
it's our business

newspad of the Employee Share Ownership Centre



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From the life president

It is highly likely that before the next edition of newspad, Andy Burnham will become Prime Minister of a new Labour government. It will be the first time Labour has been led in government by an advocate of employee share schemes, albeit alongside cooperative and municipal ownership.

We already have PISCES to which HMRC is giving a fair wind. The next question is who becomes Chancellor, instrumental in making things happen.

It is an opportunity not to be missed even if there are few budgets before the next election.

Malcolm Hurlston CBE



HMRC ESS stats released

Released on July 3, **HMRC's employee share scheme statistics for the tax year ending 2025** show a 4.7 percent fall, compared to 2024 figures, in total Income Tax and National Insurance contributions relief across the four tax-advantaged schemes, to an estimated £1.23bn. Share Incentive Plans became the largest contributor to tax relief, accounting for £470m and exceeding both EMI and SAYE. SAYE relief fell by 24 percent but remained high, most likely reflecting higher participation during the Covid-19 pandemic.

Figure 3: Total relievable gain or value on which relief is applied by scheme, tax year ending 2025

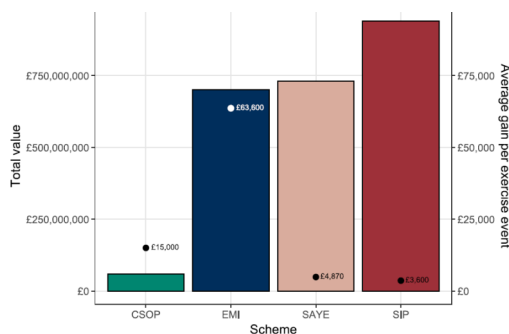


Figure 4: Number of companies with tax-advantaged ESS, tax year ending 2025

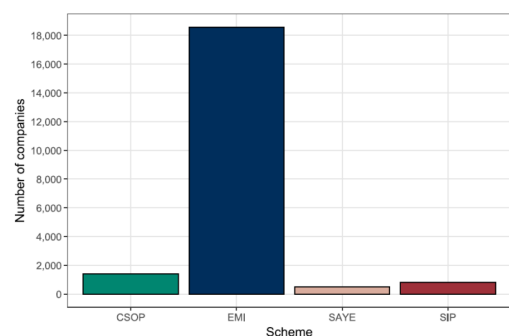


Figure 5: Total value of options granted (shares awarded for SIP) by tax-advantaged schemes, tax year ending 2025

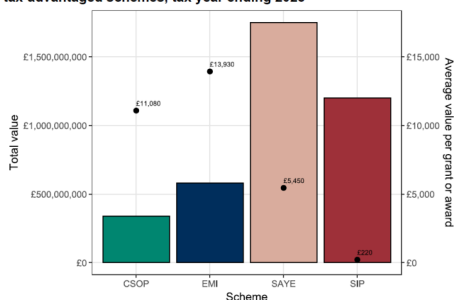


Figure 6: Number of employees exercising options by tax-advantaged scheme, tax year ending 2025

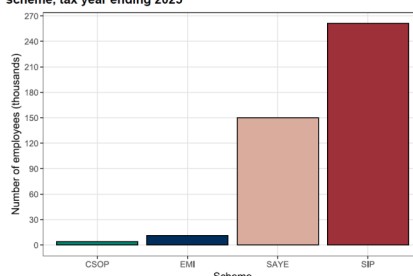


Figure 7: Number of companies granting options (awarding shares) and exercising, tax year ending 2025

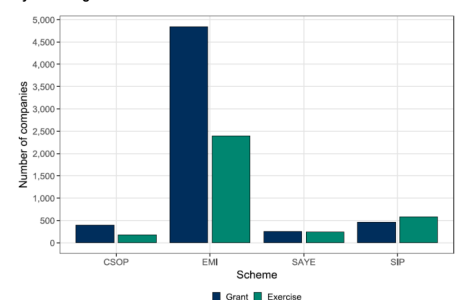


Figure 1: Total value of options granted, relievable gains on exercise and IT and NIC relief by scheme, tax year ending 2025

