (e.g. the ESUS status accreditation in France, Social Enterprise Register in Denmark, Social Enterprise status in Bulgaria, Social Enterprise status for co-operatives in Belgium), the criteria typically include the defining characteristics of social enterprises such as profit lock and inclusive governance. If the main purpose is to channel preferential tax treatment (e.g. public benefit organisations), the standards tend to focus on a "worthy purpose" requirement, public as opposed to individual benefit and profit re-investment (OECD, 2020^[1]). The labels that aim to identify entities that help with work integration (e.g. WISE statuses) usually have a requirement on the share of disadvantaged workers in the total

workforce. If the label's purpose is to identify commercial companies that engage in sustainable practices (e.g. B Corp certification, purpose-driven companies), the standards usually do not include a profit lock requirement. Labels that aim to facilitate responsible and sustainable consumption (e.g. EU Ecolabel, organic labels) focus on product characteristics. Financial labels, depending on their purpose, aim to strike a particular balance between the focus on financial and social/environmental return.

When determining the scope of the standards, label managers face a trade-off between the label's universality and specificity. For instance, social enterprise labels (such as the ESUS accreditation in France, Social Enterprise status in Latvia, Societal Impact Companies in Luxembourg) can include criteria such as a clearly defined social purpose, inclusive governance and a profit lock requirement that can be applied to a broad range of organisations. Similarly, the criteria for public benefit statuses in many EU countries, NGO (Lithuania) or charity (Ireland) labels can be applied to different legal forms. Some social enterprise labels are more restrictive as they can only be applied to co-operatives (e.g. Social Enterprise national accreditation scheme in Belgium, Social Co-operative Enterprise mark in Greece, A-type social co-operatives in Italy) or enterprises employing vulnerable individuals (e.g. Social Enterprise status in Bulgaria, WISE statuses in Romania and Spain).

Some private labels (e.g. Dutch Social Enterprise Code, People and Planet First verification) rely on broader standards that are based on principles. Principles usually do not have predetermined thresholds such as the share of disadvantaged workers or salaries. This can make the label applicable to a wide range of organisations and national contexts. Nevertheless, broad standards can make it more difficult for stakeholders to narrow down organisations based on specific criteria.

To address this trade-off, labels can have some core overarching principles that must be met by all labelled entities or products and include a subset of standards adapted to different contexts. For example, the Social Enterprise status in Bulgaria distinguishes between Type A and Type A+ social enterprises. Type A+ social enterprises must meet all the Type A requirements that include social impact, inclusive governance, profit reinvestment and employment of disadvantaged individuals and meet one of the three additional conditions that include local impact, larger profit reinvestment and continuous employment of people with disadvantaged backgrounds (Bulgarian Ministry of Labour and Social Policy, 2019^[36]). In Italy, A-type social co-operatives engage in social welfare and educational activities and B-type co-operatives focus on work integration of disadvantaged workers (Borgaza, 2020^[37]).

All companies (outside of the social economy) wishing to undergo the B Corp certification must complete the B Impact Assessment that focuses on (i) governance, (ii) workers, (iii) community, (iv) environment and (v) customers (under the old standards) or (i) purpose and governance, (ii) fair work, (iii) justice, equity, diversity and inclusion, (iv) human rights, (v) climate action, (vi) environmental stewardship and circularity, and (vii) government affairs and collective action (under the new standards) (B Lab, 2025^[38]). The ways in which the criteria must be met depend on the company's size and sector. For example, in the Human Rights Impact topic, smaller organisations are required to take into account human rights when making procurement decisions, whereas bigger companies need to develop a supplier engagement and monitoring strategy, among other requirements. Under the Equity mechanism, companies operating in countries where their ability to meet B Corp standards may be affected by cultural, regulatory or geographical barriers can avoid meeting 10-15% of sub-requirements (B Impact Assessment, 2025^[39]).

However, having subsets of standards for different entities can cause confusion among stakeholders over what the label is aiming to signal. Clarity is particularly important in the context of the social economy, as it is often mixed up with concepts such as corporate social responsibility (CSR), purpose-driven companies and social innovation, among others (OECD, 2023^[12]). If a label aims to identify social economy entities, one of the core requirements should be the reinvestment of profits into the organisation's purpose. The subset standards, can, for example, focus on work integration activities to differentiate work integration social enterprises (WISEs) from others.

The standards need to be clear, both for the targeted entities and broader stakeholders. All standards should be publicly available to ensure transparency and allow entities to prepare for the labelling process. A common practice (e.g. Finansol in France, Dutch Social Enterprise Code) is to have a summary of the standards on the label's website and more detailed requirements in a separate downloadable document. The Danish Business Authority has introduced a "help area" on the registration website explaining what a Registered Social Enterprise is. Moreover, an information box with the label's criteria appears when choosing the option to register as a social enterprise (Danish Business Authority, 2018^[40]). Some standards, such as the share of profits that need to be reinvested or the share of workers from disadvantaged groups, are easily quantifiable and measured. The more qualitative standards, such as social purpose and stakeholder engagement, can be harder to understand and assess. In these cases, it is useful to provide a list of non-exhaustive examples of how the criteria can be met and identify a set of indicators for impact measurement (Conseil supérieur de l'économie sociale et solidaire, 2024^[41]). A frequently asked questions (FAQs) webpage can further enhance the understanding of the label among different stakeholders. Such a webpage can be complemented by an online chatbot to answer questions, with the possibility to be transferred to a specialist if needed.

2. Implementation strategies

2.1. Consider relevant legal frameworks

Why is it important?

Legal frameworks allow policy makers to define the standards, implementation modalities and evaluation approaches for public labels and regulate private ones to prevent misleading label use. Public labels that are specific to the social economy are usually defined in framework laws on the social economy (e.g. Bulgaria, France, Slovakia) or specific statutory laws (e.g. Denmark, potentially the Netherlands). The measures tied to labels also need to avoid conflict with tax and competition law. For private labels, legal instruments usually protect stakeholders such as label managers, consumers, investors and businesses, from misleading label use.

What can policy makers consider?

Figure 3.4. Guiding questions – Consider relevant legal frameworks

	2.1.1. Who manages the label?
	2.1.2. What are the relevant laws?

2.1.1. Who manages the label?

Labels can be managed by either public or private entities, which can be non-profit or not-for-profit organisations. Label management includes overseeing and coordinating processes such as standard development, verification and award of the label, even if other stakeholders are involved. The review of labels conducted for this work shows that if the primary goal is to channel policy measures, in particular preferential tax treatment for entities or tax incentives for measures directed to the labelled organisations (e.g. Social Enterprise status in Latvia, the ESUS accreditation in France) or public funding (e.g. European Code of Good Conduct for Microcredit Provision), labels are usually managed by public authorities. If, on the other hand, the main goal is to increase visibility and foster interactions between labelled entities, private management can be considered (e.g. Social Enterprise Code in the Netherlands, Finnish Social Enterprise Mark, People and Planet First verification). Product and financial labels can be managed by either public authorities (e.g. EU Ecolabel, EU and French organic labels, EuSEF, ISR in France) or non-profit entities (e.g. Fairtrade, co-operative product labels, Finansol in France, Towards Sustainability in Belgium). The choice between public and private management determines the laws that are relevant for the label.

