

This paper provides the technical advice from EFRAG SR TEG to the EFRAG SRB, following EFRAG SR TEG's public discussion. The paper does not represent the official views of EFRAG or any individual member of the EFRAG SRB. This paper is made available to enable the public to follow the EFRAG's due process. Tentative decisions are reported in EFRAG Update. EFRAG positions as approved by the EFRAG SRB are published as comment letters, discussion or position papers or in any other form considered appropriate in the circumstances.

European Sustainability Reporting Standards – SEC 1

Sector Classification and General Requirements – Exposure Draft

Status of this document

~~The EFRAG SR TEG has approved the SEC 1 ED on 2 March 2023 with a view to consulting on it in 2023. Due to a change in priorities starting in mid March 2023, the approval at the SRB did not take place. This gave the EFRAG Secretariat additional time to conduct outreach with EFRAG's Sector Communities in the beginning of 2024, which led to the identification of a number of changes to be made to the detailed aggregation of NACE codes into ESRS Sectors. In particular, during February 2024 the grouping approach to drafting was discussed with the different sector communities in 11 workshops. Their comments and suggestions led to a number of changes, most profoundly, to the inclusion of specialised sales activities within the respective manufacturing sectors, the use of NACE Classes more than once and – in some cases – working with NACE economic activities at a more granular level than four digits so as to permit assigning activities within one NACE Class to different sectors. In addition, these leasing activities have been integrated within the different sectors. To enhance interoperability with other frameworks, a few sectors have been integrated into others: Tobacco, Gaming, Paper and Wood products, and Marketing. Finally, two additional sectors have been created: Bioenergy and Household durables n.e.c. (merging and extending the previous Sports and Equipment, Construction and Furnishings sectors).~~

~~Such changes have been discussed and approved by the EFRAG SR TEG with the exception of the treatment of bioenergy (for which a supplementary discussion is needed before it concludes whether a separate sector is needed – in this draft, bioenergy activities are spread across the relevant sectors) and of financial institutions (for which the EFRAG Secretariat expects to obtain advice from the three Advisory Panels in the next two months). Accordingly, the content of this document for bioenergy and financial institutions is still subject to discussion.~~

Content of this document

The ESRS sector classification is intended to be enacted as an ESRS in a Delegated Act after the public consultation and subsequent changes. This ED (SEC 1) illustrates how NACE codes are aggregated to form sectors, providing in this way a central reference for all the undertakings on how to report on their sectors of activities. This will be the infrastructure for the application of Sector ESRS. At the same time, considering the phase ins as proposed by the Delegated Act supplementing Directive 2013/34/EU with regard to sustainability reporting standards, from 2025 onwards undertakings are due to report the disclosure required by SBM 1 of ESRS², which includes also a breakdown of the revenues by ESRS sector and requires SEC 1 to be enacted in order to be effective.

Potential future revisions to SEC1

The sector classification approach in ESRS SEC 1 ED reflects a desktop review and grouping approach supplemented by the outreach ran in February 2024. The draft has also been prepared on the basis of a reconciliation table with the SASB classification system. The reconciliation table with SASB classification has been prepared by the EFRAG Secretariat and has not been approved by the ISSB or the ISSB. The preparatory work on the first sectors shows that the activity that leads to the definition of sustainability matters and disclosure requirements applicable at the sector level can bring new evidence on the NACE aggregation of the specific sectors.

Future changes to the aggregation of sectors cannot be in principle excluded; however, they will be kept to the minimum possible level.

EFRAG is aware that a new NACE classification is applicable as of 2025; this ED (SEC 1) has been aligned with this new NACE classification 2.1.

Relationship with the EU Taxonomy for sustainability activities

The ESRS Sectors as defined in this ED and the EU Taxonomy have very different goals. The first serves to support the disclosure requirements connected to particular sectors and the undertakings active in these sectors. The latter aims to steer sustainable investment and to implement the EU Green Deal.

For the reasons explained in the Basis for Conclusions of this ED, a mapping exercise to establish the link between the scope of the ESRS Sectors and the EU Taxonomy activities would have limited benefits. Hence, this document does not provide a mapping between those two frameworks.

Table of Contents

Objective	5
Sector classification.....	5
Approach taken with regard to the classification of sales activities.....	7
Identification of the applicable sector-specific ESRS	7
Materiality of information [MOVED TO SEC 1 FROM OIL AND GAS ED]	8
Sector specifications of the Disclosure Requirements of IRO 2 [MOVED TO SEC 1 FROM OIL AND GAS ED].....	9
General requirements	11
Role and content of Sector ESRS	11
Level of disaggregation in Sector ESRS.....	11
Appendix A: Sector classification	14
Appendix B: Defined terms [MOVED TO SEC 1 FROM OIL AND GAS ED].....	47
Appendix C: Sector descriptions	50
Agriculture sector group	50
Construction sector group.....	51
Utilities sector group	52
Entertainment sector group.....	54
Financial Institutions sector group.....	55
Health Care sector group	64
Hospitality sector group	65
Household goods sector group	66
Manufacturing sector group	66
Mining sector group	75
Real Estate sector group	76
Sales and Trade sector group	77
Services sector group	77
Technology sector group.....	79

ESRS SEC 1 Sector Classification and general requirements

Transportation sector group	81
Appendix D: Application Requirements	84
Example 1 – Single activity	97
Example 2 – Multiple activities in one entity	97
Example 3 – Vertically integrated operations	97
Example 4 – Insignificant activities	98
Example 5 – Undertakings operating in different sectors.....	98
Example 6 – Transport – internal activities.....	99
Example 7 – Credit institution having a mortgage loan portfolio	99
Example 8 – Credit institution controlling real estate through investment funds	99
Example 9 – Consolidated reporting and subsidiary exemption	100
Appendix E: When does an undertaking apply more than one sector standard?	101

Objective

~~2~~ 2 The sector-specific information to be disclosed by the undertaking for each sector is determined in the sector-specific [draft] ESRS.

~~2~~—The objective of this [draft] standard is to provide guidance to undertakings to identify the sector-specific standards that are relevant for them by classifying groups of economic activities into ESRS sectors and sector groups.

