EsopCentre

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it's our business

newspad of the Employee Share Ownership Centre

Z/Yen Group Limited t/a The ESOP Centre

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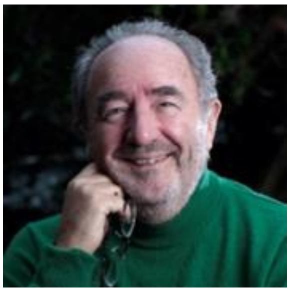
WELCOME

In this issue



From the life president

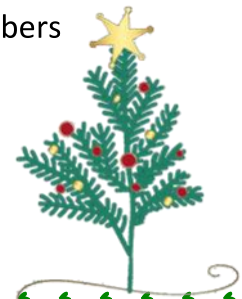
For someone born in Southport, only one event can stand out in a hectic year. There have been Royal and prime ministerial visits but let's hope for a lasting memorial - by designating the town a Royal Borough.

On our own patch the case for employee ownership has been proven more and more worldwide but the UK is currently a laggard. The new government hasn't made up its mind, perhaps hasn't paid it yet much attention. At least the Prime Minister has met BlackRock, so there is hope for 2025.

Of course, employee ownership only works effectively if it is led from the top. Formulaic is not enough. I look for inspiring examples in the entries for our awards. Let's hear from you.

Malcolm Hurlston CBE

Seasons Greetings: All at the Centre – president Malcolm Hurlston CBE; chairman Robert Pay; Z/Yen chairman Michael Mainelli and Juliet Wigzell wish members and friends the best of health and happiness in 2025.



A very joyful New Year to you all

Centre thoughts on proposed changes to BADR & EMI

The UK's 2024 Autumn Budget introduced changes to Business Asset Disposal Relief which have implications for the Enterprise Management Incentives (EMI) scheme.

First, the relief continues to allow people who qualify to pay a reduced 10 percent cgt on the sale of certain business assets, including shares, up to April 5 2025. The lifetime limit will stay at £1m but the rate will gradually increase. It will stay at 10 percent for the rest of this 2024/2025 tax year, rising to 14 percent for the next tax year and then to 18 percent from the 2026/2027 tax year.

There is a risk that changes to cgt could significantly impact the position by reducing the annual exempt amount or by increasing cgt rates to align with income tax rates. Such changes would reduce the tax efficiency for employee shareholders as well as business owners, with to higher cgt on disposal.

A Treasury official has confirmed that there will be no carve-out for EMI, but that employee participants in EMI schemes will retain preferential access to the relief at the same rate as other users.

Employee share ownership is an important tool for both economic growth and productivity aims shared by the government. Accordingly, the Centre's submission to the Treasury recommends that any change in capital gains tax or other taxes should be rebalanced to make sure that it did not adversely impact the benefits for employees.

Employee Ownership: more to do

Employee ownership and Esops have made progress but face barriers to wider adoption.

Corey Rosen of NCEO and Mary Josephs highlight their benefits, such as higher employee satisfaction, job stability, and wealth creation:

they double employee retirement savings compared to traditional plans. Yet, growth is slow. Only 240 Esops are created annually in the US, mainly owing to a lack of awareness or misguidance from advisers.

Despite this, there are promising developments.

States like Washington and Colorado support EO with targeted programmes, and initiatives like the federal Work Act of 2022 could expand such efforts if properly funded. Additionally, Esop companies are increasingly acquiring others, driving growth faster than forming new plans. Nonprofits like Ownership Works are exploring ways to broaden EO's reach, offering hope for addressing wealth inequality and enhancing job quality. As Josephs of Forbes suggests, the coming years could see a surge in Esops if awareness and support increase.

Esop Sofa 2024 Review – Budget & PISCES

On Wednesday **December 18** 2024 at 11:00 - 11:45 GMT, in our Esop Sofa 2024 end of year round-up, the Centre's panel of employee share scheme experts will look at the impact of October's Budget and PISCES (Private Intermittent Securities and Capital Exchange System).

Suzannah Crookes, of Tapestry Compliance, will discuss the Budget's impact on employee share ownership in general. Esop barrister David Pett of Temple Tax Chambers will examine the announced reforms to Employee Ownership Trusts and CORPGRO founder Damian Carnell will guide us through the progress of PISCES following announcements in the Chancellor's Mansion House speech.

