

it's our business

newspad of the Employee Share Ownership Centre



Z/Yen Group Limited t/a The ESOP Centre

1 King William Street, London EC4N 7AF

tel: 020 7562 0586 e-mail: esop@esopcentre.com www.esopcentre.com



In this issue

PRESIDENT'S COLUMN

TOP STORY

AWARDS

EVENTS

WORLD NEWSPAD

UK CORNER

COMPANIES

- EXEC REWARD
- EO NEWS



From the life president

With the uncertainties of the UK budget muddying the water on this side of the pond, let's celebrate instead the Harvard report on employee ownership, a rare report from an institution without skin in the game. More frequently reports are from NCEO or Rutgers.

In addition to the many benefits of Esops familiar to newspad readers, Harvard notes that over half US business owners, accounting for 32 million jobs, are now reaching retirement. With less than a third of businesses selling successfully, employee ownership "provides an opportunity to benefit workers, strengthen companies and bolster communities". Well said, Harvard.

Malcolm Hurlston CBE



Centre Autumn Budget representation

The Employee Share Ownership Centre has submitted three papers to HM Treasury ahead of the Autumn Budget. Each proposes practical reforms to strengthen and modernise the UK's framework for employee share ownership. This follows a constructive meeting with HM Treasury in September.

1. Tax-advantaged employee share schemes

The first paper proposes improvements to the established tax-advantaged share plan regimes - EMI, CSOP, SAYE and SIP - to make them more accessible, flexible and effective. The proposals aim to simplify administration, reflect modern patterns of employment and promote productivity, growth and fiscal responsibility. They draw on the experience of Centre members and advisers and are designed to remove unnecessary barriers to participation without additional fiscal cost.

2. Strengthening the Employee Ownership Trust framework

Our proposals aim to sustain the integrity of the EOT model while removing practical obstacles to its adoption by responsible employers. They include clarifying the qualifying conditions for trustees, modernising the treatment of hybrid structures and supporting longer-term employee engagement within EOT-controlled businesses.

These reforms would reinforce the UK's reputation for fair and sustainable employee ownership, encourage succession planning among SMEs and help more companies to embed employee voice and accountability at board level.

3. Reforming CGT to support employee ownership & PISCES recommendation

The third submission considers how targeted reform of Capital Gains Tax could stimulate wider employee ownership and improve business resilience.

The proposals recommend aligning CGT treatment with long-term employee shareholding objectives, simplifying reliefs for employee trusts and plan participants, and ensuring that fiscal incentives support both direct and indirect models of ownership.

By reducing complexity and promoting reinvestment, these measures would strengthen the ecosystem for employee share ownership across the UK, enhancing productivity, retention and the distribution of capital growth.

The papers are available to download from [the Centre's website](#). The Centre is particularly grateful to David Craddock, David Pett, Jennifer Rudman and Damian Carnell for their input.





18th All-Employee Share Plan Awards

The 18th *newspad* all-employee share plan awards are *open for submissions*.

The *newspad* 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; has been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or if the chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership, why not take this opportunity to tell the world about it?

Either companies can nominate themselves or advisers can make submissions on their behalf. Entrants can apply for awards in more than one category. **Submitting nominations** is free and simple. Required information is kept to a minimum. Clarity matters more than length. The deadline for nominations is **17:00 on Wednesday December 17 2025**.

The awards present a great opportunity to celebrate your company's or clients' achievements.

The award categories for 2025 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 are detailed on the [Awards webpage](#).

We look forward to your nominations.



KKR to give keynote at Centre's share plans symposium: March 26 2026

Esop Centre's **ninth Share Schemes Symposium**, will consist of two sections:

- ⇒ Background material: The speakers' presentations will be recorded during February and early March. They will be made available in advance.
- ⇒ Live session: face-to-face event to debate the presentation topics.

The live session will be in Baker McKenzie's central London offices from 13:15 on Thursday March 26 2026.

The keynote address will focus on the financial rationale behind KKR's substantial efforts to back employee share ownership, a trend being followed by others in private equity. This will be followed by four interactive discussions. The symposium will conclude with the presentation of the 18th *newspad* all-employee share plan awards and a celebratory reception.

The programme of 10 to 12 presentations by employee equity experts will include developments and issues in all-employee and international share plans; share plans in SMEs and private companies; employee ownership and benefit trusts; executive remuneration within the employee ownership context; and case studies of employee share plans in action.

