

DAX 40 Study 2022

Jens-Thomas Pietralla & Dr. Thomas Tomkos

September 2022

Method

- The following assessment and evaluation is based on publicly available biographical data¹ on supervisory board members of DAX and MDAX companies.
- Of course, the effectiveness of supervisory boards also depends on the board culture, the personalities of their members and their constructive dialogue

Key Insights

- Share of women on DAX 40 supervisory boards reaches all-time high of 35.1%.
- Power within supervisory boards has also begun to shift. For the first time, 10% of supervisory board chairs are female. Also, 17% of the committees are now chaired by women vs. 13% last year—these are both new highs.
- Internationality reaches all-time high: 35.4% of DAX supervisory board members are not from Germany.
- The number of supervisory boards containing a sustainability committee has more than tripled.
- DAX supervisory boards have become less intertwined. The proportion of supervisory board members with multiple board seats (once a typical feature of the so-called Deutschland AG) has declined to just 10%, its lowest level ever.
- New supervisory boards now average 3.2 years in seat, which is about 25% shorter than the long-term average.
- Regarding employee representation on supervisory boards, the trend toward less parity-based codetermination continues. The number of DAX companies with parity-based supervisory boards remains at the previous year's low.

¹Data sources: biographies made available by companies, invitations to annual meetings, annual reports, voting results from annual meetings; additional externally available biographical data where necessary

Index development between September 21 and June 22

Beiersdorf, Daimler Truck and Hannover Re replaced Delivery Hero, Deutsche Wohnen and Siemens Energy in Germany's top index.

DAX 40



MDAX

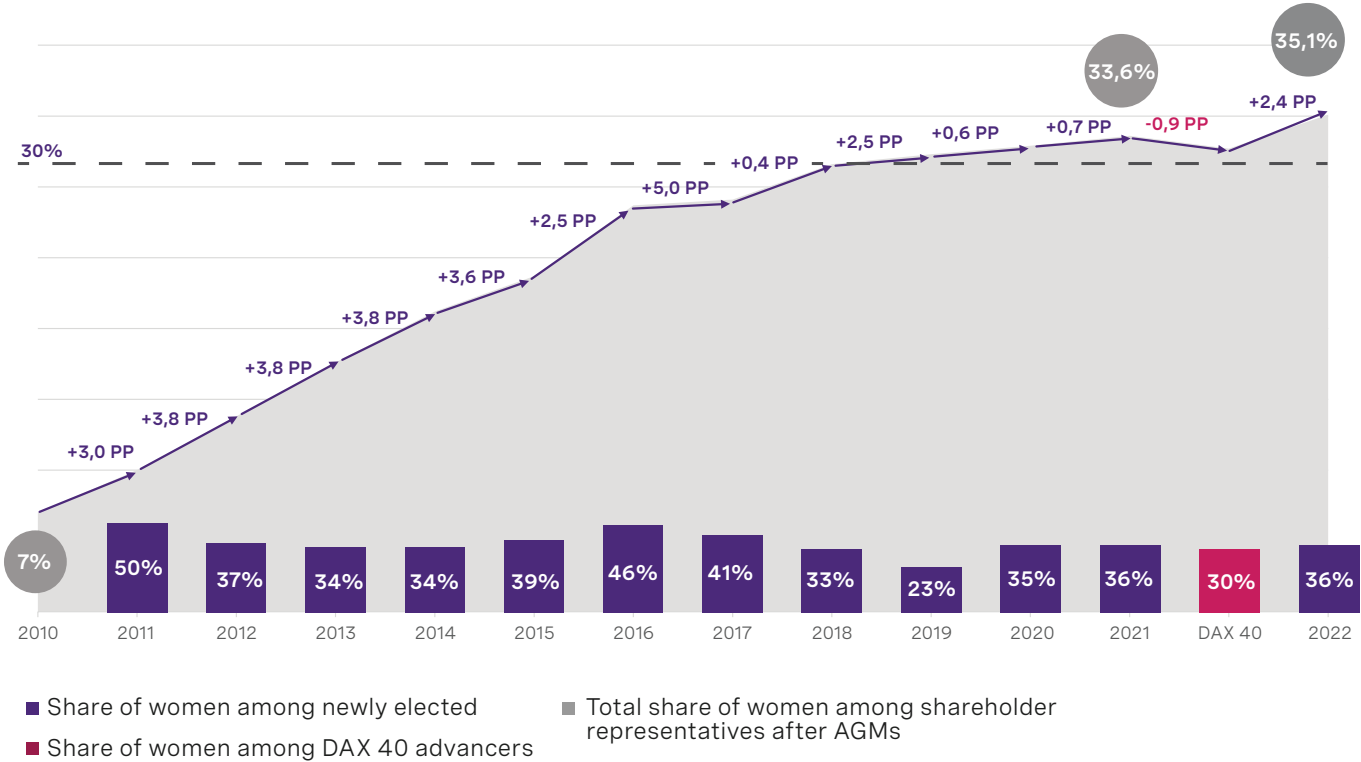


DAX 30/40: increased amount of women shareholders

With the greatest year-over-year increase since 2018 (+2.4 percentage points), DAX 40 has reached a new high of 35.1%



Women Representation on German Boards



DAX 40: newly elected women in the reporting period

Twelve women were newly elected at the latest annual general meetings. None of them held a DAX 40 supervisory board position before. In the same timeframe, four women left supervisory board positions.



Airbus
Irene Rummelhoff
(NO, 55)
EVP Marketing,
Midstream & Processing
Equinor



Allianz
Rashmy Chatterjee
(IN, 59)
CEO ISTARI Global



BASF
Alessandra Genco
(IT, 49)
CFO
Leonardo



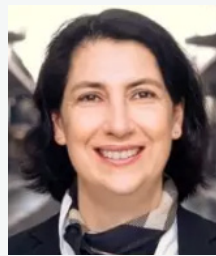
Continental
Dorothea von Boxberg
(DE, 48)
CEO
Lufthansa Cargo



Deutsche Börse
Shannon Anastasia Johnston
(US, 51)
CTO
Global Payments



DPDHL
Prof. Dr. Luise Hölscher
(DE, 51)
State Secretary
German Ministry of Finance



Deutsche Telekom
Katja Hessel
(DE, 50)
Parl. Undersecretary
Ministry of Finance



Fresenius
Susanne Zeidler
(DE, 61)
CFO
Deutsche Beteiligungs AG



HeidelbergCement
Dr. Sopna Sury
(DE, 48)
COO Hydrogen
RWE Generation



Mercedes-Benz
Dame Polly Courtice
(UK & RSA, 70)
Former Director
Inst. for Sustainability
Leadership, Cambridge Uni



