

# Employee volunteering

Guide to legal and tax aspects.  
Employer's perspective

 **POLAND**



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# Introduction

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Research shows an increase in the expectations of **customers, consumers, employees, and investors** related to the involvement of companies in solving social problems. Business has the financial means and other resources to make a real, positive social impact. However, it needs **clear regulations, stability, and transparency**.

In order to identify the challenges faced by the Polish employers who want to become socially involved, representatives of business as well as national and international organizations, on behalf of tens of thousands of private and social entities, in 2021 made an attempt to develop postulates for change.

One of the most frequently reported problems, mainly by entities from the SME sector, accounting for 99.8% of enterprises in Poland<sup>1</sup>, was the lack of clarity in the legal and tax aspects of organizing employee volunteering.

Employers paid attention in particular to:

- lack of clear rules and formal means of delegating employees to volunteer work,
- lack of clarity as to the scope of the employer's responsibility for the employees during their voluntary activities,
- lack of clarity as to the deductibility of costs incurred by the employer when organizing volunteer work.

In response to the above, in a group of excellent partners and experts, with the substantive and financial support of the Citi Handlowy Foundation, we created a practical document – a guide to employee volunteering.

We hope it will help employers positively impact the development of employees' social involvement.



# Benefits

**Why is it worth it?** Because the initiation and support of social activity by employers is a response to the clear expectations of employees – 4 out of 10 employees would like to be able to engage in employee volunteering for 2-3 hours a month (3-4 days a year).<sup>2</sup>

Employee volunteering is unique because **it naturally combines social benefits with benefits for employers, employees, and partners**, which are most often NGOs and local governments.

## The main benefits include<sup>3</sup>



### Benefits for society

- solving problems of individuals and entire communities,
- providing knowledge and skills necessary to solve social problems,
- changing the attitudes and way of thinking of the beneficiaries,
- activating people and communities,
- publicizing social problems,
- disseminating attitudes and values such as empathy, tolerance, and respect for other people.

Volunteer activities are often accompanied by financial and material support for the community.



### Benefits for employees

- satisfaction with helping others,
- sense of impact on the environment,
- gaining new experiences,
- satisfaction with working for a company that is sensitive to social needs,
- developing competences useful in life and work,
- establishing new contacts,
- developing passions and interests.



### Benefits for employers

#### HR benefits:

- attracting and retaining talent,
- integration of employee teams,
- increased identification of employees with the employer,
- lower rotation,
- increase in creativity and competences of employees,

#### Image and business benefits:

- strengthening the positive image of the company,
- building trust among customers and partners of the company,
- gaining competitive advantage over suppliers of similar products/ services,
- raising capital from the market becomes easier.



# Our understanding of employee volunteering

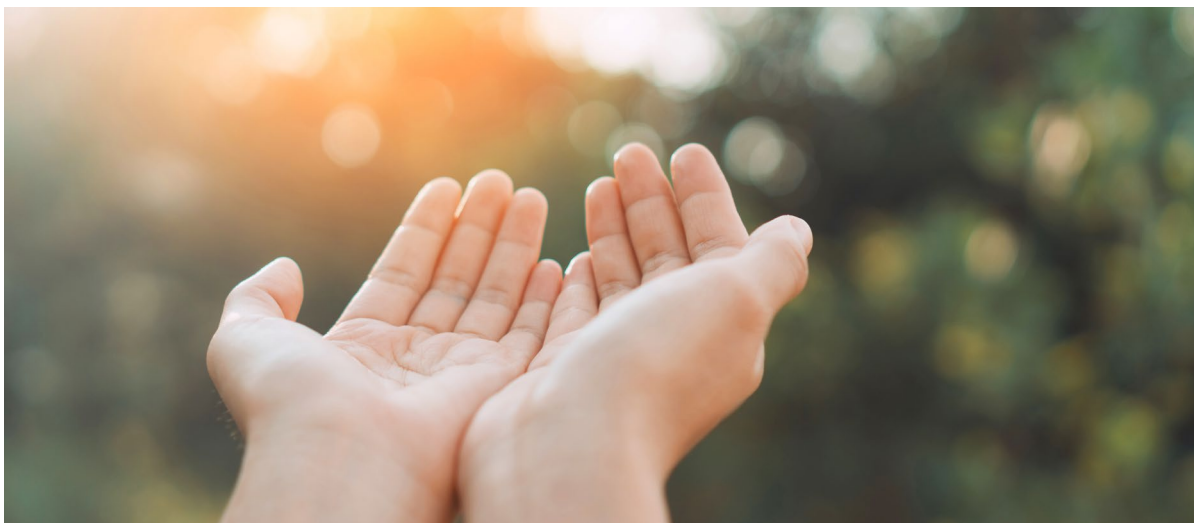
**Employee volunteering** consists in **initiating or supporting** the social activity of employees by **their employer**. Employee volunteers, during work or time off granted by the employer, conduct various types of social activities **voluntarily and free of charge**, using their time, skills, competences, contacts, or image, with the consent or organizational and financial support of the employer. In the course of employee volunteering, employees perform work not for the benefit of the employer, but for the recipients, e.g. non-governmental organizations or other entities and institutions conducting social activity. Employee volunteering may be initiated by both the employer and the employees, but in each case both parties must voluntarily express their willingness to participate in employee volunteering. In the case of employee initiatives, as the employer you may not agree to their participation in voluntary work, in the case of your own initiatives – employees may refuse to participate.

