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# Gender-Diverse Leadership:

## From Blind Spot to Corporate Value

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**This is a publication of:**
FMO N.V.
Anna van Saksenlaan 71
2593 HW The Hague
The Netherlands

**Prepared by:**
Carey Bohjanen (The Rallying Cry/TRC Advisory Ltd.)
Chintal Barot (CoSustain Consulting Ltd.)

**Photography by Opmeer Photography:**
Cover page: MIRO, Ghana
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"Ultimately, the challenge is no longer making the case for gender-diverse leadership; it is making it happen."

# Foreword by FMO

At FMO, the Dutch entrepreneurial development bank, our mission is to enable entrepreneurs to increase inclusive and sustainable prosperity. We invest in the private sector in emerging markets where our capital, knowledge and networks can be additional and create development impact. Gender equality is central to this ambition. In FMO's Strategy 2030, a key ambition under the focus on SDG 10 (Reduced Inequalities) is to contribute to advancing gender equality through increased gender lens investment. As a member of the 2X Global community since the launch of the first 2X Challenge in 2017, we believe in the power of coordinated and collective action to support investors in contributing to gender equality and women's economic empowerment. We do this by advancing women's economic empowerment across six domains: women as entrepreneurs, leaders, employees, end-users, suppliers and project-affected people. This publication focusses on one of these domains: women as leaders.

For FMO, contributing to gender equality is closely connected to corporate governance. Corporate governance defines how a company is directed and how it manages relationships among management, board, shareholders and other stakeholders. Robust governance helps our customers manage risk, attract capital, and create long-term value. Gender-diverse leadership strengthens this foundation by bringing broader perspectives to the table and helping boards and senior management teams better identify risks and opportunities.

FMO's approach to gender equality and corporate governance comes together in this publication. The World Economic Forum in its Closing the Gender Gap in Senior Leadership report (June 2026) explains why leadership systems must evolve. This paper complements that work by examining *how* investors, companies, and development finance institutions can accelerate that evolution through governance, capital allocation, and practical implementation framed through the lens of Risk, Return, and Impact. The call for more gender-diverse leadership is especially relevant in emerging markets, where women remain significantly underrepresented in senior leadership and board positions, and where structural barriers, informal networks and narrow definitions of experience continue to limit access to key decision-making roles.

The evidence and insights in this report show that it's time that the debate moves beyond focusing on whether gender-diverse leadership matters. The more urgent question is how we can remove the structural barriers that prevent qualified women from reaching leadership roles and from exercising influence once they are there. The report also recognizes that implementation must be practical, context-specific, and collaborative. Sector realities differ. Local norms matter. Companies have different levels of readiness. Investors have different forms of leverage across equity, debt, funds and capital markets. Progress will therefore require a combination of clear expectations, incentives, technical assistance, leadership development, better visibility of qualified women, and sustained engagement with customers and ecosystem partners. By working together, we can ensure more women reach leadership positions.

FMO is committed to catalyzing and supporting initiatives that drive this transformation. We invite our partners, customers and ecosystem stakeholders to join us in making gender-diverse leadership the universal standard across global development finance and impact investment.

Mercedes Sotoca Covaleda
Director ESG+
FMO

# Executive Summary

## The Blind Spot and the Opportunity

For too long, the global investment ecosystem has operated under a polite, comfortable consensus: that gender-diverse leadership is a "nice-to-have" or a box to be checked under the compliance umbrella. This stance is not just outdated; this paper argues that in these volatile, uncertain, complex and ambiguous times, such a position creates a **fiduciary blind spot**. We see that a lack of gender diversity in top decision-making and leadership roles leaves investors and companies unnecessarily exposed to risk but also results in substantial missed opportunities.

There are a growing number of industry studies in both OECD and emerging markets that show gender-diverse leadership drives better investment and company outcomes from a risk, governance and impact perspective. Yet boardroom and executive leadership remain far from gender-diverse, particularly in emerging markets. Furthermore, while there are studies showing that a higher share of female directors increases profitability and improves market performance,[1] it seems further research is required for the financial case to be conclusive across industries, academics and the broader ecosystem. Nevertheless, investors and companies who choose the path of gender-diverse leadership are seeing measurable benefits. This points to a central paradox: if the broader business case on Risk-Return-Impact is clear, why do we not see further progress?

> "This report shifts the debate from why gender-diverse leadership matters to a strategic, evidence-driven call to action to turn evidence into systemic, structural change, across governance and risk management, investment decisions, impact outcomes and leadership pipelines."

According to 2025 data from the MSCI Women on Boards and Beyond report, women held 28.3% of board seats at publicly listed large- and mid-cap companies globally, whereas in emerging markets, women on average only hold a meager 19% of board seats.[2] These are precisely the markets where development finance institutions, impact investors and their clients have both a strong presence and a particular opportunity to influence corporate practice, also in relation to non-listed companies. By continuing to consign gender-diverse leadership to a secondary operational metric or a human resources initiative, investors and companies risk overlooking material governance weaknesses; gender homogenous leadership narrows the quality of decision-making and misses opportunities for stronger business and impact outcomes.

## The Paradigm Shift: From Why to A Call to Action

The core obstacle facing the investment and company landscape is not a lack of evidence. The data is increasingly comprehensive, clear, and strengthening. Despite the evidence, progress is stalled by deep-seated structural barriers, persistent resistance, and a lingering perception that gender parity conflicts with immediate financial performance. At our current trajectory, global market trends project that we will not reach full boardroom parity until 2040.[3] This is too long and too late. A two-decade delay is already costing the global economy an estimated $172 trillion in lost human capital wealth from earnings inequality, while developing and emerging economies where development finance has the greatest leverage, stand to lose the most economically and socially.[4]

1 Huebler, M. and Sigmund, M. (2025). Breaking the Glass Ceiling: Do Female Directors Boost Firm Performance? Oesterreichische Nationalbank (OeNB) Working Papers.
2 MSCI (2026). Women on Boards and Beyond: 2025 Report. MSCI Research Insights, p. 5.
3 MSCI (2024). Women on Boards and Beyond: 2023 Progress Report. MSCI Research Insights, p. 26.
4 Onagoruwa, Adenike; Wodon, Quentin; Malé, Chata; Montenegro, Claudio; Nguyen, Hoa; de la Brière, Bénédicte. (2020). How Large Is the Gender Dividend? Measuring Selected Impacts and Costs of Gender Inequality. The Cost of Gender Inequality Notes Series. World Bank, p. 10.

This report shifts the debate from why gender-diverse leadership matters to a strategic, evidence-driven **call to action** to turn evidence into systemic, structural change, across governance and risk management, investment decisions, impact outcomes and leadership pipelines. In brief:

**Investors** should move from just endorsing gender-diverse leadership targets to using capital, technical assistance and intentional stewardship to change board compositions, nominating processes and how talent leadership pools are cultivated and curated.

**Sector-specific approaches** are required. A rigid, one-size-fits-all gender-diversity target often creates market resistance in sectors like Infrastructure, Heavy Industry, Energy, and Agriculture, where senior talent pipelines have been historically narrow and male-dominated. Investors working closely with their customers should finance creative, non-traditional sourcing and placement strategies (including cross-sector talent transfers, female middle management programs and post-placement advancement).

**Companies** need to internalize the business and impact case specific to their business, sector, and local context, and change how leaders are identified, nominated and recruited (e.g. using skills-based criteria, wider candidate pools and structured selection processes and safeguards against biases formed by local cultural realities).

**The global investment community** must move together beyond fragmented, standardized programs, and dedicate concessional finance and technical assistance toward locally grounded solutions, including regional boardroom training and recruitment networks, registries of pre-vetted female executives, and country-specific governance institutes.

**Academics, industry research groups, and corporate consultancies** should go beyond correlation studies to test where, when and how gender-diverse leadership contributes to financial performance. Future research needs to focus on investigating structural barriers to talent, the long-term effectiveness of investor incentives, and the role of gender-diverse boards in navigating economic volatility.

