

Help raise the voice of employees shareholders... get voting with the support of SRD II

As this year continues at a pace, the countdown is on – the second phase of implementing SRD II by September 2020 will soon be here.

It looks to build on SRD I in a number of ways, with the main aim of encouraging the long-term engagement of EU listed companies' shareholders, which in turn will help support a sustainable EU economy. There's a push for greater transparency regarding the investment strategy, the directors' remuneration, the voting process in general meetings and the shareholders themselves.

The positive news, from an employee perspective, is the focus on making it easier for shareholders to utilise their rights by facilitating cross-border voting. For us in share plans, this gives employee shareholders who often hold shares via an intermediary, such as a corporate nominee, an opportunity to vote at AGMs and general meetings.

This reinforces the efforts seen within the latest UK Corporate Governance Code to promote employee engagement by giving them a greater voice. This can only be a good thing as [Investors In People](#) highlight research showing a strong employee voice can have many benefits including authentic organisational purpose, an improved employer brand and more successful customer acquisition.

To facilitate this, intermediaries will have to ensure they provide a means to vote on general meetings. While some already offer this facility, it's an opportunity to re-evaluate the process to make sure it's an easy journey for employees to encourage them to vote – if it's clunky, most will simply drop off and move on to their next task.

The Eximia team is in the final stages of building a new platform to help a leading share plans administrator do just that. It will offer its clients a simple way to communicate with their employee shareholders, logging votes, whilst providing detailed and summary reporting for ease of administration.

As employers who have employees as shareholders through various share plans, now could be an opportunity to tell people about the changes to ensure they feel their voice counts and is valued. But remember, keep all communication jargon-free, concise and in the context of the bigger picture.

References

Investors In People: [Employee voice: why is it important to sustainable success?](#)