Qiagen
Eva Pisa Ph.D
(SE, 67)
VP piMed Consulting
Former SVP
Roche Diagnostics



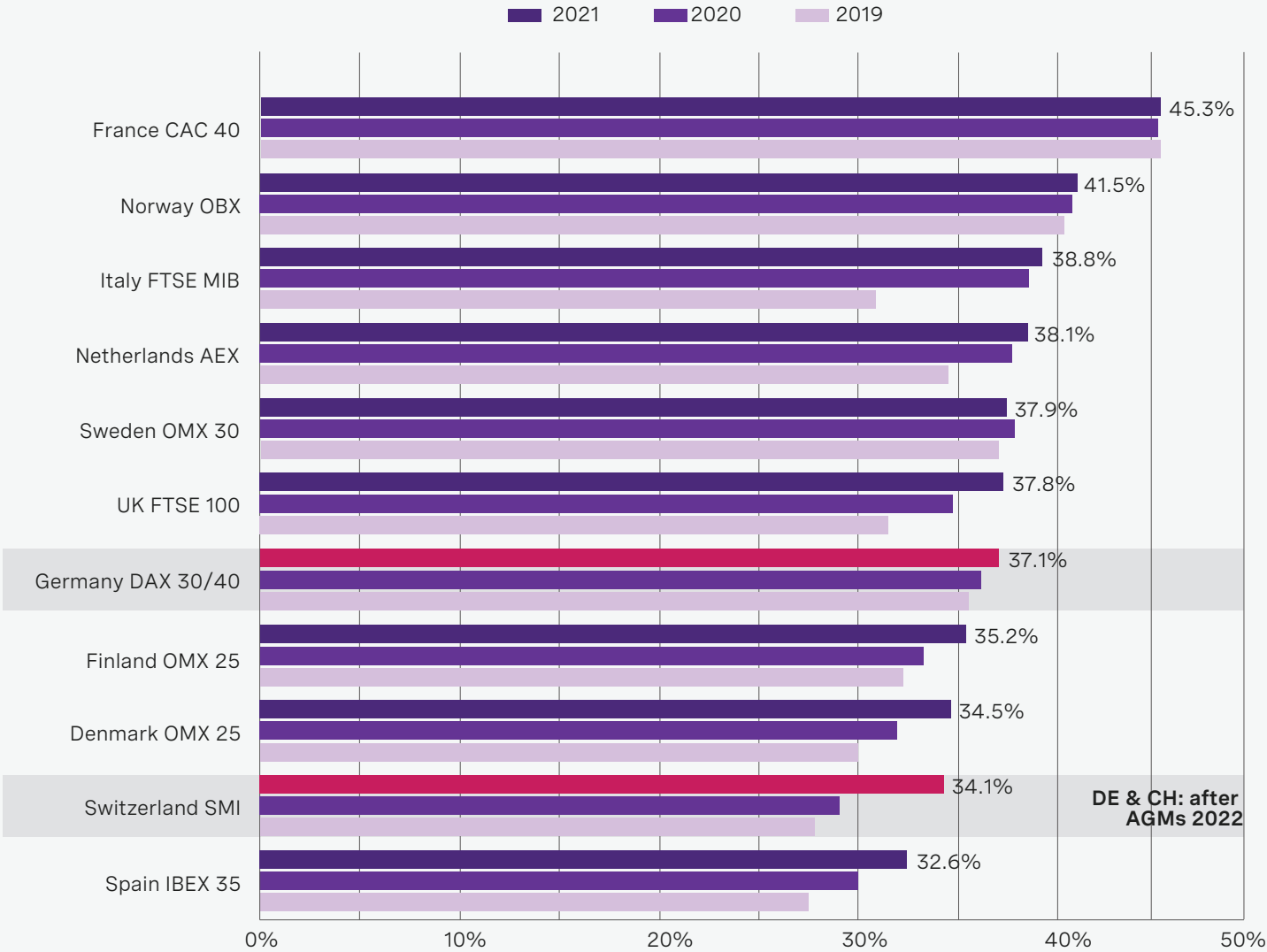
SAP
Jennifer Xin-Zhe Li
(CA, 55)
GP Changcheng
Investment Partners

Sources: Russell Reynolds Associates; Company websites; Hessel: Katja-Hessel.de; Courtice: www.cisl.cam.ac.uk; Hölscher: Bundesfinanzministerium.de; Li: ABB.com

International comparison of the proportion of women (incl. employee reps where applicable)

After a brief dip resulting from the increase to 40 companies last fall, DAX 40 has now reached a new all-time-high with a 37,1% proportion of women. This solidifies the index' mid-table position in international comparison.

Average proportion of women in supervisory boards of major European stock indices: Second half 2021, 2020 and 2019



Data sources: DE, CH own analysis; other countries: European Institute for Gender Equality (eige.europa.eu)

DAX 40: Proportion of women among shareholder and employee representatives* by company

Hannover Re and Zalando have the highest proportion of women on their boards. Seven companies have 50% or more women on their boards (PY three). Porsche, Siemens Healthineers and Linde have the only remaining supervisory boards with less than 30% women (PY five companies). The total proportion of women increased by 1.5 percentage points to 37.1%.

Nach den Wahlen 2022	AktV	ANV	Total
Hannover Re	33%	100%	56%
Zalando	50%	67%	56%
Covestro	50%	50%	50%
Deutsche Telekom	40% ↑	60%	50% ↑
HeidelbergCement	50% ↑	50%	50% ↑
Infineon	38%	63%	50%
SAP	44% ↑	56%	50% ↑
Henkel	38%	50%	44%
Allianz	50% ↑	33%	42% ↑
Fresenius SE	33%	50%	42%
Sartorius	33%	50%	42%
Airbus Group	40% ↑		40% ↑
Bayer	40%	40% ↑	40% ↑
Deutsche Post	40% ↑	40%	40% ↑
HelloFresh	40%		40%
Munich Re	40%	40% ↓	40% ↓
Deutsche Boerse	38% ↑	38%	38% ↑
Merck	38%	38%	38%
Qiagen	38% ↑		38% ↑
Mercedes-Benz	40% ↑	30%	35% ↑
RWE	40%	30%	35%
Siemens	30%	40%	35%
Volkswagen	30%	40%	35%
BASF	33%	33%	33%
Beiersdorf	33%	33%	33%
Brenntag	33%		33%
Fresenius Medical Care	33%		33%
MTU Aero Engines	33%	33%	33%
Puma	50%	0%	33%
Symrise	33%	33%	33%
Vonovia	33%		33%
Adidas	38%	25% ↓	31% ↓
BMW	30%	30% ↓	30% ↓
Continental	30%	30%	30%
Daimler Truck	30%	30%	30%
Deutsche Bank	30%	30%	30%
E.ON	30%	30%	30%
Linde	22% ↓		22% ↓
Siemens Healthineers	20%		20%
Porsche SE	10%		10%
Average	35,1%	39,9%	37,1%

