

24 February 2023
Paper 03-02**Exposure Draft ESRS SEC 1
Sector classification and general approach**

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG SRB. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG SRB or EFRAG SR TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

DRAFT

[Draft] ESRS SEC 1 Sector classification and general approach is set out in paragraphs XX – XX and the following Appendices.

- Appendix A: Defined terms

- Appendix B: Sector classification

- Appendix C: Reconciliation with Pillar 3 and SASB classification. Please note that the reconciliation with SASB has not been validated by the ISSB/IFRS Foundation.

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PART 1: [Draft] European Sustainability Reporting Standard SEC1 Sector Classification

Objective

- 1 The objective of this [draft] standard is to specify the approach to classify groups economic activities into ESRS sectors and sector groups. It also provides guidance to undertakings to identify the sector-specific standards that are relevant for them.
- 2 The ultimate objective of this classification approach is to support the determination of what information shall be disclosed by the undertaking in relation to the relevant sector(s) that the undertaking operates in, in addition to the disclosures required by the other [draft] ESRS.
- 3 The sector-specific information to be disclosed by the undertaking for each sector is determined in the sector-specific ESRS (i.e. from ESRS SEC 2 to ESRS SEC [n]).
- 4 The sector classification is based on the following considerations:
 - a) the business activities determine which sector the undertaking is operating in. Sectors share similar sustainability impacts, risks and opportunities;
 - b) the impacts, risks and opportunities determine the undertaking's sustainability matters the undertaking shall report on (ESRS SEC 2 to ESRS SEC [n]);
 - c) the reportable sustainability matters determine the disclosure requirements applicable to the undertaking.

Interactions with other [draft] ESRS

- 5 The undertaking shall comply with the requirements in (i) ESRS 2 General, Strategy, Governance and Materiality Assessment Disclosure Requirements on strategy and business model, governance, material sustainability impacts, risks and opportunities and in (ii) the sector agnostic topical [draft] ESRS.

Sector classification

- 6 The classification of business activities adopted in this [draft] standard is based on the NACE classification system (Nomenclature générale des Activités Economiques dans les Communautés Européennes NACE Rev.2)¹ and the EU-Taxonomy (supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council)². NACE business activities are grouped into ESRS sectors based on common characteristics related to the sustainability impacts, risks and opportunities generally associated with them. These sectors are further grouped together into sector groups based on common characteristics of business models- (similar business activities that are sharing similar impacts, risks and opportunities). Each business activity is grouped into only one sector and each sector into only one sector group.
- 7 For the purpose of this [draft] standard the following NACE codes have been excluded when creating sectors, as they fall outside the scope of the [draft] Corporate Sustainability Reporting Directive³ :
 - T.98.10 Undifferentiated goods-producing activities of private households for own use;
 - T.98.20 Undifferentiated service-producing activities of private households for own use;
 - U.99.00 Activities of extraterritorial organisations and bodies;
 - K.64.11 Central banking;

¹ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (to access click [here](#)).

² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (to access click [here](#)).

³ Document 52021DC0188 of 21 April 2021: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions EU Taxonomy, Corporate Sustainability Reporting, Sustainability Preferences and Fiduciary Duties: Directing finance towards the European Green Deal (to access click [here](#)).

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- O 84.11 General public administration activities;
- O 84.12 Regulation of the activities of providing health care, education;
- O 84.13 Regulation of and contribution to more efficient operations;
- O 84.21 Foreign Affairs;
- O 84.22 Defense activities;
- O 84.23 Justice and judicial activities;
- O 84.24 Public order and safety activities;
- O 84.25 Fire service activities;
- O 84.30 Compulsory social security activities.

- 8 The activities of holding companies (K 64.20) and the activities of head offices (M 70.10) are not classified in one specific sector as they may relate to any of the ESRS Sectors and need to be identified in accordance to the assessment of the entity specific disclosure requirements as described in ESRS 2 General, Strategy, Governance and Materiality Assessment Disclosure Requirements.
- 9 There is one exception to this approach, which relates to the Financial Institutions sector group, where the holding activities are being considered because of the regulatory framework they are subject to.

Relation with ESRS 2 SBM 1- Market position, strategy, business model(s) and value chain

Applying one or multiple ESRS sector standards

- 10 In accordance with ESRS 2 SBM 1 paras 38(b) and 38(c), the undertaking shall provide a breakdown of total revenue by significant ESRS sectors as well as a list of ESRS sectors where the undertaking develops significant activities, or in which it is or may be connected to material impacts.
- 11 When preparing the disclosures on the revenue breakdown by significant ESRS sectors the undertaking shall consider the following criteria:
- a) whether it generates revenues above 10 per cent of the revenues of all its activities (ESRS 2 AR12(a));
 - b) whether it undertakes other significant activities; and
 - c) whether its activities are connected with material actual impacts (both positive as negative) or material potential negative impacts (ESRS 2 AR 12(b)).
- 12 When identifying which sector ESRS have to be applied in the preparation of its sustainability statements, the undertaking shall refer to the list of sectors identified as 'significant' according to ESRS 2 paragraph 38 (b) and (c) and AR 12.
- 13 This implies that an undertaking shall apply more than one sector ESRS, when it has identified more than one significant sector under ESRS 2 paragraph 38 (b) and (c).

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4014 The undertaking shall ~~therefore~~ determine in which of the following 41 sector(s) and 14 sector group(s) it operates:

[draft] ESRS sector group	[draft] ESRS sector	Code
Agriculture	Agriculture, Farming and Fishing	AAF
	Forestry	AFO
Construction	Construction and Engineering	CCE
Energy	Power Production and Energy Utilities	EPU
	Oil and Gas – from Midstream to Downstream	EOG
	Water and Waste Services	EWV
Entertainment	Gaming	EGA
	Recreation and Leisure	ERL
Financial Institutions	Capital Markets	FCM
	Credit Institutions	FCI
	Insurance	FIN
Health Care	Health Care and Services	HHC
Hospitality	Accommodations	HAC
	Food and Beverage Services	HFB
Manufacturing	Building Materials	MMB
	Chemical Products	MCP
	Constructions and Furnishing	MCF
	Defence	MDE
	Electronics <u>and electrical equipment</u>	MEL
	Food and Beverages	MFB
	Machinery and Equipment	MME
	Medical Instruments	MMI
	Metal Processing	MMP
	Motor Vehicles	MMV
	Paper and Wood Products	MPW
	Pharma and Biotechnology	MPB
	Sporting Equipment and Toys	MSE
	Textiles, Accessories, Footwear and Jewelleries	MTA
	Tobacco	MTO
Mining	Coal Mining	MCM
	Mining	MMI
	Oil and Gas - Upstream and Services	MOG
Real Estate	Real Estate and Services	RRE
Sales and Trade	Sales and Trade	SST
Services	Education	SED
	Marketing	SMA
	Professional Services	SPS
Technology	Information Technology	TIT
	Media and Communication	TMC
Transportation	Other Transportation	TTR
	Road Transport	TRO

4415 Appendix B provides the details of the classification of business activities to sectors and sector groups to be followed as well as the related NACE codes, sector profiles that contain

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information in relation to production activities and services provided, a description of the value and supply chains, relevant business relationships, customer groups and distribution channels.

~~42~~¹⁶ The undertaking may operate in several sector groups and sectors. Depending on the scope of its business activities, the undertaking shall consider the disclosure requirements of several sector specific standards (e.g. Manufacturing Electronics plus Sales and Trade, Manufacturing Motor vehicles plus Capital Markets, Sales and Trade plus Insurance etc.).

Appendix A: Defined terms

This appendix is integral part of the [draft] ESRS SEC1 Sector classification standard.

Business activity	Operations of an undertaking in the course of fulfilling the strategy, purpose, objectives and decisions of the business. This may include activities such as mergers and acquisitions, research and development, design, construction, production, distribution, purchasing, sales, provision of security, contracting, human resource activities, marketing, conduct of external/government relations including lobbying, engagement with stakeholders, relocation of communities, social investment and the activities of legal and financial functions, among others.
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Appendix B: Sector classification

In this appendix n.e.c. means “not elsewhere classified”.

Agriculture sector group

The Agriculture sector group includes the exploitation of vegetal and animal natural resources, comprising the activities of growing of crops, raising and breeding of animals, harvesting of timber and other plants, animals or animal products from a farm or their natural habitats.

Agriculture and Farming sector

The Agriculture, Farming & Fishing sector includes the production of crop and production of animal products, covering also the forms of organic agriculture, the growing of crops and the raising of animals. The sector includes growing of crops in open fields as well in greenhouses. It also includes service activities incidental to agriculture, as well as hunting, trapping and related activities. The sector also includes capture fishery and aquaculture, covering the use of fishery resources from marine, brackish or freshwater environments, with the goal of capturing or gathering fish, crustaceans, molluscs and other marine organisms and products (e.g. aquatic plants, pearls, sponges etc.). Also included are activities that are normally integrated in the process of production for own account (e.g. seeding oysters for pearl production). Service activities incidental to marine or freshwater fishery or aquaculture are included in the related fishing or aquaculture activities. The sector does not include activities covered in the ESRS Tobacco sector and ESRS Food & Beverage Industry.

This sector includes the following activities in accordance to the following NACE code classification:

A.01.11 Growing of cereals (except rice), leguminous crops and oil seeds

A.01.12 Growing of rice

A.01.13 Growing of vegetables and melons, roots and tubers

A.01.14 Growing of sugar cane

A.01.16 Growing of fibre crops

A.01.19 Growing of other non-perennial crops

A.01.21 Growing of grapes

A.01.22 Growing of tropical and subtropical fruits

A.01.23 Growing of citrus fruits

A.01.24 Growing of pome fruits and stone fruits

A.01.25 Growing of other tree and bush fruits and nuts

A.01.26 Growing of oleaginous fruits

A.01.27 Growing of beverage crops

A.01.28 Growing of spices, aromatic, drug and pharmaceutical crops

A.01.29 Growing of other perennial crops

A.01.30 Plant propagation

A.01.41 Raising of dairy cattle

A.01.42 Raising of other cattle and buffaloes

A.01.43 Raising of horses and other equines

A.01.44 Raising of camels and camelids

A.01.45 Raising of sheep and goats

A.01.46 Raising of swine/pigs

A.01.47 Raising of poultry

A.01.49 Raising of other animals

A.01.50 Mixed farming

A.01.61 Support activities for crop production

A.01.62 Support activities for animal production

A.01.63 Post-harvest crop activities

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A.01.64 Seed processing for propagation

A.01.70 Hunting, trapping and related service activities

A.03.11 Marine fishing

A.03.12 Freshwater fishing

A.03.21 Marine aquaculture

A.03.22 Freshwater aquaculture

Forestry sector

The Forestry sector includes the production of roundwood as well as the extraction and gathering of wild growing non-wood forest products. Besides the production of timber, forestry activities result in products that undergo little processing, such as firewood, charcoal and roundwood used in an unprocessed form (e.g. pit-props, pulpwood etc.). These activities can be carried out in natural or planted forests. Further processing of wood beginning with sawmilling and planing of wood are excluded.

The Forestry sector consists of undertakings that own and/ or manage natural and planted forestry lands and timber tracts, or operate non-retail tree nurseries and rubber plantations. The sector conducts its operations on lands that can be company-owned or leased from public or private landowners. Undertakings typically sell timber to wood products manufacturers, pulp and paper producers, energy producers, and a variety of other customers. While some integrated undertakings may also operate sawmills, wood products facilities, or pulp and paper facilities, sustainability issues arising from these activities are addressed in ESRS Building Products and Furnishings and ESRS Pulp, Paper and Wood products standards.

