

Highlights from the 2024 Employee Share Plan Engagement Survey

2024



Thank you for participating in our Employee Share Plan Engagement Survey

We are pleased to present our Employee Share Plan Engagement Survey report, which draws insights from over 120 clients across the EMEA and North America regions. We'd like to thank everyone that participated for taking the time to share their valuable perspectives.

Your contributions have provided a deeper understanding of the challenges and opportunities you and your organisations face in engaging with employees through share plans.

Over 120 Responses

This report highlights key findings, including the types of employee share plans being offered, the motivations behind offering these plans, and the strategies organisations are employing to boost employee enrolment. We hope these findings serve as a valuable resource for organisations looking to enhance their employee engagement and share plan initiatives.

Our methodology and scope

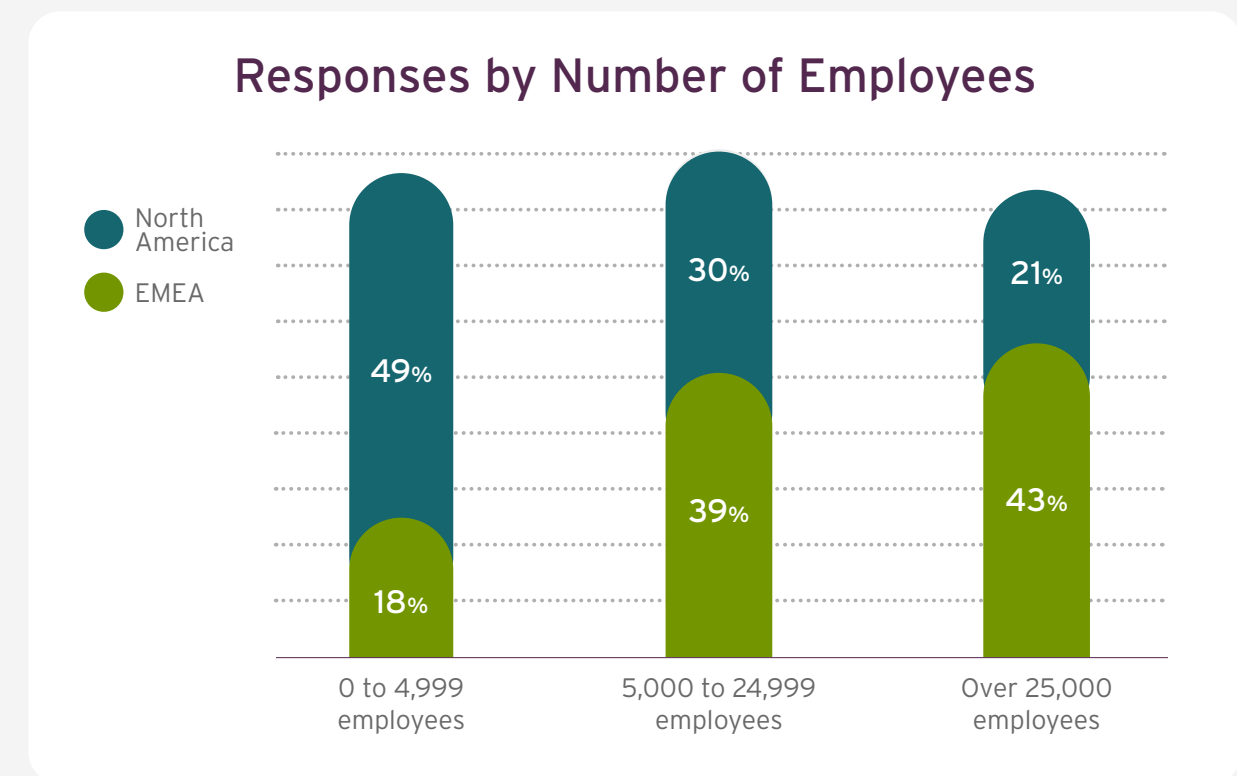
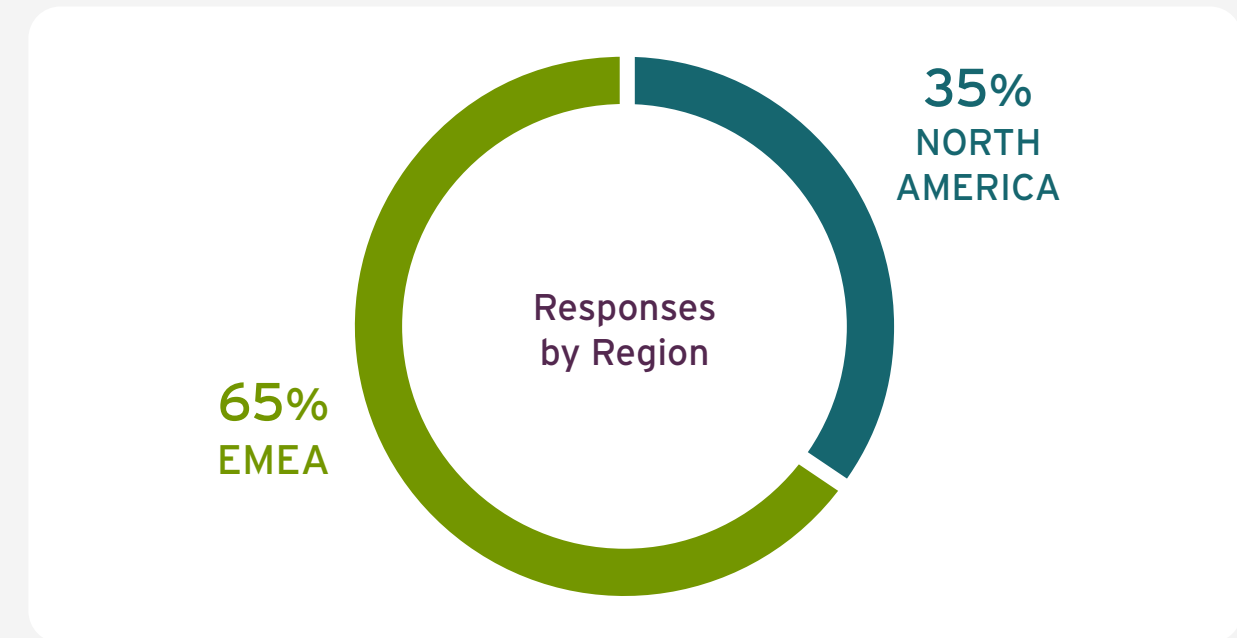
The findings in this report were sourced from the Employee Share Plan Engagement Survey conducted between June and July 2024. Clients of Computershare within EMEA (Europe including the UK and Ireland) and North America (US and Canada) were invited to participate in a quantitative online questionnaire with a total of 124 valid responses.

