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EUSL DIVISION CONSOLIDATION FRAMEWORK

A COHERENT SUMMARY OF THE SIX DIVISIONS UNDER EUSL

CREATED BY

EUSL AB

Care to Change the World



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EUSL Division Consolidation Framework

Chapter 1: Introduction and Background

This document consolidates EUSL's institutional architecture into a single, coherent Divisions framework. For the avoidance of doubt and to ensure terminological simplicity, all constituent parts are hereafter referred to as "Divisions": Impact, Social Constitutional Chamber (SCC), European Corporate Social Responsibility (ECSR), Group, Core, and Business. The purpose of this consolidation is to establish a unified governance and operating narrative that aligns strategic intent, legal form, accountability, and performance across all Divisions while preserving their distinct mandates. The framework codifies how EUSL converts private-sector engagement into measurable social outcomes under a standards-based regime of governance, risk management, transparency, and policy alignment.

EUSL originated from the proposition that social equity can be institutionalized through the private economy when market incentives are re-designed to reward inclusion, integrity, and verifiable impact. Two foundational instruments give this proposition practical force. First, the governance spine adopts recognized international guidance to define the roles, duties, and conduct of governing bodies, thereby providing clarity, comparability, and cross-border portability. Second, the disclosure spine ensures that strategic objectives, risks, and impacts are described in decision-useful terms to investors, members, partners, and regulators. These choices—grounded in global benchmarks—are embedded across all Divisions to enable scale without dilution of purpose. See ISO 37000:2021 (<https://www.iso.org/standard/65036.html>) and the G20/OECD Principles of Corporate Governance 2023 (https://www.oecd.org/en/publications/g20-oecd-principles-of-corporate-governance-2023_ed750b30-en.html).

Within this consolidated framing, each Division fulfills a precise function in the institutional chain. Impact governs the origination, design, and incubation of projects and advisory services; SCC structures "outside formal office hours" inclusion mechanisms that translate social participation into pathways toward employability and community cohesion; ECSR operationalizes corporate-level leverage by diffusing standards and incentives through large firms and their supply networks; Group transforms entrepreneurial potential into investable ventures and sustained market access through Social Green House, Social Impact House, and Growthify Markets; Core secures the organizational backbone—policy, architecture, technology, and shared services; Business stewards financial instruments, capital formation, and commercial interfaces. The consolidation clarifies inter-Divisional interfaces, reduces redundancy, and creates a closed-loop system from ideation to market integration to public legitimacy under one supervisory canvas.

The consolidated framework is expressly anchored to European and international policy instruments to ensure legitimacy and alignment with public interest. It recognizes the European Commission's Social Economy Action Plan, which mandates an enabling environment for entities that create quality jobs, foster inclusion, and support just transitions, and it integrates OECD guidance on inclusive entrepreneurship to broaden participation among under-represented groups through tailored supports and enabling ecosystems. These policy anchors inform the Division mandates, performance expectations, and partnership posture with governments, DFIs, and corporates.



See Social Economy Action Plan COM/2021/778) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778> and OECD Inclusive Entrepreneurship <https://www.oecd.org/en/topics/inclusive-entrepreneurship.html>.

Transparency and comparability are treated as operating requirements rather than communications choices. All Divisions commit to public sustainability reporting in accordance with the GRI Standards and, where material to investors or counterparties, to sustainability-related financial disclosures under the ISSB's IFRS S1 and climate-related disclosures under IFRS S2. Where the EU Corporate Sustainability Reporting Directive (CSRD) applies by size, listing, or group rules, EUSL will map ISSB/GRI content to ESRS to honor double-materiality and assurance requirements without duplicative burden. This approach harmonizes internal management information with external disclosure and readies the Divisions for supervision across multiple jurisdictions. See GRI Standards <https://www.globalreporting.org/standards>, IFRS S1

<https://www.ifrs.org/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1.html>,

IFRS S2 <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s2/>), and CSRD consolidated text <https://eur-lex.europa.eu/eli/dir/2022/2464/eng>).

The framework also adopts a common risk and control language across all Divisions to strengthen stewardship. Enterprise risk management follows ISO 31000's principles, framework, and process, while internal control design and effectiveness are assessed with reference to the COSO Internal Control—Integrated Framework. Compliance is systematized using ISO 37301, and anti-bribery safeguards are structured in accordance with ISO 37001. These instruments are not ornamental; they define how Divisions identify, evaluate, and treat risk, how they evidence control, and how they demonstrate culture and integrity in environments where public funds, corporate capital, and citizen trust intersect.

See ISO 31000 overview

<https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>), COSO ICIF <https://www.como.gov/wp-content/uploads/2021/12/COSO-2013.pdf>), ISO 37301

<https://www.iso.org/cms/%20render/live/en/sites/isoorg/contents/data/standard/07/50/75080.html>), and ISO 37001 <https://www.iso.org/standard/37001?browse=ics>).

Historically, EUSL's evolution progressed from concept design to federated implementation. The Division consolidation reflects lessons learned across pilots and engagements: initiatives succeed where governance is clear, incentives are aligned, market access is real, and social legitimacy is continuously renewed. The Group Division's inclusive market system, the SCC Division's social participation architecture, and the ECSR Division's corporate leverage together provide the operational bridge between private-sector resources and community outcomes, while the Impact, Core, and Business Divisions ensure that design fidelity, shared services, and capital formation are coherent and reliable. This integration allows replication across municipalities and Member States without re-inventing institutional scaffolding each time, accelerating time to impact and lowering policy and transaction costs for partners. See Brookings' analysis of innovation districts as an evidence base for proximity- and density-driven collaboration that EUSL adapts to social inclusion aims

<https://www.brookings.edu/innovation-districts/>), read alongside the EU Social Economy Action Plan cited above <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>).

Finally, the consolidation frames a cultural horizon for societal buy-in and durable sponsorship. EUSL's long-term narrative contemplates a youth-centered event architecture that convenes communities, governments, and business around health, inclusion, and aspiration. As a reference model for operational scale and international participation, the Gothia Cup demonstrates that youth sports can mobilize thousands of teams from dozens of nations within a single, choreographed week—evidence that logistics at this scale are attainable when institutions and markets work in concert. The Divisions framework converts such convening power into structured pathways for entrepreneurship, employment, and ethical trade, ensuring that private sponsorship and procurement budgets function as long-horizon social investments. See Gothia Cup <https://gothiacup.se/en/>).

This Introduction and Background thus establishes the rationale, anchoring frameworks, and institutional logic for treating all EUSL components as Divisions within a single, standards-aligned system. Subsequent chapters will set the mandate, organizational structure, integration mechanisms, governance, revenue and sustainability model, and the endgame vision as a consolidated instrument for execution and replication.

Chapter 2: Mandate and Scope

The consolidated mandate of all EUSL Divisions is singular in its essence: to make it structurally and economically attractive for the SME sector to engage individuals in social and economic exclusion, thereby contributing to the creation of a more inclusive society. Every Division, tool, concept, and organizational construct within EUSL exists solely as an instrument to achieve this mandate.

This mandate reflects a deliberate shift from charitable dependency to systemic empowerment. It recognizes that sustainable inclusion cannot be legislated into existence nor left to sporadic goodwill; it must be embedded in the operating logic of the private economy. By aligning incentives, reducing transaction costs, and institutionalizing standards for social responsibility, EUSL seeks to transform inclusion from a discretionary act into a competitive advantage for SMEs and their ecosystems.

