

EFRAG Policy for “Friends of EFRAG”

Approved by the EFRAG Administrative Board 17 March 2026

1. Purpose and guiding principles

- 1 This policy outlines the guidelines and procedures for entities wishing to sponsor EFRAG's activities in both financial and sustainability reporting through the "Friends of EFRAG" program as well as the process within EFRAG including recognition of the related financial contributions.
- 2 The program aims to provide means to support EFRAG's mission to develop and promote robust financial and sustainability reporting standards, and seek additional finance for EFRAG.
- 3 Central to this program are EFRAG's commitments to:
 - (a) **Independence:** Ensuring EFRAG's technical work and decision-making remain free from undue influence.
 - (b) **Integrity:** Upholding high ethical standards in all interactions and operations.
 - (c) **Transparency:** Clearly communicating the terms of support and the use of the communication on the support.
 - (d) **Reputation:** Protecting and enhancing EFRAG's standing as a trusted and impartial standard-setter.

2. Program Overview: "Friends of EFRAG"

- 4 The "Friends of EFRAG" program, established under EFRAG Statutes (Art 5.4) and Internal Rules (Art 6), allows individual entities to demonstrate their support for EFRAG's mission. The program is structured to accommodate both Friends of EFRAG for Financial Reporting and Sustainability Reporting activities.

2.1 Contribution Levels

- 5 Entities are requested to make an annual financial contribution of at least € 5.000, for a period of at least two years. EFRAG also strongly encourages entities to contribute a higher amount that aligns with their profile, size, and corporate footprint, reflecting their commitment to EFRAG's work. A formal agreement will be signed.

- 6 The initial contribution of € 5.000 for the first year is due upon the issuance of a call for contributions by EFRAG, which will be issued immediately following approval of the application for admission by the EFRAG General Assembly. This payment covers a period of 12 months; with subsequent invoices issued annually thereafter.
- 7 Following the initial two-year term, EFRAG will invite the entity to renew its commitment for a further two-year period and issue a call for contribution. If no response is received, EFRAG will assume the commitment is automatically renewed and will continue to send subsequent calls for contributions.

2.2 Eligibility Criteria

- 8 To be considered a "Friend of EFRAG," entities must:
 - (a) Be compatible with EFRAG's mission and values as outlined in its Statutes and Internal Rules.
 - (b) Not impair EFRAG's independence in any way.
 - (c) Not create actual, potential, or perceived conflicts of interest.
 - (d) Not create a reputational risk for EFRAG; and
 - (e) Commit to the financial or in-kind contribution and sign an agreement

3. Application and Review Process

- 9 The application process is designed to ensure alignment with EFRAG's mission and to safeguard its independence and integrity and protecting EFRAG's reputation.

3.1 Application Submission

- 10 Interested entities must submit an online application form including:
 - (a) A detailed description of the entity's mission and activities.
 - (b) A motivation statement clearly articulating how the entity supports EFRAG's mission in its respective financial or sustainability reporting activities.
 - (c) Acknowledgement and acceptance of EFRAG's mission.
 - (d) Commitment to an annual contribution for at least two years with mentioning of the amount¹⁴, whereby the first payment is due once the application is approved by the EFRAG General Assembly.

¹⁴ In some cases a contribution in kind can be accepted in return of recognition as Friend of EFRAG.

3.2 Rigorous Review Process

- 11 All applications undergo a multi-layered review to ensure compatibility and identify any potential issues:
- (a) **EFRAG Secretariat Initial Review:** The EFRAG Secretariat reviews applications for completeness and alignment with EFRAG's mission based on the provided activity descriptions and motivation statements and commitment to an annual amount of at least €5,000.
 - (b) **Enhanced Due Diligence and Risk Assessment:** The EFRAG Secretariat conducts a comprehensive desk review. This includes:
 - (i) Internet searches and reputable public domain information sources including AI tools to assess the applicant's reputation and possible impact on EFRAG's reputation
 - (ii) Thorough independence and conflict of interest assessments, identifying any potential issues that could compromise EFRAG's impartiality.
 - (c) **Direct engagement:** EFRAG Secretariat may conduct meetings with candidate "Friends of EFRAG" to clarify information and address any concerns.
 - (d) **Administrative Board President Review:** The EFRAG Administrative Board President will review applications and the findings from the due diligence process. Any serious concerns will be brought to the attention of the EFRAG Administrative Board.
 - (e) **Administrative Board Recommendation:** Following a satisfactory review by the EFRAG Administrative Board President, the EFRAG Administrative Board will recommend the admission of the applicant to the EFRAG General Assembly.
 - (f) **General Assembly Final Decision:** The EFRAG General Assembly holds the ultimate authority for the admission of entities as "Friends of EFRAG." The General Assembly also reserves the right to withdraw admission if conditions are no longer met.
 - (g) **Announcement and use of logo:** Publication of the admission as "Friends of EFRAG" on EFRAG's website and permission to use the "Friends of EFRAG" logo will only follow upon payment of the call for contributions.