The maximum sampling error at the 95% confidence interval is +/- 8%. i.e. a 60% 'yes' response to a question would mean there is a 95% chance that between 52% and 68% of the wider populations thinks 'yes'. Note, analysis of smaller subgroups would have a higher sampling error.

Survey Sample/Respondents

Firms with over 5,000 employees made up 71% of the survey respondents. Overall, clients offering contributory plans (such as Employee Purchase Plans) and those offering discretionary plans (such as Executive Plans) are evenly distributed in the sample, at 69% and 70% respectively.

When looking at company size, discretionary plans are offered in a higher proportion by companies with over 25,000 employees (86%) while contributory plans are widely offered among companies with less than 5,000 employees (74%). This is also reflected by region where 49% of the North American responses came from companies with fewer than 5,000 employees, of which 71% offer contributory plans. EMEA responses were skewed to companies with over 5,000 employees of which 85% offered discretionary plans.



Objectives for the Employee Share Plan

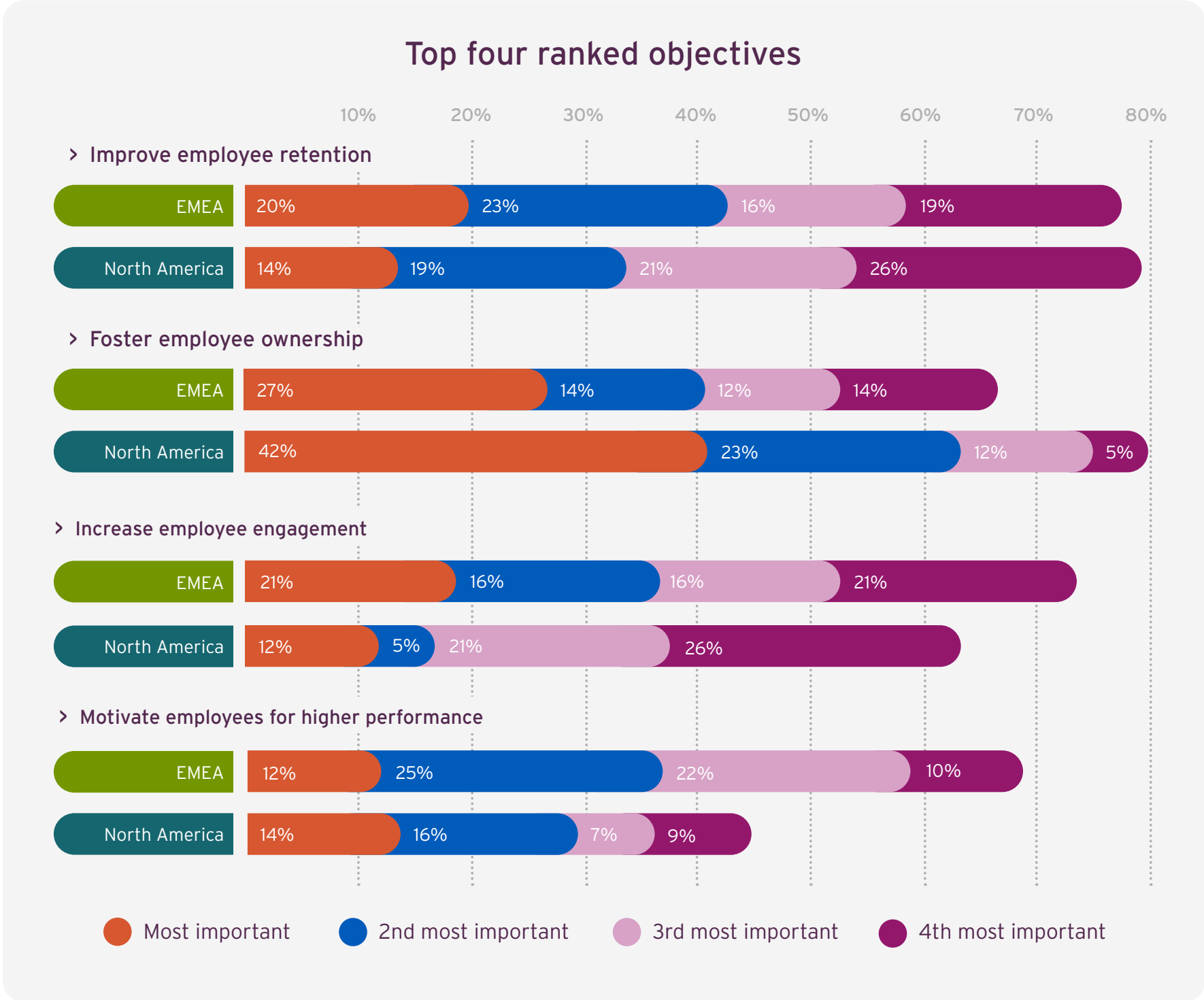
Based on a choice of options, respondents were asked to rank their objectives for the plan in order of relative importance. 78% ranked improving employee retention within the top four, with fostering employee ownership and increasing employee engagement close behind.

- > 78% Improve employee retention
- > 72% Foster employee ownership
- > 70% Increase employee engagement
- > 61% Motivate employees for higher performance

North America shows a strong focus on the importance of fostering employee ownership relative to other plan objectives.

But an employee share plan is not just about achieving one goal. Different plans are used to achieve certain goals which is seen in the data. Contributory plans are offered mainly to foster employee ownership and enhance the employee benefit offering, and discretionary plans are offered predominantly with the objective of motivating employees and improving employee retention.

These differences by plan type are also reflected in how organisations measure whether their plan is delivering to these goals, with plan participation levels the primary metric for contributory plans and retention rates more commonly used to measure the impact of discretionary plans. 21% of organisations reported not currently measuring whether their plan(s) is achieving its stated goals.