In order to talk about employee volunteering, the employer's support should cover at least one of the following areas:

- **Time** – when the employer allows their employees to carry out voluntary activities as part of their working time, which is generally allocated to the performance of tasks assigned within the scope of the employees' duties or to remain at the employer's disposal,
- **Funds** – when the employer provides the employee volunteers with funds for the implementation of voluntary activities or directly covers the costs related to the organization and implementation of volunteering,
- **Resources** – when the employer allows its non-financial resources to be used for volunteer activities, such as company cars.

Employee volunteering may be carried out:

1. **directly** or as **e-volunteering**;
2. **one-time** (e.g. in the form of an event) or **long-term**;
3. **independently** or **in cooperation with the recipient** (e.g. association or foundation). Each of these forms requires a completely different approach. In this guide, we describe employee volunteering carried out in cooperation with the recipient (which we recommend), focusing on you as the employer, not on NGOs or corporate foundations, and interpret the regulations for you with this in mind.



# Participants of employee volunteering



## Employee - volunteer

For the purpose of this guide, an "employee" is a natural person who has entered into an employment contract with an employer<sup>4</sup> and under that contract performs work for and under the direction of the employer. The rules of work and mutual relations are regulated by the provisions of labor law, including the Labor Code.



## Volunteer

A volunteer is a person who voluntarily and without remuneration performs services in accordance with the principles set out in the Act on Public Benefit and Volunteer Work.



## Employer

An employer is an entrepreneur – an entity that employs volunteer workers. According to Article 3 of the Labor Code, an employer can be any business unit, even if it does not have a legal personality, as well as a natural person, if they employ workers. An employer supports employee volunteering from the organizational and financial side.



## Recipient

of employee volunteering Entity<sup>5</sup> for which the volunteer provides employee volunteering



## Beneficjent

An individual or local community that directly benefits from volunteer work.

### IMPORTANT!

An employee who wants to pursue volunteer activities should not be adversely affected by their decision, as this would be contrary to the employer's goal, which we assume is to promote and encourage employee volunteering. First and foremost, regardless of the model chosen for organizing employee volunteering, the employee's involvement should not lead to any reduction in the employee's monthly pay – unless the employee has specifically requested unpaid leave or exemption from the obligation to perform work without the right to remuneration.

### IMPORTANT!

Remember that voluntary work is performed willingly. If, as an employer, you decide to support a selected social organization, and your employees, within their professional competences and during their working time, perform related tasks as one of the projects assigned to them, then your company does not provide volunteering, but a **pro bono service**. You can read more about pro bono activities [HERE](#). What is more, remember that the provision of funds or items is also not volunteering (donation). You can read more about donations [HERE](#).

## IMPORTANT!

A corporate foundation<sup>6</sup> is an entity established by a business institution or institutions to take over the management of their activities related to corporate social responsibility (CSR), sustainable development, and supporting local communities. Such an entity is closely related to the companies that initiated its creation and are its founders and donors. Corporate foundations can be recognized by the fact that they most often retain the name and visual identification of the companies with which they are associated, and represent their founders in their activities. A corporate foundation has the legal form of a foundation, i.e. it is a non-governmental organization based on a fund used to implement its statutory goals. Like any foundation, it can legally use the work of volunteers, apply for public funds, and – after meeting the relevant conditions – obtain the status of a public benefit organization (PBO) and therefore receive, among others, 1% of income tax from natural persons.



# Key legal and tax aspects

## I would like to:

1. enable my employees to undertake voluntary work (questions about **working time**).

[CLICK HERE](#)



2. make a **financial** contribution to my employees' voluntary activities.

[CLICK HERE](#)



3. allocate **non-financial** company resources, e.g. lend a company car, for the purpose of employee volunteering.

[CLICK HERE](#)



4. help **coordinate** an employee volunteering event organized directly with a selected social organization.

[CLICK HERE](#)



5. involve employees in the activities of our **corporate foundation**.

[CLICK HERE](#)



## I am interested in the selected scope:

6. **insurance**

[CLICK HERE](#)



7. **daily allowances and travel expenses**

[CLICK HERE](#)



8. **image**

[CLICK HERE](#)



9. **internal policy**

[CLICK HERE](#)



10. **contracts and agreements**

[CLICK HERE](#)



11. **non-financial reporting**

[CLICK HERE](#)





## Re: 1

I want to enable my employees to undertake volunteering activities  
(**working time** questions).

**a. Should an employee be formally provided with an opportunity to participate in an employee volunteering program?**

Yes, you should formally provide an employee with an opportunity to participate in an employee volunteering program.

