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# Status of Steward-Ownership Worldwide


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## Australia 🇦🇺

A wonderful law firm from Melbourne has worked on a guide of different steward-ownership models that can be used. You can find the full report here.

## Austria 🇦🇹

### Legal implementation

A handful of companies and individuals have contacted PURPOSE in the past to learn more about the legal situation in Austria and how steward-ownership could be implemented there. Unfortunately, it seems that according to the Austrian law, it is forbidden to split dividend and voting shares – a necessary prerequisite to use the golden share model.

However, one law firm has found a workaround to implement steward-ownership, not yet practically tested. In addition, the Austrian government is currently working on a new legal form for a company type called FlexCo that could be a game changer regarding the implementation of steward-ownership. We are expecting an update on its viability towards the end of 2023.

In brief, steward-ownership could be implemented as follows:

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- The Austrian GmbH is the most fitting legal form
- As it is not possible to withdraw voting rights entirely, the experts suggest weighing the shares in such a way that the steward-owners hold the majority (i.e. 99%), which leaves other shareholders with no decision power, especially if it is determined through contracts that certain decisions always need i.e. 75% of votes
- The transfer of voting rights could be facilitated by assigning all voting shares to a trustee (i.e. a Verein) in which steward-owners could easily enter/exit
- The veto-share would be transferred to an independent foundation (i.e. the Swiss Purpose foundation)

## Best-practices / companies that have already transitioned:

-> none that we know of

## Partners / Contact Persons:

- The law firm that has found a solution to set up a golden share in Austria is called Thurnher Wittwer Pfefferkorn & Partner Rechtsanwälte GmbH
  Dr. Christina Lindner, LL.M. can be contacted at: christina.lindner@twp.at

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# Belgium 🇧🇪

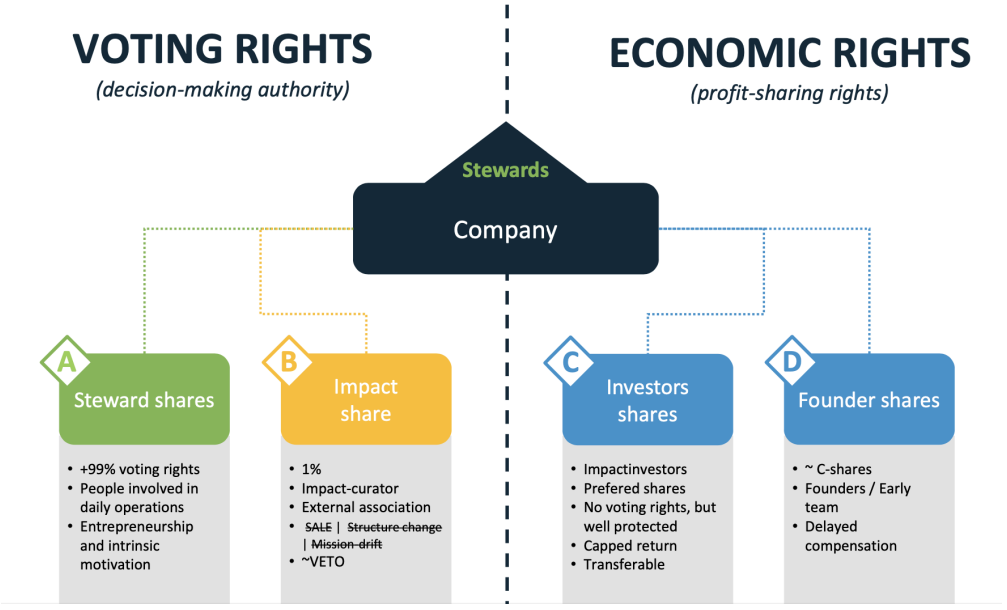
This chapter was contributed by Strategies & Leaders, merci!

## Legal implementation

Under Belgian law, companies can be established with a mission 'lock' through the use of different classes of shares. The structure typically involves two categories of shares: stewards with voting rights but no or unsubstantial dividends, and investors/founders with capped or limited dividends but no voting rights.

The stewards are usually organized in a non-profit association ('VZW'), which holds shares in the company. The association's statutes determine the eligibility criteria for becoming a member or director of the association and thus a steward of the company. The association holds voting shares in the company or shares with a special majority requirement for key decisions, such as appointing directors, ensuring their control over the company's direction. To safeguard the company's mission, a purpose-built foundation or association ('VZW') may hold a share with veto rights (a 'golden share'). They intervene only when the company's purpose is at risk. The foundation's or association's statutes outline its governance structure and the mechanisms for protecting the company's mission. The objective is to establish one central association in Belgium to perform this function for all interested steward-owned companies.

Dividend-oriented shareholders are entitled to a capped or limited return on investment but generally lack voting rights. Exceptions can be made for decisions that would directly impact their financial position or other concerns they might have. A shareholder agreement can further define the exact relationship between steward and investor shares.
This structure ensures the company remains focused on its mission and provides a balanced approach to stakeholder involvement and financial returns.