38% +

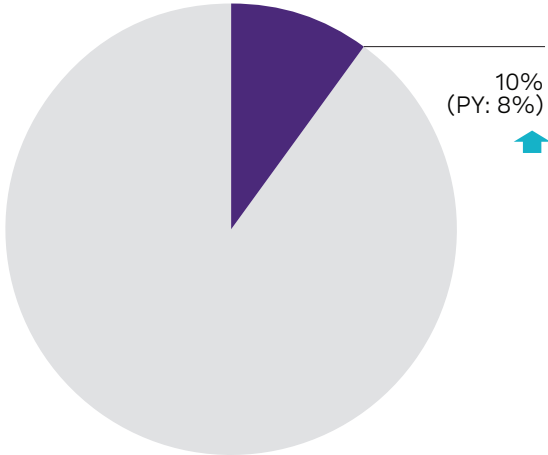
< 30%

* Includes changes in employee representations of the 88% of index companies, which held their AGMs by 30 May

DAX 40: Gender representation among chairs and in committees

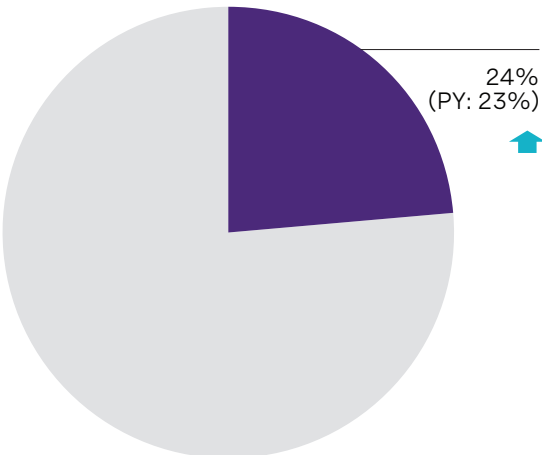
Women are slowly ascending in the "power hierarchy" of supervisory boards. For the first time, women hold 10% of DAX board seats. However, three of them are representatives of major shareholders and the fourth is also not considered independent, due to a tenure of more than 12-years.

Four female super advisory board seats of 40



- Brenntag
Doreen Nowotne
- Puma
H lo se Temple-Boyer
- Henkel
Dr. Simone Bagel-Trah
- Zalando
Cristina Stenbeck

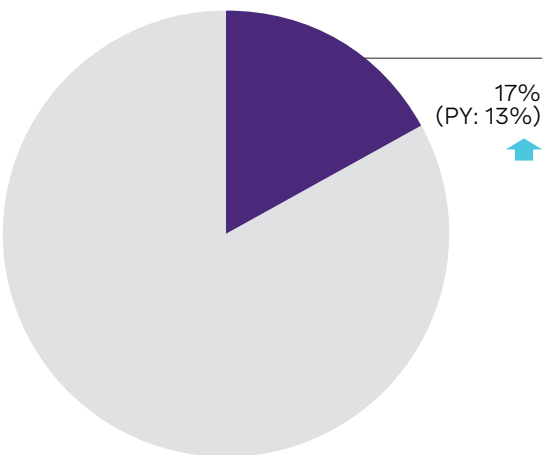
Ten female deputy chairs of 42*



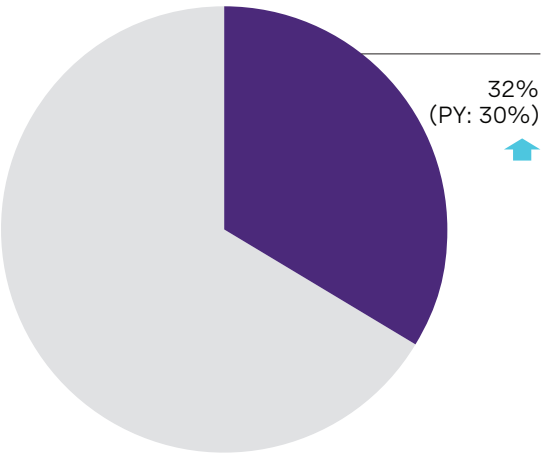
- HelloFresh
Ursula Radeke-Pietsch

* including employee representations; nine of ten women are employee representatives

31 female committee chairs of 182 (PY 24)**



123 of 379 committee seats held by women**

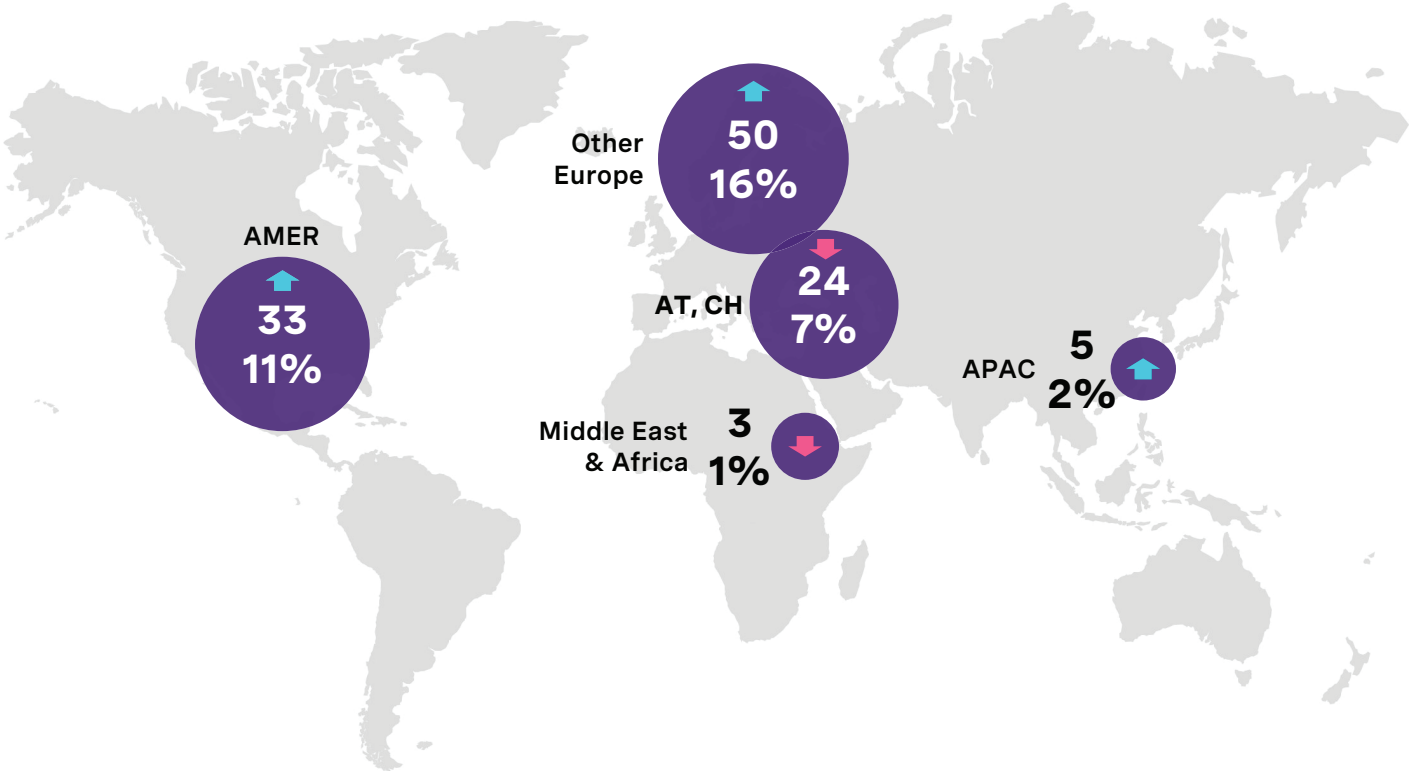


** Data before annual general meetings 2022; without employee representatives
Photo sources: Company websites; Radeke-Pietsch: LinkedIn