**b. How do I formally give an employee the opportunity to participate in employee volunteering?**

**Temporarily release an employee from the obligation to provide work with or without the right to receive remuneration.**

An employer may:

1. draw up internal regulations applicable to all employees who wish to volunteer. Such regulations should specify the forms of volunteering offered or recognized by the employer and the rules for participating in volunteering. The regulations should be adopted and announced to the staff in a manner established in the workplace;
2. create an application form for requesting allocation of working time for volunteering purposes. This form can be attached to the internal regulations/policies which are in force in your company;
3. enter into an agreement whereby you release an employee from the obligation to perform work with the right to receive remuneration. Such an agreement must be made in writing (with handwritten signatures of each party or in electronic form with qualified electronic signatures). You can give a number of hours or days off, as the need may be. Conclusion of such agreement may be initiated by the employer or the employee. In the latter case the employer may decline the employee's request.

**The employer may grant paid or unpaid leave at the request of an employee.**

An employer may grant time off in the form of paid or unpaid leave at the request of an employee who wishes to volunteer. In principle, paid leave days are subtracted from the annual leave entitlement (20 or 26 working days). Paid leave is subject to leave remuneration. Unpaid leave may also be taken at the employee's initiative or in consultation with the employee. Unpaid leave days are not subtracted from the annual leave entitlement and no remuneration is paid for such leave.

In order to be granted leave, the employee should submit an appropriate application stating that the leave is taken for voluntary work. By communicating this information the employee may be entitled to additional benefits associated with participation in volunteering activities, if any.

**Granting additional paid or unpaid leave exceeding the statutory leave entitlement for employees who undertake to use it for employee volunteering.**

The amount of paid leave provided for in the labor law is the statutory minimum. The employer may grant leave in excess thereof. The legislation does not impose any restrictions on the employer in this respect, i.e. there is no limit to the number of paid days off that may be offered to employees. The employer may also decide that employees will be entitled to additional paid leave at the workplace for employee volunteering.

The employer may also grant employees unpaid leave under the above rules.

### Time off for overtime or work on a day off work

As an employer, you are obliged to compensate your employees for overtime as well as for work on Saturdays, Sundays and public holidays, either by paying them salary plus overtime allowance or granting time off. When you give time off in exchange for overtime, you may agree with the employee that such time off will be used for voluntary work subject to the employee's prior consent and voluntary commitment in the planned activities.

You can give a number of hours or days off, as necessary and depending on the requirements you have to comply with (e.g. if an employee works on a Sunday, they are entitled to a whole day off regardless of the number of hours worked).

For this purpose, following a verbal arrangement between the volunteer and the employer (alternatively):

- i. the employee requests time off for overtime work in order to participate in employee volunteering, subject to the consent and in consultation with the employer,
- ii. the employer gives the employee time off for overtime work to participate in employee volunteering, subject to the consent and in consultation with the employer,
- iii. the employer gives the employee time off for working on a Sunday or a public holiday to participate in employee volunteering, subject to the consent and in consultation with the employer.



### c. How can I enable my employee to engage in employee volunteering in their time off?

Employee volunteering in an employee's free time does not entail the employer's involvement, i.e. the employee may freely dispose of their free time. The employer is not responsible for the employee during this time.

### d. Are there any limits on additional leave? Paid leave in particular.

No, the law does not stipulate any limits on additional paid or unpaid leave.

### e. I gave an employee time off for employee volunteering. Am I responsible for them during this time?

The employer is not responsible for the employee during time off granted by the employer, such as paid leave, unpaid leave, time off in exchange for overtime or work on a day off work. It is the employee's free time. An accident sustained by an employee during such time will not be considered an accident at work.

### f. I gave an employee time off for employee volunteering. Do I need to control the time spent volunteering?

Time off granted by the employer for employee volunteering is not working time, so the employer is not required to control or record the time spent volunteering. If an employee volunteers within a strictly determined time off (e.g. 3 hours of unpaid leave), they should return to work afterwards.

### g. Is it possible to temporarily assign another job to an employee for employee volunteering purposes?

No, volunteering does not consist in assigning another job to an employee. Pursuant to Article 42(4) of the Labor Code or by mutual agreement of the parties the employer may require an employee to perform work different than that specified in the employment contract for a period not exceeding 3 months in a calendar year, provided that the employee retains their remuneration and the assigned work corresponds to their qualifications. This is assignment of other work, for remuneration, and therefore constitutes an amendment to the employment contract between the employee and the employer. It is not, therefore, a form of voluntary activity and, as such, does not meet the definition of voluntary work.

### h. As an employer, do I have the right to decline a request of an employee who wishes to participate in voluntary work during working time?

Yes, the employer has the right to refuse if an employee wants to participate in voluntary work during working time. Importantly, the employee may also refuse to participate in voluntary work if the initiative comes from the employer.

## Re: 2

I want to make a **financial** contribution to my employees' voluntary activities.