The scope of this mandate encompasses:

- **Economic Activation:** Creating pathways for excluded individuals to access employment, entrepreneurship, and market participation through structured programs and verified opportunities.
- **Institutional Integration:** Embedding inclusion objectives into the governance, procurement, and reporting systems of SMEs, corporates, and public-private partnerships.
- **Market Reconfiguration:** Designing and operationalizing platforms, hubs, and marketplaces that reward inclusive practices and penalize exclusionary behaviors through reputational and economic signals.
- **Cultural Legitimacy:** Anchoring inclusion in widely recognized social and cultural narratives—such as youth sports and community engagement—to normalize participation and sponsorship at scale.

This mandate is not aspirational rhetoric; it is operationalized through six Divisions acting as a unified system:

- **Impact:** Origination and incubation of projects that demonstrate inclusion as a viable business model.
- **SCC:** Social participation frameworks that convert community engagement into employability and integration.
- **ECSR:** Corporate leverage mechanisms that cascade inclusion standards through supply chains.
- **Group:** Entrepreneurial ecosystems and inclusive marketplaces that institutionalize access to capital and customers.
- **Core:** Governance, technology, and shared services ensuring compliance, interoperability, and resilience.
- **Business:** Financial instruments and capital strategies that de-risk inclusion and attract blended finance.

The mandate aligns with the European Commission’s Social Economy Action Plan and OECD guidance on inclusive entrepreneurship, ensuring that EUSL’s architecture is not only market-responsive but also policy-legitimate. It further supports the UN Sustainable Development Goals, particularly Goals 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), and 17 (Partnerships for the Goals).

Chapter 3: Organizational Structure

The consolidated Divisions model is organized as a layered institutional system that combines program governance with fit-for-purpose legal vehicles. To preserve clarity, EUSL applies four principal legal forms across all Divisions: Aktiebolag (AB) for operational companies and contracting; Stiftelser (foundations) for endowed, asset-locked grant-making and fiduciary separation; Ideella föreningar (non-profit associations) for local membership and volunteer structures; and, where cross-border cooperative membership is required, European Cooperative Societies (SCEs). This taxonomy ensures that each function—commercial delivery, stewardship of donated assets, associational participation, and multi-jurisdictional cooperative voting—is executed under an appropriate statutory frame. The AB form is governed by the Swedish Companies Act; foundations by the Swedish Foundations Act with county administrative board supervision; non-profit associations are formed under Swedish practice and general law; SCEs operate under the EU SCE Statute and the Directive on employee involvement. Swedish Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/; Foundations Act overview/English extract: <https://legislationline.org/taxonomy/term/12124>; Non-profit associations guidance, Skatteverket/Bolagsverket/verksamt: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html> and <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html> and <https://verksamt.se/starta-foretag/foreningar/ideell-forening>; SCE Statute and employee-involvement Directive: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng> and <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

3.1 Governance layering. Each Division is overseen by a Division Board appointed by EUSL. Where operations are conducted through ABs, statutory company boards retain their duties of care, loyalty, and oversight vis-à-vis the general meeting, as prescribed by the Companies Act (including provisions on management, audit, related-party transactions, value transfers, and capital maintenance). Foundations are governed by foundation deeds and supervised at county level; non-profit associations are governed by their bylaws and general law; SCE entities—if and where used—comply with the SCE

Statute and negotiated employee-involvement arrangements prior to registration. This architecture aligns corporate authority with statutory accountability while preserving a single governance canon at the Division level.

Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/; Foundations governance/supervision: <https://legislationline.org/taxonomy/term/12124>; Non-profit associations formation and management: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html>; SCE Statute and employee involvement: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng> and <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

3.2 Legal-form allocation and functional roles.

a) **Aktiebolag AB**). The AB is EUSL's default operating vehicle for fee-earning services, procurement, employment, and risk-bearing contracts. It provides clear capital structure, limited liability, and established governance procedures under Swedish law, enabling efficient scaling and external assurance. Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/).

b) **Stiftelser Foundations**). Foundations are used to hold endowed assets, ring-fence donations, and make grants under a deed reflecting EUSL's inclusion mandate. They are separate legal persons with board or attached management, registered and supervised by the County Administrative Board. This ensures permanence of purpose and asset-lock distinct from operating risk. Foundations Act extract/supervision: <https://legislationline.org/taxonomy/term/12124>).

c) **Ideella föreningar Associations**). Associations support grassroots membership, volunteer mobilization, and local "outside formal office hours" participation, particularly within SCC. Although not governed by a single civil code, they are constituted by bylaws and practice; when engaging in business activities or needing an organization number, they register with Skatteverket and, if commercially active, with Bolagsverket for name protection. Skatteverket guidance: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html>; Bolagsverket and <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html> and <https://verksamt.se/starta-foretag/foreningar/ideell-forening>).

d) **European Cooperative Society SCE**). Where a Division requires a multi-country cooperative membership structure with proportional or allocated voting at EU level (e.g., employer or worker membership constructs), the SCE form is applied. Registration presupposes negotiated employee-involvement arrangements (information, consultation, and, where applicable, participation) under Directive 2003/72/EC. SCE Statute: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; Employee-involvement Directive: <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

3.3 Division-by-Division composition.

— **Impact Division**. Implemented primarily through **Impact AB**, hosting the project office and consulting practice (Ignite and related units) as internal platforms. Where philanthropic co-funding is solicited for demonstration projects, a linked **foundation** may receive restricted donations pursuant to its deed. AB governance falls under the Companies Act; foundation grants follow the foundation deed and supervisory rules. Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/).



lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/; Foundations Act extract: <https://legislationline.org/taxonomy/term/12124>).

— **Social Constitutional Chamber SCC) Division.** The **SCC AB** provides contractual capacity and staffing for program delivery, while local **associations** deliver grassroots participation (walks, sports, coffee meetups) and represent member communities. This pairing preserves agility at community level and compliance at contracting level. Associations guidance: <https://verksamt.se/startaforetag/foreningar/ideell-forening>; Bolagsverket association registration: <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html>).

— **ECSR Division.** Operates via an **ECSR AB** for corporate frameworks, supplier-network agreements, and verification programs. Where pan-EU employer or supplier membership is pursued, an **SCE** layer may be constituted to formalize representative governance across Member States. SCE Statute and employee involvement: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

— **Group Division.** Implemented through three ABs with distinct mandates: **Social Green House AB** (entrepreneurial vocational program with minority equity pathway), **Social Impact House AB** (collaborative business hubs and shared services), and **Growthify Markets AB** (two-sided inclusive marketplace). The AB form consolidates risk management, contracting, and audit under a standard corporate law regime. Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/).

— **Core Division.** Houses shared-service and policy backbone through **Creativa Center AB** and **Creativa Consulting AB** (architecture, governance policy, digital estate, and standards adoption), ensuring uniform controls and interoperability for all Divisions. The company form facilitates consolidated procurement and enterprise licensing. Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/).

— **Business Division.** Hosts **EUSL Invest AB** and related commercial interfaces; where regulated activities (e.g., deposit-taking or fund management) are contemplated, separate regulated entities would be established under applicable financial-services law and licensing—not covered here—and ring-fenced from other operations. The Business Division may also sponsor a mission-aligned **foundation** to receive contributions earmarked for inclusion financing where appropriate. Foundations Act extract/supervision: <https://legislationline.org/taxonomy/term/12124>).

