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Sector classification SEC1 - V3 Cover Note

Objective

- 1 The objective of this session is to provide comments on version 3 of the Sector classification document and to approve its release for public consultation.
- 2 During the meeting an oral update will be provided of SR TEG comments in their session of 6 March 2023.
- 3 The Appendix of this cover note includes the mappings between ESRS and Pillar 3, ISSB and GRI. These mappings will not be part of the Exposure Draft and will also not become part of the future Delegated Act.

Questions for EFRAG SRB

- 4 Do EFRAG SRB members agree with the updated version of the sector classification document? Please explain.
- 5 Do EFRAG SRB members agree to release this document for public consultation? Please explain.

Agenda Papers

- 6 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 04-02 – Sector classification - clean;
 - (b) Agenda paper 04-03 – Sector classification – compared V3 vs V2;
 - (c) Agenda paper 04-04 – Reconciliation ESRS Sector standards – Taxonomy (excel)

Appendix D: Reconciliation with Pillar 3, SASB and GRI classification

Pillar III – ESRS sectors mapping

ESRS Sector	Pillar III ESG
Agriculture, Farming and Fishing	A. Agriculture, forestry and fishing
Forestry	A. Agriculture, forestry and fishing
Construction and Engineering	F.41 - Construction of buildings F.42 - Civil engineering F.43 - Specialised construction activities
Power Production and Energy Utilities	D35.1 - Electric power generation, transmission and distribution D35.11 - Production of electricity D35.2 - Manufacture of gas; distribution of gaseous fuels through mains D35.3 - Steam and air conditioning supply
Water and Waste Services	E - Water supply; sewerage, waste management and remediation activities
Gaming	Exposures to other sectors (NACE codes J, M - U)
Recreation and Leisure	Exposures to other sectors (NACE codes J, M - U)
Capital Markets	K - Financial and insurance activities
Credit Institutions	K - Financial and insurance activities
Insurance	K - Financial and insurance activities
Health Care and Services	Exposures to other sectors (NACE codes J, M - U)
Accommodations	I - Accommodation and food service activities
Food and Beverage Services	I - Accommodation and food service activities
Construction Materials	C.23 - Manufacture of other non-metallic mineral products
Chemical Products	C.20 - Production of chemicals C.18 - Printing and service activities related to printing C.22 - Manufacture of rubber products C.32 - Other manufacturing
Construction and Furnishing	C.22 - Manufacture of rubber products C.31 - Manufacture of furniture C.23 - Manufacture of other non-metallic mineral products
Defence	C.20 - Production of chemicals C.25 - Manufacture of fabricated metal products, except machinery and equipment C.30 - Manufacture of other transport equipment C.33 - Repair and installation of machinery and equipment
Electronics	C.26 - Manufacture of computer, electronic and optical products C.27 - Manufacture of electrical equipment

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	<p>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</p> <p>C.33 - Repair and installation of machinery and equipment</p> <p>Exposures to other sectors (NACE codes J, M - U)</p>
Food and Beverages	<p>C.10 - Manufacture of food products</p> <p>C.11 - Manufacture of beverages</p>
Machinery and Equipment	<p>C.28 - Manufacture of machinery and equipment n.e.c.</p> <p>C.30 - Manufacture of other transport equipment</p> <p>C.33 - Repair and installation of machinery and equipment</p>
Medical Instruments	<p>C.26 - Manufacture of computer, electronic and optical products</p> <p>C.32 - Other manufacturing</p>
Metal Processing	<p>C.24 - Manufacture of basic metals</p> <p>C.25 - Manufacture of fabricated metal products, except machinery and equipment</p> <p>C.32 - Other manufacturing</p> <p>C.33 - Repair and installation of machinery and equipment</p>
Motor Vehicles	<p>C.22 - Manufacture of rubber products</p> <p>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</p> <p>C.30 - Manufacture of other transport equipment</p>
Paper and Wood Products	<p>C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</p> <p>C.17 - Manufacture of pulp, paper and paperboard</p>
Pharma and Biotechnology	<p>C.21 - Manufacture of pharmaceutical preparations</p> <p>Exposures to other sectors (NACE codes J, M - U)</p>
Sporting Equipment and Toys	<p>C.30 - Manufacture of other transport equipment</p> <p>C.32 - Other manufacturing</p>
Textiles, Accessories, Footwear and Jewelleries	<p>C.13 - Manufacture of textiles</p> <p>C.14 - Manufacture of wearing apparel</p> <p>C.15 - Manufacture of leather and related products</p> <p>C.32 - Other manufacturing</p>
Tobacco	<p>C.12 - Manufacture of tobacco products</p>
Mining, Quarrying and Coal	<p>B.05 - Mining of coal and lignite</p> <p>B.07 - Mining of metal ores</p> <p>B.08 - Other mining and quarrying</p> <p>B.09 - Mining support service activities</p> <p>C.19 - Manufacture of coke oven products</p>
Oil and Gas	<p>B.06 - Extraction of crude petroleum and natural gas</p> <p>H.49 - Land transport and transport via pipelines</p>
Real Estate and Services	<p>L - Real estate activities</p> <p>Exposures to other sectors (NACE codes J, M - U)</p>