**a. Do costs incurred directly by an employer to finance employee volunteering constitute a tax deductible expense?**

Tax deductible expenses are expenses incurred to generate revenue or to preserve or secure a source of revenue, subject to certain exceptions. If certain conditions are met, costs incurred by the employer in financing employee volunteering may be recognized as tax deductible expenses. This is because expenses incurred for the purpose of implementation of volunteering programs not only serve philanthropic purposes, but are also part of a management strategy aimed at making a positive contribution to society, benefiting from synergies between business and society and minimizing risks and maximizing business opportunities in the long term. Therefore, these expenditures often increase the competitiveness of a particular entity and translate into business development, which is tantamount to generating revenue or preserving and securing it.

In order to recognize costs incurred for employee volunteering as tax deductible expenses, they should be incurred by the taxpayer (ultimately they should be covered from the company's resources), be final and properly documented. Moreover, it is a good idea to establish a Corporate Social Responsibility (CSR) policy or employee volunteering regulations, which will stipulate the objectives and rules of such initiatives.

In principle, CSR-related activities are not classified as entertainment expenses, which are not tax deductible. Although representation involves taking image building measures, tax authorities are of the opinion that CSR activity goes beyond mere representation.

However, it should be emphasized that donations and offerings are not considered to be tax deductible costs. Costs incurred within the scope of the CSR strategy and employee volunteering can only be recognized as tax deductible costs if it can be demonstrated that they lead to the achievement of the objectives specified above.

Given the diversity of potential forms of support, each case should be analyzed individually. The possibility of recognizing given expenses as tax deductibles should be consulted with tax advisors.

**b. If volunteering employees pay for equipment with their own money, can I reimburse them? How to do it formally?**

The legal relationship relating to employee volunteering and that between a volunteering employee and the employer is, in principle, the employment relationship. Therefore, purchases made by a volunteering employee in connection with the employer's involvement in volunteering and financed by the employer in connection with volunteering fall within the scope of the employment relationship.

The employee, when purchasing goods or services in connection with volunteering, should receive an invoice (or other proof of purchase) issued in the name of the employer. The expense must be properly documented for tax and accounting purposes by the employer.

**c. Are the costs incurred by volunteering employees to finance activities related to employee volunteering tax deductible?**

Expenses incurred by volunteering employees which are subsequently reimbursed by the employer may, in principle, constitute tax deductibles for the employer, provided that they meet the criteria referred to above in the answer to question a, i.e. if they serve to implement the employer's strategy, thereby leading to generating, maintaining or securing revenue by the employer. The economic burden of the expense on the part of the volunteering employee should be borne by the employer and the expense itself should be properly documented. Given the diversity of potential forms of support, each case should be analyzed individually. The possibility of recognizing given expenses as tax deductibles should be consulted with tax advisors.

**d. Should accounting documents (invoices, receipts, etc.) regarding purchases made by volunteering employees for funds received from the employer be issued to the employer or to the volunteer? What are the consequences for the employer?**

Accounting documents relating to purchases made by volunteering employees for funds received from the employer on behalf of the employer should be issued to the employer so that the employer is able to recognize them as deductible costs (provided that the above mentioned requirements are met).

## Re: 3

I would like to allocate **non-financial** company resources, e.g. lend a company car, for the purpose of employee volunteering.

The allocation of resources owned by or at the disposal of the employer, e.g. a company car, for the purpose of employee volunteering should be specified in an agreement with the recipient.

The use of employer resources, other than financial resources, for employee volunteering activities should not give rise to negative tax consequences. If resources, such as a company car, are allocated solely for business purposes (therefore, also for employee volunteering activities), the employer should be able to recognize the related expenditures as tax deductible costs, provided that other conditions for recognizing the expenditures as tax deductible costs are met. In particular, it is important that the employer is able to demonstrate that a particular expense is in close connection with

the pursued business activity (including volunteering) and contributes to generating, preserving and securing revenue by the employer.

In the case of lending a car used solely for business purposes to a volunteering employee, the employer should keep records of the mileage of the vehicle in order to exercise the right to a full VAT deduction. Pursuant to VAT provisions, such records should be kept from the date of commencement of use of the vehicle used solely for the business purposes of the taxpayer to the date of termination of its use.



## Re: 4

I would like to help **coordinate** an employee volunteering event organized directly with a selected social organization (recipient):

**a. Am I obliged to sign an agreement with the recipient for which the volunteering activities carried out by my employees are provided?**

Yes, the employer should sign an agreement with the recipient for the benefit of which the volunteering activities carried out by its employees are provided. Such agreement should specify the terms and conditions of cooperation and obligations of both the employer and the recipient.

**b. What conditions must be met by the recipient under the Polish law?**

The recipient may be a non-governmental organization or a public administration unit or other entity enumerated in the Act on Public Benefit and Volunteer Work. The recipient must comply with the statutory requirements, including without limitation, conclude oral or written agreements with the volunteers.