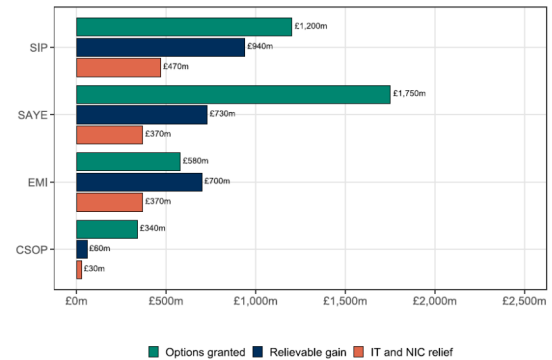
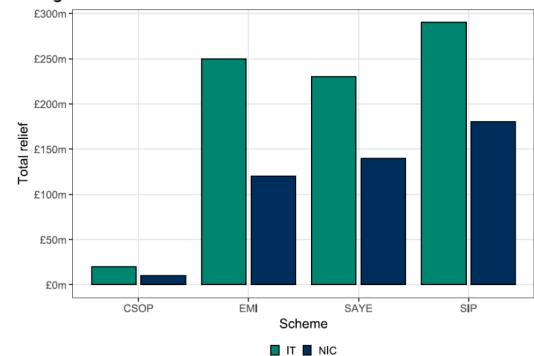


Figure 2: Estimated amount of IT and NIC relief by scheme, tax year ending 2025



SAYE continued to record the highest total value of options granted, at £1.75bn, although this was down 16.3 percent on 2024. Though its average option value per grant was much lower than EMI, the higher total value is driven by its larger participant base. CSOP grant values remained high following the increase in the scheme's option limit from £30,000 to £60,000.

Overall, 20,650 companies operated employee share schemes in 2025, up 1.4 percent on 2024, with EMI remaining dominant by company count: around 90 percent of companies with schemes operate EMI and most companies run only one tax-advantaged scheme. The number of companies where share options were exercised fell slightly to 3,390, with EMI exercises remaining far below EMI grants.



The untold 250-year history of employee ownership in the US

Last month, *Forbes* contributor Mary Josephs remarked that as the United States marks its 250th anniversary in 2026, employee ownership is also reaching a significant milestone, with roots stretching back to the colonial era. Its origins can be traced to Benjamin Franklin, whose eighteenth-century franchise model enabled apprentices and employees to become business owners. Over the following centuries, employee ownership evolved through a series of key developments, including federal recognition in 1849, the growth of worker co-operatives during the late nineteenth century, the emergence of employee share ownership schemes in the 1920s and the creation of stock bonus plans under the 1921 Internal Revenue Act. The modern Esop was developed in 1956 by Louis Kelso before becoming part of US federal law through the Employee Retirement Income Security Act (ERISA) in 1974, with later tax reforms and legislative changes helping to accelerate adoption.



Image by anthony-garand-7rehTDIfR8o-unsplash



Image by larry-alger-9NKBlul_m08-unsplash

Employee ownership has since become an established feature of the US economy and an increasingly important tool for business succession, retirement planning and employee wealth creation. Milestones over the past decade include the first US adopter – design firm WATG (Wimberly Allison Tong & Goo) - of Employee Ownership Trust in 2014, provisions supporting employee ownership in the SECURE 2.0 Act of 2022 and the creation of a dedicated Division of Employee Ownership within the Department of Labor in 2023. Today, an estimated 25 million Americans participate in some form of employee ownership, including around 11 million through Esops, reflecting the model's transformation from informal workplace arrangements into a federally supported ownership structure **with broad bipartisan backing**.



Unions secure high bonuses tied to AI profits

South Korean unions at Samsung Electronics have reached a major agreement after organising protests over capped bonuses and restricted stock awards.

