

Corporate Governance Institute of the Frankfurt School of Finance and Management

Annual Report for 2023



LETTER FROM THE DIRECTORS

Frankfurt, February 2024

Dear friends of the Corporate Governance Institute (CGI):

In the third year since its foundation, the Institute has again contributed intensively to the corporate governance debate: at our *Annual Conference* on "Driver or Driven? The role of companies, investors and regulators in the green transformation", a high-calibre group of speakers and participants met at the Frankfurt School for a lively exchange between academia and practice.

Round tables and *Working Breakfasts* continued the dialogue on current topics of good corporate governance. Our *teaching courses* at Frankfurt School highlight the relevance of current corporate governance issues for the next generation.

The CGI continued to develop in 2023 with the expansion of our research team as well as our internal structures and processes. Numerous publications were realised through critical exchange with experts and contributed to the legal policy discourse.

We would like to thank our colleague Zacharias Sautner for important contributions and impetus as a co-founder of the CGI until 30 June 2023 and we are glad that he remains associated as an Affiliated Member.

Intensive thanks go again to our "corporate sponsors" Bayer AG, Deloitte, Deutsche Börse Group and Otto Group. Our Research Impact & Innovation Fund was supported by our "project sponsor" Dentons and the support of the hkp//Group allowed our academic literature collection to be further expanded.

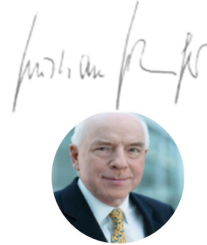
After a successful 2023, we already held our annual conference on 7 February 2024 on the topic of "Active and Activist Investors: Experiences and Ways of Encountering" with contributions by renowned experts and encouraging response of 100 participants. With our round tables and working breakfasts we will continue the exchange between academia and practice and look forward to future oriented contributions and reflections to enhance our endeavour for better governance.

Thank you very much for your continued interest in our institute!

Yours



Julia Redenius-Hövermann
Direktorin CGI



Christian Strenger
Direktor CGI

ABOUT THE INSTITUTE

The Corporate Governance Institute of the Frankfurt School (CGI) is a think tank and research centre that promotes research and best practice in corporate governance. Founded in 2020, the Institute builds on Frankfurt School's high-class faculty to generate insights from the connection between practice and theory.

The Institute's key activities include organising and hosting corporate governance events, conducting research, sharing knowledge, making policy contributions as well as providing education and training. These activities are intertwined and feed from each other to advance our mission of:

- **generating innovative knowledge** about corporate governance and its implications for companies, institutional investors, and society.
- **developing best practice** in the area of corporate governance for companies, institutional investors and other stakeholders.
- **advising** policy institutions and regulators about important governance developments.
- **educating** executives and students in corporate governance.
- **building a strong community** of corporate governance experts, corporate and industry experts.

In the following section, we present highlights from our activities in 2023, which include an overview of our events, policy contributions, new projects, research, and publications. The CGI directors also regularly contribute to various executive education programmes in the area of corporate governance as well as relevant undergraduate and graduate-level courses at Frankfurt School, which are outlined on our website.

To join our growing community and receive information about our upcoming events and updates about our activities, please visit the Corporate Governance Institute website: <http://www.frankfurt-school.de/home/research/centres/corporate-governance-institute>.

HIGHLIGHTS OF 2023

2023 in Numbers



8

Events



3

Working papers



3

Media features



~300

Event
participants



4

Published Journal
articles



7

Sponsors



>50

Speakers



3

Media contributions



8

Team members

EVENTS

With our regular events, we bring together researchers and practitioners to discuss intriguing corporate governance issues and trends. These events help us to build a strong corporate governance community and to shape our research agenda.

We are currently running four series of events, each with a distinct purpose and scope:

- Our **Annual Conferences** welcome a large audience interested in stimulating corporate governance topics at a full-day event held at the Frankfurt School. Distinguished speakers from business and academia give presentations and hold panel discussions under overarching corporate governance themes. With Q&A sessions and lunch/coffee breaks, the participants are an active part of the dialogue.
- **Corporate Governance Working Breakfasts** are held quarterly with the aim of promoting an intensive professional exchange on current developments in the field of corporate governance. After a 45-minute presentation a 15-minute Q&A session allows to discuss the relevant topics.
- Our **Round Table discussions** aim to stimulate an in-depth discussion by senior experts of focusing on a specific corporate governance topic.
- Starting in 2023, we added a new event format with **Joint Conferences**, in which we deepen the exchange of ideas with other highly rated academic institutions, such as ESMT Berlin, by co-hosting joint conferences.