**c. Who is responsible for the employee during volunteer work: is it me as the employer or the recipient?**

In principle, the recipient is responsible for the employee while volunteering. The employer is not responsible for the employee during volunteer work.

**d. Do I have any obligations towards beneficiaries for whom assistance is provided?**

In principle, the employer has no obligations towards beneficiaries. Different arrangements may result from the agreement concluded by the employer with the recipient.

**e. Can an employee refuse to participate in volunteering? What if one out of 50 employees refuses to participate in a large-scale event which, for example, means the whole plant is closed?**

Yes, volunteering is voluntary, so an employee can refuse to participate. If the workplace is closed, the employer should enable the employee to carry out the work by opening the workplace for that employee or give them paid time off, because the employee is unable to perform work due to reasons attributable to the employer (i.e. the decision to close the workplace).

## Re: 5

I would like to involve employees in the activities of a **corporate foundation** that my company runs/co-founded.



**a. If the recipient is our corporate foundation, should we act differently than in the case of other recipients?**

No, the same rules apply.

**b. How do I enable an employee to participate in employee volunteering if the recipient is a corporate foundation?**

The employee can be given time off or leave, as the need may be. See the TIME section for more information. The form in which an employee is enabled to participate in employee volunteering depends on whether the employer wishes to enable volunteering during working time or in free time. It is possible to temporarily release the employee from the obligation to provide work with or without the right to remuneration, to grant paid leave from the annual leave entitlement or unpaid leave at the employee's request, to grant additional paid or unpaid leave beyond the statutory limit, to grant time off for overtime work or work on a day off.

**c. Who is responsible for the employee during volunteer work: the company or the corporate foundation?**

In principle, the recipient is responsible for the employee while volunteering. The employer is not responsible for the employee during volunteer work.



## Re: 6

### Insurance

**a. Should I additionally insure volunteering employees, for example against civil liability?**

The employer is not obliged to take out additional insurance for volunteering employees. The employer can voluntarily insure them against civil liability. The employees can also take out additional insurance themselves.

**b. Can I deduct the cost of such insurance?**

The premiums paid by the employer for the insurance contracts concluded for the benefit of the volunteering employees cannot be recognized as tax deductible costs, except for contracts concerning risks, i.e.:

- life insurance,
- life insurance, if connected with an insurance capital fund,
- accident and sickness insurance if supplementary to life insurance, marriage assurance, child maintenance assurance, life insurance if connected with an insurance capital fund, and annuity insurance,
- accident insurance, including covering accidents at work and occupational diseases (single benefits, recurrent benefits, combined single and recurrent benefits, transportation of people),
- sickness insurance (single benefits, recurrent benefits, combined benefits).

If the insurance is one of the above, several additional conditions must be met in order for the related payments to constitute a tax deductible for the employer. Namely, the employer cannot be the recipient and the insurance agreement within 5 years as of the end of the calendar year in which it was concluded or renewed excludes:

- payment of an amount for withdrawal from the contract,
- the possibility of incurring liabilities against rights under the contract,
- payment on survival to the age stipulated in the contract

**c. Is the recipient, with whom my company cooperates in organizing voluntary work, obliged to provide insurance for my volunteering employees? If so, what kind of insurance?**

The recipient is obliged to provide personal accident insurance if a volunteer provides a service for a period not exceeding 30 days. If the recipient concludes an agreement for the provision of services for a period exceeding 30 days, the volunteer shall be covered by the state with accident insurance under the Act on provisions due to accidents or occupational diseases arising in special circumstances.

**d. Who is responsible for potential damages caused by volunteers?**

Liability for any damage caused by volunteers is borne by the recipient, as the person who manages their activities. The employee may also be liable for the damage if it was caused intentionally. Both the recipient and the employee can take out optional civil liability insurance.

**e. What if a volunteering employee has an accident while volunteering?**

If a volunteering employee suffers an accident while volunteering, it is not an accident at work, therefore the employer is not liable for the accident.

**f. What if a volunteering employee has an accident on the way to volunteering?**

If a volunteering employee suffers an accident on the way to volunteering, it is not an accident on the way to work, therefore the employer is not liable for the accident.



## Re: 7

### Daily allowances and travel expenses

**a. Are volunteering employees entitled to a daily allowance like employees on business trips?**

No, the employer is not obliged to pay allowance for business trips to employees travelling as part of employee volunteering. Costs related to employee volunteering are covered by the recipient. The recipient may cover such costs from funds received from the employer.

**b. Are volunteering employees entitled to reimbursement of travel expenses?**

Volunteering employees may be entitled to reimbursement of travel expenses, but from the recipient, not the employer. The recipient may cover such costs from funds received from the employer.

**c. If I want to reimburse volunteering employees for travel or food expenses, how/why can I do this?**

It depends on the agreement with the recipient. Any and all arrangements on the employer's participation in the costs associated with volunteering should be included in the agreement with the recipient. The employer may provide the recipient with funds to cover these costs.

