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# it's our business

## newspad of the Employee Share Ownership Centre



# WELCOME

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***From the life president***

*Over the past few years, I have noticed that, in the UK in particular, collective employee ownership seems to be crowding out direct share ownership.*

*The Centre is by no means hostile to collective ownership models such as the EOT and especially welcomes the benefits they bring locally; but the Centre has a broader remit.*

*We champion the full range of employee share ownership, particularly individual participation in capital and wealth creation, in businesses of every kind — quoted and private, large and small, VC and PE-backed, and employee-owned.*

*With KKR encouraging wider PE involvement in employee ownership across Europe, there should be good opportunities to welcome new members.*

***Malcolm Hurlston CBE***

# UK budget reforms encourage enterprise and employee share ownership

The Centre welcomes the measures rewarding entrepreneurial risk-taking and widening individual participation in wealth creation which were announced in the Chancellor's Autumn Budget on October 28.

The new Founders' Relief, offering a 10 percent CGT rate on up to £10 million of lifetime qualifying gains for founders of high-growth, innovative companies, complements the recent expansion of EMI and the use of growth shares to align founders, investors and employees in creating and sharing enterprise value.

The Centre particularly values the expansion and rebranding of CSOP as EMI2, doubling the individual option limit to £120,000, extending the exercise period to 15 years and removing the interaction with EMI limits. These reforms reflect the Centre's longstanding advocacy of closer alignment between the schemes and bring greater coherence and clarity to the UK's employee share ownership framework.

The Centre welcomes the stability provided by leaving the existing EOT reliefs unchanged, including maintaining EMI eligibility during transition to an Employee Ownership Trust. This allows recent reforms time to bed in and indicates the growing recognition of direct employee share ownership as a means of giving individuals a personal financial stake.

There remains considerable scope to broaden participation. Private equity and venture capital-backed businesses directly employ approximately 2.5 million people in the UK, representing eight percent of total employment. Extending access to tax-advantaged employee share schemes in a wider range of ownership structures should enable many more employees to participate in the capital growth.

The Centre will continue to advocate wider adoption of SIP and SAYE, greater access to tax-advantaged schemes for private equity-backed businesses and practical improvements to employee share liquidity. We look forward to continuing our constructive dialogue with HM Treasury and HMRC on these and other reforms, including the consultation on Founders' Relief.



Image by Gerd Altmann from Pixabay

# Report: Centre high table dinner on financial literacy

Members of the Employee Share Ownership Centre, together with guests from business and private equity, gathered at Guildhall on October 22 for a High Table dinner devoted to financial literacy.

The guest of honour was the Rt Hon John Glen MP, former Chief Secretary to the Treasury and Co-Chair of the All-Party Parliamentary Group on Financial Education for Young People. The evening was hosted by Alderman Professor Michael Mainelli, chairman emeritus, who chaired the discussion, and Malcolm Hurlston CBE, founder and life president of the Centre.

The conversation was conducted under the Chatham House Rule, allowing participants to share ideas and information without identifying speakers or attributing individual remarks. Beginning with financial literacy and the OECD's Programme for International Student Assessment (PISA), the discussion covered student loans, government debt, pensions, financial influencers, open banking, mortgages and artificial intelligence.

Underlying these diverse topics was a common question: how can people be better equipped to understand financial choices and make informed decisions throughout their lives?

Particular attention was given to measuring financial literacy through initiatives such as PISA and translating the findings into improvements in financial education and public policy. The discussion considered the wider economic and social context, including the impact of artificial intelligence, changing employment patterns across generations and the implications for financial security and wealth creation.

These themes have special relevance to the Centre's work. Financial education should address both the management of money and debt and wealth creation, equipping people to understand saving, investment, risk and reward. Employee share ownership offers a practical means of financial participation, allowing employees to share in the wealth created by the businesses for which they work. Greater financial literacy helps employees make informed decisions about these opportunities, while share ownership itself can deepen financial understanding.

Financial literacy and employee share ownership can be mutually reinforcing.

The Employee Share Ownership Centre thanks John Glen MP, the Guildhall Club and all who contributed to a stimulating and wide-ranging evening.