DAX 40: Number and proportion of foreign board members by region

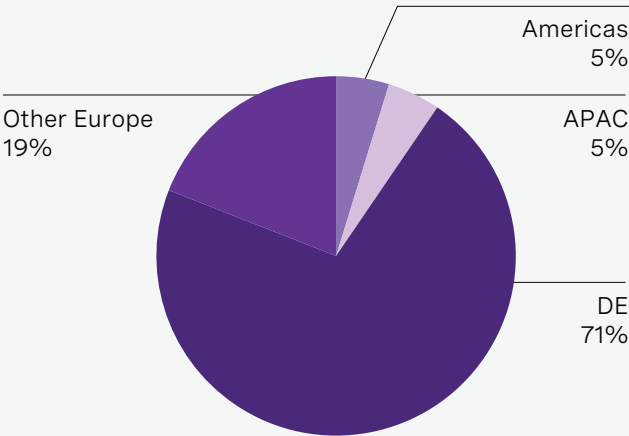
35.4% of shareholder representatives are foreign nationals (PY 33%). 23% are European (PY 22%), 10% American (unchanged), 2% Asian (PY 1%) and another 1% is from MEA. The share of foreigners is significantly higher among women than among men.

DAX 40: Number and share of current shareholder representatives by region

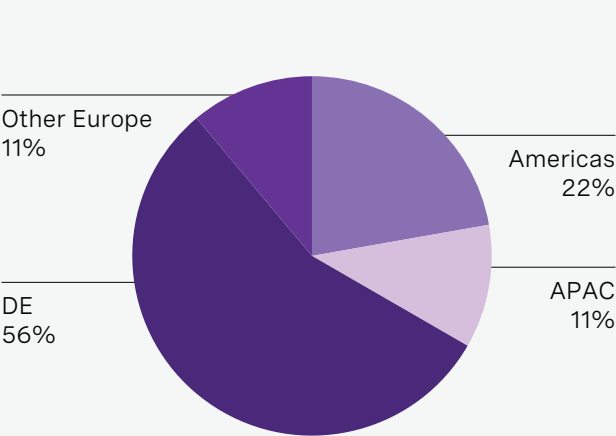


Newly elected to DAX in 2022

Men



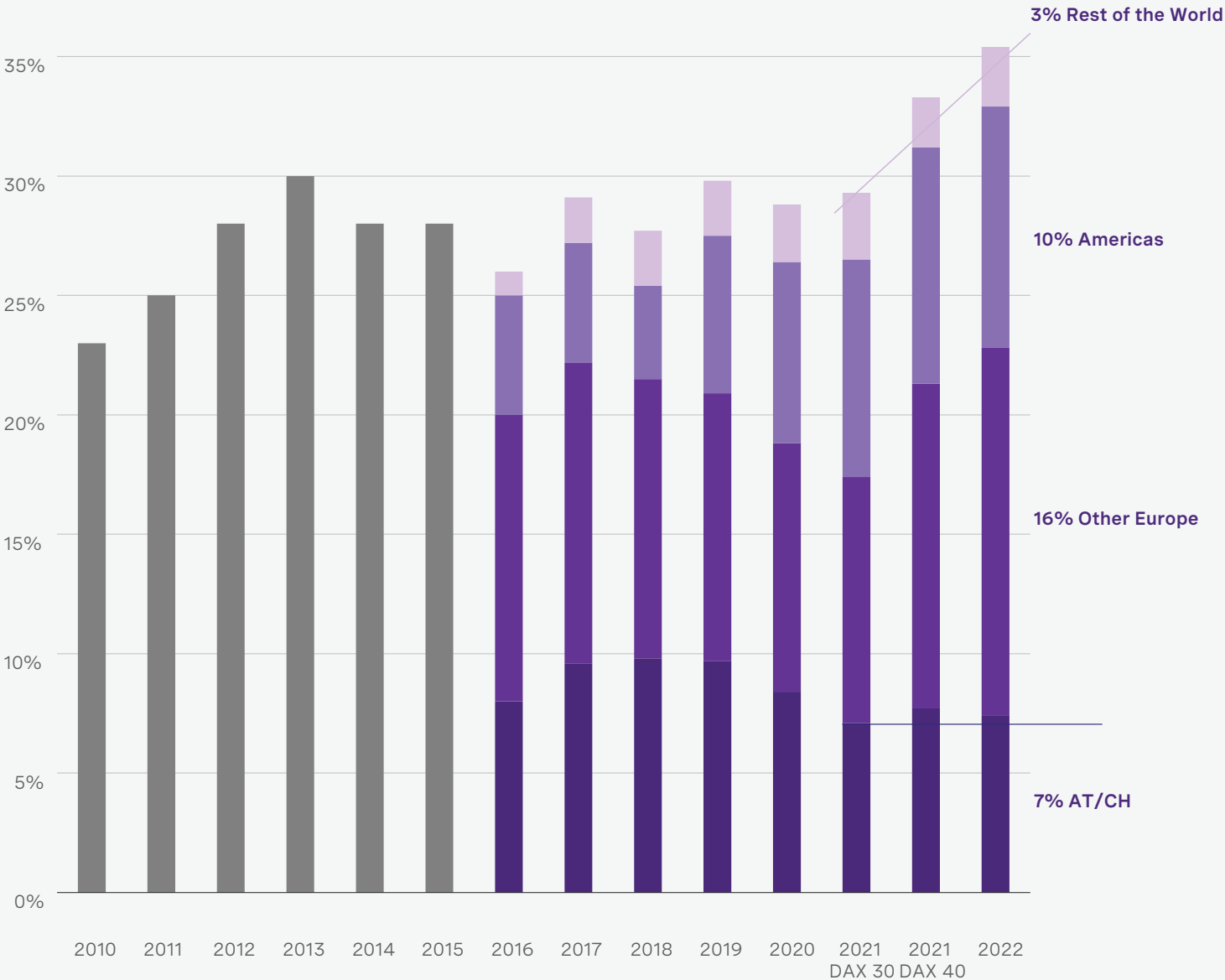
Women



DAX 30/40 shareholder representatives: Foreign nationals by region

Through changes in index composition and a low share of German nationals among newly elected supervisory board members, the share of foreign nationals continues to increase and reaches a record high of more than 35%.