3 ~~The ultimate objective of this classification approach is to support~~This supports 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 sector-agnostic [draft] ESRS.

~~41~~ 41 ~~An undertaking's~~The sector-specific information to be disclosed by the undertaking for each sector is determined in the sector-specific [draft] ESRS.

~~54~~ 54 The sector classification is based on the following considerations.

- (a) The business activities determine which Sector ESRS the undertaking is operating in. ~~Sectors~~Sector ESRS share similar sustainability impacts, risks and opportunities~~;~~
- (b) The analysis of impacts, risks and opportunities (IROs) performed in the standard-setting process for each Sector ESRS enables the identification of the sector's sustainability matters that are most relevant to the sector and for which the undertaking shall report on in accordance with the sector-specific [draft] ESRS~~;~~
- (c) The sustainability matters identified in the sector standard shall be considered in the materiality assessment of the undertaking, which shall report the Disclosure Requirements of the material sustainability matters.

Sector classification

~~65~~ 65 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)¹.

~~76~~ 76 Undertakings shall use one or more sector-specific ESRS depending on the identification of NACE codes for their activities, as presented in the Appendix A and the sector description

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](#)).

of each sector-specific [draft] ESRS. Undertakings shall use the NACE codes following the economic substance to define which sector-specific ESRS to use, looking at the substance of the economic activities they are operating – which sector they mostly operate in generating revenues and value added – rather than the form (the administrative use by registering under one or more particular NACE code).

[87](#) Each of the sector-specific [draft] ESRS will include the relevant sector description as part of the main body of the standard. In this way, the identification of the activities' sector(s) will rely with equal authority on the NACE codes and the sector description.

[98](#) NACE business activities are grouped into ESRS sectors based on common characteristics related to the sustainability impacts, risks and opportunities generally associated with them. The ESRS sectors are relevant in determining the sector-specific ESRS to be applied and, ultimately, the sector disclosures. 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). Sector groups serve the purpose of offering a more aggregated view of the overall list of sectors to be used in the future for statistical reasons but do not play a role in setting the disclosure requirements.

[109](#) For the purposes 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 Directive²:

- U.98.10 Undifferentiated goods-producing activities of private households for own use
- U.98.20 Undifferentiated service-producing activities of private households for own use
- U.97.00 Activities of households as employers of domestic personnel
- V.99.00 Activities of extraterritorial organisations and bodies
- L.64.11 Central banking
- [L.64.22 Activities of financing conduits](#)
- P.84.11 General public administration activities
- P.84.12 Regulation of health care, education, cultural services and other social services
- P 84.13 Regulation of and contribution to more efficient operation of business
- P 84.21 Foreign Affairs

² 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](#)).

- P 84.22 Defense activities
- P 84.23 Justice and judicial activities
- P 84.24 Public order and safety activities
- P 84.25 Fire service activities
- P 84.30 Compulsory social security activities.

1110 The activities of holding companies (K 64.20) and the activities of head offices (N 70.10) are not classified in one specific sector as they may relate to any of the ESRS Sectors. As such, they will not be covered by a dedicated sector-specific ESRS but will be covered by agnostic disclosures.

1211 There is one exception to this approach, which relates to the Financial Institutions sector group, where the holding activities in that sector group are classified according to the activities of their respective groups because of the regulatory framework they are subject to.

Approach taken with regard to the classification of sales activities

12 In principle, specialised sales activities, irrespective whether these are wholesale, retail sale or agents involved in sales, are assigned to the manufacturing sector they relate to (for example specialised sales of textiles are assigned to the draft ESRS *Textiles, Accessories, Footwear and Jewelleries*) and they form a subsector of the manufacturing sector. This will allow, from one hand, to tailor the IRO's and relating disclosures of these activities separately from the manufacturing of the products. From the other hand, undertakings active in sales will benefit from the IROs and disclosures of the upstream subsectors in the same manufacturing sector when they identify the IROs of their upstream value chain. General sales activities are grouped under the Sales and Trade sector.

13 Exceptions to this general rule may be considered, when needed.

Identification of the applicable sector-specific ESRS

1314 The undertaking shall report according to the sector-specific [draft] ESRS that are its significant sectors. ~~According to ESRS 2 paragraph 40(b)~~ An undertaking shall report for more than one sector ESRS when it has identified more than one significant sector under ESRS 2 paragraph 40(b) and Application Requirement 13(a)(b). According to ESRS 2 paragraphs 40(b) and (c) and Application Requirements 12 and 13 of the Delegated Act supplementing Directive 2013/34, a sector is significant if it:

- (a) generates revenues above 10 percent of the revenues of all its activities; or

(b) is connected with material actual impacts or material potential negative impacts.

~~1415~~ In accordance with ESRS 1 paragraph 63, the information in the sustainability statement shall be extended to include information on the material impacts, risks and opportunities connected to the undertaking through its direct and indirect business relationships in the upstream and/or downstream value chain.

~~16~~ In addition to covering the own operations of undertakings in a sector, Sector ESRS provide requirements that cover, when necessary, the information about the most relevant IROs in the value chains of that sector. The undertaking shall determine which sector ESRSs it has to apply based on the significant sectors of its own operations, also consider if its value chain extends to other sectors. For example, a clothing retail distributor which identifies IROs in relation to value chain actors growing and delivering cotton, should apply the Textiles, Accessories and Footwear standard, but not also the Agriculture standard.

~~17~~ Following ESRS 2, paragraph 40 (c), significant sectors also include internal activities that do not produce revenue, i.e. internal revenues that are consolidated when eliminated in the accounting consolidation process. These internal activities constitute a significant sector for the undertaking, when (i) they are above 10 percent of the aggregated revenues of all its activities before the consolidation eliminations or that may be (ii) irrespective of their size, they are connected to material impacts.

~~18~~ How to determine the 10 percent border:

$$\frac{\text{Value of internal activities}}{\text{External revenue} + \text{value of internal activities}} > 10\%$$

~~1519~~ Internal activities may relate to any type of activity situations whereby one department or team (in case the undertaking consists of only one legal entity) or one legal entity within a group (in case the undertaking consists of multiple legal entities) delivers services or products to another (i) department or team or (ii) legal entity within a group, and which upon consolidation are eliminated in the preparation of financial statements since, as such, they do not generate reported revenue. In case the undertaking only consists of one legal entity, only the impact criterion will apply.