The Symposium provides an opportunity for people with a professional interest in all forms of employee share ownership to learn about latest legal, regulatory, governance and tax issues affecting employee share plans and to exchange ideas.

Admission rates:

*Delegates from **plan issuer companies** will be admitted **free of charge**.*

Practitioners:

Members: £450; Non-members: £800

Trustees:

Members: £400; Non-members: £650

Multi-booking discount: 50% off cost of ticket for your **third delegate.**

**All prices are subject to UK standard rate VAT*

There will be strictly limited opportunities to attend remotely for international members not able to travel to London.

To register a delegate, email : events@esopcentre.com



Thank you to our sponsors:

The Centre's 2026 symposium is hosted by **Baker McKenzie**

**Baker
McKenzie.**

and the programme brochure is logo sponsored by **MM&K**.

mm&k



How quantum is set to revolutionise investing - FS Club event

Date: Wednesday November 19

Time: 18:00-20:00 GMT

Venue: Devon House, St Katherine's Way, London E1W 1JP

Tickets: £50 (inc VAT)

Join the FS Club in partnership with Northeastern University London for [its mixer event on quantum and investing](#).

Quantum computing has seen record levels of investment from both the public and private sectors in the last two years, with the UK government alone committing \$3.5bn since 2023. As momentum builds, quantum is moving from theory to practice and finance stands to be one of the sectors most profoundly reshaped by this technological leap. The FS Club's expert panel will explore recent breakthroughs and examine what quantum computing means for the future of finance and investing.

Speakers include Eric Van der Kleij entrepreneur and ceo & co-founder of edenbase.com; Simon Thompson, head of AI, ML and data science at GFT; and Tobias Hartung, associate professor in computer science at Northeastern University London. The discussion will be chaired by Professor Michael Mainelli, chairman of Z/Yen Group.

We hope to see you on November 19 at Devon House, St Katherine's Dock for refreshments, canapes, and as always, interesting and thought-provoking conversation. To take part, [Register here](#).



Image by Pete Linforth from Pixabay

COURSE



Employee share plan course

Registration is now open for Tapestry's 2026 Certificate in Employee Share Plans Course (Cert. ESP). The course is accredited by the Chartered Governance Institute UK & Ireland (CGIUKI). The course is split into two parts and each part will be taught over five days on Microsoft Teams, finishing around lunchtime each day. The session timings are designed to ensure focus on the course is balanced with the demands of onscreen learning while enabling students to fit in participation around other commitments.

Dates:

Part 1: May 11-15 2026 with examination on July 1 2026

Part 2: September 14-18 2026 with examination on November 4 2026

For details and application form visit: [Course Details | Tapestry - Your global incentives lawyers](#)

Canada

Could increased employee ownership restore confidence in Canada's economy?

In an analysis piece for *the Hub*, reporter Falice Chin makes the case for employee ownership. *There was a time when WestJet was more than just a scrappy alternative to Air Canada. Flight attendants cracked jokes over the intercom. Pilots helped tidy the cabins, saving the company time and money.*

Former ceo Gregg Saretsky credited that spirit to what he called a culture that "lives and breathes employee engagement."

At its peak, nearly nine in 10 so-called "WestJetters" owned shares through the company's employee share purchase plan, and profit-sharing was woven into its dna. The Calgary-based airline used the idea in its advertising, declaring that those in teal uniforms weren't just ordinary "employees." "Because they view themselves as owners of the business, they continue to be highly productive," Saretsky said back in 2016.

Critics might argue that a lot has changed after Onex Corporation bought WestJet in 2019 and took it private. Long gone are the in-flight dad jokes, but the company has also undergone a series of restructuring changes that speak to a deeper shift in priorities. They include outsourcing jobs, streamlining operations and introducing policies like a new age cap for senior pilots.

Each step fits the logic of greater profitability, but union representatives argue it has come at the expense of job security and loyalty—undermining the airline's once-proud reputation for Western hospitality.

As companies consolidate under ever larger pools of private capital, there's growing unease around who's actually benefiting from corporate growth.

*It's no coincidence, then, that voices across the political spectrum are now revisiting **employee ownership as a potential antidote to widening wealth inequality, fading community ties, and a growing distrust in capitalism itself.***





Egypt

PRE Group records \$2.2m In Esop transaction

According to *Arab Finance*, Pioneers Properties for Urban Development (PRE Group) registered a trading transaction valued at EGP104.829m, the Egyptian Exchange announced on October 20. The transaction was implemented on the company's 33.491 million shares as part of the employee stock ownership plan.