Development of the share of foreign national by region over time

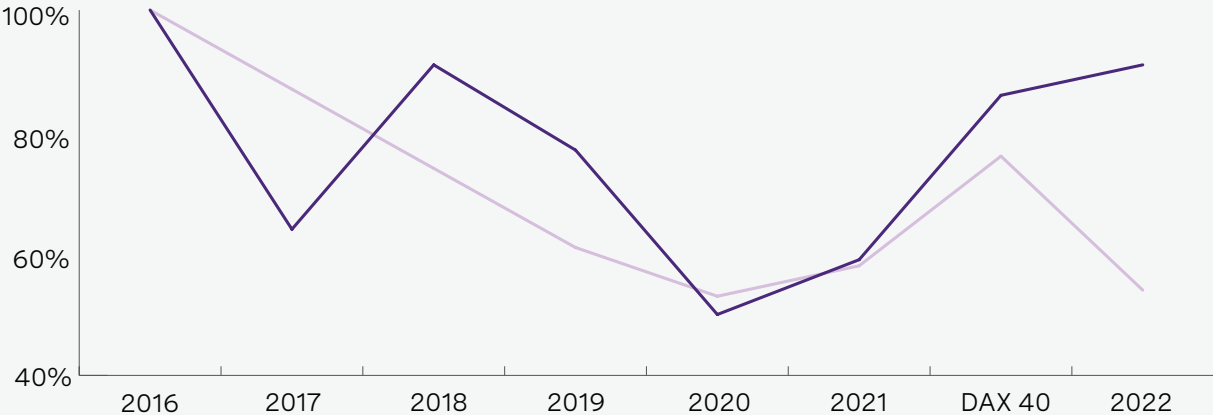


DAX 30/40: Development of connections of boards through directors with multiple board seats

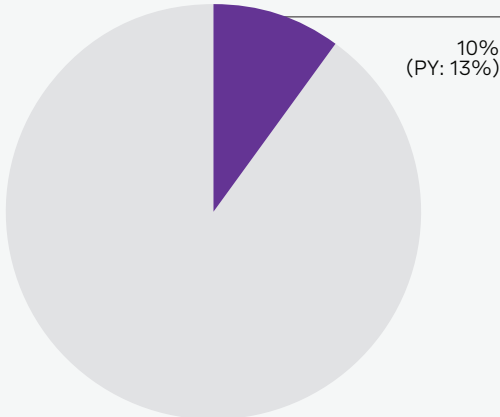
Connections through directors with multiple seats decreased significantly over the current reporting period. Reasons are the relegation of Siemens Energy and the retirement of several multi-board members from DAX 40 boards. On the other hand, the number of DAX 40 executives with additional supervisory board seat is increasing. For example, Mercedes-Benz and Daimler Truck continue the trend of more "related" companies represented in the index.

Development of connection indices over time (2016 = 100)

Connection through:	2016	2017	2018	2019	2020	2021	Dax 40	2022
Connection index SB+SB (multi-board members)	72	62	53	44	38	42	55	39
Connection index Exec+SB (DAX 40-Executives)	22	14	20	17	11	13	19	20



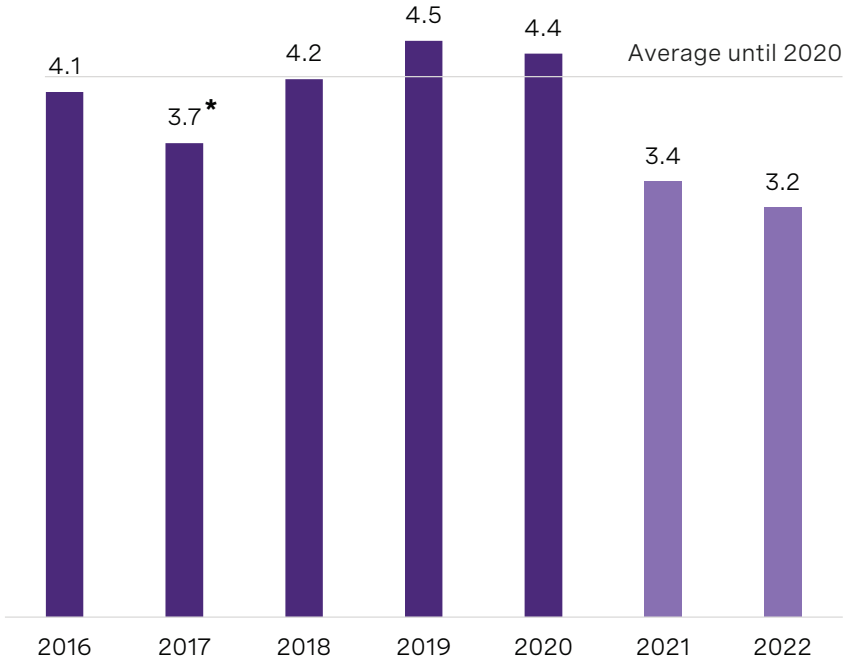
Share of board members with multiple DAX 40



Office terms for supervisory board members elected in current period

The planned average term of office of supervisory board members is clearly decreasing. In 2022, new members were elected for an average of 3.2 years. (one year less than the long-term average). For reelections, the share of members elected for five years fell from 90% in 2016 to 20% in 2022.

Average planned term (years) for first-time shareholder reps by election year



Currently (2022):

- Linde and Qiagen with one-year terms
- 50% of newly members elected for four-year terms
- Only one member newly elected for five-year term

* High share of replacements for resigned shareholder representatives

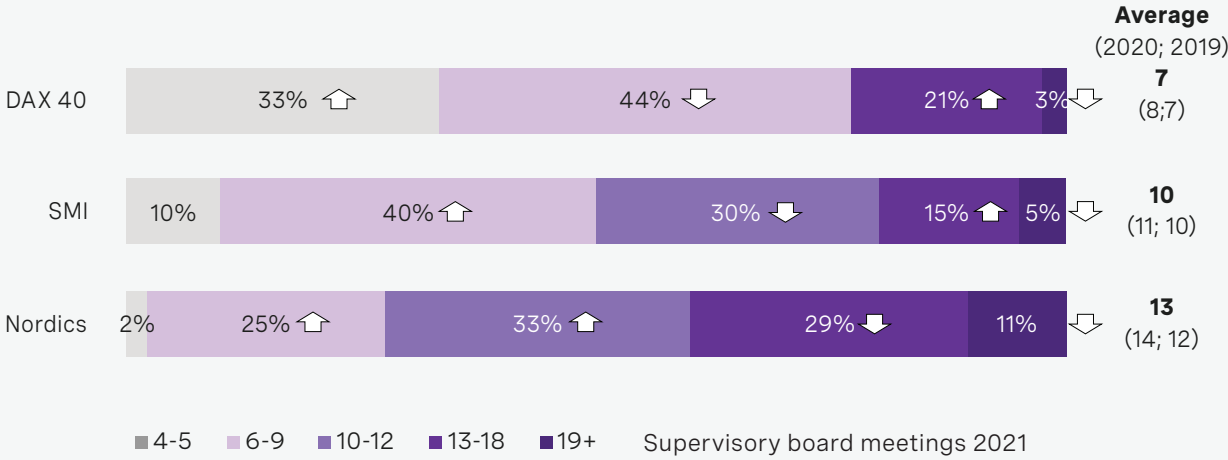
Share of reelections for five years



Number of board meetings: comparison of European indices

DAX 40 supervisory boards continue to have the lowest number of board meetings. Nordic boards meet most often, by far. During the second year of the Covid-19 pandemic, the average number of meetings has returned to pre-crisis levels on all indices.