~~Ann~~ **Materiality of information [MOVED TO SEC 1 FROM OIL AND GAS ED]**

~~20~~ Irrespective of the outcome of its materiality assessment, the undertaking shall apply more than one always disclose the information required by a [draft] sector ESRS when it has identified more than one significant sector under that are sector specifications of:

(a) ESRS 2 ~~paragraph 40(b)~~ General Disclosures (i.e. all the Disclosure Requirements and Application data points specified in this draft ESRS that are sector specifications of ESRS 2); and

(b) of the Disclosure Requirements (including their datapoints) in topical ESRS related to the Disclosure Requirement ~~13(a)(b)~~ (that is, revenues above 10 percent of the revenue of all its activities or that it is connected to IRO-1 Description of the process to identify and assess material actual or impacts, risks and opportunities, as listed in ESRS 2 Appendix C Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures.

1621 The undertaking shall apply paragraphs 33, 34 and 35 of ESRS 1, when determining the information to be reported on a material ~~potential negative impacts~~ sustainability matter, prescribed by the requirements in this [draft] ESRS.

22 For metrics prescribed in each draft] sector ESRS that are not datapoints that emanate from EU Law, if the undertaking omits information prescribed by either a Disclosure Requirement or a datapoint of a Disclosure Requirement, such information is implicitly reported as “not material for the undertaking”.

Sector specifications of the Disclosure Requirements of IRO 2 [MOVED TO SEC 1 FROM OIL AND GAS ED]

23 The undertaking shall disclose the conclusions of its materiality assessment regarding the most relevant sustainability matters in the sector ESRS corresponding to it(s) significant sector(s), providing a brief explanation in relation to the undertaking’s specific facts and circumstances and about which matters in this list have been assessed to be material and which have not been assessed to be material. Specific facts and circumstances include the undertaking’s business model, its specific activities, the location of its sites, its products, its business relationships.

24 In the [draft] Sector ESRS, Disclosure Requirements are aggregated in subsectors when applicable. In this case, the Sector ESRS includes a navigation table that supports the understanding of which sustainability matter(s) or disclosures in the standard are applicable to one or more subsectors.

25 When the undertaking omits the Disclosure Requirements in a [draft] Sector ESRS that are applicable to a subsector in which the undertaking does not operate, the brief explanation mentioned in paragraph 23 does not need to cover the sustainability matters which the omitted Disclosure Requirements refer to.

26 The undertaking shall include in the ESRS 2 IRO-2 the list of Disclosure Requirements complied with following the outcome of the materiality assessment (see paragraph 56 of ESRS 2). The undertaking shall include in this list also the Disclosure Requirements of the applicable [draft] Sector ESRS.

General requirements

Role and content of Sector ESRS

- 27 An undertaking operating in a specific sector ESRS shall apply the sector ESRS in conjunction with ESRS topical and cross-cutting standards.
- 28 The content of a sector-specific [draft] ESRS complements the content of the existing cross-cutting and topical standards in accordance with the Delegated Act supplementing Directive 2013/34 of the European Parliament and of the Council as regards the sustainability reporting standards Delegated Act.
- 29 Sector ESRS set Disclosure Requirements for sustainability matters that are likely to be material in a specific sector and that are not covered, or not sufficiently covered, by topical standards. In addition, they also include guidance for undertakings operating in a specific sector on how to apply sector-agnostic disclosure requirements in the context of that sector. Finally, they include additional datapoints or breakdowns of Disclosure Requirements in sector-agnostic standards.

Level of disaggregation in Sector ESRS

- 30 For some sectors, current practice and other existing frameworks and standards show several disclosures disaggregated by location at operational site level or at country, asset or project level, i.e., at the disaggregation level. The following paragraphs present the tentative guidance that the SRB intends to follow in determining the appropriate level of disaggregation for a specific datapoint when developing a [draft] Sector ESRS.
- 31 A requirement to disclose information at individual site or asset level would in general be considered as appropriate when the general criteria in ESRS 1 on level of disaggregation (see paragraphs 54-57) would require disaggregated information. The decision of whether to require disaggregation of information at the operational site level and of whether to limit it to key operational sites or at a higher level of aggregation shall reflect the relevance of the resulting information compatibly with this relevance and the cost/benefit profile of the disclosures.
- 32 Consistent with ESRS 1, appropriate factors must be considered to define the appropriate level of granularity by keeping a focus on the necessity of the resulting information in order:
- (a) to be relevant;
 - (b) not to obscure the specificity and context necessary to convey a complete understanding of the information; and

(c) not to aggregate material information items that have a different nature.

33 When developing requirements for a [draft] sector ESRS, the following three general principles are applied.

(a) Proportionate scope: The level of disaggregation required in a [draft] sector ESRS shall be aligned with the level at which the sustainability impacts occur. In some cases information on material impacts is more relevant at operational site level or local area level instead of at consolidated level. In that case the [draft] sector standard will in principle require to disaggregate up to that specific level the information stemming from the datapoints that cover the sustainability matter concerned.

(b) Material aspects affecting a specific site: When specific events or aspects, which are linked to a specific operational site or specific local area, trigger material changes in the impact profile of the undertaking, the sector-specific [draft] ESRS standard will in principle require disaggregation at the level of this specific site or local area.

(c) Alternative information based on internal control: In developing the required level of disaggregation, before defining a granularity at operational site level, the [draft] sector ESRS should consider whether relevant information can be obtained otherwise, e.g., by requiring disclosing alternative information based on the internal control evidence of the undertaking.

34 Where appropriate, the [draft] Sector ESRS will include a requirement for the mapping of the operational sites to a specific sustainability matter or aspect of a sustainability matter or impact, risk or opportunity related to the site(s).

ESRS SEC 1 Sector Classification and general requirements

~~1735~~ The undertaking shall determine in which of the following 35 sectors and 15 sector groups it operates. The notion of sector group does not play a role in defining the applicable disclosure.