PRE Group witnessed 81.80 percent year-on-year lower consolidated net profits attributable to the holding company at **EGP217.964m in the first half of 2025, versus EGP1.198bn.**



DEMETERE, CC BY 4.0 <<https://creativecommons.org/licenses/by/4.0/>>, via Wikimedia Commons

Japan

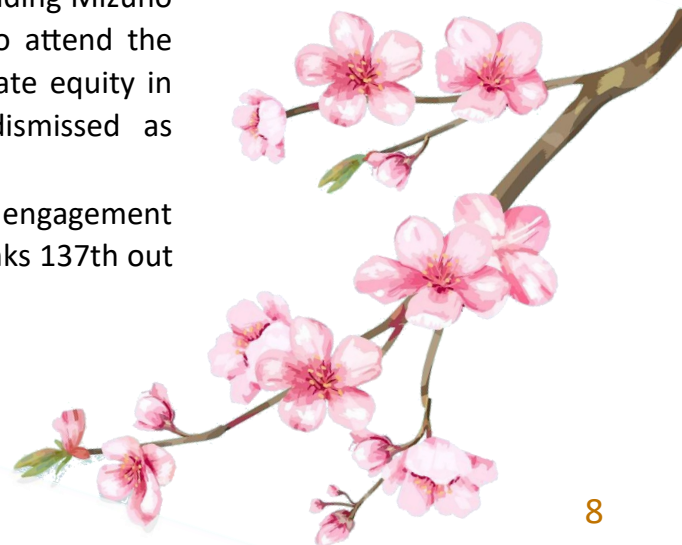
KKR heads worker ownership push in Japan

KKR has introduced a new employee ownership programme in Japan through Ownership Works, a private equity-backed initiative founded by the firm's co-head of private equity, Pete Stavros, to expand access to wealth creation for workers, according **to a report by the *Financial Times*.**

The launch marks the first international expansion of Ownership Works, which aims to deliver \$20bn in equity to employees globally by 2030. Since its founding in 2022, the US-based organisation has distributed about \$1bn in payouts to employees at partner companies.

Japan's programme will be supported by Warburg Pincus, Japan Industrial Partners, and leading financial institutions including Mizuho and SMBC. Senior government officials are expected to attend the Tokyo launch, underscoring how the perception of private equity in Japan has evolved since global firms were once dismissed as "vultures" during their early market entry.

"Japan's got an insanely low quit rate but an employee engagement score that's far worse than America," said Stavros. "It ranks 137th out of 141 countries on employee engagement."





Japan

KKR heads worker ownership push in Japan ...*more*

Ownership Works aims to counter that disengagement by giving blue-collar employees equity stakes in portfolio companies. The initiative has already been rolled out at KKR-owned Bushu Pharma and enterprise software developer Yayoi in Japan.

Critics argue that employee ownership plans often resemble one-off cash bonuses when companies are sold, but KKR maintains that the programmes are designed to continue under new ownership.

The initiative's expansion into Japan reflects a broader effort by private equity firms to demonstrate long-term value creation and broader societal benefit amid record levels of dealmaking activity in the country.

Commenting on the initiative, Pete Stavros posted on social media: "Big day for Ownership Works! I'm in Tokyo today [October 21] for the launch of Ownership Works Japan, our first international affiliate.

"This marks the beginning of our effort to make employee ownership a globally coordinated movement, and we have plans to do much more.

"Why start in Japan? Because worker ownership is a natural fit here. Japan's corporate culture is built on teamwork, shared purpose, worker empowerment, and continuous improvement — values that align perfectly with ownership.

"We've also seen tremendous enthusiasm from the business community and strong support from the government. The Japanese government has already created a national "Ownership Works Japan Day" and highlighted the launch at its annual Japan Week event, where we had more than 350 guests from business, media and government, hearing highly supportive remarks from parliamentary members and the director-general of the Financial Services Agency. I believe we have a real opportunity for employee ownership to become part of Japan's broader economic reforms.