This sector includes the following activities in accordance to the following NACE code classification:

Afforestation*

Conservation forest*

Existing forest management*

Reforestation*

Rehabilitation, Reforestation*

A.02.10 Silviculture and other forestry activities

A.02.20 Logging

A.02.30 Gathering of wild growing non-wood products

A.02.40 Support services to forestry

* Economic activity as defined in the supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, 4 June 2021

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Construction sector group

The Construction sector group includes the construction of residential and non-residential buildings, civil engineering projects, demolition, testing and drilling services and other specialised construction activities.

Construction and Engineering sector

The Construction and Engineering sector includes general construction and specialised construction activities for buildings and civil engineering works. General construction is the construction of entire dwellings, residential and non-residential buildings, office buildings, stores and other public and utility buildings, farm buildings etc., or the construction of civil engineering works such as motorways, streets, bridges, tunnels, railways, airfields, harbours and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, sports facilities etc. The sector also includes specialised construction activities or preparation for the construction of parts of buildings and civil engineering works. These activities are usually specialised in one aspect common to different structures, requiring specialised skills or equipment, such as pile-driving, foundation work, carcass work, concrete work, brick laying, stone setting, scaffolding, roof covering, etc. The erection of steel structures is included, provided that the parts are not produced by the undertaking. These activities are usually performed at the site of the construction. The rental of equipment with operator is classified with the associated construction activity.

This sector includes the following activities in accordance to the following NACE code classification:

- E.38.31 Dismantling of wrecks
- F.41.10 Development of building projects
- F.41.20 Construction of residential and non-residential buildings
- F.42.11 Construction of roads and motorways
- F.42.12 Construction of railways and underground railways
- F.42.13 Construction of bridges and tunnels
- F.42.21 Construction of utility projects for fluids
- F.42.22 Construction of utility projects for electricity and telecommunications
- F.42.91 Construction of water projects
- F.42.99 Construction of other civil engineering projects n.e.c.
- F.43.11 Demolition
- F.43.12 Site preparation
- F.43.13 Test drilling and boring
- F.43.21 Electrical installation
- F.43.22 Plumbing, heat and air-conditioning installation
- F.43.29 Other construction installation
- F.43.31 Plastering
- F.43.32 Joinery installation
- F.43.33 Floor and wall covering
- F.43.34 Painting and glazing
- F.43.39 Other building completion and finishing
- F.43.91 Roofing activities
- F.43.99 Other specialised construction activities n.e.c.

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Energy sector group

The Energy sector group includes the activities of producing and distributing various types of energy and utility services. This includes providing electric power, oil, natural gas, heat, steam, water, waste services and the like through a permanent infrastructure (network) of lines, mains and pipes. Distribution to industrial parks and residential buildings are included.

Power production and Energy Utilities sector

The Power Production and Energy Utilities sector is comprised of undertakings that provide production, transmission, distribution, storage of and trade in electricity and related services. It also includes production, distribution, storage and trade of gas, as well the provision of steam and air-conditioning supply. All types of electric power producers are included, for example, utilities that generate from solar, wind, hydro, geothermal, nuclear, biomass and thermal (coal, fuel oil and gas) fuels.

Combined heat and power (CHP) is also included, independently if the power and heat are provided exclusively to a nearby facility or to the grid. Provision of thermal energy through heat and steam for city dwellings and industry is also included. The sector also includes production of gas, such as biogas, from by-products of agriculture or from waste.

Production of clean hydrogen from electricity and renewable energy sources, as well as hydrogen, electricity and heat storage are also included. Water and wastewater utilities as well as waste-related services are excluded from this sector. The sector also excludes the (typically long-distance) transport of the gas through pipelines

This sector includes the following activities in accordance to the following NACE code classification:

Storage of hydrogen

Storage of electricity

Storage of thermal energy

D.35.11 Production of electricity

D.35.12 Transmission of electricity

D.35.13 Distribution of electricity

D.35.14 Trade of electricity

D.35.21 Manufacture of gas

D.35.22 Distribution of gaseous fuels through mains

D.35.23 Trade of gas through mains

~~D.35.3 Steam and air conditioning supply~~

Oil and Gas – from Midstream to Downstream sector

Undertakings in the Oil & Gas - Midstream & Downstream sector refine petroleum products, market, transport and store oil and gas products, and/or operate gas stations and convenience stores, all of which comprise the downstream operations of the oil and gas value chain. The types of refinery products and crude oil inputs influence the complexity of the refining process used and intensity of environmental and social impacts. The standards discussed below are for "pure-play" Oil & Gas - Midstream & Downstream undertakings. Integrated oil and gas undertakings conduct upstream operations and are also involved in the distribution and/or refining or marketing of products. Those activities are covered by the ESRS Oil & Gas - Upstream & Services. As such, integrated undertakings should also consider the disclosure topics and metrics from both these standards.

This sector includes the following activities in accordance to the following NACE code classification:

C.19.20 Manufacture of refined petroleum products

G.46.71 Wholesale of solid, liquid and gaseous fuels and related products

G.47.30 Retail sale of automotive fuel in specialised stores

H.49.50 Transport via pipeline

~~E.38.12 Collection of hazardous waste~~

E.38.21 Treatment and disposal of non-hazardous waste

E.38.22 Treatment and disposal of hazardous waste

E.38.32 Recovery of sorted materials

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Water and Waste Services sector

The Water and Waste Services sector includes activities related to the management (including collection, treatment disposal and recovery) of various forms of waste, such as solid or non-solid industrial or household waste, as well as contaminated sites. The output of the waste or sewage treatment process can either be disposed of or become an input into other production processes. It also includes the remediation and other waste management services. Activities of water supply and wastewater are also included in this sector. The types of water supply services include the sourcing, treatment, and distribution of water to residences, businesses, and other undertakings such as governments. Wastewater systems collect and treat wastewater, including sewage, graywater, industrial waste fluids, and stormwater runoff, before discharging the resulting effluent back into the environment.

This sector includes the following activities in accordance to the following NACE code classification:

- D.35.30 Steam and air conditioning supply
- E.36.00 Water collection, treatment and supply
- E.37.00 Sewerage
- E.38.11 Collection of non-hazardous waste
- E.38.12 Collection of hazardous waste
- E.38.21 Treatment and disposal of non-hazardous waste
- E.38.22 Treatment and disposal of hazardous waste
- E.38.32 Recovery of sorted materials
- E.39.00 Remediation activities and other waste management services

Entertainment sector group

The Entertainment sector group includes a wide range of activities to meet varied cultural, entertainment and recreational interests of the general public, including live performances, operation of museum sites, gambling, sports and recreation activities.

Gaming sector

The Casinos and Gaming sector is comprised of undertakings which operate gambling facilities and/or platforms, including brick-and-mortar casinos, riverboat casinos, online gambling websites, and racetracks. Select undertakings in the Casinos and Gaming sector are also engaged in activities of the Hotels and Lodging and/or Restaurants segments. For such activities are outlined in the Hotels and Lodging and Food and Beverage Services standards. For the purposes of this sector, it is assumed that casinos and gaming undertakings are engaged solely in operating gambling facilities and providing online gaming services.

This sector includes the following activities in accordance to the following NACE code classification:

- R.92.00 Gambling and betting activities

Recreation and Leisure sector

The Recreation and Leisure Facilities sector is comprised of undertakings that perform arts and operate entertainment, travel, botanical and zoological gardens, historical sites as well as recreation facilities and services. Undertakings in this sector operate museums, libraries, nature reserve activities, amusement parks, movie theaters, ski resorts, sports stadiums, and fitness facilities and other venues.

This sector includes the following activities in accordance to the following NACE code classification:

- R.90.01 Performing arts
- R.90.02 Support activities to performing arts
- R.90.03 Artistic creation
- R.90.04 Operation of arts facilities
- R.91.01 Library and archives activities
- R.91.02 Museums activities
- R.91.03 Operation of historical sites and buildings and similar visitor attractions
- R.91.04 Botanical and zoological gardens and nature reserves activities
- R.93.11 Operation of sports facilities

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R.93.12 Activities of sports clubs

R.93.13 Fitness facilities

R.93.19 Other sports activities

R.93.21 Activities of amusement parks and theme parks

R.93.29 Other amusement and recreation activities

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Financial Institutions sector group

The Financial Institutions sector group includes financial service activities, including banking, insurance, re-insurance, pension funds and capital markets activities, such as asset management, investment banking and trading of financial instruments. Financial Institutions sector group also includes activities of financial holding companies and financial groups as well as activities, which support financial services.

EU regulation defines which types of activities, one legal entity may combine. For this reason, the EU relevant regulation determines indirectly also how sustainability matters materialise in an undertaking's operation.

Capital Markets sector

Capital Markets activities comprise two main groups of activities as well as their respective related supporting activities, all of which are regulated activities under EU regulation and require a license to operate:

- a. Undertakings subject to the Investment Firms Regulation (IFR): REGULATION (EU) 2019/2033 (IFR)
- b. Undertakings that are subject to the Markets in Financial Instruments Directive (MiFID) DIRECTIVE 2014/65/EU
- c. Markets in Financial Instruments Regulation (MiFIR) REGULATION (EU) No 600/2014
- d. Undertakings that are subject to the Undertakings for Collective Investment in Transferable Securities Directive UCITS DIRECTIVE 2009/65/EC
- e. Undertakings that are subject to the Alternative Investment Fund Managers DIRECTIVE 2011/61/EU

Included are these activities in accordance to the following NACE code classification:

- K.64.20 Activities of holding companies
- K.64.30 Trusts, funds and similar financial entities
- K.66.11 Administration of financial markets
- K.66.12 Security and commodity contracts brokerage
- K.66.19 Other activities auxiliary to financial services, except insurance and pension funding
- K.66.30 Fund management activities

Credit Institutions sector

Activities in scope for the Credit Institution sector standard share similar regulatory requirements. Central to the granting of credit is the requirement to adhere to capital adequacy requirements and report on those as outlined under Capital Requirements Directive (CRD) DIRECTIVE 2013/36/EU Article 2 and activities as defined in the Capital Requirements Regulation (CRR) REGULATION (EU) No 575/2013.

This sector includes the following activities in accordance to the following NACE code classification:

- K.64.19 Other monetary intermediation
- K.64.91 Financial leasing
- K.64.92 Other credit granting
- K.64.99 Other financial service activities, except insurance and pension funding n.e.c.
- K.64.20 Activities of holding companies

Insurance sector

Undertakings in scope for the Insurance sector are subject to DIRECTIVE 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

This sector includes the following activities in accordance to the following NACE code classification:

- K.64.20 Activities of holding companies
- K.65.11 Life insurance
- K.65.12 Non-life insurance
- K.65.20 Reinsurance
- K.65.30 Pension funding
- K.66.21 Risk and damage evaluation
- K.66.22 Activities of insurance agents and brokers

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K.66.29 Other activities auxiliary to insurance and pension funding

Health Care sector group

The Health Care sector group includes an array of health services as well as social work related to those health services. It also includes the exploitation of hospitals as well as veterinary activities.

Health Care and Services sector

The Health Care and Services sector includes the provision of health and social work activities. Activities include a wide range of activities, starting from health care provided by trained medical professionals in hospitals and other facilities, over residential care activities that still involve a degree of health care activities to social work activities without any involvement of health care professionals. The sector also includes specialised professional, scientific and technical activities. The Health Care and Services sector includes activities of short- or long-term hospitals, general or specialty medical, surgical, psychiatric and substance abuse hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centres, leprosaria and other human health institutions which have accommodation facilities and which engage in providing diagnostic and medical treatment to inpatients with any of a wide variety of medical conditions. It also includes medical consultation and treatment in the field of general and specialised medicine by general practitioners and medical specialists and surgeons. The sector includes dental practice activities of a general or specialised nature and orthodontic activities. Additionally, this division includes activities for human health not performed by hospitals or by practicing medical doctors but by paramedical practitioners legally recognised to treat patients. The sector also includes the provision of residential care combined with either nursing, supervisory or other types of care as required by the residents. Facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services. Furthermore, the sector includes the provision of a variety of social assistance services directly to clients. The activities in this sector do not include accommodation services, except on a temporary basis.

