

GENDER BALANCE IN CORPORATE BOARDS AND PROMOTION OF ESG TOPICS: ILLUSION OR CORRELATION?

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How to cite: De Beaufort, V., & Ben Chaïb, H. (2026). **Received:** 14.11.2025
Gender balance in corporate boards and promotion of **Accepted:** 19.11.2025
ESG topics: Illusion or correlation? In A. Celentano, **Keywords:** Gender
A. Kostyuk, S. Dell’Atti, & G. Giovando (Eds.), **Balance, Corporate**
Corporate governance: Multidisciplinary research **Governance, Women on**
(pp. 13–17). Virtus Interpress. **Boards, Gender Quotas,**
<https://doi.org/10.22495/cgmrp2> **Copé-Zimmermann Law,**
Rixain Law, EU Women on

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Boards Directive,
Executive Committees,
ESG Performance,
Sustainable Governance,
Viviane de Beaufort’s
Theorem

JEL Classification: A3,
D2, D7, J7

DOI: 10.22495/cgmrp2

Abstract

Over the past two decades, gender balance has emerged as one of the most significant and contested transformations in corporate governance across Europe. What began as a slow and uneven progression driven by voluntary codes of conduct has evolved into a robust legal architecture designed to correct persistent structural inequalities in the composition of corporate leadership. This extended abstract presents an integrated overview of the evolution of gender-parity legislation, its impact on corporate governance structures — particularly in France — and the relationship between the feminization of decision-making bodies and firms’ environmental, social, and governance (ESG) orientation. Drawing on a combination of quantitative data and qualitative insights from multiple institutional sources, the study investigates whether gender diversity acts as a genuine driver of sustainable governance or whether it remains largely symbolic in practice.

The European Union’s Women on Boards Directive No. 2022/2381 (European Union, 2022), adopted in 2022 after a decade of political stalemate, represents the culmination of years of debate on the legitimacy and effectiveness of binding measures to foster gender balance in corporate leadership. The Directive establishes minimum thresholds requiring the underrepresented sex to occupy at least 40% of non-executive board seats or 33% of all board positions in large listed companies. It mandates transparent appointment procedures and the implementation of effective sanctions for non-compliance. While average female representation on European boards reached 33.8% in 2023, significant national disparities persisted, with quota-driven countries such as France, Italy, and Belgium surpassing 40%, while others relying on voluntary measures — such as Hungary or Estonia — lagged far behind. The Directive, therefore, functions as both a harmonizing instrument and a floor for gender equality, encouraging Member States to maintain or strengthen more ambitious national frameworks.

France stands out as the most developed and influential case study in Europe, having implemented successive quota laws long before the EU Directive. The Copé-Zimmermann Law (2011)¹ imposed gender quotas on boards of directors and supervisory boards, requiring large firms to reach 40% female representation by 2017. The law triggered a profound transformation of board composition: by 2024, women accounted for almost 45% of CAC 40 board members, placing France among the highest-performing countries globally. The Rixain Law (2021)² extended the scope of gender equality to executive committees, mandating 30% women by 2026 and 40% by 2029. This shift from representational parity on boards to operational parity within executive leadership signified a significant expansion of the equality agenda, linking governance diversity to strategic and managerial decision-making.

Yet the French experience also highlights the complexity of translating legislative ambition into substantive equality. Despite near-parity on boards, women remain dramatically underrepresented in the most powerful corporate positions, holding just 6% of chief executive officers (CEO) or chair roles across the CAC 40. This gap illustrates a core paradox of contemporary gender governance: quantitative balance has not yet resolved entrenched qualitative inequalities, such as limited access to profit-and-loss responsibilities, persistent stereotypes, and elite recruitment filters that restrict access to top leadership.

To address this gap, the research conducts a dual-level analysis integrating quantitative and qualitative data from key sources such as the SKEMA Observatory on Corporate Feminization³, Ethics & Boards⁴,

¹ <https://www.legifrance.gouv.fr/loda/id/LEGITEXT000023489685/>

² <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000044559192/>

³ <https://www.skema.edu/fr/observatoire-de-la-feminisation>

⁴ <https://www.ethicsandboards.com/>

the G&S⁵, the BCG × Sista Barometer⁶, and the French Sustainable Investment Forum (FIR)⁷ ESG indicators. Quantitatively, the feminization of executive committees in the CAC 40 increased from 9.5% in 2014 to nearly 28% in 2024, reflecting the cumulative effect of regulatory pressure and shifting corporate norms. However, much of this progress has been achieved through “compliance inflation”: companies increase the size of their executive committees, thereby mechanically improving gender ratios without altering the distribution of strategic authority. Many women appointed to these committees occupy functions traditionally considered “soft” — human resources, legal, communication, corporate social responsibility (CSR) — rather than operational, financial, or technological positions that serve as stepping stones to CEO roles.