"Japan once led the world by showing that worker empowerment through concepts like kaizen and lean manufacturing could drive extraordinary gains in productivity. Japan can lead again by showing that broad ownership is kaizen for capital — unlocking **a new wave of productivity, this time paired with shared prosperity.**"





USA

Billionaire advocates employee stock ownership

As ceos and founders see their wealth skyrocket owing to soaring stock market gains, billionaire investor Mark Cuban is advocating a change that could transform the traditional balance of power in corporate America.

According to Cuban, it is time for employees to share in the financial success of the companies they help build. This idea is not just about equity, it is about fairness, inclusivity, and the potential benefits of shared ownership for everyone involved.

In a recent social media post Cuban responded to an Oxfam report that stated that the staggering \$33trn increase in billionaire wealth since 2015, a surge largely happened due to rising stock prices. Cuban pointed out that this wealth boom is driven by retail investors and 401(k) contributions, people who are often the same workers that are not benefiting from the market's explosive growth. Cuban says that companies should be required to share stock in their business with employees at the same percentage of earnings as the ceo. While some companies, like Intel and Adobe, offer stock options or profit-sharing plans, these benefits often have caps and restrictions.



Cuban is clear that the issue is not wealth itself. It is how that wealth is distributed. He believes that ceos and founders should be allowed to benefit from their businesses' success, but that those gains should also be shared with employees.

In his view, sharing wealth is not just good for employees; it is good for business. Over the years, Cuban has made a point of sharing the wealth in his own ventures. In fact, he has often paid out bonuses to employees instead of offering equity, but those bonuses have been significant. When he sold Broadcast.com, 300 out of 330 employees became millionaires. At his first company, MicroSolutions, he paid out 20 percent of the sale price to 80 employees. At the Dallas Mavericks, while he did not execute a full exit, he still paid out more than \$35m to staff.

In a 2020 interview on the 'This is Working podcast,' Cuban explained that offering meaningful equity from the outset not only motivates employees but creates a stronger sense of commitment: "Employees will be more committed if businesses **share equity immediately in a meaningful way, so that everybody rises,**" he said.



USA



Image by Jayr from Pixabay

Iowa celebrates

The Gazette and the ESOP Association celebrated National Employee Ownership month in magazine form for **employee owned companies to share their stories.**

Sharp increase in the number Esop companies using outside trustees

The National Center for Employee Ownership's Corey Rosen posted on LinkedIn that the NCEO's *2025 ESOP Corporate Governance Survey* showed a sharp increase in the percentage of companies using outside trustees compared to 10 years ago. In 2016, just 32 percent of respondents had an institutional trustee. Another 11 percent had an outside individual as their trustee, for a total of 43 percent with outside trustees. In the 2025 survey, 61 percent of companies reported having an institutional outside trustee and another 24 percent had an individual outside trustee, for a total of 85 percent of respondents with an outside trustee. The survey also showed that just under half (46 percent) of all trustees in the responding companies were not directed in 2016. That number grew to 58 percent in the 2025 survey.

The increasing trend towards outside trustees has paralleled the increasing trend for Esop companies to have outside board members. Esop companies are increasingly finding that professionalising their governance, while not legally required, can help deter litigation (although the **risks of Esop litigation** are actually very low). Having an outside trustee also means that people inside the firm do not have to take on this task.

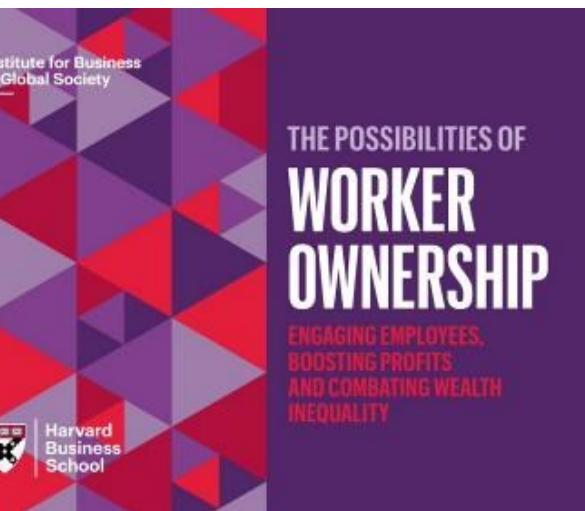
The **2025 ESOP Corporate Governance Survey** looks at these trends in detail broken down by a number of company characteristics. It also includes detailed data on board composition, compensation, and practices at Esop companies.