3.4 Interfaces between forms. Foundations make grants to AB-delivered programs under arm's-length agreements to preserve asset-lock and purpose fidelity; associations can be contracted by ABs for local delivery with clear scopes, safeguards, and reporting; SCEs, where employed, provide representative governance for cross-border member classes and may appoint or nominate directors into relevant ABs under reserved-matters frameworks. Employee-involvement obligations in SCEs are settled prior to registration and must be preserved post-restructuring per Directive 2003/72/EC. SCE Statute and Directive: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

3.5 Registration, supervision, and identification. ABs are registered and subject to statutory filings and audit under Swedish law; foundations are registered and supervised by the County Administrative Board; non-profit associations obtain organization numbers from Skatteverket and, if commercially active, may register with Bolagsverket to protect the association name; SCEs register under the



applicable EU and national procedures after concluding employee-involvement arrangements. This mosaic enables clear public identification, lawful contracting, and layered accountability. Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/; Foundations Act extract: <https://legislationline.org/taxonomy/term/12124>; Skatteverket/Bolagsverket/verksamhet: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html> and <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html> and <https://verksamhet.se/starta-foretag/foreningar/ideell-forening>; SCE Statute/Directive: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng> and <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

Chapter 4: Strategic Objectives

The strategic objectives of the EUSL Divisions are derived from a single thesis: the current welfare architecture—comprising government, civil society, and the private sector—operates in a closed loop that excludes SMEs from meaningful participation in social inclusion. This exclusion is not the result of unwillingness but of systemic design: the mechanisms for inclusion have historically been tax-funded, administratively rigid, and risk-averse, leaving no structural entry point for SMEs without distorting competition or compliance norms.

The world, however, is evolving at a velocity that outpaces this tripartite system. Demographic shifts, technological acceleration, and fiscal constraints demand a new equilibrium—one that both rivals and supports the existing system. EUSL's strategic objectives therefore rest on two imperatives:

4.1 Rival the System through Charity as a Business

EUSL introduces a fourth institutional player into the welfare economy: a standards-based, market-driven entity that competes with the traditional system by being cheaper, more effective, and demonstrably outcome-oriented. This is not a call for dismantling public welfare but for creating a competitive benchmark that forces the system to evolve into a better version of itself. By institutionalizing Charity as a Business, EUSL transforms inclusion from a cost center into a value proposition, aligning social outcomes with economic incentives.

4.2 Support the System through Structural Enablement

While rivalry creates pressure for reform, support ensures continuity and legitimacy. EUSL provides **physical and digital infrastructures, governance frameworks, and financial instruments** that enable SMEs to participate in welfare delivery without regulatory friction or reputational risk. This includes co-working hubs, inclusive marketplaces, and standardized compliance protocols that make engagement both practical and profitable.

4.3 Translate Thesis into Operational Objectives

The above imperatives crystallize into the following strategic objectives for all Divisions:

1. Institutionalize SME Participation in Welfare Delivery

Create mechanisms—legal, financial, and operational—that allow SMEs to deliver or co-deliver services traditionally monopolized by tax-funded systems, without compromising market integrity.

2. Operationalize Charity as a Business

Embed social inclusion into commercially viable models across Divisions, ensuring that impact generation is not ancillary but intrinsic to revenue logic.

3. Develop Competitive Benchmarks for Efficiency and Impact

Demonstrate, through pilot programs and scaled deployments, that EUSL's model achieves superior cost-effectiveness and measurable outcomes compared to legacy systems.

4. Build Cultural and Market Legitimacy

Anchor inclusion in widely recognized narratives—such as youth sports and community engagement—while creating transparent marketplaces that reward ethical practices and penalize exclusionary behaviors.

5. Enable Policy Convergence without Bureaucratic Drag

Align EUSL's frameworks with EU directives, OECD principles, and UN SDGs to ensure that rivalry does not translate into regulatory conflict but into constructive policy dialogue.

4.4 Legacy Integration

These objectives are not theoretical; they are the operational DNA of EUSL's legacy projects—Pan-Continental Power Play (PCPP) and Pan-Continental Global Ground (PCGG)—which established the intellectual and structural foundations for this disruptive-supportive duality. PCPP articulated the competitive thesis: that a private-sector-driven social economy can rival state-centric welfare in efficiency and reach. PCGG codified the governance and institutional models that make such rivalry legitimate, transparent, and scalable.

Chapter 5: Operational Modules and Functions

This chapter sets out how the consolidated Divisions operate as a single execution system. The modules have been designed to rival and support the existing welfare loop—government, civil society, and private sector—by creating a fourth actor that is market-driven, standards-aligned, and outcome-verified. The operational doctrine draws on EU policy for the social economy and OECD guidance on inclusive entrepreneurship to embed SME participation without market distortion, and on recognized governance and disclosure standards to secure legitimacy, comparability, and scale. Social Economy Action Plan: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>; OECD inclusive entrepreneurship: <https://www.oecd.org/en/topics/inclusive-entrepreneurship.html>; ISO 37000 governance: <https://www.iso.org/standard/65036.html>).

5.1 Impact Division (origination and incubation).

Impact functions as the design and incubation engine. Its project office structures concepts into investable pilots, manages advisory mandates, and curates acceleration pathways that convert validated interventions into delivery programs. Innovation governance follows ISO 56002 guidance to institutionalize portfolio steering, stage-gates, and continual improvement across cohorts and jurisdictions (ISO 56002: <https://www.iso.org/standard/90309.html>). Impact's outputs include bankable project dossiers, implementation playbooks, and hand-offs to Group, SCC, and ECSR for scale.

5.2 Social Constitutional Chamber (SCC) Division (social participation and pathways).

SCC organizes “outside formal office hours” participation—walks, coffee meet-ups, sports and clubs—through local associations, translating community engagement into employability and inclusion pathways that SMEs can adopt without administrative friction. The associational form is constituted by bylaws and practice and may obtain an organization number via Skatteverket; commercially active associations can register with Bolagsverket for name protection Skatteverket: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html>;



Bolagsverket: <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html>). SCC's programs are framed against EU social-economy policy to ensure public-interest legitimacy and partnership eligibility Social Economy Action Plan: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>).

5.3 European Corporate Social Responsibility (ECSR) Division (corporate leverage and standards diffusion).

ECSR creates structured entry points for large firms and their supplier networks—"Portal Company" arrangements—so that SMEs can participate in inclusion without competitive distortion. Contracting and verification are executed via ECSR AB; cross-border cooperative membership can, where required, be organized as an SCE to formalize representation and employee involvement under EU law SCE Statute: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; Employee involvement: <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>). Sustainability reporting aligns to GRI and, where material to investors or mandated by scope thresholds, to ISSB's IFRS S1/S2 and the EU CSRD/ESRS regime to ensure decision-useful and interoperable disclosures GRI: <https://www.globalreporting.org/standards/>; IFRS S1: <https://www.ifrs.org/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1.html>; IFRS S2: <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s2/>; CSRD: <https://eur-lex.europa.eu/eli/dir/2022/2464/eng>).

5.4 Group Division (entrepreneurship and market integration).

Group operates three companies that together cover the entrepreneurial lifecycle: Social Green House AB (vocational entrepreneurship and equity pathway), Social Impact House AB (collaboration hubs and shared services), and Growthify Markets AB (inclusive marketplace). Marketplace pricing and participation are designed using established two-sided platform economics to maximize cross-side network effects while protecting supplier viability (Rochet & Tirole: https://web.mit.edu/14.271/www/rochet_tirole.pdf; Hagiu: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1530-9134.2009.00236.x>). Risk and internal control follow ISO 31000 and COSO respectively; compliance and anti-bribery programs are structured under ISO 37301 and ISO 37001, with GDPR controls embedded in data flows ISO 31000 overview: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>; COSO Executive Summary: <https://www.coso.gov/wp-content/uploads/2021/12/COSO-2013.pdf>; ISO 37301: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/contents/data/standard/07/50/75080.html>; ISO 37001: <https://www.iso.org/standard/37001?browse=ics>; GDPR: <https://eur-lex.europa.eu/legal-content/EN/ALL/?tid=+111608483&uri=celex%3A32016R0679>).