BBC News reported that around 40,000 staff were **set to walk out on May 21**, but the action was suspended following a tentative **deal that gives workers 10.5 percent of the semiconductor division's operating profits**, as noted by *Tech Culture* magazine. With Samsung reporting Q1 profits of \$38.6bn driven by AI chip demand, some sections will receive average bonuses exceeding \$416,000 per head on top of base pay. The deal was influenced by rival SK Hynix offering far higher rewards, highlighting internal tensions within Samsung.

Centre member Damian Carnell commented: *"Deep rethinking of union role and impact is needed in the West. The old style protect jobs and demarcation rights aims are worthy - but now much outdated. More important by far is negotiating for employees participation in the huge rise in future profits which will be seen in many industries around the globe as the productivity impact of AI accelerated in upcoming years.*

"A big cash based profit share is welcome, but true and meaningful employee equity ownership is needed for workers to be co-owners of future wealth.

"Society worldwide has deep wealth and income inequalities. Inequality will rise steeply as AI and other technical developments generate huge amounts of new value. But equity compensation and employee share plans should be positioned to claim a just slice of the upside.

Union ambitions need to be both bold and novel. In a fast moving world of technology and AI not all jobs can be protected. Better to demand a soft landing for those displaced and a bright future for those re-tasked in new formats. Delivered through equity compensation.

Companies should welcome this - the deal must include re-framing jobs, re-tasking talent and smoothing the headcount cuts needed to create vast new shareholder value. Share plans are not just a cost, but a powerful value creation tool."

Centre member Ifty Nasir awarded OBE in King's Birthday Honours

Congratulations to Ifty Nasir, founder and ceo of Centre member Vestd, who has been appointed an **Officer of the Order of the British Empire** in the King's Birthday Honours, for services to Share Schemes and the Energy Sector.

Ifty said "I am deeply honoured and humbled... This recognition reflects the two passions that have shaped my career: contributing to the evolution of the energy sector in the UK and around the world, and **championing the power of ownership through equity inclusion.**"



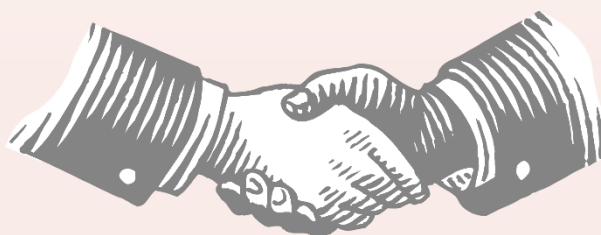
Ifty Nasir OBE, founder & ceo, Vestd.

BT Group and Verizon to form joint venture

In a July 29 press release, Centre member BT Group announced that it has agreed with Verizon to combine their respective international operations in a 50:50 joint venture, creating a new company focused on multinational connectivity.

Conditional on completion of the transaction, Martijn Blanken is appointed ceo designate of the joint venture, which will serve more than 3,000 customers in more than 180 countries, with approximately \$4bn in combined annual revenue.

The new joint venture will be incorporated in the Bailiwick of Jersey and headquartered and tax resident in the United Kingdom. The transaction is expected to complete in 2027, subject to **regulatory clearances and other customary closing conditions.**





CANADA

Budget law cements permanent CGT exemption for EOTs

A Canadian budget bill that became law on June 18 2026 has permanently cemented the capital gains exemption for business owners selling their companies to employee ownership trusts or worker co-operatives. Bill C-30, or the *Spring Economic Update 2026 Implementation Act*, was sponsored by the Minister of Finance and National Revenue, received royal assent after passing swiftly through Parliament, and now forms Statutes of Canada 2026, chapter 22. This headline change provides greater certainty for advisers and business owners engaged in succession planning.

Beyond the employee ownership measure, the legislation reduces Canada Pension Plan contribution rates starting in 2027 to 4.75 percent for employees and employers and 9.5 percent for the self-employed, along with provisions for home buyers, labour mobility, excise duties on transport fuel and alcohol. In total, the legislation amends around a dozen federal statutes, ranging from the Income **Tax Act to the Pest Control Products Act**.

