

# CODE OF CONDUCT OF SOCIAL ENTERPRISES

- With regard to the Declaration of the Social Entrepreneurship Forum of 2014,
- With regard to the Declaration of the Social Entrepreneurship Forum of 2015, the Annexes thereto and in particular the Framework Agreement of Principles and Values which determines our Common Principles, Values and Views,
- With regard to the strategy of Rome 2014, for Social Economy
- With regard to the definitions of the European Commission and of the EMES research network for social enterprises,
- With regard to the national legislation regarding social economy and social entrepreneurship,
- With regard to the European experience in the area of the social economy and social entrepreneurship and the pilot projects in the area of social financing and social innovation,
- With regard to the opinions of the European Economic and Social Committee on social economy and social entrepreneurship and its development tools,
- With regard to the experience so far as well as the positions of the collective members of the community of social economy,
- With regard to the 7 basic principles of the world cooperative movement,

## Whereas:

- The social, economic and environmental situation that has developed in the country especially in recent years, the sophistication and complexity of the problems that have arisen
- The networking organisations and social enterprises for the exchange of know-how
- The disposition of many social enterprises and enterprises and social economy actors to cooperate jointly for a new development model
- The need for an ethical framework of partnerships and entrepreneurship within and beyond Greece with a view to activating venture reflective
- The Code of Conduct is the most important document in cooperation between us that summarises the principles, values and our vision of a more equitable and democratic society.
- Whereas social enterprises may adopt more detailed principles where the sector or industry has agreed broadly to them.

For the configuration of the Code of Conduct which captures the common characteristics of social enterprises which distinguish them clearly from the usual undertakings and traditional non-profit organizations, or informal structures, we take into account the existing European experience.

## Common views

Across Europe, as recognized by the European Commission, the common characteristics by which social enterprises recognize each other are:

- Mode of operation differs from that of the private and public sector. Social economy is socially integrated in a way that promotes reciprocity and makes it “central” in the production and accumulation of social capital.
- An explicit commitment to the pursuit of a primary objective, achieving i.e. social and/or environmental benefit which is the reason behind the economic activity
- Acquisition of fair income mainly through involvement in a continuous activity of production and/or exchange of goods and/or services
- Commitment to the reinvestment of profits exclusively or mainly to the company or the recipient community - and not to distribute them to the owners/shareholders/investors: the purpose of these restrictions is to give priority to the social objective against speculative allegiances. Part of the profits or of available resources is being invested for the creation and operation of structures of education, self-regulation and support.
- Independence and organizational autonomy from the state and from politicians, government, partisan and unions and by undertakings with a sole aim of maximizing profits.
- Inclusive governance through the participation of workers, consumers and actors who are affected by the commercial activities through transparent and democratic decision-making processes.

## Common values

The social enterprise is part of the social and solitary economy, and share **fundamental values**:

- Work for the common good - instead of the unlimited private profit of few
- Solidarity with non-privileged, the excluded and future generations
- Trust and cooperation between and within social economy enterprises
- Transparency of its activities and their impact on society
- Gender equality and responsibility between the generations
- Free and voluntary participation of persons (legal or physical), without discrimination
- Empowering of its members and participatory democratic decision making

## Common principles

Therefore, the business practices of social enterprises try to follow a set of principles, in particular:

- The whole of the economic activity is based on the fundamental values
- Social economy enterprises are being organized as viable enterprises, and aspire to become economically independent - both by the state and the charity through their function in the private or public markets
- Regardless of its legal form, the establishment of a social enterprise includes defined procedures and rules governing the distribution of profits to the shareholders and the owners as well as an asset to ensure that the assets remain exclusively for social purposes, even when the body ceases to exist
- Social economy enterprises offer a decent working position; aim to pay a "living wage", have a more flat fee structure compared to the private sector and do not pay unfair wages to senior managers
- The statutes and practices of the social enterprise ensure democratic or/and participatory governance and close ties with stakeholders with whom they share the same goals
- Social economy enterprises help and support one another - by learning from one another both in Greece and elsewhere in Europe through the exchange of business practices in the spirit of open source community and by taking all the necessary measures to avoid clientelism and corruption
- Social economy enterprises promote networking and cooperation, and encourage the supply of local goods and services from other operators in the social economy.
- On the basis of their vision, social economy enterprises plan, design, implement, monitor carefully and try to measure their social impact, and undertake to demonstrate to the public the added social value they have generated through annual reports of social and economic impact, and with their publishing on the web.

## Chapter I: GENERAL PROVISIONS

### Article 1: Object

This document lays down the Code of Conduct for Social Enterprises aiming to highlight common principles and ethical rules governing the activities of social enterprises and stands alongside all ethics and moral behavior legislation applicable to all businesses and bodies with economic and social activity and purpose.

