

Gender balance at the top

The evolution of the gender balance in executive committees of France's SBF 120 companies 2020–2022

Opportunities and challenges for companies in a changing legislative landscape

January 2022

HEIDRICK & STRUGGLES





The context

Since the publication of our first study in 2020, the legislative landscape has changed with the recent Rixain Law, which was unanimously adopted by the French National Assembly on 12 May, then voted on by the Senate on 27 October and signed into law by the president on 24 December 2021.

Following on the heels of the Copé-Zimmermann Law, which created gender quotas on boards of directors, the Rixain Law aims to “accelerate economic and professional equality” by increasing the number of women in senior leadership roles at companies with more than 1,000 employees. The target of a minimum of 30% women by 2027 and 40% by 2030 is ambitious and will transform the approach to talent management in these companies.



The objective

Heidrick & Struggles has analyzed the evolution of the gender balance of executive committees in SBF 120 companies over the past two years with the goal of creating greater transparency about the gender mix existing in companies today, and to better understand the opportunities and challenges related to creating a more equal gender balance in senior management.

* Although the scope of the Rixain Law is “governing bodies,” the scope of this study covers companies’ executive and management committees. For the sake of simplicity, we will refer to them as “executive committees” in the rest of the study.

1

The current situation in SBF 120 companies: What progress have companies made against the objectives set by in the Rixain Law?

SBF 120 companies are making progress overall in the gender balance of their leadership. In 2022, 31% of companies had at least 30% women in the executive committees, and 9% had at least 40% women compared to only 18% and 6% of companies in 2020.

However, this means that almost 70% of companies are still below the target of 30% women, and 91% are below the target of 40%.

Achieving the objectives set out by the Rixain Law means that companies will have to speed up and change their practices in terms of attracting talent. Currently, 212 additional women executives are required (out of a total of 1,347 executives in the SBF 120 companies) to reach the target of 40%.

2

The 2022 profiles: Who are women in the executive committees of SBF 120 companies, and what positions do they hold?

Approximately two-thirds of female executive committee members hold functional positions; for their male counterparts, the opposite is true. Increasingly, women tend to hold legal, HR, and marketing positions.

Eighty-six percent of line roles are held by men, thereby creating an extremely gendered distribution of roles. This functional imbalance is an added challenge beyond the low numerical representation of women.

Among the youngest members (younger than 44 years old), women and men are now equally represented; a quarter of female members of executive committees are foreign nationals.

3

External recruitment vs. internal promotion: Where are companies sourcing their senior executives?

Although female senior executives are mainly appointed through internal promotion, they are recruited from outside the company (36%) more often than men (29%).

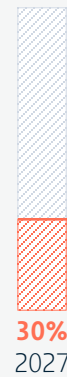
Achieving the Rixain Law objectives

Without changing the size of the total executive committee population, 212 women would need to be appointed to executive committees of SBF 120 companies to reach the 40% target, whether through promotion or recruitment. This does not include any women who will need to be replaced during this period.

SBF 120 companies

% of women on executive committees and the number of women needed to fill the gap

Total number of executive committee members
2022: 1,347



Number of women to be appointed to meet the Rixain Law targets:

78

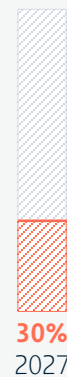


212

CAC 40

% of women on executive committees and the number of women needed to fill the gap

Total number of executive committee members
2022: 456



Number of women to be appointed to meet the Rixain Law targets:

33



78

1 Summary

The current situation in SBF 120 companies

What progress have SBF 120 companies made in 2022 against the objectives set by the Rixain Law?

- + Some companies have gotten a head start in anticipating this evolution and responding to today's societal expectations.
 - Thirty-six companies out of 118 (31%) have at least 30% of women on their executive committees and thus are already compliant with the targets for 2027.
 - Eleven companies out of 118 (9%) have at least 40% of women on their executive committees and thus are already compliant with the targets for 2030: Eutelsat, Gecina, Lagardère SA, Legrand SA, Maisons du Monde, Mercialys, Nexity SA, Rubis SCA, Schneider Electric, Sodexo, and Wendel SA.
- + However, almost 70% of SBF 120 companies are lagging in meeting the 30% objective. This figure rises to 91% of companies for the 40% objective.
- + Twenty-four percent of the 1,347 executive committee members in SBF 120* companies are women, compared to 19% two years ago. CAC 40 companies have made less progress, with an average of 22% of women on executive committees (+3% compared to 2020).
- + The proportion of women is increasing across all sectors, but not at the same pace. Healthcare & life sciences (+10%) and financial services (+8%) are leading the way, with the industrial sector lagging (+3%).
- + Fourteen SBF 120 companies are now run by women compared to only 10 companies two years ago. With an additional three appointments since the beginning of the year, the number of women leaders is set to rise to at least 17 by 2022. These women head some of most gender balanced executive committees, and six of them lead an executive committee that has already reached the 40% threshold.

* The 2022 data concerns 118 of the SBF 120 companies. Two of these companies were excluded from the study due to a lack of public information about their executive committees (Bolloré and Essilor Luxottica).

* Data as of 31 December 2021

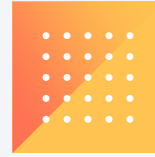
2 Summary – the profiles

In 2022, who are women in the Executive Committees of SBF 120 companies, and what positions do they hold?



Line vs. staff roles

- + Two-thirds of female executive committee members hold staff roles, while one-third hold line roles; this proportion is reversed for their male counterparts.
- + Eighty-six percent of line roles are held by men while only 14% are held by women.



Age

- + On average, women executive committee members are younger: 51 years old, as compared to 55 for men.
- + Among executive committee members under the age of 44, women and men are equally represented.
- + In the older age brackets, men are in the majority and constitute at least 75% of all executive committee members.



Nationality

- + Twenty-five percent of female executive committee members are foreign nationals (82 out of 326) compared to 30% of men (305 out of 1,021).
- + The female foreign nationals mainly come from Europe (63%) and North America (23%).

3

Summary External recruitment vs. internal promotion

Where are companies sourcing their senior executives?

- + In order to achieve the objectives outlined in the Rixain Law, SBF 120 companies (without changing the size of the total executive committee population) **must identify and appoint 78 women by 2027 and 212 by 2030.**
- + Today, 36% of women are recruited from outside the company, compared to 29% of men, which may point to a lack of internal capacity in companies to develop women leaders.
- + This trend is clear, particularly for staff roles. **Forty percent of staff roles held by women are filled through external recruitments**, compared to 36% for men.
- + Line roles are more likely to be filled through an internal promotional: 72% of line roles held by women are filled internally, compared to 75% for men.