The Rt Hon John Glen MP



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## PISA envy:
## Why is the UK afraid to sit the OECD's financial literacy assessment?

In the latest edition of *As I See It* for London Business Matters (September/October 2026), published by London Chamber of Commerce & Industry, Professor Michael Mainelli bolsters the Centre's campaign urging the UK government to participate in the OECD's PISA for financial literacy. He gave two examples of governmental poor short-term financial decisions with rather larger price tags and rather less data. First, the repeated stop-start nature of savings incentives and tax wrappers - ISA tweaks, lifetime adjustments - creates uncertainty that costs more in behavioural confusion than it saves in fiscal neatness. Secondly, the oscillation in student loan terms - interest rates, repayment thresholds - illustrates a system willing to shift rules mid-game while declining to test whether players understand them. “Yet, curiously, the same state hesitates to take a comparatively modest step of its own: sitting the OECD's PISA Financial Literacy tests.

“We trust young people with long-term borrowing, but we are wary of testing whether they understand borrowing at all. This hesitation looks increasingly like PISA envy. Parliamentary questions and committee evidence have raised concerns that the UK is missing an opportunity to benchmark financial capability internationally, to assess the effectiveness of its policies, and to identify gaps in young people's understanding. The concern raised in committee evidence is that the UK is flying blind.” Read the article in full.



## AI and the future of employee ownership

As artificial intelligence allows businesses to increase productivity with fewer hires, TerDawn DeBoe, writing in *Forbes*, asks a key employee-ownership question: who gets to share in the wealth created by those gains? Only around one in three US families with below average income own stock, while about 15 million employees already participate in employee stock ownership plans, collectively holding more than $2trn in assets. DeBoe presents Esops as an established model for giving workers a direct stake in the value they help create, noting that participants have been found to have substantially greater retirement wealth than comparable non-participants, although other factors may contribute.

She highlights entrepreneur Johnny Stewart's “Equity Crowdsourcing” model, which seeks to extend ownership opportunities to people who work for companies without being employees, including gig workers. Unlike Esops, however, such arrangements currently lack a clear tax and securities framework. Recent US legislation has clarified valuation rules for Esop transactions, potentially removing one obstacle to establishing employee ownership. DeBoe argues that businesses should decide in advance how AI-driven productivity gains will be shared, with Esops, profit-sharing, phantom equity and bonuses among the possible approaches. As AI changes how economic value is produced, she suggests that expanding ownership could help ensure workers participate in the resulting wealth rather than leaving the gains solely with business owners.

*TerDawn DeBoe is a Forbes contributor who covers small business AI strategy and return on investment measurement, challenging conventional wisdom about enterprise AI implementation.*




# Nineteenth *newspad* share plan awards

The *newspad* employee share plan awards recognise organisations which have demonstrated outstanding achievement in employee share ownership 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, or maybe has a chairman, ceo or share plan team leader who has upped the game with enthusiasm for employee share ownership; then why not tell the world about it?

Companies can nominate themselves or 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 nominations is **17:00** on **Wednesday December 16 2026**.

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

The award categories this year are:

1. **Best all-employee share plan**
2. **Best equity scheme in a start-up or scaling company**
3. **Best share plan communications**
4. **Best share plan response to significant changes or challenging situations**

Guidance for entrants including category descriptions, judging criteria and rules of entry can be viewed on the awards webpage.

# Share Schemes and Trustees Conference 2027 – Jersey
# Thursday March 18



## Keynote speaker

**Senator Elaine Millar**
Minister for Social Security
Assistant Minister for External Relations and Financial Services
Assistant Minister for Housing

The Employee Share Ownership Centre is delighted to be joined by **Senator Elaine Millar**, Minister for Social Security for the Government of Jersey. Her keynote focusing on the Island's drive for workplace savings and pensions will kick-off next year's employee share plans and trustees conference.

The seminar will be on the morning of Thursday, March 18 at The Royal Yacht Hotel, St Helier, and held in conjunction with the Society of Trust and Estate Practitioners (STEP) Jersey. We shall look to emulate the success of the 2026 event, building on the achievements of this industry-leading networking and learning opportunity.

We are putting together a programme of talks from expert speakers, who will update trustees and employee share scheme professionals on current key issues.

