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it's our business

newspad of the Employee Share Ownership Centre

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WELCOME

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From the life president

There are lessons to be learned from US billionaire investor Mark Cuban. He was embarrassed to discover employees at an investee company still qualified for government assistance.

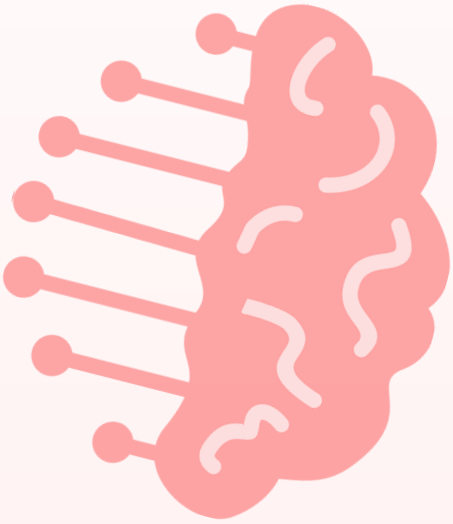
In a 'What It Takes' podcast from Unmoderated News he offered his example to other investors. He gave stock to 330 employees and 300 of them became dollar millionaires.

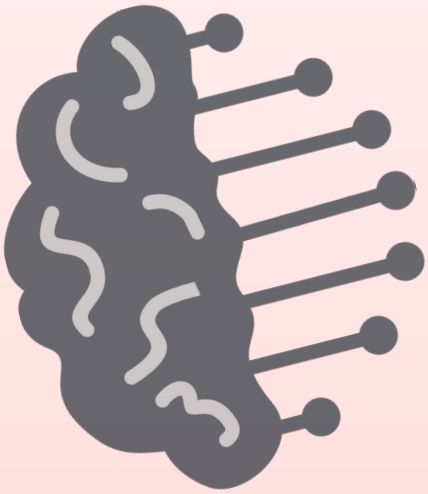
In his view (and mine), other investors should take a leaf from his book.

Malcolm Hurlston CBE

Opinion: AI should give rise to an ownership economy

Time magazine contributor Lynn Forester de Rothschild, founder and chair of the Council for Inclusive Capitalism, argues that the rapid adoption of artificial intelligence should accelerate the development of an ownership economy in which workers share more directly in the wealth created by technological progress through Esops and other equity-based schemes. She contends that wage growth alone is no longer sufficient to deliver economic prosperity and calls for broader access to financial capital through employee ownership, profit sharing and public investment mechanisms. Forester de Rothschild highlights proposals for giving workers a direct stake in AI-driven wealth, such as investment funds seeded by AI productivity gains, public trust funds, and innovation dividends which would distribute returns more broadly, as well as company-level examples including Samsung's agreement to share 10.5 percent of operating profits from its AI chip business with employees, Verizon's transition fund for workers displaced by AI, and efforts by Walmart, Bank of America and KKR to expand broad-based employee equity ownership.





She points to established employee-owned businesses in the US, including Publix, WinCo and Houchens Industries, as evidence that broad-based ownership can improve resilience and align employee and shareholder interests. Governments, investors and companies should work together to expand Esops and other ownership models: employee participation in capital ownership will be essential to ensuring the economic benefits of AI are shared more broadly across society rather than concentrated among investors alone.

Image: jallen_rtr-machine-learning-6913525_1280

Esops emerge as rising force in middle-market M&A

Forbes contributor Mary Josephs reports that employee share ownership plans are gaining prominence in the global mergers and acquisitions market, acting as both acquirers and targets amid record deal activity. Global M&A value reached $2.8tn (£2.08tn) in the first half of 2026, with middle-market transactions boosted by returning private equity and corporate buyers. Esop acquisitions have roughly doubled in recent years, according to the US-based National Center for Employee Ownership. Many Esop-owned companies boast strong financials, including robust core performance, significant cash reserves and low debt. Their long-term, fiduciary focus makes them disciplined yet ambitious acquirers. Executives are increasingly building professional M&A capabilities, adopting best practices from Fortune 500 firms and private equity to pursue inorganic growth. Data suggest high-performing companies achieve growth through a roughly 50/50 split between organic and inorganic means.

Acquisitions advance Esops' mission by converting target employees into owners, expanding the model of employee ownership. Awareness of Esops is high among middle-market business owners, and nearly 40 percent are considering them as an exit option. Sellers often receive fair valuations, while employees benefit from ownership culture that aids recruitment and retention, particularly in manufacturing amid reshoring trends. However, challenges persist. Fiduciary caution can make Esop company leaders risk-averse towards debt-funded deals, and market misconceptions among advisers and bankers linger.