1

The current situation in SBF 120 companies:

What progress have companies made against the objectives set by the Rixain Law?



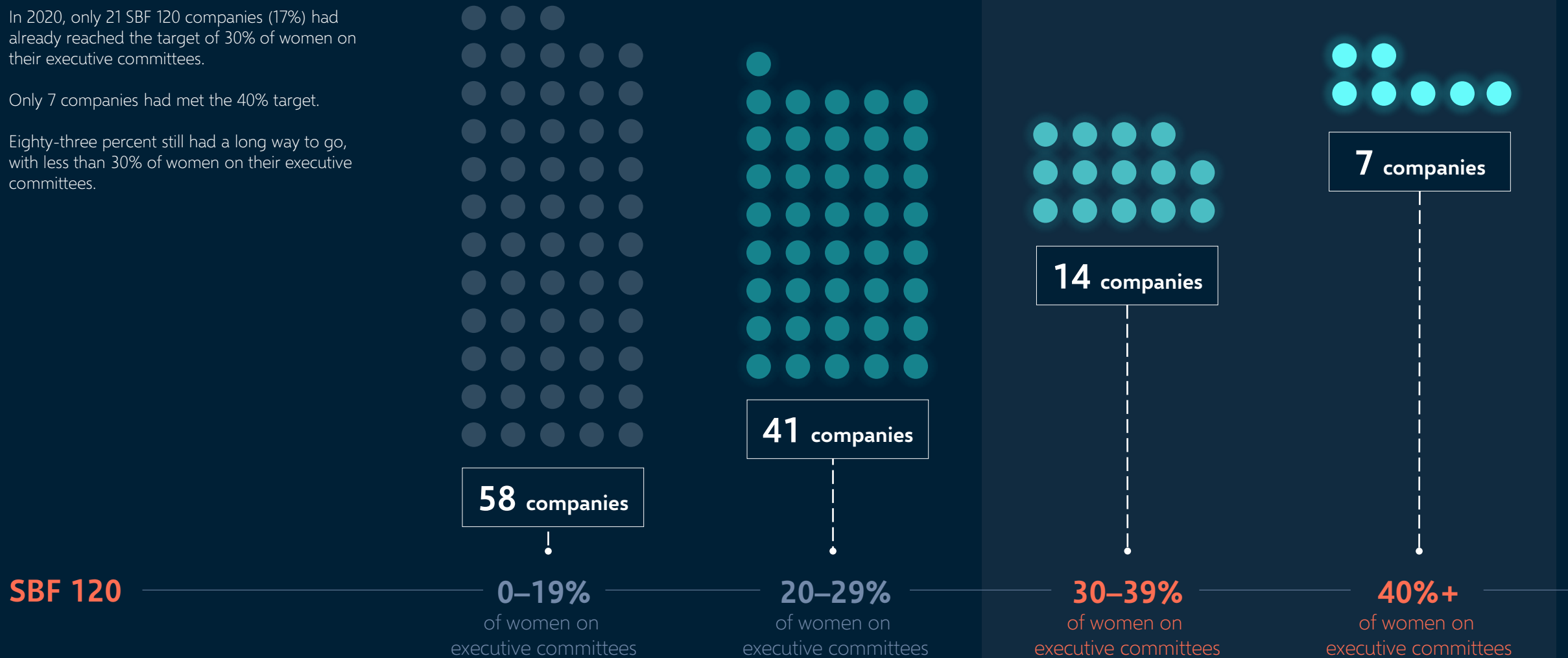
2020

Where were SBF 120 companies in 2020 in achieving the objectives of the Rixain Law?

In 2020, only 21 SBF 120 companies (17%) had already reached the target of 30% of women on their executive committees.

Only 7 companies had met the 40% target.

Eighty-three percent still had a long way to go, with less than 30% of women on their executive committees.



2022

How much progress have SBF 120 companies made in 2022?

In 2022, about a third of SBF 120 companies have already reached the 30% target, and 9% have achieved the 40% target.

In 2022, almost

70%

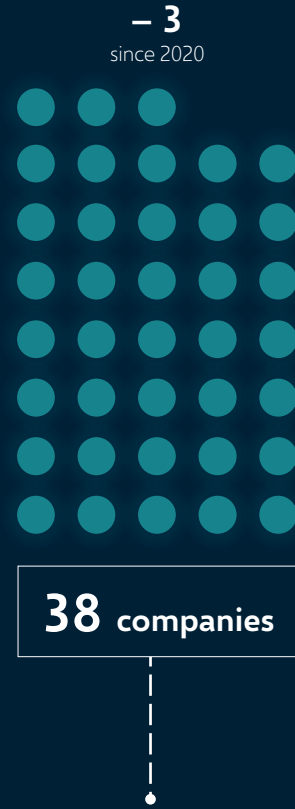
of companies are still under the target of 30%, and 91% have less than 40% women on their executive committees.

These figures demonstrate the urgent need to take action to increase the number of women in leadership positions.

SBF 120



0-19%
of women on executive committees



20-29%
of women on executive committees

Accelerators



30-39%
of women on executive committees



40%+
of women on executive committees

The current situation of SBF 120 companies: Gender balance of executive committee members