Chairing the panel, Darren Smith of Global Shares (JP Morgan), will be asking for their predictions for the year ahead, too. There will be ample opportunity to put your questions and comments to the panel. Register now to join.

Report – Esops and trustees conference Guernsey

Friday November 8 marked the Esop Centre's first visit to the Channel Islands since we met at the Old Government House Hotel St Peter Port in January 2023. It was also the first to be chaired by Robert Pay who stepped into Professor Michael Mainelli's shoes as chairman of the Centre, while Professor Mainelli was Lord Mayor of the City of London.

The first concern of the conference was the suggestion from the UK government that the employee ownership trust should be limited to UK trustees. In his founder's message, **Malcolm Hurlston** said, *"The use of the disrespectful term 'offshore' in a government announcement tells you all you need to know. Our expert speakers will share their reactions and suggestions for action. But it is time UK governments of all stripes recognised the value of the expertise in Guernsey and Jersey, their historic contribution and their superior jurisprudence."*

The morning's first presentation came from **David Pett**, the leading employee ownership barrister. David, of Temple Tax Chambers, updated the audience on current UK legal and tax issues. His talk covered disguised remuneration; Employment/hypothetical employment (IR35); what is and isn't regarded as "ordinary share capital"; the "independence requirement" for EMI share options; EMI share options; HMRC guidance on CT relief for payments made in settlement of share option rights; the impact of the UK Autumn Budget on SIPs and EOTs, including changes to the EOT regime, and employee benefit trusts.

David pointed out that, while the recent budget mandates that the body of trustees must be UK resident at the time of any transfer, the inclusion among a body of trustees, of one non-resident services provider is permitted. It should therefore not impact Guernsey-based vehicles.

After David, tax expert **Paul Malin**, who runs his own consultancy, PMC, looked at how HMRC uses AI in tax investigations. He compared how HMRC would build a case in the past with how it now builds cases using AI.

Report: Esops and trustees conference...

He pointed out that for taxpayers, AI brings unexpected contact from HMRC, delays in progressing cases, and increased uncertainty resulting in increased stress levels. He illustrated his talk with case studies and covered where HMRC gets its information from; how much information on taxpayers is held; and what could go wrong.

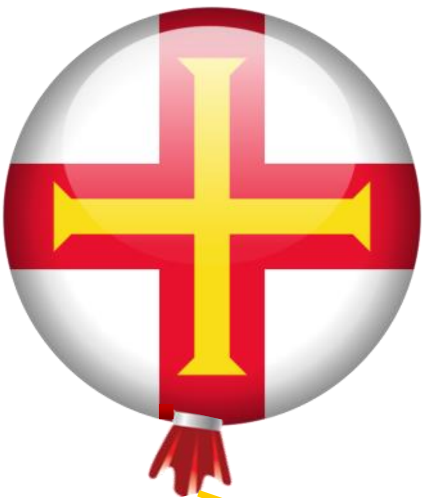
An assessment of the Employee Ownership Trust, 10 years on, followed. CMS partner **Jaspal Pachu** traced its development and gauged its health and prospects in 2025. He set the scene with a brief history of the EOT, explained the structure of the scheme including after sale and liquidity events. He concluded with an in depth look at the effects of the Budget on EOTs.

The Centre and STEP Guernsey event welcomed for the first time **Cees Vermaas**, ceo of The International Stock Exchange (TISE), who briefed the audience on liquidity events for share schemes. He outlined the shrinkage of the numbers in publicly quoted companies in the UK and the need for debt and equity market services for private companies and their investors as the reason for developing TISE's private markets service; electronic share trading, settlement, and registry solutions for private companies, funds, tokenised assets and employee share schemes. Cees shared interesting case studies.

