



**The Polish Financial
Supervision Authority
has published its position
on ESG reporting**

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The Polish Financial Supervision Authority (UKNF) has issued an interpretation of the regulations on complying with sustainability reporting obligations for the financial years 2025 and 2026 in connection with the entry into force of the act implementing the exemption option. The interpretation specifies the rules for applying the option and the relevant requirements for issuers of securities, as well as contains recommendations on voluntary ESG reporting.

I. Sustainability reporting legal framework

The sustainability reporting obligation was introduced by the CSRD Directive (2022/2464 of 14 December 2022), implemented into the Polish legal system by the Act of 6 December 2024 on amending the Accounting Act, the Act on Certified Auditors, Audit Firms and on Public Oversight, and certain other acts. Public reporting by issuers of securities admitted to trading on a regulated market in the EU is governed by the Minister of Finance Decree of 6 June 2025 on current and periodic information (2025 Journal of Laws, item 755). The UKNF's position was consulted with the Ministry of Finance and the Polish Agency for Audit Oversight (PANA). Sustainable development issues are defined as environmental, social, and human rights factors, as well as governance factors, in accordance with Article 63p of the Accounting Act.

II. Reporting timetable and 1st wave entity definition

The requirement to report in accordance with the CSRD is spread over three stages covering entities in the 1st, 2nd and 3rd wave. Entities from the 1st wave, i.e. the largest public interest entities with more than 500 employees and exceeding at least one of the large entity financial thresholds reported in 2025 for the 2024 financial year, along with public interest entities that head a group with more than 500 employees and exceeding the large group financial threshold. Sustainability reporting prepared by these entities and subjected to assurance is considered mandatory. The eligibility criteria for each wave are specified in Article 14 par. 5 of the CSRD implementing act.

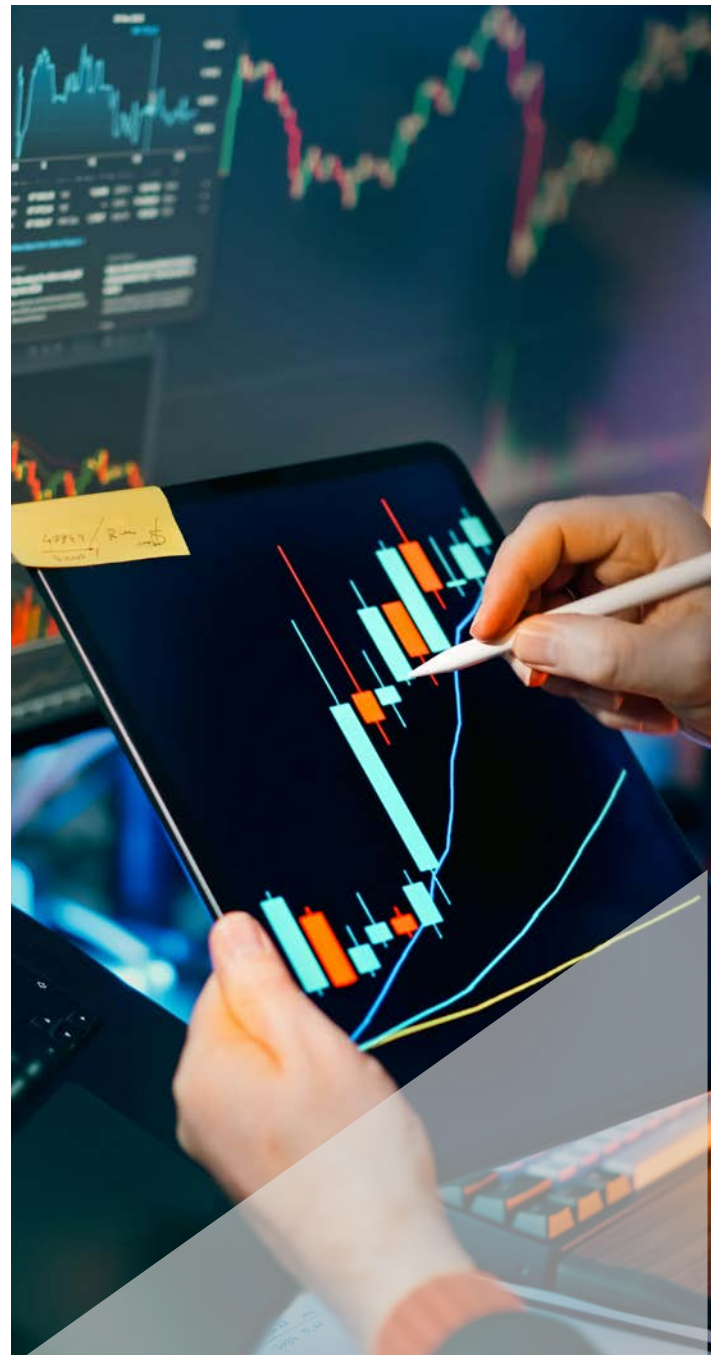
III. Omnibus I and postponement of reporting deadlines

The UKNF noted that on 26 February 2025 the European Commission presented a package of sustainable development simplifications, so-called Omnibus I, consisting of two draft directives. The "Stop-the-Clock" Directive (2025/794) published on 16 April 2025, provides for postponing the implementation date of sustainability reporting requirements for entities in the 2nd and 3rd waves and was implemented into the Polish legal system by an amendment to the act implementing the CSRD. The directive simplifying CSRD reporting (2026/470), published in the Official Journal of the EU on 26 February 2026 went into effect on 18 March 2026 and limits the scope of entities required to report to those with more than more than 1000 employees and in excess of 450 million euro in net sales.

