

GERMANY'S SPECIAL PATH

The Share of Women
on DAX Executive Boards
declines during
the Crisis

Abstract

ALLBRIGHT

ALLBRIGHT REPORT / SEPTEMBER 2020

ALLBRIGHT

THE GERMAN-SWEDISH ALLBRIGHT FOUNDATION is a politically independent, non-profit foundation with the headquarters located in Stockholm and Berlin. The foundation works to promote more women and diversity in executive positions in businesses. The goal is to achieve equal career opportunities for both men and women and better company results through diverse and modern management teams. AllBright targets management and HR representatives in companies as well as multipliers and media, looking specifically to shed light on solutions that have already been implemented successfully.



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NOTE: This report provides information on the management groups on the highest executive management level and the supervisory boards of the largest companies listed as of September 1, 2020, on the respective national benchmark index of Germany, France, Great Britain, Poland, Sweden and the USA. In Germany this comprises the 30 DAX companies, in Poland the 30 companies of the WIG30, in Sweden the companies in the OMX 30, in the USA the 30 companies of the Dow Jones Industrial Average. In Great Britain, the 30 companies with the largest market capitalization on the FTSE 100 per September 1, 2020 were considered, while in France the 30 companies with the largest market capitalization on the CAC 40 were taken into account.

The AllBright Foundation takes care in striving for the greatest possible diligence, yet bears no liability for the accuracy, actuality and comprehensiveness of the information.

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**INTERNATIONAL COMPETITORS
ARE BETTER POSITIONED**

The perspective and experience of women are needed at the top – also in times of crisis!

The pandemic is shaping the global economy in an unprecedented way. But the response of companies is not the same everywhere. German corporations are restructuring their management floors in a completely different way than competitors in other western industrialized countries.

Two mechanisms can be observed in the German publicly traded companies during the year of the crisis: a reduction in the size of the executive boards and a return to the familiar, tried and tested: a manager is a man. More female executives left the German executive boards than in previous years. As a result, the proportion of women on the executive boards of the 30 DAX-listed companies sank to the level of 2017 instead of increasing as seen lately.

COMPANIES ABROAD BRING MORE WOMEN INTO TOP MANAGEMENT

The situation abroad is quite different: In the US, Great Britain, Sweden, France and Poland more diverse management teams are continuously being built up during the crisis. Diverse teams are better at coping with complex challenges. Companies in these countries are much better at promoting female talent – an urgently needed modernization boost that German companies lack. This is a strategic disadvantage for Germany and German companies should be alarmed.

The crisis clearly shows that diversity is still not anchored at the top of German companies. More women in top management positions should be one of their most urgent strategic goals – especially as other countries already are far ahead in this regard.

A critical public opinion demanding equal opportunities and diversity in top management can accelerate this process. And the state, too, should finally get rid of outdated tax incentives such as joint-taxation for spouses. It actively promotes low levels of female employment, with negative consequences for women's financial self-determination and for the development of female leaders.

A NEW GENERATION OF FEMALE EXECUTIVES

Many female executive board members left their position last year. The female pioneers in top management, who were often recruited from abroad, are now gradually being replaced, and the new female executives come more frequently from Germany – the »pipeline« of female managers in German companies is better filled than ever before.

There are also some positive developments indicating that change nevertheless is on its way: the share of female executives on the boards of smaller and middle-size companies in MDAX and SDAX is improving very slowly but steadily. And DAX companies like Deutsche Telekom, SAP and Siemens have recently announced the arrival of new female executive board members. This is urgently needed, because at the current pace it would take exactly 100 years to reach a balanced proportion of men and women on executive boards.