5.5 Core Division (backbone, policy, and digital estate).

Core consolidates governance policy, enterprise architecture, and shared services. It enforces the standards canon (ISO 37000 governance; ISO 31000 risk; COSO control; ISO 37301/37001 compliance) and steers disclosure interoperability across GRI/ISSB/ESRS so that all Divisions use one playbook for assurance and stakeholder reporting ISO 37000: <https://www.iso.org/standard/65036.html>; GRI: <https://www.globalreporting.org/standards/>; IFRS S1/S2: links above; CSRD: link above).

5.6 Business Division (capital formation and commercial interfaces).

Business stewards investment vehicles and commercial interfaces that de-risk SME inclusion and crowd-in private capital. Where appropriate, blended-finance instruments are structured in line with



OECD DAC Principles to ensure additionality, effective partnering, and robust monitoring OECD DAC Principles: https://www.oecd.org/en/publications/oecd-dac-blended-finance-principles_dc66bd9c-en.html). Financial reporting follows applicable IFRS; sustainability-related financial disclosures adopt IFRS S1/S2 for investor comparability IFRS portal: <https://www.ifrs.org/?m=1>; IFRS S1/S2: links above).

5.7 Organic scaling pathway: from EUSL Divisions to the ten WOSL Group components.

Operational maturity proceeds in three arcs. First, programs are originated and validated within EUSL Divisions (Impact, SCC, ECSR, Group, Core, Business) under a uniform governance and disclosure regime (ISO 37000; GRI/IFRS S1/S2). Second, consumer- and citizen-facing brands are launched within the **WOSL Group** to aggregate demand, sponsorship, and participation at scale. The WOSL Group's ten components reflect distinct channels for inclusion and ethical commerce: World Social Label membership and nonprofit core), World Social Label Charity, World Social Label Business, World Social Label Trade, World Future Label (education/vocational), Cupio Company (citizen engagement and points), S'agapo Markets (ethical marketplace), Orcas & Pandas (animal-welfare membership), Wings of Paloma (volunteer recognition and community centers), and World News Flash (media). The growth logic is as follows.

- Inclusion programs validated by SCC and Impact are federated under Wings of Paloma for volunteer recognition and community centers; citizen engagement and incentives are managed by Cupio Company.
- Entrepreneurial graduates and inclusive suppliers from Social Green House and Social Impact House list on Growthify Markets, which is mirrored consumer-side by S'agapo Markets with ethical-sourcing verification.
- The World Social Label family (membership, charity, business, trade) codifies standards adoption, philanthropy flows, commercial scaling, and trade compliance across supply chains, reinforcing ECSR frameworks.
- World Future Label consolidates vocational and educational ladders compatible with enterprise needs, closing the skills loop.

Throughout, governance, compliance, and reporting remain uniform (ISO 37000; ISO 37301/37001; GRI/IFRS S1/S2; CSRD), ensuring that brand expansion does not dilute assurance (ISO 37000:

<https://www.iso.org/standard/65036.html>;

ISO37301: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/contents/data/standard/07/50/75080.html>;

GRI: <https://www.globalreporting.org/standards/>; IFRS S1/S2 and CSRD: links above.

5.8 Federation into top organizations: GSEA, GSIA, GSCA, and GSDA.

The third arc is institutional federation. As the WOSL Group's channels scale, four top organizations assume system roles within the Creativa Center family: **GSEA** provides the normative and strategic framework (including Agenda for Social Equity 2074) that binds programs to a long-range social contract; **GSIA** acts as the intergovernmental and regional-economic-community interface and as an external monitor for compliance and results; **GSCA** governs cooperative and equity-driven institutions and provides legal frameworks for multi-country membership structures (including SCE applications consistent with EU law); **GSDA** functions as the development-finance and capital-mobilization arm alongside DFIs. These entities formalize policy dialogue, regional replication, and financing while preserving the Divisions' operating autonomy and the WOSL Group's market channels. Where



cooperative structures are employed at EU scale, the SCE Statute and employee-involvement Directive provide the legal chassis for participative governance SCE Statute: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; Directive 2003/72/EC: <https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>).

5.9 Operating cycle and controls.

The cycle is continuous and auditable: ideation and design Impact) → community participation and pathways SCC) → corporate leverage and standards diffusion ECSR) → entrepreneurship and market access Group) → backbone enablement Core) → capital formation and scale Business) → brand/channel expansion WOSL Group) → policy federation and capital deepening GSEA/GSIA/GSCA/GSDA). Risk management, internal control, and compliance operate as cross-cutting functions ISO 31000; COSO; ISO 37301/37001), with privacy and data protection ensured under GDPR. Public reporting follows GRI and, where material or mandated, IFRS S1/S2 and CSRD/ESRS for interoperability and assurance ISO 31000:

<https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>;

COSO: <https://www.coso.gov/wp-content/uploads/2021/12/COSO-2013.pdf>;

GDPR: <https://eur-lex.europa.eu/legal-content/EN/ALL/?tid=+111608483&uri=celex%3A32016R0679>;
GRI/IFRS/CSRD

In sum, the modules are engineered to convert the thesis behind PCPP and PCGG into a practical operating system: they rival the legacy loop by being cheaper, faster, and more outcome-reliable, and they support it by supplying places, platforms, standards, and incentives that finally make SME participation in welfare both feasible and attractive.

Chapter 6: Governance and Oversight

The governance architecture of EUSL is designed to balance relative autonomy at the Division level with hierarchical accountability across the Creativa Center ecosystem. Each Division operates under its statutory obligations as a legal entity while remaining subject to a cascading chain of ownership and oversight that ensures strategic coherence, fiduciary integrity, and enforceable consequences for non-performance.

6.1 Governance Principles

The governance model is anchored in the following principles:

- **Autonomy within Mandate:** Each Division board exercises full authority over operations within its approved mandate, subject to compliance with EUSL's governance canon and applicable law.
- **Hierarchical Accountability:** Ownership and reporting obligations flow upward through a defined chain:
Division → EUSL → World → WOSL Group → Creativa Center.
- **Consequential Oversight:** Failure to meet strategic, financial, or compliance obligations triggers corrective measures, including board intervention, restructuring, or replacement, as provided in shareholder agreements and governance protocols.



- **Standards-Based Stewardship:** All boards adopt ISO 37000 principles for governance, ISO 31000 for risk, COSO for internal control, and ISO 37301/37001 for compliance and anti-bribery, ensuring comparability and auditability across entities.

6.2 Division Boards

Each Division is constituted as a Swedish Aktiebolag (AB) or equivalent legal form and is governed by a statutory board under the Swedish Companies Act (Aktiebolagslag 2005:551). The board's duties of care, loyalty, and oversight are non-delegable and include:

- Approval of strategy and annual operating plans.
- Supervision of management and internal control systems.
- Adoption of policies on ethics, compliance, and risk.
- Approval of financial statements and sustainability disclosures.

Boards report to the **general meeting**, represented by EUSL as the sole or controlling shareholder. Foundations and associations within the ecosystem are governed by their respective deeds and bylaws, subject to statutory supervision (e.g., County Administrative Board for foundations).

6.3 EUSL as Strategic Owner

EUSL consolidates ownership of all Divisions and acts as the primary governance anchor. Its responsibilities include:

- Appointment and removal of Division board members.
- Approval of capital allocations, major transactions, and reserved matters.
- Consolidated reporting to **World**, the global federation layer, ensuring alignment with WOSL Group objectives and Creativa Center directives.

6.4 Oversight Chain and Escalation

The oversight chain is structured as follows:

- **Divisions** report quarterly to **EUSL** on financial performance, risk, compliance, and impact metrics.
- **EUSL** reports to **World**, which aggregates performance across regions and thematic portfolios.
- **World** reports to the **WOSL Group**, which consolidates all global social-label entities and ensures brand integrity, policy alignment, and reputational risk management.
- **WOSL Group** reports to **Creativa Center**, the ultimate holding entity responsible for strategic direction, capital formation, and global governance.

