

**GENDER BOARD
REPRESENTATION IN MAURITIUS:
Q1 2024 PROGRESS REPORT**

About

THIS RESEARCH

- This research explores the progress made by listed companies since the introduction of the legislation requiring a 25% female representation at Board level in 2023.
- Our analysis is based on 91 companies (out of 94) listed on the Stock Exchange of Mauritius (Official & DEM)¹.
- Data was extracted and consolidated from various publicly available resources, i.e., the registrar of companies (CBRIS), the Stock Exchange of Mauritius, company website, annual reports, etc. (where available) as of 24 February 2024.

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Executive Summary

- Less than a year after Mauritius introduced a soft quota of 25% of female directorships in the board of listed companies, we note an increase of the overall percentage of female directors from 17% when the legislation was passed to 21%.
- Companies are adopting different tactics to reach compliance with 1 out of every 4 boards increasing the number of seats (within their established statutes).
- Two of the most represented industries i.e., Investment Holdings and Real Estate Investment, are now compliant. The next three industries most represented, Conglomerates, Manufacturing & Distribution, and Tourism & Hospitality, still lag behind.
- There are signs that boards are addressing the new legislative requirements with 51% of new board appointments since 1 July 2023 being females – with companies showing a preference for certain qualifications, skills set and industry experience.
- Companies are more likely to make use of external talent pools to appoint female directors – primarily as independent rather than affiliated.
- Female directors' tenure is on average half of that of Male directors. Women are as likely as men to have multiple directorships.
- More importantly, we found that there was a statistically significant relationship between the level of gender board representation and the likelihood of having a female director chairing a board committee suggesting that companies fully embracing the diversity agenda are averse to tokenism.
- The network structure of directors of listed companies remains a dense one and predominantly a male dominated one.

The Context

- 2016-17 budget outlines proposal to have at least 1 woman on boards of listed companies
- New national Code of Corporate Governance published

2016

2023

- Government announces legislation to have 25% female board representation

90%

of listed companies reviewed had appointed at least 1 female director - 50% of which had more than 1 female director

21%









of boards meet the new statutory requirement

What has been the impact of the new legislation?

Board Characteristics

Since June 2023,

- The average size of boards of SEM listed companies increased slightly,
- The overall female representation increased to 21%,
- The proportion of independent directors declined, and
- The average board tenure reduced marginally to 8.5 years.

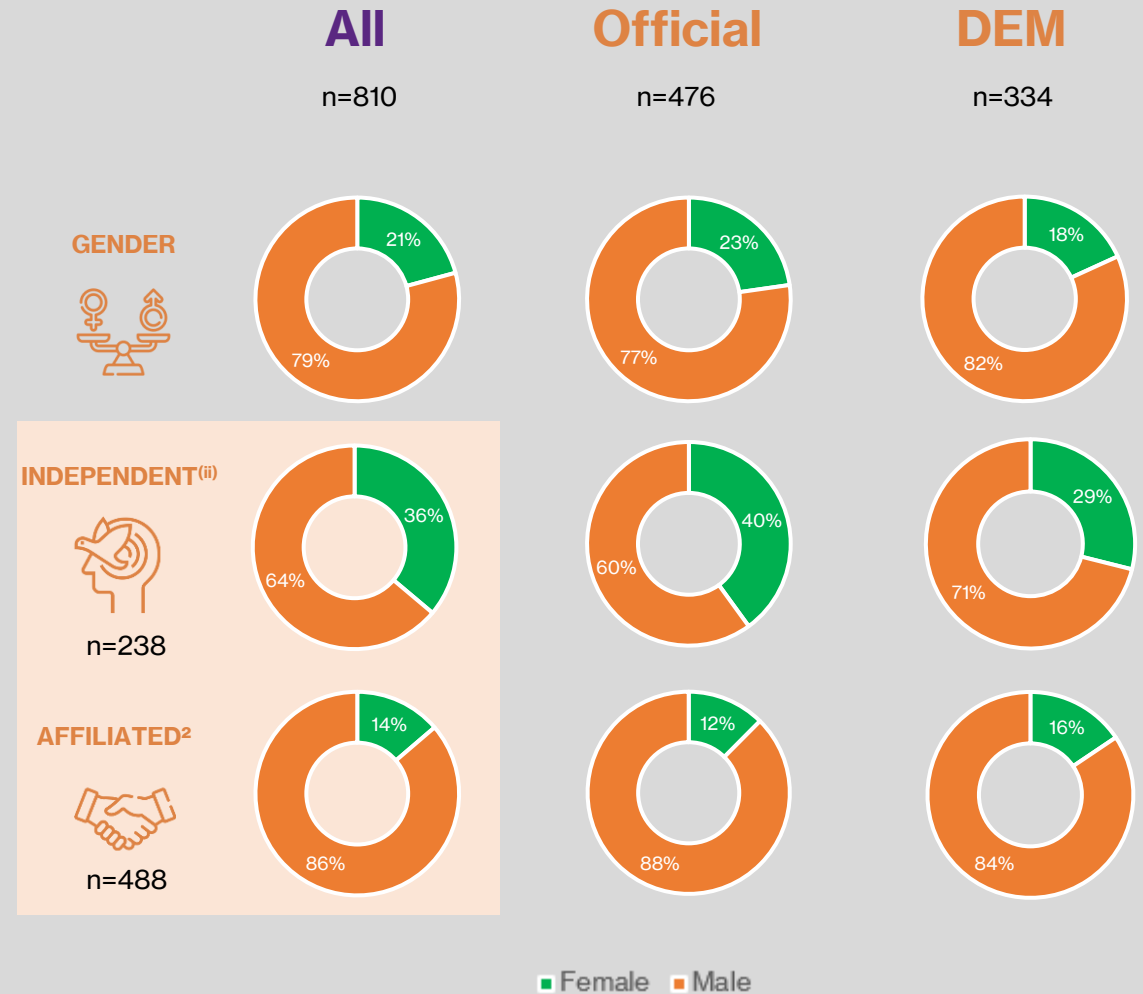
| | All n=91 | Official n=52 | DEM n=39 |
|---|---|------------------|-------------|
| BOARD SIZE (Average)  |  8.9 [2023: 8.7] ² | 9.2 | 8.6 |
| FEMALE REPRESENTATION⁽ⁱ⁾  |  21% [2023: 17%] | 23% | 19% |
| COMPOSITION (Independent)  |  30% [2023: 35%] | 33% | 26% |
| TENURE (years)  |  8.5 [2023: 8.8] | 7.8 | 9.4 |

