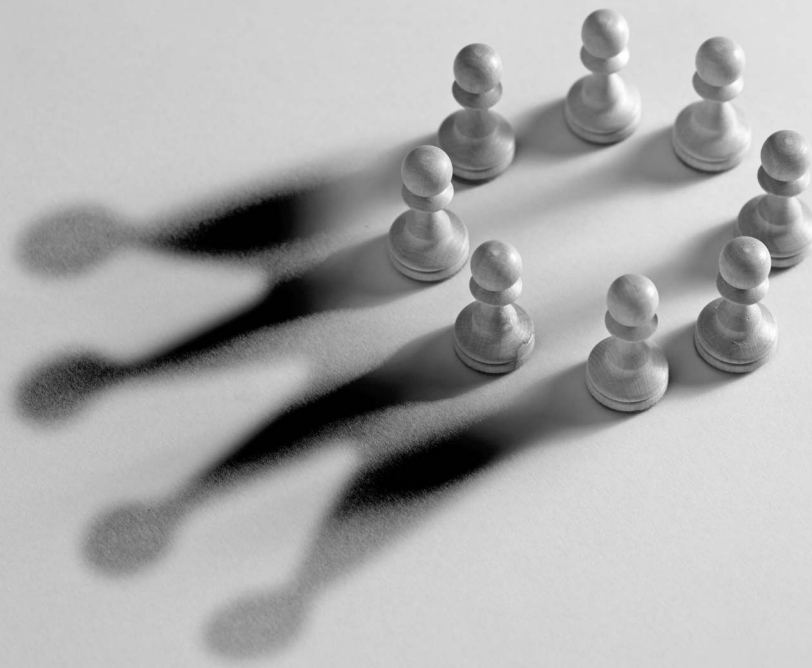


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ON THE SPOTLIGHT

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Greece Takes Pivotal Step in Corporate Governance and Gender Diversity

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The Women on Boards Directive has recently been transposed into Greek legislation through the highly anticipated Law 5178/2025, effective from February 14 2025. The aim is to ensure a more balanced representation of women and men among the directors of – primarily – listed companies by establishing effective measures to accelerate progress towards gender balance.

Which Entities Does it Concern?

The gender balance provisions apply to listed entities (amending Law 4706/2020). The rules on equal gender representation on boards of directors and the criteria and selection process may also apply to non-listed companies (amending Law 4548/2018 on non-listed sociétés anonymes) and public enterprises (amending Law 3429/2005 on public enterprises and organisations) that employ at least 250 persons and have an annual turnover of at least €50 million or an annual balance sheet of at least €43 million, provided that this is explicitly provided in their articles of association.

What Key Obligations must the Entities Concerned Adopt?

The entities concerned must take appropriate measures to ensure compliance with the below key corporate responsibilities and obligations so that women – referred to as the “underrepresented sex” – are adequately represented on corporate boards.

New Quotas on Female Representation

Listed companies must ensure that women hold at least 25% of all director positions. In the event of a fractional number, this is rounded to the closest integer.

With regard to listed companies that employ at least 250 persons and have an annual turnover of at least €50 million or an annual balance sheet of at least €43 million, the 25 threshold increases to 33% for all director positions, again rounded to the closest integer in the event of a fractional number. Such companies should also ensure that at least one female executive board member is appointed, if their board has three or more executive members.

Enriching Companies' Suitability Policy - Criteria and Selection Process

Listed entities are now obliged to enrich their suitability policy concerning the members of the board of directors by effecting amendments orientated to the inclusion of the criteria and selection process of the members of the board of directors on the basis of the quota required for the balanced representation of sexes on their boards.

Specifically, the criteria of the selection should be determined ahead of the selection process and be maintained all the way through, ensuring that among candidates of equal qualifications in terms of competence, capabilities, and professional performance, priority is given to the candidacy of the underrepresented sex (unless there are exceptional reasons, specifically justified, imposing the election of a candidate from the other gender).

The candidate being considered during the selection process receives, within 20 days upon a relevant request being addressed to the company, a detailed opinion including:

- The selection criteria upon which the selection was based;
- The objective, comparative evaluation of the candidates based on such selection criteria; and
- Any special reasons that led to the selection of a candidate from the overrepresented gender, if this was the case.

Special Annual Report on Gender Balance

Listed entities that employ at least 250 persons and have an annual turnover of at least €50 million or an annual balance sheet of at least €43 million shall prepare a special annual report, which is to be published on their official website, including:

- (a) Information on the application of the quota for the representation of the underrepresented sex, with a special reference to the number of executive and non-executive members of the board of directors who represent the underrepresented sex;
- (b) Information on compliance with the obligation of appointing at least one executive member of the underrepresented gender to the board of directors within the 33% quota, in the event of large, listed companies in which three or more executive members participate on the board of directors; and
- (c) Any measures already applicable, or that are to be taken for the enhancement of gender-balanced representation on the board of directors of the entity.