Experts remain optimistic. As Esop companies gain M&A experience and better articulate their value, they are expected to compete more effectively. Selling to an Esop can deliver a "triple win" for sellers, the acquired company and its employees through aligned incentives and cultural fit.



Image: mohamed_hassan-business-7083819_640



Australia

Shareholdings boost via employee share plans

Energy Resources of Australia Ltd has disclosed a change in director Justin Carey's shareholdings in Rio Tinto following transactions on July 17 2026. Carey acquired Rio Tinto shares through performance awards and purchases under the Rio Tinto Global Employee Share Plan. The disclosure demonstrates transparency on equity interests held by senior management.

China



Shenghong Technology launches Esop

Victory Giant Technology, also known as Shenghong Technology has announced the first tranche of its 2026 A-share Esop, with total funding of up to RMB7bn (£720m). The plan will be financed through a combination of employee contributions and borrowing, with leverage capped at a one-to-one ratio, allowing financing from financial institutions of up to RMB3.5bn (£360m). The printed circuit board manufacturer said the structure complies with relevant Chinese regulations governing asset management and margin financing. Shares for the Esop will be acquired through legally permitted market transactions, including negotiated transfers, block trades, open market purchases and margin trading. The share purchases are expected to be completed within six months of shareholder approval. The company will publish monthly updates detailing the timing, quantity, price and method of each acquisition. The scheme is intended to increase employee participation in the company's long-term performance through equity ownership.

DR Congo

Congo presses ahead with local ownership rule for miners

On July 22, *Reuters* reported that the Democratic Republic of Congo will begin enforcing a long-delayed requirement for mining companies to offer local ownership stakes from July 31, the mines ministry said, despite concerns from some of the world's biggest copper and cobalt miners over its impact on the sector.

Reuters previously reported that mining companies in Congo, the world's top cobalt producer and second-largest copper producer, were seeking to delay enforcement of a 2018 law requiring companies to transfer 10 percent of their equity to Congolese nationals, including five percent for employees. No mine has yet complied, citing unresolved questions over implementation.



France

Canal+ executives increase holdings through Esop

Multinational media and entertainment conglomerate Canal+ has disclosed that management board members Anna Marsh and Amandine Ferré increased their holdings through the company's Esop by subscribing to units in its employee investment fund on July 9 2026. Marsh invested €20,903 (£18,100) for 2,084.4012 fund units, while Ferré invested €21,608.61 (£18,700) for 2,155.217 units, based on an underlying Canal+ share price of €2.28 (£1.97). The transactions were completed outside a trading venue and disclosed in accordance with UK Market Abuse Regulation requirements. Canal+ said the employee share ownership programme is designed to align the interests of senior executives and employees with those of shareholders by encouraging long-term equity participation. The company said the scheme forms part of its wider governance and remuneration framework, supporting long-term engagement among management and reinforcing investor confidence through increased employee ownership.

Ireland

Copying British EOTs could come at 'significant' cost to state

According to *Business Post*, the Department of Finance has warned that reforms to allow Irish companies to become employee-owned could come at "significant cost" to the state.

Campaigners have called on Simon Harris, the finance minister, to follow the British government by introducing employee ownership trusts, to help owners to pass their business on to their employees.

Alan Coleman, chief executive of marketing agency Wolfgang Digital, has been among those urging Irish ministers to fix what he called the "succession crisis" facing business owners who don't want to sell to overseas companies. Along with the Irish ProShare Association, Coleman has argued that giving workers a full stake in a business makes firms more productive and competitive.

Last month, the Tax Strategy Group indicated that officials were considering the impact of EOTs in Ireland, though it also drew attention to the cost of the ownership model in the UK. Early estimates had suggested that by 2018 the scheme could have cost less than £100m, but forecasts now suggest that the figure could be as high as £2bn by 2028-29.

"Employee ownership can give employees a greater stake in the business in which they work, may improve working conditions, driving productivity and growth in the economy. However, as seen in the UK it can come at a significant cost to the Exchequer," the Tax Strategy Group stated.

"It is important to analyse and evaluate a range of factors including the potential impacts, benefits, including establishing if there would be strong demand for EOTs if reforms were introduced, and the Exchequer costs of implementing any changes."

The Irish ProShare Association estimates that the cost of implementing EOTs in Ireland would be between €42m and €106m for CGT relief over a five-year period, while income tax relief could cost between €1.7m and €4.3m. Marie Flynn, a former president of the association, said she was "delighted" to see serious consideration of EOTs and considering it only in the context of the potential cost was a "bit short-sighted".