*The programme is drafted to provide relevant technical information, which we trust will be acceptable as counting towards your Continuing Professional Development or Continuing Competence.*

Presentations will run from 09:00 to 13:15 (approx.) followed by a networking lunch for delegates and speakers.

**Tickets:** Book early to secure discounted ticket prices:

Eso Centre/STEP members: **£380**/each
(if booked before 26 February 2027. £450 thereafter)

Non-members: **£485**/each
(if booked before 26 February 2027. £548 thereafter)

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

To reserve your place, email events@esopcentre.com.



# Tenth Share Plans Symposium – London Thursday May 27

The Centre is delighted to announce that Vestd will be the main event co-sponsor, alongside host Baker McKenzie, at the Employee Share Ownership Centre's tenth share schemes symposium.
The event will consist of two sections:

*Background material*: The speakers' presentations will be recorded during April and early May. They will be made available in advance of the *live session*: face-to-face event to discuss the presentation topics. The live session, in Baker McKenzie's Central London offices from 13:15 on **Thursday, May 27 2027**, will feature four interactive discussion sessions.

The symposium will conclude with the presentation of the 19th *newspad* all-employee share plan awards and a celebratory reception.

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




BOOK NOW

The Centre thanks Baker McKenzie for hosting and Vestd for co-sponsoring the 2027 symposium

vestd

Baker McKenzie.

# China

## Alibaba Esop filing raises dilution questions

Alibaba Group Holding has filed a US$1.336bn (£1.0bn) shelf registration covering up to 100 million ordinary shares linked to its employee share ownership plan. The October 13 filing has drawn attention to the potential dilution of existing shareholders, although the scheme is intended to provide incentives for employees and align their interests with the company's longer-term performance. *Simply Wall St* notes that the filing comes as Alibaba's share price has weakened, with the stock down almost 30 percent year to date at the time of its analysis. But Alibaba may be substantially undervalued given its exposure to e-commerce, cloud computing, AI, fintech and digital infrastructure. China-related sentiment and potential regulatory action remain significant risks. The filing confirms that Alibaba continues to use equity incentives as part of its employee compensation framework.

# Italy

## Sportswear company Esop payouts at 50% of 2025 EBITDA

Italian sportswear brand Macron has completed its third stock option plan, granting 112 employees an amount equal to 50 percent of 2025 EBITDA, involving over 25 percent of its workforce in Italy, the UK, the US and the Far East. According to *Bologna Today*, the September payout is part of a three-year incentive system independent of extraordinary events like sales or IPOs, aiming to reinforce work as a driver of corporate growth and success. Founded in 1971, Macron reported 2025 revenues of €245m, up 9.4 percent. A fourth plan has already been approved to expand beneficiaries beyond 120 people.

Image: Macron S.P.A. - Macron Website, Public Domain, https://commons.wikimedia.org/w/index.php?curid=160455867

# India

## Indian startups move towards employee ownership

Employee stock option plans have become increasingly common among Indian startups, but according to marketing news portal *Adgully,* the more important question is how widely ownership is distributed and whether employees can ultimately realise its value. A 2024 survey by Saison Capital, XA Network and Carta found that 78 percent of startups offered Esops, up from 59 percent in 2021, while the median option pool increased from nine percent to 12.6 percent. However, ownership often remains concentrated among founders and senior employees, with one study finding that 44 percent of Series A startups had fewer than one percent of employees eligible for Esops.

Overseas study and work facilitator Leverage Edu is an example of broader participation, with 23 percent of its employees now holding ownership after around 100 received grants in its latest round. The company has also conducted two Esop buybacks, with a third under way, allowing employees to convert part of their holdings into cash. This is significant because liquidity remains a major challenge for private-company Esops: only 26 unlisted Indian startups provided employee liquidity through buybacks or secondary transactions in 2024. “An Esop only means something when employees can see it turn into real value,” Leverage Edu founder and ceo Akshay Chaturvedi said. “Running buybacks regularly, rather than asking people to wait indefinitely, tells our team that the stake they hold is real. As the company grows, we want the people who built it to grow with it.”

