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COMMISSION PUBLISHES EMPLOYEE SHARE OWNERSHIP PLANS IMPACT STUDY

The Commission has released its *Impact Study on Employee Share Ownership Plans (ESOPs)*, which examines how ESOPs imposed as merger conditions are structured and whether they deliver meaningful value to workers.

The study reviews ESOPs implemented between the 2019/20 and 2022/23 financial years and assesses key design elements such as funding models, governance arrangements, dividend distribution and sustainability. While the study finds that ESOPs can play an important role in promoting broader ownership and economic inclusion, it highlights that certain design features, particularly debt-based funding structures, can limit benefits for employee beneficiaries.

The report sets out recommendations to strengthen ESOPs as an effective public-interest remedy, including guidance on interest-free funding, appropriate discounts on share prices, clearer governance frameworks, mandatory training for beneficiaries and trustees, and enhanced consultation with workers and trade unions.

The full report is available on the Commission's website at https://www.compcom.co.za/wp-content/uploads/2026/04/ESOP-Impact-Study_NonConfidential.pdf

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