Qualitatively, the profiles and trajectories of women leaders reveal the persistence of several intertwined barriers. Educational elitism remains a defining feature of French corporate leadership: the majority of female executives and board members come from a narrow set of elite institutions such as HEC, ESSEC, Sciences Po, or École Polytechnique. This “glass filter” limits the diversity of backgrounds represented in governance bodies, reproducing systemic inequalities despite numerical parity. Moreover, functional segregation — the “horizontal glass wall” — continues to channel women into specific sectors and roles, while vertical segregation — the “glass ceiling” — restricts their access to senior operational positions. Leadership stereotypes remain pervasive, with qualities associated with authority and risk-taking still coded as masculine. Interviews collected in the BCG × Sista Barometer reveal that women leaders often face contradictory expectations: they must be assertive but not “too assertive”, competent but not threatening, and manage demanding professional responsibilities while remaining primary caregivers in their personal lives. These dynamics contribute to self-selection effects and a “leaky pipeline” in which women are disproportionately screened out or voluntarily exit pathways to top leadership.

Within this complex landscape, this investigation turns to the core research question:

RQ: Does the feminization of corporate governance influence ESG ambition and performance?

The relationship between gender diversity and sustainability has been widely debated in academic literature, with some studies suggesting that women’s presence on boards enhances ethical sensitivity, stakeholder engagement, and environmental responsibility. However, many of these claims suffer from methodological limitations, particularly the reliance on risk-based ESG ratings, which conflate risk exposure

⁵ <https://g-et-s.com/>

⁶ <https://www.bcg.com/press/9december2025-barometre-sista-bcg>

⁷ https://www.frenchsif.org/isr_esg/

with performance. As argued in the study, risk-based indicators such as Morningstar Sustainability measure a firm’s vulnerability to ESG issues, not its commitment to sustainability or social impact.

To address these limitations, the research employs the methodology of the FIR, which evaluates ESG engagement based on qualitative and quantitative evidence of internal commitment — such as strategic integration, resource allocation, accountability mechanisms, and transparency. Using FIR indicators, the empirical study conducted by the European Centre for Law and Economics (CEDE) reveals a more nuanced understanding of gender-ESG dynamics.

Several findings emerge clearly. First, a positive but modest correlation exists between the proportion of women on boards and firms’ ESG engagement. This correlation becomes stronger when women sit across multiple strategic committees rather than being confined to CSR-specific roles. Second, the feminization of executive committees shows a similar weak but positive correlation with ESG performance. This indicates that the presence of women in daily management contributes to a stronger internalization of sustainability principles. Third — and most strikingly — there is no positive correlation between ESG performance and the presence of women in ESG-specific roles such as chief sustainability officer or CSR committee members. When women are over-concentrated in ESG functions, their impact on ESG commitment is diluted rather than strengthened. ESG credibility and ambition hinge not on who holds ESG titles but on the degree to which ESG is embedded across finance, strategy, operations, and risk management.

These findings lead to the formulation of the study’s central theoretical contribution, referred to as *Viviane de Beaufort’s Theorem*: the positive relationship between gender diversity and non-financial performance emerges only when women are integrated into the strategic and financial core of governance. In other words, gender balance enhances ESG ambition not because women inherently behave more ethically, but because diverse decision-making bodies tend to be more deliberative, accountable, and forward-looking — qualities that align naturally with sustainable governance.

The implications of this analysis are far-reaching. At the policy level, they show that quota laws successfully open doors but do not dismantle deeper structural barriers. Regulations must, therefore, be complemented by reforms to recruitment, succession planning, mentorship, and cultural norms within firms. At the corporate level, the findings challenge companies to move beyond symbolic parity and toward meaningful redistribution of strategic authority. Firms that embed gender parity into leadership pipelines, performance evaluations, and cultural norms are more likely to internalize sustainability as an element of long-term value creation. At the theoretical level, the study reframes gender equality as a governance mechanism rather than a moral imperative: diversity enhances the quality of collective judgment,

reduces groupthink, and strengthens firms’ capacity to respond to societal expectations.

The analysis concludes that the feminization of corporate governance in France and Europe marks the beginning of a deeper transformation in the understanding of corporate responsibility, legitimacy, and performance. While significant progress has been made, true equality remains an unfinished project that requires rethinking how power is distributed and exercised within the modern corporation. As ESG imperatives grow in importance, the alignment between gender equality and sustainable governance underscores the strategic value of inclusive leadership models. The transition from compliance to conviction — where diversity is embraced not as an external constraint but as a lever for innovation, resilience, and long-term success — signals a profound shift in the European corporate model toward a more inclusive and sustainable form of capitalism.

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