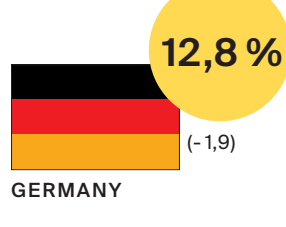
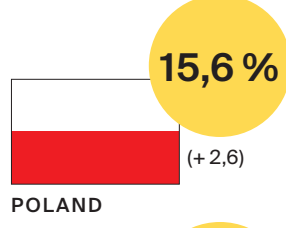
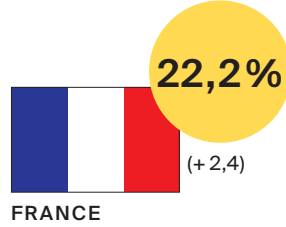
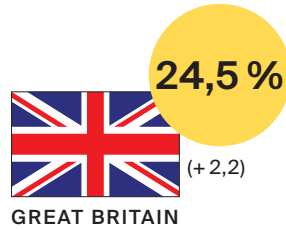
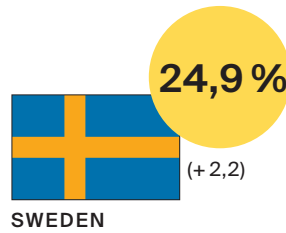
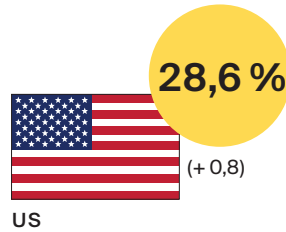
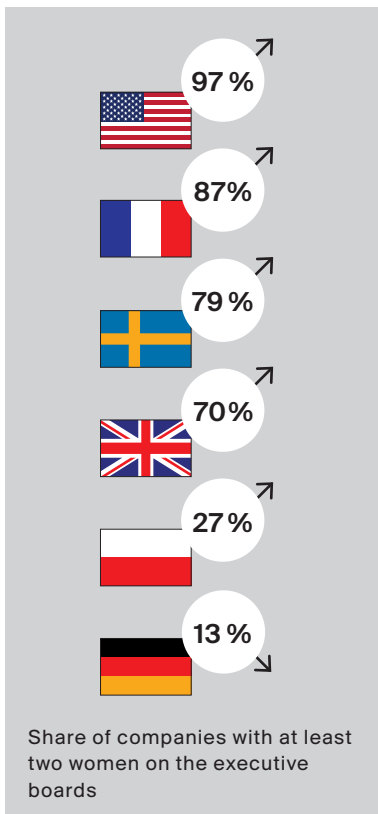
Wiebke Ankersen & Christian Berg
Directors AllBright Foundation

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Only Germany takes a step back

In a comparison of the proportion of women on the executive boards of leading companies in Germany, France, Great Britain, Poland, Sweden and the US, Germany comes last. Germany is also the only one of the compared countries without a single female CEO among the 30 largest publicly traded companies and the only country where not a single company reaches a proportion of 30 percent women on the executive boards.

Although the executive boards of the 30 largest DAX corporations are more international and female than those of small and medium-sized stock exchange companies, their share of men is still around 87 percent.

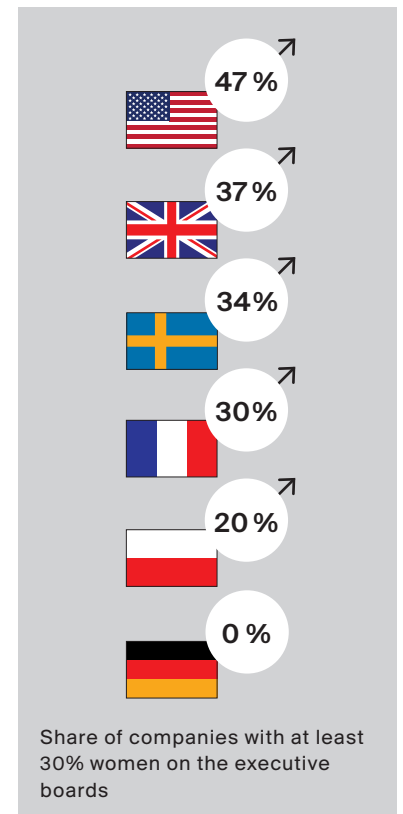


Share of women on the executive boards in the 30 largest companies on their respective national benchmark index listed as of September 1st 2020
(Development since September 2019)

DAX COMPANIES FALL BEHIND

The companies in all of the compared countries consistently increased the proportion of women on their executive boards in the past year, only in Germany it decreased during the crisis year. This means German companies fall even further behind.

In the US, Sweden, France and Great Britain executive boards with at least two women have long been the norm: 97 percent of American and 87 percent of French major publicly listed companies have several women on their executive board. In Germany, this is still the absolute exception: there are only 4 DAX companies with more than one woman on the board.

