

## **ESG Regulations in the Real Estate Sector in Poland**

### **"E" - ENVIRONMENTAL REGULATIONS**

Environmental protection regulations are one of the most important aspects of ESG. In Poland, these include the Environmental Protection Act, which imposes obligations related to emissions control, waste management and water resource protection.

What 2024 brought is a fundamental change in the EU Energy Performance of Buildings Directive (EPBD). This change is crucial for the real estate sector and sets a key direction for its further development. The primary goal of the new regulations is to decarbonize the construction industry by 2050. As a result, a review and adaptation of the current Polish regulation on the technical conditions for buildings and their location have been announced. The new requirements will take into account that, from 1 January 2028, new buildings owned by public institutions must be zero-emission, and from 1 January 2030, all new buildings must be zero-emission.

Changes are also necessary in the national regulations regarding the energy efficiency of buildings. A draft regulation on the methodology for determining the energy performance of a building and energy performance certificates is currently being processed, and it aims to implement energy classes for buildings. These new regulations are expected to come into force in 2026.

Green lease agreements are also becoming increasingly popular in Poland. These agreements include clauses that oblige landlords and tenants to take steps oriented to sustainable development. They concern matters such as reducing energy and water consumption, waste segregation, and using environmentally friendly solutions in property equipment.

### **"S" - SOCIAL RESPONSIBILITY**

Regarding ESG in Polish real estate law, there is a growing awareness of the need to consider social aspects in the design, construction and management of properties. These aspects cover a wide range of issues.

Social responsibility in the real estate sector involves, among other things, compliance with regulations on occupational health and safety, labour rights and accessibility for people with disabilities. Polish laws, including the Labour Code, Spatial Planning and Development Act and the Building Law, require these aspects to be considered in construction projects.

Moreover, the importance of regulations concerning social consultations in investment processes is constantly growing, aiming to increase public acceptance of new investments.

As a result, residential and office spaces that foster social integration, promote diversity, respect tenants' rights and support local culture and heritage are being developed.

### **"G" - CORPORATE GOVERNANCE**

In Poland, there is an increasing number of real estate companies implementing good corporate governance principles. Transparency in communication with investors, ethical business practices and stakeholder engagement are considered vital elements that build trust and a positive corporate image.

ESG management includes compliance with commercial law and corporate governance regulations. In Poland, the Commercial Companies Code and the Act on Public Offering regulate the disclosure obligations of listed companies, including non-financial reporting that covers ESG issues.

In 2024, this obligation is expanding in line with the EU Parliament and Council Directive 2022/2464 of 14 December 2022 regarding corporate sustainability reporting (CSRD), requiring companies to document their ESG activities and outcomes more thoroughly. Current work is underway on a draft law amending the Accounting Act, the Act on Statutory Auditors, Audit Firms, and Public Oversight, and some other acts to implement the Corporate Sustainability Reporting Directive and the delegated directive 2023/2775 of 17 October 2023, raising size thresholds for companies and capital groups into Polish law.

## **FUTURE PERSPECTIVES**

ESG-related legal regulations in Poland are becoming increasingly complex and demanding, forcing real estate companies to adapt to new realities. Integrating ESG principles is no longer only a legal requirement but also a strategic element for building an advantage over market competitors. The growing number of EU regulations, such as the European Green Deal, will continue to shape national law in this area. For the real estate sector in Poland, compliance with ESG requirements means investing in eco-friendly solutions, transparency in reporting, and engagement in socially responsible initiatives. Companies that quickly and effectively adopt these principles can be better prepared for future challenges and become more attractive to investors seeking sustainable investments, and thus have better access to investment finance (so-called green financing).

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