**d. Are volunteering employees eligible for additional benefits?**

The recipient may cover the costs of training volunteering employees, if trainings are provided for. The recipient may also offer volunteers additional benefits such as reimbursement of travel costs, meals and equipment necessary for voluntary work. The employer may assist in providing or financing these benefits.

## Re: 8

### Image

**a. Does the employer have the right to use volunteering for image building purposes?**

Yes, the employer has the right to use information on employee volunteering that it organizes or supports with the participation of its employees.

**b. If so, under what conditions?**

The employer may disseminate information about employee volunteering inside and outside its organization. Internal communication follows the rules established within the organization; in the case of external communication, the permission of the recipient to share information about them must be obtained in advance. Images of individuals may be made public subject to their prior consent. It is important to provide true and accurate information.



## Re: 9

### Internal policy

**a. As an employer, am I obliged to create and adopt a volunteer policy?**

No, an employer is not required to create and adopt any volunteer regulations or policies. However, drawing up such a document is recommended, particularly for larger entities. In such policy, the employer will be able to establish clear rules for participation in employee volunteering. The policy will also help foster the idea of employee volunteering.

**b. What should such documents contain?**

In principle, the policy should specify the expected forms, purpose and duration of volunteering. The scope of the employer's involvement in employee volunteering should also be specified, as well as the terms on which the employer grants employees the opportunity to participate in employee volunteering.

**c. Am I required to employ or formally appoint a person responsible for volunteering? If so, what are the formal requirements?**

No, the employer is not obliged to employ or formally designate a person responsible for volunteering. However, it is advisable to appoint a person in the company to coordinate employee volunteering.

## Re: 10

### Contracts and agreements

**a. As an employer, am I obliged to sign an agreement with an employee who joins an employee volunteering program?**

No, the employer is not obliged to enter into an agreement with an employee who joins an employee volunteering program. The employer signs an agreement with the recipient and the recipient, in turn, enters into agreements with the volunteers. The employer is not a party to the agreement.

**b. As an employer, am I required to sign an agreement with a volunteering employee who receives volunteer co-financing from me?**

No. The employer signs an agreement with the recipient. Such agreement should specify the purpose of volunteering and the amount of funds that will be transferred to the recipient and possibly their allocation (e.g. proof of payment for services or products purchased for the purpose of volunteering).

It is also possible to make an advance payment towards expenses related to volunteering directly to the volunteer, which is a relatively common practice.

**c. As an employer, am I required to sign an agreement with the organization benefiting from the support provided by volunteers?**

The employer should conclude a written agreement with the recipient which will specify the scope of support, including the amount and intended purpose of any funding supporting volunteers' activities.

## Re: 11

### Non-financial reporting

**a. Am I legally obliged to record data and report on volunteering activities in annual reports?**

Currently employers are not required to report on employee volunteering activities. However, the so-called integrated reporting is becoming increasingly important. It consists in reporting by organizations, including entrepreneurs, non-financial factors on top of financial data. Non-financial reporting includes in particular ESG, i.e. environmental (e.g. greenhouse gas emissions) and social impact and corporate governance.

Currently, as a result of the implementation of the Directive of the European Parliament and of the Council (2014/95/EU) as regards disclosure of non-financial and diversity information by certain large undertakings and groups (the so-called NFR Directive) into national law through amendments to the Accounting Act, large public interest entities which employ more than 500 employees and meet a relevant financial criterion are required to disclose non-financial information in their activity reports.

In April 2021, the European Commission proposed a draft of a new directive, the Corporate Sustainability Reporting Directive (CSRD), introducing mandatory reporting on sustainability issues. It is anticipated that the CSRD will make integrated reporting mandatory from 2023 for all entities, both private and public, with more than 250 employees.

**b. What is social impact and are there any applicable reporting standards?**

Social impact is the change we bring about in the world around us. This impact can be positive, negative or both. It is usually measured in the long term and in the context of the environment in which the change occurs. Recent years saw the emergence of standards for reporting social impact. These include the UN SDGs and the IRIS catalog. The LBG guidelines are also useful. We also encourage you to read more on the Impact Management Project website.



# Experts



**Magda Słomska**  
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Attorney at law, counsel at the Warsaw office of Dentons, member of the Labor Law Team. Specialist in labor and civil law. In the field of labor law, she participates in the preparation of employee documentation, due diligence analyses, and legal opinions. She advises clients in local and cross-border transactions involving workplace transfer to another employer. Specialist in the termination of employment contracts, prepares employment termination documents, and conducts meetings with employees. Magda also handles employment litigation and advises on employment matters in mergers, divisions, and company transformations. She advises Polish and foreign companies in the process of drafting corporate documentation as well as assessing and drawing up civil contracts.



**Damian Bugaj**  
Dentons Europe Dąbrowski  
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Lawyer, tax advisor, senior associate at the Warsaw office of Dentons, member of the Tax Law Team. Specialist in corporate income tax, value added tax, tax on civil law transactions, and real estate tax advisory. Damian participated in numerous tax planning and structuring projects, with particular emphasis on mergers and acquisitions as well as real estate transactions. His experience includes comprehensive legal and tax consultancy for domestic and international entities, including from the financial and real estate sectors. He has also supported clients in contacts with tax and administrative authorities during tax inspections and disputes as well as court proceedings.