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Sales and Trade	G - Wholesale and retail trade; repair of motor vehicles and motorcycles Exposures to other sectors (NACE codes J, M - U)
Education	Exposures to other sectors (NACE codes J, M - U)
Marketing	Exposures to other sectors (NACE codes J, M - U)
Professional Services	Exposures to other sectors (NACE codes J, M - U)
Information Technology	Exposures to other sectors (NACE codes J, M - U)
Media and Communication	C.18 - Printing and service activities related to printing Exposures to other sectors (NACE codes J, M - U)
Other Transportation	H.49 - Land transport and transport via pipelines H.50 - Water transport H.51 - Air transport H.52 - Warehousing and support activities for transportation
Road Transport	H.49 - Land transport and transport via pipelines H.52 - Warehousing and support activities for transportation H.53 - Postal and courier activities

Sector Classification V3 – Cover Note

SASB Industries – ESRS mapping¹

ESRS Sector	SASB Industries
Agriculture, Farming and Fishing	Agricultural products Meat, poultry and dairy Professional and commercial services
Forestry	Forestry management Professional and commercial services
Construction and Engineering	Construction and engineering Waste management Home builders Engineering and construction services Electric utilities and power generators Solar technology and project development Wind technology and project development
Power Production and Energy Utilities	Electric utilities and power generators Solar technology and project development Wind technology and project development Gas utilities and distributors
Water and Waste Services	Waste management Water utilities and services
Gaming	Casinos and gaming
Recreation and Leisure	Leisure facilities Media and entertainment Professional and commercial services
Capital Markets	Asset management and custody activities Investment banking and brokerage Security and commodity exchanges Commercial banks Investment banking and brokerage Mortgage finance
Credit Institutions	Commercial banks Consumer Finance Mortgage finance Asset management and custody activities Investment banking and brokerage Insurance All SASB industries deemed relevant

¹ This table will have to be reviewed subject to the development of the ESRS sector standards as the final content of the standards does differ from the draft versions based on which this table was developed.

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Insurance	Insurance Managed care Asset management and custody activities Professional and commercial services
Health Care and Services	Health care delivery Waste management Leisure facilities Professional and commercial services Hotels and lodging
Accommodations	Hotels and lodging Leisure facilities Media and entertainment
Food and Beverage Services	Restaurants
Construction Materials	Construction materials Building products and furnishings Household and personal products Industrial machinery and goods
Chemical Products	Chemicals Biofuels Media and entertainment Household and personal products Industrial machinery and goods Apparel, Accessories and Footwear Building products and Furnishings Containers and packaging Industrial machinery and goods
Construction and Furnishing	Building products and furnishings Chemicals Containers and packaging Household and Personal products
Defence	Aerospace and Defense Chemicals Professional and Commercial services
Electronics	Appliance Manufacturing Electrical and Electronic equipment Electronic manufacturing services and original design manufacturing Hardware Industrial machinery ad goods Semiconductors Solar technology and project developers Wind technology and project developers Fuel cells and electronic equipment Fuel cells and industrial batteries