2.1.2. What are the relevant laws?

Public labels for social economy entities can be introduced through social economy framework laws, specific statutory laws or SME development laws. For example, the ESUS accreditation in France was included in the 2014 Law on the Social and Solidarity Economy. The Registered Social Enterprise status in Slovakia was introduced in the 2018 Act on Social Economy and Social Enterprises (European Commission, 2020^[27]). Bulgaria introduced registration for social enterprises in the 2018 Social and Solidarity-Based Enterprises Act (European Commission, 2019^[42]). In Denmark, on the other hand, the Registered Social Enterprise label was introduced through the specific statutory 2014 Act on Registered Social Enterprises (European Commission, 2019^[43]). In Lithuania, the Social Business status

was introduced in the 2023 amendment to the law on SME development (Lietuvos Respublikos Seimas, 2023^[44]).

The policy measures tied to labels need to consider competition and tax law implications. In particular, tax measures and subsidies must not contradict national and international state aid and competition laws. Labels such as social enterprise or public benefit status can be a way to address diverging approaches between organisation and tax law (OECD, 2023^[26]). Moreover, the labels can be used to identify entities that provide services of general economic interest and the support to which, under certain conditions, is potentially exempt from EU State Aid rules.²

Private labels usually operate without a specific legal basis and typically are governed by trademark and/or competition law. In this case, legal instruments are used to make sure that only organisations that have undergone the labelling process claim to have the label. This can be facilitated through trademark registration (e.g. B Corp certification) under trademark law or, where there is no registered trademark, benefitting from the ban on misleading advertising under competition law (e.g. PHINEO label in Germany) (Möslein, 2021^[45]). From September 2026, private labels will need to comply with the requirements of the Empowering consumers for the green transition directive (Directive 825/2024/EU), which prohibits the use of sustainability labels³ unless they are based on a third-party certification scheme⁴ or are established by public authorities, encourages their harmonization and introduces stricter substantiation requirements for sustainability claims (EUR-Lex, 2024^[46]).

2.2. Identify and mitigate risks

Why is it important?

When implementing labels, there can be several challenges and risks, including limited benefits, administrative burden, insufficient financial and administrative resources, and unclear standards. By identifying these potential risks before scaling the label, policy makers can assess its feasibility, evaluate different options and establish mechanisms to address these challenges effectively.

What can policy makers consider?

Figure 3.5. Guiding questions – Identify and mitigate risks

	2.2.1. Can the label be tested before scaling?
	2.2.2. How can the label be made accessible?

2.2.1. Can the label be tested before scaling?

Testing the label with target beneficiaries can help identify potential challenges before expanding it. This can be achieved by running pilot projects with selected beneficiaries. For example, the principles of the Dutch Social Enterprise Code were tested with a few social enterprises affiliated with Social Enterprise NL before the label was launched on a larger scale. A similar approach is expected to be implemented by the national government for the BVm legal form. The European Code of Good Conduct for Microcredit Provision was tested through a pilot in 2013-2017, which led to an update of the Code's standards in 2019. Before coming into force, the new standards were tested with 24 microcredit providers (European Commission, 2021^[31]). This method can also raise awareness of the label, as the participants in the pilot projects share their experiences with others.

Label design can be assessed through behavioural experiments that evaluate how consumers behave in different situations. For instance, the European Commission conducted two experiments to evaluate the impact of different energy label designs on consumer understanding and purchasing choices. The experiments showed that the version with letters (e.g. a label that goes from A to G) was better understood and led to a more frequent choice of energy efficient products than the label with numeric scales (e.g. 30 to 100). However, the results of experiments may not necessarily hold true outside of the controlled environment such as a lab or online questionnaire (OECD, 2017^[47]).

2.2.2. How can the label be made accessible?

The OECD/European Commission survey on labels for the social economy and stakeholder consultations highlighted administrative burden as one of the main challenges for the accessibility of labels. This issue impacts in particular small social economy entities, which may lack the capacity and knowledge to ensure compliance with the label requirements. To address this challenge, it is important to establish clear, publicly available standards, alongside straightforward application processes and monitoring procedures while maintaining their rigour to prevent misleading label use. Policy makers can create a publicly available guide, such as the Provider Guidelines for the European Code of Good Conduct for Microcredit Provision, that explains to target entities on what happens before, during and after the assessment for the label (European Commission, 2021^[31]). Additionally, public authorities could consider funding the steps necessary for compliance with these labels. For example, microfinance institutions can seek technical assistance from the Social Inclusive Finance Technical Assistance (SIFTA) under the InvestEU Advisory Hub to help implement the European Code of Good Conduct for Microcredit Provision. Furthermore, support for impact measurement through initiatives such as training, resources, incubators and accelerators can enhance the ability of labelled entities to meet the reporting obligations associated with the label (OECD, 2023^[48]).

2.3. Assess compliance with the standards

Why is it important?

A transparent, thorough and independent verification of compliance with standards can significantly strengthen the label's credibility by ensuring that only eligible entities get the label. Selecting the relevant type of assessment can enhance the label's independence while managing costs and minimising the administrative burden for both the labelled entity and the label manager. Furthermore, this process provides an opportunity to engage stakeholders by including them in independent assessment and award committees. This collaboration can foster consensus on the standards and broaden the label's impact and reach.

What can policy makers consider?

