LIFE [Legal Impact Framework for Enterprise]: A European Reference Model for Purpose-Driven Companies

Context | Europe needs an economy where purpose-driven businesses become the norm, not a niche, contributing to long-term prosperity and competitiveness.

Business is a powerful lever to shape transformation

We are in the second quarter of the century, with just over three years to 2030, the concrete impacts of climate change and societal impact are tangible.

In this context, companies are among the most powerful actors shaping society, and are seen by global citizens as the most ethical and competent institutions[1]. This makes them pivotal levers to tackle the 21st century's complex context and challenges.

Europe's own model of company

The purpose-driven enterprise is one of Europe's genuine competitive distinctions. A purpose-driven company is a company whose purpose is embedded in - but not necessarily limited to - its business model, strategy and governance, and guides the way it creates value.

The two mature European frameworks, the Italian *Società Benefit* (L. 208/2015) and French *Société à mission* (Loi PACTE, 2019), demonstrate the model reconciles the objectives too often treated as trade-offs, namely competitiveness, prosperity, resilience, and social and environmental contribution.

Their success has inspired the legislative proposal to establish the purpose-driven company in Belgium.

Moreover, it is:
A growing phenomenon[2]~8k companies, with 6.2% of large groups already purpose-driven;

- ~1.5m employees;
- +17.75% in 2025.

Triggers higher performance vs. non purpose-driven companies

- +14.6% (vs. 5.3%) revenues and EBITDA +19.7% (vs. 12.6%) between 2022-2024 in Italy.[3]

Recognising and scaling this model is a way to defend Europe's economic identity and strategic autonomy.

Why European action?

National purpose-driven company regimes are working laboratories. They have shown that the model is feasible across different legal traditions.

EU action can build on them with a framework recognised across the Single Market. That framework would establish a limited set of shared legal characteristics for companies voluntarily choosing the European framework, and keep national corporate forms and company law systems as they are.

The initiative builds on the Union's founding objectives: a well-functioning internal market, sustainable development, and the long-term prosperity and well-being of its peoples.

[1] Edelman Trust Barometer, 2025.
[2] Italy and France consolidated December 2025 data.
[3] 2026 National Research on Italian Benefit Corporations link.

A joint position of Assobenefit (Italy) and the Communauté des Entreprises à Mission (France), together with B Lab Global and KAYA (Belgium). With the catalyst support of NATIVA.
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LIFE | An EU-based reference model for a voluntary, simple, and scalable qualification

Assobenefit and the Communauté des Entreprises à Mission (CEM), the Italian and French movements behind *Società Benefit* and *Société à mission*, together with B Lab, the global non-profit organisation behind B Corps, and KAYA, the Belgian ecopreneurs coalition, join their on-the-ground experience to design a shared reference model for the EU and its Member States:

LIFE, the **L**egal **I**mpact **F**ramework for **E**nterprise, is a voluntary qualification any of the 33 million enterprises in the EU can adopt, in addition to their chosen legal form. It keeps the architecture lean while being progressive rather than perfectionist. It is designed to be a reference model for:

- **Member States** wishing to
  - Create their own purpose-driven company frameworks;
  - Upgrade a purpose-driven framework (i.e. as Italy and France refine their own laws, they ensure they stay aligned);
- **EU institutions** to
  - Guide EU policies;
  - Have an optional module within EU Inc. (the 28th Regime)

LIFE's reference model is made of three pillars

1. Purpose in the bylaws

The bylaws carry two layers of the purpose that is binding on directors and management and capable of guiding the company's strategic and operational decisions:

- **A higher purpose**, the raison d'être: descriptive and aspirational, expressing the company's singular contribution to society and the environment;
- **A set of specific purposes**: the social and environmental commitments that direct day-to-day action. At least one specific purpose must be material: it must be meaningful and relevant to the company's business model and relevant stakeholders.

2. Governance

The company shall ensure that its highest governing body considers the interests of its stakeholders and the impacts of the company's activities on people and the environment in its decision-making.
In addition, it designates a separate body which reports to the company's highest governing body (i.e. for example in France the General Assembly) and is responsible for overseeing and safeguarding its purpose.

- **A single Purpose Officer** for small companies;
- **A Purpose Committee**, distinct from the board and including at least one employee, for larger companies.

3. Transparency and accountability

Transparency and accountability shield the legitimacy of purpose-driven companies and the economic, social and environmental promise they make to the market and to their stakeholders.

Transparency runs through a yearly Purpose Report (prepared by the Purpose Officer or the Purpose Committee), encapsulating the company's authentic account of its commitment and progress; it is not a verdict of success or failure.

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As such it sets the:

- **Annual results** achieved;
- **Objectives** for the following year.

Commitments and progress should be **measured** against KPIs deliberated by the company itself or recognised market standards.

Accountability is secured through the Report's:

- **Approval** by the highest governing body;
- **Publishing** on the company's website;
- **Filing** with the relevant national authority alongside the annual accounts, in accordance with national arrangements.

Accountability shall be ensured through independent oversight of progress towards the specific purpose(s).

OUR CALL | THREE ASKS TO EU INSTITUTIONS

We call on EU institutions to:

1. **Include an optional LIFE qualification within EU Inc.,** so that companies choosing the 28th Regime can embed purpose from day one;
2. **Adopt an EU Recommendation establishing LIFE as a common reference for purpose-driven companies;** and use this reference to guide the development and revision of EU policies and legislation addressing corporate purpose, governance and stakeholder interests;
3. **Promote LIFE as a common reference for national frameworks**, supporting Member States that wish to introduce or upgrade their own purpose-driven company regimes.

In doing so, LIFE should complement existing national frameworks, avoid duplicate reporting and remain accessible to SMEs.

The EU should enable purpose-driven enterprises to grow across the Single Market, making contribution to the common good a lasting part of business success.

The promoters,

Assobenefit	Communauté des Entreprises à Mission	B Lab	KAYA