> "Investors and companies should both commit to gender-diverse leadership as a driver of core corporate value and competitive advantage."

This paper is a call to action for investors, particularly development finance institutions, and companies in which they invest, to accelerate progress toward gender-diverse leadership in emerging markets. **Investors** should utilize their capital and market influence to address the blind spots surrounding gender-diverse leadership. **Investors and companies** should both commit to gender-diverse leadership as a driver of core corporate value and competitive advantage. While important progress has been made, achieving systemic change will require greater collaboration across investors, companies and markets, alongside approaches that are globally coordinated, locally-responsive and tailored to sector-specific contexts.

### Research Methodology and Scope

The insights, conclusions, and strategic recommendations within this report are derived from multi-methodology research conducted between March and April 2026:

- **Desk Research:** A deep-dive review of relevant research including peer-reviewed articles, institutional datasets, and economic studies across global markets.
- **Qualitative Stakeholder Engagement:** 26 virtual and in-person interviews, comprising 16 internal FMO investment and strategy team members and 10 key external stakeholders, asset managers and peer DFI executives.
- **Quantitative Survey and Focus Groups:** 16 stakeholder survey responses paired with targeted focus group discussions composed of active corporate Nominee Directors operating in emerging markets.
- **Co-Creation Workshops:** 2 structured internal ideation workshops involving 28 participants from across FMO to refine findings into operational solutions.

### Study Limitations

In addition to the short time frames in which the research was undertaken and narrow scope (for example, investee and client engagement was not included), we explicitly acknowledge a persistent limitation within the current global evidence base: most empirical, large-scale quantitative data regarding corporate board gender diversity originates from publicly listed companies. This focus is driven by the transparency, regulatory reporting mandates, and liquid nature of public equity markets.

However, we assert that these findings remain highly relevant to private markets and non-listed companies both in OECD and emerging markets. The foundational mechanics of corporate governance in terms of how a board manages capital allocation, mitigates operational risk, challenges executive bias, and aligns long-term strategic vision operate similarly whether a company is publicly traded or privately held. In fact, within the less liquid, more volatile environments often characteristic of emerging markets, the presence of and need for high-quality, inclusive governance is often magnified. Particularly where institutional safety nets are thin, who sits around the decision-making table can dictate the survival and long-term resilience of the enterprise.

We also highlight that most of this research finds *correlation, not causation*, between gender-diverse leadership and enhanced business outcomes. This is a distinction that remains an important area for future research.

### Definitions

For the purposes of this report, "**investors**" encompass development finance institutions (providing equity and/or debt), impact investors, fund managers, local capital providers, and commercial banks; "**companies**" refer to investee companies and/or borrower customers. Although tailored for stakeholders focused on or in emerging markets, the findings offer relevant insights for OECD markets as well.


# Introduction

## Background and Context

In an investment landscape defined by macroeconomic volatility, climate disruption, and social change, resilience depends increasingly on the quality of corporate governance and decision-making. Yet one important governance lever remains underused in private markets and particularly in emerging markets: gender-diverse leadership. This paper argues that gender-diverse leadership needs to move from the margins of corporate compliance to the center of governance, risk management, investment and impact strategy. Otherwise, a lack of gender diversity in top decision-making and leadership roles leaves investors and companies unnecessarily exposed to risk but also results in substantial missed opportunities.

Commissioned by FMO and prepared by gender finance leadership experts under The Rallying Cry, this report offers investors within the 2X Global ecosystem and beyond a potential roadmap to help strengthen governance, protect value, enhance returns and drive systemic impact in emerging markets.

Chapter 1:

# Gender-Diverse Leadership for Improved Governance and Business Performance Across Risk, Return and Impact

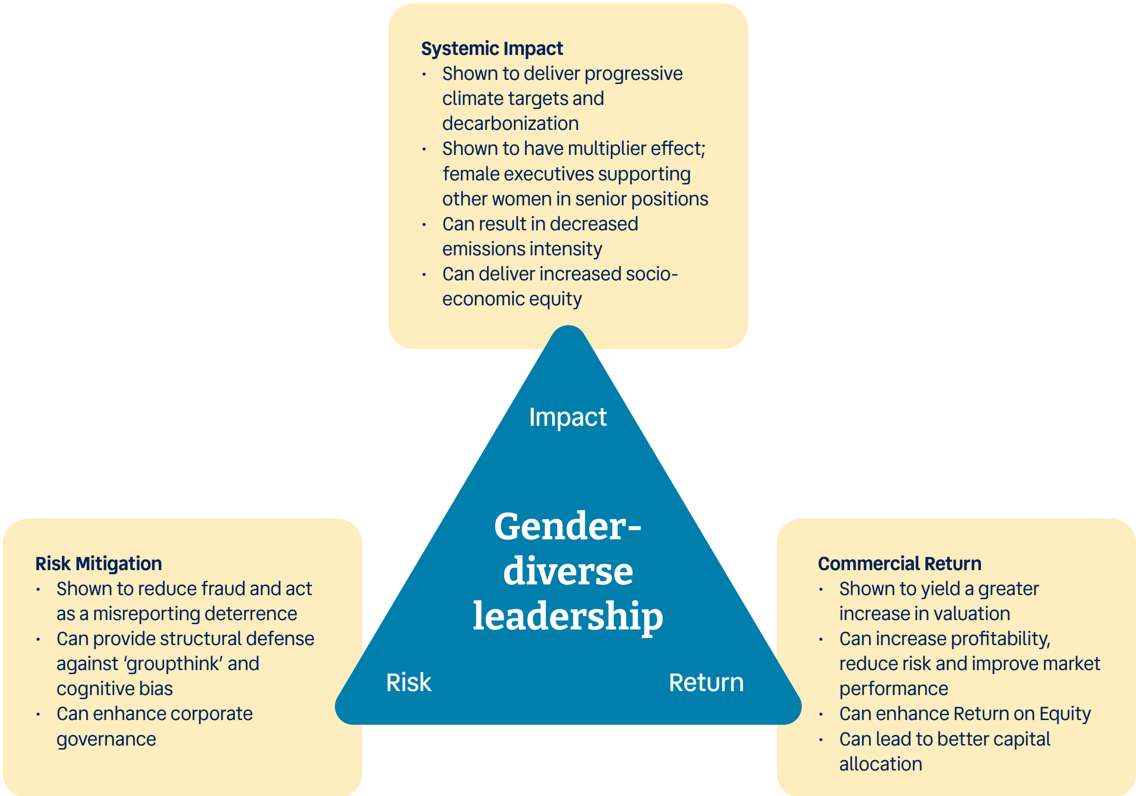


Figure 1: The potential commercial and impact benefits associated with gender-diverse leadership

## The Analytical Framework: The Risk-Return-Impact Triangle

This chapter is organized to reflect the core dimensions of the Impact-Risk-Return framework often used by FMO (Figure 1); we have modified the framework to show how gender-diverse leadership is a fundamental catalyst for potential upside across risk, return and impact considerations.

Putting gender-diverse leadership at the center of the Risk-Return-Impact triangle helps investors and companies to integrate gender-diversity into their strategy, decision-making and processes.

- **Risk Mitigation:** Gender-diverse leadership can broaden perspectives, help guard against corporate groupthink and cognitive biases, strengthen governance and risk oversight, all of which contribute to protecting asset value.
- **Commercial Return:** While evidence on a direct causal link to financial outperformance remains mixed, gender-diverse leadership can contribute to the organizational and commercial conditions that support long-term financial performance.
- **Systemic Impact:** Gender-diverse leadership can strengthen inclusive workplace practices and climate governance, with emerging evidence also pointing to positive associations with environmental and carbon performance.

In this way, gender-diverse leadership serves as a cross-cutting organizational lever that can influence decision-making, governance, accountability and strategy across multiple dimensions of long-term value creation.