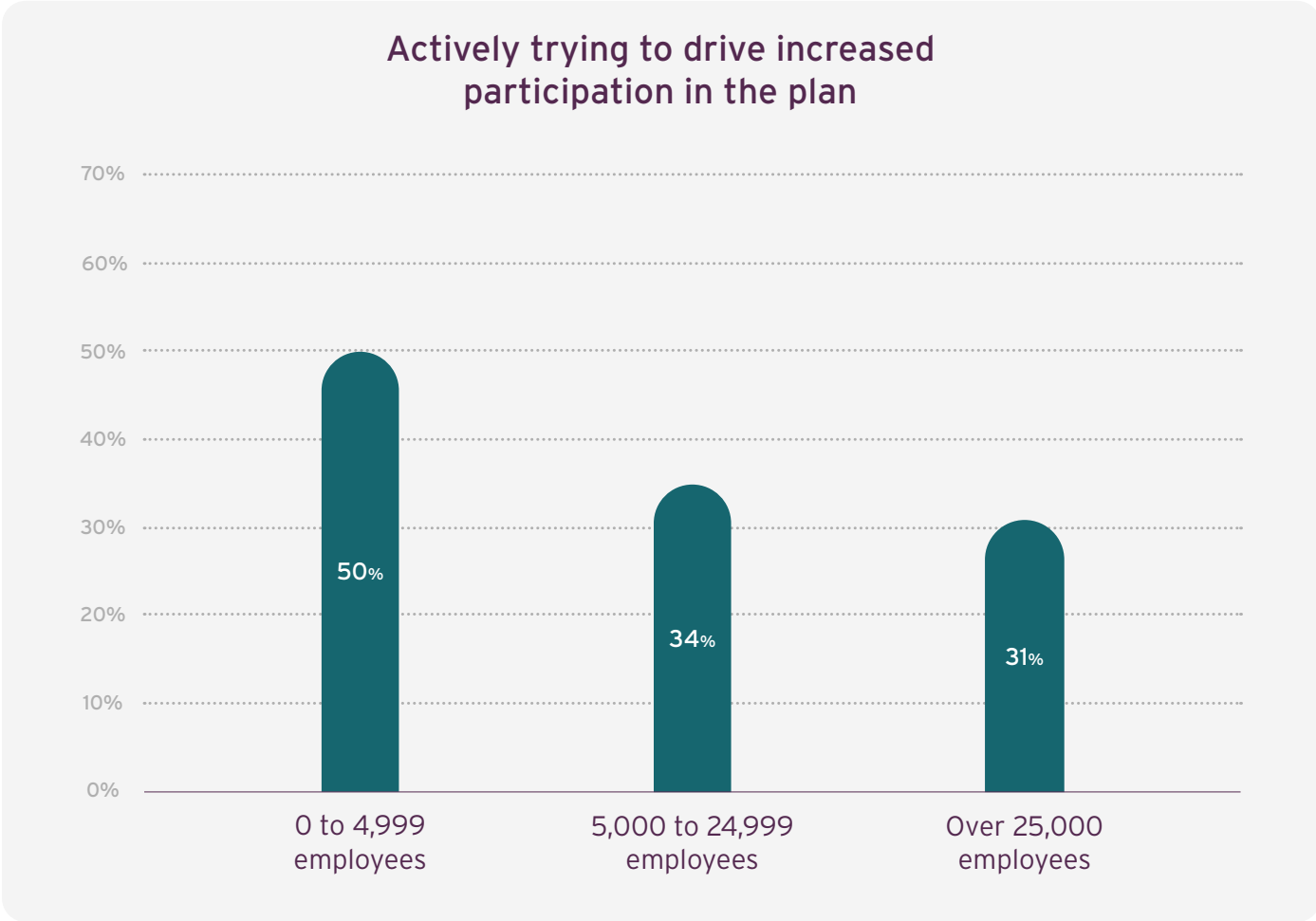