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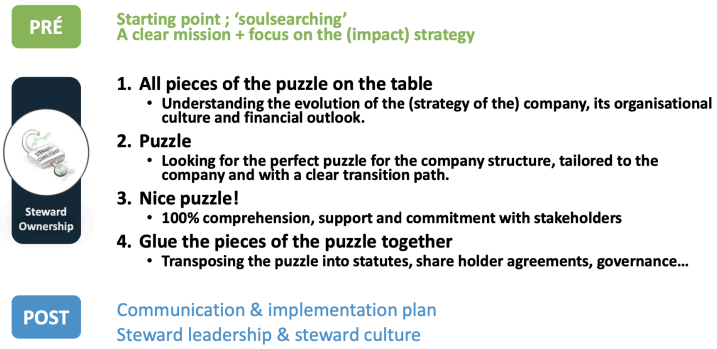
The flexible interpretation of Belgian company law makes for an ideal environment for steward-owned companies. We estimate that interest in and financing opportunities for this organizational form  will increase in the future.

## Partners / Contact Persons:

Contact Strategies & leaders through their website: https://steward-ownership.coop/

Or through e-mail:
peter.depauw@strategiesandleaders.com
jens.vanlathem@strategiesandleaders.com

## Our Approach




## Best-practices / companies that have already transitioned:

Enter Digital

## Resources

https://steward-ownership.coop/

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# Brazil 🇧🇷

**English:**

According to the information we collected, the legal implementation of steward-ownership under Brazilian jurisdiction is not easy.

A description of possible models and relevant challenges has been written in collaboration with Rachel Avellar Soutomaior Karam (Partner of Tesk Advogados and Board Member of GAIL Latam) and is published at page 73 of this report.

The good news is that there is a group of Brazilian entrepreneurs that are enthusiastic about the model and are working on it, with the advice of local lawyers.
Joao Pacifico is one of them, leading the transition of Grupo Gaia to a steward-owned company.

For further information, please contact Anna Bonan (anna@purpose.ag) and Bruna Hirszman (esg.bruna@gmail.com)

Purpose LATAM was founded in 2020 thanks to the collaboration with Banca Ética Latinoamericana and Sistema B. We started our work to raise awareness in the Latin American region on the topic of steward-ownership and alternative financing and enable local entrepreneurs on their path to these structures.

**Portugués:**

De acordo com as informações que coletamos, a implementação legal do steward-ownership na jurisdição brasileira não é fácil.

Uma descrição dos possíveis modelos e seus desafios em colaboração com Rachel Avellar Soutomaior Karam (sócia da Tesk Advogados e membro do Conselho da GAIL Latam), publicada aqui.

A boa notícia é que há um grupo de empresários brasileiros entusiasmados com o modelo e que estão trabalhando nele, com a assessoria de advogados locais.
João Pacífico é um deles, liderando a transição do Grupo Gaia para uma empresa de propriedade de administradores.

Para obter mais informações, entre em contato com Anna Bonan (anna@purpose.ag) e Bruna Hirszman (esg.bruna@gmail.com)

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# Chile 🇨🇱

## Legal Implementation:

Two models can be used to implement steward-ownership under Chilean jurisdiction:

- **Shareholder Foundation**: under this model a not-for-profit foundation controls the voting-rights of the company. The economic rights can be held by the same foundation, but they can also be held by investors or other entities.
- **Golden share model**: by using a company limited by shares (Sociedad por Acciones), the capital can be divided into different classes of shares: stewards-shares (with voting-rights), investors- or founders-shares (with economic rights), and a veto-share (also known as golden-share) held by an independent entity which safeguards the principles of steward-ownership in the long term. Compared to other jurisdictions, the implementation of this model needs to take into consideration the legal prohibition to issue shares without economic rights. This requires to limit to the maximum extent possible the economic rights of the steward-shares and the golden share.

A more extensive description of these two models in Spanish is available here.

## Best-practices / companies that have already transitioned:

Banca Ética Latinoamericana (foundation model), Late! (foundation model), Constructores del Rupanco (golden share model), many more in transition!

## Resources:

→ www.purposelatam.org

## Partners / Contact Persons

Purpose LATAM was founded in 2020 thanks to the collaboration with Banca Ética Latinoamericana and Sistema B. We started our work to raise awareness in the Latin American region on the topic of steward-ownership and alternative financing and enable local entrepreneurs on their path to these structures.

Contact hola@purpose.ag and follow us on Linkedin

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# Finland 🇫🇮

## Legal implementation

Sharetribe is a Finnish steward-owned company using the golden-share model with a German controlling entity, so they used a cross-jurisdiction legal hack. The topic is still not popular in Finland – it needs multipliers spreading the idea.

## Best-practices / companies that have already transitioned:

→ Case Study Sharetribe

## Partners / Contact Persons:

- contact Purpose (internationalization@purpose.ag) if you are interested in the legal hack Sharetribe used

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# France 🇫🇷

## Legal implementation

There are a few foundation-owned companies in France. Additionally, there are cooperatives as well as the Enterprise à Mission, but both don't enshrine the principles of steward-ownership. They can, however, be combined with steward-ownership.