Figure 3.6. Guiding questions – Assess compliance with the standards

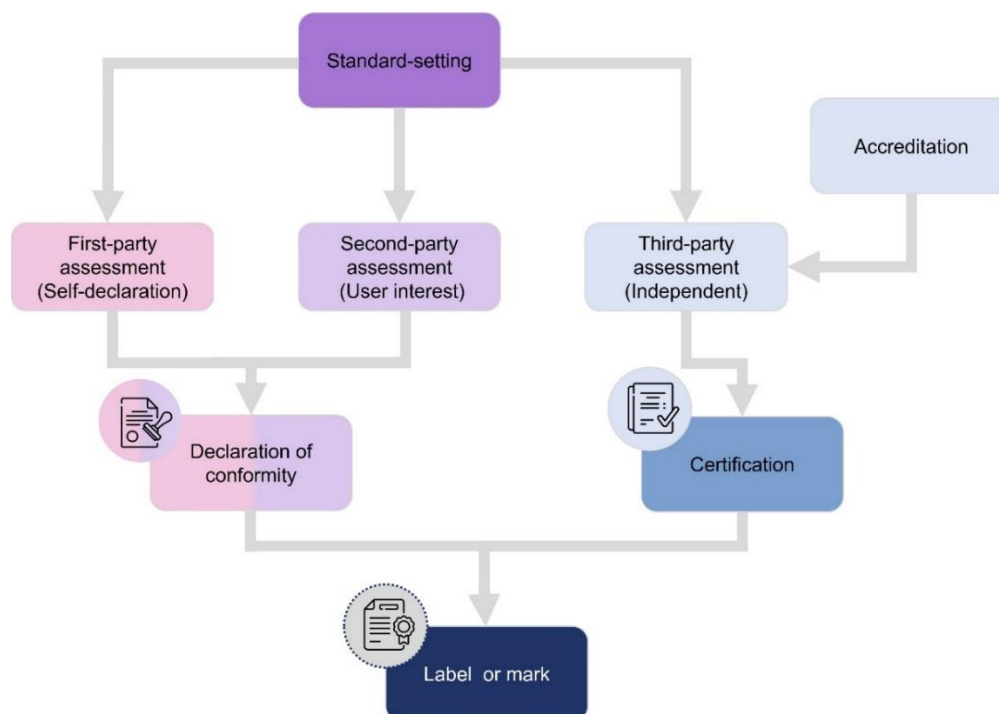
	2.3.1. Who verifies compliance with the standards?
	2.3.2. What documentation needs to be submitted as proof?
	2.3.3. How is the label awarded?

2.3.1. Who verifies compliance with the standards?

Organisations or their products are usually evaluated against the label's standards through three different types of assessment summarised in Figure 3.7.

- *First-party conformity assessment* involves a self-declaration by the organisation based on a self-assessment.
- *Second-party conformity assessment* is performed by an organisation that has a direct interest in the assessed entity's products, such as consumers or public authorities managing tenders. First- and second-party assessments usually lead to a declaration of conformity with a set of standards.
- *Third-party conformity assessment* is performed by an independent organisation or a certifying body and results in a certification. The certifying bodies, in turn, can undergo accreditation, which assesses their ability to award certifications according to a pre-defined set of standards (IEC, ISO and UNIDO, 2023^[49]; KPMG, 2023^[50]). It is important to note that from September 2026, any private sustainability label in the EU will need to be assessed and awarded by a third party, in line with the requirements of the Empowering consumers for the green transition directive (Directive 825/2024/EU). The certifying body needs to comply with international, EU or national standards or procedures such as ISO 17065 'Conformity assessment – Requirements for bodies certifying products, processes and services' (EUR-Lex, 2024^[46]).

Figure 3.7. Assessment mechanisms for labels



Source: Author's elaboration

First-party conformity assessment or a self-assessment involves the labelled entity evaluating itself against its own or outside standards. This includes sustainability and social claims made by organisations without any outside verification such as CSR communication. For social economy entities, this can take the form of communication about their impact that is not verified by third parties. While such an approach is usually regulated by a ban on misleading advertising and can be less costly to implement

than an outside label, it lacks an independent verification mechanism, which can undermine the label's credibility. Moreover, as the standards are not always publicly communicated and might not be aligned with similar initiatives, self-assessed labels cannot be easily compared by stakeholders (Grigus et al., 2017^[51]).

Second-party conformity assessment is common among public labels for the social economy.

Public authorities usually assess compliance with their labels and tie policy measures to them. For instance, compliance with the ESUS accreditation in France is assessed by the Departmental Directorates for Employment, Labour and Solidarity (DDETS), or in some cases by Regional Directorates for the Economy, Employment, Labour and Solidarity (DREETS) (Conseil supérieur de l'économie sociale et solidaire, 2024^[41]). The compliance with the Social Enterprise status in Bulgaria is assessed by the Ministry of Labour and Social Policy (Bulgarian Ministry of Labour and Social Policy, 2019^[36]). Such an approach allows public entities to have full control over the assessment process and possibly lowers the assessment cost as a third-party certifier does not need to be paid. However, it requires the development of internal competencies to assess compliance and well-functioning electronic systems to submit and review the necessary documents.

Private social economy labels often rely on verification by independent parties. The verification is usually conducted through an independent committee, a review by other labelled entities or, more rarely, a third-party assessment. For example, compliance with criteria for the Finnish Social Enterprise Mark and the Rec'Up label in Belgium is verified by independent committees. The verification for the Dutch Social Enterprise Code is performed by two already-registered enterprises. Compliance with criteria for the People and Planet First verification is assessed through partner networks that either review the submitted documents or award labels that match or exceed the requirements, in which case no review is needed. The compliance with the standards of the Solid'R label is verified by Forum Ethibel, an independent verification organisation. Some public labels are also managed by third-party entities. For instance, the Societal Impact Company status in Luxembourg was instituted by the Ministry of Labour but is administered and monitored by the Luxembourg Social and Solidarity Economy Union (ULESS), a third-party organisation (Impact Luxembourg, 2025^[52]).

Broader impact organisation, product and financial labels are often assessed by independent third parties, resulting in a formal certification. For example, the mission of a Mission-Driven Company (*Société à Mission*) in France needs to be audited by an independent third-party (Entreprendre.Service-Public.fr, 2024^[53]). B Lab will introduce a third-party verification mechanism for the B Corp label. The compliance with standards for the EU Ecolabel is assessed through third parties (European Commission, n.d.^[23]). The compliance with the criteria for the Fairtrade label is checked by FLOCERT, an independent certification body (Fairtrade, n.d.^[54]). ISR (France), Greenfin (France) and Towards Sustainability (Belgium) finance labels rely on independent third-parties to perform verification audits (Ministère de l'Aménagement du Territoire et de la Décentralisation, 2025^[32]; Label ISR, n.d.^[34]; Towards Sustainability, n.d.^[35]). The reliance on third parties can show that the label is impartial, enhance its credibility and allow label managers to focus on other priorities. Nevertheless, third-party assessments usually incur a higher cost than other types of assessments and third-party certifiers might not have the required expertise to assess small social economy entities with a different business model to commercial companies.

Certifiers can undergo accreditation to be allowed to perform assessments. For instance, only authorised control agencies or bodies are allowed to perform the certifications for the EU organic logo (European Social Enterprise Law Association, 2015^[55]). The audit for the ISR label in France can only be performed by entities accredited by COFRAC, a semi-public body that ensures the quality of certifiers. As of February 2025, the accredited entities include Afnor Certification, Deloitte and EY France (Label ISR, n.d.^[34]). Such an approach can enhance the label's credibility, especially if it has a large geographic scope. However, it also requires substantial resources for implementation, which might not be available for smaller-scale labels.