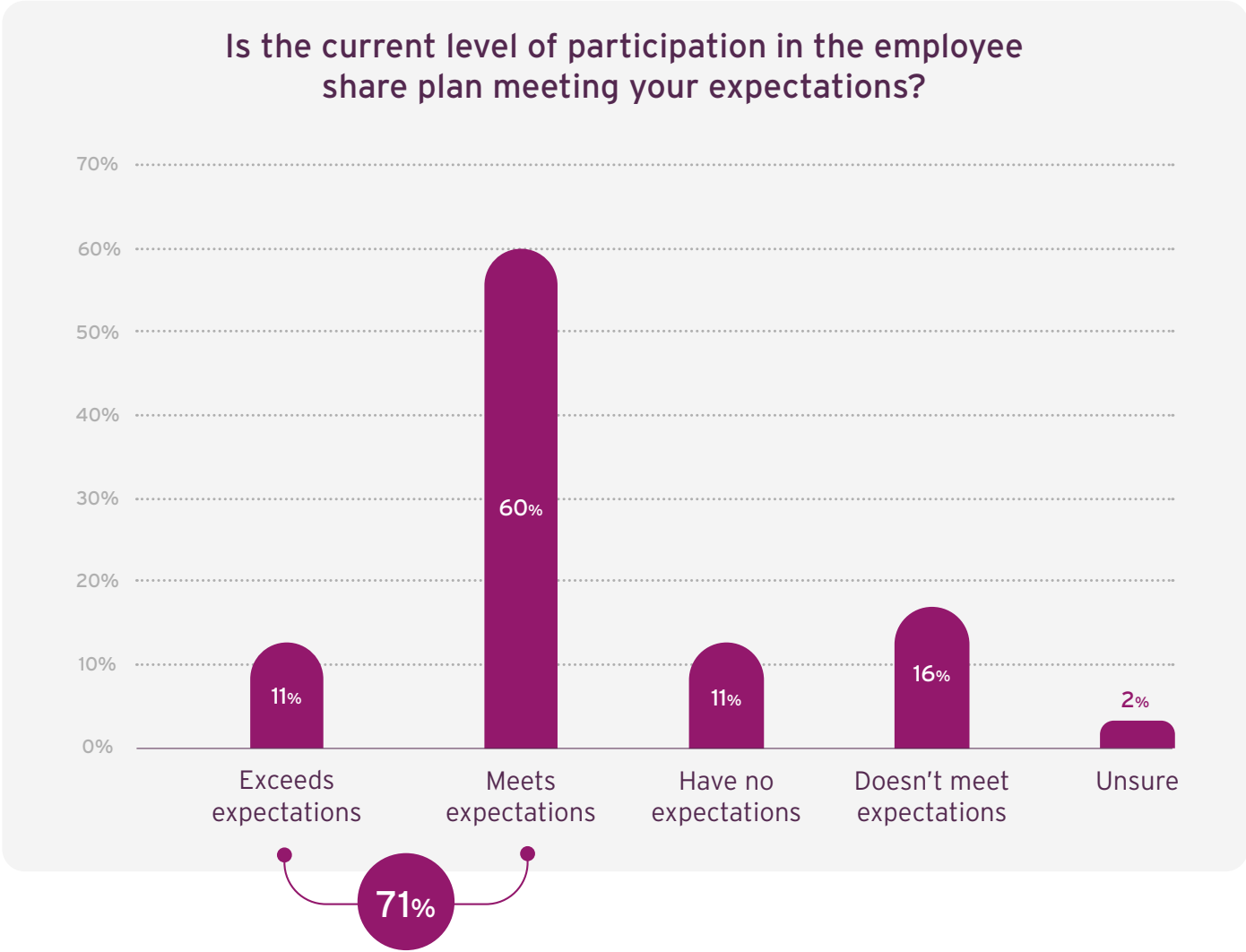