The final presentation of the morning was from employee share schemes expert **David Craddock**. His technically focused talk detailed the criteria for valuing shares. He explained the meaning of market value through statute and case law; the application of different valuation methodologies to SMEs; and led the conference through seven detailed case studies. These illustrated the earnings basis for whole company value; the assets basis for whole company value; the share trading assets basis for the minority interest price where there is significant intellectual property; the growth shares model using a reclassification linked to a value freeze; the growth shares model using a discounted profit flow analysis; the emergence of a special purchaser in the market to influence value; and the distinction between equity value and enterprise value.

To round off the conference, a lively **panel session**, chaired by Robert Pay, discussed the implications of the budget and aspects of valuation. Members of the audience also shared their views on the trends in the usage of Guernsey-based vehicles.

Delegates praised the range of topics and engaging speakers and thanked the Centre and speakers "*for an incredibly informative conference*."



Annual all-employee share plan awards

Now is the time to send submissions for the 2024 *newspad* all-employee share plan awards.

The awards recognise the achievements of companies which offer employee share plans and hold up best practice models for other companies to follow.

If your company or client made a notable contribution to employee share ownership, issued an inspirational share plan, or showed excellence in its communication and presentation; been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or maybe its chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership, then why not tell the world about it?

Companies can nominate themselves and advisers can make submissions on behalf of clients. Entrants can apply for awards in more than one category. Submitting nominations is free and simple. Required information kept to a minimum. Clarity matters more than length. The deadline for all nominations **is 17:00 on Tuesday December 17 2024**.

The awards present an opportunity to celebrate your company or clients' achievements.

The award categories this year are:

1. **Best all-employee share plan**
2. **Best share plan communications**
3. **Best use of technology, AI or behavioural science**
4. **Best share plan response to significant changes or challenging situations**

Category descriptions and rules of entry can be viewed on the Awards 2024 webpage.

Application process

To submit an application for the newspad all-employee share plan awards, please complete both of the following stages:

⇒ **Online application form** - complete all sections of the online form, providing as much detail as possible. (Alternatively, entries can be made by one or two explanatory documents)

⇒ **Supporting documentation** - where appropriate, please back up your application with supporting documentation. Either upload the files at the end of the form, or email them to: esop@esopcentre.com.

The winners will be decided by two impartial judges, experts in the use of employee equities, plus Malcolm Hurlston CBE, founder of the Esop Centre. **The finalists will be announced in *newspad* and award certificates will be presented during the Centre's Employee Share Plans Symposium 2025.**

If you have any questions, please contact us at esop@esopcentre.com or call +44 (0)20 7562 0586.

Employee Ownership Trusts vs Capital Gains Tax

The Chancellor's Autumn Budget announcement last month included a raft of reforms to EOTs that are set to make the rules more robust and protect their role. This comes as increases to cgt make EOTs a more attractive option for SME owners looking to sell their companies.

The new cgt changes raise the headline rates to 24 percent for the higher rate and 18 percent for the lower rate. While not as high as some had expected, these tax changes could tip the balance in favour of EOTs over alternative exit options. This is because, although financially the EO route is often considered to have a lower monetary gain for those exiting, the new tax changes could level the playing field. However, the reforms to EOTs are more prescriptive and robust than ever before, meaning those considering this route will need to ensure they implement good financial hygiene and business practices to take full advantage. These include new obligations on trustees to ensure the EOT does not pay more than market value for shares, as well as greater transparency requirements around disclosing employee numbers and funds received. With over two-thirds of SMEs intending to sell or divest their shareholding over the next 10 years, *Business Reporter* concludes that the changes further strengthen EOTs as a viable alternative succession option.

Average UK salary by age in 2024

According to the latest government data, the mean average UK weekly wage stood at £696 in the three months to September 2024, translating to an annual pre-tax salary of around £36,000. This marks a strong rebound, with wage growth running at 4.8 percent over the period, significantly outpacing the 1.7 percent inflation rate.