SBF 120

0–19%
of women on
executive committees

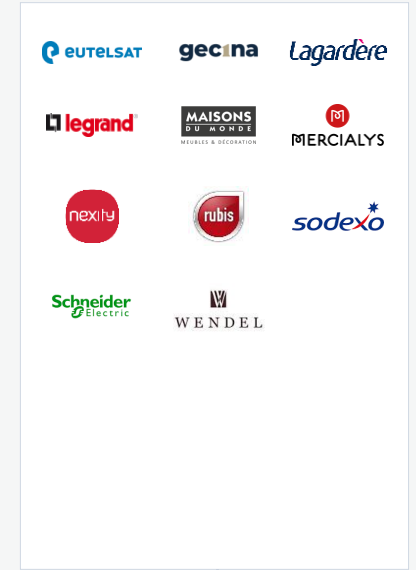


20–29%
of women on
executive committees

Accelerators



30–39%
of women on
executive committees



40%+
of women on
executive committees

Gender balance on executive committees

SBF 120

▲ +5% Women

Total number of executive committee members

2022: 1,347
2020: 1,371

CAC 40

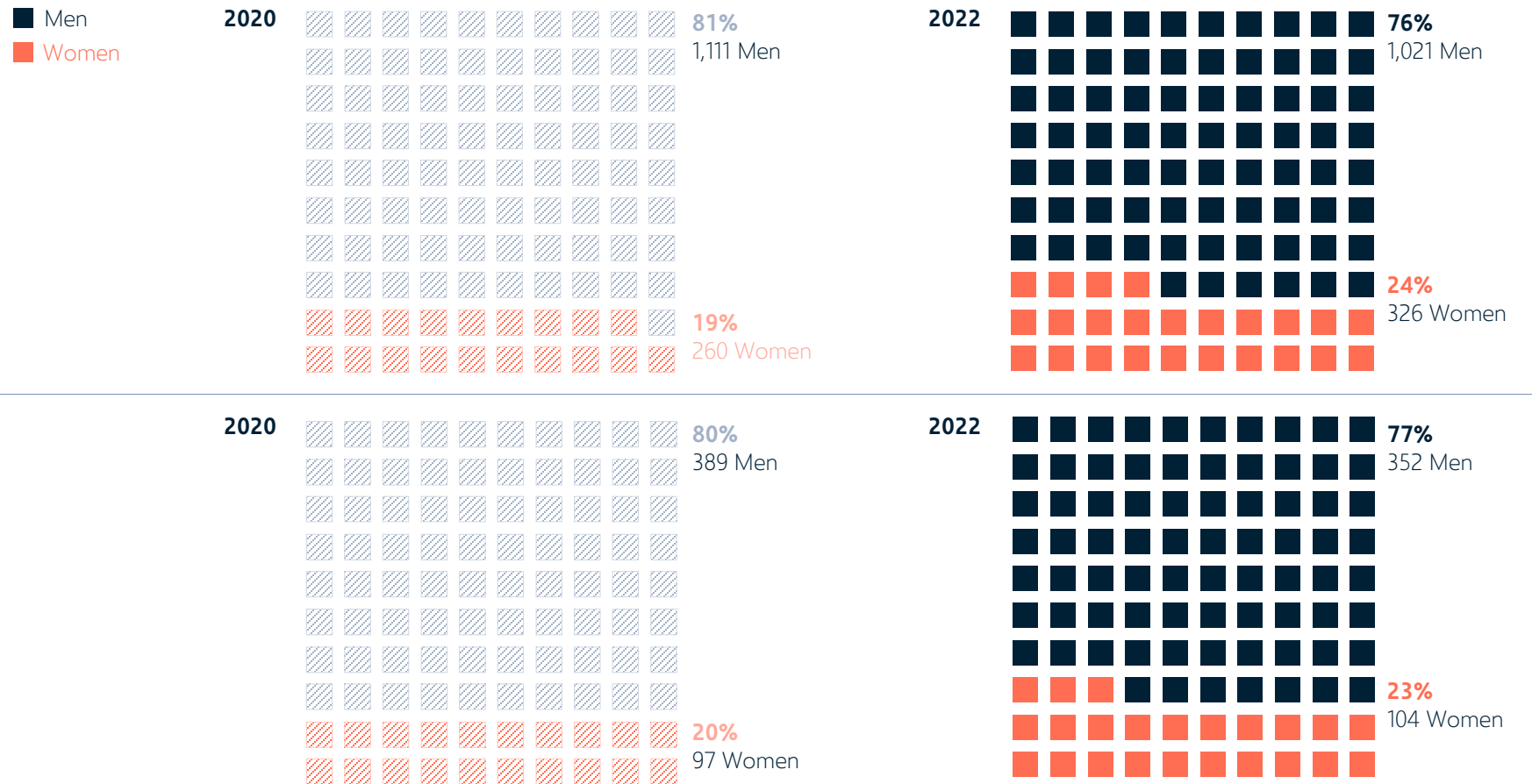
▲ +3% Women

Total number of executive committee members

2022: 456
2020: 486

Clear progress in evolving the ratio of women and men over the last two years

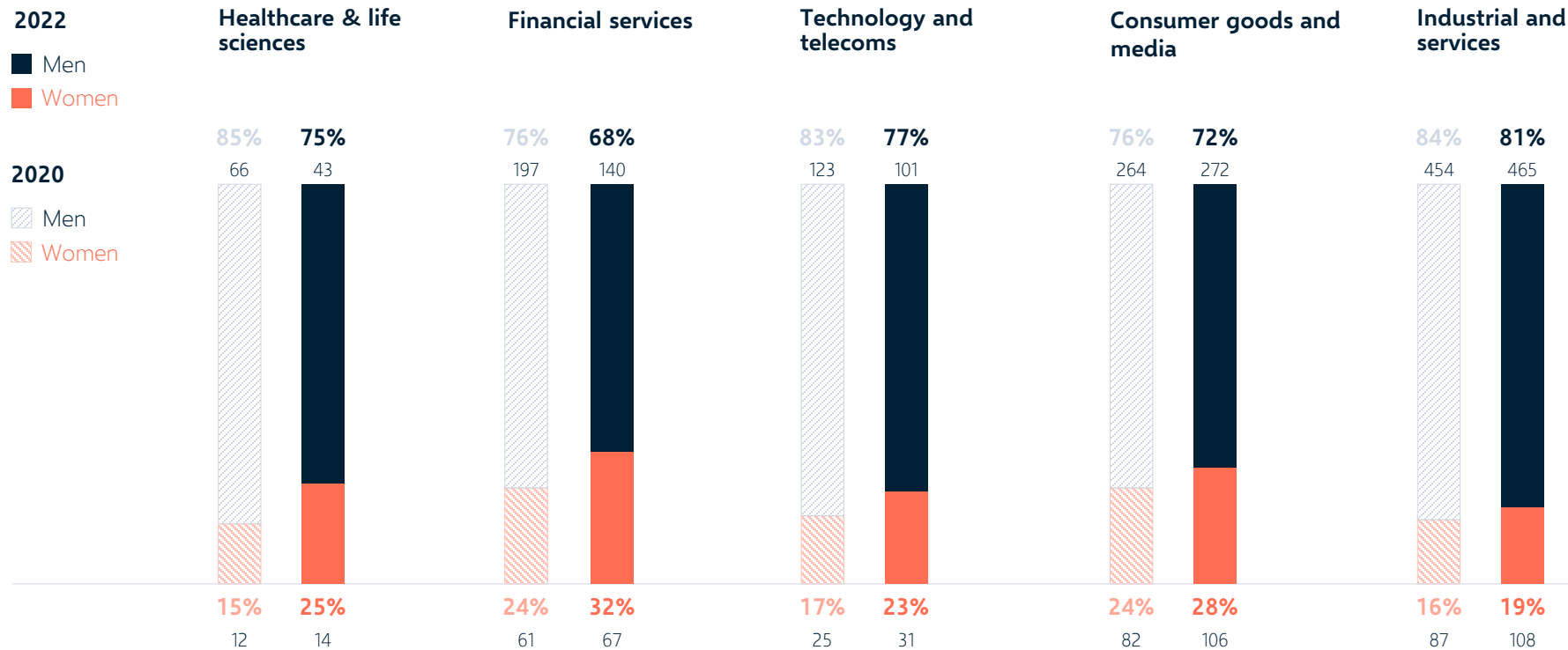
The number of women has increased more quickly in SBF 120 companies (+5%) than in CAC 40 companies (+3%).