## A. The Risk Mitigation Imperative (RISK)

Corporate governance guides how a company is directed and its relationships with its shareholders and stakeholders. Good corporate governance enables companies to create an environment of trust, transparency and accountability which promotes access to long-term patient capital and supports economic growth and financial stability[5]; as such it acts as an enterprise's primary defense against financial distress, operational failure, and ethical misconduct. Integrating women into senior executive teams, investment committees, and boardroom positions fundamentally upgrades the quality and rigor of decision-making and institutional oversight.

### Dismantling Groupthink and Cognitive Bias

Homogenous leadership teams are vulnerable to corporate "groupthink" which is a behavioral phenomenon where the desire for harmony or conformity results in irrational, uncritical decision-making. Demographic and cognitive diversity[6] at the board level introduces a broader, more heterogeneous set of perspectives, backgrounds, and problem-solving styles. This heterogeneity acts as an active structural defense, forcing boards to stress-test management assumptions, interrogate blind spots, and evaluate risk through multiple operational lenses. Gender-diverse leadership drives value through complementary operational perspectives and experiences, differentiated strategic discourse and styles of communication, and expanded cognitive diversity that can contribute to better decision-making and performance.

### De-risking

The relationship between gender-diverse boards and enhanced risk management is supported by global and regional empirical data including, for example:

- **Wahid, Aida Sijamic (2018):** The findings from this study on gender diversity and financial misconduct suggest that firms with gender-diverse boards commit fewer financial reporting mistakes and engage in less fraud.[7]

We also see that gender-diverse board audit committees drive enhanced governance and risk outcomes:

- **Nyamumbo East Africa Audit Committee Characteristics (2024):** Evaluating a sample of 56 corporate firms in East Africa, this research finds that greater financial expertise and higher female representation on the audit committee are each independently associated with a reduced likelihood of financial statement fraud (FSR).[8]
- **SUMMA Journal of Accounting and Tax Paper (2025):** A review of data including peer-reviewed studies finds that gender-diverse audit committees strengthen oversight, reduce misreporting, discourage aggressive tax strategies, and enhance ESG disclosure. Comparative evidence indicates stronger effects are observed in emerging markets with regulation on gender-diverse leadership, however, cultural and institutional barriers in emerging markets often limit the effectiveness of such regulation.[9]

> "Integrating women into senior executive teams, investment committees, and boardroom positions fundamentally upgrades the quality and rigor of decision-making and institutional oversight."

### Navigating Macro-Volatility and the Borrower Perspective

In more volatile emerging market environments, gender-diverse leadership directly strengthens institution-level stability and governance. Empirical evidence shows that female board members contribute positively to financial performance and more prudent capital allocation strategies within financial institutions and borrowing firms alike.[10] Beyond governance structures at the board level, gender-diverse leadership and participation correlate with more disciplined financial management across broader operations. This prudent approach extends to the borrower

5 Corporate governance | OECD.

6 What truly matters may not be demographic diversity itself, but diversity of thought. Cognitive diversity, a breadth of perspectives genuinely included in decision-making is what guards against groupthink, and studies measuring only gender or ethnicity may be capturing the wrong variable entirely. Edmans, A. (2021). Is There Really A Business Case For Diversity? Medium. Available at: https://medium.com/@alex.edmans/is-there-really-a-business-case-for-diversity-c58ef67ebffa (Accessed: 21 July 2026).

7 Wahid, A. S. (2019). The Effects and the Mechanisms of Board Gender Diversity: Evidence from Financial Manipulation. Journal of Business Ethics, Vol. 159, No. 3.

8 Nyamumbo, B. K. (2024). *Audit Committee Characteristics and Fraudulent Financial Reporting.* Journal of Finance and Accounting, Vol. 8, No. 8, pp. 74–8.

9 Kartika, E., Ungkari, M.D., and Syakinah, F. (2025). *Gender Diversity in Audit Committees and Its Impact on Financial Reporting Quality: A Narrative Review*. Summa: Journal of Accounting and Tax, Vol. 3, No. 1, pp. 53–66.

10 Mia, M. A. (2022). *Female Participation and Financial Performance of Microfinance Institutions: Evidence from Transition Economies*. Development Policy Review, Wiley.


level, where data consistently shows that women-owned businesses and individual retail borrowers achieve lower non-performing loan (NPL) rates with loans to women-owned SMEs and female retail clients demonstrating lower default rates across many financial institutions over nearly a decade of data.[11]

Consequently, by dismantling cognitive biases and guarding against groupthink, gender-diverse leadership elevates institutional governance as a vital structural defense that mitigates systemic risk and safeguards long-term asset value.

## B. Financial Performance (RETURN)

Across diverse global markets, empirical data increasingly demonstrates that gender-diverse leadership is a value driver linked to stronger valuations, reduced earnings risk, and superior financial returns. Industry and academic research have sought to demonstrate the business case for gender-diverse leadership. Industry leaders frequently cite this research as proof, illustrated by the studies below:

### Global Financial Performance Syntheses

- An extensive global review conducted by the IFC found that in private equity and venture capital, portfolio companies in emerging markets with gender-balanced leadership teams were linked to a 25% increase in valuation.[12]
- Research by the Oesterreichische NationalBank (OeNB) in 2025 looked at S&P 500 firms and found that a higher share of female directors increases profitability, reduces risk and improves market performance, and that female directors enhance the sustainable growth rate of firms. Counterfactual analysis shows that a 50% female board ratio would substantially enhance firm financial performance.[13]

### Return on Equity (ROE), Return on Assets (ROA) & Cumulative Yield

- Bank of America (BofA) Global Research tracked metrics over a 15-year period (2005–2020) and found that companies with above-median board gender diversity see 15% higher ROE and 50% lower earnings risk one year out compared with their less diverse peers.[14]

11 International Finance Corporation (2025). *Lower Non-Performing Loans (NPLs) for Women and Women-Owned Enterprises: Banking on Women Business Case Update #8.*

12 International Finance Corporation, RockCreek, and Oliver Wyman (2019). *Moving Toward Gender Balance in Private Equity and Venture Capital.* Executive Summary.

13 *Huebler, Mario, and Michael Sigmund (2025). Breaking the Glass Ceiling: Do Female Directors Boost Firm Performance?. Oesterreichische Nationalbank (OeNB) Working Paper.*

14 Bank of America (BofA) Global Research (2021). *Everybody Counts! Diversity & Inclusion Primer.*

- The IFC's Board Gender Diversity in ASEAN report showed that companies with more than 30% female board membership achieved an: (1) average Return on Equity (ROE) of 6.2% vs. 4.2% for all-male boards; and (2) average Return on Asset (ROA) of 3.8%, compared to 2.4% for all-male boards.[15]
- **International Monetary Fund (IMF) Working Paper (2016):** Using a sample of more than two million companies across 34 European countries in 2013, the authors found a strong positive association between the share of women in senior positions and firms' return on assets (ROAs). Substituting one male for one female person in senior management or on the corporate board is associated with between 8 and 13 basis points higher ROAs.[16]
- MSCI examined the correlation between female board representation and financial performance and found that MSCI All Country World Index (ACWI) constituents in 23 OECD markets and 26 emerging markets with at least 30% female directors achieved cumulative returns that were 18.9% higher than those without, between 2019 and 2024.[17]

### Strategic Market Outperformance

Financial outperformance is driven by distinct, operational market advantages:

- Unlocking Underserved Markets: Women control or directly influence trillions of dollars in global consumer purchasing power.[18] Having a critical mass of women in leadership teams and on company boards ensures that consumer product companies, fintechs, and commercial banks can accurately understand, target, and capture this significant, historically underserved female consumer market in emerging markets.
- Top-Tier Talent Attraction: Visible boardroom gender diversity functions as a market signaling mechanism. It communicates an inclusive corporate culture, allowing progressive companies to win the war for talent by attracting and retaining high-caliber executive and technical professionals (who may actively avoid homogenous environments).