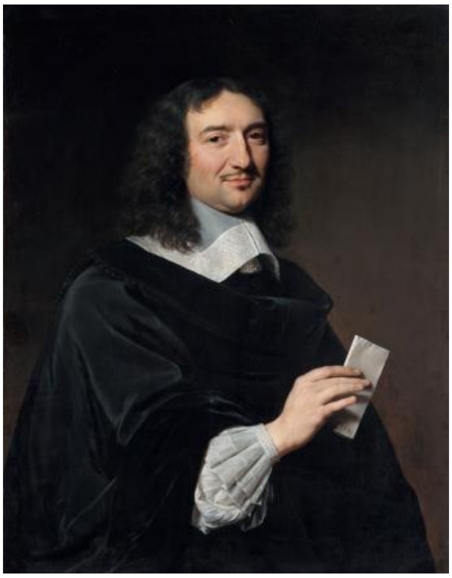
However, the data reveals stark disparities in earnings across different age groups. At the lower end, workers aged 18-21 earn a median weekly wage of just £470, or £24,440 annually. This compares to £823 per week, or £42,796 per year, for those aged 40-49 - the highest earning cohort. The gap widens further for those in their 30s and 40s, where median full-time pay is around 25 percent more than for under-30s. Earnings then start to decline after age 50, potentially due to factors like early retirement and reduced work hours.

The gender pay gap also remains an issue, with men earning more than women in every age group for full-time roles. The differential is particularly pronounced for higher earners, with men aged 50-59 taking home a median salary of £43,940, compared to £40,456 for women of the same age. Location is another key factor, with London offering the highest wages across the board. Overall, the data underscores the importance of skills development, experience and career progression in driving higher salaries over the course of one's working life

The case against Colbertism

In an article for the *Institute of Economic Affairs* blog, editorial and research fellow and friend of the Centre, Prof Len Shackleton wrote "Jean-Baptiste Colbert may have been an energetic and resourceful finance minister, but I'm not a fan of the over-regulated dirigisme which was his continuing legacy to France – and nor do I approve of his cynicism towards taxpayers."

The real incidence of taxation is consistently hidden from the public. The average household pays over £30,000 a year in tax of one form or another, although it is unevenly spread: the median is lower. But few are fully aware of this. Those of us on PAYE, by studying our payslips closely, can work out what we pay in income tax – but that is only just over a quarter of total government revenue. Even then we have little idea of our marginal tax rate – what we would pay if we got a raise. Sometimes the reality can come as a big shock – loss of child benefits and personal allowances as incomes rise can lead to effective marginal tax rates of 60 percent or more. Nor do most of us grasp that failure to uprate personal allowances and tax bands for inflation means that even when our salary just ticks over with rising prices, we will pay more in tax.



By Philippe de Champaigne - Metropolitan Museum of Art, online collection (The Met object ID 435886), Public Domain, https://commons.wikimedia.org/w/index.php?curid=1353933

We can also observe from payslips what we pay in NICs, though again we usually have no idea about how pay increases impact employee NICs – and many of us remain under the impression that this form of tax is paying for our future pensions, when it is just going into general state coffers.

Bear in mind that about a third of all adults don't pay income tax at all. Some may pay Council Tax and be aware of this element of the tax system, but in the bigger picture this tax is trivial: it raises less than half of one percent of total government revenue.

The incidence of around 60 percent of all taxes – for instance VAT, excise duties, business rates and corporation tax – is completely hidden from us. Where an increase in these opaque taxes hits us, we may wrongly blame it on those nasty price-gouging supermarkets or brewers rather than on the government. We get easily side-tracked into irrelevancies about how much Tesco's ceo, or train drivers, or MPs are paid.

Ultimate Products boosts employee share ownership

Ultimate Products, which owns homeware brands, has announced that its Employee Benefit Trust has acquired 3,948 ordinary shares to support its share incentive schemes. This purchase brings the trust's holdings to 2.91 percent of the company's total share capital. Such a strategic move could interest investors looking at stock-based employee benefits.

COMPANIES - EO NEWS

New podcast series explores the power of EO in Northern Ireland

Northern Ireland World notified readers last month of a new five-part podcast series on the Public Eye podcast, which is shining a spotlight on employee ownership, which is gaining momentum in Northern Ireland.

Produced by Granite Podcast Studios at the Granite Exchange in Newry and hosted by broadcaster Sarah Travers, this series shares firsthand experiences from business leaders, employees and experts.