## Best-practices / companies that have already transitioned:

→ none that we know of

## Partners / Contact Persons:

→ Prophil
Rebecca Guyot, a lawyer/law firm who is very keen on finding solution for the French context: https://rg-avocat.com/

## Resources:

Purpose Book in French

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# Germany 🇩🇪

## Legal implementation

The legal landscape for steward-ownership in Germany is evolving, with concerted efforts underway to establish a clear and supportive framework for this innovative ownership model. Entrepreneurs who currently want to transition their companies into a steward-ownership form can either use expensive foundation structures or use the veto-share service of the Purpose Foundation.
In addition, the German coalition parties are currently discussing to introduce a new legal form known as the "Gesellschaft mit gebundenem Vermögen" (GmgV). This proposed legal form aims to formalize the principles of steward-ownership, ensuring that a company's assets remain bound to its purpose and cannot be privatized or sold for profit.

**Key Developments of the political process for a new legal form**

1. **Legislative Progress:** The concept of the GmgV has been acknowledged in the coalition agreement of the German government, indicating significant political backing for its establishment. Leading the charge are organizations like the Stiftung Verantwortungseigentum (Foundation for Steward-Ownership) and the Purpose Foundation, which have been instrumental in advocating for the legal recognition of steward-ownership. These organizations argue that a standardized legal form would provide the necessary clarity and security for companies wishing to adopt this model.

2. **Existing Legal Mechanisms:** Presently, German companies can adopt steward-ownership principles through mechanisms such as creating foundations or using the Veto Share model. Although effective, these methods can be complex and may not offer the same level of legal certainty and ease of implementation that the GmgV is expected to provide.

## Best-practices / companies that have already transitioned:

Many companies in Germany have successfully transitioned to steward-ownership, serving as best-practice examples and demonstrating the viability and benefits of this model.

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**Examples of Steward-Owned Companies:**

An overview of steward-owned companies can be found here.

## Partners / Contact Persons:

PURPOSE was found to guide the movement towards steward-ownership and has set up various organizations for this aim.

Issues regarding legal implementations are being tackled by the Stiftung Verantwortungseigentum. This foundation works on creating a secure legal framework to implement and support steward-ownership across different businesses. Additionally, the Purpose Foundation promotes research and awareness about the positive impact of steward-ownership, aiming to create an equitable and sustainable economic model.

Purpose Ventures and Purpose Evergreen Capital (PEC) support with direct implementation.

1. **Purpose Ventures** focuses on providing flexible, capped, non-controlling growth capital primarily for Series-A startups. It aims to help mission-driven companies grow without compromising their values or independence. By offering non-extractive financing, Purpose Ventures ensures that companies can prioritize their mission over short-term profits.
2. **PEC** is an alternative private equity investment vehicle. PEC offers long-term, patient capital designed to support businesses in maintaining their steward-ownership structure over the long haul. Unlike traditional private equity funds, PEC is structured to avoid putting pressure on companies to pursue exits or maximize short-term returns, allowing them to focus on sustainable growth and mission preservation.

## Resources:

Purpose Book in English and German
A short guidebook to legal frameworks in English
Purpose Toolkit for Entrepreneurs in English
Purpose Magazine in German

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# Greece 🇬🇷

## Legal implementation

To be added.

## Best-practices / companies that have already transitioned:

- Ten Million Hands is the first Greek entity created with the steward-ownership principals in mind, incorporated initially as a non-profit company to bring awareness and solutions towards conscious consumption and production, under the Sustainable Development Goal 12 of the United Nations. Ten Million Hands will adopt the S.O. model of structure and governance, becoming a dual entity (non-profit+for-profit), where the commercial arm will contribute a significant portion of its earnings towards the non-profit entity, thus ensuring its financial viability to deliver its much needed awareness raising, education and advocacy programmes. Ten Million Hands will launch its informative online platform in July, more information website shared shortly.
- Nosileia https://nosilia.org.gr/en/ will be the second organisation to pursue the SO structure – an NPO dedicated to provide palliative care that has accepted to follow an assessment procedure that will define the final steward-ownership structure which best fits their organisations' purpose and function.

## Partners / Contact Persons:

The Purpose partner organization Stewards is promoting Social Innovation and Purpose driven Entrepreneurship in Greece: https://stewards.gr/

STEWARDS mission is to assist organizations to adopt the steward-ownership structure. The number one focus for STEWARDS was to identify a suitable legal framework for steward-ownership in Greece, which they have been working on with a team of lawyers and the Purpose team. They are currently in the process of finalizing articles of association which will then be made available to other entrepreneurs. They will also be creating systems, networks and resources to inspire and enable entrepreneurs to follow this path.

Besides the non-profit entity, the plan is to establish a for-profit organization for consultancy and support in the next coming months and a Stewards Ventures fund following the example of Purpose Ventures.

STEWARDS GR will focus initially on know-how and support. As they learn through research, practice, and experience, they will share all acquired knowledge through publications, events, and open-source materials. In unison, they will educate, attract, and activate aligned capital to allow financing for start-ups to grow and mature businesses to transition to steward-owned structures.

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# Luxembourg 🇱🇺

## Legal implementation:

We recently came across the SIS (société d'impact sociétal), a legal form that seems to align with steward-ownership in many aspects:
The SIS is designed for individuals or legal entities aiming to create a commercial entity with a mission deeply rooted in social impact or societal relevance. To qualify for the SIS designation, a company must commit to the principles of the social and solidarity economy, ensuring their operations contribute positively to the common good.