4. Benefits of Becoming a "Friend of EFRAG"

- 12 EFRAG values the support of our "Friends of EFRAG" and offer the following benefits in recognition of their commitment:
- (a) **Public Recognition:**

Friends of EFRAG Procedures and Policy

- (i) Dedicated acknowledgment on the EFRAG website.
 - (ii) Inclusion in EFRAG's Annual Report.
 - (iii) Announcements on the EFRAG website featuring newly admitted "Friends of EFRAG."
 - (iv) Informing EFRAG's stakeholder base by a news item
 - (v) Being announced in EFRAG Update.
- (b) **Engagement Opportunities:**
- (i) Priority access and reserved seating at EFRAG-organised physical events.
 - (ii) Opportunities to request EFRAG speakers at "Friend of EFRAG" events, subject to EFRAG's discretion, availability, alignment with EFRAG's mission and meeting of the travel costs.
 - (iii) Meetings with EFRAG representatives for direct engagement and discussion on relevant topics, scheduled at EFRAG's discretion and availability.
- (c) **Brand Association:**
- (i) Permission to use the exclusive "Friend of EFRAG" logo in accordance with EFRAG's usage guidelines (see below)

5. Use of the "Friend of EFRAG" Logo

- 13 EFRAG has developed a special logo for "Friends of EFRAG" to acknowledge their valuable support.



5.1 Usage Guidelines

- 14 The "Friend of EFRAG - Sustainability Reporting" and "Friend of EFRAG - Financial Reporting" logo is available for use by approved entities on their websites and other communication platforms. When using these logos, entities should ensure that it is clear that it is related to supporting EFRAG's mission and activities through a donation. It should not be displayed in a manner that suggests that EFRAG endorses the entity's products, software, or platforms for sale or other entities' activities. The use of the logo should be always aligned with EFRAG's values and objectives, emphasising collaboration and support for financial and sustainability reporting initiatives.

5.2 Monitoring and Compliance

- 15 EFRAG staff will regularly review the use of the "Friend of EFRAG" logo on the websites and materials of "Friends of EFRAG" to ensure strict adherence to these guidelines. Misuse of the logo will result in immediate action, including potential withdrawal of admission.

6. Withdrawal of Admission

- 16 EFRAG reserves the right to withdraw an entity's admission as a "Friend of EFRAG", always prioritising the EFRAG's independence and integrity.

6.1 Grounds for Withdrawal

- 17 Admission may be withdrawn if:
- (a) The conditions for admission, particularly concerning compatibility with EFRAG's mission, independence, and conflict of interest considerations, are no longer met.
 - (b) The annual financial contribution is not received within 90 days of the due date..
 - (c) There is misuse of the "Friend of EFRAG" logo (i.e. violating the usage guidelines as outlined in paragraph 14 above).
 - (d) The entity engages in activities that could harm EFRAG's reputation or independence.

6.2 Non-payment and Process for Withdrawal

- 18 The admission as "Friend of EFRAG" will only be formally announced after payment of the first annual contribution. If the initial payment is not received within 90 days of sending the call for contributions, a reminder will be sent for payment within 30 days. If the payment is not received, the entity will not be announced as Friend of EFRAG
- 19 To remain a Friend of EFRAG in subsequent years, contributions must be settled within 90 days of the call for contribution. Failure to pay agreed amounts within 90 days of submission of the call for contributions will result in the immediate suspension of all benefits including removal from the EFRAG website with a communication to the Friend of EFRAG concerned.
- 20 In case of other breaches of this policy, EFRAG will notify the Friend of EFRAG in writing, providing an opportunity to remedy the situation if appropriate. If the issue persists or is deemed irreparable, first the inclusion in the EFRAG website will be suspended. Ultimately the EFRAG General Assembly will make the final decision on withdrawal if there are other than financial reasons.