DENMARK

New share rules make employee co-ownership easier

Share law is being adjusted to make it easier for employees to become co-owners of the company they work for. According to the Ministry of Taxation and Growth, small and medium-sized enterprises were to **find it easier to offer employee shares from July 1**.



Image by CatsWithGlasses from Pixabay



FRANCE



Worldline launches *Asteria 2026* in 28 countries

The 'Asteria 2026' plan is being offered to all employees of payment processor Worldline group, subject to obtaining the necessary authorisations from local authorities, according to *Idéal Investisseur*. Capital sharing offer is part of an initiative to **recognise the contribution of employees to the overall performance of the group** and involve them in the long-term strategy. The plan complies with the framework of *Article L. 225-138-1* of the French Commercial Code and *Article L. 3332-18* of the French Labour Code.

The subscription price for the shares was set at €10.10 on June 12 2026, corresponding to 80 percent of the reference price established from the average of the opening prices of the previous 20 stock market sessions, which was €12.62. The 20 percent discount reflects the reduction applied under the employee savings scheme.

Decathlon boosts employee share ownership scheme

According to *Drapers* magazine, since 1987, Decathlon's family shareholders have maintained its commitment to sharing the French sports retail giant's success by enabling its employees, also known as "teammates", to become shareholders.

Since then, more than 56,000 employees worldwide have become shareholders in Decathlon, representing 54 percent of the group's workforce.

As part of the new grant, which has been dubbed The Decathlon Seed project, *teammates* will be able to become partners, co-owners and contributors to the company's growth; with each eligible staff member receiving an allocation that vests after three years. During this period, the value of the allocation will evolve in line with the company's collective performance.

Julien Leclercq, chairman of Decathlon, said: "Employee share ownership has been part of Decathlon's DNA for decades. Today, we are taking a new step forward in our value-sharing policy. By giving our teammates the opportunity to participate more directly in the future value creation of the company, we are choosing to build a sustainable project together, **founded on trust, commitment and collective success.**"



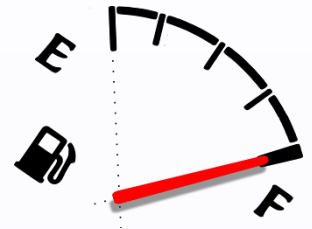


FRANCE

The invisible stake: how employee ownership steers TotalEnergies' future

TotalEnergies announced on June 26, the successful completion of its annual employee share offering, a transaction that injected €310.5m into the company's coffers. While the numbers are significant—59,366 employees in 97 countries subscribing for 5.5 million new shares, the real story is about the construction of a vast, invisible network of aligned interests at a moment when the global energy system faces its most profound transformation in a century. TotalEnergies sees this as not just a financial programme but a referendum on the company's future, with employees as voters.

For the tenth consecutive year, the French energy major has extended this offer, creating one of the most significant employee shareholder blocs in Europe. The terms are designed to be compelling: a 20 percent discount on the share price, set at €62.00, and immediate dividend rights. The result is a participation rate of over 50 percent of eligible staff, a figure that speaks volumes in an industry grappling with public perception and talent retention challenges. As chairman and ceo Patrick Pouyanné stated, "Employee share ownership is the best way to associate employees with the economic performance of the company, strengthen their sense of belonging and **align the interests of employees and shareholders.**"



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USA

Four thousand Esop millionaires from SpaceX

More than **4,000 current and former employees** of SpaceX now have more than a million dollars in shares, with over 400 enjoying more than \$100m, after the company went public.

SpaceX offered many several forms of equity reward, including an Employee Stock Purchase Plan, through which employees can buy shares at a discount using payroll deductions.