Leverage Edu's example points to a wider rethink of the relationship between employees, value creation and ownership in India's startup sector. Asking people to act like owners is now standard language. Making them owners at scale, and backing that with real liquidity events, is a rarer commitment, concluded *Adgully*.

## Pharma co seeks approval for new Esops

Bliss GVS Pharma is seeking shareholder approval for two new employee share option schemes covering up to 7.35 million options. The *Senior Executive Esop 2026* would cover up to 2.65 million options, equivalent to about 2.49 percent of paid-up capital, while the broader *Employee Esop 2026* would cover up to 4.7 million options, or about 4.42 percent. Both plans have a minimum one-year vesting period and options would be exercisable at a fixed price of ₹10 (about £0.08) per share. The senior executive plan includes a proposed grant of 2.65 million options to ceo Rahul Adakmol, while the wider scheme is intended for eligible employees of Bliss GVS Pharma and its subsidiaries. The company says the plans are designed to align employees' interests with the company's long-term growth and performance, while providing an incentive to retain and motivate key talent. Shareholders will vote on the schemes through a postal ballot, with remote voting running from October 29 to November 27 2026.



# USA

## US passes Esop valuation reform

US President, Donald Trump has signed the Retire Through Ownership Act (S.2403) into law, establishing a clearer framework for valuing privately held company stock held by Esops. The legislation allows Esop fiduciaries to rely in good faith on valuations prepared by independent valuation experts or business appraisers using the principles and methodologies set out in IRS Revenue Ruling 59-60. The reform addresses long-standing uncertainty over the meaning of “adequate consideration” under ERISA and is intended to reduce litigation risk for companies and protect employee retirement savings. The bill passed the Senate unanimously in October 2025 and the House of Representatives by 401 votes to 14 in September 2026, following a bipartisan campaign led by the ESOP Association. Industry representatives argue that the new framework could encourage more business owners to consider employee ownership by providing greater certainty around transactions. Last year, there were 14 lawsuits concerning Esop valuations, with settlements ranging from US$450,000 (£337,000) to US$84m (£62.9m), highlighting the financial risks associated with valuation disputes.



Image by OpenClipart-Vectors from Pixabay

## Holborn highlights benefits of employee ownership

Reinsurance intermediary, Holborn Corporation's planned leadership transition highlights how employee ownership can support long-term succession, independence and business continuity. The firm, which is 100 percent employee-owned, says its Esop was established to support succession and allow ownership to pass from one generation of employees to the next, helping the business remain independent as consolidation reshapes the industry. Since becoming an Esop, Holborn's revenues have increased more than tenfold, substantially through organic growth. The employee-owned structure has supported a collaborative approach to client service, shifting the culture from individual account ownership to a company-wide model in which “my client” has become “our client”. The forthcoming transition, with Adam Manus becoming ceo and Tim Releford president on March 1 2027, demonstrates the value of having succession built into the ownership structure: both leaders have spent their entire careers at Holborn and are positioned to preserve its culture and long-term approach. The company says employee ownership enables it to make decisions with a long-term perspective, while giving employees a direct stake in the institution they are helping to build.

# USA

## Crowe introduces shared ownership scheme

Crowe, the US accounting and consultancy firm, has launched CroweONE, a shared ownership scheme giving eligible employees the opportunity to benefit directly from the firm's growth without making an upfront investment. Developed with Centre member KKR following its equity investment in Crowe in August 2026, the programme extends ownership opportunities beyond senior leaders to employees throughout the business, including future recruits. The initiative aims to strengthen employee engagement by helping staff understand the business, participate in the value they create and have a greater role in shaping the firm's future. Crowe ceo Steven Strammello said shared ownership can reinforce the firm's long-standing values, deepen client relationships and support sustainable growth. The scheme forms part of a wider package of employee-focused measures, including cash awards recognising staff contributions, a record bonus pool and plans for an assistance fund for employees experiencing unexpected financial hardship. KKR said broad-based ownership can align employees' interests with the company's long-term success, strengthening connections between its people, clients and growth.