(i) Average female representation across companies

Board Seats Gender Distribution

Companies seem to have an easier access to external talent pools compared to their internal one.

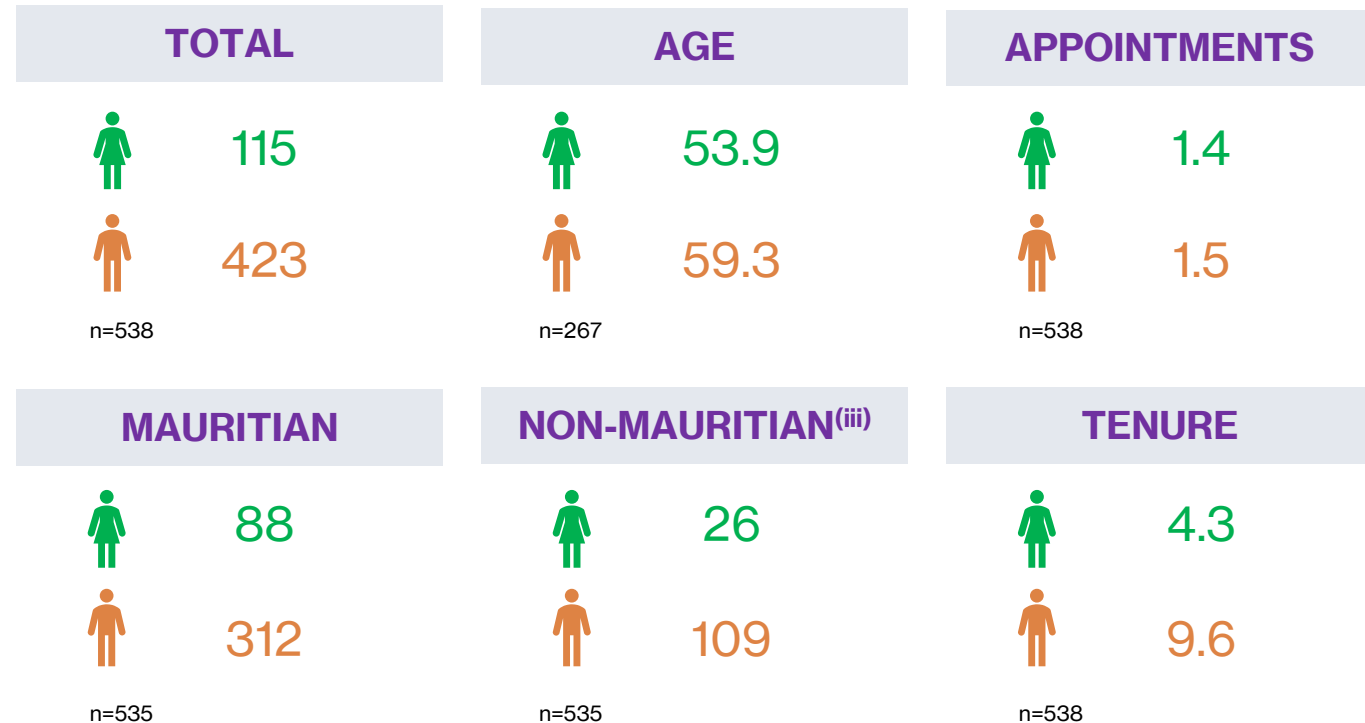
- Females are more likely to be appointed as Independent rather than Affiliated directors.
- The observed difference in the appointment of independent female directors between Official and DEM listed companies was not found to be statistically significant.
- Conversely, males hold relatively more affiliated board seats than females across both markets.



