



BRIEFING NOTE

How can you contribute to EFRAG's work in preparing draft EU sustainability reporting standards?

Qualifying for EFRAG membership (sustainability reporting pillar)

On 16 November 2021, EFRAG issued a [call for expressions of interest](#) in EFRAG membership with a focus on EFRAG's sustainability reporting activities and to ensure a balanced representation of all relevant stakeholders. The call triggered various questions in relation to the timing, process, and who qualifies for EFRAG membership. With this note, we hope to clarify a number of issues.

Who can become an EFRAG Member Organisation?

The EFRAG membership consists of three Chapters: European Stakeholders Organisations Chapter, National Organisations Chapter, and a new Civil Society Chapter that reflects EFRAG's public-private partnership model. EFRAG Member Organisations have to support the mission of EFRAG in developing EU sustainability reporting standards and contribute to the financing¹ of EFRAG (unless this provision is waived by the EFRAG General Assembly).

Who can join each Chapter?

- **European Stakeholder Organisations** have been divided into eight sectors: accountancy profession; asset management; banking; business general; business listed; business SME/SMPs; insurance; and users. The organisations included in the sectors should be European organisations with an interest in sustainability reporting that represents stakeholder interests;
- **National Organisations (countries)** whereby countries can be organised in different ways: government (national authorities/ministries); a combination government and standard setter; national standard setter; and a grouping of national organisations bringing national stakeholders together;
- **Civil Society**: consisting of NGOs; academics; and trade unions and consumer organisations. These should preferably be European organisations with an interest in sustainability reporting that represents stakeholder interests. Having the legal form of a foundation/ non-profit organisation (AISBL), in and of itself, does not qualify an organisation as a civil society organisation or NGO. Such qualification would depend on the mission and main activities of the organisation.

¹ This can include contributions in kind (with some conditions)

What about national or regional private organisations?

Any national (private or agency, not being the national authority or national standard setter) or regional organisation would have to be involved through the relevant European organisations or their country.

What about individual entities?

Individual entities such as companies, audit firms, law firms, advisory bodies, consultancy firms, financial institutions, universities or individual persons cannot be EFRAG Member Organisations. They can be involved either through their European organisation or through their country. In addition, there are different forms to support EFRAG's activities or be involved in EFRAG's work (see below).

What about international organisations, international standard setters and initiatives (or their European representation)?

International organisations, international standard setters and initiatives (or their European representatives) do not qualify for EFRAG Membership. However, cooperation agreements can be entered into with international organisations. These will be adapted to the form of cooperation and contributions of the organisation and the specific aims of both EFRAG and these organisations. The EFRAG Administrative Board will advise the EFRAG General Assembly on the form of cooperation and agreements.

A Consultative Forum of National Authorities, sustainability reporting standard setters and existing global initiatives, and other players- will be established to foster regional and international cooperation. The EFRAG Sustainability Reporting Consultative Forum could invite the relevant sustainability reporting initiatives to participate in its meetings.

What is the deadline for joining the EFRAG membership?

The [call for expressions of interest](#) has a deadline of 8 December to allow organisations/countries to be admitted to the EFRAG membership in the EFRAG General Assembly meeting of 16 December 2021. In that way, they could as EFRAG Member Organisations, participate in the governance reform (including nominations). Obviously, organisations/countries can join at any moment.

What is the process for joining the EFRAG membership?

The EFRAG General Assembly decides on the admission of new organisations/countries based on a recommendation of the EFRAG General Assembly Nominating Committee. This Committee reviews the applications and considers if the conditions and criteria are met including having a proven interest, experience and being active in the sustainability reporting domain alongside the willingness to contribute to the funding of EFRAG.

What details to submit in the application for EFRAG membership?

Appendix 2 of the [call for expressions of interest](#) lists the administrative information to be submitted to EFRAG and the commitments to make (including an indication of the financial contribution). In addition, the application needs to explain the interest, experience and activity of the organisation applying in the sustainability reporting domain and the contribution the organisation can make to the development of draft sustainability reporting standards. Candidatures are submitted for a particular Chapter and if applicable sector within the Chapter. This classification can be done in consultation with EFRAG's management whereby the final decision will be taken by the EFRAG General Assembly upon recommendation of the EFRAG General Assembly Nominating Committee.

How can you contribute if you do not qualify as an EFRAG member organisation?

Contribute financially

Donations and ad-hoc funding: Organisations that support the mission of EFRAG in developing EU sustainability reporting standards are invited to provide ad-hoc funding for EFRAG's sustainability reporting activities or specific projects. Agreements including rights can be adapted to individual circumstances.

Friends of EFRAG – Sustainability reporting: Individual entities can become “Friends of EFRAG-sustainability reporting” to give their individual support to EFRAG's mission and support EFRAG's activities. This involves an annual contribution of a minimum of 5000 euro. In addition to being mentioned on the EFRAG website and in the EFRAG Annual Review, free entry will be given for a sustainability reporting pillar event that will be held once or twice a year. At these events, insights will be provided by leading persons and EFRAG's management on the ongoing work in the sustainability reporting pillar and there will also be focused discussions on topical issues.

Donations, ad-hoc contributions including “Friends of EFRAG-sustainability reporting” will be approved by the EFRAG General Assembly and should be compatible with EFRAG's mission, not impair the independence of EFRAG or cause a conflict of interest.

Contribute to EFRAG's due process

- Provide comments and input through **EFRAG's public consultations** including exposure drafts of the draft EU sustainability reporting standards;
- Participate in field tests, surveys and interviews that contribute to the **impact analysis** throughout the standard-setting process;
- Participate in **outreach events** through which EFRAG gathers views and input;
- Meet with **EFRAG technical staff** to share relevant expertise and experience.

Put forward candidatures for EFRAG technical bodies

- Provide **candidatures** for EFRAG Sustainability Reporting TEG: experts meeting profile;
- Provide candidatures for EFRAG Expert Working Groups, Advisory Panels and Project Task Forces.

Stay informed

- Register for news items on the [EFRAG website](#)

Further information?

Further information can be obtained from Jean-Paul Gauzes, EFRAG Board President (jean-paul.gauzes@efrag.org) or Saskia Slomp, EFRAG CEO (saskia.slomp@efrag.org).