In addition, the sector includes the provision of animal health care and control activities for farm animals or pet animals. These activities are carried out by qualified veterinarians in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere. It also includes animal ambulance activities.

This sector includes the following activities in accordance to the following NACE code classification:

M.75.00 Veterinary activities

Q.86.10 Hospital activities

Q.86.21 General medical practice activities

Q.86.22 Specialist medical practice activities

Q.86.23 Dental practice activities

Q.86.90 Other human health activities

Q.87.10 Residential nursing care activities

Q.87.20 Residential care activities for mental retardation, mental health and substance abuse

Q.87.30 Residential care activities for the elderly and disabled

Q.87.90 Other residential care activities

Q.88.10 Social work activities without accommodation for the elderly and disabled

Q.88.91 Child day-care activities

Q.88.99 Other social work activities without accommodation n.e.c.

Hospitality sector group

The Hospitality sector group includes the provision of short-stay accommodation for visitors and other travellers and the provision of complete meals and drinks fit for immediate consumption.

Food and Beverages Services sector

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The Food and Beverage Services sector includes food and beverage serving activities providing complete meals or drinks fit for immediate consumption; whether in traditional restaurants, self-service or take-away restaurants, mobile food service activities, event catering and beverage serving activities. Undertakings in the Food and Beverage Services sector prepare meals, snacks, and beverages to customers' orders for immediate on-and off-premises consumption. The food and beverages could also be served in permanent or temporary stands with or without seating.

Decisive is the fact that meals fit for immediate consumption are offered, not the kind of facility providing them. The following is excluded: the production of meals not fit for immediate consumption or not planned to be consumed immediately or of prepared food which is not considered to be a meal.

This sector includes the following activities in accordance to the following NACE code classification:

I.56.10 Restaurants and mobile food service activities

I.56.21 Event catering activities

I.56.29 Other food service activities

I.56.30 Beverage serving activities

Accommodations sector

The Accommodations sector is composed of undertakings that provide overnight accommodation, including hotels, motels, inns, and camping grounds, recreational parks and trailer parks. The amount and type of supplementary services provided within this sector group can vary widely. This sector excludes the provision of long-term accommodation as primary residences, which is classified in real estate activities.

The Accommodations sector includes the provision of accommodation for visitors and other travellers. Some units may provide only accommodation while others provide a combination of accommodation, meals and/or recreational facilities.

This sector includes the following activities in accordance to the following NACE code classification:

I.55.10 Hotels and similar accommodation

I.55.20 Holiday and other short-stay accommodation

I.55.30 Camping grounds, recreational vehicle parks and trailer parks

I.55.90 Other accommodation

J.59.14 Motion picture projection activities

Manufacturing sector group

The Manufacturing sector group includes the physical or chemical transformation of materials, substances, or components into new products, although this cannot be used as the single universal criterion for defining manufacturing. The materials, substances, or components transformed are raw materials that are products of agriculture, forestry, fishing, mining or quarrying as well as products of other manufacturing activities. Substantial alteration, renovation or reconstruction of goods is generally considered to be manufacturing. The output of a manufacturing process may be finished in the sense that it is ready for utilisation or consumption, or it may be semi-finished in the sense that it is to become an input for further manufacturing.

Defence sector

Undertakings in the Defence sector include manufacturers of commercial aircraft, aircraft parts, aerospace and defence products, as well as defence prime contractors. Commercial aircraft manufacturers sell mainly to commercial airlines and governments. Aerospace and defence parts manufacturers sell primarily to governments. Both aerospace and defence manufacturers operate globally and serve a global customer base. Defence primes manufacture products including military aircraft, space vehicles, missile systems, ammunition, small arms, and other military fighting vehicles. Their customers consist of various government agencies and related businesses with global operations. The defence prime category also includes firearms manufacturers that sell to law enforcement agencies, businesses, distributors, retailers, and consumers.

This sector includes the following activities in accordance to the following NACE code classification:

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- C.20.51 Manufacture of explosives
- C.25.40 Manufacture of weapons and ammunition
- C.30.30 Manufacture of air and spacecraft and related machinery
- C.30.40 Manufacture of military fighting vehicles
- C.33.16 Repair and maintenance of aircraft and spacecraft
- H.51.22 Space transport

Motor Vehicles sector

Undertakings in the Motor Vehicles sector are typically active in the automotive production and in the sector segment that supplies auto parts and accessories to original equipment manufacturers (OEMs). In addition, the sector also partly covers related repair and maintenance of motor vehicles activities

This sector includes the following activities in accordance to the following NACE code classification:

- C.22.11 Manufacture of rubber tyres and tubes
- C.29.10 Manufacture of motor vehicles
- C.29.20 Manufacture of bodies (coachwork) for motor vehicles
- C.29.32 Manufacture of other parts and accessories for motor vehicles
- C.30.91 Manufacture of motorcycles
- G.45.20 Maintenance and repair of motor vehicles

Pharma and Biotechnology sector

The Pharma and Biotechnology sector includes the manufacture of basic pharmaceutical products and pharmaceutical preparations. This also includes the manufacture of medicinal chemical and botanical products. The sector also covers the research and development of biotechnology.

Undertakings in the Pharma and Biotechnology sector develop, manufacture, and market a range of brand-name and generic medications. A significant portion of the sector is driven by research and development, a high risk of product failure during clinical trials, and the need to obtain regulatory approval.

This sector includes the following activities in accordance to the following NACE code classification:

- C.21.10 Manufacture of basic pharmaceutical products
- C.21.20 Manufacture of pharmaceutical preparations
- G.46.46 Wholesale of pharmaceutical goods
- M.72.11 Research and experimental development on biotechnology

Constructions and Furnishings sector

The Constructions and Furnishings sector includes the manufacture of furniture and related products of any material except stone and concrete. The processes used in the manufacture of furniture are standard methods of forming materials and assembling components, including cutting, moulding and laminating. The design of the article, for both aesthetic and functional qualities, is an important aspect of the production process. Some of the processes used in furniture manufacturing are similar to processes that are used in other segments of manufacturing. However, the multiple processes distinguish wood furniture manufacturing from wood product manufacturing.

The Constructions and Furnishings sector also comprises undertakings involved in the design and manufacturing of home improvement products, home and office furnishings, and structural wood building materials. The sector's products include flooring, ceiling tiles, home and office furniture and fixtures, wood trusses, plywood, panelling, and lumber. Undertakings typically sell their products through distribution channels to retail stores or through independent or undertaking-owned dealerships.

This sector includes the following activities in accordance to the following NACE code classification:

- C.22.23 Manufacture of builders' ware of plastic

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C.23.41 Manufacture of ceramic household and ornamental articles

C.23.42 Manufacture of ceramic sanitary fixtures

C.23.43 Manufacture of ceramic insulators and insulating fittings

C.23.44 Manufacture of other technical ceramic products

C.23.49 Manufacture of other ceramic products

C.31.01 Manufacture of office and shop furniture

C.31.02 Manufacture of kitchen furniture

C.31.03 Manufacture of mattresses

C.31.09 Manufacture of other furniture

Chemicals sector

The Chemicals sector includes the transformation of organic and inorganic raw materials by a chemical process and the formation of products. It distinguishes the production of basic chemicals that constitute the first industry group from the production of intermediate and end products produced by further processing of basic chemicals that make up the remaining industry activities.

In this sector, Undertakings transform organic and inorganic feedstocks into diverse products with a range of industrial, pharmaceutical, agricultural, housing, automotive, and consumer applications. The sector is commonly segmented into basic (commodity) chemicals, agricultural chemicals, and specialty chemicals. Basic chemicals, the largest segment by volume produced, include bulk polymers, petrochemicals, inorganic chemicals, and other industrial chemicals. Agricultural chemicals include fertilizers, crop chemicals, biofuels and agricultural biotechnology. Specialty chemicals include paints and coatings, agrochemicals, sealants, adhesives, dyes, industrial gases, resins, and catalysts.

This sector includes the following activities in accordance to the following NACE code classification:

C.18.20 Reproduction of recorded media

C.20.11 Manufacture of industrial gases

C.20.12 Manufacture of dyes and pigments

C.20.13 Manufacture of other inorganic basic chemicals

C.20.14 Manufacture of other organic basic chemicals

C.20.15 Manufacture of fertilisers and nitrogen compounds

C.20.16 Manufacture of plastics in primary forms

C.20.17 Manufacture of synthetic rubber in primary forms

C.20.20 Manufacture of pesticides and other agrochemical products

C.20.30 Manufacture of paints, varnishes and similar coatings, printing ink and mastics

C.20.41 Manufacture of soap and detergents, cleaning and polishing preparations

C.20.42 Manufacture of perfumes and toilet preparations

C.20.52 Manufacture of glues

C.20.53 Manufacture of essential oils

C.20.59 Manufacture of other chemical products n.e.c.

C.20.60 Manufacture of man-made fibres

C.22.19 Manufacture of other rubber products

C.22.21 Manufacture of plastic plates, sheets, tubes and profiles

C.22.22 Manufacture of plastic packing goods

C.22.29 Manufacture of other plastic products

C.32.91 Manufacture of brooms and brushes

Construction Materials sector

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The Construction Materials sector includes manufacturing activities related to a single substance of mineral origin.

The sector comprises of undertakings which manufacture, produce and cut materials for construction purposes. The manufacturing segment include non-metallic, (ready-mixed) concrete, plaster, mortars, (fibre) cement, lime, bricks and tiles, flat glass, hollow glass, glass fibres and refractory products undertakings. Undertakings in the production segment include abrasive products production.

This sector includes the following activities in accordance to the following NACE code classification:

- C.23.11 Manufacture of flat glass
- C.23.12 Shaping and processing of flat glass
- C.23.13 Manufacture of hollow glass
- C.23.14 Manufacture of glass fibres
- C.23.19 Manufacture and processing of other glass, including technical glassware
- C.23.20 Manufacture of refractory products
- C.23.31 Manufacture of ceramic tiles and flags
- C.23.32 Manufacture of bricks, tiles and construction products, in baked clay
- C.23.51 Manufacture of cement
- C.23.52 Manufacture of lime and plaster
- C.23.61 Manufacture of concrete products for construction purposes
- C.23.62 Manufacture of plaster products for construction purposes
- C.23.63 Manufacture of ready-mixed concrete
- C.23.64 Manufacture of mortars
- C.23.65 Manufacture of fibre cement
- C.23.69 Manufacture of other articles of concrete, plaster and cement
- C.23.70 Cutting, shaping and finishing of stone
- C.23.91 Production of abrasive products
- C.23.99 Manufacture of other non-metallic mineral products n.e.c.

Electronics and electrical equipment sector

The sector includes the manufacture of computers, computer peripherals, communications equipment, and similar electronic products, as well as the manufacture of components for such products. Production processes of this sector are characterised by the design and use of integrated circuits and the application of highly specialised miniaturisation technologies. The sector also contains the manufacture of consumer electronics, measuring, testing and navigating equipment, irradiation, electromedical and electrotherapeutic equipment, optical instruments and equipment, and the manufacture of magnetic and optical media. In addition, the sector includes the manufacture of products that generate, distribute and use electrical power. Also included is the manufacture of electrical lighting, signalling equipment and electric household appliances as well as repair activities.

Undertakings in the Electronics sector are typically active in the appliance manufacturing, electrical and electronic equipment, electronic manufacturing services and original design manufacturing, hardware and semiconductor segments.

The appliance manufacturing segment includes undertakings involved in the design and manufacturing of household appliances and hand tools. The electrical and electronic equipment segment consists of undertakings that develop and manufacture a broad range of electric components, including power generation equipment, energy transformers, electric motors, switchboards, automation equipment, heating and cooling equipment, lighting, and transmission cables.