(ii) Undisclosed board status, n=84

Directors' Profiles

- As of February 2024, there were 538 individuals occupying 810 board seats.
- Female directors held fairly similar number of board appointments. The highest number of board appointments held by a male director was 8 and 7 for a female director.
- 3 out of every 4 board members are Mauritian nationals, with a marginal difference between men (74%) and women (77%).
- On average, Male directors had longer tenure serving on their respective boards than female directors.



(iii) Undisclosed nationality n=3

Female Directors' Profiles

- Female directors of Mauritian listed companies had a predominant education background in accounting & finance, business & administration and law.
- Existing incumbents had experience predominantly in the financial services, legal or cumulated experiences across a several industries.

QUALIFICATIONS



INDUSTRY EXPERIENCE



Inclusion vs Tokenism

Tokenism: “... the practice of placing or promoting individuals from disadvantaged groups (e.g. women, ethnic minorities, disabled people) into high-profile roles in the organization in order to give the impression that the organization practises equal opportunity...” Oxford Reference

- Increasing the proportion of female directors is an important step. However, the role they are assigned on those boards is also an important consideration towards inclusion and board effectiveness.
- The number of female board chair continues to hover around the 6% mark while the number of listed companies having at least one female director chairing board committees experienced a slight decline.
- However, we found a positive correlation between gender board representation (i.e., an increase in female directors) and actual increase of female chairing committees.
- This observation was found to be more pronounced for companies listed on the Official market vs DEM, i.e., the incidence of having more female directors chairing board committees in companies listed on the official market is higher compared to those listed on the DEM.
- Board size and number of board committees were not observed to be driving factors in determining the incidence of female committee chairs.

**BOARD
CHAIR**



%

**COMMITTEE
CHAIR**



of Companies with at
least 1 Female Chair

JUN 2023

6.3%

36⁴

FEB 2024

6.6%

34⁵

⁴ Our June 2023 reported a percentage based on actual number of companies that disclosed such information i.e., total of 70 companies

⁵ Based on disclosed / available information for 86 companies

Impact of the New Legislation

- Progress has been made within a very short period with a 53% improvement in the number of companies that are compliant.
- Yet, the gap to reach full compliance across listed companies remains.
- This counterintuitive observation and shift in the gap are intrinsically tied to the strategies which companies are adopting to address their gender representation requirement at board level, i.e., the baseline is evolving.
- Indeed, to meet their new statutory obligations, companies could:
 1. Ensure that all new board appointments or seats which are up for renewal are held by female directors,
 2. Reduce the number of directors on their boards, or
 3. Increase the number of seats (within their established statutes) and appoint female directors.
- To date, boards seem to have favoured the latter option.

% OF COMPANIES COMPLIANT

| | JUN 2023 | FEB 2024 |
|---------------------|----------|----------|
| | 20.9% | 31.9% |
| +1 FEMALE DIRECTOR | 68.1% | 59.3% |
| +2 FEMALE DIRECTORS | 94.7% | 81.3% |

CHANGES IN BOARD SIZE

| | Increased | Decreased | No Change |
|---------------------|-----------|-----------|-----------|
| NUMBER OF COMPANIES | 23 | 11 | 57 |

Board Changes

Since 1 July 2023,

- 31 board seats were vacated (including resignations and deceased)
 - Those seats were occupied by 21 directors – 90% of whom were Male.