With contributions from Connor Murphy, Minister for the Economy, the series highlights how employee ownership can transform businesses, create empowered workforces and contribute to economic resilience. Each episode features stories from businesses which have successfully transitioned, offering practical insights and experiences. “This series captures the excitement and opportunity of employee ownership,” said Catherine Muldoon, of DLD Fund.

Among the contributors are Aidan O’Neill, founder of DLD Fund, and Andrew Harrison from Co-ownership Solutions

The series reflects the growing interest in employee ownership in Northern Ireland, where businesses are increasingly seeing it as a way to secure their future, enhance collaboration and retain talent.

The first episode is available now on major podcast platforms and podbean.com

EOT round-up

- Healthcare recruitment agency Athona
- Creative communications agency Brandnation
- IT security and cloud services provider Cambridge Support
- Recruitment firm Challenge-trg Group
- Manufacturer of PCB assemblies Cope Technology
- Decorations supplier The Corporate Christmas Tree Company
- Lettings agency Dafydd Hardy
- Bus operator Eastern Transport Holdings
- Bilingual executive search firm Goodson Thomas
- Sustainable building and engineering consultancy Greengauge
- Engineering asset management company EPM Solutions
- Recruitment company Hoop Recruitment
- Yarn manufacturer Laxtons Specialist Yarns
- Boutique legal recruitment agency Montresor Legal Recruitment
- Law firm Myerson Solicitors
- Steel fabricator Nusteel Structure Ltd
- Warm water underfloor heating supplier Optimum Underfloor Heating Ltd
- Temporary power solutions Power Electrics
- Specialist hi-fi brand Rega
- Cruise retailer ROL Cruise
- Materials handling equipment company Rollstore
- IT company Transcendit

Europe

Study: How central European countries are supporting Esops

Centre member Deloitte has published an updated comparative overview of Esop regimes in 16 central European countries. Its analysis shows that, in most of the countries, the viability of employee stock ownership plans depends on its legal and tax treatment.

That finding won't be surprising to anyone familiar with central Europe. It was never (just) about share distribution particularities but because founders weren't even motivated to try. How could they be, seeing how complicated Esop implementation is – and in many jurisdictions, not sustainable at all.

The awareness of Esop benefits, however – never dwindled because of that. The fact that it's hard for a startup, with limited funds, to employ and retain top talent was not going away. Incentivising employees and collaborators with stock option plans is still a key to being able to build the future…and we can see from around the globe that other jurisdictions found ways.

Some countries such as Austria are already streets ahead. But most others are still working to create a favourable tax regime or, in many cases, a bespoke corporate law regime. However, it is promising that this incentive is considered a key legislative priority in several regional countries.

France

LVMH international employee share ownership plan

In difficult times for luxury brands, LVMH has launched 'LVMH Shares', an international employee shareholding plan aimed at 70 percent of its global workforce, to be deployed in 11 countries and regions in Europe, North America and Asia.

"Thanks to preferential subscription conditions, this plan is an opportunity to involve employees in the Group's development. It is also a mark of recognition for their daily work and commitment" its announcement explained.

The subscription price, set on October 18, was to be equal to the average opening price of the share on Euronext Paris over the 20 trading days preceding this decision, less a 20 percent discount. Employees eligible for the offer will benefit from a matching contribution.

The operation will concern a maximum number of 200,000 newly-issued shares. The subscription period ran from October 24 to November 13, with delivery scheduled for December 18.

France

Success of Capgemini’s 11th Esop

On November 27, Aiman Ezzat, ceo of Capgemini announced: “With more than 55,000 employees from 32 countries participating this year, the success of our eleventh share ownership plan confirms the trust that our team members have in the Group’s strategy and ambition. This annual employee shareholder plan is a key tool to make sure they are associated with the benefits of the value we create together.”

The plan was subscribed to by more than 55,000 employees (above last year) in the 32 participating countries. This capital increase represents 1.6 percent of the Group’s issued share capital and will contribute to maintaining Capgemini’s employee share ownership at year end at around eight percent of the capital.

In accordance with the terms of the employee share ownership plan published on September 11 2024, 2,700,000 new shares were subscribed at a unit price of 153.66 euros corresponding to 87.5 percent of the reference price of €175.61 (average over the 20 trading days prior to November 7 2024). The corresponding capital increase of €415m is scheduled for December 19 2024.

