

Swiss B Corps Working Group on Employee Ownership

Additional Resources & Templates

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In October and November 2023, B Lab Switzerland held a series of online conferences on the topic of Employee Ownership, Steward Ownership and Foundation Ownership, powered by insights from expert practitioners.

The description of the three online conferences can be found below, alongside the links to the recordings and the expert speakers' presentations.

- **Session 1: The Future of SMEs Ownership: Employee Empowerment And Beyond**
 - In this session you will learn what Employee Ownership is and what forms of Employee Ownership exist. You will also get insights from Loyco, a Swiss B Corp that has adopted the practice and will share their experience.
 - *The recording is accessible here: [Session 1 Recording – Employee Ownership Series](#).*
 - *The experts presentation is accessible here:*
 - [Session 1 Slides_ EO Conference Series.pdf](#).

- **Session 2: Employee Ownership and Steward Ownership - A Discussion with Companies to Start and Lead the Journey**
 - In the second session of this series, Purpose Schweiz introduced the audience to Steward Ownership, a type of Employee Ownership, highlighting its benefits and differences to standard Employee Ownership. The second half of this meeting will be taken by a round table discussion, with 23bis and Loyco, who will share their experiences with Employee Ownership so far.
 - *The recording is accessible here: [Session 2 Recording – Employee Ownership Series](#).*
 - *The experts presentation is accessible here:*
 - [Session 2 Slides_ EO Conference Series.pdf](#)

- **Session 3: Beyond Employee Ownership: Foundation-Owned**
 - Delphine Bottge, from Purpose Lawyers, and Michel Jaccard from id est avocats, take the stage in the third and last session to take you even further into the concept of Employee Ownership, by presenting Foundation Ownership and by diving deeper into the practicalities of Steward Ownership. Get inspired by a panel discussion following these two presentations.
 - *The recording is accessible here. [Session 3 Recording – Employee Ownership Series](#).*
 - *The experts presentation is accessible here:*
 - [Session 3 Slides_ EO Conference Series.pdf](#)

Template Contractual Clauses¹

Examples of clauses in a typical shareholders agreement (SHA) that could support the successful implementation of an employee ownership and sustainability model

Purpose / Mission

1.1. Impact Embedding. The Company's, purpose and mission (the Mission) shall be (i) incorporated in its Articles of Association, (ii) aligned with the Board approved annual theory of change, which shall include metrics and targets over [#IntNumber] years on a rolling basis (the Theory of Change, with its initial version attached hereto as Appendix [#Number]), and (iii) supported by responsible business practices, the creation of short, mid and long term value for relevant stakeholders, and a transition to sustainable economic activities in line with accepted environmental, social and governance (ESG) principles.

1.2. Company Values. The Company's purpose and mission, as specified in the Articles of Association, shall be supported by (i) responsible business practices, (ii) the creation of short, mid and long term value for relevant stakeholders and (iii) a transition to sustainable economic activities in line with the United Nations' Principles for Responsible Investment (*Principes pour l'Investissement Responsable des Nations Unies*) (collectively, the Company Values).

1.3. Anti-Money Laundering and Sanction Matters. The Company and its subsidiaries will comply with all applicable anti-money laundering- and sanction laws and regulations of any jurisdictions where the Company and each subsidiary conducts business or owns assets.

Board duties

2.1. Sustainability. The Board shall manage the business of the Company in a manner which supports achieving the goals set forth in the UNFCCC Paris Agreement and the United Nations Sustainable Development Goals (2030 Agenda for Sustainable Development) (the Sustainability Goals).

2.2. Compliance. The Board shall use best efforts to comply with applicable environmental, social and governance (“ESG”) principles, which include without limitations laws and regulations, as well as guidelines of the industry applicable in Switzerland, and shall monitor any known or expected future changes in the requirements and take all reasonable actions to ensure compliance.

¹ The “Template Contractual Clauses” have been graciously provided by Swiss law firm [id est avocats](#).

id est avocats is an independent law firm helping innovative businesses, purpose-driven companies, ambitious entrepreneurs, top investors, industry leaders, and global brands succeed in today's fast-changing world.

Specific Covenants

- 2.3. Principle. [Within [6] months, t]The Board shall:
- a) adopt a climate policy by measuring the Company's emissions footprint, and setting clear actions and steps to achieve climate neutral operations by [2030] at the latest through reductions where reasonably possible and offsetting what is not reduced;
 - b) adopt a diversity and inclusion policy ensuring that the Company is totally inclusive across gender, ethnicity, age, sexual orientation, disabilities, socio-economic background and national origins;
 - c) evaluate and implement best practices (for a company at this stage and level of resources) of its business activities with respect to Environment, Social and Governance (ESG) aspects[; and]
 - d) [initiate a B Corp certification process.]
- 2.4. Put Option. In case of breach of this Section, each Shareholder shall have the right, at any time, to require that the Company or, should the Company not be in a position to do so, the other Shareholders pro rata their ownership of Shares, acquire within 30 days of such request all Shares held by such Investor for an aggregate price of CHF [#Amount].

Incentive Plans/D&I

- 2.5. Incentive Plans. The Board shall have the right to create and implement one or more incentive plans in the form of stock plans or stock option plans, amounting to up to [#NumberIncentiveShares] Shares or in the form of phantom stock plans of a similar size (each, an Incentive Plan). Incentive Plans will include incentives linked to the achievement of Sustainability Goals, such as customer satisfaction, employee engagement, sustainability, corporate governance, and social impact².
- 2.6. Diversity and Inclusion. The Company shall use best efforts to have a diverse team and shall adopt company policy on diversity, including, but not limited, to the recruitment processes of key management and members of the Board, aiming to limit that members of the same gender represent up to [65]% of its composition.

Other Useful Resources

LISI Impact Term Sheet
<https://www.lisi-law.eu/impact-term-sheet>

² A list of potential impact KPIs could include: Employee Engagement and Satisfaction (Employee Retention Rate, Employee Satisfaction Index, Employee Productivity Metrics,...), Sustainability and Environmental Impact (Carbon Footprint Reduction, Sustainable Resource Use, Waste Reduction, ...), Corporate Governance and Compliance (Compliance Rate, Board Diversity and Inclusion, Ethical Business Practices, ...), Community and Social Impact (Community Engagement Initiatives, Social Value Created, Philanthropic Contributions, ...).

Chancery Lane Project

<https://chancerylaneproject.org/climate-clauses/green-shareholders-agreement/>

<https://chancerylaneproject.org/climate-clauses/green-company-articles/>

<https://chancerylaneproject.org/climate-clauses/paris-aligned-company-articles/>

<https://chancerylaneproject.org/climate-clauses/management-equity-ratchet-terms/>

<https://chancerylaneproject.org/climate-clauses/esg-clauses-for-rules-of-procedure-for-managing-directors-of-a-german-limited-liability-company-gmbh/>