**Paulina Zalewska**  
Citi Handlowy Foundation

Associated with the Citi Handlowy Foundation for almost 10 years, previously associated with the Citi Handlowy bank and the Deloitte consulting company. Today Paulina is responsible for program activities at the Foundation and managing project teams. From the beginning of her work at the Foundation, she has been involved in the development of one of the largest Employee Volunteering Programs in Poland. Today it is over 3,000 active volunteers and several hundred volunteer projects a year. As the Board Representative, she provides legal services to the organization and consults legal solutions in the field of cooperation with partners and volunteers of the organization. She explores, visits, and tests various areas of social activity. Graduate of the Faculty of Law and Administration at the University of Warsaw.



**Karol Krzyczkowski**  
Responsible Business Forum

Expert in the field of volunteering, including employee volunteering, at the Responsible Business Forum (RBF). Project manager, trainer, website administrator, producer of live broadcasts on social media. Animator of a group of coordinators of employee volunteering for RBF partner companies. On behalf of the FOB, he participates in the work of the Industry Social Dialogue Committee for Supporting Organizations at the Warsaw City Council, where, among others, he evaluates applications submitted under open tenders. Professionally involved with the third sector since 2004. Karol has worked for over 10 years with Volunteer Centers in Kielce, Warsaw, and Gdańsk, and as a freelancer with various other social initiatives. Graduate of the School for Leaders of Non-Governmental Organizations (School for Leaders Foundation, 2007), School of Watchdog Initiatives (SLLGO – currently Citizens Network Watchdog Poland, 2008).





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Better. / B Corp

Sustainable development expert with 15 years of experience. Specialist in topics related to corporate social involvement as well as diversity and inclusion. Associated with Better, where she is responsible, among others, for the development of the Polish Diversity Chamber of Commerce, conducts social dialogues and implements consulting projects in the area of employee volunteering (audits, training, and strategic planning of programs). Diversity+ expert. Previously, manager of the Responsible Business Forum, Go Responsible, and the Citi Handlowy Leopold Kronenberg Foundation. For over 6 years she managed a team implementing the Employee Volunteering Program at Citi – one of the first and largest of its kind in Poland. Juror in grant competitions for social projects. Author and editor of publications in the field of employee volunteering and diversity & inclusion. Present on the List of 50 Polish Women of CSR published by the Responsible Business Forum. Certified business trainer.



**Tomasz Schimanek**  
Academy for the Development  
of Philanthropy in Poland

Social politician associated with the community of non-governmental organizations, expert on social programs of the Academy for the Development of Philanthropy in Poland. For years he has been working for the development of cooperation between business and non-governmental organizations, providing training and consulting support for NGOs and entrepreneurs in the field of their social involvement, also in the form of employee volunteering. Author of research, analyses, and publications on cooperation between business and the civic sector.



**Maciej Stradomski**  
CMT Advisory

Member of the Management Board of CMT Advisory. PhD in finance, professor at the Poznań University of Economics and Business. Former head of the Department of Investments and Capital Markets at the Poznań University of Economics and Business. Specialist in capital markets, private market mergers and acquisitions, corporate financial strategies, and owner supervision. Conducts numerous projects on the financing and restructuring of enterprises. Tax advisor no. 12526. Chairman of the Program Council of the Family Business Institute. Author of many scientific publications in the field of corporate finance. Maciej gained his experience in banking, consulting companies, and private equity funds. Member of supervisory boards in several companies. For many years he was also associated with the Eteron Capital Group as the President and Member of the Management Boards of its companies. Manager and participant of projects of the State Committee for Scientific Research, incl. in the field of financial innovation and corporate financing strategies. Manager of the "Financial innovations in creating enterprise value" project of the Ministry of Science and Information Technology. Participant of the "Strategy of shaping fixed capital as a tool for increasing the value of an enterprise" project of the Ministry of Science and Information Technology.



**Anna Włodarczyk**  
Family Business Institute

Manager at the Family Business Institute. Responsible for the coordination of works, relations with sponsors, as well as contact with the founders of family businesses and the young generation entering the world of entrepreneurship. Main Coordinator of the International Family Business Congress, the Next Generation Congress, and other events organized by the Institute. In the years 2016 – 2019, Coordinator of the "FAMILY BUSINESS. Family business management" magazine, author and editor of articles, case studies, interviews with owner families, publications, and reports. Today, she is responsible for the budget and finances of the Family Business Institute, coordinates the work of the team, supports strategic work for top clients – both large and from the SME sector.