More broadly, emerging evidence suggests that the commercial value of gender-smart practices operates through multiple channels including enhanced access to capital, market differentiation, talent attraction and retention, organizational capability and decision-making that can contribute to stronger long-term financial performance.[19] While the business case remains less tested and less conclusive in emerging markets, evidence from 2X-qualified investees across these markets suggests that gender-diverse leadership can act as a catalyst for stronger organizational and commercial outcomes.[20]

In contrast to the above industry-supported data, some academic research offers a more cautious interpretation, finding that companies with women on their boards do not necessarily perform better (or worse) than those without.[21] However, what most agree is that the research gaps do not mean we should abandon the pursuit of gender-diverse leadership.

Beyond direct financial yields, gender-balanced leadership creates strategic market advantages, driving top-tier talent retention and unlocking vast consumer markets. While nuanced interpretations exist, the overall evidence points toward gender-diverse leadership as a catalyst for long-term commercial resilience.

## C. The Climate and Gender Intersection (IMPACT)

In today's volatile environment, blind spots relating to climate change and gender equality can create vulnerabilities while overlooking significant impact opportunities.

### The Climate-Gender Leadership Nexus

Data shows that companies with greater board gender diversity are more proactive in implementing climate mitigation strategies. A 2022 Foreign Policy Analytics study using data from 2,300 publicly listed companies globally[22] found those with improved board gender diversity were:

- 60% more likely to significantly reduce the absolute intensity of their corporate energy consumption.
- 39% more likely to successfully reduce their direct greenhouse gas (GHG) emissions.
- 46% more likely to reduce water use.

15 International Finance Corporation and The Economist Intelligence Unit (2019). *Board Gender Diversity in ASEAN*. The study covered 1,000 listed companies in six Southeast Asia countries and China.

16 Christiansen, L., Lin, H., Pereira, J., Topalova, P., and Turk, R. (2016). *Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe*. IMF Working Paper WP/16/50, pg. 18.

17 MSCI (2024). *Women on Boards and Beyond: 2024*. MSCI Research Reports.

18 NielsenIQ (2024). *Shaping Success: A Deep Dive into Women's Impact on the CPG Landscape*.

19 2X Global / Kore Global. (2026). *The Business Case for 2X Challenge Qualification.*

20 2X Global / Kore Global. (2026). *The Business Case for 2X Challenge Qualification.*

21 See this 2021 article for a critique of gender-diverse leadership and financial performance: *Is There Really A Business Case for Diversity?* from Adam Edmans, Professor of Finance at London Business School.

22 Foreign Policy Analytics (2020). *Women as Levers of Change: Unleashing the Power of Women to Transform Male-Dominated Industries*. FP Analytics (Foreign Policy Group).

This macro correlation is supported at the firm level by a landmark Bank for International Settlements (BIS) Working Paper (2021). Utilizing granular corporate carbon data, the BIS established that a 1 percentage point increase in the share of female managers within a firm leads to an immediate 0.5% decrease in carbon dioxide ($CO_2$) emissions. They conclude that gender diversity within organizations can have a significant impact in combating climate change.[23]

### Strategic Alignment and Accountability

- Further research by BloombergNEF and the Sasakawa Peace Foundation (2020) shows that reaching a critical mass threshold of at least 30% women on a corporate board creates a definitive tipping point, correlating with enhanced climate governance.[24]
- Based on survey findings presented in an International Finance Corporation (IFC) report, companies with between 20 to 60% female board representation were more likely to have formal climate commitments and net-zero goals than companies with 0 to 20% female board representation.[25]
- For investors with net-zero portfolio goals, backing gender-diverse leadership can be a direct operational lever to de-risk assets against climate risks while supporting just transition efforts.

### Multiplier Effects across the Value Chain

An evaluation of 2X investments made by British International Investment (BII), conducted by Kore Global in 2024, looked at the benefits of gender-diverse ownership and leadership, finding that higher female representation across decision-making roles directly improves outcomes for women employees and consumers while fostering inclusive workplaces and gender-diverse organizational culture.[26] This finding is further reinforced in the sector by FMO's MASSIF evaluation on Financial Inclusion MSMEs, which points to a similar impact pathway: capital allocated to women-led micro, small, and medium enterprises (WMSMEs) is strongly associated with direct advancements in gender equality for business recipients.[27]

Taken together, these points are important because gender-diverse leadership helps shape organizational cultures in which talent is recruited, developed and promoted based on merit, diverse perspectives are actively valued, and employees have equitable opportunities to contribute and advance. These inclusive cultures are associated with stronger employee engagement and retention, improved innovation and decision-making, enhanced governance, and greater organizational resilience, all of which are increasingly recognized as supporting long-term business performance and sustainable growth.

> "Data shows that companies with greater board gender diversity are more proactive in implementing climate mitigation strategies."

In addition, the YPO Global CEO Survey (2021) and Deloitte Insights (2022) identified a clear structural multiplier: women-led businesses have double the share of female board directors compared to male-led counterparts (32% vs. 16%) and maintain 43% senior female management compared to just 26% in male-run firms. Across multiple geographies, researchers observe a positive, quantifiable multiplier of 2 to 5 times more women added to senior leadership for each woman added to the C-suite.[28]

Ultimately, the evidence suggests that gender-diverse leadership should not be viewed as a standalone diversity objective, but as a strategic capability that reinforces each dimension of the Risk-Return-Impact Triangle. By strengthening governance and resilience, enhancing long-term commercial performance, and supporting more inclusive and climate-aligned outcomes, gender-diverse leadership represents a practical lever for investors and companies seeking to maximize both financial and societal value.

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23 Altunbas, Y., Gambacorta, L., Reghezza, A., and Velliscig, G. (2021). *Does Gender Diversity in the Workplace Mitigate Climate Change?* BIS Working Papers, No. 977, Bank for International Settlements.

24 BloombergNEF and Sasakawa Peace Foundation (2020). *Gender Diversity and Climate Innovation.* BloombergNEF, updated and corrected December 11, 2020.

25 International Finance Corporation (IFC) (2024). *Gender-Responsive Climate Governance and the Role of Women Leaders*. IFC/World Bank Group, pp. 29–31.

26 British International Investment (BII) (2024). *How Does Investing in Companies and Funds with Gender-Diverse Ownership and Leadership Support Positive Outcomes for Women?* Authored by Kore Global (Jenny Holden, Rebecca Calder, Federica Busiello, and Kari Walton). BII Insight Series.

27 FMO (2021), *Financial Inclusion MSMEs: MASSIF Evaluation*.

28 Danielecki, P., Shemluck, N., Rogish, A., and Hazuria, S. (2022). *Advancing More Women Leaders in Financial Services: A Global Report.* Deloitte Insights, Deloitte Center for Financial Services.


"Ultimately, the evidence suggests that gender-diverse leadership should be viewed as a strategic capability that reinforces each dimension of the Risk-Return-Impact Triangle."

Chapter 2:

# The Paradox – Why Does the Evidence Not Translate into Action?

The paradox of gender-diverse leadership lies in the divide between data and execution. If the empirical proof across Risk, Return, and Impact is compelling, why does progress remain slow? Why are we stuck on a trajectory that delays boardroom and leadership gender equity for at least another two decades?

### The Perceived Conflict with Financial Objectives

One major roadblock to widespread operational adoption is a persistent, underlying bias among those investors and companies who continue to view gender diversity as a secondary compliance nice-to-have or a non-essential social goal that doesn’t drive financial returns. As one contributor from our study noted:

> “It's disappointing that you have to make the business case in 2026 but there is a lot of backsliding.”

Investors and companies, whether at the board or C-Suite level, often demand short-term, direct corporate "causal" data before they are willing to alter legacy board seats, pointing to the lack of private market data as a justification to delay action. This defense misinterprets how corporate performance is generated. Gender-diverse leadership is not separate from managing complex commercial priorities; it is a core mechanism of corporate governance that enables companies to address them. Particularly in volatile markets, ignoring gender-inclusive governance introduces material risks. As a veteran DFI expert stated bluntly during the research:

> “If you don't have strong governance — including a gender angle — there is a material risk.”