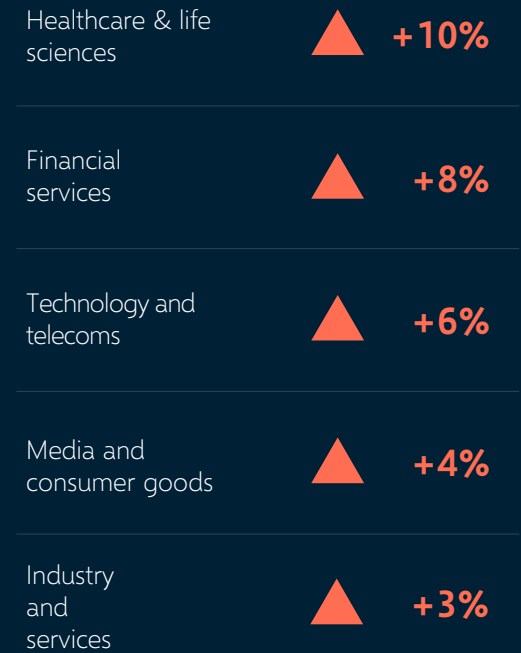
Gender balance of SBF 120 executive committees, by industry sector

The proportion of women is increasing in all sectors, but not at the same pace.

The Healthcare & life sciences and Financial services sectors have seen a significant increase in the representation of women on executive committees. The industrial and services sector is lagging behind other sectors.

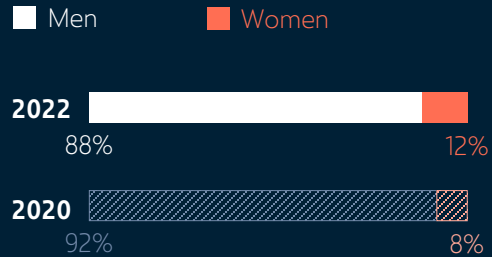


Top 5 industries, % growth



Companies with female CEOs

Percentage of SBF 120 companies run by:



14 companies out of 120 run by a woman

Since the beginning of the year, three additional women have been appointed or announced as CEOs.



Fourteen of the SBF 120 companies are now run by women, compared to only 10 companies two years ago.

Fifty-seven percent of these female-run companies (8 out of 14) have already reached the 30% target, and 43% (6 out of 14) have reached the 40% threshold.

With an additional three appointments since the beginning of the year, the number of women leaders is set to rise to at least 17 by 2022.

Where do companies run by female CEOs stand in relation to the objectives set by the Rixain Law?

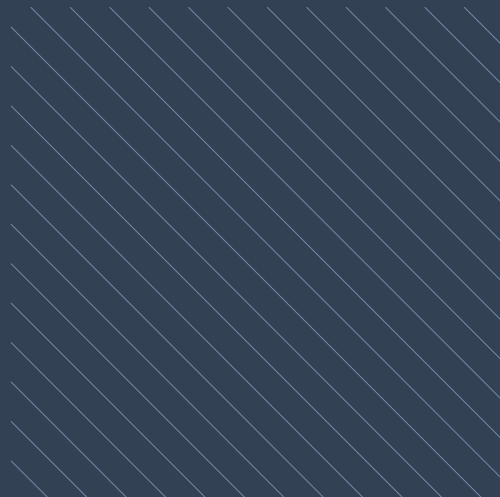
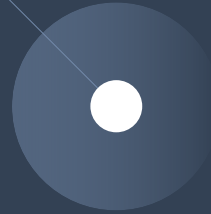


2

The 2022 profiles: Who are women in the executive committees of SBF 120 companies, and what positions do they hold?



Line vs. staff roles



Breakdown by type of role: Line vs. staff

Approximately two-thirds of female executive committee members hold staff roles; for their male counterparts, the opposite is true.

This very gendered split of functions has continued to be reinforced over the past two years: of the female executive committee members, 68% now hold staff roles, compared to 64% two years ago.

There has also been an overall increase in the number of staff roles, which could be linked to the trend in creating synergies through centralized support functions.

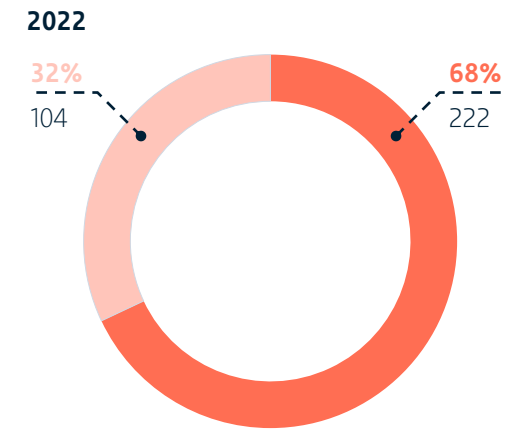
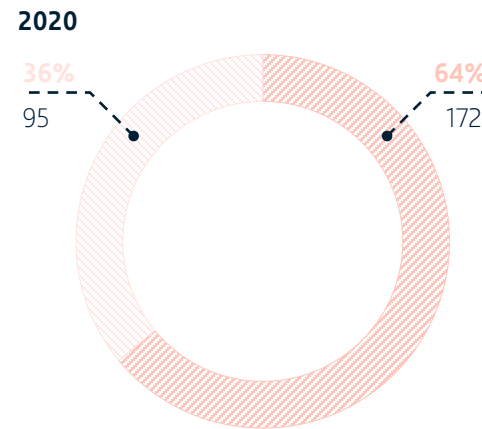
Women

