



**Changes to ESG
reporting
are now in effect**

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On 13 March 2026, the act providing for exemptions from sustainability reporting obligations for 2025 and 2026 for companies not exceeding the threshold of 1,000 employees or PLN 1.9 billion in revenues came into force. The change results from EU Directive 2026/470, which is part of the Omnibus I simplification package, which radically reduces the group of entities covered by the obligation of such reporting.

I. Legal basis and entry into force

The Act of 27 February 2026 amending the Accounting Act was published on 13 March 2026 in the Journal of Laws under item 333 and entered into force on 14 March 2026, i.e. on the day following the date of its announcement. It is the national implementation of the option available to a Member State under Directive 2026/470, published on 26 February 2026 as part of the Omnibus I simplification package. The Act introduces an episodic provision to the Accounting Act in the form of Article 84a, specifying the conditions and time scope of exemption from sustainability reporting obligations.

II. Scope of the exemption

The exemption covers the obligations set out in Article 49(3b) of the Accounting Act regarding

the presentation of information on key intangible resources in the report on the operations as well as the obligations arising from Chapter 6c which regulates sustainability reporting. Chapter 6c imposes the obligation to present information on the impact of the entity's activities on the environmental, social - including human rights - and corporate governance areas as well as on the impact of these areas on the entity's development, results and situation. In the case of capital groups, the exemption applies to the preparation of a consolidated report on the group's operations.

III. Size thresholds entitling to exemption – individual entities

Under the new regulations, entities obliged to apply the provisions of Article 49(3b) and Chapter 6c of the Accounting Act may not fulfil the obligations arising therefrom in financial years beginning from 1 January 2025 to 31 December 2026 if they did not exceed the threshold of 1,000 persons of average annual employment converted into full-time equivalents or PLN 1,900,000,000 of net revenues from the sales of goods and products for the financial year in the given financial year and in the preceding year. These conditions are alternative in nature - it is enough not to exceed one of them. After 31 December 2026, for financial years beginning after that date, Article 84a will cease to apply and the reporting obligations will resume.

IV. Size thresholds for capital groups

Parent entities of capital groups, obliged to prepare a report on the group's operations in accordance with the requirements of Article 49(3b) and Chapter 6c, may not fulfil these obligations if they did not exceed at the group level the threshold of 1,000 persons in average annual employment converted into full-time equivalents or PLN 1,900,000,000 in net revenues after consolidation exclusions or PLN 2,280,000,000 before such exclusions if in the given financial year and the preceding year. The possibility of



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applying a higher threshold before consolidation exclusions takes into account the specific nature of consolidated reporting.

V. Voluntary use of the exemption

The use of the exemption from sustainability reporting obligations is voluntary. The decision is made by the head of the entity or - in the case of capital groups - the head of the parent entity. This means that companies meeting the size criteria can voluntarily continue such reporting if they deem it justified for strategic, image-related or partner and stakeholder reasons. When making decisions, the head of the entity should consider the company's strategy, costs of reporting and the business benefits of publishing this information. The Act does not impose an obligation to

justify the decision, nor does it specify a deadline for making it.

VI. EU Omnibus I simplification package

Directive 2026/470, part of the Omnibus I package, provides for a reduction in the number of companies subject to sustainability reporting from 2027. Under new EU regulations, this obligation will only apply to the largest companies - those employing over 1,000 employees and generating revenues exceeding EUR 450 million per year. Furthermore, the mandatory certification of reports by external auditors has been abolished, and companies that started reporting in the first group of entities for 2024 may opt out of it in 2025-2026 if they meet the new size criteria.

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VII. The enduring importance of sustainable development in economic practice

Reducing mandatory sustainability reporting does not mean the end of it. Expectations regarding reducing emissions and reducing negative environmental impacts are still being formulated by various stakeholder groups. Financial institutions continue to require borrowers and portfolio companies to provide environmental, social and corporate governance data, and large contractors expect suppliers to provide information on their environmental and social practices. EU climate regulations and industry standards create additional incentives to monitor and disclose the impact of their operations, and companies that consistently collect such data gain an advantage in relationships with business partners and institutions.

VIII. Consequences for businesses and the future of reporting

The introduction of voluntary reporting requires the heads of entities to strategically assess the costs and benefits of continuing reporting. It is worth remembering that larger companies should maintain comprehensive reporting in accordance with ESRS standards. Smaller entities, however, can focus on providing selected data in response to the specific needs of partners. Giving up ESG reporting may result in administrative savings but may also hinder access to certain forms of financing or business cooperation. The gap left by the reduction of obligations can be filled by industry standards and certification systems, and the ongoing digitalization of processes will facilitate the automatic collection and sharing of relevant data.



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



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