2.3.2. What documentation needs to be submitted as proof?

The submitted documentation needs to clearly show how targeted entities meet the label's criteria while not overburdening them with administrative work. For instance, to acquire the ESUS status in France, an entity must submit its current by-laws, the extract from the Trade and Companies Register, the last three financial statements and the most recent activity report, financial projections, a statement from the company's management confirming that its shares are not listed on financial markets, salary compliance proof and, if relevant, any proof showing the organisation's eligibility for not justifying their social utility objective (Ministère de l'Économie, des Finances et de la Souveraineté industrielle et numérique, 2024^[56]). For the Social Enterprise Code in the Netherlands, aspiring organisations must fill out an online questionnaire and submit documents such as articles of association, the annual plan on how to achieve their mission, profile and names of their stakeholders, the remuneration policy, among others, all of which must be published on the company's website (Commissie Code Sociale Ondernemingen, 2017^[57]). The evaluation of the Danish Act on Registered Social Economy Enterprises shows that smaller and newer entities have issues with uploading the right documents. To overcome this challenge, the Danish Business Authority created a guidance on the registration process (Danish Business Authority, 2018^[40]).

2.3.3. How is the label awarded?

Labels are often awarded by or after consulting expert commissions that discuss and evaluate the results of the verification. For example, the Social Enterprise status in Latvia is awarded by the Ministry of Welfare after a consultation with the Social Enterprise Commission, which includes representatives from five ministries and five individuals nominated by associations and foundations (Latvian Cabinet of Ministers, 2018^[58]). The decision to include an entity in the register of the Dutch Social Enterprise Code is taken by an Independent Board based on the report from two peer-reviewers. The committee for the Finansol label in France meets six to nine times a year to evaluate new applications. The certificate of compliance with the European Code of Good Conduct for Microcredit provision is awarded by the Code Steering Group, which includes voting members (European Commission and industry representatives) and non-voting members (EIF, EIB and Microfinanza Rating), based on the evaluation performed by a third-party (Microfinanza Rating). The Eligibility Commission for the Towards Sustainability label in Belgium gives its opinion on label award based on evaluation reports received from the third-party verifier. Such an approach can safeguard the label's independence and credibility, while allowing label managers to collect perspectives from different stakeholders. It is important to note that from September 2026, any private sustainability label will need to be assessed and awarded by a third party, in line with the requirements of the Empowering consumers for the green transition directive (EUR-Lex, 2024^[46]).

2.4. Monitor compliance with the standards

Why is it important?

Monitoring compliance with standards over time maintains the label's credibility and relevance. It does so by ensuring that labelled entities continue to meet the label's criteria and minimising the risk of mission drift and green washing. Moreover, it allows labelled entities to track their impact. However, burdensome and frequent reporting requirements can result in a heavy administrative burden for social economy entities and deter them from getting and maintaining the label.

Figure 3.8. Guiding questions – Monitor compliance with the standards

	2.4.1. For how long is the label awarded?
	2.4.2. What are the monitoring requirements?
	2.4.3. What are the complaint mechanisms?

2.4.1. For how long is the label awarded?

Labels are usually awarded for a limited period to enhance their validity and reliability. For example, the ESUS accreditation in France is awarded for five years (two years for enterprises that have operated for less than three years), after which labelled entities must reapply to keep the status. The certificate of compliance with the European Code of Good Conduct for Microcredit Provision is valid for four years. The WISE status in Romania, the Finnish Social Enterprise Mark and the B Corp certification are valid for three years. The Impact Score in France is valid for two years. Some labels, such as the Social Enterprise accreditation for co-operatives in Belgium and the Social Business status in Lithuania, are awarded for an indefinite period but are subject to periodic reporting requirements (Economie, 2024^[59]; Lietuvos Respublikos ekonomikos ir inovacijų ministerija, 2024^[60]).

2.4.2. What are the monitoring requirements?

Labelled entities are often subject to periodic reporting requirements to ensure continued adherence to the label's criteria. For instance, the Dutch Social Enterprise Code requires registered enterprises to publish an annual impact report on their website (Commissie Code Sociale Ondernemingen, 2017^[57]). Organisations with a Social Enterprise status in Latvia are required to submit annual reports with their social activities, financial performance and impact. Registered WISEs in Romania must annually submit reports with employment outcomes, financial performance and progress towards their social mission. Businesses with a People and Planet First badge are required to undergo an annual review. Benefit Corporations in Italy must publish an annual impact report to be evaluated by stakeholders. Financial products with the French Finansol label are reviewed annually with financial institutions having to submit annual reports on project progress, any product changes and transparency measures. Mission-driven companies in France must undergo an independent audit every two years (every three years for companies with less than 50 employees) and its results must be publicly available for at least five years. The institutions compliant with the European Code of Good Conduct for Microcredit Provision are required to report on progress every two years. In Bulgaria, Type A social enterprises must be evaluated every three years and Type A+ entities every two years. Small and medium-sized enterprises (SMEs) with a Solid'R label must undergo an on-site audit every three years, while microenterprises do it online.

While periodic reporting requirements build trust in the label and promote progress tracking, they can impose a significant administrative burden on smaller entities. A way to address this challenge is to have less frequent audits (e.g. Mission-Driven Companies status in France) or introduce a different form of assessment (e.g. Solid'R label) for smaller organisations. Moreover, some entities may not be aware what annual reporting needs to include. For instance, the evaluation of the Act on Registered Social Economy Enterprises in Denmark shows that some entities, especially smaller ones, are not aware of the requirements. Out of 72 entities that submitted an annual report in 2016, only 15 (21%) have fulfilled the reporting requirements (Danish Business Authority, 2018^[40]). Label managers could consider providing

clear guidelines on the reporting requirements and de-registering entities that do not submit the right evidence.

Some labels rely on a community of labelled entities to monitor compliance. For example, enterprises registered in the Dutch Social Enterprise Code must be reviewed by two already-registered entities at least every two years. The peer reviewers focus on areas for improvement. Sites with the Belgian Rec'Up label are regularly reviewed by other labelled entities to monitor ongoing compliance. Such an approach can strengthen ties between labelled organisations.

Labels need to have a publicly available register to ensure transparency and facilitate stakeholder trust. Some registers take the form of uploaded documents with a list of labelled enterprises (e.g. ESUS accreditation in France, Social Enterprise status in Latvia, European Code of Good Conduct for Microcredit Provision), others have registers integrated into their website (e.g. Social Business status in Lithuania, Dutch Social Enterprise Code, Finnish Social Enterprise Mark, People and Planet First verification). Some registers (e.g. Social Business status in Lithuania, Dutch Social Enterprise Code, Finnish Social Enterprise Mark, Finansol label in France, *Finance solidaire* label in Belgium) allow users to filter based on characteristics such as sector, enterprise type, impact area, geographic scope and product type, among others. Some labels such as the Impact Score in France and People and Planet First verification do not make it mandatory for the assessed entities to display their score publicly (Impact Score, n.d.^[61]; People and Planet First, n.d.^[62]).⁵ This is done to prevent comparison between organisations operating in different contexts and allow entities to use the score for self-improvement purposes. Some labels, such as the Bulgarian Social Enterprise status, the Dutch Social Enterprise Code and the B Corp certification, have introduced a 'pending' status in their registers for enterprises that are undergoing assessment and/or are integrating feedback from the verifier to improve their compliance with the standards (Bulgarian Ministry of Labour and Social Policy, n.d.^[63]; Code Sociale Ondernemingen, 2024^[64]; B Impact Assessment, n.d.^[65]). It is a way to show that an enterprise is implementing the necessary changes and is committed to getting labelled.