+4% Women
Staff roles

Number of executive committee members

2022: 326

Line roles
Staff roles



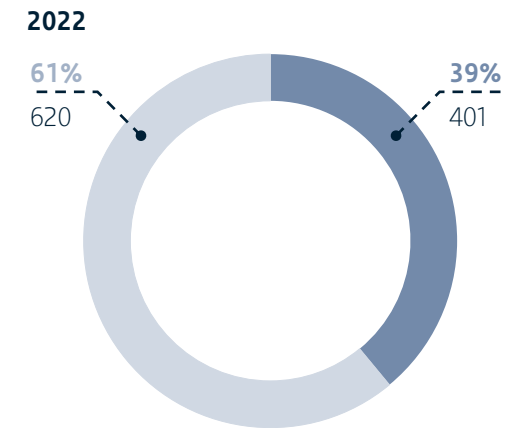
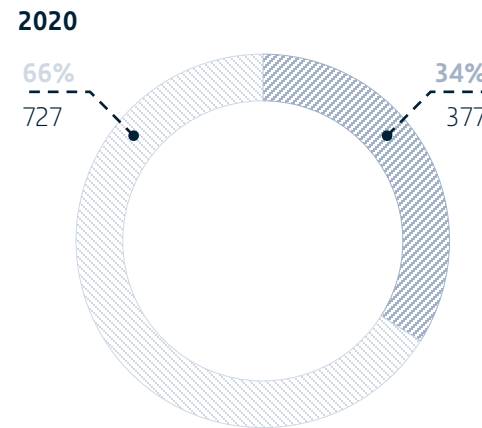
Men

+5% Men
Staff roles

Number of executive committee members

2022: 1,021

Line roles
Staff roles



Line vs. staff roles in executive committees

An extremely gendered distribution of functions: 86% of line roles are held by men

Eighty-six percent of line roles are held by men—a percentage that has remained virtually unchanged for two years (88% in 2020)—while women hold only 14% of operational positions.

This trend continues to be reinforced: the percentage of women leaders is increasing more quickly in staff roles (+5%) than in line roles (+2%).