The SIS must adhere to strict obligations regarding transparency and governance, ensuring that the company is genuinely and seriously pursuing its economic activities with a social purpose.

The concept of the SIS in Luxembourg embodies several key aspects of steward-ownership, including the requirement for ethical governance and transparency, and support mechanisms that help align business practices with these principles.

We are currently taking  a closer look at this legal framework to determine the compatibility with steward-ownership.

# Netherlands 🇳🇱

This chapter was contributed by We Are Stewards, bedankt!

## Legal implementation:

The principles of steward-ownership offer ample room for creating legal implementations that fit the needs of a company. Needs might arise from the industry in which a company is active, the size of a company, age, its stakeholders - and their needs. There are however three dominant models in the Netherlands:

**Golden share model**
The golden share model was envisioned by Purpose to be able to support mainly small companies in Germany to transition to steward-ownership. The model can also be used in the Netherlands and is adopted by a number of companies. The golden share model creates a clear division of rights by creating different share classes. Typical share classes within the model are:

- Steward shares: These shares hold the voting rights and are held by the stewards directly or indirectly through a 'steward foundation'. The steward shares have no profit rights and can only be handed over at nominal value (for instance 1 euro).
- A golden share: The golden share is held by a foundation that offers 'steward-ownership as a service' and makes sure the steward-ownership structure

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stays in place. A handful of foundations offer this service: Stichting Gouden Aandeel, Stichting De Prioriteit, Stichting Sleipnir and the Purpose Foundation.

- Investor shares: Investor shares have no voting rights and have limited and capped profit rights. Typically, investor shares receive part of the free cash flow (or any other definition of profit) as dividend. Once investors have received their capped return, the shares do not have any profit rights anymore and the company can for instance buy back the shares at a symbolic value of 1 Euro.
- Founder and team member shares: Like investors, founders and team members could share in the profits and receive a limited and capped return. Investor shares might have preferred rights compared to these shares and founders might have a vesting period. Like investor shares, these shares can for instance be bought back by the company for a symbolic value once the cap is paid out to the holders.

The golden share model is (in the Netherlands) mainly used by startup companies that need outside investment and also compensate founders and possibly other team members. The golden share model clearly structures voting and economic rights. Examples of companies using this model: nature restoration platform Sumthing and mental healthcare provider BuurtzorgT.

**Shareholder foundation**

The shareholder foundation model is maybe the most simple and straightforward legal model for steward-ownership in the Netherlands. A single foundation could hold 100% of the shares in a company and be a steward of the company. After reading about the previous model (the golden share model), you might have thought about the idea of the 'steward foundation' becoming the sole owner of the company, after investors, founders and team members have received their profit shares and handed back their shares. That is indeed a possibility. To make this possible, within the shareholders agreement it could be agreed that the steward shares convert into common shares once the other shares have no profits rights anymore. This is for instance implemented by circular fashion company New Optimist.

A challenge of the single foundation model could be the balancing of different purposes of the foundation: supporting the mission and continuity of the company versus donating profits. If donating profits becomes more important for the foundation board, being a good owner could suffer from that focus. To solve the challenge of balancing different purposes, it is possible to create a double foundation model, in which one foundation holds the shares with voting rights and the other foundation holds the shares with economic rights. Both foundations can in that case focus on their specific tasks: being a good steward and donating profits to a certain cause. Last but not least, it's also possible for companies to donate part of their profits before paying out dividends to the foundation, making the donation of part of the profits a task of the company, which can also be more tax friendly in the Netherlands.

To summarize: With the shareholder foundation model, the complete company - or a majority of the voting rights - is in the hands of a foundation that acts as a steward of the company.

**Neutralized capital**

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The third model is called neutralized capital and was created by the founders of biological supermarket Odin. The founders wanted to have the freedom to run Odin as directors and stewards, but did not want to be the economic owners of the company. Regarding financial compensation, they felt no different from employees. Besides founding Odin, they also founded Stichting Sleipnir, which became the economic owner from the start and also takes on a role that could be compared to the golden shareholder. The past 40 years, over 20 companies have transitioned their economic ownership to Stichting Sleipnir. Because Stichting Sleipnir is an ANBI Foundation (a Dutch legal status for foundations), it was possible to donate economic ownership without a tax bill. Due to recent changes in tax law in the Netherlands, this is unfortunately not the case anymore.