### Dismantling the "Pipeline Myth" via Structural Filters

When confronted with a lack of female representation in senior ranks, we often hear: "The pipeline isn't there yet; we simply cannot find qualified female candidates with the right expertise or experience."

Our research finds this is not always the case: the pipeline is often there, and qualified women exist across all major economic sectors though this can be uneven. What is failing is not the supply of talent, but the structural design of the recruitment system. A series of four distinct structural filters operate at every stage of the leadership pathway, systematically shrinking a large pool of qualified female professionals by the time boardroom selection occurs (see Figure 2):

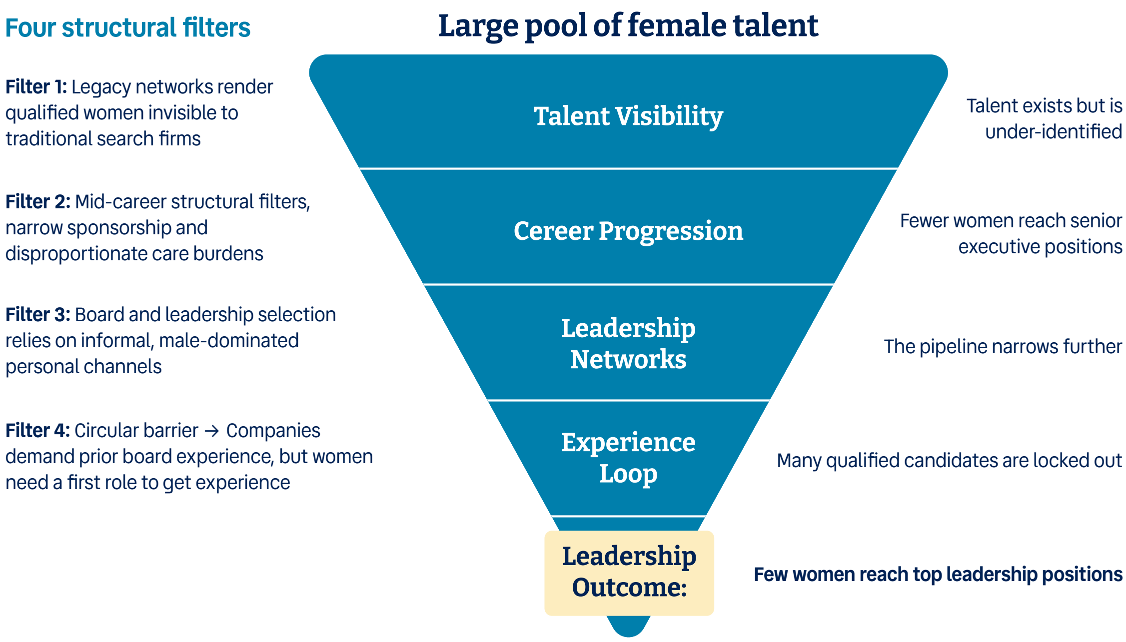


Figure 2: Four structural filters that limit gender-diverse leadership

**Talent Visibility Filters:** Because recruitment of C-suite and Board roles rely on narrow, legacy networks, highly competent female candidates remain structurally invisible in the hiring process. Exclusionary legacy networks extend to both investors and companies.

**Career Progression Filters:** Structural filters at mid-career stages including a lack of formal executive sponsorship, non-linear career paths, and a highly disproportionate share of domestic and care responsibilities slow women's advancement into senior executive roles.

**Governance and Board Network Filters:** Board nominations frequently bypass professional search agencies entirely, relying instead on informal, male-dominated personal networks and known historical candidates.

**The First Board Opportunity Experience Loop:** Corporate boards and shareholders routinely mandate that any new independent director must possess prior corporate board experience. This creates a circular, exclusionary barrier: qualified female candidates cannot secure their first boardroom seat because they lack board experience, and they cannot gain board experience because they are locked out of first-time opportunities.

These structural filters are relevant and applicable across a range of (non-)executive and senior leadership roles for both investors and companies.

### Tokenism, Isolation, and the Critical Mass Tipping Point

Where women do secure boardroom placement, progress is frequently undermined by tokenism. Onboarding a single female director onto an otherwise homogenous board rarely translates into strategic influence or genuine decision-making power. A lone woman is often viewed through a tokenistic lens, leaving her structurally isolated and making her less likely to effectively challenge the prevailing consensus or risk rocking the boat.

Academic research, including the Wellesley Centers for Women's foundational 2006 study, finds that "having three or more women on a board can create a critical mass" that fundamentally changes boardroom dynamics. At this threshold, no single woman is treated as representing a generic "woman's point of view"; instead, women are perceived as individuals with distinct personalities, styles, and contributions. The result is a more open and collaborative boardroom culture in which difficult issues are less likely to be ignored or brushed aside.[29]

### Gender-diverse leadership as a "Women's Issue"

The gender-diverse leadership agenda remains overwhelmingly driven by women professionals at the investor and company level. While exceptional male allies exist across the ecosystem, they remain few and far between. As long as leadership parity is seen as a "women's issue," the investment ecosystem effectively marginalizes the agenda, stripping it of its status as a core business (risk) priority and absolving senior, predominantly male leadership teams of direct institutional accountability.

### Ecosystem Fragmentation and Context Complexity

Market progress is slowed by fragmentation between global compliance frameworks and highly nuanced, local market contexts. Top-down global gender mandates may fail to account for "context complexity" such as deeply entrenched local socio-cultural norms, sector-specific talent constraints, and regional pushback against international gender-diversity metrics. Without a cohesive, localized strategy that provides practical, context-specific toolkits alongside high-level capital requirements, individual investor interventions remain opportunistic, slow-moving, and isolated.

These findings are consistent with the World Economic Forum's recent conclusion that closing gender gaps in senior leadership requires redesigning leadership systems rather than relying on incremental improvements to existing practices[30]. Our findings reinforce this perspective: sustainable progress depends not only on expanding opportunities for individual women, but also on addressing the structural, institutional, and market barriers that shape how leadership is identified, developed, selected, and supported. Together, these perspectives point to a common conclusion: lasting change will come through systemic redesign rather than isolated interventions.

Ultimately, the challenge is no longer making the case for gender-diverse leadership; it is making it happen. Until investors and companies address the structural filters, behavioral biases, tokenism, fragmented approaches, and accountability gaps that sustain the status quo, the benefits of gender-diverse leadership will remain a largely unrealized opportunity rather than translating into measurable market outcomes.

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29 Kramer, V. W., Konrad, A. M., and Erkut, S. (2006). *Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance. Executive Summary.* Wellesley Centers for Women, p. 3.

30 World Economic Forum. (2026, June). *Closing the Gender Gap in Senior Leadership* [Insights Report].

## Chapter 3:
# Moving from Ambition to Action

Transitioning from advocacy to implementation requires more than stand-alone commitments. It calls for a coordinated approach that, for example, links capital, technical assistance and local implementation, so that individual interventions can scale into standardized market practices. At the same time, it is important to recognize that investors and companies operate from different levels of influence, capacity and market readiness. Implementation also requires a shift from measuring activities to measuring outcomes, ensuring that investments in gender-diverse leadership are assessed by the governance, commercial, and impact value they create over time.

### A. For Investors: Proactive Capital Deployment

Investors should move beyond passive acceptance of gender-diverse leadership targets to actively driving change.