Sector Classification V3 – Cover Note

	Household and personal products Professional and commercial services
Food and Beverages	Alcoholic beverages Processed Foods Meat, poultry and dairy Non-alcoholic beverages Agricultural products Alcoholic beverages
Machinery and Equipment	Industrial Machinery and goods Wind technology and project developers Hardware Household and personal products Industrial machinery and goods Professional and commercial services Containers and packaging Toys and sporting goods
Medical Instruments	Biotechnology and pharmaceuticals Drug retailers e-commerce health care distributors multiline and specialty retailers and distributors
Metal Processing	Iron and steel producers Metals and mining Industrial machinery and goods Building products and furnishings Household and personal products Containers and packaging Commercial banks Professional and commercial services
Motor Vehicles	Auto parts Industrial machinery and goods Automobiles Professional and Commercial services Aerospace and defense Building products and furnishings Chemicals Household and personal products Toys and sporting goods Multiline and specialty retailers and distributors E-commerce
Paper and Wood Products	Building products and furnishings Containers and packaging Household and personal products Pulp and paper products

Sector Classification V3 – Cover Note

Pharma and Biotechnology	Biotechnology and pharmaceuticals Drug retailers E-commerce Health-care distributors
Sporting Equipment and Toys	Toys and sporting goods Casinos and gaming Internet media and services Media and entertainment
Textiles, Accessories, Footwear and Jewelleries	Apparel, Accessories and Footwear Building products and furnishing Household and personal products Toys and sporting goods
Tobacco	Tobacco
Mining, Quarrying and Coal	Metals and mining Coal operations
Oil and Gas	Oil and Gas – exploration and production Oil and Gas – services Oil and Gas – Midstream
Real Estate and Services	Real estate Real estate and services Professional and commercial services
Sales and Trade	Agricultural products E-commerce Food retailers and distributors Multiline and specialty retailers and distributors Automobiles Auto-parts Professional and commercial services Alcoholic beverages Non-alcoholic beverages Apparel, accessories and footwear Appliance manufacturing Electrical and electronic equipment Electronic manufacturing services and original design manufacturing Hardware Building products and furnishings Chemicals Industrial machinery and goods Metals and mining Pulp and paper products
Education	Education Biotechnology and pharmaceuticals Leisure activities

Sector Classification V3 – Cover Note

	Professional and commercial services
Marketing	Advertising and Marketing
Professional Services	Professional and commercial services Advertising and marketing Engineering and construction services e-commerce internet and media services containers and packaging leisure facilities apparel, accessories and footwear
Information Technology	Software and IT services Internet media and services
Media and Communication	Media and entertainment Pulp and paper products Internet media and services Toys and sporting goods Telecommunication services Internet media and services Professional and commercial services
Other Transportation	Air freight and logistics Rail Transportation Marine Transportation Airlines Cruise lines Air freight and logistics Agricultural products Drug retailers Food retailers and distributors Health care distributors Marine transportation Multiline and speciality retailers and distributors Oil and gas midstream Oil and gas -refining and marketing Professional and commercial services Aerospace and defence
Road Transport	Road transportation Car rental and leasing

ESRS – GRI mapping

[draft] ESRS sector	GRI sectors
Agriculture, Farming and Fishing	Agriculture, aquaculture and fishing
Forestry	Forestry
Construction and Engineering	Construction
Power Production and Energy Utilities	Utilities Renewable energy
Water and Waste Services	Utilities
Gaming	
Recreation and Leisure	
Capital Markets	Capital Markets
Credit Institutions	Banking
Insurance	Insurance
Health Care and Services	Managed healthcare
Accommodations	Hotels Non-profit (hotels of)
Food and Beverage Services	Restaurants
Chemicals	Chemicals
Construction Materials	Construction materials
Constructions and Furnishing	Household durables
Defence	Aerospace and defence
Electronics and electrical equipment	Electronics
Food and Beverages	Food and Beverages
Machinery and Equipment	Machinery and Equipment
Medical Instruments	Medical equipment and services
Metal Processing	Metal processing
Motor Vehicles	Automotive
Paper and Wood Products	Forestry
Pharma and Biotechnology	Pharmaceuticals
Sporting Equipment and Toys	Household durables
Textiles, Accessories, Footwear and Jewelleries	Textiles and apparel
Tobacco	Food and Beverages
Mining, Coal and Quarrying	Coal Mining
Oil and Gas	Oil and Gas
Real Estate and Services	Real estate
Sales and Trade	Retail Commercial services
Education	Educational services
Marketing	Commercial services
Professional Services	Packaging Commercial services Security services and correctional facilities
Information Technology	Software
Media and Communication	Media and communication
Other Transportation	Transportation infrastructure Shipping Airlines Trading, distribution and logistics
Road Transport	Trucking Trading, distribution and logistics
	Renewable energy

Sector Classification V3 – Cover Note

	Non-profit
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