An Roinn Airgeadais
Department of Finance

India

Employees stand to gain as Temple's valuation jumps



Image by Peggy und Marco Lachmann-Anke from Pixabay

In a fresh sign of momentum around Deepinder Goyal's new venture, healthtech startup Temple has seen its valuation jump sharply and has opened a liquidity window for employees.
The company has doubled its valuation to US$375m after a secondary share sale and has launched its first employee stock ownership plan liquidity programme, joining a growing list of startups offering liquidity to employees this year, according to a report in *Business Today*.

USA

Cuban backs broader Eso in pay inequality debate

Billionaire investor Mark Cuban says employee share ownership should become standard practice across companies rather than a rare benefit tied to a handful of high-growth firms.
Speaking on a recent episode of the "What It Takes" podcast by *Unmoderated News*, Cuban said that every ceo, founder and entrepreneur should grant equity to every employee. He presents that approach as a practical way to narrow wealth disparities, arguing workers benefit when they hold stock and participate in the upside of the businesses they help build. He points to his own track record to support the argument: He gave 330 employees at Broadcast.com stock before Yahoo acquired the company for $5.7bn in 1999, a deal that made 300 of them millionaires.
Cuban previously supported a $20 an hour federal minimum wage; pushing for raises at a company he invested in after learning some employees needed government assistance, calling the pay level embarrassing.
He suggests too that governments can encourage wider employee ownership through the tax code. Cuban says policymakers could offer companies a lower corporate tax rate than the current 21 percent if ceos grant every employee the same percentage of stock warrants, options or other equity instruments.



Image: dehaasbe-rich-6940239_640

USA

Court rejects ERISA claim over $265m EO company sale

According to *Human Resource Director*, on July 17 2026, the Seventh Circuit Court of Appeals affirmed a lower court's decision, ending a long-running fight over the 2016 sale of a printing company owned by its workers.

In 2016, the board sold it to a private equity firm for $265m. However, not everyone was happy. One plan shareholder, a former vice president of manufacturing, thought the company went too cheap. He sued the plan's trustee, GreatBanc Trust Company, and several board members under the Employee Retirement Income Security Act (ERISA). He argued they had breached their duties by favouring financial buyers, returning to the eventual buyer after it cut its offer, and settling for less than the company was worth.

After a three-week trial, the district court sided with the defendants on every claim, in a case brought for a class of 400 to 500 shareholders. The appeals court found no clear error and affirmed. The court said a trustee's discretionary decisions get deferential review only when no conflict of interest exists. And leaning on outside experts, on its own, isn't a shield; GreatBanc won because it went further - running what the court called a "careful and impartial investigation," pressing its own advisers on the deal's fairness rather than taking their word for it.

On damages, the court refused to credit an expert's $19m or $44m loss estimate, because no actual buyer had ever offered more. The lesson for anyone overseeing a plan: a good process beats good advice. Document your reasoning, question your experts, and show you reached your own judgment.

Northern Trust grants employees company stock

On July 21, wealth management and banking services provider, Northern Trust announced *Invested as One*, a new employee ownership initiative under which eligible employees working at the company as of June 30 2026, will receive up to 10 shares of Northern Trust common stock.

Through Invested as One, the firm intends to expand ownership across its workforce and provide employees with a direct stake in the company's future performance.

The Invested as One stock grant will be available to eligible employees globally and is intended to broaden participation in the value Northern Trust creates over time. Shares awarded under the initiative will vest on December 1 2026.

Burnham inherits Starmer's unfinished employment law agenda

According *to International Comparative Legal Guides*, Andy Burnham faces early decisions over a raft of unfinished employment and equality reforms, with business on tenterhooks over whether he will accelerate Sir Keir Starmer's workers' rights agenda or draw a line under further regulation.

Burnham, who was formally appointed prime minister by the King on July 20, has promised a "distinctively Labour" government while also presenting himself as pro-business. What that combination means for employers, however, remains far from clear. Among the unfinished business are proposals to extend equal-pay protections to ethnic minority and disabled workers, plans for ethnicity and disability pay-gap reporting and substantial parts of the Employment Rights Act that have made it on to the statute book but are still waiting for regulations or commencement.

The Employment Rights Act was the centrepiece of Labour's workers' rights agenda, but passing the legislation was only part of the job. Many of its provisions are being introduced in stages, with some dependent on secondary legislation before they have any practical effect in the workplace.