[draft] ESRS sector group	[draft] ESRS sector	Code
Agriculture	Agriculture, Farming and Fishing	AAF
	Forestry and wood products	AFOAFW
Construction	Construction and Engineering	CCE
Utilities	Power Production and Energy Utilities	UPE
	Water and Waste Services	UWW
Entertainment	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
Durable Household goods	Household durables goods n.e.c	DHDH HG
Manufacturing	Aerospace, defence and services	MDEM AD
	Bioenergy	MBE
	Chemicals and polymers	MCHM CP
	Construction Materials	MMBM MCM
	Electronics and electrical equipment	MEL
	Food and Beverages	MFB
	Machinery and Equipment	MME
	Medical Instruments	MMI
	Metal Processing	MMP
	Motor Vehicles	MMV
	Pharma and Biotechnology	MPB
	Textiles, Accessories, Footwear and Jewelleries	MTA
Mining	Mining, Quarrying and Coal	MQC
	Oil and Gas	OGMO G
Real Estate	Real Estate	RRE
Sales and Trade	Sales and Trade	SST
Services	Education	SED
	Professional Services	SPS
Technology	Information Technology	TIT
	Media and Communication	TMC
Transportation	Other Transportation	TRTOT
	Road Transport	TROT RT

Appendix A: Sector classification

This appendix is integral part of the [draft] ESRS SEC1 Sector classification standard and has the same authority as the other parts of the [draft] Standard.

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

Agriculture sector group

Agriculture, Farming and Fishing sector

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

A.01.11 Growing of cereals other than 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.01.15 Growing of tobacco

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 and pigs

A.01.47 Raising of poultry

A.01.48 Raising of other animals

ESRS SEC 1 Sector Classification and general requirements

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 and 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

A.03.30 Support activities for fishing and aquaculture

G.46.11 Activities of agents involved in the wholesale of agricultural raw materials, live animals, ~~textile raw materials and semi-finished 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.47.76 Retail sale of flowers, plants, seeds, ~~fertilisers,~~ pets and pet food

O.77.22 Rental and leasing of other personal and household goods

O.77.39 Rental and leasing of animals (e.g. herds, racehorses)

Forestry and wood products sector

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

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

C.16.11 Sawmilling and planing of wood

C.16.12 Processing and finishing 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.16.25 Manufacture of doors and windows of wood

C.16.26 Manufacture of solid fuels from vegetable biomass

ESRS SEC 1 Sector Classification and general requirements

~~C.16.25 Manufacture of doors and windows of wood~~

C.16.27 Finishing of wooden products

C.16.28 Manufacture of other products of wood and articles of cork, straw and plaiting materials

C.17.11 Manufacture of pulp

C.17.12 Manufacture of paper and paperboard

C.17.21 Manufacture of corrugated paper, paperboard and 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.17.25 Manufacture of other articles of paper and paperboard

C.32.99 Manufacture of cork life preservers

G.46.13 Activities of agents involved in the wholesale of timber ~~and building materials~~

G.47.62 Retail sale of newspapers and other periodical publications and stationery

G.46.83 Wholesale of wood, ~~construction materials and sanitary equipment~~

Construction sector group

Construction and Engineering sector

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

- F.41.00 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.43.23 Installation of insulation
- F.43.24 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.43.35 Other building completion and finishing
- F.43.41 Roofing activities
- F.43.42 Other specialised construction activities in construction of buildings
- F.43.50 Specialised construction activities in civil engineering
- F.43.60 Intermediation service activities for specialised construction services
- F.43.91 Masonry and bricklaying activities
- F.43.99 Other specialised construction activities n.e.c.

[G.46.13 Activities of agents involved in the wholesale of building materials.](#)

[G.46.83 Wholesale of sanitary equipment](#)

Utilities sector group

Power production and Energy Utilities sector

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

- D.35.11 Production of electricity from non-renewable sources
- D.35.12 Production of electricity from renewable sources
- D.35.13 Transmission of electricity
- D.35.14 Distribution of electricity
- D.35.15 Trade of electricity
- D.35.16 Storage 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.35.24 Storage of gas as part of network supply services
- D.35.30 Steam and air conditioning supply
- D.35.40 Activities of brokers and agents for electric power and natural gas

Water and Waste Services sector

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 Materials recovery
- E.38.22 Energy recovery
- E.38.23 Other waste recovery
- E.38.31 Incineration without energy recovery
- E.38.32 Landfilling or permanent storage
- E.38.33 Other waste disposal
- E.39.00 Remediation activities and other waste management services

Entertainment sector group

Recreation and Leisure sector

ESRS SEC 1 Sector Classification and general requirements

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

G.47.69 Retail sale of cultural and recreational goods n.e.c

J.59.14 Motion picture projection activities

N.74.99 All other professional, scientific and technical activities n.e.c. - activities carried out by agents and agencies on behalf of individuals usually involving the obtaining of engagements in motion picture, theatrical production or other entertainment or sports attractions and the placement of books, plays, artworks, photographs etc., with publishers, producers etc.

O.77.39 Rental and leasing of equipment for events, fairs and exhibitions, e.g. for rigging power, light, sound and stage equipment - rental and leasing of slot machines

R.88.99 Other social work activities without accommodation n.e.c. - community and neighbourhood activities

S. 90.11 Literary creation and musical composition activities

S.90.12 Visual arts creation activities

S.90.13 Other arts creation activities

S.90.20 Activities of performing arts

S.90.31 Operation of arts facilities and sites

S.90.39 Other support activities to arts and performing arts

S.91.11 Library activities

S.91.21 Museum and collection activities

S.91.22 Historical site and monument activities

S.91.30 Conservation, restoration and other support activities for cultural heritage

S.91.41 Botanical and zoological garden activities

S.91.42 Nature reserve activities

S.92.00 Gambling and betting activities

S.93.11 Operation of sports facilities

S.93.12 Activities of sports clubs

S.93.13 Activities of fitness centres

S.93.19 Sports activities n.e.c.

S.93.21 Activities of amusement parks and theme parks

S.93.29 Amusement and recreation activities n.e.c.