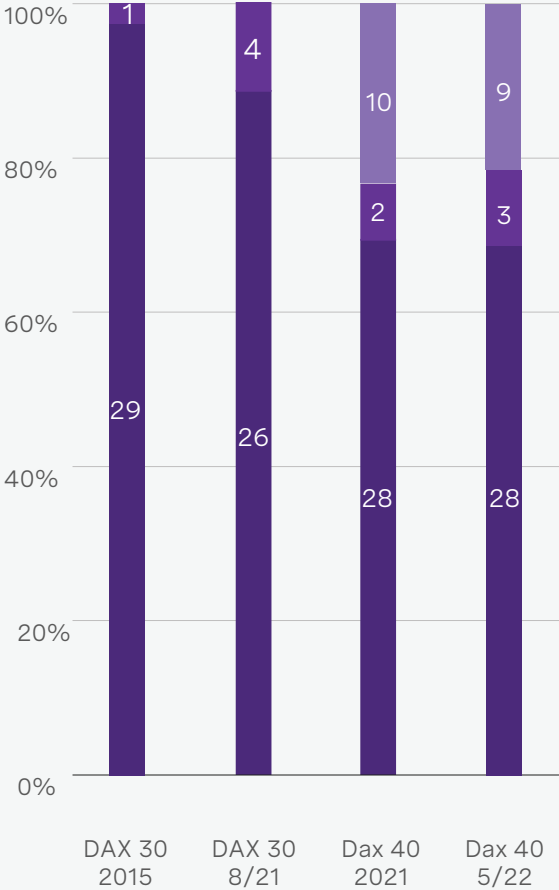
Share of companies with a certain number of supervisory board meetings by index and group (2021)



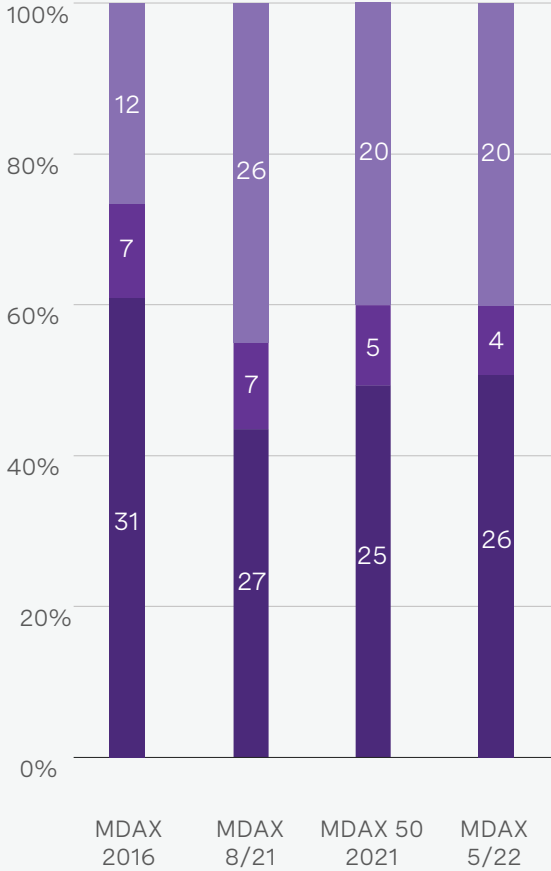
Development of employee representation on supervisory boards

The number of companies on DAX 40 with equal representation of shareholders and employees has decreased over time. Currently, 70% of boards have equal representation. On MDAX, it is around half.

Boards with employee representation - DAX 30/40

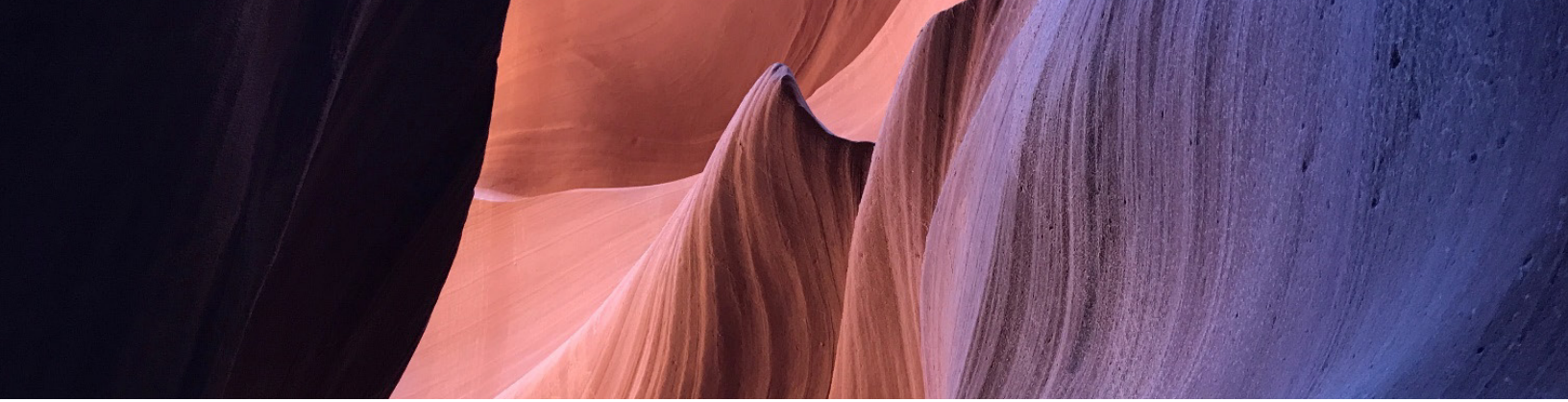


Boards with employee representation - MDAX



■ Equal representation ■ 1/3 representation ■ No employee representatives





Board members with dedicated expertise in sustainability

Sustainability is female - with three more newly elected women this year, the share of female sustainability experts on DAX 40 supervisory boards increased to 87%. Currently, 15 DAX 40 companies can rely on such expertise on supervisory board level.