LEAVERS

TURNOVER



3.8%

GENDER



90%

TENURE⁴ (years)



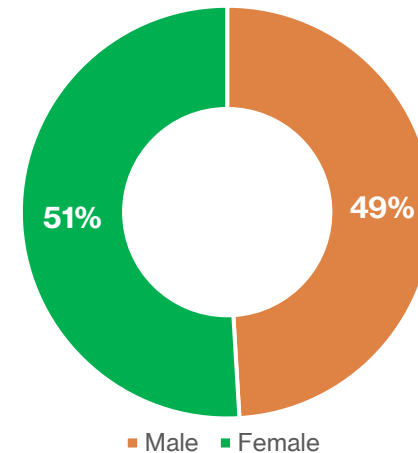
8.9

⁴ Based on available information

- Companies have made 53 new appointments.
 - More than half of the directors appointed were female.

JOINERS

Board Appointments by Gender from 1 July 2023



n=53

Impact of the New Legislation: Industry Perspective

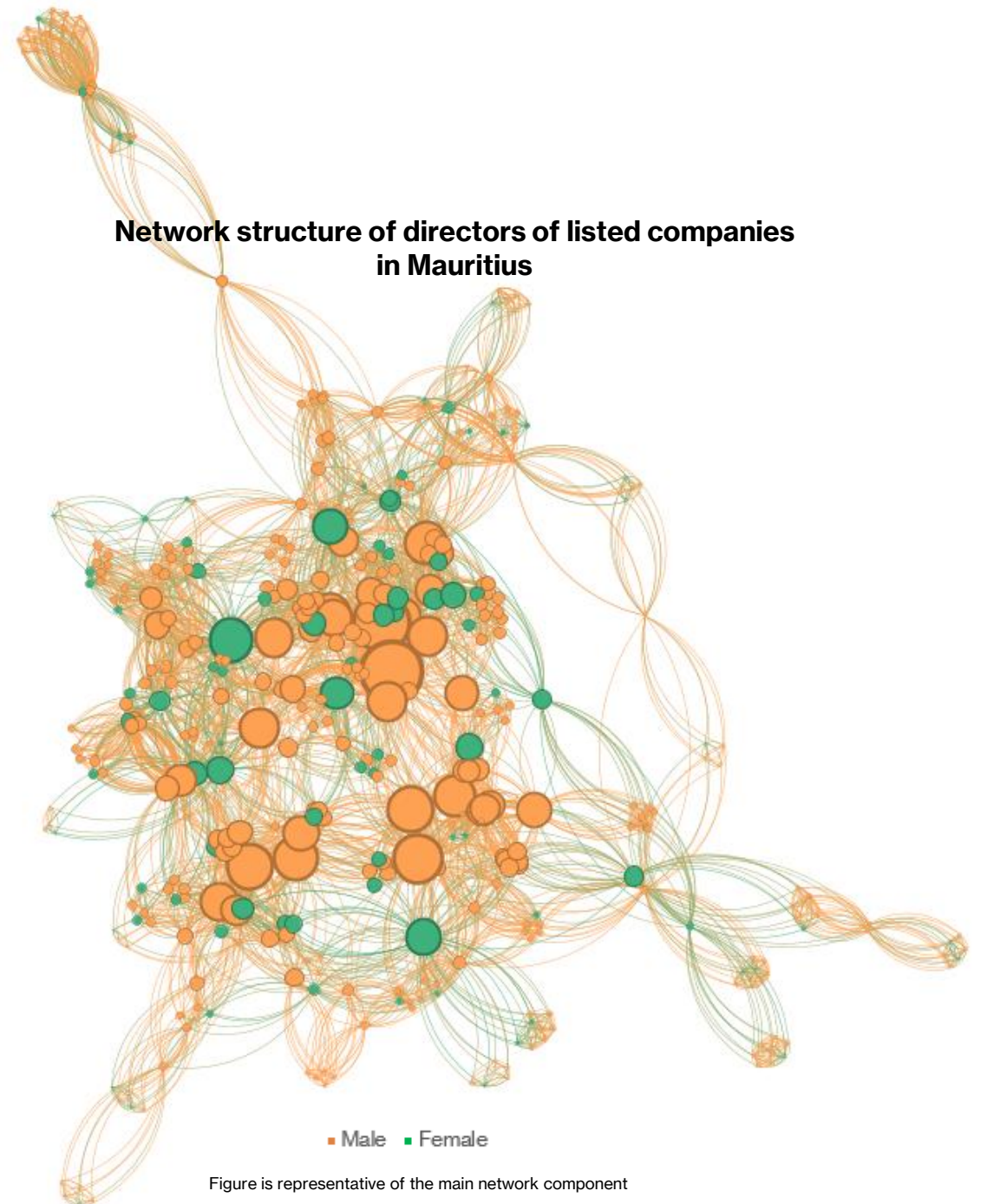
- As noted in our 2023 report, women were mostly under-represented across most industries with only Energy and Construction materials passing the bar from the onset.
- Just after six months post the implementation of the new legislation, there is a noticeable improvement – with 5 additional industries meeting the quota and positive improvements across most industry segments.
- While some industries notably automobile, insurance and healthcare & pharmaceutical continue to lag their peers, improvements in Manufacturing & Distribution, Tourism & Hospitality and Conglomerates will have a more significant impact.

