

## **Law 5178/2025: Women on Greek Boards**

The composition of companies' Boards of Directors has become one of the main focuses of corporate governance, especially concerning gender diversity in corporate leadership and women's board representation<sup>1</sup>. The latter's role and general impact on corporate decision-making have already been discussed thoroughly and extensively<sup>2</sup>, both from legal and economic perspectives. At the same time, legislators across Europe (including Greece) have notably addressed this matter, prioritizing women's presence in companies' -especially listed ones'- top management positions.

### **I. Greek legislator's first approach**

Following the growing "trend" in the EU, Greek Law first approached the issue of women's representation on Boards by setting relevant gender quotas as per Law 4706/2020 on corporate governance. Said legal framework mandates that women hold at least 25% of Board members' positions in listed companies.

### **II. Women on Boards Directive**

Aiming to enhance equal opportunities and treatment between women and men in the corporate "world", the EU legislator has also emphasized women's representation on boards. After being "blocked"<sup>3</sup> for almost a decade, Directive (EU) 2022/2381 (known as "Women on Boards Directive") on improving the gender balance among directors of listed companies was adopted on November 23rd 2022, by the European Parliament and the Council.

In line with this Directive, Member States must ensure that companies operating in their territory have gender balanced – in the sense of the Directive- Boards by June 30th 2026. In this respect, women (referred to as the "underrepresented sex") must hold either at least 40% of non-executive director positions or at least 33% of all director positions.

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<sup>1</sup> *Tsileponis N., Fygkioris M., Koufopoulos D., Grose C., Gkliatis I., Katsikas E., Athanasiadis K., Chantziaras A.*, HOCG Iss. 8 - Corporate governance and gender diversity: Female representation on boards in Greece and beyond, available at: <http://dx.doi.org/10.13140/RG.2.2.10261.09449>.

<sup>2</sup> See, among others, *Yang Y., Konrad A. M.*, Effects of women on corporate boards: An integrative review from a political capital perspective, *The Leadership Quarterly*, Vol. 36, Iss. 1, 2025, available at: <https://doi.org/10.1016/j.leaqua.2024.101841>; *Brahma, S., Nwafor, C., & Boateng, A.*, Board gender diversity and firm performance: The UK evidence, *International Journal of Finance & Economics*, 2020, p. 1-16, available at: <https://doi.org/10.1002/ijfe.2089>. Hellenic Capital Market Commission's April 2024 Report refers, inter alia, to the issue of women representation on Greek Boards, available at: [file:///C:/Users/User/Downloads/%CE%95%CE%9A%CE%98%CE%95%CE%A3%CE%97%204706\\_2020\\_%CE%95%CE%A4%CE%91%CE%99%CE%A1%CE%99%CE%9A%CE%97%20%CE%94%CE%99%CE%91%CE%9A%CE%A5%CE%92%CE%95%CE%A1%CE%9D%CE%97%CE%A3%CE%97\\_1.pdf](file:///C:/Users/User/Downloads/%CE%95%CE%9A%CE%98%CE%95%CE%A3%CE%97%204706_2020_%CE%95%CE%A4%CE%91%CE%99%CE%A1%CE%99%CE%9A%CE%97%20%CE%94%CE%99%CE%91%CE%9A%CE%A5%CE%92%CE%95%CE%A1%CE%9D%CE%97%CE%A3%CE%97_1.pdf).

<sup>3</sup> *Hickman E.*, The EU Directive on Women on Boards, *European Company Law*, Vol. 20, Iss. 4, 2023, p. 84-90, available at: <https://kluwerlawonline.com/journalarticle/European+Company+Law/20.4/EUCL2023013>.

### **III. Greek Law 5178/2025**

#### **i. The new gender quotas**

Law 5178/2025<sup>4</sup>, which the Greek Parliament has recently ratified, transposed into Greek legislation Directive (EU) 2022/2381, providing for several amendments to the existing legal framework on female presence on boards of certain listed companies, non-listed sociétés anonymes and state-owned enterprises, amending Laws 4706/2020, 4548/2018 and 3429/2005, respectively.

One of the major initiatives of Law 5178/2025 is the introduction of art. 3A to Law 4706/2020. Under the provisions of new art. 3A, the gender board quota of 25% has been modified to 33%, according to the aforementioned EU Directive, for companies with over 250 employees and either i) annual turnover exceeding 50.000.000 euros or ii) annual balance of more than 43.000.000 euros. The Law in question further mandates that if a company's Board of Directors has more than three executive members, at least one of these positions must be held by a female Board member.

#### **ii. Special annual report**

Companies falling under the scope of the new legal framework have to issue and publish on their websites annually special reports referring a) to their compliance with the aforementioned gender quotas and executive members' proportions, as well as b) to the measures already taken or to be taken for the purposes of gender balance. Up to September 30th of each year, the above report must also be addressed to the Hellenic Capital Markets Commission, the Greek Ombudsman, and the Department of Documentation/Research/Digital Support of the General Secretariat for Equality and Human Rights of the Ministry of Social Cohesion and Family Affairs.

#### **iii. Board members' selection procedure and criteria**

Law 5178/2025 also introduces art. 3B to Law 4706/2020, which relates to cases where a company does not comply with the quotas stipulated in art. 3A (due to legal or factual reasons, e.g. resignation, death, termination etc. of a Board member<sup>5</sup>). In such cases, the company's selection criteria and procedure must be included and specified in the company's suitability policy, ensuring that, between candidates of equal suitability, competence and professional performance, the candidate of the underrepresented sex shall be, in principle, selected (unless exceptional and specifically justified reasons require selecting the other gender's candidate).

It is also highlighted that under new par. 3a of art. 24 Law 4706/2020, the non-compliance with art. 3B shall impact the validity of shareholders' resolutions for appointing board members, which non-elected candidates of the underrepresented sex may contest within six months.

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<sup>4</sup> Law 5178/2025 (Government Gazette A'22/14.02.2025) entitled "Measures for the balanced representation of genders in management positions of listed companies, non-listed companies and state-owned enterprises. Transposition of Directive (EU) 2022/2381 of the European Parliament and the Council of November 23rd 2022. Regulations for the strengthening of pilot programs for the enhancement of social cohesion. Demographic Development Program and other provisions".

<sup>5</sup> See the explanatory memorandum of Law 5178/2025.

**iv. Non-compliance penalties**

According to art. 24 par. 1a Law 4706/2020 as amended, the Hellenic Commission's sanctions mentioned in art. 24 par. 1 also apply to cases of violation of the newly introduced provisions related to balanced gender representation on boards. Further, art. 9 L. 5178/2025 mandates that the potential breach of these articles shall also impact the company's participation in public procurements.

**v. Non-listed companies**

After the above amendment of Law 4548/2018 on sociétés anonymes, new art. 87 par. 6 provides that non-listed companies with more than 250 employees meeting the said financial criteria may also apply the provisions of art. 3A par. 3 and 4 on a voluntary basis, following a relevant amendment of their articles of association.

**IV. Conclusion**

The aforementioned legislative initiatives represent an important step for fostering female representation in leading management positions and the business world in general. Of course, the Hellenic Capital Market Commission's relevant guidelines are much anticipated to further enlighten this issue and the procedures to be established by the companies in question.

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