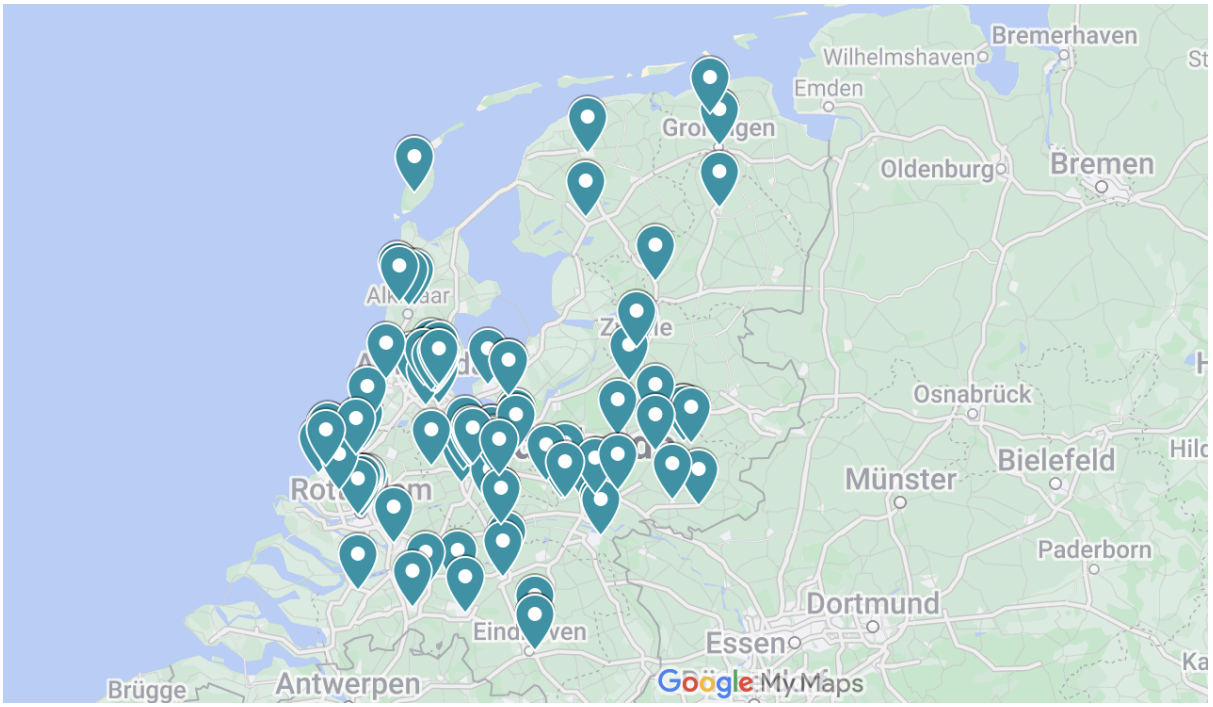
The name 'neutralized capital' originates from the idea that Stichting Sleipnir is owner of the capital and makes it possible for companies to act as if the value of company assets does not influence decisions and incentives; it's neutralized.

When starting, Odin was a CV (commanditaire vennootschap) with the 3 founders as general partners (beherend vennoten) and Stichting Sleipnir as silent partner. Most companies that are connected to Sleipnir are a CV, but Odin itself transitioned to become a cooperative with different personal liability risks. Stichting Sleipnir is 'capital member' of Odin foodcoop.

Another example of a Dutch company using this model is The Shore, a surf club in Scheveningen.

Best-practices / companies that have already transitioned:

Overview




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**INTERVIEW: BuurtzorgT**
Read more about the company that is revolutionizing the mental health sector in this case study.

**CASE STUDY: The Shore**
Find out why … in this case-Study: The Shore

**CASE STUDY: TBI**
Read more about one of the largest construction companies in the Netherlands and how it transformed to steward-ownership in this case write-up

**CASE STUDY: Alkemio**

## Resources

Overview of the three models for steward-ownership in the Netherlands with case studies: https://wearestewards.nl/downloads/Introductie%20steward-ownership%20en%20modellen.pdf

Investors that are in the forefront of investing in Dutch steward-owned companies: https://wearestewards.nl/investeerders/

Podcast series with the people behind Dutch steward-owned companies: https://wearestewards.nl/category/podcast/

Overview of steward-owned companies in the Netherlands: https://wearestewards.nl/bedrijven/

## Partners / Contact Persons

**We Are Stewards**
We Are Stewards is a local partner of Purpose in the Netherlands. We Are Stewards is a foundation with the goal to support the adoption and development of steward-ownership in the Netherlands.
Website: https://wearestewards.nl/en/
Contact person: Gijsbert Koren, gijsbert@wearestewards.nl

**Benvalor**
Benvalor is an independent law firm. Well known for having impact investors and impact startups amongst its clients. Partner and lawyer Maurits Bos is very experienced in the field of steward-ownership.
Website: https://www.benvalor.com/en/
Contact person: Maurits Bos, Bos@benvalor.com

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**Wieringa Advocaten**
Wieringa Advocaten is one of the oldest legal firms of Amsterdam. Growing naturally and independently. Partner and lawyer Victor Bouman is a company lawyer with experience in steward-ownership.
Website: https://wieringa-advocaten.nl/en/
Contact person: Victor Bouman, Bouman@wieringa.nl

**ifund**
ifund is a foundation and one of the leading impact investors in the Netherlands. ifund promotes the transition to a sustainable world and preferably invests only in steward-owned companies.
Website: https://www.ifund.nl/en/
Contact person: Stefan van Eijk, stefan@ifund.nl

**DOEN Participaties**
DOEN Participaties is part of DOEN foundation and is a pioneering impact investor. DOEN Participaties has invested in Purpose Evergreen Capital and is also keen to invest in steward-owned companies directly.
Website: https://participaties.doen.nl/en
Contact person: Marc Rasmussen, marc@doen.nl

**Fresh Ventures**
Fresh Ventures is a venture building program and startup studio based in The Netherlands. We co-found companies with experienced professionals and entrepreneurs to address systemic challenges in the (European) food system. The circular and regenerative companies are built on steward ownership principles.
Website: https://freshventures.eu/

## New Zealand 🇳🇿

A white paper has been written by a consortium of legal and academic players, portraying the range of legal structures that Kiwi entrepreneurs can choose from. Learn more about the status of steward-ownership in New Zealand in this paper.