Escalation protocols are codified in shareholder agreements and governance charters. Persistent underperformance, material compliance breaches, or reputational risk triggers intervention by the next governance tier, including the right to replace boards, restructure operations, or divest assets.

6.5 Governance Instruments

- **Division Governance Charters:** Define board composition, reserved matters, and reporting obligations.



- **Group Policy Stack:** Includes Code of Ethics, Risk Management Policy, Compliance Framework, Anti-Bribery Policy, Whistleblowing Procedure, and Disclosure Policy.
- **Integrated Reporting Framework:** Aligns with GRI Standards, IFRS S1/S2, and CSRD/ESRS for sustainability and financial disclosures.
- **Risk and Control Framework:** Based on ISO 31000 and COSO, with internal audit and external assurance functions embedded at Division and consolidated levels.

6.6 Consequence Management

Governance without enforceability is symbolic. The EUSL model embeds **consequence management** through:

- **Performance Covenants:** Linked to strategic KPIs and impact metrics.
- **Corrective Action Protocols:** Including board-level remediation plans and, if necessary, replacement of directors or executives.
- **Ownership Remedies:** Shareholder rights to enforce restructuring or divestiture in cases of persistent breach.

This governance system ensures that autonomy does not devolve into fragmentation and that every Division remains accountable to the overarching mission: making SME participation in welfare delivery both feasible and attractive, while institutionalizing Charity as a Business as a competitive and legitimate alternative to the legacy welfare loop.

Chapter 7: Integration with the Ecosystem

The EUSL Divisions do not operate as isolated silos; they are designed as interdependent nodes within a multi-layered ecosystem that spans operational, strategic, and policy domains. Integration ensures that each Division's outputs become inputs for others, creating a closed-loop system that converts private-sector engagement into measurable social outcomes while maintaining alignment with global governance and disclosure standards.

7.1 Horizontal Integration Across Divisions

The six Divisions—Impact, SCC, ECSR, Group, Core, and Business—are horizontally integrated through shared governance protocols, digital infrastructure, and reporting frameworks. This integration is operationalized through:

- **Unified Policy Stack:** Common governance, compliance, and risk policies enforced across all Divisions (ISO 37000, ISO 31000, COSO, ISO 37301/37001).
- **Shared Digital Estate:** Microsoft E5 ecosystem for secure collaboration, data governance, and GDPR compliance.
- **Integrated Reporting:** Consolidated sustainability and financial disclosures aligned with GRI, IFRS S1/S2, and CSRD/ESRS.

This horizontal integration ensures that Divisions can function autonomously within their mandates while contributing to a **single strategic narrative**: making SME participation in welfare delivery both feasible and attractive.

7.2 Vertical Integration into WOSL Group



The operational outputs of EUSL Divisions scale upward into the **WOSL Group**, which serves as the **consumer-facing and brand-driven layer** of the ecosystem. This layer comprises ten components—World Social Label, World Social Label Charity, World Social Label Business, World Social Label Trade, World Future Label, Cupio Company, S'agapo Markets, Orcas & Pandas, Wings of Paloma, and World News Flash.

- **Purpose of Integration:** WOSL Group transforms structural solutions into **cultural and market narratives**, aggregating demand, sponsorship, and citizen engagement.
- **Mechanism:** Divisions supply verified programs, entrepreneurial ventures, and inclusion pathways to WOSL channels, which amplify reach and legitimacy through branding, media, and consumer engagement.

7.3 Federation into Global Governance Layer

Above WOSL Group sits the **Creativa Center governance tier**, comprising four top-level organizations:

- **GSEA Global Social Equity Alliance):** Custodian of Agenda for Social Equity 2074 and normative frameworks.
- **GSIA Global Social Impact Alliance):** External monitor and REC/government interface for compliance and impact validation.
- **GSCA Global Social Cooperative Alliance):** Legal and governance frameworks for cooperative and equity-driven institutions, including SCE structures.
- **GSDA Global Social Development Alliance):** Capital mobilization and blended-finance orchestration in partnership with DFIs and institutional investors.

This federation ensures that EUSL's operational model is **policy-legitimate, capital-ready, and globally portable**, enabling replication across regions without re-engineering institutional scaffolding.

7.4 Integration with External Systems

EUSL's ecosystem is designed to **rival and support** the existing welfare loop:

- **Rivalry:** By demonstrating cost-efficiency, speed, and measurable outcomes through Charity as a Business, EUSL creates competitive pressure on traditional welfare systems to reform.
- **Support:** By providing infrastructure, compliance frameworks, and market incentives, EUSL enables governments and civil society to leverage private-sector capacity without regulatory friction.

This dual posture is reinforced through alignment with:

- **European Social Economy Action Plan** COM/2021/778): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>
- **OECD Inclusive Entrepreneurship Framework:** <https://www.oecd.org/en/topics/inclusive-entrepreneurship.html>
- **UN Sustainable Development Goals:** <https://sdgs.un.org/goals>

7.5 Consequence of Integration

Integration is not symbolic; it is **contractual and enforceable**. Each Division's governance charter and shareholder agreement codify obligations to:

- Maintain interoperability with the policy stack.
- Report performance and compliance metrics to EUSL and, by extension, to WOSL Group and Creativa Center.
- Accept corrective measures—including board replacement or restructuring—if obligations are breached.



This ensures that autonomy does not devolve into fragmentation and that the entire ecosystem functions as a single, standards-aligned organism capable of scaling inclusion globally.

Chapter 8: Revenue and Sustainability Model

The consolidated revenue and sustainability model translates EUSL's mandate—making SME participation in welfare both feasible and attractive—into a disciplined financial architecture with verifiable disclosures and enforceable controls. All Divisions apply a common standards stack for reporting and assurance to ensure comparability across legal forms and jurisdictions. Public sustainability disclosures follow the GRI Standards; investor-grade sustainability-related financial disclosures follow ISSB's IFRS S1 and climate-related disclosures follow IFRS S2; where applicable, EU CSRD/ESRS requirements are mapped for legal compliance and double-materiality assurance GRI:

<https://www.globalreporting.org/standards/>;

IFRS S1: <https://www.ifrs.org/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1.html>;

IFRS S2: <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s2/>;

CSRD: <https://eur-lex.europa.eu/eli/dir/2022/2464/eng>.

8.1 Revenue architecture by Division

Revenue sources are diversified but coherent across Divisions so that rivalry with the legacy welfare loop is financially sustainable and support to that loop is contractible and auditable.

Impact Division. Fee-based advisory and program design retainers; pilot-implementation management fees; outcome-linked service fees where permitted; selective cost-recovery grants received via a related foundation under arm's-length grant agreements. Financial statements are prepared under applicable IFRS requirements for comparability where relevant to counterparties IFRS portal: <https://www.ifrs.org/?m=1>).

SCC Division. Operating revenues from framework agreements with municipalities and corporates for participation programs; pass-through funding to local associations under service contracts; modest membership and participation fees where appropriate under Swedish guidance for non-profit associations Skatteverket/ideell

förening: <https://www4.skatteverket.se/rattsligvagledning/edition/2021.2/1733.html>;

Bolagsverket: <https://bolagsverket.se/forening/ideellforening/startaideellforening.1483.html>).

ECSR Division. Corporate network access fees; supplier-verification and onboarding fees; standards adoption programs; licensing of the social-label framework to "Portal Companies" and their supply chains, with sustainability reporting aligned to GRI/ISSB and CSRD interoperability for EU-listed or in-scope entities GRI: <https://www.globalreporting.org/standards/>; IFRS S1/S2 and CSRD links above).