Image: Crowe Global - www.crowe.com, Public Domain, https://commons.wikimedia.org/w/index.php?curid=163212082

## Ben & Jerry's founders explore employee ownership

Ben Cohen and Jerry Greenfield, co-founders of Ben & Jerry's, are exploring a proposal to separate the ice-cream brand from its parent, the Magnum Ice Cream Company, and place the business under an employee stock ownership plan. The founders have discussed the idea with KKR's Pete Stavros, founder of the *Expanding ESOPs* coalition of organisations, with the proposed structure giving rank-and-file employees shares in the business while potentially providing tax benefits to the company. According to *the Wall Street Journal*, the proposal would offer employees a direct ownership stake in one of the world's best-known ice-cream brands, while potentially preserving its distinctive social mission and independent governance structure. However, the plan remains exploratory and would require Magnum's approval; the parent company has said Ben & Jerry's is not for sale and argues that separating the brand would create significant inefficiencies, reduce investment in its social mission and increase prices. For employees, the proposal is notable as a potential example of an Esop being used not simply for succession but to change the ownership structure of an established, high-profile business. No deal has been agreed, and the founders are currently seeking to build pressure on Magnum to consider a sale.

The Magnum Ice Cream Company was itself a recipient a high commendation for its “Celebration Award” all-employee share plan in last year's *newspad* awards. The company issued €300 worth of shares to all eligible employees to celebrate becoming independently listed (after a demerge from the Unilever Group) in December 2025 (though this happened later in some jurisdictions). The shares have a vesting period of 12 months.

Image: original uploader was Beefkidney at English Wikipedia. - Datei:Ben and jerry logo.svg, Public Domain



## Budget 2026

On October 28 the Chancellor of the Exchequer, the Rt Hon John Healey MP, gave his Autumn Budget 2026 speech, and the full Budget 2026 with supporting and related documents was published by HM Treasury.
HMRC's latest Employment Related Securities Bulletin (ERS bulletin 69) provides further detail on the changes affecting employee share schemes.
As part of the government's response to the 2025 Call for Evidence on Tax Support for Entrepreneurs, a significant package of reforms has been announced to strengthen the offer for employee share schemes; including changes to the rebranded CSOP, and a number of changes designed to make the schemes more flexible and easier to use.
The bulletin contains additional information on other Budget announcements that have implications for Employment Related Securities, including:



- Increasing the exercise periods for shares earmarked by third parties
- Reducing the Business Asset Disposal Relief (BADR) lifetime limit
- Securities transfer tax: Retaining the de minimis limit for non-electronic transactions
- Modernising the distributions framework consultation and purchase of own shares

## Budget leaves problems unresolved: City A.M.

Financial newspaper *City A.M* argues that the 2026 Budget failed to address many of the structural problems facing the UK economy, instead prioritising short-term measures to ease pressure on households and maintain fiscal credibility. Weak productivity, high public debt, low business investment and persistent pressure on living standards remain challenges requiring longer-term reform. Measures such as energy support and tax changes do little to tackle the underlying causes of sluggish growth, while government plans remain dependent on difficult spending decisions further ahead. The Office for Budget Responsibility has cut its 2027 growth forecast to one percent, while higher inflation and borrowing costs are expected to add further pressure to public finances. The Budget also raises questions over whether enough is being done to improve conditions for businesses to invest and expand, since a rising tax burden can constrain economic activity. While the government has maintained its fiscal rules and provided some immediate support, the measures risk amounting to buying time rather than setting out a convincing strategy for addressing Britain's deeper economic problems.