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# Spain 🇪🇸

## Legal implementation

There are no specific business types that protect the two steward-ownership principles and that are legally recognised.

However, there exist:

1. Specific business types that tend to be used by companies serving a social purpose, such as the cooperative model and the recently created SBIC (Sociedad de Beneficio e Interés Común).
2. Specific regulatory measures, supported by EU law and the Spanish jurisprudence, that can be applied in companies ('SL's': limited liability companies and 'SA's': public limited companies or corporations), as stand alone or in combination, to protect the principles.

**Business types used by social businesses**

- **SBIC, Sociedad de Beneficio e Interés Común** – in June 2022, the Law 'Crea y Crece' recognized this new company model, similar to the French Enterprise à Mission and the Italian Societá Benefit. The term 'Benefit and Common Interest Company' refers to a business designed to balance profit generation with a primary focus on benefiting society and the common good. This social focus needs to be stated and regulated in the AoA. More detailed regulation is still to be developed. B Lab Spain has published several related documents, including a best practices guide and an AoA template. The SBIC is not a widely recognized legal or corporate structure in Spain yet and does not directly protect the principles of SO.

- **Worker-owned cooperative model** – very extended, specially in specific regions such as the Basque Country (e.g.: Corporación Mondragón) and Catalonia (e.g.: La Fageda).

  The **Mondragón Corporation** is an iconic example of the coop movement renowned around the world. It is structured as a federation of workers' cooperatives (also referred to as 'cooperative federalism'), where the employees formally own the company. It consists of a network of individual cooperatives that operate independently but are united by common values and principles. The cooperative principles include voluntary and open membership, democratic control, economic participation, autonomy, education, and concern for the community. Today, the Mondragón Corporation is one of the largest and most successful cooperative enterprises globally. The cooperative model has proven to be a sustainable and socially responsible alternative to traditional business structures, serving as a global example of democratic decision-making in the corporate world, though it does not directly protect the principles of steward-ownership.

  In Catalonia, **La Fageda** is a social business that provides employment opportunities for people with intellectual disabilities while producing dairy products, such as yogurt and cheese. The company is committed to promoting social inclusion and environmental

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sustainability. It is structured as a cooperative, which means that it is owned and governed by its coworkers. The cooperative's members oversee the enterprise's operations and decision-making, and are guided by a clear mission and set of values that prioritize social and environmental impact over financial returns.

**Measures to safeguard a company's mission and independence**

This is just a selection of the most widely recognized:

- Foundation owned – It operates in a similar way to other jurisdictions.
    - The self-elected board of trustees assumes a pivotal role in preserving and safeguarding the foundational mission and values. This board operates with a sense of fiduciary duty, acting as stewards of the organization's core purpose and objectives.
    - The founder might keep special voting rights.
    - The foundation may pass on economic rights through 'share-like' (risk based) titles. This measure entails a risk: any owner of such titles could present a claim based on the lack of political rights.
- Golden share for a specific/explicit list of topics – A statutory measure. Example: State owned business, where the State keeps the golden share for decisions that affect the effective control of the company. Founder's bonds are not allowed by jurisprudence.
- Multiple-vote share for SL's (limited liability companies) – A statutory measure. Example: there are many anonymous cases. For instance, a transport company offering shares to the truck drivers (coworkers) but keeping the effective decision making in the hands of the founders through their owning multiple vote shares.
- Shares without voting rights for SA's (public limited companies / corporations) - A statutory measure. This type of share comes with limited or no voting rights. In many cases, corporations issue both voting and non-voting shares to provide flexibility in their ownership structure and to attract different types of investors. It can also be applied to safeguard a social purpose, as is the case of Riet Vell SA, a business initiative founded in 2001 by SEO Bird Life Spain to commercialize organic rice farmed in the environmentally rich area of Delta del Ebro. In this case, rice farming is used as a means to protect the area's ecosystem. SEO Bird Life Spain bought the full-rights shares and non-voting rights were offered to other investors. This allows the company to diversify its shareholder base and maintain control over its corporate purpose. Limits to the voting rights in listed companies are not allowed.

**Measures to limit dividend distribution**

The Spanish doctrine agrees that profit is not the cause of the company contract. Therefore, limitations to profit distribution can be established by business. However, recent jurisprudence (Judgment of the Supreme Court dated January 11, 2023 (9/2023)) is clear about the fact that profit sharing cannot be banned or denied on a continuous basis.

## Best-practices / companies that have already transitioned:

- Riet Vell SA

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## Resources

- Purpose Book in Spanish
- A group of researchers (J. M. Embid and Paula del Val) is currently working on an academic paper on steward-ownership. We will link it here once available.