This employee shareholding plan will be carried out without shareholder dilution. As part of the share buybacks announced on October 8 2024 for this purpose, Capgemini bought back 2,700,000 shares fully allocated to the cancellation objective, at an average price of €175.68 per share for a total amount of €474m.

Thales launches 2024 Esop

Last month, Thales announced the launch of its 2024 employee share ownership plan. The offer, subscription to which ran from November 4 to 24 is available to Thales employees in 36 countries who are participants in the group savings plan and have at least three months of seniority as of November 24 2024, as well as to the company’s retirees.

The plan offers a 20 percent discount on the Thales share price, along with a 50 percent matching contribution on personal investment up to a maximum of €500, funded by the company.

The objective of this plan is to strengthen the bond between Thales and its employees. This share offer is available to employees in France, South Africa, Germany, Saudi Arabia, Australia, Belgium, Brazil, Canada, China, Colombia, Denmark, Egypt, United Arab Emirates, Spain, the United States, Finland, Hong Kong, India, Israel, Italy, Japan, Luxembourg, Mexico, Norway, the Netherlands, the Philippines, Poland, Portugal, Qatar, Czech Republic, Romania, Singapore, Sweden, Switzerland, and Turkey who are eligible and participate in the Group Savings Plan. In the United Kingdom, Thales shares will be offered through a Share Incentive Plan.

Italy

Success for Fincantieri’s Esop

The membership campaign for shipbuilder Fincantieri's first widespread shareholding and co-investment plan ended successfully, with strong participation by employees in Italy, Norway and the United States. The initiative, approved at the last shareholders' meeting, is consistent with the company's desire to strengthen the sense of belonging to the Group, making all staff protagonists in achieving the objectives of the 2023-2027 strategic plan to create sustainable value. Through this programme, Fincantieri employees can invest in shares on a voluntary basis and at advantageous conditions, encouraging active participation in company growth.

The plan recorded an overall participation rate of 22 percent among employees in the countries involved. In Italy, it stood out for its participation of 97 percent among executives and 69 percent among middle managers, demonstrating the high level of participation of the extended management towards a innovative tool for Fincantieri and its first cycle. The success figure compares well with similar plans launched recently with similar tools in comparable sectors. As a further incentive, it is expected that in 2025 plan participants will receive an additional package of shares.

Luciano Sale, human resources and real estate director of Fincantieri, said: “Our staff are the backbone of Fincantieri's future. The broad participation, in particular of management, in this share ownership plan confirms the harmony and trust of the employees in the direction taken by the company and their desire to be an integral part of the results that await us. This membership highlights how employees share our values of sustainable growth and innovation."

Fiera Milano launches Esop

Trade fair and exhibition organiser Fiera Milano has approved a new remuneration policy and a broad-based share ownership plan aimed at enhancing employee engagement and aligning their interests with corporate goals. The 2024-2027 Widespread Share Ownership Plan will offer free shares to permanent employees who meet certain performance criteria. This initiative reflects Fiera Milano’s commitment to fostering a sense of belonging and promoting sustainable value creation.

By Mig240695 - Own work, CC BY-SA 4.0, https://commons.wikimedia.org/w/index.php?curid=41297062

South Africa

The rise of Esops in SA

According to *Bizcommunity*, employee share ownership policies in the current labour environment are far more than a passing trend; they are a transformative tool that simultaneously impacts several areas of a business: from strengthening company culture and promoting Broad-Based Black Economic Empowerment, to enhancing recruitment and employee engagement, increasing financial inclusion and aligning employees and shareholder interests. Esops, if structured and managed appropriately, could be a win-win for all parties involved.

The adoption of Esops has surged in recent years, impacting over 211,000 employees since 2019, including historically disadvantaged persons. According to the Department of Trade, Industry and Competition, beneficiaries have received dividend payments totalling approximately R3.3bn through Esops, with around 98 Esops established and 27 in process since 2023.

Aside from Esops offering employees the opportunity to acquire shares or a similar ownership interest in the business they work for, they also feature quite strongly in merger conditions imposed by the Competition Commission, solidified with the publication of the public interest guidelines relating to merger control in March 2024.