The employee-held shares are subject to a number of conditions over the 180 days after the IPO. After the 180 days, the shares can be freely sold. In addition a friends and family programme allows not only employees but also family and friends to buy at the IPO price and sell at any time after, with no lock-up period.

Thanks partly to the IPO, Elon Musk is now the world's first trillionaire.

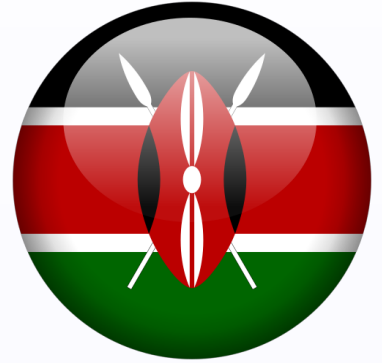




KENYA

Car & General ends Esop with immediate effect

According to a story by Janeffer Katifa in the *Kenya Times*, shareholders of Car & General (Kenya) have approved the termination of the company's Employee Share Ownership Plan, paving the way for the immediate dissolution of the scheme, subject to regulatory approval. Shareholders overwhelmingly backed the proposal, with 62,890,585 votes cast in favour, while only **four votes were recorded against it**.



NIGERIA

MTN buys over 1.23 million shares for employees

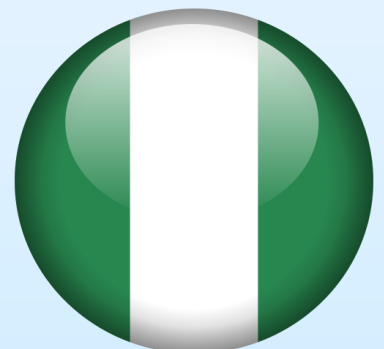
MTN Nigeria Communications has disclosed a significant insider equity transaction. Its corporate employee share acquisition vehicle bought over 1.23 million ordinary shares on the floor of the Nigerian Exchange, according to Nigerian newspaper *Punch*.

The transaction, valued at approximately NGN921.8m, (£502,600) was executed across multiple trading tranches, as a concerted institutional effort to deepen employee asset ownership and align staff interests with broader corporate financial goals.

In an official notification of share dealing by insiders filed with the Exchange, the telecommunications giant revealed that the volume accumulation was completed in a single trading window.

Commenting on the regulatory disclosure, the company secretary Uto Ukpanah confirmed that the purchase represents a structured layout under the group's public operational guidelines: "The notification of share dealing by insiders is a regulatory compliance prerequisite. In this instance, the transaction involves the MTNN Employee Share Acquisition scheme, which is designated as a related party to the issuer.

"This filing serves as an initial notification to the market and regulatory authorities, confirming the seamless execution of ordinary **share purchases on behalf of our personnel ecosystem**."



New workplace savings scheme launched

As reported by the *Independent*, an initiative to help UK adults to build rainy day savings pots is under way, with the launch on June 16, of the *National Coalition for Workplace Savings*.

The scheme could give more people a financial safety net to help cover an unexpected bill and also help some avoid turning to expensive debt.

The employer-led coalition represents a range of sectors, including retail, hospitality, transport, facilities management, the public sector and charities.

It collectively employs about 400,000 people and includes organisations such as the Co-op, First Bus, Next, the Department for Environment, Food and Rural Affairs, Travelodge, Mitie and StepChange.

Rachel Blake, Economic Secretary to the Treasury, told the Press Association: “We want people to build up a savings habit.”

Workplace savings schemes help people to build up regular amounts into a savings pot.

Employees using such schemes may start saving a default amount via payroll into their own easy access savings account, with savings held in cash, which can be withdrawn at any point without penalty. Ms Blake said of the new coalition: “Having a workplace scheme, where it’s really straightforward to sign up to, where some of that initial thinking has already happened, means it’s much more likely that people will take up the habit.”

The coalition was initiated through the government’s financial inclusion strategy and it will work to increase the number of UK employees accessing and benefiting from workplace savings by championing uptake, sharing best practice and supporting innovation over the coming years.