T.94.99 Activities of other membership organisations n.e.c. - activities of automobile associations (other than sports) - activities of associations for the purpose of social acquaintanceship, e.g. rotary clubs, lodges - activities of associations of youth, e.g. scouts associations, young persons' associations, student associations, clubs and fraternities - activities of associations for the pursuit of a cultural or recreational activities or hobby (other than sports or games), e.g. poetry, literature and book clubs, historical clubs, gardening clubs, film and photo clubs, music and art clubs, craft and collectors' clubs, social clubs, carnival clubs

Financial Institutions sector group

Capital Markets sector

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

L.64.21 Activities of ~~holding companies~~financial conglomerates

L.64.31 Activities of money market and non-money market investment funds

L.64.32 Activities of trust, estate and agency accounts

L.64.99 Other financial service activities, except insurance and pension funding n.e.c. - writing of swaps, options and other hedging arrangements - own account investment and trading activities, by e.g. venture capital companies, investment clubs - acting as a counterparty for clearing and settlement of transactions - trade of receivables on own account - security and derivate dealers (operating on own account) - trade of swaps or options on own account - trade of commodity contracts on own account - issuing of crypto assets with a corresponding liability (not by a monetary authority) -trading of crypto assets with a corresponding liability on own account -exchange of currency on own account - dealing in financial markets on own account - activities of financial vehicle corporations other than securitisation - securitisation transactions of assets other than loans by issuing financial instruments

L.66.11 Administration of financial markets

L.66.12 Security and commodity contracts brokerage

L.66.19 Other activities auxiliary to financial services, except insurance and pension funding

L.66.30 Fund management activities

Credit Institutions sector

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

L.64.19 Other monetary intermediation

L.64.21 Activities of ~~holding companies~~financial conglomerates

~~L.64.22 Activities of financing conduits~~

L.64.91 Financial leasing

L.64.92 Other credit granting

~~L.64.99 Other financial service activities, except insurance and pension funding n.e.c.~~

~~L.66.19 Other activities auxiliary to financial services, except insurance and pension funding - writing of swaps, options and other hedging arrangements - own account investment and trading activities, by e.g. venture capital companies, investment clubs - acting as a counterparty for clearing and settlement of transactions - trade of receivables on own account - security and derivate dealers (operating on own account) - trade of swaps or options on own account - trade of commodity contracts on own account - issuing of crypto assets with a corresponding liability (not by a monetary authority) - trading of crypto assets with a corresponding liability on own account - exchange of currency on own account~~

Insurance sector

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

L.64.21 Activities of ~~holding companies~~financial conglomerates

L.64.99 ~~Activities of~~ Viatical settlement ~~companies~~activities

L.65.11 Life insurance

L.65.12 Non-life insurance

L.65.20 Reinsurance

L.65.30 Pension funding

L.66.21 Risk and damage evaluation

L.66.22 Activities of insurance agents and brokers

L.66.29 Activities auxiliary to insurance and pension funding n.e.c.

Health Care sector group

Health Care and Services sector

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

N.75.00 Veterinary activities

R.86.10 Hospital activities

R.86.21 General medical practice activities

R.86.22 Medical specialists activities

R.86.23 Dental practice care activities

~~R.86.91 DNA sequencing for ruling out or curing a specific disease~~R.86.91 Diagnostic imaging services and medical laboratory activities

R.86.92 Patient transportation by ambulance

R.86.93 Activities of psychologists and psychotherapists, except medical doctors

R.86.94 Nursing and midwifery activities

R.86.95 Physiotherapy activities

R.86.96 Traditional, complementary and alternative medicine activities

R.86.97 Intermediation service activities for medical, dental and other human health services

R.86.99 Other human health activities n.e.c. - activities of paramedical practitioners in the field of optometry, hydrotherapy, speech therapy, podiatry/chiropractic etc.- activities of dental paramedical personnel, e.g. dental therapists, school dental nurses, dental hygienists, who may work remote from, but are periodically supervised by dentists - activities of blood banks, tissue banks, sperm banks, transplant organ banks, bio banks, genome data centres etc., including collecting, processing, storage and shipping - operation of bone marrow donor registries - activities of orthoptists - activities of skin therapists - activities of podiatrists - health-related monitoring activities (infant nutrition, child health) - prevention health activities and disease detection (cancer, tuberculosis, venereal diseases) - animal therapy activities, i.e. Hippotherapy -colonic hydrotherapy -dance and movement therapy -art therapy -activities of dental paramedical personnel, e.g. dental hygienists, dental therapists -activities of dieticians

R.87.10 Residential nursing care activities

R.87.20 Residential care activities for persons living with or having a diagnosis of a mental illness or substance abuse

ESRS SEC 1 Sector Classification and general requirements

R.87.30 Residential care activities for the older persons or persons with physical disabilities

R.87.91 Intermediation service activities for residential care activities

R.87.99 Other residential care activities

R.88.10 Social work activities without accommodation for older persons or persons with disabilities

Hospitality sector group

Accommodations sector

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 and recreational vehicle parks

I.55.40 Intermediation service activities for accommodation

I.55.90 Other accommodation

Food and Beverages Services sector

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

I.56.11 Restaurant activities

I.56.12 Mobile food service activities

I.56.21 Event catering activities

I.56.22 Contract catering service activities and other food service activities

I.56.30 Beverage serving activities

I.56.40 Intermediation service activities for food and beverage service activities

DurableHousehold goods sector group

Household **durablesgoods** n.e.c. sector

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

C.15.12 Manufacture of luggage, handbags, saddlery and harness of any material

C.23.41 Manufacture of ceramic household and ornamental articles

C.25.61 Manufacture of cutlery

C.25.62 Manufacture of locks and hinges

C.25.99 Manufacture of metal household articles - manufacture of safes, strongboxes, armoured doors etc.- manufacture of permanent metallic magnets - manufacture of metal vacuum jugs and bottles - manufacture of metal badges and metal military insignia - manufacture of metal hair curlers, metal umbrella handles and frames, combs - manufacture of foil bags

C.26.40 Manufacture of consumer electronics

C.26.52 Manufacture of watches and clocks

ESRS SEC 1 Sector Classification and general requirements

C.27.51 Manufacture of electric domestic appliances

C.27.52 Manufacture of non-electric domestic appliances

C.28.24 Manufacture of power-driven hand tools

C.30.92 Manufacture of bicycles

C.30.99 Manufacture of hand-propelled sledges – manufacture of sulkies and donkey-carts