The main types of plan available in South Africa are: Restricted share scheme; Share purchase plan; Option scheme; and Phantom scheme. In addition to the chosen type, Esops either fall into a direct or indirect ownership bucket, which flows into the participation model and ownership structure.

An area where Esops play an important role in South Africa is in respect of the Broad-Based Black Empowerment Act as esops have real consequences on ownership scores where schemes are implemented for this specific purpose. An esop must have specific minimum qualification criteria that need to be met to qualify.

The amendment to Section 12A of the Competition Act in 2019, which introduced additional public interest considerations designed to facilitate the spread of ownership by workers and the disadvantaged in the South African economy, has led to a notable increase in the adoption and implementation of esops and there is a specific focus on ensuring they are not diluted by mergers.

The Competition Commission's Public Interest Guidelines, published in mid-2024, clarify that any proposed esop must compensate for ownership dilution. Although, in practice, the approach tends to be more nuanced, Esops are routinely endorsed by the Commission as an effective remedy.

South Africa

Lesaka gets green light to launch esop

Lesaka Technologies shareholders voted on and approved the funding and issuance of shares to the Lesaka Esop Trust at its annual general meeting.

Lincoln Mali, ceo Southern Africa, said "We are very proud of the launch of our broad-based employee share ownership plan. Lesaka has been on a far-reaching transformation journey and our employees becoming shareholders is a significant and important milestone for us."

The Lesaka Employee Share Ownership Plan is designed to create alignment with the Company's long-term growth objectives. The Lesaka Esop Trust will hold an effective three percent of issued shares at the date of implementation, representing approximately R215m at the current market price. This allocation of shares ensures that employees have a meaningful stake in Lesaka's future financial success and gives them the opportunity to share in the value created by the company.

"One of the distinctive aspects of the Lesaka Esop is our commitment to shared ownership with a broad range of our employees. At inception, all qualifying employees, regardless of seniority, salary, race, or gender, will receive equal benefits from the plan. We believe that this approach will ensure that our employees, from entry-level to management, have a meaningful opportunity to benefit from the Company's growth and success in line with our values. Group executives and senior leadership will not participate in the plan," added Mr Mali.

Taiwan

M31 partners with Taiwan Cooperative Bank to launch esop

M31 Technology, a global silicon IP developer, has partnered with Taiwan Cooperative Bank to launch an employee stock ownership trust programme. The initiative allows M31 employees to buy company shares regularly through a trust mechanism, with the firm providing generous matching contributions. The goal is to strengthen employee loyalty and enable staff to share in the company's growth.

M31 emphasised the importance of retaining key talent, especially in its advanced semiconductor R&D efforts. The employee stock ownership trust aims to help staff build long-term wealth and embody the spirit of shared success. By collaborating with Taiwan Cooperative Bank's trust expertise, M31 is empowering its employees to become company shareholders and drive the firm's continued progress.

India

StockGro completes second Esop buyout worth $2 million

StockGro, a Bengaluru-based investment education and trading simulation platform, has conducted two Employee Stock Option Plan buyouts between 2023 and 2024, benefiting its employees with significant financial rewards.

The fintech startup distributed over $2m to eligible employees during these buyouts, with nearly 40 percent choosing to retain their vested shares.

USA

NCEO releases 2024 Employee Ownership 100 List

The National Center for Employee Ownership has released its 2024 Employee Ownership 100 list, highlighting the largest broad-based employee-owned companies in the US. The list includes primarily Esop-owned firms, with one cooperative, that are at least 50 percent employee-owned, and most are 100 percent employee-owned.

Collectively, these companies cover over 655,000 employees.

The list is dominated by large grocery and supermarket chains, but also features a diverse range of industries including healthcare, hospitality, and automotive. The top four are all supermarket chains, with the sole worker co-op, Co-operative Home Care at 67.

Despite not being required to report ownership percentages, the NCEO has compiled this data through detailed research by director Nancy Wietek, underscoring the growth and importance of broad-based employee ownership models. The latest Department od Labor data shows over $10bn in total Esop contributions, highlighting the tangible benefits these structures provide to both companies and workers.