

May 2025



**ESG reporting
postponed
also in Poland**

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The Minister of Finance has presented a draft bill that defers by two years the requirement for large entities, as well as small and medium issuers of securities, to report sustainability information. The draft amendments do not, however, prohibit the preparation of ESG information before the statutory deadlines.

I. EU makes changes to directive on sustainability reporting

By enacting in 2024 an act amending the Accounting Act, the Act on Certified Auditors, Audit Firms and Public Oversight, as well as certain other acts (Journal of Laws item 1863), Poland adapted its regulations to Directive 2025/794 insofar as it makes changes to Directive 2022/2464, the so-called CSRD (Corporate Sustainability Reporting Directive). At the beginning of April the European Parliament approved the EU Council's amendments to the directive. They were contained in two draft bills. The first (so-called stop-the-clock) provides for a two-year postponement of the effective date of the reporting obligations for the second and third waves of entities and was finally adopted in the form of

Directive 2025/794. Member states are required to implement this directive by the end of 2025.

II. Ministry of Finance has prepared changes to ESG reporting regulations

In connection with the EU's "stop-the-clock" initiative delaying by two years the ESG reporting requirement and postponing the application of EU regulations on due diligence, the Ministry of Finance has prepared a draft of amendments to the act amending the Accounting Act, the Act on Certified Auditors, Audit Firms and Public Oversight, as well as certain other acts (UC93). To recap, EU Directive 2025/794, which is being implemented by the amendments, is part of a package of simplifications introduced by the European Commission as part of the Omnibus I initiative aimed at reducing the burden on businesses in the EU, in particular in the context of growing competitive pressure from countries outside the European Union.

III. Poland adapts reporting deadlines to EU guidelines

Following EU regulations, the Polish amendments provide for a two-year deferral of the ESG reporting requirement for two groups of entities: large entities - until 2028 for the financial year 2027 (so-called second wave), and small and medium entities that are issuers of securities admitted to trading on regulated markets of the European Economic Area - until 2029 for the financial year 2028 (so-called third wave). Please note that for the first group - the largest public interest entities that have at least 500 employees and exceed at least one of the financial thresholds for a large entity - the deadlines remain unchanged, i.e. the reporting requirement applies already to the financial year 2024, with first reporting in 2025.

IV. Regulations give precise definitions of individual business groups

Polish regulations precisely define the catalog of entities subject to ESG reporting regulations, introducing differentiated requirements based on the size, legal form, and nature of business operations. The main categories of entities required to report include limited companies (both limited liability and joint stock companies) and partnerships limited by shares. The requirement also applies to specific forms of partnerships - general and limited partnerships, but only those where all the partners with unlimited liability are limited companies, partnerships limited by shares, or companies with a similar legal form from other countries. Special regulations apply to the financial sector - insurance companies, reinsurance companies and domestic banks are subject to reporting obligations. There are additional requirements for small and medium entities that are issuers of securities admitted to trading on EEA regulated markets, as well as small and non-complex credit institutions and captive insurance and reinsurance companies.

V. Postponement does not apply to the largest entities

The obligation to report in accordance with the requirements of the CSRD and the amended Polish regulations has been



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divided into three stages, which after the changes will be as follows: - Stage one (unchanged) - in 2025 for the 2024 financial year - the largest public interest entities that have at least 500 employees and exceed at least one of the financial thresholds for a large entity, as well as public interest entities that head a group that has more than 500 employees and exceeds at least one of the financial thresholds for a large group. Stage two - after changes in 2028 for the financial year 2027 (originally 2026 for financial year 2025) - the remaining large entities and the remaining large groups. During stage three - after changes in 2029 for the financial year 2028 (originally 2027 for financial year 2026) - small and medium issuers from the regulated market. This distribution in time is meant to allow entities to adequately prepare for the new obligations.

VI. Regulations allow voluntary ESG reporting before deadline

The proposed amendments do not prohibit ESG reporting before the statutory deadlines. Entities for which sustainability reporting is significant due to their business strategy or the need to provide information to capital providers (investors) will be able to voluntarily prepare such reports despite the postponement. In particular, this may relate to entities that have already started to prepare for reporting, or those that see ESG reporting as an opportunity to build a competitive edge and strengthen stakeholder relations. It should also be stressed that the capital market increasingly requires companies to be transparent about their environmental, social and governance impacts, which can provide additional motivation for voluntary

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reporting even in the absence of a formal legal obligation. Entities choosing voluntary reporting should, however, apply the same standards that will become mandatory once the requirements go into effect. Such voluntary reporting makes sense especially in situations where the company has already incurred costs preparing for the implementation of ESG reporting.

VII. ESG reporting requires various detailed information

Sustainability reporting requires entities to present comprehensive information covering the impact of their operations on environmental, social and governance matters, as well as on how these matters affect the entity's growth and position. This information has a much broader scope than traditional financial reporting. It requires setting specific, measurable objectives. Entities must report on their progress toward meeting these objectives and provide scientific evidence confirming the adopted assumptions. A description of the management system for ESG matters, including the role of management and supervisory organs and their authority in this regard, is also an important element. In addition, the act introduces the obligation to apply consistent

reporting standards set by the European Commission through delegated acts. The act introduces a comprehensive system of verification and reporting, imposing the obligation to have sustainability reporting attested by certified auditors. It is, nonetheless, important to remember that ESG reports are now an important source of information for investors and the market, which makes them significant to the perceived credibility of companies.

VIII. Amendments must be passed by the end of 2025

The proposed amendments are to go into effect the day after their publication, which is dictated by the urgent need to amend national legislation. Their quick entry into force is justified by the need to provide legal certainty to entities that under currently binding regulations would be required to prepare reports for 2025 (second wave of reporting). The proposed amendments deferring the deadlines for reporting sustainability information are favorable for the addressees of these legal norms, which is an additional argument in favor of their immediate entry into force. According to the draft's explanatory memorandum, important state interest requires the prompt implementation of these regulations, and the principles of a democratic state of law do not stand in the way of this. It should be emphasized that the proposed regulation is consistent with EU law and does not require submission to the institutions and bodies of the European Union, including the European Central Bank, for opinion, notification, consultation or agreement purposes. It should also be noted that at this time the draft amendments are in the review stage.



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



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