C.31.00 Manufacture of furniture

C.32.20 Manufacture of musical instruments

C.32.30 Manufacture of sports goods

C.32.40 Manufacture of games and toys

C.32.91 Manufacture of brooms and brushes

C.32.99 Other manufacturing n.e.c. - manufacture of ear and noise plugs, e.g. for swimming and noise protection - manufacture of pens and pencils of all kinds whether or not mechanical - manufacture of pencil leads - manufacture of globes - manufacture of articles of personal use, e.g.: smoking pipes, scent sprays, vacuum flasks and other vacuum vessels for personal or household use, wigs, false beards, eyebrows - manufacture of miscellaneous articles, e.g.: candles, tapers, etc.; artificial flowers, fruit and foliage; jokes and novelties; hand sieves and hand riddles; tailors' dummies; burial coffins - manufacture of floral baskets, bouquets, wreaths and similar articles

G.46.15 Activities of agents involved in the wholesale of furniture, household goods, ~~hardware and ironmongery~~

G.46.43 Wholesale of electrical household appliances

~~G.47.54 Retail sale of electrical household appliances~~

G.46.44 Wholesale of china and glassware and cleaning materials

G.46.47 Wholesale of household, office and shop furniture, ~~carpets and lighting equipment~~

G.46.49 Wholesale of other household goods

G.47.54 Retail sale of electrical household appliances

G.47.55 Retail sale of furniture, lighting equipment, tableware and other household articles

G.47.61 Retail sale of books

G.47.63 Retail sale of sporting equipment

G.47.64 Retail sale of games and toys

O.77.21 Rental and leasing of recreational and sports goods

O.77.22 Rental and leasing of other personal and household goods

O.77.39 Rental and leasing of furniture for events, fairs and exhibitions

[T.95.24 Repair and maintenance of furniture and home furnishings](#)

ESRS SEC 1 Sector Classification and general requirements

T.95.29 Repair and maintenance of personal and household goods n.e.c. - repair and maintenance of bicycles, electric bicycles, monowheels, hoverboards, kick scooters - repair of sporting goods (except sporting guns) and camping equipment - repair of books - repair of non-historical musical instruments - repair of toys and similar articles - repair of other personal and household goods - piano-tuning - knife sharpening - key cutting activities - 'while-you-wait' engraving

Manufacturing sector group

Aerospace, defence and services sector

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

C.25.30 Manufacture of weapons and ammunition

C.26.30 Manufacture of communication equipment

C.26.51 Manufacture of instruments and appliances for measuring, testing and navigation

C.30.13 Building of military ships and vessels

C.30.31 Manufacture of civilian air and spacecraft and related machinery

C.30.32 Manufacture of military air and spacecraft and related machinery

C.30.40 Manufacture of military fighting vehicles

C.33.16 Repair and maintenance of civilian air and spacecraft

C.33.18 Repair and maintenance of military fighting vehicles, ships, boats, air and spacecraft

H.51.22 Space transport

Bioenergy sector

A.02.20 Logging

C.16.26 Manufacture of solid fuels from vegetable biomass

C.19.20 Manufacture of refined petroleum products and fossil fuel products

C.20.51 Manufacture of liquid biofuels

D.35.12 Production of electricity from renewable sources

D.35.21 Manufacture of gas

G.46.81 Wholesale of solid, liquid and gaseous fuels and related products

Chemicals and polymers sector

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

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

ESRS SEC 1 Sector Classification and general requirements

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, disinfectants 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.20.51 Manufacture of liquid biofuels

~~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.22.12 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.22.23 Manufacture of doors and windows in plastic

C.22.24 Manufacture of builders' ware of plastic

C.22.25 Processing and finishing of plastic products

C.22.26 Manufacture of other plastic products

C.27.20 Manufacture of batteries and accumulators

C.32.99 Manufacture of safety headgear and other personal safety equipment, e.g. protective face shields/visors, of plastics, e.g. athletic helmets) - manufacture of gas masks -

[G.46.12 Activities of agents involved in the wholesale of industrial chemicals](#)

G.46.45 Wholesale of perfume and cosmetics

G.46.85 Wholesale of chemical products

[G.47.75 Retail sale of cosmetic and toilet articles](#)

Construction Materials sector

This sector includes the following activities in accordance with 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

ESRS SEC 1 Sector Classification and general requirements

C.23.15 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.23.42 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.23.45 Manufacture of other ceramic products

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.23.6966 Manufacture of other articles of concrete, cement and plaster

C.23.70 Cutting, shaping and finishing of stone

C.23.99 Manufacture of other non-metallic mineral products n.e.c.

C.25.99 Manufacture of building components of zinc: gutters, roof capping, baths, sinks, washbasins and similar articles

[G.46.83 Wholesale of construction materials](#)

G.47.52 Retail sale of hardware, building materials, paints and glass

Electronics and electrical equipment sector

This sector includes the following activities in accordance with 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.26.51 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, magnetic and optical media and photographic equipment

C.27.11 Manufacture of electric motors, generators and transformers

ESRS SEC 1 Sector Classification and general requirements

- 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 lighting equipment
- C.27.90 Manufacture of other electrical equipment
- C.29.31 Manufacture of electrical and electronic equipment for motor vehicles
- C.33.13 Repair and maintenance of electronic and optical equipment
- C.33.14 Repair and maintenance of electrical equipment

G.46.47 Wholesale of lighting equipment

- G.46.50 Wholesale of information and communication equipment
- G.47.40 Retail sale of information and communication equipment
- G.47.55 Retail sale of ~~furniture, lighting equipment, tableware and other household articles~~
- T.95.10 Repair and maintenance of computers and communication equipment
- T.95.21 Repair and maintenance of consumer electronics
- T.95.22 Repair and maintenance of household appliances and home and garden equipment

Food and Beverages sector

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

- C.10.11 Processing and preserving of meat, except of poultry meat
- C.10.12 Processing and preserving of poultry meat
- 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 Manufacture of dairy products
- C.10.52 Manufacture of ice cream and other edible ice
- C.10.61 Manufacture of grain mill products