At the same time, the directive allows member states to exempt from reporting for the years 2025 and 2026 those entities from the 1st wave which do not meet the new criteria.

IV. Implementation of the Option into Polish regulations

After public consultations, the Ministry of Finance decided to implement the provisions of the directive simplifying CSRD reporting into national law in two phases. The Option was implemented first. This was done by the Act of 27 February 2026 on amending the Accounting Act (Journal of Laws, item 333). The remaining provisions will be implemented in a separate legislative process by 19 March 2027. The act added Article 84a to the Accounting Act, according to which in the financial year beginning in the period from 1 January 2025 to 31 December 2026 entities may choose not to comply with the obligations arising out of Article 49 par. 3b and Chapter 6c of the Accounting Act relating to



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ESG reporting (so-called Option). The decision to exercise the Option is made by the manager of the entity or the manager of its parent entity, as applicable.

V. Option eligibility quantitative and financial thresholds

An entity may apply the Option if it did not exceed 1000 in average full time employment or PLN 1 900 000 000 in net revenue from the sale of goods for resale and finished products per financial year in the given financial year and the preceding year. For parent companies the thresholds amount to 1000 employees and PLN 1 900 000 000 after consolidation eliminations, or PLN 2 280 000 000 before such eliminations. Exceeding even one of these limits disqualifies the entity from applying the Option. As explained by the UKNF, the thresholds apply to the financial year to be covered by the exemption, as well the preceding financial year.

VI. Limitations in applying the Option

With respect to the reports on activities for the year 2025, the Option does not apply to entities that had

already fulfilled the obligations specified in Article 49 par. 3b and Chapter 6c of the Accounting Act before the effective date of the act implementing the Option. This refers to a situation where a Mandatory SR (sustainability report) was prepared, a SR assurance service was performed, and the Mandatory SR was published along with the assurance report. The Option is available to only those entities for which the 3-month deadline for preparing the report on activities for the year 2025 or 2026, counted from the end of the relevant financial year, has not expired after the effective date of the act. Entities that voluntarily decided to fulfill their obligations earlier may not back out of this decision.

VII. Obligations of entities applying and not applying the Option

A 1st wave entity that does not exercise the Option prepares a Mandatory SR in accordance with Chapter 6c of the Accounting Act and the ESRS, submits it to SR Assurance and publishes it in a special, separate section of the management's report on activities. An entity that applies the Option may choose not to prepare a sustainability report for the year 2025 or 2026, not to submit it to assurance and not to publish it, but it is required to disclose the application of the Option in the management's report on activities. At the same time, it must include in the reporting on activities the information referred to in Article 49 par. 3 and 3a of the Accounting Act, regarding key financial and non-financial ratios, as well as employee and environmental issues. The exemption from these obligations (provided for in Article 63t of the Accounting Act) does not apply to the

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entity, as it only applies to entities preparing Mandatory Sustainability Reports.

VIII. Requirements for issuers with regard to Mandatory SR

Those issuers of securities admitted to trading on a regulated market which do not exercise the Option include their Mandatory SR in a special, separate section of the management's report on activities which forms part of the separate or consolidated annual report for the year 2025 or 2026. The SR should be prepared in accordance with the requirements of the Accounting Act and the ESRS, subject to the changes resulting from the "Quick Fix" delegated act (EU Commission Delegated Regulation 2025/1416 of 11 July 2025), as well as meet the reporting requirements specified in Article 8 of the Taxonomy Regulation. Mandatory SR is subject to SR Assurance performed in accordance with the provisions of the Certified Auditors Act. The inclusion of the entirety or portions of Mandatory SR in the report on activities by entities that could potentially have applied the Option means that the reporting is mandatory and subject to all rules governing its preparation, including mandatory assurance.

IX. The status of Simplified ESRS and voluntary ESG reporting

The UKNF has also clarified that the draft Simplified ESRS is not currently a binding law for entities required to prepare Mandatory SR. Preparation of Mandatory SR in accordance with the new standards will only be possible after a formal change of the ESRS, and the adoption of the delegated act by the European Commission is planned for June 2026 after public consultations in late April and early May 2026, with the publication of the changes in the 4th quarter of 2026. For issuers voluntarily reporting on ESG for 2025 or 2026, the UKNF recommends presenting such reporting outside the report on activities, e.g. as a separate file published on the issuer's website. Voluntary reporting may be prepared using any reporting standards, e.g. ESRS, GRI, IFRS S1 and S2, or VSME, in accordance with all the provisions of the applicable standard, with any deviations clearly stated. Simplified ESRS are not recommended for use in voluntary reporting for 2025, as they have not yet been formally adopted as applicable in the EU.



The information presented herein does not constitute comprehensive information or opinion. Consult your adviser before making any decisions.



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