The following examples are not exhaustive, but indicative of how some DFI research participants are advancing gender-diverse leadership[31]:

**Institution-level initiatives**

- Supported by the Government of Luxembourg, **IFC's** Women on Boards and Business Leadership program aims to expand women's participation in board and senior leadership roles through thought leadership, knowledge generation, capacity building, and capital market engagement, supporting inclusive leadership and sustainable private sector growth through a corporate governance lens.[32]
- **EBRD** emphasized the importance of a holistic view of women's career progression (e.g. supporting women in middle management through internal processes, mentoring and targets for career progression) to develop a sustainable pipeline of female leadership talent[33] through, for example, their Women in Business program. They also highlighted the effectiveness of their tailored Women on Boards program that support the transition from operational roles to the board, combining mentorship, skills development, networking and strategic positioning.
- **EIB's** Women Climate Leaders Network brings together female private-sector leaders across EU member states who demonstrate exceptional leadership in driving climate action, recognizing that gender-diverse boards correlate with reduced energy use and lower carbon emissions. The European Investment Fund (part of the EIB Group) well-known for its "Empowering Equity" initiative, has channelled over €13 billion into supporting women-led funds and programs promoting women in leadership roles.

**Catalyzing ecosystem initiatives**

- **BII** provided the initial funding and support to launch The Boardroom Africa, which ten years later has developed into a stand-alone executive search firm that promotes gender-diverse leadership through HR/recruitment and board readiness support. The process has yielded valuable insights into the benefits as well as costs and challenges of such initiatives.[34] Drawing on these lessons **BII, Swedfund, Norfund, FinDev Canada and Sagana** are exploring a similar program together for Southeast Asia.

### Moving the Conversation to the C-Suite: from HR to Core Business Strategy

Investors should: (1) shift gender diversity from human resources into core risk, impact, and financial negotiations; and (2) treat it as a central commercial priority rather than an isolated initiative to strengthen risk oversight, safeguard capital, and drive long-term asset value. To maximize impact, this integration must be embedded across risk management, investment committees, legal, and corporate finance throughout the entire investment lifecycle, from deal screening and term sheet negotiations to post-investment governance.

31 Donors are also supporting initiatives: for example, the Australian Department of Foreign Affairs and Trade is supporting the Investing in Women (IW) initiative, a component of which supports gender-diverse executive talent. The IW initiative is working with the Global Private Capital Association to explore the feasibility of a Southeast Asia Leadership Program.

32 International Finance Corporation (2023). *A Retrospective of IFC's Implementation of the World Bank Group Gender Strategy, 2016–2023*.

33 European Bank for Reconstruction and Development (EBRD). (2026). *Gender Equality and Human Capital Strategy 2026–30.*

34 BII (2024). *TheBoardroom Africa: Increasing Women Leaders in Africa.*

**How to implement:**

- **Integrate across deal teams:** Require investment and risk teams to assess and track gender metrics during standard deal reviews.
- **Embed in legal agreements:** Anchor gender targets within binding covenants and debt terms (e.g., interest rate step-downs linked to gender diversity KPIs).
- **Drive executive accountability:** Put gender diversity metrics on C-suite and board agendas to hold senior management directly accountable for progress.

## LP Leverage

Limited Partners (LPs) possess leverage to re-engineer the investment landscape. When LPs integrate 2X Challenge and Gender-Lens Investing (GLI) mandates directly into their legal capital commitments, fund managers realign their recruitment priorities to maintain fundraising eligibility:

> "We were able to successfully fill a position for a Fund Manager because their LPs have their GLI/2X Criteria commitments. The fund saw it would make strategic sense".

### Scalable Equity and Debt Allocation Tools

DFIs and other investors are actively deploying concrete, replicable financial structures to accelerate boardroom parity:

- **Pre-Investment/Due Diligence:** Some investors contributors are integrating rigorous corporate governance assessments directly into the pre-investment due diligence phase. If a potential investment op§portunity lacks gender-diverse leadership, the investment agreement includes a formal covenant requiring the company to add, for example, a minimum of two qualified female directors within a defined timeframe. To help companies meet this requirement, some investors also offer support in identifying candidates by leveraging their own networks and non-executive director (NED) databases.
- **Leverage in debt financing:** Contrary to a perception that investors such as DFIs have little influence over investees receiving debt financing, our research found that leverage does exist, albeit unevenly across different types of debt instruments. Research contributors cited examples such as sustainability-linked bonds explicitly tied to gender-diverse leadership KPIs, including interest rate step-downs offered to corporate borrowers upon verified achievement of >30% female leadership. Other examples shared included a corporate governance training program for a group of financial Institutions with a component on board diversity, in response to material business risks identified. A key message for investors is to frame data as a business case tailored to each financial institution's specific context, rather than presenting generic statistics.

## B. Navigating Sector-Specific Realities: Energy & Agriculture (Investors and Companies)

A rigid, one-size-fits-all diversity target often creates market resistance, particularly within, but not limited to, industries such as Infrastructure, Heavy Industry, Energy, Forestry and Agriculture, where standard senior talent pipelines have been historically narrow and male-dominated. Overcoming these constraints requires investors to consider and finance creative, non-traditional sourcing strategies:

- **Cross-Sector Talent Transfers:** identifying qualified female executives operating in adjacent industries such as Technology, Logistics, Professional Services, Corporate Finance, or Legal and transitioning them into (e.g. Energy and Agricultural) board positions through targeted industry onboarding.
- **Middle Management Development Anchors:** While there are several ways to strengthen talent pipelines, investors can achieve significant impact by financing long-term, university-branded leadership accelerators for mid-career female managers. Partnering with prestigious international business schools or leading regional universities frames these initiatives as accredited executive excellence avoiding tokenistic "women only" framing while preparing women for senior roles over a multi-year horizon.[35]

**Leadership Accelerators**

- **How They Work:** These multi-year accelerators combine rigorous mini-MBA coursework (covering corporate finance, strategic management, and risk) with applied action-learning projects within the participant's company. Cohorts undergo executive coaching, peer mentorship, and board-readiness training designed to prepare high-potential female managers for executive positions before vacancies arise.
- **Proven Track Record:** Similar executive models such as the Women's World Banking Leadership Programs partnered with Wharton and Oxford Saïd demonstrate that university-backed, accredited cohorts successfully bridge the middle-management gap, significantly increase the internal promotion rates of mid-career women into C-suite and board roles across emerging market financial institutions.[36]

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35 See, e.g., INSEAD Executive Education, Women Leaders Program and Gender Initiative (offering accredited executive leadership development for current and aspiring senior leaders).

36 See, e.g., Women's World Banking, Leadership Development Programs (tailored executive leadership initiatives for financial institutions and regulators in emerging markets, delivered in partnership with top global business schools).

## C. For Companies: De-Biasing the Boardroom

Companies need to internalize the specific Risk-Return-Impact case of gender-diverse leadership for their own business, sector and local operating context. However, modernizing recruitment systems alone is insufficient if companies assume all candidates have enjoyed equal access to career opportunities, high-profile assignments, or networks. To address these systemic disadvantages and build a more inclusive pipeline, companies can actively deploy structural, de-biasing mechanisms tailored to their specific realities:

- **Skill-First Competency Mapping:** Rather than only requiring traditional C-suite titles or relying on informal network introductions (which often privilege historically overrepresented groups) companies can rewrite direct profiles to focus on objective, transferable competencies (e.g. risk oversight, audit experience, digital transformation). This expands the talent pool to qualified leaders from adjacent fields such as legal, advisory, academia, or operational management.
- **Anonymized Candidate Screening and Gender-Diverse Shortlists:** Implement blind profile reviews during the initial evaluations to eliminate affinity bias, while enforcing rules (such as mandatory gender-diverse shortlists) that require selection committees to, for example, evaluate qualified female candidates for every open senior position. When shareholders establish anonymized screening, gender-divers shortlists, binding board charters or voting guidelines, these approaches can turn gender-diverse recruitment into an enforceable governance mandate that can hold nomination committees accountable for sourcing qualified female talent and drive a fiduciary obligation. Even in shareholder environments prone to pushback, establishing structured, skill-first nomination guidelines can show that gender-diverse leadership actively mitigates key operational risks rather than compromising on talent or commercial rigor.
- **Targeted Pipeline Development and Sponsorship:** To counter historical gaps in executive opportunity, establish internal formal sponsorship programs (e.g. pairing mid-career women with senior executives who actively advocate for their placement on major commercial initiatives, board-level committees, and strategic roles).
- **Structured Onboarding Ecosystems:** Provide comprehensive onboarding, executive coaching and peer mentorship for all incoming directors, ensuring first-time female board members are supported to navigate legacy boardroom dynamics and can exert strategic influence from the outset (through, e.g. a combination of preparation, targeted expertise, strategic questioning and deliberate alliance-building).