It is encouraging employers across the UK to sign up, to bolster their employees’ financial security, and work together to support people to save.

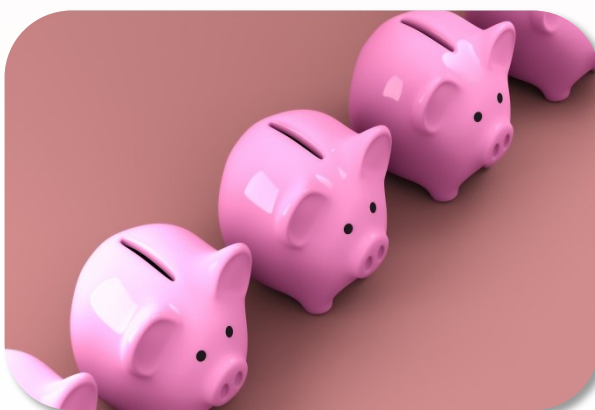


Image by 3D Animation Production Company from Pixabay

Claire Costello, chief people officer at the Co-op Group and the coalition’s chairwoman, said: “With growing evidence of the benefits provided by workplace saving schemes, this collective of employers, supporters and partners will **help more people build a financial safety net.**”



Proposed changes to US executive compensation disclosure rules

The US Securities and Exchange Commission has proposed sweeping changes to public company reporting requirements that could significantly reduce executive compensation disclosure obligations for most US listed companies, according to a report in *Mondaq*. The proposals would replace the current framework of multiple filer categories with two principal classifications: large accelerated filers (LAFs) and non-accelerated filers (NAFs). Companies would only qualify as LAFs if they maintained a public float of at least \$2bn (£1.5bn) for two consecutive years, reducing the proportion of companies in that category from around 35 percent to approximately 19 percent. As a result, roughly 80 percent of public companies would become eligible for scaled disclosure requirements. Proposed changes for NAFs include eliminating the requirement for a Compensation Discussion and Analysis section, reducing the number of named executive officers disclosed from five to three, shortening compensation reporting periods and removing several detailed compensation tables. NAFs would be exempt from ceo pay ratio disclosures, pay-versus-performance reporting, compensation risk disclosures and shareholder advisory votes on executive pay. In addition, newly listed companies would benefit from a five-year period as non-accelerated filers regardless of size. If adopted, the reforms could take effect in time for the 2027 proxy season and would represent one of the most significant changes to US executive compensation disclosure requirements since the introduction of **post-financial crisis governance reforms**.



Image by U.S. Government - Public Domain, <https://commons.wikimedia.org/w/index.php?curid=8928191>

**Transparency seen as key to public trust in Ireland**

The Irish government is under pressure to ensure greater transparency in how pay rises are determined for ceos of commercial semi-state bodies - enterprises that are beneficially owned by the Irish government and operate with a commercial focus - as competition for senior talent intensifies across both public and private sectors. According to the *Irish Independent*, Ireland is experiencing strong economic growth and full employment, but faces infrastructure gaps, cost-of-living pressures and acute skills shortages, making executive recruitment increasingly competitive. While the public sector benefits from job security and defined pension arrangements, it must still compete with private-sector remuneration when attracting senior leaders. A review by the Senior Posts Remuneration Committee, published by Public Expenditure Minister Jack Chambers, found that ceo pay in commercial state bodies had fallen out of alignment with market levels following years without a comprehensive update since the financial crisis. The committee recommended a more flexible framework allowing boards of semi-state organisations to set pay based on scale, performance and capacity to pay, subject to government approval.

Though the new approach is intended to improve competitiveness and attract high-calibre executives, concerns have emerged over the opacity of how individual pay recommendations are being formed. Responsibility for proposing remuneration levels now rests with individual boards, but there is limited clarity on the criteria used in practice; transparency will be essential to maintaining public confidence in the system, particularly as pay rises are implemented in organisations of differing sizes and mandates. Without clearer justification and communication, the newspaper warns, the reforms risk undermining trust even if they succeed in addressing recruitment challenges in the semi-state sector.



