Corporate Law Briefing: Special Edition

Recent Developments in Corporate Law

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A. **Introduction**
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Law 5164/2024 on Corporate Sustainability Reporting

A. Introduction

1. The recently introduced Law 5164/2024 (the **CSRD Law**), which implements Directive (EU) 2022/2464, amends Law 4548/2018 on sociétés anonymes (the **Company Law**), regarding corporate sustainability reporting.
2. The CSRD Law has expanded the scope and content of the existing non-financial statements, now referred to as 'sustainability reports'. These reports are now applicable to most categories of undertakings, in an effort to create a harmonized framework, enhancing uniformity, comparability and standardization.

B. Scope

1. Sustainability reports must be prepared by the board of directors as an integral part of the annual management report for sociétés anonymes falling into one of the following categories[1]:

[1] The CSRD Law also brought about amendments to Article 2 of Law 4308/2014, which details the categories of undertakings and groups.

a. large undertakings, irrespective of whether they are public-interest entities[2] and their workforce;
b. small and medium-sized undertakings, which are public-interest entities; and
c. third-country undertakings with substantial activity in Greece (i.e. subsidiary undertakings established in Greece falling into one of the categories under points (a) or (b), whose ultimate parent undertaking is governed by non-EU law, or Greek branches (of an undertaking governed by non-EU law) with a net turnover of more than €40m).

2. With regard to large groups of companies, the ultimate parent undertaking is, in principle, obliged to prepare a consolidated sustainability report. Subject to certain conditions, the preparation of such a consolidated sustainability report by the parent undertaking exempts its subsidiaries from the obligation to prepare a separate sustainability report. However, this exception does not apply to large undertakings that are public-interest entities.

C. Content

1. Sustainability reports provide the information necessary to understand the undertaking's resilience on ESG matters, focusing primarily on the following areas:
a. the undertaking's business model, strategy and goals;
b. the policies and due diligence process implemented by the undertaking;
c. the adverse impacts and risks connected with the undertaking's own operations and any actions to prevent, mitigate or remediate them;
d. the role, expertise and skills of the administrative, management and supervisory bodies, as well as any incentives schemes offered to them; and
e. non-financial indicators relevant to points (a) to (d).

2. The specific content of sustainability reports is tailored according to the size of the undertaking, allowing small and medium-sized public-interest entities to provide a more limited range of information.

D. Entry Into Force and Application

1. The amendments by the CSRD Law to the Company Law shall apply in a phased manner, contingent on the size of the undertaking:

[2] 'Public-interest entities' means, in principle: listed companies, credit institutions, and insurance undertakings.

Financial Year Starting from	Size and Type of Undertakings
1 January 2024	Large undertakings, which are public-interest entities and exceed an average number of 500 employees
1 January 2025	All other large undertakings
1 January 2026	Small and Medium-sized undertakings, which are public-interest entities
1 January 2028	Third-country undertakings with substantial activity in Greece

Law 5178/2025 on Improving the Gender Balance Among Directors

A. Introduction

1. The recently introduced Law 5178/2025, implementing Directive (EU) 2022/2381, improves the gender balance among directors and empowers certain non-listed sociétés anonymes to extend their statutory provisions on gender representation on their board of directors, similarly to the provisions applicable to listed companies.

B. Scope

1. In particular, non-listed sociétés anonymes with a minimum of 250 employees and an annual turnover of at least €50m or an annual balance sheet of at least €43m may stipulate on their articles of association that:

a. At least 33% of the company's board of directors must be of the under-represented gender.

b. If candidates have the same qualifications in terms of competence, skills and professional performance, the under-represented gender, shall be prioritized unless there are exceptional and specifically justified reasons not to.

2. Companies that comply with the above obligations may be granted an 'Equality Label', as a reward for the implementation of such equal treatment policies.



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