Newly elected with sustainability expertise



Airbus
Irene Rummelhoff
(NO, 55)
EVP Marketing,
Midstream & Processing
Equinor



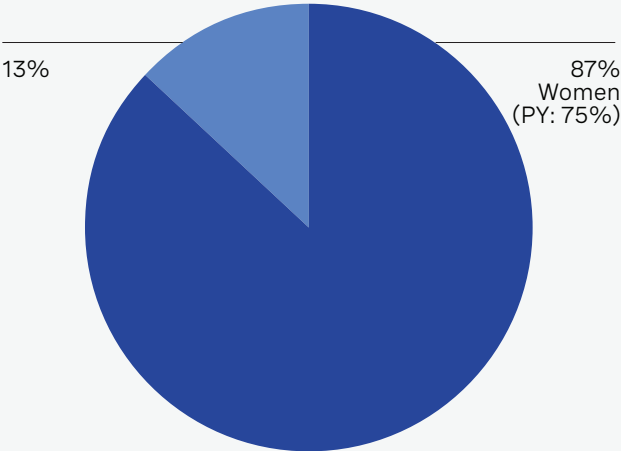
HeidelbergCement
Dr. Sopna Sury
(DE, 48)
COO Hydrogen
RWE Generation



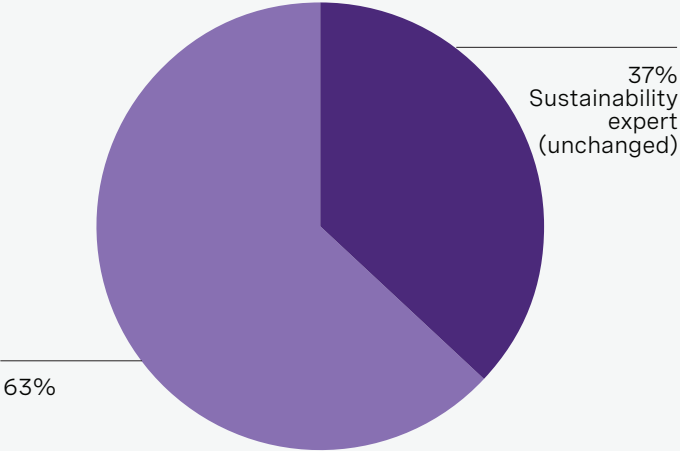
Mercedes-Benz
Dame Polly Courtice
(UK & RSA, 70)
Former Director
Inst. for Sustainability
Leadership, Cambridge Uni

Photo sources: company websites

Gender shares - all current members



Companies with sustainability expert



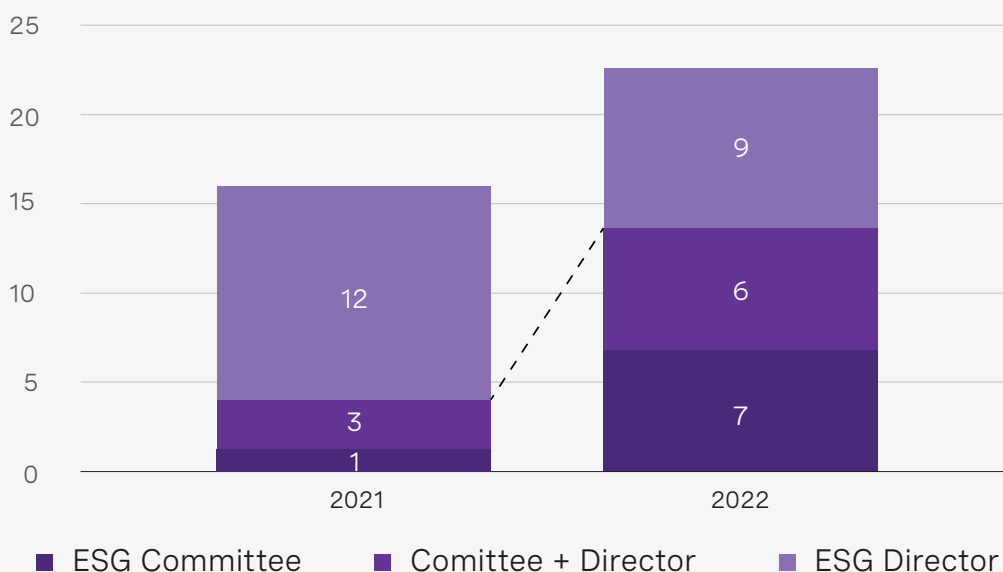
Supervisory boards with ESG committee

The number of ESG committees on DAX 40 supervisory boards has more than tripled since 2021. Currently, one third of all boards have a committee charged with sustainability. Another nine companies do not have a corresponding committee but have a supervisory board member with proven expertise in ESG.

DAX 40 supervisory boards with ESG committee



Share of DAX 40 boards with ESG committee &/or Directors

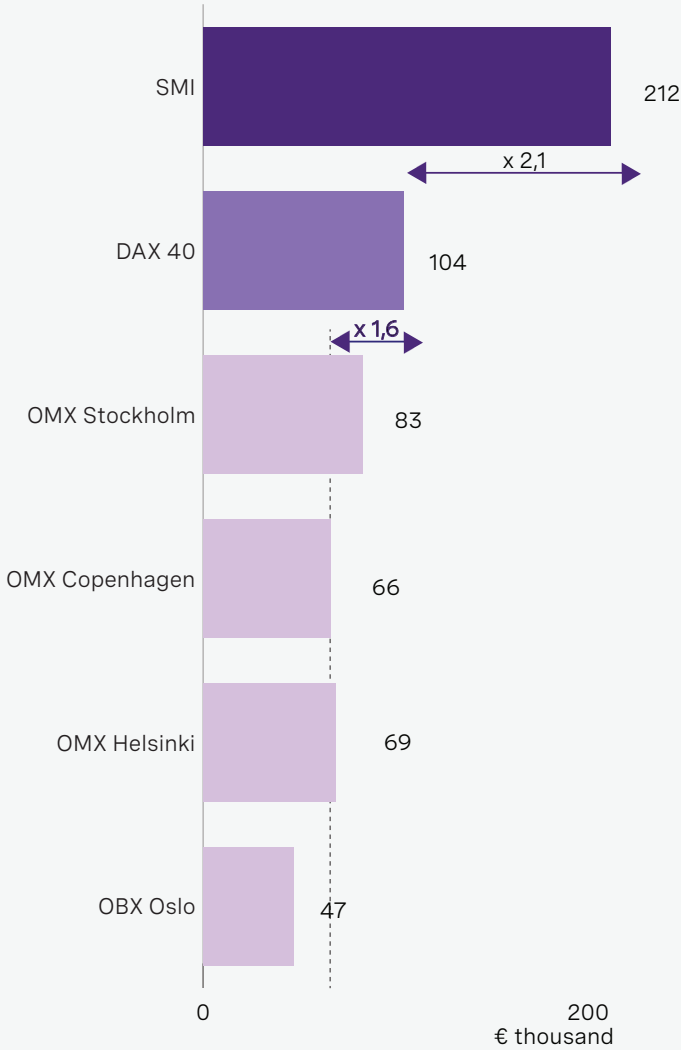


Comparison of total base remuneration and per board meeting by indices

The base remuneration of DAX 40 board members is less than half of their SMI colleagues. Due to the lower number of board meetings, the difference in remuneration by meeting is only 40%.