Still to come are key elements of the new regime governing zero-hours contracts, restrictions on fire and rehire, and changes to unfair dismissal protection.

Labour had originally promised day-one protection from unfair dismissal before retreating from that commitment, with the qualifying period instead now due to fall from two years to six months.



By Photo: Sergeant Tom Robinson RLC/MOD, OGL v1.0, https://commons.wikimedia.org/w/index.php?curid=28014902

Make Work Pay:
Ending one-sided flexibility – reforms to zero hour contracts

Commenting on implementation of the Employment Rights Act, Centre member **Pinsent Masons** pointed out that a raft of complex provisions will go some way to "banning exploitative zero-hour contracts", as pledged by Labour in its policy statement. Provisions include frameworks to offer workers the right to a contract that reflects hours regularly worked, reasonable notice of shifts, and compensation for shifts cancelled or curtailed at short notice. Zero hours rules will apply to agency workers too.

The government has now published its long-awaited consultation on implementing ERA reforms on zero and low hours contracts. While the reforms will impose significant new obligations, they may still allow some flexibility, including potentially different treatment for agency workers. The consultation, which closes on August 25, proposes wide-ranging options for the definition of "low hours" and requires employers to assess eligibility for guaranteed hour offers using a reference period, with 12 weeks currently preferred. Workers may qualify only if they meet regularity tests based on weeks and hours worked. The proposals also address the use of short-term contracts, particularly for seasonal demand. The consultation requires employers to give "reasonable notice" of shifts, likely one to four weeks, and to compensate workers for short-notice changes, with enforcement by the Fair Work Agency.

Implementation:

2026 - Consultation on zero-hour worker protections closes on August 25

2027 - Zero-hour and low-hour worker protections introduced

FCA consultation on remuneration for solo-regulated firms

After a few years of relative calm following the introduction of the MIFIDPRU Remuneration Code, the Financial Conduct Authority has published a consultation on proposed reforms to the regulation of remuneration for solo-regulated firms, alternative investment fund managers (AIFMs), UCITS management companies and MIFIDPRU investment firms.

The proposed reforms aim to introduce a simpler, clearer and more proportionate framework for solo-regulated firms, reducing the regulatory burden where prescriptive rules are not needed to achieve good outcomes whilst maintaining safeguards.

Director acquires shares through Esop

Cranswick director Christopher Aldersley has increased his shareholding through the company's 2024 Buy As You Earn scheme, purchasing two ordinary shares through the London Stock Exchange as part of the company's regular monthly employee share purchase programme. The UK food producer said the transaction represents routine participation in its employee ownership scheme rather than a change in the group's capital structure or remuneration policy. The Esop is designed to align the interests of senior management and employees with those of shareholders by encouraging long-term equity ownership. The disclosure highlights the company's continued use of share-based incentives as part of its governance framework, and commitment to business and shareholder value.

Switzerland:

Coca-Cola executives increase shareholdings through Esop

Coca-Cola HBC has disclosed that several senior executives, including ceo Zoran Bogdanovic, acquired ordinary shares through the company's Esop on July 17 2026. Under the scheme, the company made matching share purchases on behalf of participating executives at a price of approximately £49.64 per share.

Coca-Cola's equity-based remuneration framework aims to align management's interests with those of shareholders. The announcement relates to routine regulatory disclosures of share dealings by management staff, rather than any change to the company's wider remuneration policy or financial outlook.



Image by Coca-Cola HBC - https://www.coca-colahellenic.com/, Public Domain, https://en.wikipedia.org/w/index.php?curid=80631000

EXEC REWARD more

HIGH PAY NEWS

Burberry shareholders back ceo pay boost

Burberry shareholders approved changes to the luxury group's executive remuneration policy, with 63 percent voting in favour and 37 percent against proposals that could significantly increase the potential pay of ceo Joshua Schulman. Under the revised policy, Schulman could receive performance share awards worth up to 300 percent of his salary, taking his maximum remuneration package to £12.24m if demanding performance targets are achieved and Burberry's share price rises by 50 percent. The proposals were opposed by proxy advisers Institutional Shareholder Services and Glass Lewis, prompting a sizeable shareholder rebellion.