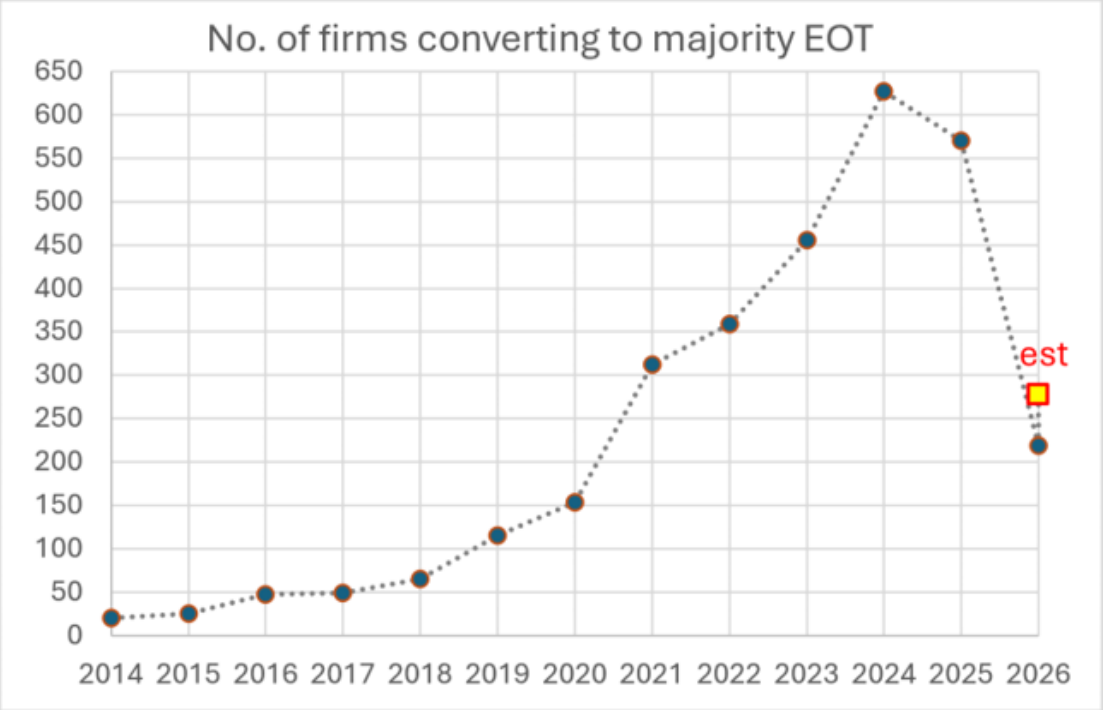


Image by Piyapong Saydaung from Pixabay

# UK EOT conversions and the Budget

Summary of research by Jonathan Preminger and Guy Major dated October 20 2026
Budget observation added October 29 2026

UK employee ownership trust conversions are projected to reach 277 in 2026: 49 percent of the 2025 total of 570 and 44 percent of the 2024 total of 627. The projection extrapolates 208 conversions reported in the nine months to September; it is not a final annual total.




Annual EOT conversions • Original study graph retained. 2026 is projected at 277; the text reports 208 conversions to September. The lower 2026 marker is a partial-year figure, not an annual total.

EOTs are the predominant UK employee ownership model and a popular succession route. Before the October 2024 Budget, conversions were roughly doubling every 1.7 years. The study identifies around 3,025 cumulative conversions, with 2,868 companies still EOT-controlled. At roughly 275 conversions and 45 exits annually, doubling the July 2024 live total of 1,790 might only just be achieved by August 2029, or narrowly missed. This is the researchers' EOT benchmark, rather than an official measure of the wider UK commitment.

Continues…

## UK EOT conversions and the Budget *continued…*

Slower EOT growth makes the UK Government's ambition to double the wider co-operative and mutuals sector harder to deliver, although EOT numbers alone do not measure that commitment. Devolved targets differ: Scotland aims for 500 employee and worker-owned businesses by 2030; Wales seeks to double employee-owned businesses from 37 to 74. Sustaining growth will be more challenging if conversions remain subdued. The study's UK-wide figures do not establish whether Scotland will miss its target. [1–3]

EOTs can help keep business headquarters rooted locally, sustaining demand for local accountants, lawyers and other advisers, work that might otherwise move to central teams following acquisition by a larger group. This may well explain devolved governments' interest.

Tax matters to owners but research suggests it is not their primary motivation. The 2024 Budget added complexity to capital gains tax relief; the 2025 Budget halved the relief, with tax payments front-loaded against vendors' deferred proceeds. Conversions averaged just 12 monthly in the following three months. HMRC guidance in December 2025 and May 2026 on instalments and technical issues may have helped the subsequent uneven recovery.

The preliminary research draws on public data analysed by Cardiff University's Dr Guy Major, working with Dr Jonathan Preminger and Graeme Nuttall. There are no official government EOT figures, and methodologies differ; nevertheless, sector organisations also report a decline of around 50 percent.