Line roles

▲ +2% Women

Number of executive committee members

2022: 724

2020: 822

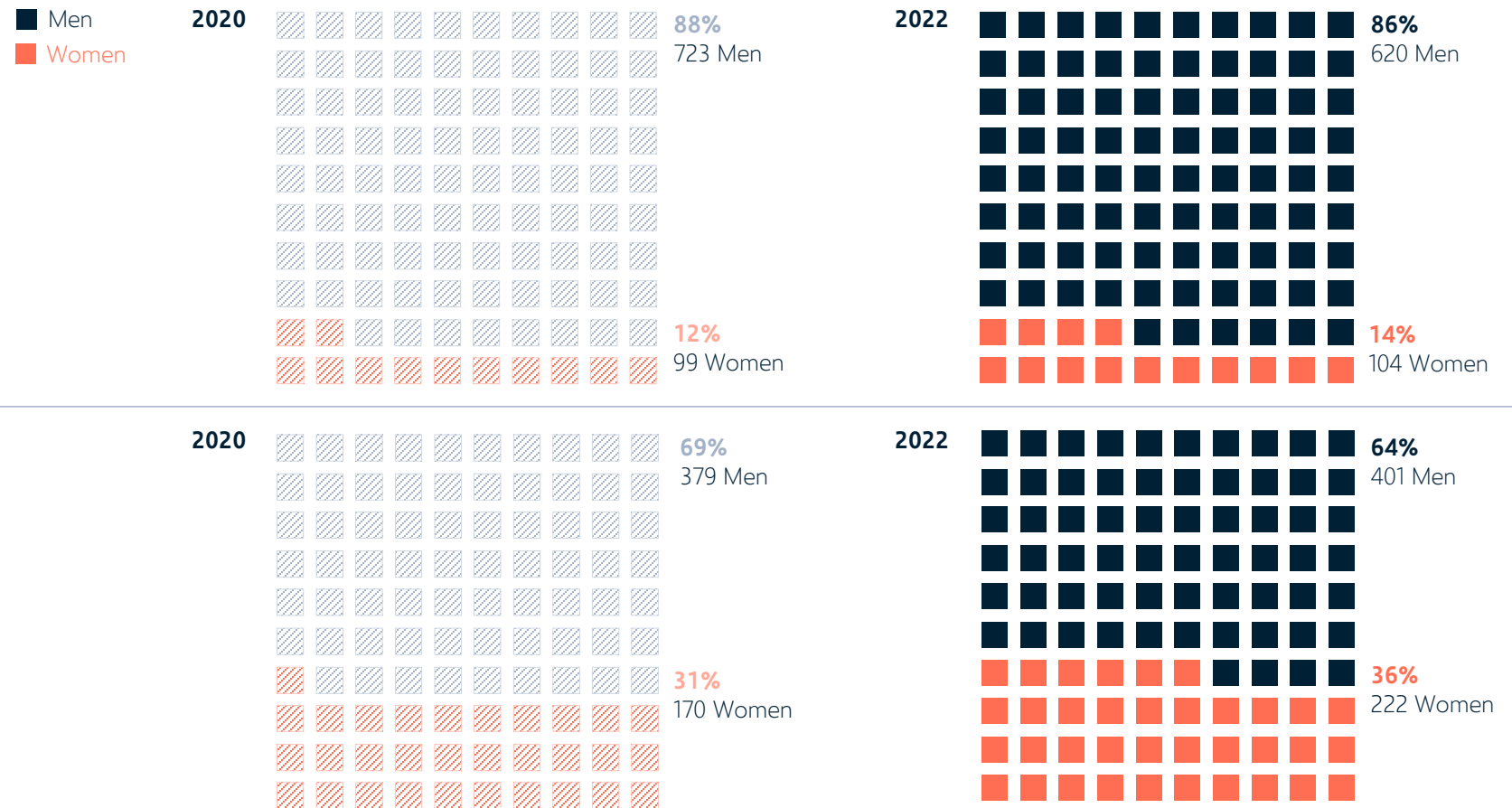
Staff roles

▲ +5% Women

Number of executive committee members

2022: 623

2020: 549



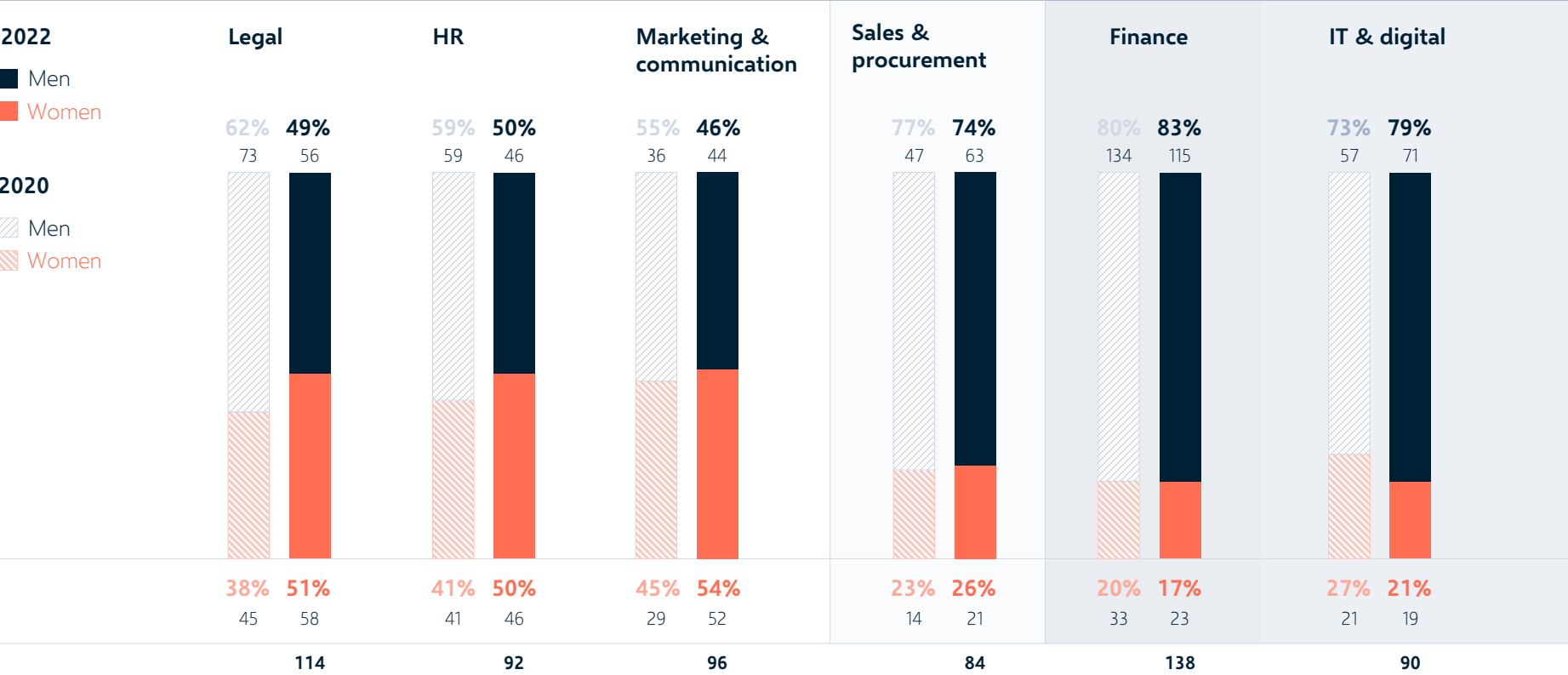
Gender balance of SBF 120 executive committees, by function

Increase in the number of women in legal, HR, and marketing & communications

Women and men are now equally represented in Legal, HR and marketing & communications, with significant increases in the proportion of women in these functions over the two-year period.

For sales & procurement, the mix of men and women remained stable, with women accounting for a quarter of leaders in this role.

The proportion of women decreased in finance from 20% to 17% and in IT & digital from 27% to 21%.

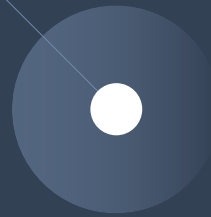


Variation in the presence of women in staff roles





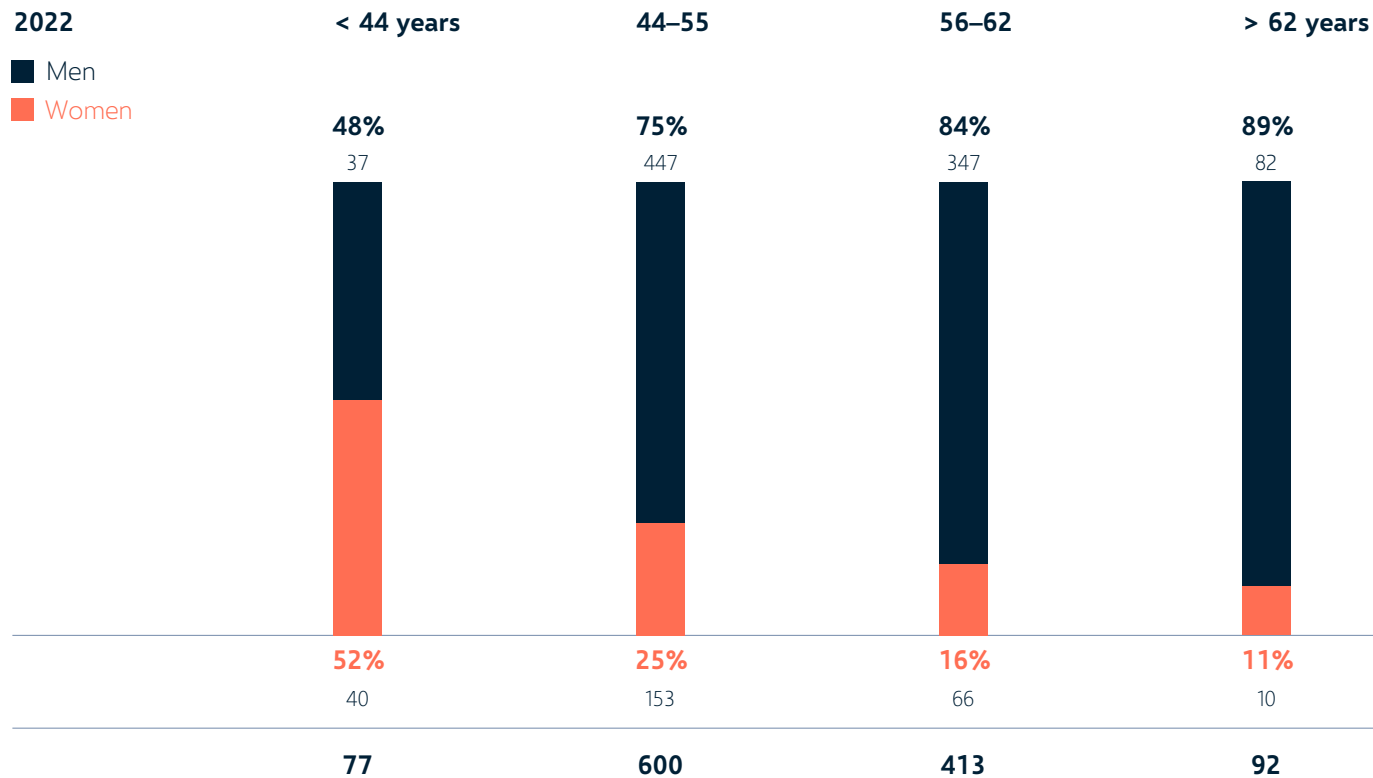
Age



Gender balance of SBF 120 executive committees, by age bracket

The new generation is more gender balanced, to the point of equal representation

Women and men are equally represented among the under-44s (52% women). In the older age brackets, men are in the majority and constitute at least 75% of all executive committee members.