Image by Mediamodifier from Pixabay



USA



With the uncertainties of the UK budget muddying the water this side of the Atlantic, let's celebrate the Harvard report on employee ownership in the US. Unlike most such reports we see, there is no partial axe to grind. In addition to better performance on measures, Harvard notes that 51 percent of US business owners are nearing retirement with 32 million employees. Only around a quarter sells successfully, the rest offer a great opportunity for employee ownership solution — it's good business.

The report shows that employee-owned companies:

- grow two to three percent faster
- have 18 percent less employee turnover
- are 21.4 percent more likely to remain in business
- pay workers more, often 20 percent or more, than peer firms.

With 51 percent of US business owners nearing retirement - accounting for 32.1 million jobs and \$6.5trn in revenue - and only 20-30 percent of businesses successfully selling, employee ownership provides an opportunity to benefit workers, strengthen companies and bolster communities.

The Harvard report breaks down different models of **employee ownership, financing pathways, and implementation stories.**

OpenAI valued at \$500bn in employee share sale

OpenAI, the company behind ChatGPT, reached a valuation of \$500bn, following a deal in which current and former employees sold roughly \$6.6bn worth of shares. This represents a bump-up from its current valuation of \$300bn, underscoring OpenAI's rapid gains in both users and revenue.

As part of the deal, OpenAI employees sold shares to a consortium of investors including Thrive Capital, SoftBank, Dragoneer Investment Group, Abu Dhabi's MGX and T Rowe Price, according to a source, who spoke to *Reuters* on the condition of anonymity as they were not authorised to speak to the media.

The company had authorised sales of **\$10bn-plus worth of stock on the secondary market, the source added.**



USA

How employee ownership fuels pizza chain



Flyers Pizza & Subs, a 10-unit pizza chain based in Columbus, Ohio, has achieved long-term success through its employee stock ownership plan, first introduced in 2016. According to co-president Scott Ulrey the model has strengthened the company’s culture, improved retention and supported steady growth, particularly amid rising costs and tight labour markets. As of 2024, 114 employees participate in the plan, 48 of whom are fully vested. The vesting schedule rewards tenure, reaching 100 percent ownership after six years. The Esop has proven transformative. Industry data show Esop-run food businesses have lower quit rates (six percent v 20 percent) and fewer layoffs, and Flyers reports similar results—better retention, higher engagement, and consistent service in all ten locations. Beyond morale, the Esop offers clear strategic advantages: it provides succession stability, tax efficiency and long-term wealth-building for staff, **while maintaining local independence.**



Pizza Hut UK dine-in arm collapses into administration

In contrast, Pizza Hut’s UK dine-in business has entered administration, placing hundreds of jobs at risk and marking another blow to the increasingly fragile casual dining sector. The chain, owned by US-based Yum! Brands, has appointed FTI Consulting to oversee the process. While delivery and takeaway operations remain unaffected, the administration raises serious questions about the long-term viability of mid-market dining brands on the high street.

Industry commentators say the brand failed to position itself clearly in a market increasingly dominated by polarised consumer preferences. “Being second-best at everything kills you faster than being excellent at one thing,” said Tony Redondo, founder of Cosmos Currency Exchange. “Premium chains like Pizza Express offer craft quality and ambiance, while Domino’s dominates on affordability and convenience. Pizza Hut got stuck in the middle—neither premium enough nor cheap enough to compete.”

According to James Young of *Business Matters*: **“It’s hundreds of local jobs vanishing and more empty shopfronts joining Britain’s hollowed-out high streets.”**





Free employee shares make a perk of collective ownership

At the end of September, Anjali Raval in the *Financial Times* reported that when Barclays awarded £500 in shares to 90,000 employees this year, its chief executive, CS Venkatakrisnan, said it was about “engendering a form of loyalty and identification with the company”. Midway through a restructuring, he wanted the workforce “invested in the results”. The bank, along with Rolls-Royce, Babcock and Aviva, are among the large UK companies which have handed out free shares to staff in the past year. Many have billed the move as part of a broader shift in employee incentives that aims to change how regular workers are aligned with their employer’s success.

Barclays’ £50mn push, Venkatakrisnan argued, was as much about morale as money. “Pride comes from many things,” he said — from treatment of staff to what products and services a company offers, **but also “financial success”**.



Image by Татьяна from Pixabay

Why employee engagement?