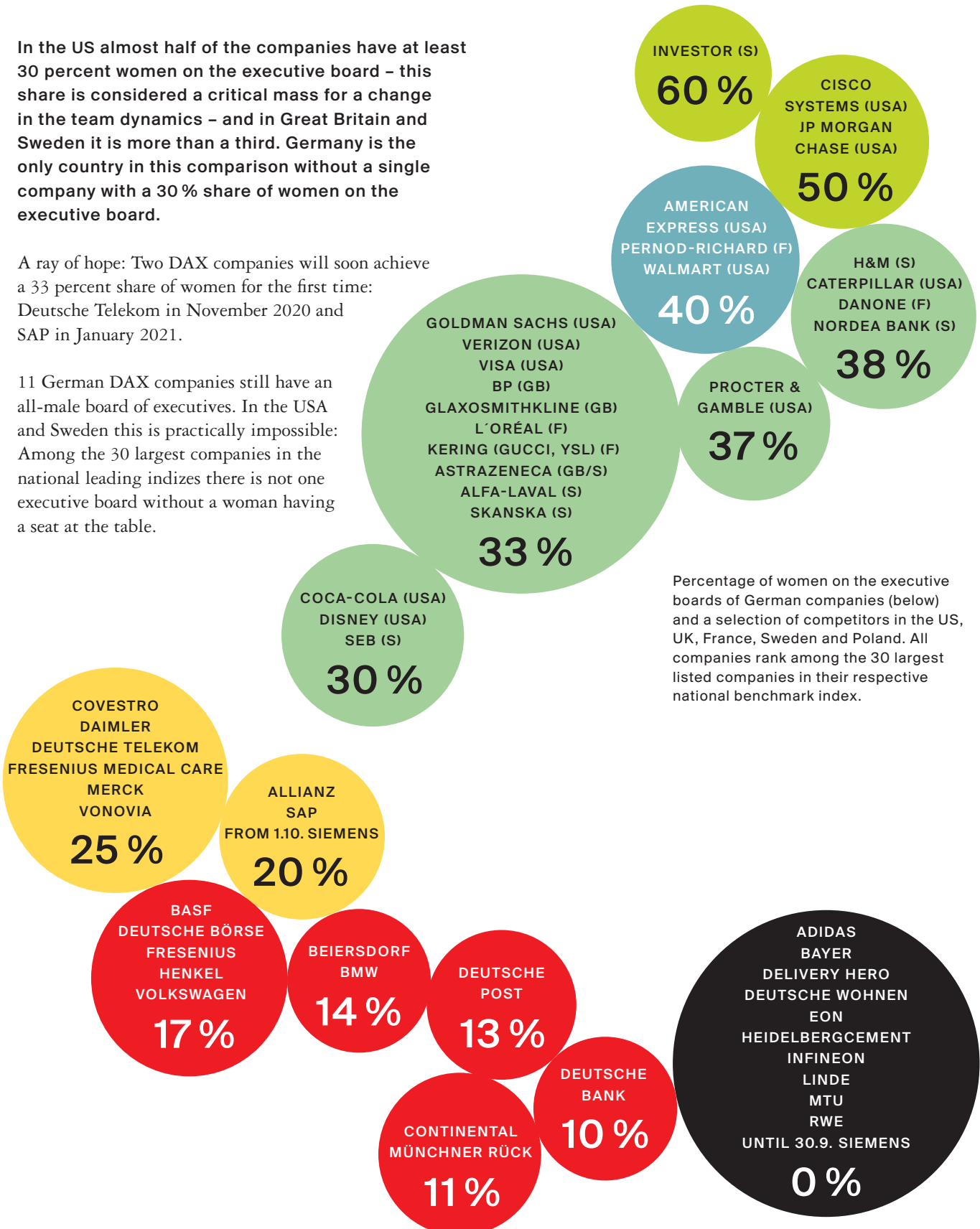


Not a single company in the DAX has 30% women on the executive board

In the US almost half of the companies have at least 30 percent women on the executive board – this share is considered a critical mass for a change in the team dynamics – and in Great Britain and Sweden it is more than a third. Germany is the only country in this comparison without a single company with a 30% share of women on the executive board.

A ray of hope: Two DAX companies will soon achieve a 33 percent share of women for the first time: Deutsche Telekom in November 2020 and SAP in January 2021.

11 German DAX companies still have an all-male board of executives. In the USA and Sweden this is practically impossible: Among the 30 largest companies in the national leading indices there is not one executive board without a woman having a seat at the table.



Percentage of women on the executive boards of German companies (below) and a selection of competitors in the US, UK, France, Sweden and Poland. All companies rank among the 30 largest listed companies in their respective national benchmark index.