Average age of executive committee members in SBF 120 companies

Women

Men

51

55



Nationality



Nationality balance of SBF 120 executive committees, by gender

There has been a slight positive trend in internationalizing executive committees, both in terms of male and female members

SBF 120 companies have seen their overall proportion of foreign nationals in their executive committees increase over the past two years. This trend is particularly true for male executive committee members, as there was a significant overall reduction in the number of French nationals.

Nationality of women

▲ +1% Foreign nationals

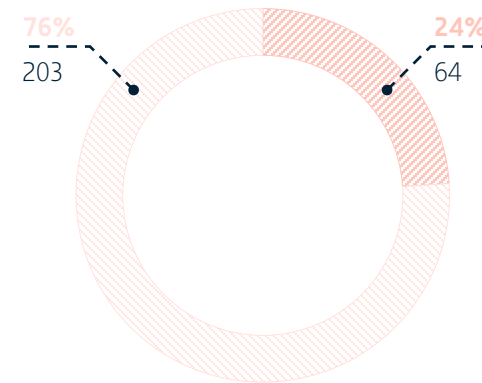
Number of foreign nationals

2022: 326

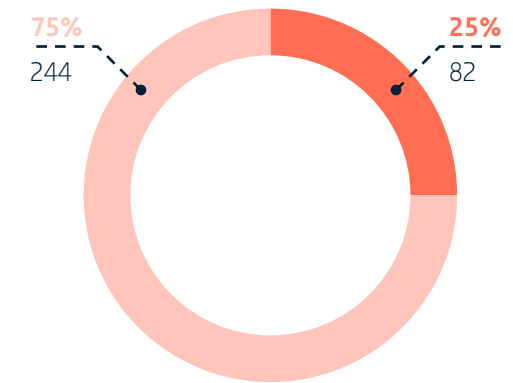
2020: 267

Foreign nationals
French

2020



2022



Nationality of men

▲ +4% Foreign nationals

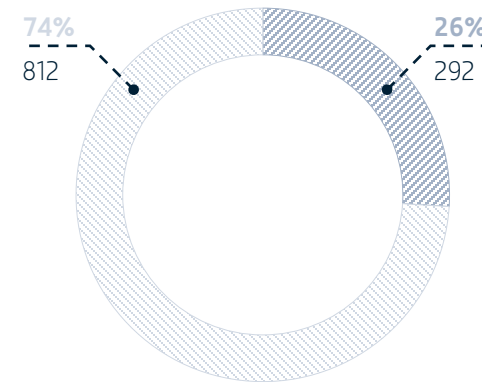
Number of foreign nationals

2022: 1,021

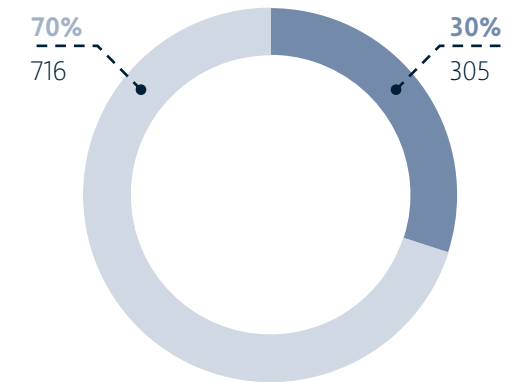
2020: 1,104

Foreign nationals
French

2020



2022



Top 10 nationalities of foreign nationals in SBF 120 executive committees

Both male and female foreign nationals come primarily from North America and Europe

Female foreign nationals

Executive committee members

2022: 82

2020: 64

Male foreign nationals

Executive committee members

2022: 305

2020: 292

2020

Rank	Country of origin	Number of women	Total % of female foreign nationals*
1	USA	19	30%
2	UK	12	19%
3	Germany	7	11%
4	Italy	5	8%
5	Canada	3	5%
5	Spain	3	3%
7	Belgium	2	3%
7	Ireland	2	3%
7	The Netherlands	2	3%
7	Switzerland	2	3%

2022

Rank	Country of origin	Number of women	Total % of female foreign nationals*
1	USA	16	20%
2	UK	11	13%
3	Germany	9	11%
4	Italy	8	10%
5	Belgium	3	4%
5	Brazil	3	4%
5	Spain	3	4%
5	India	3	4%
6	Romania	2	2%
6	Canada	2	2%

2020

Rank	Country of origin	Number of men	Total % of male foreign nationals*
1	USA	57	20%
2	UK	41	14%
3	Germany	33	11%
4	Italy	28	10%
5	Belgium	24	8%
6	India	14	5%
7	Spain	13	4%
8	Brazil	11	4%
8	Canada	11	4%
8	The Netherlands	11	4%

2022

Rank	Country of origin	Number of men	Total % of male foreign nationals*
1	USA	42	14%
2	Italy	39	13%
3	UK	36	12%
4	Germany	32	10%
5	Belgium	23	8%
6	India	17	6%
7	The Netherlands	12	4%
8	Spain	12	4%
9	Brazil	11	4%
10	Australia	9	3%

French citizens holding dual nationality are considered as French nationals and, therefore, are not counted as foreign nationals.

3

External recruitment vs. internal promotion:
Where are companies sourcing their senior executives?



Appointments of women and men to SBF 120 executive committees

Women

36% External recruitments

Executive committee members

2022: 326

Men

29% External recruitments

Executive committee members

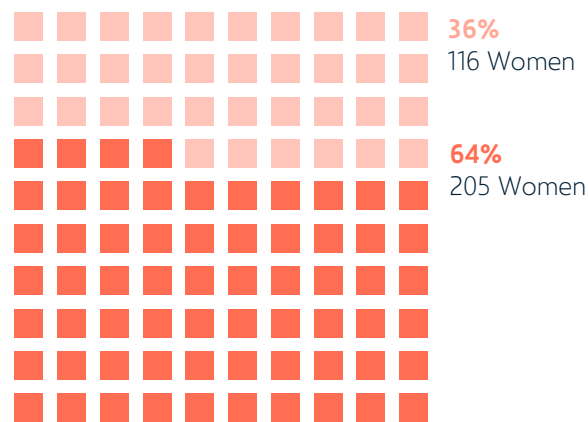
2022: 1,021

More female senior executives are recruited from outside the company than men

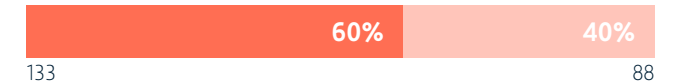
Thirty-six percent of women—compared to 29% of men—are recruited from outside the company. On one hand, this demonstrates a clear intention to increase the number of women executive committee members. On the other hand, however, it also points to companies' challenges in finding talent within their own internal talent pools. Staff roles are more likely to be filled from outside the company, particularly for women (40%). Line roles are mainly filled internally with little difference between the genders (72% internal promotions for women and 75% for men).