Group Division.

- **Social Green House AB:** Program fees for entrepreneurial/vocational cohorts and minority equity stakes in selected alumni ventures long-dated upside).
- **Social Impact House AB:** Recurring workspace rentals, shared-service packages, and corporate innovation programs.
- **Growthify Markets AB:** Transaction commissions "take-rates", listing and verification fees, optional



subscriptions for buyers; pricing follows two-sided platform economics to maximize cross-side participation without supplier extraction (Rochet & Tirole: https://web.mit.edu/14.271/www/rochet_tirole.pdf; Hagiu: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1530-9134.2009.00236.x>).

Core Division. Cost-sharing recharges for enterprise systems, governance, and policy services; standardized inter-company service agreements ensure transfer-pricing discipline and auditability (IFRS portal: <https://www.ifrs.org/?m=1>).

Business Division. Management fees from investment vehicles; success fees on capital formation; potential returns from co-investment structures; where blended finance is used, instrument design follows OECD DAC Blended Finance Principles to ensure additionality, crowding-in, and measurable development results (OECD DAC Principles: https://www.oecd.org/en/publications/oecd-dac-blended-finance-principles_dc66bd9c-en.html).

8.2 Capitalization and funding strategy

Operating entities are primarily self-financed through recurring revenues. Foundations receive restricted or endowed funds to de-risk inclusion pilots or to provide outcome grants, preserving asset-lock under Swedish foundation law and supervisory oversight (Foundations Act extract: <https://legislationline.org/taxonomy/term/12124>). Where market failures or early-stage risks deter commercial capital, the Business Division structures blended instruments in line with the OECD DAC Principles and maintains clear separation between concessional and commercial tranches with explicit monitoring obligations (OECD DAC Principles: https://www.oecd.org/en/publications/oecd-dac-blended-finance-principles_dc66bd9c-en.html).

8.3 Pricing and competition integrity

Pricing is engineered to avoid market distortion while opening structural entry points for SMEs. Two-sided marketplace fees are calibrated to optimize cross-side network effects and total surplus rather than extracting maximum rents from the more inelastic side, consistent with platform economics (Rochet & Tirole: https://web.mit.edu/14.271/www/rochet_tirole.pdf; Hagiu: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1530-9134.2009.00236.x>). At the program level, SCC and Impact contracts apply transparent unit costs and service levels; ECSR's supplier-verification fees are publicly posted and non-discriminatory, aligned with the EU's social-economy policy direction to enable fair participation without anticompetitive effects (European Social Economy Action Plan: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>).

8.4 Dividend, value-transfer, and reinvestment policy

Each AB applies the Swedish Companies Act's rules on value transfers and the precautionary rule: dividends are permitted only within distributable equity and must be justifiable considering the nature, scope, and risks of the business, consolidation needs, and liquidity; shareholder remedies apply upon breach (Companies Act: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/aktiebolagslag-2005551_sfs-2005-551/; overview of precautionary rule practice: <https://refisthlm.se/news/distribution-of-dividends-and-the-precautionary-rule-swedish-supreme-court-case-t-5171-23/>). As a principle, free cash flow is first allocated to working-capital buffers and program pipeline; residuals may be distributed or reinvested upon board recommendation and owner approval. Foundations remain asset-locked and may only make grants consistent with their deeds and supervisory requirements.

Foundations Act extract: <https://legislationline.org/taxonomy/term/12124>.

8.5 Internal control, risk, and compliance

Risk management follows ISO 31000 with risk appetite set at Division level and consolidated at EUSL; internal control design and effectiveness are assessed against the COSO Internal Control—Integrated Framework. A Division-wide compliance management system is instituted under ISO 37301; anti-bribery controls follow ISO 37001; GDPR governs all personal-data processing across the digital estate

ISO 31000

overview: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>; COSO Executive Summary: <https://www.ciso.gov/wp-content/uploads/2021/12/COSO-2013.pdf>; ISO 37301: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/contents/data/standard/07/50/75080.html>; ISO 37001: <https://www.iso.org/standard/37001?browse=ics>; GDPR: <https://eur-lex.europa.eu/legal-content/EN/ALL/?tid=+111608483&uri=celex%3A32016R0679>).

8.6 Sustainability and impact disclosure

All Divisions publish annual sustainability information using the GRI Standards to disclose governance, strategy, material topics, and metrics; where material to investors or counterparties, Divisions also publish IFRS S1/S2-aligned, investor-grade sustainability-related financial disclosures. For EU in-scope entities, ESRS mapping is produced to satisfy CSRD requirements on double materiality, location, and assurance, using the ISSB/ESRS interoperability guidance to minimize duplication GRI: <https://www.globalreporting.org/standards/>; IFRS S1/S2: links above; CSRD consolidated text: <https://eur-lex.europa.eu/eli/dir/2022/2464/eng>).

8.7 Assurance model

Each AB undergoes statutory external audit; management reporting is consolidated at EUSL. Sustainability disclosures are subjected to limited or reasonable assurance as required by jurisdiction; internal audit reviews the COSO control components and ISO-aligned compliance across Divisions. Whistleblowing channels and protections follow Directive (EU) 2019/1937, with established procedures for confidential intake, investigation, and non-retaliation Directive text: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L1937>; COSO: <https://www.ciso.gov/wp-content/uploads/2021/12/COSO-2013.pdf>).

8.8 Financial resilience and stress-testing

Scenario analysis is embedded in planning; climate-related scenario work follows IFRS S2 guidance on physical and transition risks, with disclosure of governance, strategy, risk management, and metrics/targets. Broader enterprise stress-tests are aligned to risk registers under ISO 31000 and are summarized in owner reports and, where material, in public sustainability disclosures IFRS S2: <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s2/>; ISO 31000 overview: <https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>).

8.9 Conversion of revenue to societal outcomes

Revenue generated by the Divisions is converted into measurable outcomes through standardised program logics and procurement corridors. SCC's community participation is financed through framework agreements; Impact's design fees co-finance scalable blueprints; Group channels convert entrepreneurial activation into enterprise survival and job creation; ECSR's fees align corporate procurement with verified inclusion; Business instruments de-risk SME participation. Public

communications and sponsorship aggregation are then carried through WOSL Group's consumer-facing channels, enabling private sponsorships to fund inclusive programs at scale under transparent standards

Social Economy Action Plan: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>; GRI: <https://www.globalreporting.org/standards/>.

8.10 Capital ladder to federation

As programs scale, GSDA structures blended-finance vehicles with DFIs and institutional investors; GSCA standardizes cooperative governance for cross-border member classes where relevant including potential SCE layers); GSIA provides external validation and policy interfaces with regional economic communities; GSEA anchors alignment with the long-range Agenda for Social Equity 2074. This ladder ensures that financing, governance, and policy legitimacy mature in step with revenue growth, with cooperative forms deployed under EU SCE rules where appropriate and employee-involvement arrangements negotiated pre-registration SCE Statute:

<https://eur-lex.europa.eu/eli/reg/2003/1435/oj/eng>; Directive 2003/72/EC:

<https://eur-lex.europa.eu/eli/dir/2003/72/oj/eng>;

OECD DAC Principles:

https://www.oecd.org/en/publications/oecd-dac-blended-finance-principles_dc66bd9c-en.html.

This Chapter establishes a single financial and sustainability playbook for all Divisions: diversified yet coherent revenues; strict capital discipline and value-transfer rules; interoperable, investor-grade disclosures; and controls that meet international expectations. It is designed to rival the legacy welfare loop by being cheaper and more effective, while supporting it with places, platforms, and incentives that make SME participation practical, profitable, and provable.