The electronic manufacturing services (EMS) and original design manufacturing (ODM) segment consists of two main segments. EMS undertakings provide assembly, logistics, and after-market services for original equipment manufacturers. The ODM segment of the sector provides engineering and design services for original equipment manufacturers and may own significant intellectual property.

The Hardware segment consists of undertakings that design and sell technology hardware products, including computers, consumer electronics, communications equipment, storage devices, components, and peripherals.

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The Semiconductors segment includes undertakings that design or manufacture semiconductor devices, integrated circuits, their raw materials and components, or capital equipment. Some undertakings in the sector provide outsourced manufacturing, assembly, or other services for designers of semiconductor devices.

This sector includes the following activities in accordance to the following NACE code classification:

- C.26.11 Manufacture of electronic components
- C.26.12 Manufacture of loaded electronic boards
- C.26.20 Manufacture of computers and peripheral equipment
- C.26.30 Manufacture of communication equipment
- C.26.40 Manufacture of consumer electronics
- C.26.51 Manufacture of instruments and appliances for measuring, testing and navigation
- C.26.52 Manufacture of watches and clocks
- C.26.70 Manufacture of optical instruments and photographic equipment
- C.26.80 Manufacture of magnetic and optical media
- C.27.11 Manufacture of electric motors, generators and transformers
- C.27.12 Manufacture of electricity distribution and control apparatus
- C.27.20 Manufacture of batteries and accumulators
- C.27.31 Manufacture of fibre optic cables
- C.27.32 Manufacture of other electronic and electric wires and cables
- C.27.33 Manufacture of wiring devices
- C.27.40 Manufacture of electric lighting equipment
- C.27.51 Manufacture of electric domestic appliances
- C.27.52 Manufacture of non-electric domestic appliances
- C.27.90 Manufacture of other electrical equipment
- C.29.31 Manufacture of electrical and electronic equipment for motor vehicles
- C.33.13 Repair of electronic and optical equipment
- C.33.14 Repair of electrical equipment
- S.95.11 Repair of computers and peripheral equipment
- S.95.12 Repair of communication equipment
- S.95.21 Repair of consumer electronics
- S.95.22 Repair of household appliances and home and garden equipment

Food and Beverages sector

The Food & Beverage sector includes the manufacturing, processing and distribution of products from agriculture and farming. This includes food, beverages, pet food, feed for animals, and the production of various intermediate products that are not directly food products. The sector also includes undertakings that process and package foods for retail consumer consumption. They may partake in syrup manufacturing, marketing, bottling operations, and distribution. In addition, undertakings may also produce alcoholic beverages and brew, distill, manufacture and distribute various alcoholic beverages, including beer, wine, and liquor.

The sector is organized by activities dealing with different kinds of products: meat, fish, fruit and vegetables, fats and oils, milk products, grain mill products, animal feeds and other food products. It does not include the preparation of meals for immediate consumption, such as in restaurants, which is covered in the ESRS Food and Beverage Services standard.

This sector includes the following activities in accordance to the following NACE code classification:

- C.10.11 Processing and preserving of meat
- C.10.12 Processing and preserving of poultry meat

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- C.10.13 Production of meat and poultry meat products
- C.10.20 Processing and preserving of fish, crustaceans and molluscs
- C.10.31 Processing and preserving of potatoes
- C.10.32 Manufacture of fruit and vegetable juice
- C.10.39 Other processing and preserving of fruit and vegetables
- C.10.41 Manufacture of oils and fats
- C.10.42 Manufacture of margarine and similar edible fats
- C.10.51 Operation of dairies and cheese making
- C.10.52 Manufacture of ice cream
- C.10.61 Manufacture of grain mill products
- C.10.62 Manufacture of starches and starch products
- C.10.71 Manufacture of bread
- C.10.72 Manufacture of rusks and biscuits
- C.10.73 Manufacture of macaroni, noodles, couscous and similar farinaceous products
- C.10.81 Manufacture of sugar
- C.10.82 Manufacture of cocoa, chocolate and sugar confectionery
- C.10.83 Processing of tea and coffee
- C.10.84 Manufacture of condiments and seasonings
- C.10.85 Manufacture of prepared meals and dishes
- C.10.86 Manufacture of homogenised food preparations and dietetic food
- C.10.89 Manufacture of other food products n.e.c.
- C.10.91 Manufacture of prepared feeds for farm animals
- C.10.92 Manufacture of prepared pet foods
- C.11.01 Distilling, rectifying and blending of spirits
- C.11.02 Manufacture of wine from grape
- C.11.03 Manufacture of cider and other fruit wines
- C.11.04 Manufacture of other non-distilled fermented beverages
- C.11.05 Manufacture of beer
- C.11.06 Manufacture of malt
- C.11.07 Manufacture of soft drinks

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Machinery and Equipment sector

The Machinery and Equipment sector includes the manufacture of machinery and equipment that act independently on materials either mechanically or thermally or perform operations on materials (such as handling, spraying, weighing or packing), including their mechanical components that produce and apply force, and any specially manufactured primary parts as well as repair activities. This includes the manufacture of fixed and mobile or hand-held devices, regardless of whether they are designed for industrial, building and civil engineering, agricultural or home use. It also includes the manufacture of other special-purpose machinery, not covered elsewhere, whether or not used in a manufacturing process.

Undertakings in the Machinery and Equipment sector manufacture equipment for a variety of segments including construction, agriculture, energy, utility, mining, manufacturing, automotive, and transportation. Products to be considered include engines (with the exception of aircraft, vehicle and cycle engines), earth-moving equipment, industrial pumps, and turbines. Machinery manufacturers utilise large amounts of raw materials for production, including steel, plastics, rubber, paints, and glass. Manufacturers may also perform the machining and casting of parts before final assembly. The sector also includes the manufacture of transportation equipment such as ship building and boat manufacturing, the manufacture of railroad rolling stock and locomotives, the manufacture of parts thereof.

This sector includes the following activities in accordance to the following NACE code classification:

Manufacture of low carbon technologies*

- C.28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
- C.28.12 Manufacture of fluid power equipment
- C.28.13 Manufacture of other pumps and compressors
- C.28.14 Manufacture of other taps and valves
- C.28.15 Manufacture of bearings, gears, gearing and driving elements
- C.28.21 Manufacture of ovens, furnaces and furnace burners
- C.28.22 Manufacture of lifting and handling equipment
- C.28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)
- C.28.24 Manufacture of power-driven hand tools
- C.28.29 Manufacture of other general-purpose machinery n.e.c.
- C.28.30 Manufacture of agricultural and forestry machinery
- C.28.41 Manufacture of metal forming machinery
- C.28.49 Manufacture of other machine tools
- C.28.91 Manufacture of machinery for metallurgy
- C.28.92 Manufacture of machinery for mining, quarrying and construction
- C.28.93 Manufacture of machinery for food, beverage and tobacco processing
- C.28.94 Manufacture of machinery for textile, apparel and leather production
- C.28.95 Manufacture of machinery for paper and paperboard production
- C.28.96 Manufacture of plastics and rubber machinery
- C.28.99 Manufacture of other special-purpose machinery n.e.c.
- C.30.11 Building of ships and floating structures
- C.30.12 Building of pleasure and sporting boats
- C.30.20 Manufacture of railway locomotives and rolling stock
- C.33.12 Repair of machinery
- C.33.19 Repair of other equipment
- C.33.20 Installation of industrial machinery and equipment

* Economic activity as defined in the supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, 4 June 2021

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Medical Instruments sector

Undertakings in the Medical Instruments sector are engaged in the manufacture of irradiation, electromedical and electrotherapeutic equipment and the manufacture of medical and dental instruments and supplies. Undertakings are typically active in the drug retailing and medical equipment and supplies segments. The Medical Instruments sector researches, develops, and produces medical, surgical, dental, ophthalmic, and veterinary instruments and devices. Products are used in settings, including hospitals, clinics, and laboratories, and range from disposable items to highly specialised equipment.

This sector includes the following activities in accordance to the following NACE code classification:

C.26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment

C.32.50 Manufacture of medical and dental instruments and supplies

Metal Processing sector

The Metal Processing sector includes the activities of smelting and/or refining ferrous and non-ferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgic techniques. It also includes the manufacture of metal alloys and super-alloys by introducing other chemical elements to pure metals. The output of smelting and refining, usually in ingot form, is used in rolling, drawing and extruding operations to make products such as plate, sheet, strip, bars, rods, wire or tubes, pipes and hollow profiles, and in molten form to make castings and other basic metal products.

This sector includes undertakings that are active in iron and steel production. The iron and steel production segment consists of steel producers with iron and steel mills and undertakings with iron and steel foundries. The steel producers segment consists of undertakings that produce iron and steel products from their own mills. These products include flat-rolled sheets, tin plates, pipes, tubes, and products made of stainless steel, titanium, and high alloy steels. Iron and steel foundries, which cast various products, typically purchase iron and steel from other firms.

This sector includes the following activities in accordance to the following NACE code classification:

C.24.10 Manufacture of basic iron and steel and of ferro-alloys

C.24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel

C.24.31 Cold drawing of bars

C.24.32 Cold rolling of narrow strip

C.24.33 Cold forming or folding

C.24.34 Cold drawing of wire

C.24.41 Precious metals production

C.24.42 Aluminium production

C.24.43 Lead, zinc and tin production

C.24.44 Copper production

C.24.45 Other non-ferrous metal production

C.24.46 Processing of nuclear fuel

C.24.51 Casting of iron

C.24.52 Casting of steel

C.24.53 Casting of light metals

C.24.54 Casting of other non-ferrous metals

C.25.11 Manufacture of metal structures and parts of structures

C.25.12 Manufacture of doors and windows of metal

C.25.21 Manufacture of central heating radiators and boilers

C.25.29 Manufacture of other tanks, reservoirs and containers of metal

C.25.30 Manufacture of steam generators, except central heating hot water boilers

C.25.50 Forging, pressing, stamping and roll-forming of metal

C.25.61 Treatment and coating of metals

C.25.62 Machining

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- C.25.71 Manufacture of cutlery
- C.25.73 Manufacture of tools
- C.25.91 Manufacture of steel drums and similar containers
- C.25.92 Manufacture of light metal packaging
- C.25.93 Manufacture of wire products, chain and springs
- C.25.94 Manufacture of fasteners and screw machine products
- C.25.99 Manufacture of other fabricated metal products n.e.c.
- C.32.11 Striking of coins
- C.33.11 Repair of fabricated metal products

Paper and Wood products sector

The Paper and Wood Products sector includes the manufacture of wood products, such as lumber, plywood, veneers, wood containers, wood flooring, wood trusses, and prefabricated wood buildings. The production processes include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that may then be cut further, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers. The sector also includes the manufacture of pulp, paper and converted paper products. The manufacture of these products is grouped together because they constitute a series of vertically connected processes. More than one activity is often carried out in a single unit. There are essentially three activities:

- The manufacture of pulp involves separating the cellulose fibres from other matter in wood, or dissolving and de-inking of used paper, and mixing in small amounts of reagents to reinforce the binding of the fibres.
- The manufacture of paper involves releasing pulp onto a moving wire mesh so as to form a continuous sheet.
- Converted paper products are made from paper and other materials by various techniques. The paper articles may be printed (e.g. wallpaper, gift wrap etc.), as long as the printing of information is not the main purpose.

The Paper and Wood Products sector consists of undertakings that manufacture a range of wood pulp and paper products, including pulp fiber, paper packaging and sanitary paper, office paper, newsprint, biofuels and paper for industrial applications. Undertakings in the sector typically function as business-to-business entities and may have operations in multiple countries. While some integrated undertakings own or manage timber tracts and are engaged in forest management, sustainability issues arising from these activities are addressed in ESRS Forestry standard.