2.4.3. What are the complaint mechanisms?

Complaint mechanisms allow stakeholders to challenge the decision on label award and to flag any information that does not comply with the label's standards. The decision on the award of public labels can be challenged through administrative procedures. For example, in Belgium, an annulment of administrative decision regarding the recognition of a co-operative as social enterprise is possible if the labelled organisation does not respect the criteria or believes that the label has been withdrawn without sufficient proof.⁶ In Italy, the withdrawal decision of the social enterprise recognition is taken by the Ministry of Labour and Social policies but can be annulled by the administrative court.⁷

Private labels usually do not have the same level of judicial protection but are bound by reputational risks tied to the trust in the label. As a result, some labels have introduced a complaint procedure. For instance, B Lab addresses complaints that are filed through an online form related to (i) "intentional misrepresentation of practices, policies or outcomes claimed during a company's certification process" and (ii) "breaches of the B Corp Community's core values" among existing B Corps. B Lab does not investigate complaints regarding "customer service, pending legal actions, issues not related to a currently certified B Corp, practices not related to the B Corp certification, and complaints containing illegal actions or threats". The complaint can result in either certification being revoked, suspended until changes are implemented, or maintained with or without the need for changes and disclosures. If a B Corp does not agree with the decision of the Standards Advisory Council regarding the complaint, it can appeal to B Lab's Board of Directors (B Lab, n.d.^[66]).

2.5. Scale the label

Why is it important?

Expanding the label's reach can enhance its visibility and ensure that eligible entities benefit from the associated measures. As more entities across sectors and geographic areas become labelled, the label gains recognition. This increased visibility fosters the creation of a community among labelled entities, offering opportunities for networking, sharing best practices and accessing new markets. However, expanding the label also risks making its standards too broad, which could compromise the ability to accurately identify specific entities and weaken the rigour of assessments. This, in turn, may undermine the label's credibility.

What can policy makers consider?

Figure 3.9. Guiding questions – Scale the label

	2.5.1. What is the promotion strategy?
	2.5.2. What is the financial model?
	2.5.3. Should and can the label operate across borders?

2.5.1. What is the promotion strategy?

An effective promotion strategy can significantly increase awareness of the label among targeted entities and other stakeholders. This heightened awareness can lead to a greater number of labelled entities and enhance the benefits of being labelled, as more consumers, investors and other stakeholders become familiar with the label.

Communication about organisation-based labels typically occurs through networks, communities of labelled entities, as well as information campaigns for stakeholders and the general public. For instance, the Dutch Social Enterprise Code was established at the initiative of Social Enterprise NL, the Dutch social enterprise network. The People and Planet First verification is promoted through a network of networks. Promotion partners advertise the verification to their members but do not participate in the review process. Single badge partners assist with reviewing documents from their network members, while double badge partners manage an existing label that meets or surpasses the verification standards. These partners can offer the People and Planet First badge without requiring a document review. Active communities of labelled entities, such as companies in the Dutch Social Enterprise Code register, B Corps, and the French community of Mission-Driven Companies, can further enhance the visibility of the label. In France, the Movement of Ecological, Social and Solidarity Enterprises (*Le Mouves*), an association representing interests of SSE entities, initiated an “ESUS tour”. The initiative organises events across France and has the goal of bringing together 800 SSE stakeholders, including SSE entities, experts, financial players, entrepreneurs, public institutions and elected officials, with the aim of raising awareness of benefits associated with the ESUS label among the stakeholders and the general public (ESS et société, n.d.^[67]).

An easily recognisable logo can help to promote labels. Research shows that simple, minimalistic and flat logos tend to attract most attention, be the most memorable and create the most positive attitudes among consumers (Bossel, Geyskens and Goukens, 2019^[68]). Logos are especially important for product-

based labels as they offer a quick way to differentiate products to consumers who might not be aware of the entity producing and/or selling the product.

2.5.2. What is the financial model?

A sustainable financial model can contribute to the label manager's long-term operations and maintain a thorough implementation of standards. Public social economy labels are usually free to obtain, and their implementation is funded by public budgets, while private labels often charge a fee. The cost of private labels usually consists of a verification and an annual fee. Some labels, such as the Social Enterprise Code in the Netherlands and the People and Planet First verification badge, charge all candidates and labelled enterprises equally. Other labels, such as the Finnish Social Enterprise Mark and the B Corp certification, vary their fee depending on the enterprise's turnover or annual sales. While charging a fee contributes to financial sustainability and therefore continuity of private labels, it is important to have control mechanisms. This is to ensure that the label manager does not relax the standards and/or the rigour of their implementation to increase the number of labelled entities and improve its financial performance (Möslein, 2021^[45]). Examples of such control mechanisms include reliance on third parties for assessment and involving independent committees in the award of the label.

2.5.3. Should and can the label operate across borders?

Label managers can consider whether their labels would benefit from being available across borders. The need for a cross-border label can depend on the characteristics and needs of the national social economy ecosystem (e.g. social economy entities may prefer to keep operating at a local level to maximise their impact or expand across borders to get access to funding, members or markets), the conditions of supra-national (e.g. EU) funding that may specify types of eligible organisations, as well as social economy definitions and policies in other countries (e.g. if they differ, a cross-border label might be difficult to implement). This section will explore some implementation options for a cross-border label. The research is at an exploratory stage and requires a more in-depth review to assess the feasibility of different options.

The introduction of an EU social enterprise legal status similar to the *Societas Unius Persone* (SUP) could be explored. The SUP form was presented by the European Commission in 2014 as a response to the rejection of the European Private Company legal form. Instead of a proper supranational legal entity, the proposal included a common national company option to be adopted by all Member States, part of which had to be regulated in a uniform manner in all concerned jurisdictions. A similar option for social enterprises would mandate all Member States to introduce partially harmonised social enterprise laws, which can include key characteristics of social enterprises outlined in the 2011 Social Business Initiative, while allowing to tailor other aspects to national law (European Parliament, 2017^[69]; European Commission, 2015^[70]). Such an approach would entail using similar standards to assess compliance with the label and the measures tied to it to avoid creating confusion among stakeholders over the standards.

A *de facto* recognition of equivalence between existing social economy labels could be a way to facilitate cross-border operations and the channelling of EU support measures. For instance, hypothetically, the French ESUS accreditation could be recognised as equivalent to the Italian Social Enterprise status. For this type of recognition to work, the labels' criteria need to be similar and the countries in question need to agree with the measures tied to the label, which can be affected by laws and policy priorities in both states.