Recent research by the High Pay Centre into FTSE100 retail firms’ agms has shown how heavily retail firms rely on low-earning shop floor staff, contributing to substantial internal firm inequality levels. The significant size of these workforces can weaken the link between board decision-making and employee interests.

As part of its research, the think-tank asked two questions: *What are they currently doing to ensure the views and interests of the workforce are being heard and acted on?* and *Would the board commit to looking into the potential for adopting a worker director to help ensure that the needs of the wider workforce are adequately represented?*



Image by Dirk (Beeki®) Schumacher from Pixabay

Meaningful employee engagement and voice are vital because they provide employees with influence over the decisions that directly affect their work and wellbeing. Research shows that engaged employees typically exhibit higher morale and increased productivity levels. Intuitively, when workers feel heard and valued, it fosters a sense of ownership and motivation. Given that Gallup data shows only 10 percent of UK workers feel engaged in their jobs, taking steps to **improve engagement could be pivotal in boosting both individual and societal fulfilment**.



Darktrace boss blames employee share rules for London exit

According to *CityA.M.*, the boss of Darktrace, which specialises in providing cybersecurity to businesses, has said that the London Stock Exchange's restrictive rules over offering options and equity to staff drove its decision to leave the UK bourse in 2023, saying it limited its ability to attract and retain talent.

Jill Popelka told a Bloomberg event that the "limitations" meant that as a London-listed company it was unable to give staff members equity, which the company has since been able to do more freely now its ownership is based in the US.

Asked whether the ability to recruit people and offer stock options factored into its decision to abandon its London listing, she said: "It is different. There are limitations over how much equity you can provide an employee in a UK company when you're regulated here in the UK.

"Those limitations don't exist in the US, and so we have a lot more **ability to share equity with our employees, which is nice.**"



Image by ChiaJO from Pixabay

Reeves mulls minimum UK shareholding in major ISA reform

UK Stocks and Shares ISAs could be set for a major overhaul in the upcoming Autumn Budget as Chancellor Rachel Reeves looks to **boost UK share ownership.**



The top one percent account for a third of tax revenue

The top one per cent of taxpayers account for around a third of all income tax and capital gains tax paid in 2023-24, it has been revealed. According to HMRC, the top 500,000 taxpayers contributed £93.8bn last year, which represented 33 percent of the total raised. The top 100,000 paid £54.9bn and covered a fifth of total receipts, according to a Freedom of Information request obtained by the investment service Wealth Club and provided to The Times. The balance in tax paid between the super rich and Brits across the country uncovers the Treasury's reliance on a small portion of the population to pay for expenses, **reported CityA.M.**





Musk's \$56bn pay package under fire

Elon Musk's record-breaking \$56bn (£46bn) Tesla pay package has become the centre of an intense legal and corporate governance storm in Delaware. The state's Court of Chancery struck down the 2018 stock option grant, ruling that Tesla's board breached its fiduciary duties by approving an excessive and conflicted compensation plan. Chancellor Kathaleen McCormick applied the *entire fairness* standard—typically reserved for cases involving controlling shareholders—owing to Musk's dominant influence over Tesla's board. The ruling invalidated the package despite prior shareholder approval, concluding that ratification could not excuse procedural failures or insufficient disclosure.

Musk's legal team has appealed to the Delaware Supreme Court, a move that could reshape US corporate governance standards and define how far executive power can reach within publicly traded companies. Beyond Tesla, the case has reignited debates over income inequality, shareholder rights and ethical limits of corporate pay. Critics argue the decision exposes weaknesses in board independence and transparency, while supporters maintain that Musk's leadership justifies exceptional rewards given Tesla's success. Economically, the case could prompt tighter scrutiny of executive remuneration structures, while politically, it may influence Delaware's corporate law reforms, including limits on shareholder lawsuits. As the appeal unfolds, the verdict's outcome is poised to set a landmark precedent for executive compensation, potentially redefining how companies balance innovation, accountability, and fairness in the boardroom.

Executive pay rises sharply across South Africa's top firms

Executive remuneration across South Africa's JSE Top 200 companies rose significantly over the past year, with CEOs and CFOs seeing median increases of eight percent and 19 percent, respectively, according to PwC's *2025 Directors Remuneration and Trends* report. The study shows that executive pay has rebounded strongly despite ongoing economic pressures, with variable pay and long-term incentives (LTIs) regaining momentum after 2024's weaker performance outcomes. Non-executive directors also benefited, as board member fees climbed 12 percent on a median basis—well above inflation—while board chair fees rose six percent.