The October 28 Budget left existing EOT reliefs unchanged. This can reasonably be read as allowing the 2024–25 changes to bed in, providing time to assess their effects. That is an interpretation of policy stability, rather than a stated government intention. Further research on EOTs is expected from Thomas Poulsen from the Copenhagen Business School in Denmark.

Sources: EOT study Extract; HM Treasury, Budget 2026, 28 October 2026.
https://www.gov.uk/government/publications/budget-2026-document/budget-2026-html

[1] UK commitment — parliamentary answer, September 4 2026
[2] Scottish target — Scottish Government, August 27 2018
[3] Welsh target achieved — Welsh Government, June 21 2024

## Employee ownership offers independent brewers a lifeline



The Employee Ownership Trust is gaining interest among independent breweries as a way to protect their independence, retain staff and share the benefits of business success in a sector facing challenges such as the year-on-year decline in businesses making beer. The Society of Independent Brewers and Associates (SIBA) and the Campaign for Real Ale (CAMRA) have said one of the reasons for a decline is that the majority of beer produced and sold in the UK is owned by four global conglomerates who squeeze independents off the taps.

SIBA said more breweries are looking at employee ownership. Many now adopt a community-led approach, through direct sales and tap rooms. Last month, Rebellion Brewery in Marlow transferred ownership to an EOT. Staff described the transition as reassuring, particularly amid uncertainty and consolidation in the brewing industry. Abbeydale Brewery in Sheffield, which became an EOT in 2024, has reported lower staff turnover and improved employee commitment since the change. Its co-managing director, Toby Grattidge, reports that employees had become more invested in the business, and there has been a strengthening of workplace democracy: Abbeydale has two elected employee representatives on its board, who stay in the roles for two years.

Marya Besharov of Oxford University's Saïd Business School cautioned that an EOT does not guarantee success, but argued that giving frontline workers a stake in the business and incorporating a wider range of perspectives can help drive stronger performance.

The examples illustrate how Employee Ownership Trusts can support staff engagement, and help independent businesses preserve their culture, local communities, and long-term future.



Image by Alexandra_Koch from Pixabay

### EOT Round-up

- Law firm Berry Smith
- Fit-out specialist Collins Construction
- Entertainment and communication agency Premier
- Hotel and restaurant Sandy Mount House
- Workplace safety technology company SiteZone
- High-voltage engineering specialist Winshall

# COMPANIES – EO NEWS

## Churchill Group repays EO loan after profit doubles

Churchill Group has fully repaid the loan used to finance its transition to employee ownership, just three years after transferring its shares to an Employee Ownership Trust. The milestone, commonly known as 'financial freedom' day, gives the facilities management business greater financial flexibility to invest in its operations and workforce, and reinforces a culture of shared responsibility and growth. More than 70 percent of employees across its specialist businesses are now employee owners. The company reported a 17 percent reduction in staff turnover over the past year, while average length of service among both management and frontline employees is over five years. To strengthen employee participation, Churchill has established an Employee Transition Council to represent colleagues' interests, share feedback and help inform management decisions. The company's transition was initially funded through a sustainability-linked loan, with interest rates linked to performance against targets covering areas such as renewable energy, employee training and external accreditation.



Image by Agung Setiawan from Pixabay

# COMPANIES: EXEC REWARD

## Executive pay and workers' rights

Research from the University of York has informed a new United Nations report on business and human rights, highlighting how executive pay structures can influence workplace conditions. The study found that stronger incentives for chief executive risk-taking were associated with a 6.7 percent increase in workplace violations and a rise in the value of financial penalties. Researchers identified reduced spending 5.5 percent on employee safety and heavier workloads as two key ways these incentives can affect workers. The findings were supported by analysis of changes to US accounting rules that reduced the use of stock options, after which companies affected by the change recorded fewer and less severe workplace safety violations. The UN Working Group on Business and Human Rights has now called for companies to link executive remuneration more closely to human rights performance, arguing that financial incentives should take account of their wider impact on employees. The research was presented to the UN General Assembly in New York in October, with a second presentation and policy discussion taking place in Geneva this month.