Rising executive pay widens pay gap in Ireland

The Irish Times last month argued that rising executive remuneration is widening the gap between company leaders and employees, with average chief executive pay at Ireland's listed companies increasing by 9.6 percent to €4.79m (£4.14m) in 2025. In some cases, executives earned more than 300 times the average employee salary, with only the heads of AIB and PTSB receiving less than €1m (£865,000). Many of the largest awards were driven by share-based incentives linked to rising share prices, reflecting a broader trend seen internationally. In the US, average chief executive pay among S&P 500 companies reached $17.9m (£13.3m). Remuneration committees, the newspaper said, have helped sustain pay levels that are increasingly detached from the wider workforce; suggesting that the disparity strengthens the case for higher taxes on wealth to redistribute some of the gains from rapidly increasing executive rewards. However, Ireland's tax system already reduces inequality in disposable income despite significant disparities in gross earnings.

HIGH PAY NEWS *more*

Britain's biggest bosses earn 130 times average worker pay

Median pay for FTSE 100 ceos reached a record £5.06m in the last financial year, widening the gap with the average full-time UK worker to 130 times, according to recent data from the High Pay Centre. Executive pay increased 8.6 percent from £4.66m the previous year, while average full-time employee earnings stood at £39,000. The research found that bonuses and long-term incentives continued to drive higher remuneration, with average long-term incentive payments rising 20 percent to £2.7m. The think tank warned that executive pay has risen faster than worker wages for four consecutive years and called for reforms to corporate governance, including greater employee representation on boards and measures to address excessive remuneration. The figures have renewed debate over whether the benefits of corporate growth are being shared fairly between executives, employees and shareholders.

Australian executive pay reaches new highs

Research by the Australian Council of Superannuation Investors found that Life360 executive chairman Chris Hulls was the highest-paid executive among Australian-listed companies in the 2025 financial year, receiving almost A$48m (£23.3m), equivalent to nearly 500 times the average full-time wage. Average realised pay for an ASX100 ceo rose to A$6m (£2.9m), around 55 times average earnings, while five of the 10 highest-paid executives led US-based companies listed in Australia. The report measures realised pay, including salary, bonuses and vested equity awards, meaning one-off share gains can significantly inflate annual remuneration.

The study found ASX100 chief executives were more likely to lose their jobs than forgo annual bonuses, with only five eligible executives receiving no bonus despite ten ceos leaving their roles during the year. Investor groups argued remuneration should remain closely aligned with long-term performance, warning that annual bonuses risk becoming an entitlement rather than a reward for delivering shareholder value.

Businesses should start succession planning early

A survey of businesses in Northern Ireland found that 76 percent of respondents in Mid Ulster had considered succession planning. This is well above the Northern Ireland average of 67 percent and the highest proportion among the larger council areas surveyed.

However, according to the *Belfast Newsletter*, the research highlights that there is still work to do. Only eight percent of businesses have a formal written succession plan in place, suggesting that many business owners are thinking about the future but have yet to plan.

Karen Maguire, who chairs Employee Ownership Ireland, said "Mid Ulster has a strong entrepreneurial tradition, with many successful family-owned and indigenous businesses contributing to the local economy.

"Succession planning is about protecting everything that has been built over many years. Starting early gives business owners the time to explore all of the options available to them, including employee ownership where it fits. It also helps safeguard businesses, protect jobs and retain valuable skills within the local economy."



EO Employees rewarded with four percent bonus

Employee-owned wholesaler Parfetts has awarded employees the maximum annual sales bonus of four percent after reporting record turnover of £807m, up 10.6 percent year on year. The payment marks the second consecutive year in which staff have received the maximum sales bonus and forms part of the company's employee ownership model, alongside an annual profit share. Rather than distributing profits to external shareholders, Parfetts said it reinvests earnings into the business and its workforce. The company has more than doubled sales over the past six years and is nearing 2,000 'symbol' stores including its Go Local, Go Local Extra, The Local and Shop and Go brands. Joint managing director Guy Swindell said employee ownership enables the business to prioritise investment in staff, depots, technology and its retail proposition as well as rewarding employees for the company's performance. Joint managing director Noel Robinson said the result demonstrated the strength of the ownership model despite continued cost pressures across the wholesale sector. Recent investment, including the expansion of its Southampton depot, own-brand development and technology, positions Parfetts to achieve its target of becoming a £1bn business within the next three years.

EOT round-up

- Sustainable building material supplier Celtic Sustainables, and 'sister' stormwater treatment venture 3P Technik UK form Celtic House group of companies

- Electrical firm Abbey Group Services
- Heating & cooling specialist ABI Facilities Engineering
- Global strategy and design studio Dalziel & Pow
- Communications agency Eulogy
- Power-assisted exercise equipment manufacturer Innerva
- Letting agent Jigsaw
- Agricultural property business Kivells
- Ophthalmic lens manufacturer Optimum RX Lens Specialists
- Automotive sector tool supplier The Tool Connection