Selection of experts  
and content-related coordination:

**Anna Korzeniewska**  
Social Impact Alliance  
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Founder of Social Impact Alliance for Central & Eastern Europe, an international think tank operating in 11 countries of the region, and the Talent Development Foundation. Having begun her career in business, she now works across sectors. Forbes contributor and a member of two international networks – Catalyst 2030 and WINGS. Expert of Google.org Impact Challenge CEE. Initiator of hundreds of valuable partnerships with the most renowned companies and organizations in the world. Graduate of the City University of New York (BA) and Nottingham Trent University (MBA). The first Pole to receive a Professional Certificate in Fundraising at New York University (NYU).



## Worth a look

1. Selected legal aspects of employee volunteering (Volunteer Center):  
[http://bibliotekawolontariatu.pl/wp-content/uploads/aspekty\\_prawne\\_WP.pdf](http://bibliotekawolontariatu.pl/wp-content/uploads/aspekty_prawne_WP.pdf)
2. Company = involvement (Responsible Business Forum):  
[https://odpowiedzialnybiznes.pl/wp-content/uploads/2014/03/Publikacja\\_FOB\\_Zaangazowanie.pdf](https://odpowiedzialnybiznes.pl/wp-content/uploads/2014/03/Publikacja_FOB_Zaangazowanie.pdf)
3. Principles of Employee Volunteering (Pro Bono Leaders Coalition):  
[https://www.liderzyprobono.pl/u-nas-i-u-innych/karta-zasad-wolontariatu-pracowniczego\\_2159](https://www.liderzyprobono.pl/u-nas-i-u-innych/karta-zasad-wolontariatu-pracowniczego_2159)
4. Cheat sheet for coordinators of employee volunteering (Responsible Business Forum):  
<https://odpowiedzialnybiznes.pl/infografiki/ivd2021/>
5. A practical guide to cooperation with volunteers:  
<http://bibliotekawolontariatu.pl/biblioteka/e-book/177/>
6. Employee volunteering of the future (Academy for the Development of Philanthropy in Poland in cooperation with the BNP Paribas Foundation):  
<https://www.liderzyprobono.pl/wolontariat-pracowniczy-przyszlosci>



## Legal basis

- Act of April 24, 2003 on public benefit and volunteer work (Journal of Laws 2020.1057, consolidated text of June 18, 2020)
- Act of June 26, 1974, Labor Code (Journal of Laws 2020.1320, consolidated text of July 30, 2020)
- Act of February 15, 1992 on corporate income tax (Journal of Laws of 2020, item 1406, as amended)

<sup>1</sup> PARP ([https://www.een.org.pl/storage/publications/pdf/PARP-26\\_Raport-2021-07-22\\_WCAG\\_210726.pdf](https://www.een.org.pl/storage/publications/pdf/PARP-26_Raport-2021-07-22_WCAG_210726.pdf))

<sup>2</sup> Social Impact Alliance for CEE in cooperation with Kantar (<https://ceeimpact.org/our-initiatives/research2020/>)

<sup>3</sup> Academy for the Development of Philanthropy in Poland in cooperation with the BNP Paribas Foundation ([www.filantropia.org.pl](http://www.filantropia.org.pl))

The Economist (<https://economicpurpose.economist.com/purpose-becomes-the-heart-of-marketing/>)

Social Impact Alliance for CEE in cooperation with Kantar (<https://ceeimpact.org/our-initiatives/research2020/>)

PwC (<https://www.pwc.com/us/en/about-us/corporate-responsibility/assets/pwc-putting-purpose-to-work-purpose-survey-report.pdf>)

Pracuj.pl (<https://media.pracuj.pl/84285-csr-przyciaga-talenty-do-firm-badania-pracujpl>)

Babson Coll (<https://www.babson.edu/about/news-events/babson-announcements/babson-io-sustainability-release-project-roi/#>)

S&P Global Ratings (<https://www.spglobal.com/ratings/en/products-benefits/products/esg-in-credit-ratings#esg-criteria>)

Responsible Business Forum, Volunteer Center in Warsaw (<https://odpowiedzialnybiznes.pl/publikacje/iii-ogolnopolskie-badanie-wolontariatu-pracowniczego/>)

<sup>4</sup> Volunteers may also be persons carrying out an order, performing a specific work, or providing services to an entrepreneur. These persons are employed on the basis of civil law contracts – respectively, contract of mandate, contract for specific work, and contract for provision of services (cooperation contracts). They are not subject to the Labor Code regime or other labor law provisions, but the rules described in this guide are applicable.

<sup>5</sup> Entities listed in Article 42 (1) of the Act on Public Benefit and Volunteer Work, including: NGOs, public administration bodies, business units reporting to or supervised by public administration bodies, medical entities.

<sup>6</sup> "Corporate foundations are those foundations whose founder (or one of the founders) was a company (or several companies) as well as foundations established by individuals closely related to companies, if currently there exist links between the foundation and the company." – Polish Donors Forum (<https://www.forumdarczynow.pl/uploads/media/5d1481e4737f2-fundacje-korporacyjne-w-polsce-2017-raport.pdf?123j8a3312a12fa>).

## Employee volunteering

Guide to legal and tax aspects.  
Employer's perspective

### POLAND

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