International competitors are better positioned

SHARE OF WOMEN ON EXECUTIVE BOARDS: COMPETITORS SHOW WHAT IS POSSIBLE IN THEIR INDUSTRY



Adidas **0:27 %** Nike



Infineon **0:29 %** Intel



HeidelbergCement **0:25 %** Saint-Gobain



EON / RWE **0:28 %** Engie



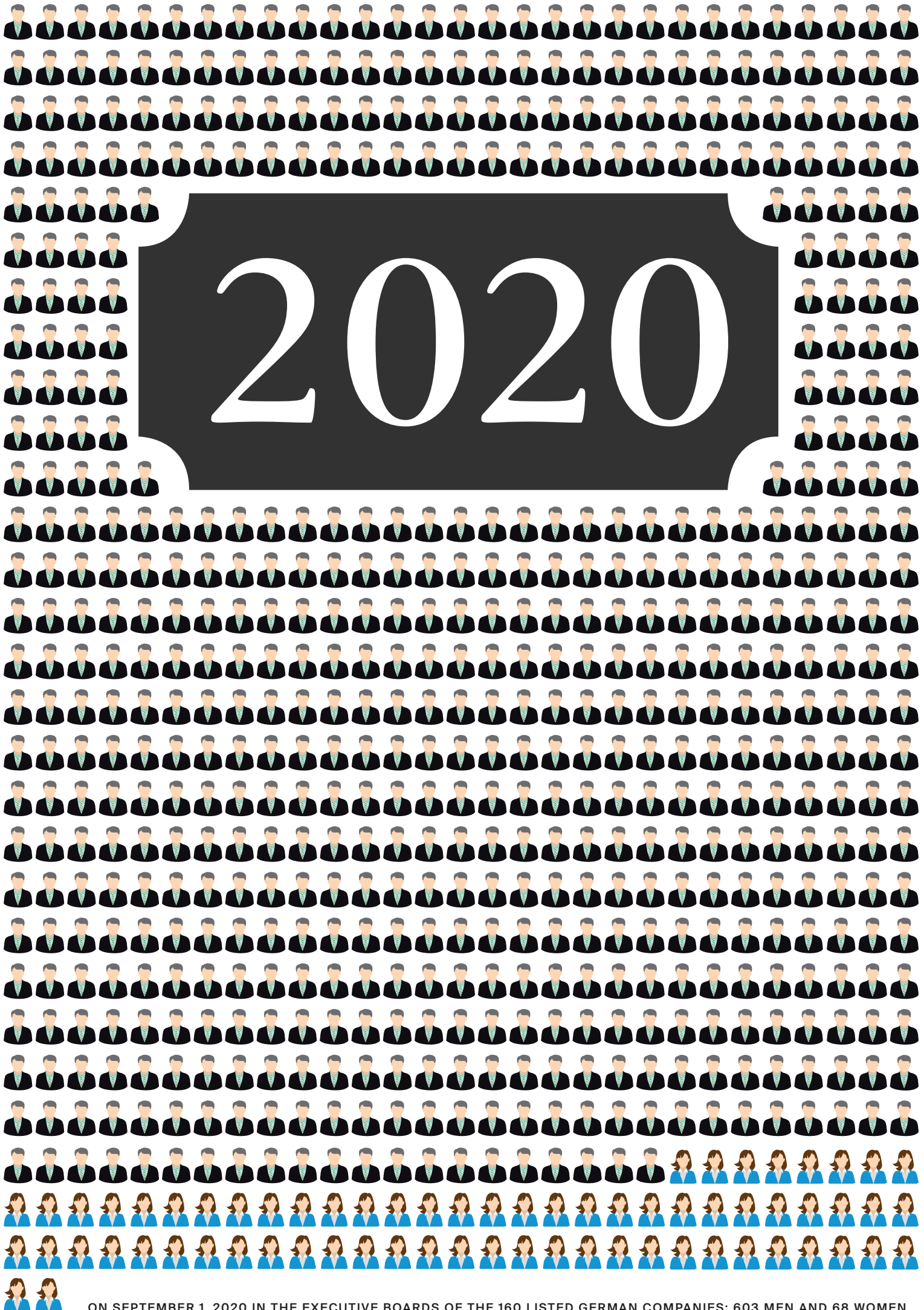
Bayer **0:33 %** GlaxoSmithKline / AstraZeneca



Linde **0:36 %** Air Liquide

All companies rank among the 30 largest listed companies in their respective national benchmark index.

In comparison with international competitors, major German companies underperform when it comes to diversity in their top management. In various industries the German companies are falling behind, as shown above.



ON SEPTEMBER 1, 2020 IN THE EXECUTIVE BOARDS OF THE 160 LISTED GERMAN COMPANIES: 603 MEN AND 68 WOMEN.