This sector includes the following activities in accordance to the following NACE code classification:

- C.16.10 Sawmilling and planing of wood
- C.16.21 Manufacture of veneer sheets and wood-based panels
- C.16.22 Manufacture of assembled parquet floors
- C.16.23 Manufacture of other builders' carpentry and joinery
- C.16.24 Manufacture of wooden containers
- C.16.29 Manufacture of other products of wood
- C.17.11 Manufacture of pulp
- C.17.12 Manufacture of paper and paperboard
- C.17.21 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
- C.17.22 Manufacture of household and sanitary goods and of toilet requisites
- C.17.23 Manufacture of paper stationery
- C.17.24 Manufacture of wallpaper
- C.17.29 Manufacture of other articles of paper and paperboard

Textiles, Accessories, Footwear and Jewelleries sector

The Textiles, Accessories, Jewellery, and Footwear sector includes several inter-related sub-sectors. For example, this sector includes the preparation and spinning of textile fibres, textile weaving, finishing of textiles and wearing apparel, and the manufacture of made-up textile articles. The sector also includes all tailoring (ready-to-wear or made-to-measure), in all materials (e.g. leather, fabric, knitted and crocheted fabrics), of all items of clothing (e.g. outerwear and, underwear for men, women or children, as well as the fur industry (fur skins and wearing apparel). In addition, the sector includes dressing and dyeing of fur and the transformation of hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials (imitation leathers or leather substitutes), such as rubber footwear, textile luggage. The products made

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from leather substitutes are included here, since they are made in ways similar to those in which leather products are made (e.g. luggage) and are often produced in the same unit.

The sector includes undertakings involved in the design and, manufacturing of various non-textile products, including handbags, dialog watches, and footwear. The sector also includes jewellery consisting of ornamental pieces (brooches, rings, necklaces, earrings, pendants, bracelets and cufflinks) that are used for personal or public adornment, usually on the body or on the clothes. These are made of materials such as metals (e.g. gold, silver, titanium), gemstones (e.g. stones or precious stones, organic (e.g. plant or animal origin such as bone or wood etc.) or inorganic (e.g. plastic, clay or digital) substance. Many of the above products are largely manufactured by vendors in emerging markets, thereby allowing undertakings in the sector to primarily focus on design, wholesaling, marketing, supply chain management, and retail activities.

This sector includes the following activities in accordance to the following NACE code classification:

C13, 14, 15 Textiles, apparel, leather and footwear

C32.12, 32.13 and 32.99 Jewellery and other manufacturing

Tobacco sector

The Tobacco sector is comprised of undertakings that grow and manufacture tobacco products including cigarettes, electronical cigarettes, cigars, waterpipes, and smokeless tobacco products.

This sector includes the following activities in accordance to the following NACE code classification:

A.01.15 Growing of tobacco

C.12.00 Manufacture of tobacco products

Sporting equipment and Toys sector

The Sporting equipment and Toys sector comprises undertakings that manufacture toys and games, sporting and athletic goods, such as bicycles, golf clubs, fitness equipment, musical instruments and other similar products.

This sector includes the following activities in accordance to the following NACE code classification:

C.30.92 Manufacture of bicycles and invalid carriages

C.30.99 Manufacture of other transport equipment n.e.c.

C.32.20 Manufacture of musical instruments

C.32.30 Manufacture of sports goods

C.32.40 Manufacture of games and toys

Mining sector group

The Mining sector group includes the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by different methods such as underground or surface mining, well operation, seabed mining etc. This sector group also includes supplementary activities aimed at preparing the crude materials for marketing, for example, crushing, grinding, cleaning, drying, sorting, concentrating ores, liquefaction of natural gas and agglomeration of solid fuels. These operations are often accomplished by the units that extracted the resource and/or others located nearby.

Coal Mining sector

The Coal Operations sector includes the extraction of solid mineral fuels through underground or open-cast mining and includes operations (e.g., grading, cleaning, compressing and other steps necessary for transportation etc.) leading to a marketable product.

The Coal Operations sector includes undertakings that mine coal and other similar materials and those that manufacture coal products. Mining activity covers both underground and surface mining, and thermal and metallurgical coal. It also includes manufacturing of coke oven products.

This sector includes the following activities in accordance to the following NACE code classification:

B.05.10 Mining of hard coal

B.05.20 Mining of lignite

C.19.10 Manufacture of coke oven products

Mining sector

The Mining sector includes the extraction of metals and minerals. It encompasses extraction activities in relation to, amongst others: aluminium, antimony, asbestos, baryte, bauxite, bentonite, copper, cobalt, diatomite, feldspar,

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fluorspar, gold, graphite gypsum, iron, kaolin, lead, lithium, magnesite, manganese, molybdenum, nickel, peat, perlite, platinum, potash, salt, silver, sulphur, titanium, talc, tantalum, thorium, tungsten, uranium, vanadium, and zinc.

It also addresses quarrying activities in relation to hard rock, natural sand, gravel, sandstone, limestone, clay, chalk, slate, and gemstones.

Extraction can be achieved by different methods such as underground or surface mining, well operation, seabed mining, salars' exploitation, geothermal mining etc. This sector also includes supplementary activities aimed at preparing the crude materials for marketing, for example, crushing, grinding, cleaning, washing, drying, sorting, sintering of ores, dredging of alluvial deposits, rock crushing or the use of salt marshes are also included.

Quarrying activities include quarrying, rough trimming and sawing of large building stones, breaking and crushing of ornamental and building stones, the extraction and dredging of (industrial) sand, mining of natural phosphates and natural potassium salts, peat digging and preparation of peat to improve quality or facilitate transport or storage. It also includes mining and quarrying of various minerals and materials. Finally, support services such as exploration services, draining and pumping services or test drilling are also included in this sector standard.

This sector includes the following activities in accordance to the following NACE code classification:

B.07.10 Mining of iron ores

B.07.21 Mining of uranium and thorium ores

B.07.29 Mining of other non-ferrous metal ores

B.08.11 Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate

B.08.12 Operation of gravel and sand pits

B.08.91 Mining of chemical and fertiliser minerals

B.08.92 Extraction of peat

B.08.93 Extraction of salt

B.08.99 Other mining and quarrying n.e.c.

B.09.90 Support activities for other mining and quarrying

Oil and Gas - Upstream and Services sector

The Oil & Gas - Upstream & Services sector includes the exploration and production of energy products such as crude petroleum, the mining and extraction of oil from oil shale and oil sands and the production of natural gas and recovery of hydrocarbon liquids which forms part of the Oil and Gas value chain. The sector includes the activities of developing and/or operating oil and gas field properties. Such activities may include drilling, completing and equipping wells. The sector also includes the extraction of minerals occurring naturally as liquids (petroleum) or gases (natural gas).

Activities covered by this standard include the development of both on-shore and off-shore reserves. Undertakings in the sector also provide support services, manufacture equipment, or are contract drillers for oil and natural gas exploration and production undertakings. The drilling and drilling-support segment comprises undertakings that drill for oil and natural gas on-shore and off-shore on a contract basis. Undertakings in this segment may also manufacture jack-up rigs, semisubmersible rigs, and drill ships. Undertakings in the oilfield services segment manufacture equipment that is used in the extraction, storage, and transportation of oil and natural gas. They also provide support services such as seismic surveying, equipment rental, well cementing, and well monitoring.

This sector includes the following activities in accordance to the following NACE code classification:

B.06.10 Extraction of crude petroleum

B.06.20 Extraction of natural gas

B.09.10 Support activities for petroleum and natural gas extraction

Real Estate sector group

The Real Estate and Services sector group includes acting as lessors, agents and/or brokers in one or more of the following: selling or buying real estate, rental real estate, providing other real estate services such as appraising real estate or acting as real estate escrow agents.

Real Estate and Services sector

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The Real Estate and Services sector includes owning or leasing of property and may be done on a fee or contract basis. Undertakings in this sector are commonly structured as real estate investment trusts (REITs) or play important roles in the Real Estate value chain and operate in a wide range of segments within the real estate sector, including residential, retail, office, health care, industrial, and hotel properties. In addition, the sector includes the provision of a number of general support services, including property management within a client's facilities, the interior and exterior cleaning of buildings of all types, maintenance services and provision of these services along with the design of landscape plans, brokerage, appraisal and information services.

This sector includes the following activities in accordance to the following NACE code classification:

- L.68.10 Buying and selling of own real estate
- L.68.20 Rental and operating of own or leased real estate
- L.68.31 Real estate agencies
- L.68.32 Management of real estate on a fee or contract basis
- N.81.10 Combined facilities support activities
- N.81.21 General cleaning of buildings
- N.81.22 Other building and Industrial cleaning activities
- N.81.29 Other cleaning activities
- N.81.30 Landscape service activities

[Draft] ESRS SEC1 Sector classification and general approach

Sales and Trade sector group

The Sales and Trade sector group includes wholesale and retail sale (i.e. sale without transformation) of any type of goods, and rendering services incidental to the sales and trading activities, which may include warehousing and specialised transport services. It includes sale through various channels: e-commerce, specialised stores, non specialised multi-brand stores, and pure trading of goods not produced by the undertaking. It also includes the retail-oriented activities of repair, lending and leasing of goods, for example of cars, computers and personal and household goods.

Sales and Trade sector

Selling usually comprises the final step in the distribution of goods and services, but it may also relate to undertakings specialised in business-to-business sales. Trading may also include either end-consumer clients or intermediate sales to other businesses. Sales and trading without transformation is considered to include the usual operations (or manipulations) associated with trade, for example sorting, grading and assembling of goods, mixing (blending) of goods (for example sand), bottling (with or without preceding bottle cleaning), packing, breaking bulk and repacking for distribution in smaller lots, storage (whether or not frozen or chilled). Wholesale is the resale (sale without transformation) of new and used goods to retailers, business-to-business trade, such as to industrial, commercial, institutional or professional users, or resale to other wholesalers, or involves acting as an agent or broker in buying merchandise for, or selling merchandise to, such persons or undertakings. The principal types of businesses included in wholesale are undertakings who take title to the goods they sell, such as wholesale merchants or jobbers, industrial distributors, exporters, importers, and cooperative buying associations, sales branches and sales offices (but not retail stores) that are maintained by manufacturing or mining units apart from their plants or mines for the purpose of marketing their products and that do not merely take orders to be filled by direct shipments from the plants or mines. Wholesalers frequently physically assemble, sort and grade goods in large lots, break bulk, repack and redistribute in smaller lots. Retailing is the resale of new and used goods mainly to the general public for personal or household consumption or utilisation, in shops, department stores, stalls, mail-order houses, door-to-door sales persons, hawkers, consumer cooperatives, auction houses etc. Most retailers take title to the goods they sell, but some act as agents for a principal and sell either on consignment or on a commission basis.

The Sales and Trade sector encompasses a variety of retailing and distribution categories such as for example department stores, food and agriculture retailers, drug and healthcare retailers, mass merchants, home products stores, automotive sale, rental and leasing, and warehouse clubs. Most undertakings operate an e-commerce platform for marketing, selling and distributing of their products. In addition, undertakings can also provide online marketplaces for other firms or individuals to sell their goods and services, as well as retailers and wholesalers that provide an exclusively web-based platform for various types of clients (business and consumers) to buy goods and services. This sector also covers undertakings that rent, lease or provide maintenance for automobiles and other transport vehicles, bicycles and other recreational vehicles to customers. The segment includes car-sharing business models, repair-shop services and sales of automotive parts. .

The Sales and Trade sector also includes sales and trade in both new and used goods as well as the repair and maintenance of various goods like computers peripheral equipment (desktops, laptops, computer terminals, storage devices and printers), communications equipment, consumer electronics, home and garden equipment, footwear and leather goods, furniture and home furnishings, clothing and footwear, sporting goods, musical instruments, hobby articles and other personal and household goods.

This sector excludes:

- financial leasing, see 64.91
- rental of real estate, see sector L
- rental of equipment with operator, see corresponding activities according to activities carried out with this equipment, e.g. construction or transportation.