Participation levels in Contributory Plans

For organisations that offer Contributory Plans, **71%** report that the current level of participation in the plan was **meeting or exceeding** their expectations.

Despite this, **39%** of organisations are actively trying to drive increased participation in the plan.

This grows to **50%** when only considering companies with less than 5,000 employees.



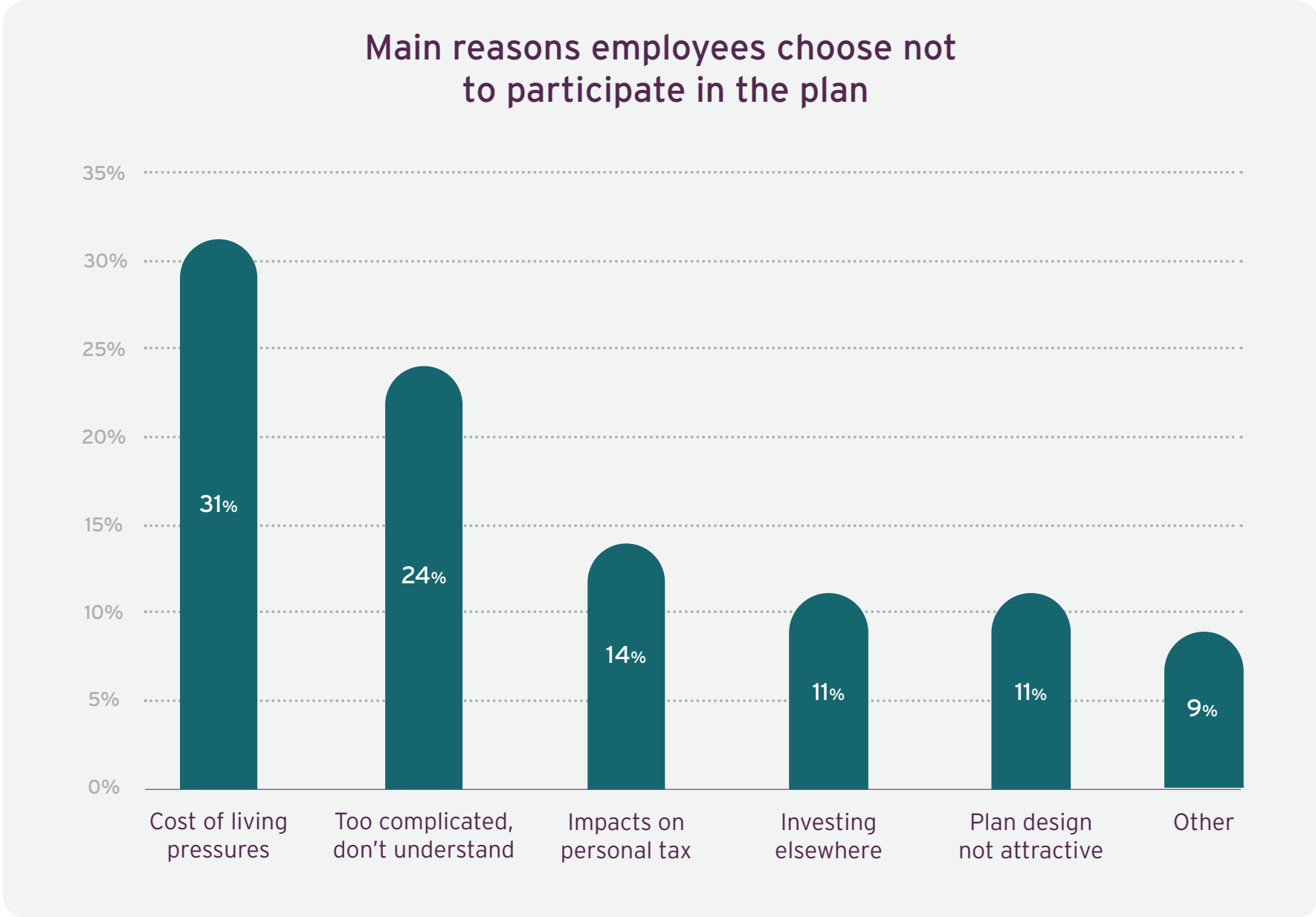
Participation challenges

The biggest barrier to employee’s participating in these plans was seen to be a combination of cost of living pressures and challenges understanding the plan. Cost of living irrespective of company size, plan type or region is cited as the number one reason.

In times of economic uncertainty, this highlights a potential need to provide education and awareness campaigns to help employees understand the value of share ownership, how the plan works, and the potential long-term benefits.