Chapter 9: Societal and Financial Impact – What the World Gains

This chapter formalizes the societal and fiscal gains of institutionalizing **Charity as a Business** as a fourth actor alongside government, civil society, and the private sector. The Division architecture is already converting mandate into contracts and delivery capacity; the remaining task is to express value in a manner that is measurable, comparable, and auditable across jurisdictions.

Impact thesis. EUSL's objective is to reduce the public cost of helping an individual into employment to 20% of the current tax-funded cost, while raising success rates and shortening time-to-employment. In economic terms, the model seeks to transform a large share of recurring social-protection outlays into one-off or time-bounded investments that mobilize SMEs and markets, without distorting competition. Two macro facts motivate this efficiency agenda. First, across the EU, government expenditure on social protection remains the largest budget function, amounting in 2023 to €3.31 trillion (19.2% of GDP), with unemployment functions around 1.2% of GDP; most of this division consists of cash social benefits and transfers in kind. Any durable efficiency that reduces dependency months or unit costs has significant fiscal leverage.

From unit cost to system gains. To anchor the 20% target, consider a stylized country with GDP €500 billion. If unemployment-related social protection equals 1.2% of GDP (~€6.0 billion), a program that lowers average benefit duration and case management cost per successful placement by 80% (delivering the same or better outcome at one-fifth of the tax cost) will, at modest adoption rates, generate material savings. If the model reaches 25% of new unemployment inflows and achieves net additional job placements of 10% over status quo (after displacement controls),



the cash-flow relief to unemployment budgets alone can reach the hundreds of millions annually; this excludes second-order gains such as new tax receipts and reduced use of other benefits. Eurostat's functional breakdown confirms that unemployment is only one component of social protection; knock-on reductions also accrue to "housing" and "social exclusion n.e.c." where employability improves.

Why the efficiency claim is plausible. Three external evidence bases support the proposition that well-designed, market-linked interventions can improve outcomes at lower unit cost. First, active labour-market policies (ALMPs)—when focused on early activation, counselling/job-search assistance, and targeted private-sector wage subsidies—consistently show positive employment effects in meta-evaluations, with better cost-effectiveness than many training-only schemes. This indicates that design matters and that some public spending could be re-deployed into structured, performance-based models with higher returns.

Second, decades of tax-benefit analysis show that "unemployment" and "inactivity traps"—i.e., high marginal effective tax rates when taking a job—reduce work incentives; architectures that lower friction, align incentives, and shorten transition frictions improve take-up and reduce dependency months.

Third, inclusive entrepreneurship and social-economy participation increase employment and work integration, particularly for under-represented groups—precisely the cohorts EUSL and SCC target—confirming that SME-centred pathways are a legitimate lever, not a rhetorical flourish.

Public safety and social cohesion. Employment is not merely a fiscal variable; it is a social stabilizer. Causal and quasi-experimental studies in Europe (e.g., Denmark and EU panels) find that job loss raises the probability of criminal activity and that higher unemployment correlates with certain crimes, especially property crime. Reducing unemployment and long-term inactivity therefore carries external benefits in the form of lower crime and attendant public costs.

Demand-side multipliers—why everyday life improves. When people transition into stable work, they spend more in local services. The local employment multiplier literature shows that a job created in a traded or high-skill sector generates 1–2.5 additional local service jobs via induced demand; this has been measured in both the United States and Sweden. As local earnings rise, so do transactions in cafés, retail, and personal services—precisely the "coffee shops and stores" effects you highlight.

Mobility and urban vitality. Increased labour-force participation and commuting typically raise public-transport ridership and reduce "doom spiral" dynamics in transit systems; elasticity research shows ridership is sensitive to service frequency and, by extension, to the spatial concentration of jobs. EUSL's district-style hubs concentrate activity, making transit investment productive and stabilizing agency finances as employment recovers.

Immigration, integration, and attitudes. Better labour-market integration of immigrants narrows employment gaps and improves living conditions and civic participation—key correlates of social cohesion and public confidence in migration systems. OECD's comparative integration indicators provide the monitoring basis; Sweden-focused studies underscore both the challenge (employment gaps) and the potential of community organizations and targeted pathways to improve outcomes. As visible inclusion rises, grievance-based narratives weaken.

How we measure ourselves. To ensure the "five times as efficient" claim is not rhetorical, the Divisions will disclose a standardized **Societal Efficiency Statement** each year, audited for methods and sampling,



and integrated with GRI/ISSB reporting so investors and authorities can reconcile social and financial performance:

1. **Net public cost per successful placement NPCP).**

$$\text{NPCP} = \frac{\text{Program outlays} + \text{any subsidies} - \text{fees paid to government} + \text{administrative overhead}}{\text{number of verified sustained job entries } (\geq 6 \text{ or } \geq 12 \text{ months})}$$
, **benchmarked against the jurisdiction's status-quo cost per job entry**. Target $\leq 20\%$ of status-quo. Status-quo reference anchored to government budget execution and unit costs within the Eurostat COFOG “unemployment” and related groups, adjusted for deadweight/displacement.)

2. **Dependency months averted.**

Average months of benefit receipt avoided per person, with verification against social-insurance records where permitted; this metric is the principal driver of budget savings. Design draws on ALMP evaluation practice.)

3. **Fiscal delta per cohort.**

Net present value of (reduced benefits + increased tax/SSC receipts) – EUSL fees + co-funding), reconciled to the general-government accounts structure.

4. **Externality proxies.**

a) **Public safety proxy:** change in reported property-crime incidence in districts where SCC participation and job entries rise (ecological, not causal, but tracked against literature).

b) **Local demand proxy:** change in small-merchant transactions and footfall around hubs (aligned with local multiplier research).

c) **Mobility proxy:** change in transit boardings and pass sales near hubs (ridership elasticity context).

5. **Integration outcomes (for immigrant cohorts).**

Employment rate at 6/12/24 months; earnings progression; share exiting income-tested support; civic/education indicators following OECD “Indicators of Immigrant Integration” taxonomy.

Scenario illustration (transparent, conservative, stylized). Suppose a region places 10,000 people into sustained employment in a year. If the status-quo public cost per job (benefits, services, administration) is €15,000 and EUSL's net public cost is €3,000 (20%), direct savings are €120 million. If average benefit months averted per person equal 6 months at €900/month, additional cash savings are €54 million; assume tax/SSC receipts increase by €2,500/person/year in year one (mix of PIT and payroll), generating €25 million, for a first-year fiscal delta \approx €199 million. Applying a conservative local multiplier of 1.0–1.6 service jobs per tradable job to the portion of entries in traded or growth sectors yields 10,000–16,000 additional local-service jobs over time, reinforcing consumption and municipal tax bases. Multiplier parameters per Moretti and Sweden-specific evidence.)

Why this scales across Europe. The EU Social Economy Action Plan formally recognizes the role of social-economy entities and inclusive entrepreneurship in job creation and work integration, providing a policy channel for replication and funding. The Commission's Employment and Social Developments in Europe (ESDE) work emphasizes that social investments and reforms in skills, ECEC, and job support

schemes raise employment and inclusion and close gaps—precisely the complementarities EUSL exploits by coupling private-sector pathways with activation.

Guardrails against over-claiming. The 20% target is a performance covenant, not a baseline assumption. Each program will publish its counterfactual logic (comparison groups, deadweight and displacement adjustments), align with OECD evaluation practice for ALMPs, and disclose uncertainty. Where uptake relies on tax-benefit reforms (to ease unemployment/inactivity traps), EUSL will document dependencies using the EC/OECD tax-benefit indicators.