International labels require an implementation structure that ensures an accurate assessment based on common standards while leaving room for adjustment to local contexts. This can be done through relying on national social economy networks. For instance, the verification process for the international People and Planet First badge managed by the Social Enterprise World Forum is implemented through a network of networks. The system relies on partner networks' knowledge of the local

ecosystem to promote the badge and to perform the document review. As labels expand, it can also be helpful to introduce an accreditation scheme for verifying or competent bodies in each country, as is the case for the EU Ecolabel, to ensure rigour and uniformity (European Commission, n.d.^[23]).

Policies that facilitate the internationalisation of social economy entities can increase the demand for existing or new cross-border labels. The inclusion of internationalisation considerations into Social Economy Strategies such as the 2023-2027 Spanish Strategy for Social Economy can support the channelling of policy measures that support internationalisation of the social economy. The creation of regional social economy clusters such as the Grande Region Cluster for Social and Solidarity and Circular Economy (*Cluster Grande Region de l'économie sociale, solidaire et circulaire*) in Belgium, France and Luxembourg can facilitate cross-border partnerships and operations. The provision of business development support focused on internationalisation of social economy organisations, as is done by the Catalan Agency for Business Competitiveness (ACCIÓ) in Spain, can increase their international competitiveness (OECD, 2023^[71]).

3. Evaluation approaches

3.1 Assess effectiveness and adapt over time

Why is it important?

Periodic evaluations bring many benefits such as ensuring that the label continues to meet the needs of stakeholders, communicating the label's impact, enhancing its visibility and encouraging more organisations to adopt it. Results of evaluations can also provide an evidence base that helps build consensus for changes to the label's standards, implementation processes and associated measures.

What can policy makers consider?

Figure 3.10. Guiding questions – Assess effectiveness and adapt over time

	3.1.1. Which considerations can be included?
	3.1.2. What data can be used?
	3.1.3. How often can evaluations be conducted?
	3.1.4. How can evaluation results be used?

3.1.1. Which considerations can be included?

The evaluation considerations typically cover the label's standards, implementation structure, associated measures and the label's reach. Box 3.3 presents some questions that can be considered when evaluating label performance. They need to be tailored to specific contexts depending on the label's purpose, targeted entities or products and the available resources to conduct the evaluation.

Box 3.3. 13 potential questions for label evaluation

Standards

1. Are the standards in line with the label's purpose?
2. Are the standards communicated in a clear manner?
3. Is the difference with other labels clear?

Implementation

1. Are relevant actors aware of the label?
2. Is the logo design appealing and memorable?
3. Is the verification process clear, transparent and efficient?
4. Is the monitoring periodic and credible?
5. Is the register easily accessible and up-to-date?
6. Are complaints handled in a transparent and efficient manner?

Benefits

1. Are the measures tied to the label sufficient?
2. Are the measures tied to the label implemented efficiently?

Impact

1. What is the label's reach?
2. Does the label create a community of labelled organisations?

Sources : Author's elaboration based on Conseil supérieur de l'économie sociale et solidaire (2024^[41]), B Lab Europe (2024^[72]), Danish Business Authority (2018^[40])

3.1.2. What data can be used?

The most common way to track a label's progress is to analyse data from label registers. They usually provide information on the number of labelled entities or products, geographic and sectoral distribution, legal form, organisations' purpose and date of label award. These indicators can help to assess the label's reach (Question 12 in Box 3.3) and give an indication on label awareness (Question 4), the state of the register (Question 8) and potential benefits of the label (Questions 10 and 11).

The information from registers needs to be complemented with stakeholder consultations to answer the other questions and provide more detailed insights on the label's impact. Consultations with a wide range of stakeholders can allow policy makers to see the label's impact that goes beyond the direct effect on the labelled entities (Jellema et al., 2022^[73]). Policy makers can use consultation guidance for inclusive and open legal and regulatory processes outlined in the OECD 2012 Recommendation of the Council on Regulatory Policy and Governance and the 2014 Framework for Regulatory Policy Evaluation (OECD, 2012^[74]; OECD, 2014^[75]). A range of approaches can be used by public and private label managers such as written contributions, public hearings, creation of advisory bodies and stakeholder surveys. Box 3.4 gives some examples of these methods being used to collect information about labels.

Box 3.4. Examples of stakeholder consultations for label evaluation

Written contributions, expert consultations, workshops and seminars

Written contributions, expert consultations, workshops and seminars allow label managers to get detailed stakeholder feedback. They usually take a long time and require significant resources to organise but can provide more detailed feedback than surveys. Moreover, the follow-up process can be easier as usually less stakeholders are involved than in surveys.

The 2024 evaluation of the ESUS accreditation in France was conducted by the High Council for the Social and Solidarity Economy through consulting three experts, the public bodies implementing the label and social economy and financial networks through eight written contributions.

The Danish Business Authority evaluated the 2014 Act on Registered Social Economy Enterprises in 2018 using interviews with social enterprises that have chosen to register and those that preferred not to do so, researchers, employer and employee organisations, and municipalities.

The Luxembourg Ministry of Labour, Employment and Social and Solidarity Economy conducts regular consultations, such as workshops, expert interviews, surveys and stakeholder seminars to evaluate the 2016 law regulating the Societal Impact Companies (*Sociétés d'Impact Sociétal – SIS*) status.

B Lab ran two consultations in September-November 2022 and January-March 2024 on proposed changes to the B Corp certification standards through surveys, virtual focus groups with certified B Corps and interviews with subject matter experts.

The European Code of Good Conduct for Microcredit Provision was revised in 2019 after consulting microcredit providers, microfinance networks, EU institutions, banks, investors and experts through five stakeholder workshops held between December 2018 and May 2019.

Stakeholder surveys

Surveys can allow to gather and analyse information from many stakeholders. They can be relatively quickly shared with relevant entities such as labelled organisations, potential beneficiaries of the label such as businesses, financial institutions and government agencies, and subject matter experts. They can include questions with pre-defined answer options, which allow to get quantitative data, as well as qualitative open-ended answers. Quantitative responses can be used to create indicators to track progress over time.

B Lab Europe conducts B Corp Community surveys among certified B Corps across Europe that focus on satisfaction with certification, value of B Corp community membership, use of the B Impact Assessment tool, resources and engagement opportunities, and B Lab's strategic priorities. The 2024 edition took place in October and received answers from 615 B Corps across 22 European countries, or 30% of the B Corp community. The sample was designed to reflect all sectors and company sizes.

Social Enterprise NL initiates evaluation surveys in partnership with the Social Enterprise Code Foundation to get information on experiences with the Dutch Social Enterprise Code.

Consumer behavioural surveys can be used to evaluate product labels. They can help to determine factors that affect consumer decision making and behaviour by asking questions to a large number of consumers about, for example, their attitudes, beliefs and expectations. However, as the data is self-reported, the answers might not be honest, and the questions might not be interpreted in the same way by the respondents and the organisation initiating the survey.