In 2023, we hosted a total of eight events across these 4 series, the details for each of these events are given below:

Round table discussion on the reform of supervisory board law

On February 13, 2023 we hosted a round table led by Prof. Dr. Julia Redenius-Hövermann and Prof. Christian Strenger, to discuss the topic "Reform of Supervisory Board Law" with leading representatives from the judiciary, practice, and academia.

It was noted that good corporate governance requires significantly more time and presence to manage an increasingly demanding, complex programme, especially due to the double transformation in digitalisation and sustainability.

3rd Annual Conference: "Drivers or Driven? The role of companies, investors and regulators in the green transformation"

In our third CGI Annual Conference on June 15, 2023, titled "Drivers or Driven? The Role of Companies, investors, and Regulators in the Green Transformation". The in-person conference addressed the pressing issues of climate change and sustainable finance, highlighting topics such as the European Green Deal, shareholder engagement on climate change, financing green innovation, the impact of ESG ratings and proxy advisors on the green transformation, as well as the potential and limitations of regulation in driving the green transformation. The conference with 80 participants provided a platform for valuable insights and diverse perspectives from leading experts to address important issues on climate policy and the sustainable transformation of business and financial systems. The speakers included Amra Balic - Blackrock, Prof. Dr. Alexander Bassen - Universität Hamburg, Prof. Dr. Andreas Hoepner - UC Dublin, Prof. Dr. Elmar Kriegler - Universität Potsdam, Dr. Paolo Krischak - Deutsche Bundesbank, Claudia Kruse - APG Asset Management, Dr. Friederike Rotsch - then Merck KGaA, Dr. Theodor Weimer - Deutsche Börse AG, and Prof. Dr. Norbert Winkeljohann - Bayer AG.

Festschrift Presentation to Professor Christian Strenger

On 22 June 2023, Professor Christian Strenger's influence and work on corporate governance matters were acknowledged in a publication titled "Vom Wert guter Governance". The presentation at the Frankfurt School was attended by 70 participants from all over the world from business, art, culture, and sport. Christian Strenger's newly established Stipendienfonds will fund Master Scholarships for good governance at Frankfurt School.

The content details can be found [here](#).

Round table discussion on Supervisory Board Governance

On September 5, 2023 we hosted a round table discussion titled "Aufsichtsrats-Governance großer Wirtschaftsprüfungs-Gesellschaften" with leading personalities in the corporate governance field. The discussion focussed on improving the governance of their Supervisory Boards and the possibilities for better reporting on the overall governance of the firms.

Joint conference with ESMT Berlin: Private Capital — Key to retirement provision and transformation in Europe

On November 7, Prof. Christian Strenger and Prof. Dr. Jörg Rocholl, President of ESMT Berlin, hosted an event with representatives from politics, finance, and academia at the ESMT campus to discuss the pivotal role of private capital markets in the European retirement system and green transformation.

Prof Dr Axel Börsch-Supan provided a scientific perspective on the current state of the German retirement system. Dr Florian Toncar (FDP), State Secretary for Finance spoke about the German government's plans to use the potential of the capital market for transformation and retirement provision. Prof Strenger outlined the European capital market perspective and used the Dutch and Swedish pension systems as examples to stress that German pension systems urgently need change. Prof Dr Dirk Honold from Technische Hochschule Nürnberg, Anja Mikus from KENFO, and Hans Joachim Reinke from Union Investment provided practical impulses for the generation of private capital. Prof Jörg Rocholl, Alexander Schulz from the Deutsche Bundesbank, and Robin Winkler from Deutsche Bank led the final discussion for the concept of a European Capital Market Union.

Corporate Governance Working Breakfasts addressing local and global corporate governance topics

1 June 2023

Subject: Herausforderung Nachhaltigkeit – Nachhaltigkeits-KPIs in Kreditverträgen (Sustainability as a challenge – Sustainability KPIs in loan agreements)

Speaker: Prof. Dr. Christina Bannier (Professorin für Banking & Finance, Supervisory Board Member, Financial & ESG expert)

21 September 2023

Subject: Hauptversammlungsbezogene Aktivitäten und Klimapolitik – Herausforderungen für Vorstand und Aufsichtsrat (Actions on the annual meeting and climate politics – challenges for the Management Board and Supervisory Board)

Speaker: Ingo Speich (Head of Sustainability & Corporate Governance, Deka Investment)

23 November 2023

Subject: Kommunikation des Aufsichtsrats(vorsitzenden): Welche Anforderungen stellen interne und externe Stakeholder?