HIGH PAY NEWS

Nomura raises ceo pay after record profit

The *Japan Times* reported that **Nomura Holdings increased the remuneration of chief executive** Kentaro Okuda by 36 percent to ¥1.6bn (£7.4m) for the financial year ended March 31, following the company's strongest annual profit on record. His pay remains below that of peers such as David Solomon (Goldman Sachs), who received \$47m (£34.8m) in 2025, and Sergio Ermotti (UBS), who earned CHF14.6m (£13.6m). The filing also showed that wholesale division head Christopher Willcox, recently promoted to deputy president, remained the firm's highest-paid executive officer, with remuneration rising 13 percent to \$17m (£12.6m). Meanwhile, rival Daiwa Securities Group increased the remuneration of its chief executive by 23 percent.

France Bed expands share-based executive remuneration

Japanese healthcare furniture and equipment supplier, France Bed Holdings Co has approved the allocation of 4,300 treasury shares, worth approximately ¥5.27m (£26,400), as restricted share-based remuneration for one parent company director and two subsidiary directors. The shares will be issued at market value as part of the group's revised remuneration framework, which is designed to strengthen the link between executive pay, company performance and shareholder value. The revised structure combines service-based and performance-based restricted share awards to encourage long-term commitment, support medium-term value creation and better align the interests of senior management **with those of shareholders**.

Woolworths paid two ceos more than R500m over a decade

South African retail group, Woolworths Holdings paid its **two most recent chief executives a combined R508.8m (£21.4m)** in remuneration between 2016 and 2025, equivalent to around R139,400 (£5,900) per day over the period. Former ceo Ian Moir earned R156m (£6.6m) during his final five years in charge. His successor, Roy Bagattini, received approximately R352.8m (£14.8m) between 2020 and 2025. Although Woolworths missed certain financial targets in 2024 and 2025, Bagattini's remuneration remained elevated due in part to a restricted share plan awarded when he joined the company, with the final tranche adding R38.8m (£1.6m) to his 2025 pay.

Ocado chief executive's £94m pay package draws scrutiny

Ocado Group chief executive Tim Steiner has received almost £94m in pay and share awards since the company floated in 2010, according to analysis by the *High Pay Centre*. The campaign group said the level of remuneration raises questions over proportionality, accountability and fairness, particularly as Ocado's share price has **fallen below its 2010 initial public offering price**.



Grape Tree awards £100k staff bonus months after EO

Organic food retailer Grape Tree has shared a £100,000 bonus among more than 900 of its staff just months after completing its move to an employee ownership trust. The payout recognises the contribution of team members in England, Wales and Scotland to the company's strong performance, including a 10 percent annual increase in sales. Employees with more than three months' service were eligible for the bonus, which founder Nick Shutts described as a "thank you" for their embrace of the new ownership model. He highlighted positive staff feedback, efficiency gains at the Kingswinford headquarters, improved customer service in stores, and a growing market share in the healthy foods sector. Since becoming EOT owned, Grape Tree has opened ten new stores, created more than 50 jobs, and expanded its workforce to over 1,000 people. The company has established a 20-strong employee council to generate and implement new ideas. It is set to open its 200th store in July.

Mr Shutts hopes that such bonuses could become an annual feature **as the business continues to grow across the UK.**



By Bakewell: Grape Tree by Michael Garlick, CC BY-SA 2.0, <https://commons.wikimedia.org/w/index.php?curid=155830449>

EOT round-up

- ▶ Scientific and commercial consultancy **E-vate**
- ▶ Fabrics manufacturer **Halley Stevensons**
- ▶ Communication agency **Field Consulting**
- ▶ Architectural practice **Smith Scott Mullan**



The Employee Share Ownership Centre is a membership organisation which lobbies, informs and researches on behalf of employee share ownership.