External recruitment
Internal promotion

2022



Staff roles

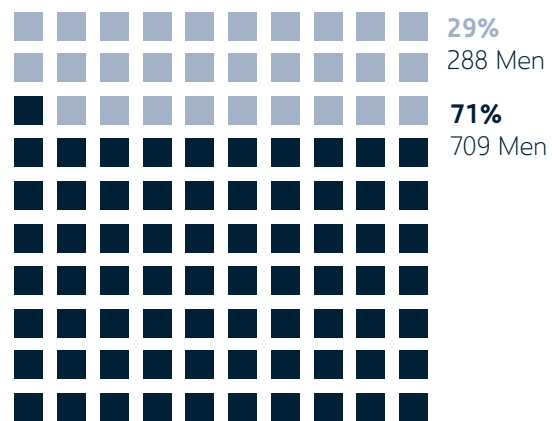


Line roles



External recruitment
Internal promotion

2022



Staff roles



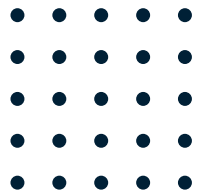
Line roles



Conclusions



Opportunities created by the Rixain Law



+ FOR COMPANIES

The Rixain Law will be more disruptive than the Copé-Zimmermann Law because **directors can sit on several boards**, which allows them simultaneously to hold multiple positions, unlike executive committee members; **directors' nominations are also limited in time** (four years on average), which creates a natural turnover and therefore more opportunities to appoint women to boards.

- + For companies, the stakes of the Rixain Law are much higher than simply complying with the specific targets and deadlines set by out in the law. **Instead, it requires a major change in how talent is managed and retained in companies.** It is also an opportunity to focus on creating a true culture of inclusion by challenging traditional career paths and processes and fostering a greater sense of engagement and belonging among both women and men.

+ FOR EXECUTIVE COMMITTEES

The Rixain Law has changed the rules of the game in terms of the war for talent and clearly there will be winners and losers among companies. Companies should not wait for the implementation of law—much less the actual deadlines—to deeply understand and plan for the impact the law will have. On the contrary, **it is essential that companies start taking action now to be ready for 2027–2030.**

- + **The “winners”** will be those companies that act quickly, invest in diversity, equity, and inclusion, and engage their leaders in driving change. These companies, in turn, will be best positioned to **become talent magnets.**
- + **The “losers”** will be those companies that react slowly, making it increasingly difficult for them to improve their gender balance and create a culture of inclusion. These companies will become **hunting grounds for talent and see their best talent poached.**

+ FOR EXECUTIVE COMMITTEES

Today, less than 25% of the 1,347 executive committee members in SBF 120 companies are women and 86% of the operational positions on these executive committees are held by men. **By 2030, a 12-member executive committee will have to replace three men with three women in order to comply with the law.**

- + The Rixain Law should be seen by companies as an opportunity to reconfigure their executive committees by ensuring that women take on operational responsibilities and not just the staff roles they have traditionally held. It is also an opportunity **to align executive committees with the new needs of companies**, for example by adding new positions related to technology or sustainable development, as well as being open to new leadership profiles, which are more diverse in terms of age or nationality.

HEIDRICK & STRUGGLES

An industry trailblazer, Heidrick & Struggles (Nasdaq: HSI), created in 1953 in the United States and operating in France since 1975, is a leading global consultancy specialising in leadership and executive talent searches for major international companies, investment funds and their holdings.

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2022

How much progress have SBF 120 companies made in 2022 on gender balance in their executive committees?

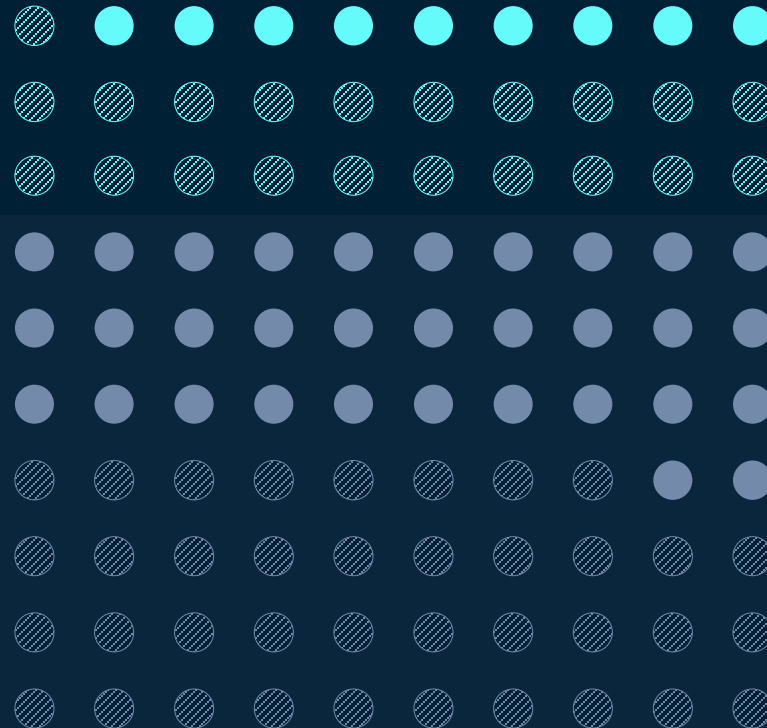
In 2022, about one third of SBF 120 companies have reached the 30% target and 9% have reached the 40% target.

In 2022, almost 70% of companies are still below the 30% target and 91% have less than 40% of women with seats on their executive committees.

These figures demonstrate the urgent need to take action to increase the number of women in leadership positions.

70%

of companies are still below the 30% target



9%
11 companies

21%
25 companies

32%
38 companies

38%
44 companies

Women on executive committees

40+%

30–39%

20–29%

0–19%

* **The 2022 data concerns 118 of the SBF 120 companies. Two of these companies were excluded from the study due to a lack of public information about their executive committees (Bolloré and Essilor Luxottica).