ESRS SEC 1 Sector Classification and general requirements

- C.10.62 Manufacture of starches and starch products
- C.10.71 Manufacture of bread, manufacture of fresh pastry goods and cakes
- C.10.72 Manufacture of rusks, biscuits, preserved pastries and cakes
- C.10.73 Manufacture of 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 fermented beverages
- 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 and bottled waters
- C.12.00 Manufacture of tobacco products
- C.32.99 Manufacture of electronic cigarettes - Manufacture of cigarette lighters and other lighters
- G.46.17 Activities of agents involved in the wholesale of food, beverages and tobacco
- G.46.31 Wholesale of fruit and vegetables
- G.46.32 Wholesale of ~~live animals~~ meat and meat products, fish and fish 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

G.46.39 Non-specialised wholesale of food, beverages and tobacco

G.47.21 Retail sale of fruit and vegetables

G.47.22 Retail sale of meat and meat products

G.47.23 Retail sale of fish, crustaceans and molluscs

G.47.24 Retail sale of bread, cake and confectionery

G.47.25 Retail sale of beverages

G.47.26 Retail sale of tobacco products

G.47.27 Retail sale of other food

[G.47.76 Retail sale of pet food](#)

Machinery and Equipment sector

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

C.23.91 Manufacture of abrasive products

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 permanent household heating equipment

C.28.22 Manufacture of lifting and handling equipment

C.28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)

C.28.25 Manufacture of non-domestic air conditioning equipment

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 and machine tools for metal work

C.28.42 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

ESRS SEC 1 Sector Classification and general requirements

- C.28.97 Manufacture of additive manufacturing machinery
- C.28.99 Manufacture of other special-purpose machinery n.e.c.
- C.30.11 Building of civilian ships and floating structures
- C.30.12 Building of pleasure and sporting boats
- C.30.20 Manufacture of railway locomotives and rolling stock
- C.30.99 Manufacture of hand-propelled luggage trucks, handcarts and shopping carts – manufacture of hearses drawn by animals
- C.32.99 Manufacture of scale models designed for demonstrational purposes - manufacture of date, sealing or numbering stamps, hand-operated devices for printing, or embossing labels, hand printing sets, prepared typewriter ribbons and inked pads
- C.33.12 Repair and maintenance of machinery
- C.33.15 Repair and maintenance of civilian ships and boats
- C.33.19 Repair and maintenance of other equipment
- C.33.20 Installation of industrial machinery and equipment
- G.46.14 Activities of agents involved in the wholesale of machinery, industrial equipment, ships and aircraft
- 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 other machinery and equipment
- O.77.31 Rental and leasing of agricultural machinery and equipment
- O.77.3932 Rental and leasing of ~~other construction and civil engineering~~ machinery, ~~and~~ equipment ~~and tangible goods n.e.c.~~
- O.77.39 Rental and operational leasing, without operator, of other machinery and equipment generally used as capital goods by industries - rental of accommodation or office containers – rental of other containers – rental of pallets

Medical Instruments sector

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.30.92 Manufacture invalid carriages
- C.32.50 Manufacture of medical and dental instruments and supplies
- G.47.74 Retail sale of medical and orthopaedic goods
- O.77.39 Rental and leasing of medical/hospital equipment

Metal Processing sector

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

ESRS SEC 1 Sector Classification and general requirements

- 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, steam generators and boilers
- C.25.22 Manufacture of other tanks, reservoirs and containers of metal
- C.25.40 Forging and shaping metal and powder metallurgy
- C.25.51 Coating of metals
- C.25.52 Heat treatment of metals
- C.25.53 Machining of metals
- C.25.63 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 metal goods for office use, except furniture - manufacture of safes, strongboxes, armoured doors etc.
- manufacture of permanent metallic magnets - manufacture of various metal articles:
- C.32.11 Striking of coins

ESRS SEC 1 Sector Classification and general requirements

C.32.99 Manufacture of metal safety headgear and other metal personal safety devices

C.33.11 Repair and maintenance of fabricated metal products

G.46.82 Wholesale of metals and metal ores

~~G.46.12 Activities of agents involved in the wholesale of metals~~

G.46.84 Wholesale of hardware, plumbing and heating equipment and supplies

G.46.87 Wholesale of waste and scrap

Motor Vehicles sector

This sector includes the following activities in accordance with the following NACE code classification

C.22.11 Manufacture, retreading and rebuilding of rubber tyres and manufacture of tubes

~~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.28.13 Manufacture of other pumps and compressors

C.28.30 Manufacture of agricultural and forestry machinery

C.29.10 Manufacture of motor vehicles

C.29.20 Manufacture of bodies and coachwork for motor vehicles, manufacture of trailers and semitrailers

C.29.31 Manufacture of electrical and electronic equipment for motor vehicles

C.29.32 Manufacture of other parts and accessories for motor vehicles

C.30.91 Manufacture of motorcycles

G.46.71 Wholesale of motor vehicles

G.46.72 Wholesale of motor vehicle parts and accessories

G.46.73 Wholesale of motorcycles, motorcycle parts and accessories

G.47.81 Retail sale of motor vehicles

G.47.82 Retail sale of motor vehicle parts and accessories

G.47.83 Retail sale of motorcycles, motorcycle parts and accessories

O.77.11 Rental and leasing of cars and light motor vehicles

O.77.12 Rental and leasing of trucks

O.77.39 Rental and operational leasing of caravan trailers – tyre leasing

~~O.77.51 Intermediation service activities for rental and leasing of cars, motorhomes and trailers~~

T.95.31 Repair and maintenance of motor vehicles

ESRS SEC 1 Sector Classification and general requirements

T.95.32 Repair and maintenance of motorcycles

T.95.40 Intermediation service activities for repair and maintenance of motor vehicles and motorcycles

Pharma and Biotechnology sector

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 and medical goods

G.47.73 Retail sale of pharmaceutical products

N.72.10 Research and experimental development on natural sciences and engineering

Textiles, Accessories, Footwear and Jewelleries sector

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

C.13.10 Preparation and spinning of textile fibres

C.13.20 Weaving of textiles

C.13.30 Finishing of textiles

C.13.91 Manufacture of knitted and crocheted fabrics

C.13.92 Manufacture of household textiles and made-up furnishing articles

C.13.93 Manufacture of carpets and rugs

C.13.94 Manufacture of cordages, rope, twining and netting

C.13.95 Manufacture of non-wovens and non-woven articles

C.13.96 Manufacture of other technical and industrial textiles

C.13.99 Manufacture of other textiles n.e.c.