Delivering these de-biasing mechanisms successfully requires transforming corporate mindsets and dismantling local, sectoral, cultural and institutional barriers. Companies can operationalize this by establishing gender-neutral flexible work arrangements, advocating for shared family care responsibilities, and guaranteeing safe working environments and travel protocols to ensure female leaders can sustainably advance into and thrive within senior roles.

> "Modernizing recruitment systems alone is insufficient if companies assume all candidates have enjoyed equal access to career opportunities, high-profile assignments, or networks."

## D. Coordinated Funding and Localized Execution (Investors)

To drive meaningful impact at the local level, global investors should move away from fragmented, country-agnostic strategies and instead reserve and deploy dedicated concessionary capital and technical assistance funding for localized ecosystem coordination. Localizing implementation architecture ensures translation into permanent, culturally resilient market practices:

- Investors can actively channel resources into regional boardroom training networks, national registries of pre-vetted female executives and non-executives, and country-specific corporate governance institutes.
- Dedicated funding can support standardized, country-level data and databases on women's board representation (maintained by well-positioned actors such as chambers of commerce and aligned with existing regulatory, listing, and sustainability frameworks) so that granular data, not just high-level statistics, can drive meaningful change. Coordinated implementation should be accompanied by a shared approach to measuring progress and continuous learning. Success should be assessed not only by the number of women appointed to boards or senior leadership positions, but also by the quality and sustainability of those appointments, the strength of leadership pipelines, improvements in governance practices, and further evidence that gender-diverse leadership is contributing to stronger risk management, commercial performance, and development outcomes over time.

## E. The Forward-Looking Research Agenda

Beyond industry players, there is also a need for academics, industry research groups, and corporate consultancies to:

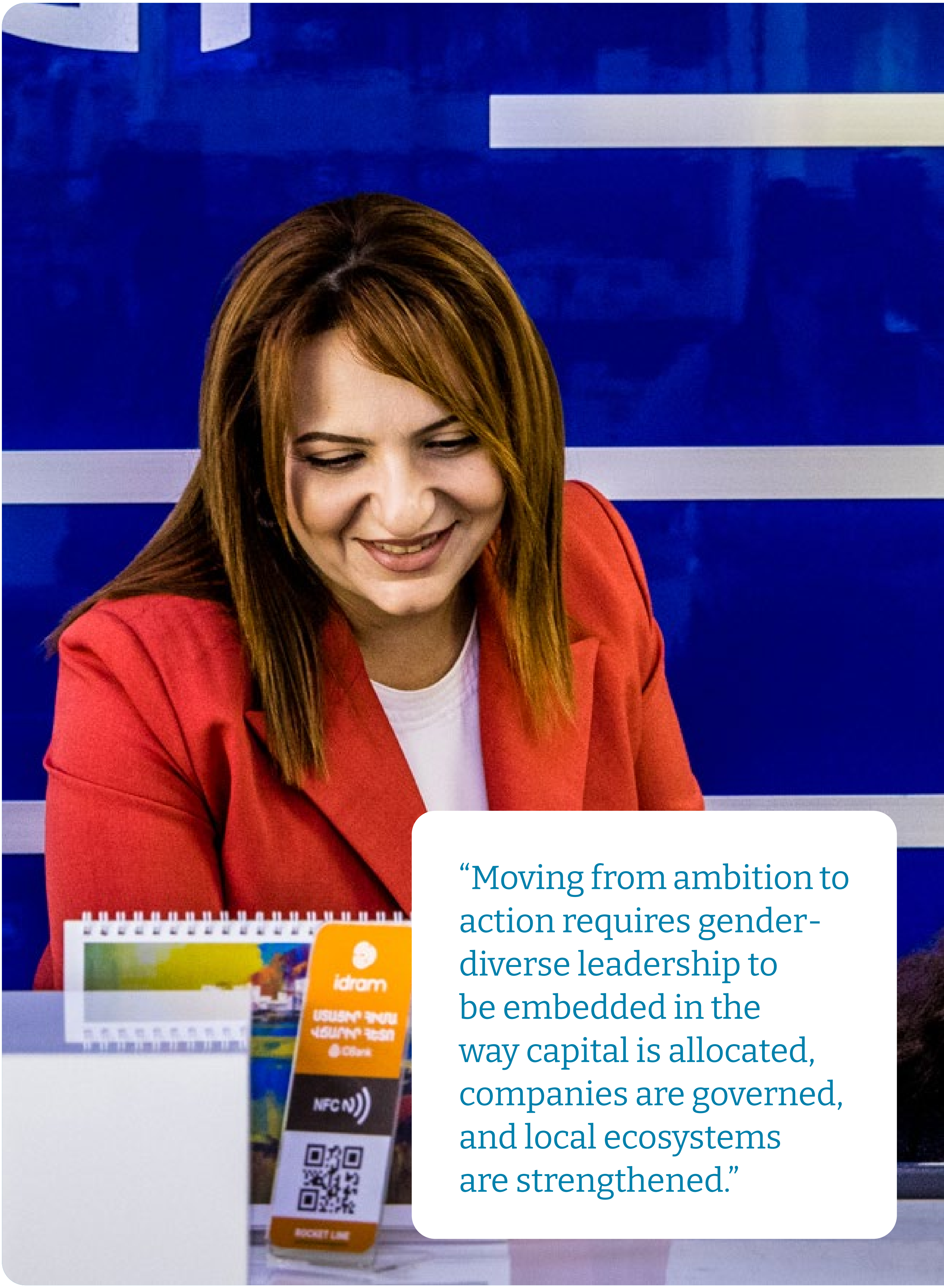
- **Deepen correlation studies and understanding of what works: the correlation between executive gender** diversity and macro-corporate performance is seen in the research cited in this paper. What we need, however, is an understanding of the conditions under which correlation is established, along with practical examples of what works.
- **Focus research on operational methodology:** how to foster true inclusion in leadership and boards, investigating the precise structural barriers blocking talent, assessing the long-term effectiveness of investor-driven incentives, and evaluating how gender-diverse boardroom decision-making builds corporate resilience and capital preservation through multi-year macroeconomic (down)cycles.

## F. The Balancing Act

While the evidence increasingly supports the business case for gender-diverse leadership, investors and companies will weigh the trade-offs and costs alongside the benefits, whether perceived and or actual.

Talent pipelines for senior female leadership remain thin in some sectors (e.g. Energy and Infrastructure) and geographies, which can potentially raise search and onboarding costs or extend time-to-hire for female candidates. Organizations may also encounter internal resistance from entrenched incumbents, informal networks, or cultural inertia that slows adoption and requires sustained management attention rather than a one-off change. Costs of training, governance restructuring, reporting and execution risk (e.g., tokenistic appointments without genuine influence or support) can temper the pace and depth of impact.

Moving from ambition to action requires gender-diverse leadership to be embedded in the way capital is allocated, companies are governed, and local ecosystems are strengthened. By aligning investor incentives, company practices, technical assistance, and localized implementation, the market can move beyond isolated successes and embed gender-diverse leadership as a foundational driver that actively generates business resilience and high performance.




"Moving from ambition to action requires gender-diverse leadership to be embedded in the way capital is allocated, companies are governed, and local ecosystems are strengthened."

Chapter 4:

# A Call to Action

## The Fiduciary Imperative

The market data, regional case studies, and empirical research synthesized in this report lead to this conclusion: gender-diverse leadership is a foundational and commercial necessity that drives corporate value. It is not an exercise in corporate social responsibility, a compliance check, or an HR metric. Boardroom and executive leadership balance is a core component of disciplined governance and risk management (RISK), sustained profitability (RETURN), and gender-smart climate-resilient business strategy (IMPACT). Continuing to choose or rely on homogenous leadership reflects a stewardship blind spot and an inconsistency with the fiduciary duty of a Board to act in the company's best, long-term interests.