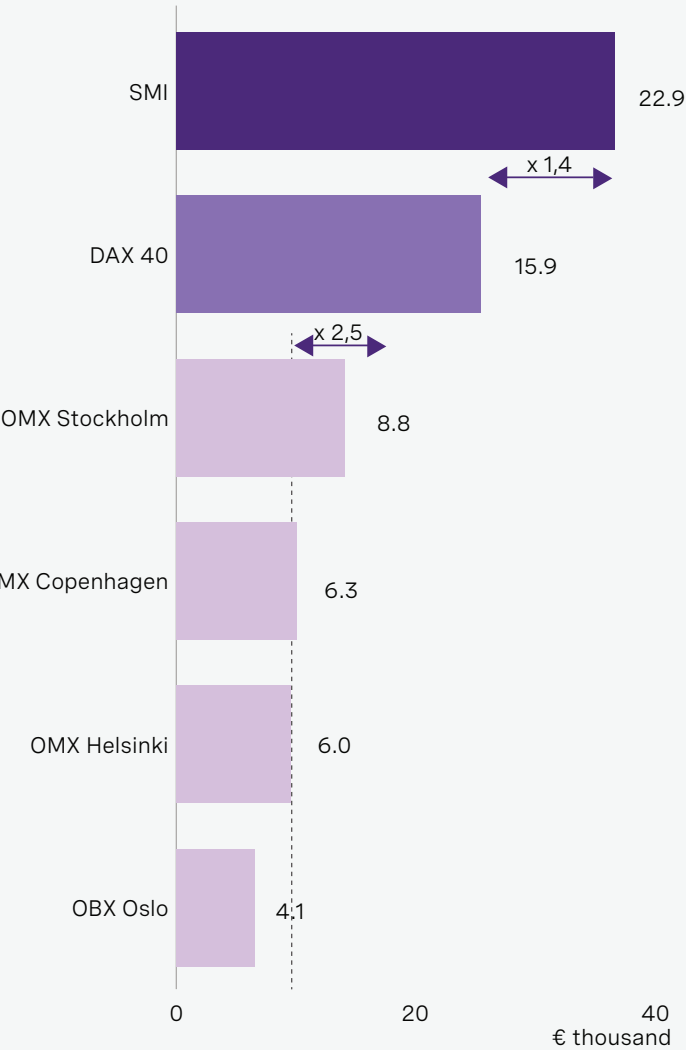
Base remuneration of a regular supervisory board member

(DE & CH: 2021; Nordics 2022)



Base remuneration divided by the number of board meetings in 2021

(average of all companies in index)



Author



Jens-Thomas Pietralla leads the firm's Board & CEO Advisory Partners in Europe and serves as Global Head of the Industrial & Natural Resources Sector. In this capacity, he leads the firm's business with clients in aerospace & defense, automotive, capital and electrical goods, chemicals, energy, and industrial services. Jens-Thomas helps companies build superior boards and advises his clients on leadership matters, succession planning, and strategy. Recent work includes searches for a number of CEO, CFO, and other CxO positions, as well as assignments for chairmen and non-executive directors at listed and private equity-owned companies around the globe. He is based in Munich.

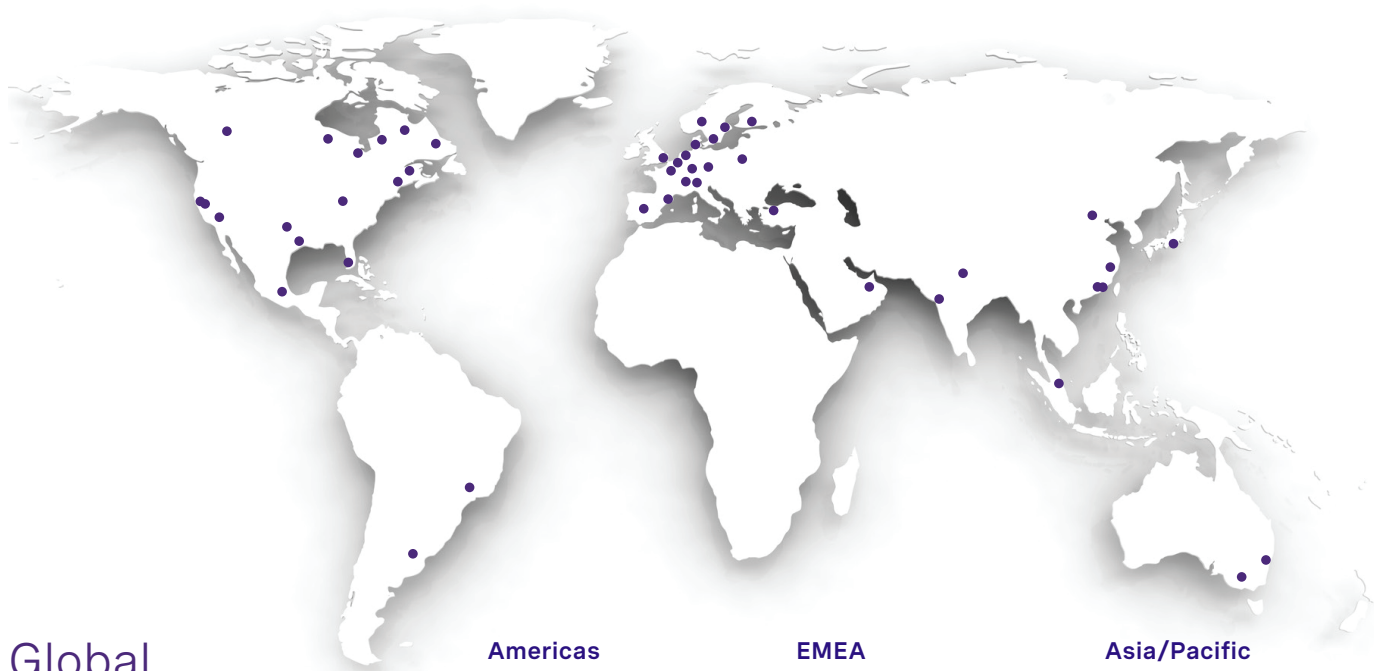


Dr. Thomas Tomkos leads German efforts for the Board & CEO Advisory Partners as well as the European CFO Practice. He is also involved in coordinating the firm's European family-owned companies activities and the European Aviation, Aerospace and Defense Practice. Thomas previously headed the firm's German operations and helped position Russell Reynolds Associates as a top leadership advisory firm in the country. He works closely with clients from various industries to recruit candidates for roles on executive, supervisory and advisory boards. Thomas specializes in a number of industrial areas, including the energy industry and renewable energies, transport and infrastructure. He also works on management and executive audits and assessments and focuses on evaluating the effectiveness of supervisory and advisory boards. He is based in Hamburg.

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