Up to September 30 of each year, the report should be addressed to:

- The Hellenic Capital Market Commission;
- The Department of Documentation, Research and Digital Support at the General Secretariat for Equality and Human Rights, under the Ministry of Social Cohesion and Family Affairs; and
- The Greek Ombudsman.

A summary of the elements under (a) and (b) above should also be included in the Corporate Governance Statement of Article 152 of Law 4548/2018 which constitutes a special section of their management report.

Which Competent Authority Supervises Compliance and what Sanctions may it Bring?

The Hellenic Capital Market Commission is the competent authority to supervise the entities concerned regarding compliance, among others, with the above obligations and is entitled to impose a range of sanctions, such as the following:

- Admonition or a monetary fine of up to €3 million for the entity, and in any event up to 5% of the total annual turnover in accordance with the financial statements – signed by the board of directors – of the fiscal year within which the violation took place; or
- Admonition or a fine of up to €3 million for the board of directors or other natural or legal persons falling within the scope of Law 5178/2025.

The Hellenic Capital Market Commission shall impose the above sanctions through a decision published to the General Secretariat for Equality and Human Rights within 20 days following the issuance of the decision. The Hellenic Capital Market Commission and the General Secretariat for Equality and Human Rights proceed with a public announcement of the entity's violation, which is published on their official website.

Non-compliance with the obligations concerning the criteria and selection process outlined above also affects the validity of the resolution of the corporate body on the appointment or election of a member of the board of directors. Such validity may be contested by a non-elected candidate of the underrepresented sex within six months from the registration of the decision with the General Commercial Registry, and they can also claim compensation within the above term.

Rewarding Compliance

Listed entities that comply with the above obligations may, upon request, receive a reward in the form of a 'gender equality seal' for adopting equal treatment policies, which is registered with the General Commercial Registry.

The General Secretariat for Equality and Human Rights may also sign, with the entities concerned and their associations, cooperation memoranda to promote gender equality and fight discrimination in corporate environments.

The Competent Body for the Promotion of Gender Balance in Listed Companies

The General Secretariat for Equality and Human Rights is designated as the competent body for the promotion, analysis, monitoring, and support of gender balance on the board of directors of listed entities. In this regard, the General Secretariat for Equality and Human Rights has the mission to design, implement, and monitor policies and actions as follows:

- The drafting and publication of the annual list of listed companies complying with gender balance obligations;
- The drafting of, and communication to the European Commission – initially up to December 29 2025 and then every two years – a report on the implementation of the Women on Boards Directive that includes information on the measures adopted, or to be adopted, by listed entities on gender balance representation on the board of directors, gender representation elements regarding compliance with the necessary quotas, the number of executive and non-executive members representing the underrepresented sex, and overall compliance with key obligations;
- Organising initiatives in support of gender equality in listed entities in cooperation with the Hellenic Capital Market Commission;
- Exchanging best practices and related information with competent European and international organisations; and
- Cooperating with the Hellenic Capital Market Commission, the Ministry of Development, the Greek Ombudsman, the independent authority of the Hellenic Labour Inspectorate and other public authorities, with the aim of promoting and supporting gender balance on corporate boards.

The Gender Equality Fund

Monetary fines imposed due to non-compliance by entities with the key obligations above, as well as funds from donations and sponsorships, constitute part of the state budget and are recorded in a special revenue account to be made available for the increase of the credit of the General Secretariat for Equality and Human Rights to serve the objective of the latter and to promote gender equality and to fight violence against women.

Key Dates

Listed entities shall ensure that as of June 30 2026, all necessary organisational measures regarding compliance with the above-mentioned obligations on equal gender representation on their boards are taken. In the meantime, gender representation on the board of directors of listed

entities should not fall below the 25% threshold of the totality of the members of the board of directors and in the event of a fractional number, this is rounded to the closest integer.

In listed entities obliged to comply with the aforementioned 33% quota, the obligation shall apply following June 30 2026, from the first expiry of the term of the board of directors, or of the next term, in the case of renewal or replacement of an already serving executive director.

By July 14 2025, the Hellenic Capital Market Commission should have published guidelines on the implementation of gender balance quotas and the criteria and selection process obligations, while by April 14 2025, the same authority is expected to publish a decision specifying the determination, calculation, and measurement of the extent of the sanctions per case.

Why Does it Matter?

The Women on Boards Directive, a crucial part of the EU Gender Equality Strategy 2020-2025, constitutes a milestone achievement seeking to improve the gender balance in corporate decision-making positions in EU corporations. Its transposition into Greek legislation through the inclusion of the elements discussed above is expected to foster women's career growth, bring diversity to the table, and advance the culture of companies overall, which should be the ultimate purpose.

Although further regulatory decisions remain to be issued to establish a more solid legal framework on gender balance, a first step to promote gender diversity in boardrooms has been taken. This is especially important in a country where underrepresentation of women on corporate boards has been the norm. As the positive impact of women's directorship grows, additional efforts may be made so women are adequately represented not only on corporate boards but also in leadership positions.



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