Percentage female board representation by Industry

| Industry | 2023 | 2024 | n |
|------------------------------|-------------|-------------|----------|
| Energy | 25% | 25% | 2 |
| Construction materials | 25% | 25% | 2 |
| Real Estate Investment | 24% | 28% | 10 |
| Banking | 21% | 25% | 3 |
| Gaming | 20% | 24% | 2 |
| Real Estate Development | 20% | 22% | 6 |
| Financial Services | 19% | 25% | 5 |
| Investment Holding | 18% | 25% | 17 |
| Healthcare & Pharmaceutical | 17% | 16% | 2 |
| Tourism & Hospitality | 16% | 18% | 7 |
| Food & Beverage | 16% | 23% | 2 |
| Conglomerate | 13% | 17% | 10 |
| Entertainment & Recreational | 11% | 30% | 1 |
| Manufacturing & Distribution | 11% | 13% | 9 |
| Insurance | 11% | 11% | 2 |
| Agriculture & Farming | 10% | 18% | 5 |
| Transportation & Logistics | 10% | 16% | 4 |
| Automobile | 8% | 5% | 2 |

Directors Network

- The adjacent sociogram paints a relatively dense network – reflective of the dominance and role that conglomerates have in the Mauritian business landscape.
- While it is premature to evaluate the impact of certain individuals within the directors' network, we note a shift in the network structure following the exit of two influential directors – though it remains a male dominated one.



Concluding remarks

The newly ushered legislation appears to be having the desired outcome with an increasing number of female directors being appointed to the boards of listed companies.

The preferred tactic by companies to meet the established quota is to increase the number of board seats (where not already maxed out) and/or use the natural attrition (resignation, retirement and/or death) to appoint female directors.

While progress is visible, the pace at which full compliance across all companies will be achieved remains to be seen given there was no deadline set by the legislators for companies to achieve the set target nor the consequence of non-compliance clearly articulated.

While progress is being made in increasing the gender representation, it will be interesting to see the evolution of the role that these newly appointed directors will come to play within those companies especially at board committee level.

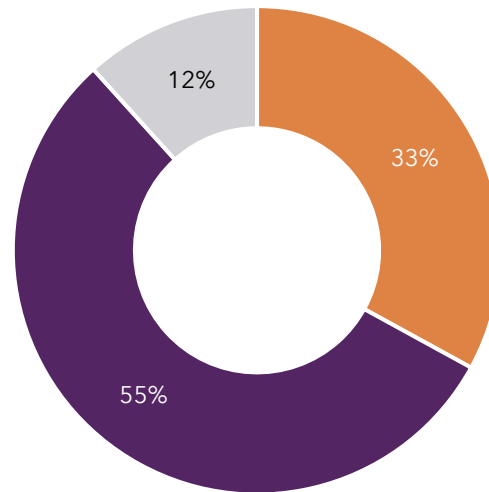
There are positive signs that most boards are mindful of not falling into the tokenism pitfall and that the more progressive ones are assigning prominent committee roles to their female directors. There is still a long road ahead but there is a case for cautious optimism.

Appendix

Data Sources

We scoured data from the most recent annual reports and supplemented our research with other publicly available information published by listed companies in Mauritius including company websites, data from CBRIS and social media platforms.

Data Source: Annual Reports



■ 2022 ■ 2023 ■ N/A

References:

1. [Listed companies on the Stock Exchange of Mauritius](https://www.stockexchangeofmauritius.com/)
(<https://www.stockexchangeofmauritius.com/>)
2. [Breaking the glass ceiling: Achieving gender parity in the boardroom](https://www.prometheans.mu/research-2)
(<https://www.prometheans.mu/research-2>)

Note:

We compared analysis and methodology with those used to achieve the findings published on My Fair Ladder (<https://myfairladder.framer.ai/>). We found consistent results.

Stay tuned for more collaboration in that space!



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