## Partners / Contact Persons:

Sandra Castañeda Elena (sandra.castaneda@gmail.com and LinkedIn) is currently working on purpose-driven governance and ownership models.

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# Sweden 🇸🇪

## Legal implementation:

A handful of companies and individuals have contacted PURPOSE in the past to learn more about the legal situation in Sweden and how steward-ownership could be implemented there. One company even started the process to work on statutes of an AB (limited company?) with a lawyer that were SO-compliant and giving a veto-share to the Swiss PURPOSE Foundation. Nonetheless, the transition did not go through and we can therefore not provide any template statutes and a process best practice.

However, we have recently learned that the Swedish law system offers an own legal form that comes very close to what we define to be steward ownership: the Aktiebolag med vinstutdelningsbegränsning (svb-aktiebolag).

## Best-practices / companies that have already transitioned

→ none that we know of

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# Switzerland 🇨🇭

## Legal implementation

The simplest way is by choosing the form of a «GmbH» (Gesellschaft mit beschränkter Haftung) with a golden share and adjusting the «Statuten» (bylaws) according to the principles of steward ownership. There have also been cases implemented with an «AG» as the legal form, sometimes additionally in combination with a «GmbH», as there are certain Steward Ownership specifics that can legally only be implemented in one of the two forms.

## Best-practices / companies that have already transitioned:

- Unternehmen Mitte (restaurant, coffee place and cultural center; Basel) incorporates the steward ownership principles since its start in 1998.
- So does the real estate project Gundeldingerfeld, that incorporates the principles of steward ownership for already over two decades.
- Crowd Container (online marketplace for collective orders of organic food directly from the producers; Zürich) was in 2022 the first Swiss AG to transition into steward ownership and also raised 1 million Swiss Francs of funding during that time.
- Purpose Schweiz itself was among the first GmbHs to have their bylaws incorporating the principles of steward ownership approved by the cantonal commercial registry office (= «Handelsregisteramt»), paving the way for other entrepreneurs.
- Several large companies that are fully or partly owned by one or two foundations can be considered steward owned, like the traditional Swiss Army Knife manufacturer Victorinox(Schwyz).

## Resources

→ Exemplary bylaws for a Swiss GmbH in steward ownership (=«Musterstatuten GmbH»). German only.

→ Case studies of Flavum. Felchlin and Gundeldinger Geld: https://purpose-schweiz.org/ressourcen

## Partners / Contact Persons

Purpose Schweiz: We support entrepreneurs, founders and investors on their path to steward ownership. Providing useful information and materials and consulting along the way to find the solution that fits the needs at hand. Purpose Schweiz is also advocating for steward ownership throughout Switzerland to raise awareness of the topic and in the process of creating an ecosystem of investors and entrepreneurs around steward ownership.

Book an appointment here or contact lukas@purpose.ag.

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# Uganda 🇺🇬

## Legal implementation

A handful of individuals and companies have expressed interest in and reached out to PURPOSE in the recent past to learn and discuss about steward-ownership and how to implement it.

Rootical (2022) has conducted a legal study titled"Setting up a Steward Owned business in Uganda" that can be downloaded here. The study shows that SO is possible within the legal framework in Uganda with two main options. The best option seems to be the Golden Share model, with a purpose lock-in by means of a Company limited by Guarantee (which is not allowed to pay out profits) holding a golden share in one or more companies limited by shares (the classic limited liability company). The former holds the purpose lock-in in the latter, for-profit entity.

Another option is the Trust-Foundation model. However, the downside of this model is that there is barely any law governing private trusts which could make the structure difficult to understand for start-up entrepreneurs. In addition, the trust deed would need to be amended for each new company seeking to allocate a golden share to it.

## Best-practices / companies that have already transitioned:

→ None that we know of. Rootical is building a pipeline of SO-businesses to be incorporated in 2024.

## Partners / Contact Persons:

- Rootical powers East-African social entrepreneurs to build and own their regenerative agri-food companies. Purposeful enterprises designed to accelerate the transition to a more nutritious, inclusive and regenerative food system. To protect the companies we build together in the startup studio from mission drift, absentee ownership, short-termism and other flaws of venture capitalism, Steward Ownership is Rootical's third pillar – in addition to regenerative agriculture and inclusive business models.

  Rootical aims to recruit and support dozens of potential founders through a comprehensive and systemic venture building process. 6 Regenerative agri-food, steward-owned businesses are built per cohort. The solutions we build together are designed to accelerate farmers' transitions to regenerative agriculture and/or to make healthy, nutritious food more accessible for mainstream Ugandan consumers. Rootical's value proposition is to provide aspiring founders with the necessary capacity, connections and capital to build food system shaking businesses. Rootical is a joint venture between Fresh Ventures (NL) and Shona (UG); and collaborates with SO-expert partners like Purpose and We Are Stewards, among others. We are also engaging in a collaboration to foster SO in Uganda with Daniel Hama.