## The Role of Impact Investors and Patient Capital

DFIs and other impact investors occupy a unique position within the global financial architecture. They possess the precise blend of patient (long-term) capital, technical assistance capacity, and ecosystem-wide standard-setting influence required to lead this market transformation. While there is good work being done across the ecosystem, the needed transformation requires further advancements as well as collaboration that is global, inclusive and context specific. Investors should meet emerging market companies where they are, recognizing that sustainable change requires successfully navigating local cultural contexts and sector-specific realities.

> "Continuing to choose or rely on homogenous leadership reflects a stewardship blind spot and an inconsistency with the fiduciary duty of a Board to act in the company's best, long-term interests."

One pathway to mobilize collective influence and funding power and to establish gender-diverse leadership as standard global market practice is to leverage the 2X Global gender lens investment community. Between 2018 and 2023, 2X Challenge participating investors together mobilized USD 34 billion toward women and girls in emerging markets. An additional USD 20 billion in collective capital commitments for 2024-2027, made jointly with private and public capital providers, was announced at the 2024 G7 Summit. [37] The 2X Challenge initiative provides a powerful blueprint for this systemic shift by demonstrating that large-scale capital mobilization and coordinated standard-setting can successfully drive gender-diverse leadership.

## A Call to Investors with a Focus on Emerging Markets: Co-Invest in Systemic Change

We call upon investors to move beyond passive endorsement of gender-diverse leadership to collectively dismantle the "pipeline myth" by pooling market intelligence and capital leverage. We encourage partners across the ecosystem to join us in advancing three immediate, systemic actions:

- **Launch a Shared (Nominee) Director Database:** Open and integrate existing, proprietary Nominee Director (ND) databases into a shared platform and network. This can create a unified registry of vetted, female (non-)executives, connecting a growing pipeline of qualified women leaders directly to boardroom and leadership vacancies across emerging markets, both for debt and equity investments. Directors could be the starting point, with the potential to expand to other key (non-)executive, decision-making and leadership roles, including investment committees (while tracking 2X leadership criteria).
- **Harmonize Investment Due Diligence Requirements:** (Further) standardize governance metrics and pre-investment mandates, including 2X leadership criteria, ensuring that every investee and borrower faces unified expectations regarding gender-diverse leadership requirements.
- **Co-Fund Regional Boardroom Capacity Building and Knowledge Products:** Allocate flexible and demand-driven technical assistance funding to, for example, support and link existing local board-readiness accelerators and networks, creating a sustainable cross-border and cross-sector talent ecosystem through shared learning. Partner with established market leaders (identified by their track record in

37 2X Challenge (2024). *Press & News.* 2X Global. As of August 2026, an additional 11 private-sector investors joined the 2X Challenge, continuing to expand collaboration and momentum toward the USD 20 billion target. Total amounts mobilized against this target will be publicly shared by 2X Global at the end of the current challenge period in 2027.

gender-lens capital deployment such as 2X members, DFIs or impact fund managers, deep regional market footprints and presence and understanding of local regulatory and cultural nuances, and a commitment to open-source data) to develop and make available context-specific knowledge products, case studies and tools that share practical insights on proven strategies, guiding investors and companies on what works and why while providing clear guidance on the how.

> "We call upon investors to move beyond passive endorsement of gender-diverse leadership to collectively dismantle the "pipeline myth" by pooling market intelligence and capital leverage."

By dismantling structural barriers to talent visibility, standardizing gender-inclusive due diligence and investment requirements, supporting localized pipeline and leadership capacity building where needed, and actively elevating existing female leadership capacity, these coordinated steps can help transform gender-diverse leadership from an aspiration into a measurable driver of portfolio value.

## A Call to Companies in Emerging Markets: Move Gender Parity to an Operational Priority

To companies operating across emerging markets: we encourage you to treat boardroom and executive gender diversity with the same financial discipline, operational urgency, and accountability as any other core commercial target. We call upon you to:

1. **Execute an Independent Governance Audit:** Actively review your internal boardroom nomination and selection frameworks. Rewrite legacy, network-dependent bylaws to remove structural biases, and implement inclusive, culturally intelligent onboarding frameworks.
2. **Develop or Support Strategic Sector Talent Channels:** If your enterprise operates within traditionally male-dominated fields such as Infrastructure, Energy, or Agriculture, stop waiting for the pipeline to mature. Intentionally grow the pipeline and/or recruit and transition female leadership talent from adjacent corporate markets, actively expanding your governance capabilities.
3. **Position Gender Diversity as a Competitive Capital Asset:** Leverage your gender-diverse leadership and robust corporate governance framework as a key differentiator to attract international capital, capture underserved consumer segments, and future-proof your business against macroeconomic shocks.

> "To companies operating across emerging markets: we encourage you to treat boardroom and executive gender diversity with the same financial discipline, operational urgency, and accountability as any other core commercial target."

Ultimately, accelerating gender-diverse leadership is not about creating new theories but about learning from the investors, companies, and market leaders already demonstrating what works and adapting those lessons across different markets and contexts. By working together and across the ecosystem to share practical experience, align approaches, and strengthen implementation, investors and companies can accelerate the transition from isolated successes to consistent market practice. This lays the foundation for stronger governance, sustainable commercial performance, and meaningful impact across the Risk-Return-Impact Triangle.

# Conclusion: The Long-Term Vision

The long-term vision is not simply to increase the representation of women in leadership. It is to redefine what good governance and stewardship look like in an increasingly volatile, uncertain and complex business landscape.

The Risk-Return-Impact Triangle reminds us that the strongest investment and business decisions are not those that optimize one dimension at the expense of the others, but those that recognize their interdependence. Gender-diverse leadership demonstrates that better governance, stronger commercial performance, and meaningful impact are not competing objectives, but mutually reinforcing drivers of long-term value creation.

> "Gender-diverse leadership demonstrates that better governance, stronger commercial performance, and meaningful impact are not competing objectives, but mutually reinforcing drivers of long-term value creation."

Realizing this vision will not be achieved through individual commitments alone, but through collective leadership. By learning from what is already working, scaling proven approaches, and collaborating across investors, companies, and local ecosystems, we can accelerate the transition from fragmented initiatives to standard market practice, making gender-diverse leadership the norm for resilient businesses and thriving economies.

The question is no longer *why*. The evidence is compelling. Nor is it *how*. Proven approaches already exist. The question is simply: **will we act?**

If we do, we can shift gender-diverse leadership from an aspiration to an expectation and from a compliance exercise to a hallmark of modern stewardship that demonstrably strengthens Risk management, enhances Return and amplifies measurable Impact. In this way, we can shift gender-diverse leadership from **fiduciary blind spot to corporate value.**

FMO is committed to catalyzing and supporting initiatives to drive this transformation. We invite our partners, customers and ecosystem stakeholders to join us in making gender-diverse leadership the universal standard across global development finance and impact investment.

# Acknowledgements and Gratitude

We extend our sincere thanks to the Corporate Governance (CG) team of FMO's ESG+ department for commissioning this study, as well as to the many FMO research participants, including senior management and several female Nominee Directors, and the investors and ecosystem partners who shared their time, experience, and perspectives throughout the research and engagement process. Their openness, practical insights, and willingness to reflect on both successes and challenges have significantly enriched this research and strengthened its relevance to investors and companies operating across emerging markets.

We would also like to acknowledge and thank Cécile Sevrain (TIIME), whose research and support helped shape the thinking that underpins this report.

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While this report reflects the authors' analysis and conclusions, it has been informed by the collective wisdom and experience of those who contributed. We hope it reflects not only the evidence, but also the spirit of collaboration that will be essential to advancing gender-diverse leadership across emerging markets.

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