In plain terms. If we help people into jobs five times more efficiently than today's average tax-funded pathways, three things compound: public budgets have more room to invest; streets and shops are busier and safer; and the frictions that make immigration contentious are eased by visible labour-market success and community belonging. The Divisions, WOSL Group channels, and the GSEA/GSIA/GSCA/GSDA federation together give the world a portable, auditable way to buy measurable inclusion—and to prove that it pays.

Chapter 10: Goals and Vision

The consolidated Divisions framework is designed to **demonstrate** rather than confront. The strategic posture is cooperative and exemplary: by delivering superior outcomes at lower unit cost in real programs, the Divisions invite governments, civil society, and corporations to **improve by example**, not by admonition. The vision is a society in which **SMEs are structurally included in welfare delivery** without market distortion, financed through commercially rational mechanisms and disclosed under investor-grade standards. This chapter defines the overarching goals and the horizon we intend to reach.

Purpose and guiding vision.

EUSL will institutionalize **Charity as a Business** as a recognized fourth actor in the welfare economy—operating alongside government, civil society, and the private sector—to catalyze a rebalanced system that is **cheaper, faster, and measurably more effective**. Rather than seeking replacement of public systems, the Divisions establish a **demonstration benchmark** that makes it rational for policy-makers and corporates to upgrade their own practices. This vision is aligned with the European Commission's **Social Economy Action Plan**—which positions social-economy entities as engines of job creation and inclusion—and with the **UN Sustainable Development Goals**, notably Goals 8, 10, 11 and 17. See the Action Plan <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>) and the SDGs <https://sdgs.un.org/goals>).

System goals (medium term, rolling five-year horizon).

First, to prove—across multiple municipalities and Member States—that **SME-centric inclusion pathways** can match or exceed active labour-market policies on outcomes while operating at **≤20%** of today's average tax-funded cost per sustained job, with transparent counterfactuals and assurance. This does not imply confrontation with public services; it provides **comparable evidence** that encourages policy migration toward mixed public-private models where appropriate. The feasibility of such gains is supported by international evaluation practice around **ALMPs** (early activation, private-sector subsidies, job-search assistance) and by Commission/OECD work on **work incentives** and tax-benefit traps, both of which indicate that design choices materially affect results and cost. See OECD ALMP evidence https://www.oecd.org/en/publications/enhancing-the-effectiveness-of-active-labour-market-policies_560806166428.html) and the EC/OECD tax-benefit



indicators https://employment-social-affairs.ec.europa.eu/policies-and-activities/analysis-evaluation-impact-assessment-and-databases/databases-and-indicators/tax-and-benefits-database_en).

Second, to embed **investor-grade transparency** so that social performance is comparable to financial performance. All Divisions will publish GRI-aligned sustainability reports and—where material—**IFRS S1/S2** sustainability-related financial disclosures, with **CSRD/ESRS** mapping for in-scope EU entities. This vision of comparability is central to shifting inclusion from anecdote to **decision-useful information** for governments, DFIs, corporates, and citizens. See GRI <https://www.globalreporting.org/standards/>), IFRS S1 <https://www.ifrs.org/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1.html>), IFRS S2 <https://www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s2/>), and CSRD <https://eur-lex.europa.eu/eli/dir/2022/2464/eng>).

Third, to scale **inclusive entrepreneurship** and **market access** via the Group Division (Social Green House, Social Impact House, Growthify Markets), translating activation into durable demand within ethical supply chains. This responds to the Commission’s emphasis on **social economy and inclusive entrepreneurship** as a job-creation lever and to multiplier effects observed when traded-sector jobs stimulate local services. See EC overview https://employment-social-affairs.ec.europa.eu/policies-and-activities/eu-employment-policies/social-economy-and-inclusive-entrepreneurship_en) and local multiplier research <https://eml.berkeley.edu/~moretti/multipliers.pdf>).

Cultural horizon and legitimacy.

The vision includes a cultural anchor that normalizes inclusion in everyday life. Through WOSL Group channels—Wings of Paloma, Cupio Company, and ethical marketplaces—citizens, sponsors, and SMEs encounter inclusion not as an abstract policy but as participation, sport, volunteering, and fair trade. Large-scale youth events (using Gothia Cup as an operational reference for scale and choreography) provide periodic moments of shared experience, where inclusive supply chains and community pathways are visible and verifiable. See Gothia Cup <https://gothiacup.se/en/>).

Risk posture and collaboration.

The vision is explicitly non-adversarial. The Divisions measure themselves against public costs and outcomes to illuminate opportunities for reform; they do not seek to displace public services, but to support them with places, platforms, and standards that reduce friction and reveal better methods. By aligning governance to ISO 37000, risk management to ISO 31000 and COSO, and compliance to ISO 37301/37001, the Divisions ensure that collaboration with public bodies and corporates satisfies recognized norms. See ISO 37000 <https://www.iso.org/standard/65036.html>), ISO 31000 overview <https://www.iso.org/cms/%20render/live/en/sites/isoorg/home/standards/popular-standards/iso-31000--risk-management.html>), COSO <https://www.coso.gov/wp-content/uploads/2021/12/COSO-2013.pdf>), and ISO 37301

<https://www.iso.org/cms/%20render/live/en/sites/isoorg/contents/data/standard/07/50/75080.html>

End-state.

The world gains an **auditable way to buy measurable inclusion**—a portable system that converts a fraction of existing social-protection expenditure into SME-powered pathways that are five times as efficient, publicly disclosed, and culturally embraced. As replication proceeds, the federation via **GSEA, GSIA, GSCA, and GSDA** provides normative coherence, intergovernmental interfaces, cooperative legal



structures, and development finance to deepen and extend the model. This is consistent with EU policy direction on the social economy and with international agendas on inclusive growth. See the Action Plan <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0778>) and the SDGs (<https://sdgs.un.org/goals>).

Chapter 11: Wrap – Commitments and Next Steps

Commitments.

EUSL affirms three binding commitments for all Divisions. First, **efficiency**: to publish the **Societal Efficiency Statement** annually, targeting **≤20%** of the status-quo tax cost per sustained job, with counterfactual methods and uncertainty disclosure aligned to OECD evaluation practice. See OECD ALMP synthesis (https://www.oecd.org/en/publications/enhancing-the-effectiveness-of-active-labour-market-policies_560806166428.html).

Second, **transparency**: to maintain interoperable reporting (GRI, IFRS S1/S2, CSRD/ESRS) with external assurance commensurate to scope and audience. See GRI (<https://www.globalreporting.org/standards/>), IFRS S1 (<https://www.ifrs.org/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs1.html>) and CSRD (<https://eur-lex.europa.eu/eli/dir/2022/2464/eng>).

Third, **collaboration**: to preference cooperative arrangements with public employment services and municipal authorities where demonstration can **improve** incumbent systems, not undermine them, in line with EU policy on the social economy and inclusive entrepreneurship. See EC overview (https://employment-social-affairs.ec.europa.eu/policies-and-activities/eu-employment-policies/social-economy-and-inclusive-entrepreneurship_en).

Immediate next steps.

The Divisions will: a) publish a consolidated Policy Stack and Division Governance Charters; b) issue the first baseline Societal Efficiency Statement with methods and data sources; c) identify three to five municipal or regional partnerships for scaled demonstrations with agreed KPIs; and d) finalize the interoperability template for GRI/IFRS/ESRS disclosures to support assurance and comparability across pilots and replications. These actions operationalize the non-adversarial, exemplary posture: they give partners a safe, standards-aligned way to join, learn, and improve.

Closing word.

We do not ask institutions to concede; we ask them to observe—and then to improve. By delivering better results at lower cost, under recognized standards and with open reporting, EUSL's Divisions provide a dignified path for the existing system to become a better self—one partnership, one cohort, one district at a time.