

Churchill Group secures sustainability-linked loan to support EoT transition

2 years ago



As part of its transition to becoming an Employee-owned Trust (EoT) last year, [Churchill Group](#) chose to fund its employees share acquisition via the debt market. It has done this through a sustainability-linked loan (SLL) with a variable interest rate depending on how it meets a set of KPIs.

The SLL is through H.I.G. Capital and the two parties have approved a set of KPIs. Churchill Group will be rewarded with a lower interest rate if it meets and maintains the KPI set on an annual basis.

The KPIs have been set until the end of the financial year 27/28, and include goals around renewable energy use, employee training, external accreditation and voluntary disclosures. The KPIs will be reviewed every year and can be reforecast if Churchill Group is ahead of schedule. For example, if Churchill Group exceeds its target for renewable energy use, the target can be raised for future years to incentivise the company to keep improving.

Churchill Group has recently partnered with Social Value Portal to better measure, report on and amplify its social value. By the next SLL review and with that foundation in place, it aims to add a social value KPI.

Celebrating one year of employee ownership

Churchill Group is the second largest EoT in the UK with around 10,000 employee owners, and August marked one year since it became an EoT.

Since becoming an EoT there has been an increase in employee retention, a re-designed benefits package has been launched, and the number of colleagues being recognised through its Shining Stars programme has increased by 20%. 150 new clients have also joined in the last 12 months. Churchill Group's

performance is ahead of plan and next stages of the journey include further investment in employee development and the launch of an employee voice group.

James Bradley, CEO at Churchill Group, said: “Our core values are to always do right, always seek better and always put people first. That’s why we become an EoT and that’s why we have chosen to take a sustainability-linked loan. We of course want to operate in the most sustainable way possible, and this is a way of putting our money where our mouth is. The KPIs measure our ambitious sustainability targets, and the accreditations ensure that there is external verification of our efforts.”