

## Executive Summary

This study reviewed the board affiliations and biographies of 54 female directors newly appointed at French companies following the adoption of a recent board diversity law. While critics of board diversity mandates often fear that they will lead to a small group of women holding multiple board seats and/or the appointment of poorly qualified women, neither of these outcomes seems to have occurred in France. More than four-fifths of the women joining French boards for the first time in 2011 hold only one directorship. Eighty-three percent have strong business résumés, and are serving as representatives of shareholders at large (not as designees of a particular investor or stakeholder). About 11 percent of the new female directors are representatives either of employees, a major shareholder, or the government, and all of these also have relevant experience that would justify their appointments, regardless of gender. There are only three directors (6 percent of the total) whose profiles raise the question of whether their family connections (to management or to major shareholders) played a decisive role in their appointments.

## Introduction: The Case of France

As GMI Ratings reported this February in our [Women on Boards 2012](#) survey, France showed the largest percentage increase in female directors of any country in the world last year, with a 3.9 percent rise in 2010-2011. The reason is a law passed by France's National Assembly in January 2010, which requires French boards to be 20 percent female within three years and 40 percent female within six years. Female representation on French boards began to accelerate in anticipation of the law's adoption, and has risen a total of 7.5 percentage points since 2009. The percentage of female directors in France now stands at 16.6 percent, nine out of 10 French companies have at least one woman on the board, and nearly one-third of French firms have at least three female directors. By all of three of these measures, the level of female representation is now significantly higher on French boards than on those in the US, UK, Germany, or Australia.

Opponents of legal mandates for board diversity often argue that companies will be unable or unwilling to find enough qualified women to meet the requirements. Gender diversity laws, they claim, are likely to lead to overboarding, as the members of a small female elite are asked to serve at multiple companies; critics also worry that companies may also wind up appointing women with weak qualifications (such as the family members of company executives) merely to satisfy the law. We decided to study female directors recently appointed in France to see whether these concerns have proved valid in that country.

## Methodology

GMI Ratings covers 101 French companies, including all French companies in the MSCI World and Dow Jones STOXX 600 indices, and all companies in the CAC 40 Index. For this study, we examined the biographies of 54 women who were new appointees at French companies in our universe in 2011, and who did not serve on any French boards in our coverage universe in 2010. Our primary sources were companies' annual reports and websites; in some cases we also conducted further internet research.

## Findings

### Qualifications—Strong Résumés Independent of Gender

Next, we reviewed the directors' biographies to see whether any appeared to have been appointed largely to satisfy a gender diversity requirement. We found that in nearly all cases, the directors had experience and skills that made them objectively well-qualified for board service. Eighty-three percent have established business credentials, are serving as representatives of shareholders in general, and have no apparent family connections to powerful figures in business or government. About 11 percent of the new female directors are representatives either of employees, a major shareholder, or the government, and all of these also have relevant experience that would justify their appointments, regardless of

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### **Qualifications—Directors without Stakeholder or Family Ties**

Among the 83 percent of directors in our study who were established businesswomen and represented shareholders in general, some are entrepreneurs who had founded their own firms. For example, Mercedes Erra founded BETC Euro RSCG in 1995, France's leading advertising agency; Ana Maria Llopis founded Openbank, a leading Spanish online bank, as well as the idea-sharing website ideas4all.com, which she founded in 2007; and Toshiko Mori heads an eponymous architectural firm which she founded in 1981 in New York, as well as her think tank, VisionArc, founded in 2009.

Several directors in this group are or have been Chief Executives or Chief Financial Officers at both public and private firms, including household names. For example, Christel Bories served as Chairman, President and Chief Executive Officer (CEO) of Constellium France SAS (also known as Alcan Engineered Products Group) at Rio Tinto Alcan, Inc. until November 2011; Marie-Christine Coisne Roquette is CEO of Sonepar S.A.; Françoise Gri is the President of ManpowerGroup France and Southern Europe, having previously served as CEO of IBM France; and Marella Moretti has held positions such as Chief Financial Officer (CFO) of Fiat Finance et Services S.A. and CEO of Fiat Industrial Finance France S.A. In addition, Caroline Catoire is CFO of Groupe Saur; Siân Herbert-Jones has been Group CFO at Sodexo SA and serves as its Group Executive Vice President; Pamela Knapp is CFO at GfK SE; and Mary Nicholson is CFO of Macquarie Atlas Roads.