This sector includes the following activities in accordance to the following NACE code classification:

G.45.11 Sale of cars and light motor vehicles

G.45.19 Sale of other motor vehicles

G.45.31 Wholesale trade of motor vehicle parts and accessories

G.45.32 Retail trade of motor vehicle parts and accessories

G.45.40 Sale, maintenance and repair of motorcycles and related parts and accessories

G.46.11 Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods

G.46.12 Agents involved in the sale of fuels, ores, metals and industrial chemicals

G.46.13 Agents involved in the sale of timber and building materials

[Draft] ESRS SEC1 Sector classification and general approach

- G.46.14 Agents involved in the sale of machinery, industrial equipment, ships and aircraft
- G.46.15 Agents involved in the sale of furniture, household goods, hardware and ironmongery
- G.46.16 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
- G.46.17 Agents involved in the sale of food, beverages and tobacco
- G.46.18 Agents specialised in the sale of other particular products
- G.46.19 Agents involved in the sale of a variety of goods
- G.46.21 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
- G.46.22 Wholesale of flowers and plants
- G.46.23 Wholesale of live animals
- G.46.24 Wholesale of hides, skins and leather
- G.46.31 Wholesale of fruit and vegetables
- G.46.32 Wholesale of meat and meat products
- G.46.33 Wholesale of dairy products, eggs and edible oils and fats
- G.46.34 Wholesale of beverages
- G.46.35 Wholesale of tobacco products
- G.46.36 Wholesale of sugar and chocolate and sugar confectionery
- G.46.37 Wholesale of coffee, tea, cocoa and spices
- G.46.38 Wholesale of other food, including fish, crustaceans and molluscs
- G.46.39 Non-specialised wholesale of food, beverages and tobacco
- G.46.41 Wholesale of textiles
- G.46.42 Wholesale of clothing and footwear
- G.46.43 Wholesale of electrical household appliances
- G.46.44 Wholesale of china and glassware and cleaning materials
- G.46.45 Wholesale of perfume and cosmetics
- G.46.47 Wholesale of furniture, carpets and lighting equipment
- G.46.48 Wholesale of watches and jewellery
- G.46.49 Wholesale of other household goods
- G.46.51 Wholesale of computers, computer peripheral equipment and software
- G.46.52 Wholesale of electronic and telecommunications equipment and parts
- G.46.61 Wholesale of agricultural machinery, equipment and supplies
- G.46.62 Wholesale of machine tools
- G.46.63 Wholesale of mining, construction and civil engineering machinery
- G.46.64 Wholesale of machinery for the textile industry and of sewing and knitting machines
- G.46.65 Wholesale of office furniture
- G.46.66 Wholesale of other office machinery and equipment
- G.46.69 Wholesale of other machinery and equipment
- G.46.72 Wholesale of metals and metal ores
- G.46.73 Wholesale of wood, construction materials and sanitary equipment
- G.46.74 Wholesale of hardware, plumbing and heating equipment and supplies
- G.46.75 Wholesale of chemical products
- G.46.76 Wholesale of other intermediate products
- G.46.77 Wholesale of waste and scrap

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- G.46.90 Non-specialised wholesale trade
- G.47.11 Retail sale in non-specialised stores with food, beverages or tobacco predominating
- G.47.19 Other retail sale in non-specialised stores
- G.47.21 Retail sale of fruit and vegetables in specialised stores
- G.47.22 Retail sale of meat and meat products in specialised stores
- G.47.23 Retail sale of fish, crustaceans and molluscs in specialised stores
- G.47.24 Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores
- G.47.25 Retail sale of beverages in specialised stores
- G.47.26 Retail sale of tobacco products in specialised stores
- G.47.29 Other retail sale of food in specialised stores
- G.47.41 Retail sale of computers, peripheral units and software in specialised stores
- G.47.42 Retail sale of telecommunications equipment in specialised stores
- G.47.43 Retail sale of audio and video equipment in specialised stores
- G.47.51 Retail sale of textiles in specialised stores
- G.47.52 Retail sale of hardware, paints and glass in specialised stores
- G.47.53 Retail sale of carpets, rugs, wall and floor coverings in specialised stores
- G.47.54 Retail sale of electrical household appliances in specialised stores
- G.47.59 Retail sale of furniture, lighting equipment and other household articles in specialised stores
- G.47.61 Retail sale of books in specialised stores
- G.47.62 Retail sale of newspapers and stationery in specialised stores
- G.47.63 Retail sale of music and video recordings in specialised stores
- G.47.64 Retail sale of sporting equipment in specialised stores
- G.47.65 Retail sale of games and toys in specialised stores
- G.47.71 Retail sale of clothing in specialised stores
- G.47.72 Retail sale of footwear and leather goods in specialised stores
- G.47.73 Dispensing chemist in specialised stores
- G.47.74 Retail sale of medical and orthopaedic goods in specialised stores
- G.47.75 Retail sale of cosmetic and toilet articles in specialised stores
- G.47.76 Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
- G.47.77 Retail sale of watches and jewellery in specialised stores
- G.47.78 Other retail sale of new goods in specialised stores
- G.47.79 Retail sale of second-hand goods in stores
- G.47.81 Retail sale via stalls and markets of food, beverages and tobacco products
- G.47.82 Retail sale via stalls and markets of textiles, clothing and footwear
- G.47.89 Retail sale via stalls and markets of other goods
- G.47.91 Retail sale via mail order houses or via Internet
- G.47.99 Other retail sale not in stores, stalls or markets
- N.77.11 Rental and leasing of cars and light motor vehicles
- N.77.12 Rental and leasing of trucks
- N.77.21 Rental and leasing of recreational and sports goods
- N.77.22 Rental of video tapes and disks
- N.77.29 Rental and leasing of other personal and household goods

[Draft] ESRS SEC1 Sector classification and general approach

- N.77.31 Rental and leasing of agricultural machinery and equipment
- N.77.32 Rental and leasing of construction and civil engineering machinery and equipment
- N.77.33 Rental and leasing of office machinery and equipment (including computers)
- N.77.34 Rental and leasing of water transport equipment
- N.77.35 Rental and leasing of air transport equipment
- S.95.23 Repair of footwear and leather goods
- S.95.24 Repair of furniture and home furnishings
- S.95.25 Repair of watches, clocks and jewellery
- S.95.29 Repair of other personal and household goods

Services sector group

The Services sector group includes specialised professional, scientific and technical activities. These activities require a high degree of training and make specialised knowledge and skills available to users.

Marketing sector

The Marketing sector includes the creation of advertising campaigns and placement of such advertising in periodicals, newspapers, radio and television, or other media as well as the design of display structures and sites.

The Marketing sector is comprised of undertakings that create advertising campaigns for use in media, display, or direct mail advertising and related services including market research and public opinion polling. Advertising and marketing undertakings are engaged primarily by businesses selling consumer products, entertainment, financial services, technology products, telecommunication services and sale and re-sale of time and space for various media soliciting advertising. Larger advertising undertakings are structured as holding undertakings, owning multiple agencies across the globe that provide a wide range of services such as custom publishing, brand consultancy, mobile and online marketing, and public relations.

This sector includes the following activities in accordance to the following NACE code classification:

- M.73.11 Advertising agencies
- M.73.12 Media representation
- M.73.20 Market research and public opinion polling

[Draft] ESRS SEC1 Sector classification and general approach

Education sector

The Education sector includes activities within Education and within Research and Development.

Activities within education include education at any level or for any profession. The instructions may be oral or written and may be provided by radio, television, Internet or via correspondence. It includes education by the different institutions in the regular school system at its different levels as well as adult education, literacy programmes etc. Also included are military schools and academies, prison schools etc. at their respective levels. The sector includes public as well as education institutions that generate revenue from student fees. At the primary and secondary levels this includes mostly alternative educational schools, specialty schools within sports, the arts or similar occupations, as well as some businesses. At the tertiary (or higher) level, services are delivered on a full-time, part-time, distance-learning, and occasional basis across establishments such as junior colleges, business and secretarial schools, colleges, universities, and professional schools including medical, pharmaceutical, and veterinary programs. This sector also includes other educational activities such as tutoring undertakings and specialty schools that fall in between the secondary level and tertiary level.

This sector also includes research and development and focuses on the activities of three types of research and development:

- 1) basic research: experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without particular application or use in view,
- 2) applied research: original investigation undertaken in order to acquire new knowledge, directed primarily towards a specific practical aim or objective, and
- 3) experimental development: systematic work, drawing on existing knowledge gained from research and/or practical experience, directed to producing new materials, products and devices, to installing new processes, systems and services, and to improving substantially those already produced or installed. Research and experimental development activities in this division are subdivided into two categories: natural sciences and engineering.

This sector includes the following activities in accordance to the following NACE code classification:

M.72.19 Other research and experimental development on natural sciences and engineering

M.72.20 Research and experimental development on social sciences and humanities

P.85.10 Pre-primary education

P.85.20 Primary education

P.85.31 General secondary education

P.85.32 Technical and vocational secondary education

P.85.41 Post-secondary non-tertiary education

P.85.42 Tertiary education

P.85.51 Sports and recreation education

P.85.52 Cultural education

P.85.53 Driving school activities

P.85.59 Other education n.e.c.

P.85.60 Educational support activities

Professional Services sector

The Professional Services sector includes undertakings that rely on the unique skills and knowledge of their employees to serve a range of clients. Services are often provided on an assignment basis, where an individual or team is responsible for the delivery of services to clients. Offerings include, but are not limited to, management and administration consulting services, such as staffing and executive search services; legal, accounting, and tax preparation services; political, religious, and organisational services; travel, beauty and well-being services; architectural services, engineering services not covered by the ESRS Construction and Engineering standard, drafting services, building inspection services and surveying and mapping services. Information service providers that may specialise in an array of topics such as energy, healthcare, real estate, technology, and science. Service undertakings also include credit and rating agencies and data analytics providers.

The Professional Services sector group also includes the activities of membership organisations, it also includes activities of organisations representing interests of special groups or promoting ideas to the general public. It also includes all service activities not mentioned elsewhere in the sector classification. Notably it includes types of services such as washing and (dry-)cleaning of textiles and fur products, hairdressing and other beauty treatment, funeral and related activities.

This sector includes the following activities in accordance to the following NACE code classification:

M.69.10 Legal activities

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- M.69.20 Accounting, bookkeeping and auditing activities
- M.70.21 Public relations and communication activities
- M.70.22 Business and other management consultancy activities
- M.71.11 Architectural activities
- M.71.12 Engineering activities and related technical consultancy
- M.71.20 Technical testing and analysis
- M.74.10 Specialised design activities
- M.74.20 Photographic activities
- M.74.30 Translation and interpretation activities
- M.74.90 Other professional, scientific and technical activities n.e.c.
- N.77.40 Leasing of intellectual property and similar products, except copyrighted works
- N.78.10 Activities of employment placement agencies
- N.78.20 Temporary employment agency activities
- N.78.30 Other human resources provision
- N.79.11 Travel agency activities
- N.79.12 Tour operator activities
- N.79.90 Other reservation service and related activities
- N.80.10 Private security activities
- N.80.20 Security systems service activities
- N.80.30 Investigation activities
- N.82.11 Combined office administrative service activities
- N.82.19 Photocopying, document preparation and other specialised office support activities
- N.82.20 Activities of call centres
- N.82.30 Organisation of conventions and trade shows
- N.82.91 Activities of collection agencies and credit bureaus
- N.82.92 Packaging activities
- N.82.99 Other business support service activities n.e.c.
- S.94.11 Activities of business, employers and professional membership organisations
- S.94.20 Activities of trade unions
- S.94.92 Activities of political organisations
- S.94.99 Activities of other membership organisations n.e.c.
- S.96.01 Washing and (dry-)cleaning of textile and fur products
- S.96.02 Hairdressing and other beauty treatment
- S.96.03 Funeral and related activities
- S.96.04 Physical well-being activities
- S.96.09 Other personal service activities n.e.c.

