



**ESG Reporting
Remains Beneficial Even
in the Absence
of a Legal Obligation**

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The Omnibus I package and the Opt-out Option implemented in Poland have exempted a significant number of undertakings from the obligation to prepare sustainability reporting for the financial years 2025 and 2026. Nevertheless, voluntary ESG (Environmental, Social and Governance) reporting continues to constitute a strategic tool for building a competitive advantage within supply chains, access to financing and investor relations.

I. Supply Chain Pressure from Large Business Partners

Companies subject to mandatory sustainability reporting are required to disclose ESG data from across their value chain in accordance with the ESRS (European Sustainability Reporting Standards). This means that large business partners — even where they themselves have relied on the Opt-out Option enabling them to avoid the related obligations — will continue to require their suppliers to provide information concerning Scope 3 emissions (indirect emissions generated throughout the value chain), labour practices, diversity policies and environmental risk management. Small and medium-sized enterprises (SMEs) that are not prepared to provide such data risk losing contracts to competitors already reporting ESG information. Voluntary implementation of the VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs) enables undertakings to meet these expectations in a manner proportionate to the scale of their operations.

II. Access to Financing and Lending Conditions

Banks operating within the European Union are likewise subject to the requirements of the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation (2020/852),

which require them to disclose the proportion of sustainable exposures within their lending portfolios. Financial institutions are increasingly differentiating financing conditions depending on the availability of a client's ESG data, offering preferential terms under sustainability-linked loans. Consequently, companies that do not report ESG information face higher capital costs and greater difficulties in securing financing for development investments, particularly in energy-intensive and high-emission sectors.

III. Investor Expectations and Company Valuation

Investment funds classified as “Article 8” or “Article 9” products under the SFDR are required to demonstrate the proportion of sustainable assets within their portfolios, resulting in a selective approach towards companies with available ESG data. The absence of ESG reporting therefore limits access to investment capital and adversely affects company valuation in merger and acquisition (M&A) transactions and initial public offerings (IPOs). Conversely, voluntary reporting in accordance with recognised standards such as the Global Reporting Initiative (GRI), IFRS S1 and S2 issued by the International Sustainability Standards Board (ISSB), or the VSME, enhances corporate transparency and facilitates communication with institutional investors and private equity funds.

IV. Preparation for Future Expansion of Reporting Obligations

The European Commission plans to adopt a delegated act amending the ESRS in June 2026, with publication of the amendments expected in the fourth quarter of 2026. The thresholds of 1,000 employees and EUR 450 million in revenue established under the Directive simplifying reporting



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requirements under the CSRD cannot be regarded as permanent. Future amendments may lower those thresholds or broaden the scope of entities covered. Companies that commence voluntary ESG reporting during the 2025–2026 period will develop the competencies, data collection processes and IT systems necessary for mandatory reporting, thereby avoiding the need for rushed implementation and costly compliance adjustments once they become subject to the requirements. A gradual implementation process also helps to mitigate operational risks associated with the sudden introduction of complex procedures.

V. Climate and Operational Risk Management

The double materiality assessment required under the ESRS, together with voluntary ESG reporting, compels management boards to identify climate-related, environmental and social risks affecting the business model. Companies that systematically assess such risks are better prepared for the costs associated with the energy transition, emissions charges under the EU Emissions Trading System (EU ETS), the requirements of the Carbon Border Adjustment Mechanism (CBAM), and regulatory changes relating to resource consumption. Risk identification enables undertakings to make investment decisions with a longer-term perspective and increases corporate resilience to external shocks.

VI. Talent Acquisition and Retention

It should also be taken into account that Generation Z and millennials, whose share in the labour market continues to increase, consistently indicate in surveys a preference for employers pursuing responsible environmental and social policies. Voluntary ESG reporting, particularly in the social (S) and governance (G) areas covering diversity policies, pay equity, working conditions and business ethics, supports employer branding. Companies that communicate their ESG practices transparently are better positioned to attract specialists in highly competitive sectors, including IT, R&D and engineering. Non-financial indicators are also increasingly becoming a tool for internal communication and employee engagement.

VII. Reputation, Brand and Consumer Relations

Consumers, particularly within the premium segment and the Fast-Moving Consumer Goods sector, increasingly verify product origin, carbon footprint and the ethical practices of manufacturers. Transparent ESG reporting in accordance with recognised standards strengthens brand credibility and reduces the risk of allegations of greenwashing (misleading claims regarding the environmental performance of a product or company). The position adopted by the Office of the Polish Financial Supervision Authority (UKNF) explicitly warns against greenwashing and recommends that voluntary ESG reporting should be prepared in full compliance with all provisions of the applicable reporting standard, with any departures clearly disclosed.

VIII. Available Reporting Standards

Companies outside the scope of mandatory reporting requirements have access to a range of recognised standards tailored to different organisational needs and scales of operation. The



VSME standard, developed by the European Financial Reporting Advisory Group (EFRAG), constitutes a proportionate tool for SMEs, offering simplified modules adapted to smaller organisations. The Global Reporting Initiative (GRI) Standards remain the most widely used globally and ensure comparability with international business partners. IFRS S1 and S2 standards focus on disclosures material from an investor perspective and align with the global trend towards harmonisation. However, the Office of the Polish Financial Supervision Authority (UKNF) does not recommend the application of the simplified ESRS for voluntary reporting for the 2025 reporting year, as those standards have not yet been formally adopted as binding within the European Union.

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IX. Operational Benefits and Cost Optimisation

The process of collecting ESG data reveals areas of operational inefficiency, including excessive consumption of energy, water and raw materials, as well as waste generation. The implementation of non-financial KPIs (Key Performance Indicators) leads to the identification of cost-saving opportunities in areas such as energy, logistics, packaging and waste management. Investments in energy efficiency, the circular economy and the digitalisation of reporting processes generate returns in the form of lower operating costs and reduced exposure to fluctuations in raw material and energy prices. ESG reporting thereby becomes a management tool rather than merely a burdensome disclosure obligation.

X. Practical Recommendations for Companies

Companies outside the scope of mandatory sustainability reporting should therefore conduct an assessment of the materiality of ESG matters in relation to their business model and stakeholder expectations, including those of business partners, banks and investors. It is advisable to select a single, consistent reporting standard (VSME, GRI,

IFRS S1 and S2) and apply it consistently, while clearly identifying any departures from the chosen framework. In accordance with the position adopted by the Office of the Polish Financial Supervision Authority (UKNF), voluntary ESG reporting should be published separately from the management report — as a standalone document on the company's website — in order to avoid ambiguity as to its nature. Consideration should also be given to obtaining voluntary assurance of selected elements of the report from an audit firm in order to enhance data credibility, with the scope of the assurance engagement clearly defined.



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



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