Shareholder support for remuneration policies (91.6 percent) and implementation reports (83.8 percent) remained strong, though the number of companies receiving less than 50 percent approval doubled to 5.4 percent, revealing growing concern over fairness and transparency. PwC noted increasing scrutiny of “super-stretch” LTIs and called for greater clarity in pay rationale. With the upcoming Fair Pay Bill and Companies Act wage gap disclosure rules, transparency is expected to take centre stage. PwC reward partner Leila Ebrahimi said companies will need to ensure “solid pay architecture” to balance competitiveness, performance and fairness. As South African firms expand internationally, many are recalibrating remuneration structures to match evolving business models and retention challenges, introducing innovative, tax-efficient benefits and well-being **initiatives to support long-term sustainability.**

Oz big firms face scrutiny over high exec pay

Some of Australia’s largest corporations — including CSL, Optus, and Santos — are under fire for awarding millions in executive bonuses despite paying no company tax domestically. Guardian business editor, Jonathan Barrett, reports that biotechnology giant CSL, which paid Australian corporate tax just once in the past five reporting periods (about A\$65m / £33.3m), handed its top executives A\$114.2m (£58.6m) in bonuses over the same time. Analysts say CSL’s low tax payments stem from holding intellectual property in low-tax jurisdictions and claiming R&D offsets. The company insists it pays taxes where profits are earned, noting that 93 percent of its revenue comes from outside Australia. CSL is also facing investor unrest over executive remuneration, with a potential second shareholder “strike” at its upcoming agm which could trigger a board spill. Meanwhile, Optus awarded executives A\$18.9m (£9.7m) last year — a 24 percent rise — despite recording no taxable income since 2020. Santos similarly paid no Australian corporate tax for a decade while ceo Kevin Gallagher earned A\$5.87m (£3m) in 2024.

Governance experts say the trend highlights widening gaps between performance, pay and public accountability, raising questions over fairness and transparency in corporate **Australia’s executive compensation practices.**



Sapphire gives contractors £450,000 employee ownership bonus

Manchester-based contracting and accountancy firm Sapphire will distribute employee ownership **bonuses worth £450,000 to its umbrella contractors.**

This year's bonus pot is a 28 percent increase from Sapphire's first distribution in 2024 and will be awarded to contractors who have worked for the firm for more than a year.

2025 marks the second year of the employer's pledge to share success across its extended workforce and further underlines its commitment to recognising the role its contractors play in its growth. Sapphire's employee ownership model, which was introduced in 2021, is part of its goal to strengthen productivity, engagement and retention.

Mark Connor, chief executive officer of Sapphire, said: "Becoming employee-owned has fundamentally changed the way we think and act as a business. When everyone has a stake in our success, we are more motivated to deliver for our clients and support our contractors. Sharing £450,000 in bonuses this year is another step in showing our contractors that they are not just partners, but integral members of our team."

As explanation of how it can offer employee ownership bonuses to contractors, a spokesperson for Sapphire told *newspad* that **the contractors are actually employees.**



Image by Alex Vyshnikov from Pixabay



An EOT in the USA

DCW, a women-owned small business providing cost estimating and construction management services, is transitioning to an employee ownership trust. In an October news release, the company said this milestone marks a significant step in securing its future by reinforcing its commitment to employees and clients alike.

The EOT adoption follows a two-year effort by founder and managing director Trish Drew to ensure business continuity and a culture of shared success. As one of the first EOTs in Washington state, and among just 60 in the US, DCW says it is helping to pave the way for a **growing movement in equitable business succession**.



Image by Peggy und Marco Lachmann-Anke from Pixabay

EOT round-up

- ▶ Hospitality recruitment agency **Catering Services International (CSI)**
- ▶ Luxury and performance vehicles spare parts supplier **Eurospares**
- ▶ Aluminium pigments supplier **Metaflake**
- ▶ Fire engineering consultancy **OFR Consultants**
- ▶ Fashion sales agency **Rainbowwave**
- ▶ Specialist management consultancy **RQA Group**
- ▶ External insulation firm **Smartovations**
- ▶ Food and menu development specialist **Tugo Food**
- ▶ Consultancy specialising in HR for E-O businesses **Wellington HR**



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