(Communication of the Supervisory Board('s Chairman): Which expectations do internal and external stakeholders have?

Speaker: Dr. Sandra Binder-Tietz (Senior Research Associate at Center for Research in Financial Communication)

More detailed information about these events as well as updates about our upcoming corporate governance working breakfast events are available on the Corporate Governance Working Breakfast webpage: www.frankfurt-school.de/home/research/conferences-workshops/cgwb.

OECD POLICY WORK

The Institute attaches particular importance to contributing to the policymaking process and actively takes part in consultation processes in the corporate governance field. In 2023, the OECD held consultations on the Draft Revisions for the latest edition of the Group 20 OECD Corporate Governance Principles and the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The Institute contributed to both undertakings by Professor Strenger and Gül Demirtas.

Governance Guidelines for Sustainability in SMEs

On March 13, 2023, the Expert Commission for the Development of Sustainable Governance Principles for SMEs, chaired by Professor Dr. Julia Redenius-Hövermann and Professor Dr. Christina E. Banner from Justus-Liebig-University Gießen, published guidelines for SMEs that comprise practical and science-based sustainable governance principles. The goal is to facilitate the address of ESG issues in the corporate governance of SMEs and set targets for their sustainable orientation.

On March 27, 2023 the Guidelines were presented to the Hessian Minister of Justice, Professor Dr. Roman Poseck who remarked that they usefully reflect the special features of medium-sized enterprises. The goal is to sensitive SMEs to embrace sustainability without forcing overregulation.

RESEARCH AND PUBLICATIONS

The Institute adopts an interdisciplinary research approach to combine academic and professional expertise in law and finance. We actively contribute to the global and European corporate governance discussion with publications in academic and professional journals. Our blog and media contributions help us further disseminate our perspectives and research insights outside the academic circles and across the business community.

In 2023, numerous publications were presented, including articles in leading academic journals and guest posts focusing on current governance topics.

Articles Published

- Redenius-Hövermann, J., 2023. "Mandatshöchstgrenzen oder weshalb die Lex Abs (S)trenger werden muss", in: Redenius-Hövermann/Schmidt/Wolff (Hrsg.), Vom Wert guter Governance, Festschrift für Professor Christian Strenger zum 80. Geburtstag, 392-405.
- Ilhan, E., Krueger, P., Sautner, Z., Starks, L., 2023. [Climate Risk Disclosure and Institutional Investors](#), Review of Financial Studies, Vol. 36(7), pp. 2617–2650.
- Sautner, Z., van Lent, L., Vilkov, G., Zhang, R., 2023. [Firm-level Climate Change Exposure](#), Journal of Finance, Vol. 78(3), pp. 1449-1498.
- Redenius-Hövermann, C, Strenger, C., 2023. [Zur Akzeptanz des Corporate Governance Kodex im DAX-40](#), ZIP 2023, 2121.

Monographs

- Siemens, P., 2023. [Die aktienrechtliche Entlastung – de lege lata/de lege ferenda](#), Abhandlungen zum Deutschen und Europäischen Gesellschafts- und Kapitalmarktrecht, Band 215, Duncker Humblot.

Media Contributions

- Bannier, C., Redenius-Hövermann, J., Didier, V.C., 2023. [Nachhaltigkeit ist eine unternehmerische Entscheidung](#), ESGZ, 2023(3).
- Sautner, Z., 2023. [What can financial markets expect from mandatory ESG disclosures?](#), The ECGI Blog, 16 February.
- Strenger, C, 2023. [Warnsignal für Aufsichtsräte!](#), Gastbeitrag FAZ von 23.12.2023.

Working Papers

- Redenius-Hövermann, J., Demirtas, G., 2024. Sustainability-Linked Executive Remuneration: A Cross-Country Review of Corporate Governance Frameworks.
- Strenger, C., Redenius-Hövermann, J., Demirtas, G., 2023. [The Governance System of Germany: Background and Discussion of its Code](#).