It does not seek to cover every event or challenge we face, but to become an everyday implementation guide of the values we share. Explains what does the concepts of integrity, business excellence, social innovation, teamwork and commitment mean and how these lead to solid and ethical decisions for the benefit of social enterprises and stakeholders.

This Code a) encodes the fundamental principles governing the activities of social enterprises and organizations they create, (b) identifies potential risks, c) brings out appropriate courses of action, assisting in making the right decisions and d) formulates a framework of relations between social enterprises and other bodies that support the social economy.

### Article 2: Scope - Aims

The Code refers to all social enterprises which share the principles, values and common positions described above.

These companies will work with a view to quality employment, social inclusion and cohesion, local development and environmental protection. Aims:

- The culture of communication and solidarity relations between members
- The promotion of joint positions, both among themselves and with those who would like to serve and promote the social and solitary economy and social enterprises.

- The promotion of cooperation on education, diffusion of knowledge and improvement of activities of social enterprises, but also of the wider community.
- The promotion of cooperation with all bodies who recognize, strengthen and support the social and solitary economy and its structures.

## **CHAPTER II: RELATIONS WITHIN AND OUTSIDE THE SOCIAL ENTERPRISE**

### **Article 3: Integrity**

The undersigned:

- Act with honesty, integrity, transparency and trust, around common values & principles, practices & behaviors, visions & concerns.
- Manage potential conflicts of interest in a democratic and sincere manner
- Ensure the accuracy and correctness of financial and accounting statements
- They are open in their communication and seek primarily consensus
- Manage internal information and confidential information in a correct and lawful manner
- Refuse to carry out in any way and by any means inappropriate, un-lawful or opaque payments

### **Article 4: quality and sustainable jobs**

The undersigned:

- Develop work environments that utilize the skills and knowledge of employees, enabling them to participate in shaping decision and decision making at general meetings - even if they are not members - having the right to speak and make proposals
- Select, place and evaluate employees on the basis of merit and performance
- Provide development opportunities for their associates and their employees
- Declare that their relations are underpinned by mutual respect and that intimidation and harassment are not tolerated
- Condemn and shall not accept any discrimination within and outside the workplace/business environment
- Acquisition of fair income through a continuous activity of production and/or exchange of goods or services.
- Prevent a significant gap in the remuneration system

### **Article 5: Quality - Innovation**

- Seek the best possibly quality in products and services they offer to their customers
- Seek to meet factual needs in an innovative way
- Promote environmental awareness and environmentally-friendly practices
- Recognize good national/international practices and disclose them to other social enterprises and bodies
- Promote whenever possible the principles of fair trade by giving priority to supplies from and trade with social economy bodies.

### **Article 6: Commitment**

The undersigned:

- Take personal responsibility for ensuring compliance with the Code of Conduct
- Protect their health and safety and that of others
- Suggest ethical investments that promote Social Entrepreneurship and Sustainable Development
- Ensure that social enterprises are open and jointly shape their plans in an open relationship with society

### **Article 7: Code Application Visibility - Logo**

Social enterprises that accept and apply the Code of Conduct have the right of reference in their activities, products, promotional material. The logo will be indicative of the implementation of this Code and will indicate full acceptance of the values and rules described.

## **Chapter III: VALIDATION - ENTRY INTO FORCE - PUBLICITY**

### **Article 8: Code of Conduct Validation Process**

The final version of the Code of Conduct was decided in a democratic and effective way by stakeholders on 20 March 2016, but it may be signed and after that date by as many social enterprises bound to implement this in principle framework agreement. It is signed by the legal representatives of social enterprises and bodies they have created.

### **Article 9: Entry into Force - Publicity**

The validity of this Code of Conduct shall run from the day following its publishing on the website of the Social Entrepreneurship Forum. The Code is binding on all its content and is being applied by social enterprises and social entrepreneurship supporting bodies that sign it.

## **Chapter IV: CONFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS - CERTIFICATION, CONNECTION WITH OTHER INITIATIVES - NETWORKS, COLLECTIVE BODIES**

### **Article 10: Confirmation of compliance with the Code of Conduct by members - Certification**

In the near future the participating organizations and social enterprises will work together to prepare for implementing the Code of Conduct, the full implementation of all the provisions but also the creation of an enforcement control mechanism and assurance.

In next phase the voluntary commitment will be replaced by a certification procedure.

### **Article 11: Connection with other initiatives - Networks**

Interconnection and exchange of experience is pursued to continuously improve the Code of Conduct at a European and international level.

### **Article 12: Code Management**

The way in which the Code of Conduct will be managed, processed and disseminated shall be decided by the undersigned in a democratic manner and in accordance with the principles established by the Code.