Technology sector group

The Technology sector group includes the production and distribution of information and cultural products, the provision of the means to transmit or distribute these products, as well as data or communications, information technology activities and the processing of data and other information service activities.

Media and Communication sector

[Draft] ESRS SEC1 Sector classification and general approach

Undertakings in the Media and Communication sector are active in the media and entertainment, internet media and services and telecommunications segments. The main components are publishing activities, including software publishing, motion picture and sound recording activities, radio and TV broadcasting and programming activities, telecommunications activities, information technology activities and other information service activities. Publishing includes the acquisition of copyrights for content (information products) and making this content available to the general public by engaging in (or arranging for) the reproduction and distribution of this content in various forms. All the feasible forms of publishing (in print, electronic or audio form, on the Internet, as multimedia products etc.) are included in this sector as well as activities related to production and distribution of TV programming at different stages in this process.

The sector includes printing of products, such as newspapers, books, periodicals, business forms, greeting cards, and other materials, and associated support activities, such as bookbinding, plate-making services, and data imaging. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations. Though printing and publishing can be carried out by the same unit (a newspaper, for example), it is less and less the case that these distinct activities are carried out in the same physical location. It also includes the reproduction of recorded media. This also includes the publishing of books, brochures, leaflets, dictionaries, encyclopaedias, atlases, maps and charts.

Undertakings in the Media and Entertainment segment create content and/or acquire rights to distribute content over cable or broadcast media, including entertainment programs, news, data programs of entertainment, music, and children's programming. Undertakings in this sector also publish books, newspapers, and periodicals, and broadcast radio and local television programming. Undertakings in the Media and Communication sector are increasingly engaged in distributing content via the Internet. Issues such as data processing, hosting and related activities are covered by ESRS Software and IT Services. This includes production of theatrical and non-theatrical motion pictures whether on film, video tape or disc for direct projection in theatres or for broadcasting on television. It also includes the sound recording activities, i.e. production of original sound master recordings, releasing, promoting and distributing them, publishing of music as well as sound recording service activities in a studio or elsewhere.

The Internet Media and Services segment consists of two main segments. The internet media segment includes undertakings providing search engines and internet advertising channels, and online communities such as social networks, as well as content, usually easily searchable, such as educational, medical, health, sports, or news content. The internet-based services segment includes undertakings selling services mainly through the Internet. As well as activities of web search portals, data processing and hosting activities, as well as other activities that primarily supply information. The segment generates revenues primarily from online advertising, on usually free content, with other sources of revenue being subscription fees, content sales, or sale of user information to interested third parties.

The Telecommunication Services segment consists of wireless and wireline telecommunications undertakings, as well as undertakings that provide cable and satellite services. The broadcasting can be performed using different technologies, over-the-air, via satellite, via a cable network or via Internet. The wireless services segment provides direct communication through radio-based cellular networks and operates and maintains the associated switching and transmission facilities. The wireline segment provides local and long-distance voice communication via the Public Switched Telephone Network. Wireline carriers also offer voice over internet protocol (VoIP) telephone, television, and broadband internet services over an expanding network of fiber optic cables. Cable providers distribute television programming from cable networks to subscribers. They typically also provide consumers with video services, high-speed internet service, and VoIP. These services are traditionally bundled into packages that provide subscribers with easier payment options than paying for each service separately. Satellite undertakings distribute TV programming through broadcasting satellites orbiting the Earth or through ground stations. The commonality of activities classified in this segment is the transmission of content, without being involved in its creation. The breakdown in this segment is based on the type of infrastructure operated. In the case of transmission of television signals this may include the bundling of complete programming channels into programme packages for distribution.

The sector also includes the activities of web search portals, data processing and hosting activities, as well as other activities that primarily supply information. Undertakings serve customers primarily in their domestic markets, although some undertakings operate in several countries.

This sector includes the following activities in accordance to the following NACE code classification:

- C.18.11 Printing of newspapers
- C.18.12 Other printing
- C.18.13 Pre-press and pre-media services
- C.18.14 Binding and related services
- J.58.11 Book publishing
- J.58.12 Publishing of directories and mailing lists
- J.58.13 Publishing of newspapers

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- J.58.14 Publishing of journals and periodicals
- J.58.19 Other publishing activities
- J.58.21 Publishing of computer games
- J.59.11 Motion picture, video and television programme production activities
- J.59.12 Motion picture, video and television programme post-production activities
- J.59.13 Motion picture, video and television programme distribution activities
- J.59.20 Sound recording and music publishing activities
- J.60.10 Radio broadcasting
- J.60.20 Television programming and broadcasting activities
- J.61.10 Wired telecommunications activities
- J.61.20 Wireless telecommunications activities
- J.61.30 Satellite telecommunications activities
- J.61.90 Other telecommunications activities
- J.63.12 Web portals
- J.63.91 News agency activities
- J.63.99 Other information service activities n.e.c.

Information Technology sector

The Information Technology sector includes the activities of data processing and hosting activities, as well as other activities that primarily supply information. It also includes providing expertise in the field of information technologies: writing, modifying, testing and supporting software.

Undertakings in the Information Technology sector offer products and services globally to retail, business, and government customers, and includes undertakings involved in the development and sales of applications software, infrastructure software, and middleware. The sector also includes IT services undertakings delivering specialised IT functions, such as consulting and outsourced services. New sector business models include cloud computing, software as a service, virtualisation, machine-to-machine communication, big data analysis, and machine learning.

This sector includes the following activities in accordance to the following NACE code classification:

- J.58.29 Other software publishing
- J.62.01 Computer programming activities
- J.62.02 Computer consultancy activities
- J.62.03 Computer facilities management activities
- J.62.09 Other information technology and computer service activities
- J.63.11 Data processing, hosting and related activities

Transportation sector group

The Transportation sector group includes the provision of passenger or freight transport, whether scheduled or not, by rail, pipeline, road, water or air and associated activities such as terminal and parking facilities, cargo handling, storage etc. Included in this sector is the rental of transport equipment with driver or operator. Also included are postal and courier activities.

Other Transportation sector

Undertakings in the Transportation sector are typically active in the air freight and logistics, airlines, cruise lines, marine transportation, rail transportation segments.

Air freight and logistics undertakings provide freight services and transportation logistics to both businesses and individuals. There are three main sector segments: air freight transportation, post and courier services, and transportation logistics services. Transportation logistics services include contracting with road, rail, marine, and air freight undertakings to select and hire appropriate transportation. Services can also include customs brokerage, distribution management, vendor consolidation, cargo insurance, purchase-order management, and customized logistics information.

[Draft] ESRS SEC1 Sector classification and general approach

The sector includes postal and courier activities, such as pickup, transport and delivery of letters and parcels under various arrangements. Local delivery and messenger services are also included.

The airlines segment is comprised of undertakings that provide air transportation globally to passengers for both leisure and business purposes. This includes commercial full-service, low-cost, and regional airlines. Full-service carriers typically use a hub-and-spoke model to design their routes within countries and internationally. Low-cost carriers usually offer a smaller number of routes as well as no-frills service to their customers. Regional carriers typically operate under contract to full-service carriers, expanding the network of the larger carriers. Many airline undertakings also have a cargo segment in their operations from which they generate additional revenue. It is common within the segment for undertakings undertaking to form partnerships or join alliances in order to increase network size.

The cruise lines segment comprises undertakings that provide passenger transportation and leisure entertainment, including deep sea cruises and river cruises. The segment is dominated by a few large undertakings. The marine transportation segment consists of undertakings that provide deep-sea, coastal, and/or river-way freight shipping services. Key activities include transportation of containerised and bulk freight, including consumer goods and a wide range of commodities, and transportation of chemicals and petroleum products in tankers. This also includes the transport of passengers or freight over water, whether scheduled or not. Also included are the operation of towing or pushing boats, excursion, cruise or sightseeing boats, ferries, water taxis etc

The rail transportation segment consists of undertakings that provide passenger rail transport, whether urban, suburban or interurban, rail freight shipping and support services. Key activities include shipping containerised and bulk freight, including consumer goods and commodities.

The Transportation sector includes warehousing and support activities for transportation, such as operating of transport infrastructure (e.g. airports, harbours, tunnels, bridges, etc.), the activities of transport agencies and cargo handling.

This sector includes the following activities in accordance to the following NACE code classification:

H.49.10 Passenger rail transport, interurban

H.49.20 Freight rail transport

H.50.10 Sea and coastal passenger water transport

H.50.20 Sea and coastal freight water transport

H.50.30 Inland passenger water transport

H.50.40 Inland freight water transport

H.51.10 Passenger air transport

H.51.21 Freight air transport

H.52.10 Warehousing and storage

H.52.21 Service activities incidental to land transportation

H.52.22 Service activities incidental to water transportation

H.52.23 Service activities incidental to air transportation

H.52.24 Cargo handling

H.52.29 Other transportation support activities

Road Transport sector

Passenger land transport: urban and suburban passenger land transport, taxi operation + other passenger land transport not classified elsewhere

Operation of passenger land transport: For motor vehicles, operation of vehicles designated as category M2 or M3, in accordance with Article 4(1) of Regulation (EU) 2018/858, for the provision of passenger transport. The economic activities in this category may include operation of different modes of land transport, such as by motor bus, trolley bus. The economic activities in this category also include taxi operation, scheduled long-distance bus services, charters, excursions and other occasional coach services, airport shuttles (including within airports), operation of school buses and buses for the transport.

Operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.

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This sector includes the following activities in accordance to the following NACE code classification:

- H.49.31 Urban and suburban passenger land transport
- H.49.32 Taxi operation
- H.49.39 Other passenger land transport not classified elsewhere
- H.49.41 Freight transport by road
- H.49.42 Removal services
- H.53.10 Postal activities under universal service obligation
- H.53.20 Other postal and courier activities

PART B – General approach

SEC 1 Sector classification

- 1 This Exposure Draft illustrates how NACE codes are aggregated to form sectors, providing in this way a central reference for all the undertakings on how to report their sector of activities. This will be the infrastructure for the application of draft Sector ESRs. At the same time, from 2025 undertakings are due to report the disclosure required by SBM 1 of ESRs 2, which includes also a breakdown of the revenues by sector.
- 2 The sector classification approach in ESRs SEC 1 exposure draft ('ED') reflects a 'desktop review and grouping approach', i.e., prepared on a top-down basis, before a detailed investigation of the sustainability matters likely to be material for the specific sector and the related disclosure requirements, which could enhance the definition of sector boundaries. The draft has also been prepared on the basis of a reconciliation table with the SASB classification system. This table was prepared by EFRAG Secretariat and not approved by the ISSB or ISSB staff. The preparatory work on the first sectors shows that the activity that leads to the definition of sustainability matters and disclosure requirements applicable at sector level is also a 'field test' for the sector classification. Future changes to the aggregation of sectors are anticipated once the investigation of matters and disclosure requirements applicable to each and every sector progresses. The following is a list of non-exhaustive examples:
 - (a) Sales and trading: for some of the sectors it would be more relevant to include, with the production activities, also the sales and trading services. Consequently, the corresponding sub-sectors (grouping of NACE codes) related to the sales and trades of a given product could be re-allocated from the Sales & Trade sector of SEC 1 to the relevant production sector.
 - (b) Taxonomy sectors: the assessment of the alignment with the Taxonomy has not been performed so far. The proposal of the EFRAG Secretariat is to perform this assessment in conjunction with the sector Exposure Drafts, i.e. when issuing the ESRs dedicated to Mining, the ED would reflect the outcome of such alignment, where appropriate.
- 3 In relation to the Taxonomy sectors a full alignment may not be possible as the sector scopes in both frameworks seem to be defined on a different basis. Hereafter two examples where an alignment may be impossible to achieve:

<u>NACE code activity</u>	<u>EU Taxonomy sector</u>	<u>Draft ESRs</u>
<u>F.43.22 Plumbing, heat and air conditioning installation</u>	<u>Energy</u>	<u>Construction and engineering</u>
<u>F.42.22 Construction of utility projects for electricity and telecommunications</u>	<u>Energy</u>	<u>Construction and engineering</u>
<u>H.49.50 Transport via pipeline</u>	<u>Water</u>	<u>Oil and Gas – mid to down</u>

Interaction with sector agnostic standards

- 4 The content of sector specific draft ESRs standards is incremental to the content of the topical standards in Set 1. This means that, when the undertaking concludes that a sustainability matter is material, it shall report according to the DRs of the topical standard in Set 1 and, in addition, the DRs of the sector specific ESRs.