ON THE AGENDA FOR 2024

4th Annual Conference on 7. February 2024: “Active and Activist Investors: Experiences and ways of encountering” Pictures of a lively event



The following dates for our events in 2024 have already been set:

- | | |
|-------------------------|---|
| 29 February 2024 | <p>Corporate Governance Working Breakfast: <i>Onboarding for Supervisory Board Members</i>
Speakers: Dr. Werner Schick (Syndikus Rechtsanwalt bei Siemens)</p> |
| 19 April 2024 | <p>Joint Conference with the CGI as Co-Sponsor: Corporate Governance im Spannungsfeld von Transformation & Nachhaltigkeit
<i>(Corporate Governance in the Area of Conflict between Transformation & Sustainability)</i>
With Prof. Dr. Julia Redenius-Hövermann and Prof. Christian Strenger as presenting participants</p> |
| 13 June 2024 | <p>Corporate Governance Working Breakfast: <i>Haftungsrisiken für Organmitglieder – die strafrechtliche Perspektive</i>
Speakers: Dr. Hellen Schilling (Rechtsanwältin, Fachanwältin für Strafrecht)</p> |

ADVISORY COUNCIL

Our advisory council brings together leading practitioners and academics in the fields of finance and law. To achieve a diversity of perspectives and reflect their experience. The advisory council consists of the following members (per February 2024):

Prof. Dr. Christina E. Banner

Professor for Banking & Finance, Justus Liebig University Giessen

Prof. Dr. Dres. h.c. em. Theodor Baums

Professor for Civil Law and Business Law, Goethe University Frankfurt

Prof. Dr. Marco Becht

Professor of Finance and the Goldschmidt Professor of Corporate Governance, Université Libre de Bruxelles
Executive Director, ECGI

Matthias Berninger

Global Head of Public Affairs, Science & Sustainability, Bayer AG

Prof. Dr. Pierre-Henri Conac, LL.M.

Professor of Financial Markets Law, University of Luxembourg
Max Planck Fellow, Max Planck Institute Luxembourg

George Dallas

International Corporate Governance Network (ICGN)

Prof. Dr. h.c. em. Guido Ferrarini, J.D., LL.M.

Professor of Business Law, Genoa Centre for Law and Finance

Oliver Hedtmann

Head of Corporate Office, Deutsche Börse AG

Dr. Hans-Christoph Hirt, LL.M.

Head of Impact Engagement, UBS Asset Management

Prof. Dr. Dr. h.c. mult. em. Peter Hommelhoff

Professor of Private Law, Company Law, and Comparative Law, Heidelberg

Prof. Dr. Dr. Dr. h.c. mult. em. Klaus J. Hopt, MCJ

Professor of Law, Max Planck Institute for Comparative and International Private Law, Hamburg

Dr. Steffen Jaeniche

General Counsel, Otto Group

Dr. Claudia Junker, LL.M.

General Counsel, Deutsche Telekom AG

Michael Kramarsch

Managing Partner, hkp/// group

Claudia Kruse

Managing Director Global Responsible Investment & Governance, APG
Asset Management
Member, Regierungskommission Deutscher Corporate Governance Kodex

Prof. Dr. Patrick Leyens, LL.M.

Professor of Civil Law, Commercial and Corporate Law, University of Bremen

Dr. Arno Probst

Partner, Audit and Assurance & Lead Center for Corporate Governance, Deloitte GmbH

Dr. Friederike Rotsch

General Counsel, Deutsche Bank AG

Hendrik Schmidt

Senior Investment Stewardship Specialist, DWS Investment GmbH

Florian Schuhbauer

Founding Partner, Active Capital Ownership

Prof. Dr. Christoph H. Seibt, LL.M.

Lawyer and Partner, Freshfields Bruckhaus Deringer LLP

Ingo Speich

Head of Sustainability & Corporate Governance, Deka Investment GmbH

Hauke Stars

Member of the Executive Board, Volkswagen AG
Supervisory Board Member, RWE AG and Kühne + Nagel International AG

Marc Tüngler

Chief Managing Director, Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW) Member, Regierungskommission Deutscher Corporate Governance Kodex

Prof. Dr. Hannes Wagner

Professor of Finance, Bocconi University

Dr. Robert Weber

Lawyer and Partner, Co-Head Corporate/M&A Germany, Dentons Europe LLP

Prof. Dr. Norbert Winkeljohann

Chairman of the Supervisory Board, Bayer AG
Supervisory Board Member, Chairman of the Audit Committee, Deutsche Bank AG

Daniela Mattheus

Lawyer
Supervisory Board Member of substantial entities
President, Financial Experts Association e.V.

Prof. Dr. Joseph McCahery, J.D.

Professor of Law, Tilburg University

Prof. Dr. Rolf Nonnenmacher

Supervisory Board Member of DAX 40 companies

CONTACT

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