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- Daniel Hama is a self employed Business Consultant with a focus on Micro, Small and Medium Enterprises in Uganda. His interest in steward-ownership is rooted in what he sees as its unique potential for real, meaningful and penetrative socio-economic transformation. He believes that in the case of a nation with a history such as Uganda's, steward-ownership can definitely facilitate better wealth distribution –because capital and other resources tend to be in the hands of very few.
  Through this model, fresh possibilities emerge for local communities to come together to solve their financial (and other) challenges by establishing profitable steward-owned businesses.
  He is still very much in the beginning of the journey in Uganda, but believes that the country is ripe for steward-ownership – and that steward-ownership is attractive to Ugandan communities and entrepreneurs. Much is still needed, from a better understanding of the legal and funding structures that are available, to the development of a culture-appropriate method of communicating the concept. Daniel can be contacted here.

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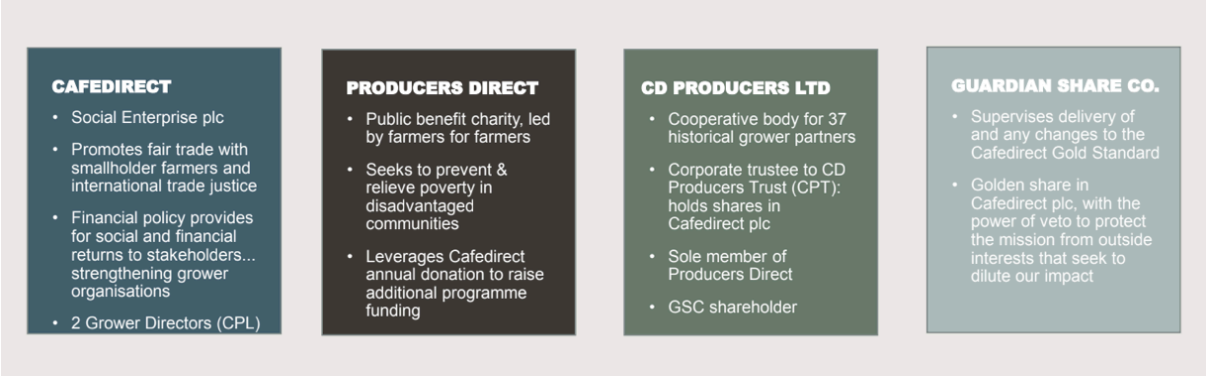
# United Kingdom 🇬🇧

In the UK, there are a lot of organizations that are set up in trust models. Similarly to steward-ownership, you can separate dividends from voting rights, and the trust needs to own the majority of the voting rights. Depending on how this is set up, it can – but doesn't have to – be steward-ownership.

## Best-practices / companies that have already transitioned:

Examples for steward-ownership in the UK is the John Lewis Partnership or Greaterthan Collective. Another more recent example is the Library of Things and Bupa

CaféDirect set up a complex steward-owned structure:
CaféDirect reregistered from a private to a public limited company in 2004 (the "PLC"). The largest shareholder in the PLC is a Dutch social impact investor that has been invested for 13 years, and Oxfam is also a shareholder. 5% is held by CD Producers Ltd, set up in 2003 to enable coffee producers to have a share in the business (this entity acts as corporate trustee for the 'CD Producers Trust'). Also in 2003/4, Guardian Share Company Ltd ("GSC") was set up to hold a 'guardian share' in the PLC. GSC was created to supervise the delivery of and any changes to the 'Cafédirect Gold Standard' (a framework for sustainable development), and the guardian share provides it with a veto to protect the PLC's mission from dilution.
In 2009, a charity was set up, Producers Direct, led 'by coffee farmers for coffee farmers', aiming to prevent and relieve poverty in disadvantaged communities. The charity leverages an annual donation from the PLC to raise additional programme funding.




→ Purpose 2017: Steward-ownership: Rethinking ownership in the 21. century: John Lewis Partnership Case & Trust Model

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## Resources:

https://www.libraryofthings.co.uk/blog/purposebeforeprofit
https://em-shaw.medium.com/investing-in-our-future-71ca92f680a4

## Contact persons:

Sung-Hyui Park from Bates Wells
https://bateswells.co.uk/people/sung-hyui-park/

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# United States 🇺🇸

## Legal implementation

Jurisdictions: In the United States, four states have trust laws that meet all the criteria for a Perpetual Purpose Trust as applied to steward-ownership: Delaware, New Hampshire, Wyoming, and Maine. Nevada and South Dakota also permit the concept, but with constraints.

The Perpetual Purpose Trust (PPT) is a non-charitable trust that is established for the benefit of a purpose rather than a person. Unlike most trusts, which generally last 21 years or end with the death of the grantor, a PPT may operate indefinitely. The PPT structure grants a great deal of flexibility in how Trust Agreements are structured, the purpose of the trust, and how the operating bodies relate to each other. As a result, the PPT makes it possible to include multiple stakeholder groups – like vendors and employees – into the Trust Agreement.

## Best-practices / companies that have already transitioned:

- Examples: Organically Grown Company (USA), Equity Atlas (USA), Mëtis Construction (USA)
- Case study: Firebrand Artisan Bakery, read more here

## Partners / Contact Persons:

- Find our more about the work of the Purpose US team
- Network partner: purposeowned.com a consultancy for ownership & leadership succession planning using Purpose Trusts.
- Network partner: Common-Trust: https://www.common-trust.com
- Network partner: The Project Equity team helps companies to set up co-ops and perpetual purpose trusts focused on employee ownership

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