Sources: Conseil supérieur de l'économie sociale et solidaire (2024^[41]), OECD (2023^[48]), B Lab (n.d.^[30]), B Lab (n.d.^[30]), B Lab Europe (2024^[72]), OECD (2017^[47]), European Commission (2021^[31]), Danish Business Authority (2018^[40])

3.1.3. How often can evaluations be conducted?

Evaluation could happen at every stage of the label cycle through collecting regular stakeholder feedback when designing and implementing labels. More structured assessments usually happen every few years. The laws introducing social enterprise legal statuses can specify the periodicity of assessments. For instance, in France, the 2014 Law on Social and Solidarity Economy, which introduced the ESUS accreditation, includes the need to assess the law every two years. In Luxembourg, the 2016 Law that created the Societal Impact Company (*Société d'Impact Sociétal*) status states that the law must be assessed in the three years after its introduction (OECD, 2023^[26]). The 2014 Act on Registered Social Economy Enterprises in Denmark specifies that an evaluation of the Act must be conducted in the three years after its entry into force (Danish Business Authority, 2018^[40]). The Dutch Social Enterprise Code is evaluated every two to three years under the responsibility of the Board of the Foundation. B Lab Europe conducted the Brand Awareness survey aimed at consumers in 2023 and the B Corp community survey aimed at B Corps in 2024 (B Lab Europe, 2024^[72]).

3.1.4. How can evaluation results be used?

Evaluation results, when made public, can enhance transparency and credibility for potential changes to the label. For instance, the results of the ESUS evaluation in France and the Act on Registered Social Economy Enterprises in Denmark are publicly available (Conseil supérieur de l'économie sociale et solidaire, 2024^[41]; Danish Business Authority, 2018^[40]). B Lab made the reports summarising two consultations about the change to the B Corp standards available on its website (B Lab, 2023^[76]; B Lab, n.d.^[30]). Summary reports usually include information on the methodology of the consultation, the key findings and recommendations.

Evaluation results can also help label managers adjust or adapt the label's purpose, standards, benefits and implementation mechanisms. For example, after an evaluation, the 2016 law regulating the SIS status in Luxembourg was amended in 2018 to extend tax exemptions to SISs. As a result, the number of registered SISs increased to 31, 25 of which obtained the status after the 2018 change. Moreover, the 2021 amendment reduced the administrative burden of the SIS status (OECD, 2023^[26]). Social Enterprise NL can set up a commission with the mandate to adjust the Dutch Social Enterprise Code based on the evaluation results. The European Code of Good Conduct for Microcredit Provision was amended in 2019 after stakeholder consultations (European Commission, 2020^[77]).

3.2. Manage change

Why is it important?

Changing the label's standards, implementation procedures or associated incentives can ensure it continues to meet stakeholder needs. This change needs to be communicated and implemented in a predictable and transparent way to help maintain the label's credibility and minimise the administrative burden for the (potentially) labelled entities and label managers.

What can policy makers consider?

Figure 3.11. Guiding questions – Manage change

	3.2.1. What is the implementation timeline?
	3.2.2. How to communicate about the change?

3.2.1. What is the implementation timeline?

When evaluation leads to changes in the label, it is important to set a clear timeline for their implementation. This allows stakeholders, including label managers, current and potential labelled entities, policy makers, consumers and financial institutions, to prepare for the change and start implementing new processes if needed. For instance, B Lab has made the timeline of the B Corp certification standards change publicly available on its website soon after initiating the change. The timeline was periodically adjusted based on the received feedback. The main shown steps included stakeholder workshops, the release of draft standards, testing period, public consultation dates and review by the Standards Advisory council and Board of Directors (B Lab Global, 2021^[78]; B Lab Global, 2022^[79]).

A gradual introduction of the new standards can minimise the disruption to labelled organisations or those that do not have the label but have implemented actions to meet the old criteria. For instance, microcredit providers that submitted a request for evaluation before the publication date of the updated European Code of Good Conduct for Microcredit Provision could choose to be evaluated using either the old or the new criteria. The certificates of compliance awarded before the change remained valid until their expiration date (European Commission, 2020^[77]). The new B Corp standards will be rolled out in a phased manner to ensure that certified and aspiring B Corps have enough time to comply with the updated criteria (B Impact Assessment, 2025^[80]).

3.2.2. How to communicate about the change?

Clear and timely communication about the proposed changes can allow stakeholders to adapt to the changes. An effective communication strategy can include publicly available information on i) why the standards are evolving; ii) what is changing, iii) the timeline, including what has been done and what is planned; iv) any evidence from consultations showing the demand and consensus for the new standards, and; v) frequently asked questions on the purpose, implementation and implications of the new standards for labelled and non-labelled organisations (B Lab, n.d.^[30]; B Impact Assessment, 2025^[80]). The communication can be done through a range of channels such as the label's website, relevant networks and communities and well-known organisations holding the label. For example, the updates to the European Code of Good Conduct for Microcredit Provision were communicated on official European Commission webpages and through European microfinance networks (European Commission, 2020^[77]; European Commission, 2021^[31]; European Microfinance Network, 2021^[81]; Microfinance Centre, 2021^[82]).

Infographic 3.1. Checklist for action

STAGE	POLICY CONSIDERATIONS
1 Design 	☐ 1.1. Define the label's purpose 1.1.1. How can stakeholder needs be assessed to determine the label's goals? 1.1.2. What complementary policies or incentives exist to meet the needs? ☐ 1.2. Develop standards 1.2.1. What standards and labels already exist? 1.2.2. Who can be involved? 1.2.3. What is the scope of the standards?
2 Implementation 	☐ 2.1. Consider relevant legal frameworks 2.1.1. Who manages the label? 2.1.2. What are the relevant laws? ☐ 2.2. Identify and mitigate risks 2.2.1. Can the label be tested before scaling? 2.2.2. How can the label be made accessible? ☐ 2.3. Assess compliance with the standards 2.3.1. Who verifies compliance with the standards? 2.3.2. What documentation needs to be submitted as proof? 2.3.3. How is the label awarded? ☐ 2.4. Monitor compliance with the standards 2.4.1. For how long is the label awarded? 2.4.2. What are the monitoring requirements? 2.4.3. What are the compliant mechanisms? ☐ 2.5. Scale the label 2.5.1. What is the promotion strategy? 2.5.2. What is the financial model? 2.5.3. Should and can the label operate across borders?
3 Evaluation 	☐ 3.1. Assess effectiveness and adapt over time 3.1.1. Which considerations can be included? 3.1.2. What data can be used? 3.1.3. How often can evaluations be conducted? 3.1.4. How can evaluation results be used? ☐ 3.2. Manage change 3.2.1. What is the implementation timeline? 3.2.2. How to communicate about the change?

Source: Author's elaboration

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Notes

¹ The terms ‘standards’ and ‘criteria’ are used interchangeably in the guidance.