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- 5 Consistently with the sector agnostic approach:
- (a) contents in the main body and AR of the draft sector ESRS that relate to ESRS E1 *Climate Change* and ESRS 2 *General Disclosures* are to be reported irrespective of the materiality assessment;
 - (b) DRs in ESRS S1 *Own workforce* from 1 to 9 are to be reported irrespective of the materiality assessment for undertakings with more than 250 employees;
 - (c) the datapoints in Appendix C of ESRS 2 (stemming from EU regulation) are to be reported irrespective of the materiality assessment.
- 6 A limited number of additional datapoints stemming from EU regulations (primarily but not limited to Pillar 3) that were not included in Set 1 due to their sector-specific nature, are included as always to be reported, irrespective of their materiality.
- 7 The draft sector ESRS identifies a list of sustainability matters that are deemed material for the sector; some of them are also covered in Set 1. The undertaking runs a materiality assessment supported by both the list of Appendix B in ESRS 1 and the list in paragraph 16 of the Mining ESRS working paper. In this way, the list of material matters includes:
- (a) matters identified by the standard setter as material in the draft sector ESRS;
 - (b) matters listed in ESRS 1 Appendix B identified by the undertaking as a result of its materiality assessment (when the same sub-topic or topic is in both lists, the conclusion of the standard setter in draft sector ESRS would prevail).

Materiality approach [SUBJECT TO SRB CONFIRMATION AND TO THE ONGOING FEASIBILITY DISCUSSION OF COMBINING APPROACH 3 AND 4]

- 8 The undertaking applies paragraphs 33 to 39 of ESRS 1 *General requirements* in determining the content of its sustainability statements with respect to the material matters identified in paragraph 7 above. This means considering both the content of the DRs in the sector agnostic standards AND the content of the DRs in the sector ESRS. This would mean that DRs (and their datapoints) in both sector agnostic and sector specific standards related to policies, actions and targets would always be reported for the material matters. However, metrics (DR or datapoints) could be omitted if not material and therefore considered as “not material to the undertaking”.
- 9 Consistent with the sector agnostic approach, no reinforced transparency provisions are included (such as a justification/disclosure when a DR or datapoint is omitted).

Level of disaggregation (see SR TEG paper 04-01 discussed on 3 February 2023)

- 10 For some sectors, current practice and other existing frameworks and standards show a number of disclosures disaggregated by location, at operational site level, (or at country, at asset or at project level).
- 11 A requirement to disclose information disaggregated at individual sites or assets is to be understood as appropriate only when strictly needed (implementing the criteria in ESRS 1 on level of aggregation). The decision whether to require a disaggregation at operational site, whether to limit it to key operational sites or to require a higher level of aggregation has to reflect primarily the relevance of the resulting information and, as a second step, the cost/benefit profile of the disclosures.
- 12 Consistent with ESRS 1, appropriate factors have to be considered in order to define the appropriate level of granularity, by keeping a focus on the necessity of the resulting information:
- (a) to be material;

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- (b) not to obscure the specificity and context necessary to interpret the information; and
 - (c) not to aggregate material information items of different natures.
- 13 The following three general principles would support the operationalization of the level of disaggregation in the sector ESRS standards:
- (a) Proportionate scope: The level of disaggregation to be required in the [draft] standards shall be commensurate to the scope at which the sustainability processes and impacts occur. To produce relevant information, when material impacts affect a specific operational site or a specific local area, such as for high-land impact operations, the draft sector ESRS shall require a disaggregation of the information at this level. Example: highly-impacting mining sites.
 - (b) Material aspects affecting a specific site: When specific events or aspects that are linked to a specific operational site or specific local area trigger material changes in the impact profile of the operations, the draft ESRS shall require disaggregation at level of this specific site or local area. Examples:
 - (i) for biodiversity, the draft ESRS will incorporate a presumption that for operations that are located in or near nature sensitive areas and are connected with material impacts, risks and opportunities, the appropriate level of disaggregation is the specific operational site;
 - (ii) for mining, all the sites that are under closure and rehabilitation shall be disclosed.
 - (c) Alternative information based on internal control: In developing the required level of disaggregation, before defining a granularity at operational site level, the draft ESRS standards should consider whether relevant information can be obtained requiring to disclose alternative information based on the internal control evidences of the undertaking. For example, requiring whether an EMAS or ISO 14001 certification exists at site level, would replace more detailed info on governance, policies and actions on environmental IRO at site level.
- 14 When appropriate, the standard will include a requirement for a mapping of the operational sites, that would support the identification of the sites that are connected with a specific impact, risk or opportunity.

Examples on how to apply sector standards depending on the NACE code activities

Example 1

- 1 Assume an undertaking that has registered its activities under one single NACE-code. Eg. an undertaking (undertaking A) has solely activities registered as NACE B.07.10 *Mining of iron ores*. In this case the undertaking shall apply the ESRS sector standard “Mining, Quarrying and Coal” to its operations, despite the scope of Mining, Quarrying and Coal being broader than the relevant NACE-code.

Example 2

- 2 Assume an undertaking that has registered its activities under different NACE codes that are covered by different ESRS sector standards. Eg. undertaking A has in addition to its activities registered as NACE B.07.10 *Mining of iron ores* also significant activities that are registered as NACE C24.10 *Manufacture of basis iron, steel and of ferro-alloys*. In this case the undertaking shall apply both the ESRS sector standards “Mining, Quarrying and Coal” and “Metal processing”.

Example 3

- 3 Assume an undertaking that is part of a group has intercompany transactions with its parent undertaking or other subsidiaries of that parent undertaking. Eg. Undertaking A and undertaking B are both part of the same consolidated group C. Undertaking A has solely activities registered

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as NACE B.07.10 *Mining of iron ores* but sells some of the extracted ore to undertaking B which has solely activities registered as NACE C24.10 *Manufacture of basis iron, steel and of ferro-alloys*. Undertaking A – at entity level – shall apply the ESRS sector standard “Mining, Quarrying and Coal” to its operations. Undertaking B – at entity level – shall apply the ESRS sector standard “Metal processing” to its operations. At consolidated level, group C shall apply both the ESRS sector standards “Mining, Quarrying and Coal” and “Metal processing” (absent any other activities).

Appendix C: Reconciliation with Pillar 3 and SASB classification

Pillar III – ESRS sectors mapping

<u>ESRS Sector</u>	<u>Pillar III ESG</u>
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
Oil and Gas – from Midstream to Downstream	H.49 - Land transport and transport via pipelines
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
Building 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
Constructions 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

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Electronics	C.26 - Manufacture of computer, electronic and optical products C.27 - Manufacture of electrical equipment C.29 - Manufacture of motor vehicles, trailers and semi-trailers C.33 - Repair and installation of machinery and equipment Exposures to other sectors (NACE codes J, M - U)
Food and Beverages	C.10 - Manufacture of food products C.11 - Manufacture of beverages
Machinery and Equipment	C.28 - Manufacture of machinery and equipment n.e.c. C.30 - Manufacture of other transport equipment C.33 - Repair and installation of machinery and equipment
Medical Instruments	C.26 - Manufacture of computer, electronic and optical products C.32 - Other manufacturing
Metal Processing	C.24 - Manufacture of basic metals C.25 - Manufacture of fabricated metal products, except machinery and equipment C.32 - Other manufacturing C.33 - Repair and installation of machinery and equipment
Motor Vehicles	C.22 - Manufacture of rubber products C.29 - Manufacture of motor vehicles, trailers and semi-trailers C.30 - Manufacture of other transport equipment
Paper and Wood Products	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials C.17 - Manufacture of pulp, paper and paperboard
Pharma and Biotechnology	C.21 - Manufacture of pharmaceutical preparations Exposures to other sectors (NACE codes J, M - U)
Sporting Equipment and Toys	C.30 - Manufacture of other transport equipment C.32 - Other manufacturing
Textiles, Accessories, Footwear and Jewelleries	C.13 - Manufacture of textiles C.14 - Manufacture of wearing apparel C.15 - Manufacture of leather and related products C.32 - Other manufacturing
Tobacco	C.12 - Manufacture of tobacco products
Coal Mining	B.05 - Mining of coal and lignite C.19 - Manufacture of coke oven products
Mining	B.07 - Mining of metal ores B.08 - Other mining and quarrying B.09 - Mining support service activities
Oil and Gas - Upstream and Services	B.06 - Extraction of crude petroleum and natural gas

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Real Estate and Services	L - Real estate activities Exposures to other sectors (NACE codes J, M - U)
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

[Draft] ESRS SEC1 Sector classification and general approach

SASB Industries – ESRS mapping

<u>ESRS Sector</u>	<u>SASB Industries</u>
<u>Agriculture, Farming and Fishing</u>	<u>Agricultural products</u> <u>Meat, poultry and dairy</u> <u>Professional and commercial services</u>
<u>Forestry</u>	<u>Forestry management</u> <u>Professional and commercial services</u>
<u>Construction and Engineering</u>	<u>Construction and engineering</u> <u>Waste management</u> <u>Home builders</u> <u>Engineering and construction services</u> <u>Electric utilities and power generators</u> <u>Solar technology and project development</u> <u>Wind technology and project development</u>
<u>Power Production and Energy Utilities</u>	<u>Electric utilities and power generators</u> <u>Solar technology and project development</u> <u>Wind technology and project development</u> <u>Gas utilities and distributors</u>
<u>Oil and Gas – from Midstream to Downstream</u>	<u>Oil and Gas -refining and marketing</u> <u>Oil and Gas – Midstream</u> <u>Biofuels</u> <u>e-commerce</u> <u>Coal operations</u> <u>Chemicals</u>
<u>Water and Waste Services</u>	<u>Waste management</u> <u>Water utilities and services</u>
<u>Gaming</u>	<u>Casinos and gaming</u>
<u>Recreation and Leisure</u>	<u>Leisure facilities</u> <u>Media and entertainment</u> <u>Professional and commercial services</u>
<u>Capital Markets</u>	<u>Asset management and custody activities</u> <u>Investment banking and brokerage</u> <u>Security and commodity exchanges</u> <u>Commercial banks</u> <u>Investment banking and brokerage</u> <u>Mortgage finance</u>
<u>Credit Institutions</u>	<u>Commercial banks</u> <u>Consumer Finance</u> <u>Mortgage finance</u> <u>Asset management and custody activities</u>

[Draft] ESRS SEC1 Sector classification and general approach

	Investment banking and brokerage Insurance All SASB industries deemed relevant
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
Building 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
Constructions 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

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	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 Household and personal products Professional and commercial services
Food and Beverages	Alcoholic beverages Processed Foods Meat, poultry and diary 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

[Draft] ESRS SEC1 Sector classification and general approach

	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
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
Coal Mining	Coal operations
Mining	Metals and mining Professional and commercial services
Oil and Gas - Upstream and Services	Oil and Gas – exploration and production Oil and Gas – services
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

[Draft] ESRS SEC1 Sector classification and general approach

	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 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

[Draft] ESRS SEC1 Sector classification and general approach

	Oil and gas -refining and marketing Professional and commercial services Aerospace and defence
Road Transport	Road transportation Car rental and leasing