Another group of directors in this category are accomplished executives in roles below the C-suite (an oft-cited untapped source for accomplished director candidates). For example, Anne Bouverot is a France Telecom vice president; Marcia Campbell is the Operations Director at Ignis Asset Management and was previously Group Operations Director for 20 years at Standard Life; Odile Desforges is the Executive Vice President of Engineering and Quality at Renault; Barbara Kux is the Head of Supply Chain Management and Chief Sustainability Officer of the Siemens group; Manoelle Lepoutre is an Executive Vice President of Sustainable Development & Environment at Total SA; Catherine Pourre is Chief Resources Officer of Unibail-Rodamco SE and its Executive Vice President; Mouna Sepehri is Renault Group's Executive Vice President, Office of the CEO; Françoise Brougher is the Google VP of Global SMB Sales and Operations; and Ulrike Steinhorst was Head of Human Resources and then Vice-President Executive Development of a division of Degussa AG, later heading its French subsidiaries.

In addition, some directors in this group, although they represented shareholders at large, were current or recently retired government employees. (Note: Over one-fifth of the directors in our study had served in government at some point in their careers.) For example, Nathalie Delapalme is a French civil servant who has served in a number of roles, most frequently related to Africa and development policy and Anne-Marie Idrac is the French Minister of State for foreign trade.

### **Qualifications—Stakeholder Representatives**

Among the 11 percent of directors in our study who are representatives of a particular shareholder (either the government or a private investor) or of the company's employees, all have relevant experience that would make them reasonable appointees whether they were male or female. For example, Pascale Chargrass (a representative of employee shareholders at Vallourec) is Business Development Manager at Valinox Nucléaire, a wholly-owned Vallourec subsidiary; Astrid Milsan (a government representative) is the Director of the energy sub-department at the State Investment Agency of the French Ministry of the Economy, Finance and Industry and serves as Deputy Director of Corporate Finance and Competitiveness at the Directorate General of the Treasury and Economic Policy; Penelope Small (a representative of a particular shareholder of SUEZ Environnement S.A.) is Executive Vice President of strategy and communication at International Power; and Michèle Rousseau (a government representative) serves as the Deputy General Commissioner of Environmental, Energy, Sustainable Development and Sea in the General Directorate for Energy and Raw Materials within the Ministry of Economics, Finance and Industry. (One director in this group, Martine Saunier of Thales, would not count toward the gender diversity requirement of the law because she was elected by non-shareholder employees.)

### **Qualifications—Directors with Family Ties**

Only three directors in the study have backgrounds which suggest that family connections to the companies where they serve may have played a key role in their appointments. One is Nicole Dassault, the wife of Dassault Group CEO Serge Dassault, who was recently appointed to the board of the company's subsidiary Dassault Systèmes, and whose previous

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experience consists mainly of appointments at other Dassault entities. The others are Caroline Bois (35) and Laure Hériard Dubreuil (33), both members of the Hériard Dubreuil family that founded one of the predecessor companies to Rémy Cointreau, where they serve on the board. While Ms. Bois has a business degree and both she and Ms. Hériard Dubreuil have some managerial experience, their résumés alone may not have been sufficient to secure their appointments.

### **Overboarding Not a Concern**

To explore whether multiple companies seem to be calling on the same women to meet their gender diversity requirements, we looked at the number of board seats held by each of the women in our study. We found that for this group, concerns about overboarding of female directors appear to be unfounded. Note that this study did not assess existing French female directors holding seats prior to 2011 who may have been elected to additional French boards, only brand new individuals on the scene.

Only two of the 54 women analyzed were appointed to more than one French board seat (both having been elected to two) in 2011. When directorships at public companies outside France were included, only 10 of the 54 (19 percent) held more than one board seat internationally—and of those, only five held three or more total seats (the maximum being four seats held by Betsy Atkins, a U.S. venture capital firm CEO). To be sure, these figures reflect only seats at publicly-traded companies. A few individuals in the study also have multiple affiliations at private companies or nonprofits, which may increase demands on their time. However, this is certainly true of some male French directors as well, and it was outside the scope of this report to determine whether members of one gender tend to have more or fewer non-public company affiliations. In sum, by our standard measures, the population of newly minted female directors in France did not suffer from over-commitment—the average number of public company directorships for the full sample of 54 directors was 1.28.

### **Conclusion**

As the importance of board diversity is discussed around the world, there is much debate about the relative merits of laws, corporate governance codes, investor advocacy, and other methods of increasing female representation on boards. The present study can contribute to that discussion by providing evidence that in at least one instance—France's 3.9 percent increase in female directors in 2010-2011—a legal requirement for diversity has not led to unintended consequences of overboarding or lowered director qualifications. Instead, the recent increase in women on French boards lends credence to the claims that a well-qualified pool of potential female directors already exists and that a mandate does not necessarily result in the promotion of undeserving candidates.