² “Services of general economic interest (SGEI) are “economic activities, such as transport networks and postal and social services, regarded by public authorities as being particularly important to citizens, and

that would not be supplied (or would be supplied under different conditions) if there were no public intervention” According to the [2003 Altmark judgment](#) of the [Court of Justice of the European Union \(CJEU\)](#), **public service compensation** does not constitute State aid when 4 cumulative conditions are met

- the recipient service provider must have **clearly defined public service obligations**;
- the method for calculating the compensation must be **objective, transparent and set out in advance**;
- the compensation cannot exceed the **relevant costs and a reasonable profit**, i.e. no overcompensation; and
- the provider is either chosen through a [public procurement procedure](#) or the level of compensation is calculated based on an analysis of the costs of an **average ‘well-run’ business** in the sector concerned.

Where 1 or more of these conditions is not fulfilled, the public service compensation will be examined under State aid rules” (EUR-Lex, 2019^[83]).

³ ““Sustainability label” means any voluntary trust mark, quality mark or equivalent, either public or private, that aims to set apart and promote a product, a process or a business by reference to its environmental or social characteristics, or both, and excludes any mandatory label required under Union or national law (EUR-Lex, 2024^[46]).”

⁴ ““Certification scheme” means a third-party verification scheme that certifies that a product, process or business complies with certain requirements, that allows for the use of a corresponding sustainability label, and the terms of which, including its requirements, are publicly available and meet the following criteria:

- (i) the scheme is open under transparent, fair, and non-discriminatory terms to all traders willing and able to comply with the scheme’s requirements;
- (ii) the scheme’s requirements are developed by the scheme owner in consultation with relevant experts and stakeholders;
- (iii) the scheme sets out procedures for dealing with non-compliance with the scheme’s requirements and provides for the withdrawal or suspension of the use of the sustainability label by the trader in case of non-compliance with the scheme’s requirements; and

the monitoring of a trader’s compliance with the scheme’s requirements is subject to an objective procedure and is carried out by a third party whose competence and independence from both the scheme owner and the trader are based on international, Union or national standards and procedures.” (EUR-Lex, 2024^[46]).

⁵ Links to mentioned registers:

- [ESUS \(France\)](#)
- [Social enterprise status \(Latvia\)](#)
- [Social business status \(Lithuania\)](#)

- [European Code of Good Conduct for Microcredit Provision](#)
- [Social Enterprise Code \(Netherlands\)](#)
- [Social Enterprise Mark \(Finland\)](#)
- [People and Planet First Verification](#)
- [Finansol \(France\)](#)
- [Finance Solidaire \(Belgium\)](#)
- [Impact Score \(France\)](#)

⁶ Article 14 – 16 of the Coordinated Laws on the Council of State (Belgium).

⁷ Article 15 of the Italian Decree 2017/112.

Annex A. Focus group and interview participants

Table A.1. Focus group and interview participants

Focus group 1			
Lenka	Bírešová	Slovakia	Ministry of Labour, Social Affairs and Family
Martina	Všelková	Slovakia	Ministry of Labour, Social Affairs and Family
Guzmán	García González-Posada	Spain	Ministry of Labour and Social Economy
Malgorzata	Saracyn	Poland	Ministry of Family, Labour and Social Policy
Eduardo	Pedroso	Portugal	António Sérgio Cooperative for the Social Economy
Focus group 2			
Juris	Cebulis	Latvia	Ministry of Welfare
Suzy	Justus	Belgium	Service public régional de Bruxelles
Daphné	Estoret	Belgium	Service public régional de Bruxelles
Raimonda	Mackevičiūtė	Lithuania	Ministry of Social Security and Labour
Alina-Laura	Preda	Romania	Ministry of Labour, Family, Youth and Social Solidarity
Focus group 3			
Pirnay	Werner	Belgium	SPW Économie, Emploi, Recherche
Philippine	Derideau	Belgium	SPW Économie, Emploi, Recherche
Ivana	Sesar	Croatia	Ministry of Labour, Pension System, Family and Social Policy
Emilija	Puidokaitė	Lithuania	Ministry of the Economy and Innovation
Ieva	Žaunierienė	Lithuania	Ministry of the Economy and Innovation
Focus group 4			
Mathilde	Delabie	Cross-country	Cooperatives Europe
Patrizia	Bussi	Cross-country	ENSIE
Hina	West	Cross-country	People and Planet First
Alexandre	Bohl	Cross-country/Belgium	TESS GEIE
Jean-Marc	Caudron	Cross-country/Belgium	Fédération RESSOURCES
Focus group 5			
Pjotr	Anthoni	Netherlands	Social Enterprise Code
Angela	Achitei	Romania	ADV Romania
Focus group 6			
Per	Bach	Denmark	Social Entrepreneurs in Denmark
Samuel	Barco	Spain	SOKIO COOP

Focus group 7

Sabine	Garroy	Belgium	University of Liège
Kristina	Rasolonoromalaza	France	University of Franche-Comté
Linda	Lundgaard Andersen	Denmark	Roskilde University

Focus group 8

Caroline	Neyron	France	Impact France
Juan Diego	Mujica Filippi	Italy	Nativa

Focus group 9

Marie	Vial	Cross-country	European Microfinance Network
Frederik	Matthijs	Belgium	Trividend

Interviews

Tica	Dumitru	Romania	Union of Romanian Credit Unions
Ana-Maria	Toma	Romania	Union of Romanian Credit Unions
Amaya	Delgado	Spain	Coceta
Kenny	Frederickx	Belgium	Ethibel
Aldo	Moauero	Cross-country	Microfinanza Rating
Lucia	Zanardi	Cross-country	Microfinanza Rating
Maarten	Hogenstijn	Netherlands	Amsterdam University of Applied Sciences
David	Hiez	Luxembourg	University of Luxembourg
Jorg	Schoolmann	Cross-country	European Microfinance Network
Yannick	Lucas	France	Mutualité Française
Sarah	de Heusch	Cross-country	Social Economy Europe
Sarah	Perrier	France	FAIR
Veerle	Klijn	Cross-country	World Economic Forum
Carmen	Marcuello	Spain	University of Zaragoza
Evelyne	Ahipeaud	France	Direction générale du Trésor
Elisabeth	Millard	France	Direction générale du Trésor
Vincent	Monnier	France	Direction générale du Trésor
Joachim	Krapels	Cross-country	B Lab
Florian	Möslein	Germany	Marburg Law School
Wieteke	Dupain	Cross-country	Euclid Network

Labels for the Social Economy

Labels can help identify social economy entities across a diverse range of legal forms, objectives, governance models and operational approaches. Easier identification through labels enhances the visibility of the social economy and raises awareness amongst policy makers, consumers, firms and investors. It can thereby facilitate access of social economy entities to funding and tax measures as well as public and private markets to increase their impact.

This guide maps a wide range of labels that are specific to, and available for, social economy organisations. It is complemented by a practical checklist of issues for policy makers or private label managers to consider when designing, implementing and evaluating labels for the social economy.



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