When asked what the organisation is doing to encourage employee participation in the company share plan, communication emerged as the predominant theme followed by the plan design. Key actions raised to motivate employees included:

- > New hire onboarding process including plan details
- > Promoting the plan during annual enrolment periods
- > Educating employees with financial wellbeing sessions
- > Webinars and information on company intranet
- > Offering attractive plan terms



Engaging employees with the plan

Key challenges highlighted when it comes to engaging employees with the plan are:

- > Complexity of the plan
- > Taxation and regulation - particularly when operating in multiple countries
- > Difficulty in employees understanding the plan
- > Communicating effectively with employees

Plan structures and tax implications were raised as barriers for both participants and those administering the plans. This can be significant for organisations operating in multiple countries who have to understand and adhere to country-specific tax regulations and legal implications.

Employee awareness of the plan and their understanding of it was cited as another significant challenge. Misconceptions about plan complexity can lead to disengagement and employees not understanding the

potential long-term benefits of participating. One respondent noted that “For quite a few, the concept of share ownership is still too complex to fully grasp - they are almost afraid of it”.

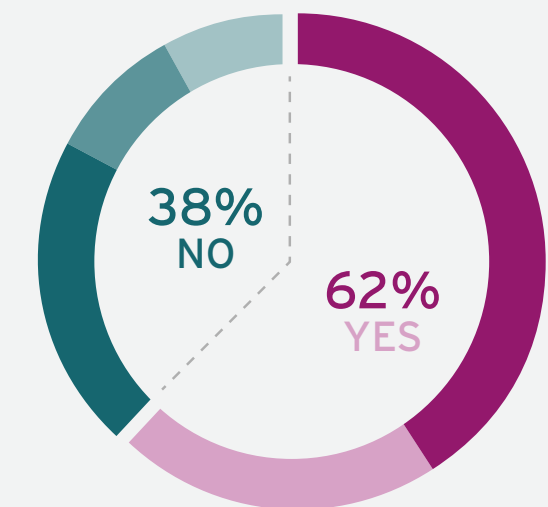
While this highlights a need to educate employees so they can better understand how the plan operates and its value, complex plan details make it difficult to explain simply and understandably to all employees. Time was also a barrier mentioned in terms of employees having the capacity to educate themselves so they can make informed decisions.

Many respondents raised challenges they have with communication and reaching diverse workforces. Differing levels of financial literacy, language barriers in multinational operations, employees being spread across multiple locations and offline workforces without easy access to email all contribute to impact communication effectiveness.

Many commented that emails are not read, or potentially read but not followed up and forgotten. **Challenges with measuring the impact of communications** make it difficult for organisations to know how they are being received. Some companies reported having extensive information available for employees but when it “...is not found or read it is pointless”.

There is a need for clear, impactful communication that is tailored to reach different employee segments. 62% of organisations have initiatives in place or are planning to set up initiatives to boost their employees’ understanding of the benefits of the plan and how it works, whilst for 21% this is not currently a priority.

Are you considering boosting your employees’ understanding of the benefits of the plan and how it works?



- Yes, planning in progress - 41%
- Yes, initiatives already in place - 21%
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- No, not a priority - 21%
- No, not needed - 9%
- No, no capacity to undertake this - 8%

Conclusion

Employee share plans are being used to engage, motivate, and foster employee ownership but some challenges remain. While the majority of respondents reported plan participation levels are meeting or exceeding their expectations, many organisations feel there is more to be done.

The survey responses highlight a diverse range of challenges for organisations when it comes to engaging employees with their share plans. From complicated plan designs, regulatory hurdles and communication barriers to educational gaps, there are opportunities for improvements. Addressing these challenges requires tailored strategies that focus on clarity, accessibility, and effective communication across all levels of an organisation.

It is clear from this survey that employee share plans play an important role in helping organisations, big and small, build employee-centric, high-performing cultures. Organisations that proactively address barriers for employees can elevate their employee share plans to new levels of engagement and effectiveness.

Computershare is here to help you and your organisation deliver employee share plan solutions that optimise employee engagement, fostering a culture of shared success and high performance. Let's continue to partner together to drive engagement so you can realise your employee share plan goals.



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