C.14.10 Manufacture of knitted and crocheted apparel

C.14.21 Manufacture of outerwear

C.14.22 Manufacture of underwear

C.14.23 Manufacture of workwear

C.14.24 Manufacture of leather clothes and fur apparel

C.14.29 Manufacture of other wearing apparel and accessories n.e.c.

C.15.11 Tanning, dressing, dyeing of leather and fur

C.15.12 Manufacture of luggage, handbags, saddlery and harness of any material

C.15.20 Manufacture of footwear

[C.26.52 Manufacture of watches and clocks](#)

C.32.12 Manufacture of jewellery and related articles

C.32.13 Manufacture of imitation jewellery and related articles

C.32.99 Manufacture of linemen's safety belts and other belts for occupational use - manufacture of fire protective clothing - manufacture of biohazard protective clothing and accessories - manufacture of bulletproof vests - manufacture of clean room suits and accessories - manufacture of umbrellas, sun-umbrellas, walking sticks, seat-sticks - manufacture of buttons, press-fasteners, snap-fasteners, press-studs, slide fasteners -

G.46.16 Activities of agents involved in the wholesale of textiles, clothing, fur, footwear and leather goods

G.46.24 Wholesale of hides, skins and leather

G.46.41 Wholesale of textiles

G.46.42 Wholesale of clothing and footwear

ESRS SEC 1 Sector Classification and general requirements

G.46.47 Wholesale of ~~household, office and shop furniture, carpets and lighting equipment~~

G.46.48 Wholesale of watches and jewellery

G.47.51 Retail sale of textiles

G.47.53 Retail sale of carpets, rugs, wall and floor coverings

G.47.71 Retail sale of clothing

G.47.72 Retail sale of footwear and leather goods

G.47.77 Retail sale of watches and jewellery

O.77.22 Rental and leasing of ~~other personal~~ textiles, wearing apparel and ~~household goods~~ footwear

T.95.23 Repair and maintenance of footwear and leather goods

T.95.25 Repair and maintenance of watches, clocks and jewellery

T.95.29 Repair and alteration of clothing

Mining sector group

Mining, Quarrying and Coal sector

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

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 stone, limestone, gypsum, slate and other stone

B.08.12 Operation of gravel and sand pits, and mining of clay and kaolin

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

C.19.10 Manufacture of coke and refined petroleum products

~~C.20.15 Manufacture of fertilisers and nitrogen compounds~~

E.38.32 Landfilling or permanent storage

F.43.12 Site preparation

G.46.12 Activities of agents involved in the wholesale ~~of fuels, ores, metals and industrial chemicals~~ ores

G.47.76 Retail sale of ~~flowers, plants, seeds, fertilisers, pets and pet food~~

Oil and Gas sector

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

C.19.20 Manufacture of refined petroleum products and fossil fuel products

~~G.47.30 Retail sale of automotive fuel~~

~~H.49.50 Transport via pipeline~~

G.46.12 Activities of agents involved in the wholesale of ~~fuels, ores, metals and industrial chemicals~~

G.46.81 Wholesale of solid, liquid and gaseous fuels and related products

G.47.30 Retail sale of automotive fuel

H.49.50 Transport via pipeline

Real Estate sector group

Real Estate sector

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

F.41.00 Construction of residential and non-residential buildings

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.43.11 Demolition

F.43.12 Site preparation

F.43.13 Test-drilling and boring

F.43.21 Electrical installation

F.43.23 Installation of insulation

F.43.31 Plastering

F.43.32 Joinery installation

F.43.33 Floor and wall covering

F.43.34 Painting and glazing

F.43.35 Other building completion and finish

F.43.41 Roofing activities

ESRS SEC 1 Sector Classification and general requirements

- F.43.50 Specialised construction activities in civil engineering
- F.43.60 Intermediation service activities for specialised construction services
- F.43.91 Masonry and bricklaying activities
- F.43.99 Other specialised construction services n.e.c.
- M.68.11 Buying and selling of own real estate
- M.68.12 Development of building projects
- M.68.20 Rental and operating of own or leased real estate
- M.68.31 Intermediation service activities for real estate activities
- M.68.32 Other real estate activities on a fee or contract basis
- O.81.10 Combined facilities support activities
- O.81.30 Landscape service activities

Sales and Trade sector group

Sales and Trade sector

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

G.46.18 Activities of agents specialised in the wholesale of other particular products

G.46.19 Activities of agents involved in non-specialised wholesale

G.46.86 Wholesale of other intermediate products

G.46.90 Non-specialised wholesale trade

G.47.11 Non-specialised retail sale of predominantly food, beverages or tobacco

G.47.12 Other non-specialised retail sale

G.47.78 Retail sale of other new goods

G.47.79 Retail sale of second-hand goods

G.47.91 Intermediation service activities for non-specialised retail sale

G.47.92 Intermediation service activities for specialised retail sale

~~O.77.40 Leasing of intellectual property and similar products, except copyrighted works~~

~~O.77.52 Intermediation service activities for rental and leasing of other tangible goods and non-financial assets~~

Services sector group

Education sector

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

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

Q.85.10 Pre-primary education

Q.85.20 Primary education

Q.85.31 General secondary education

Q.85.32 Vocational secondary education

Q.85.33 Post-secondary non-tertiary education

Q.85.40 Tertiary education

Q.85.51 Sports and recreation education

Q.85.52 Cultural education

Q.85.53 Driving school activities

Q.85.59 Other education n.e.c.

Q.85.61 Intermediation service activities for courses and tutors

Q.85.69 Educational support activities n.e.c.

R.88.91 Child day-care activities

Professional Services sector

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

C.32.99 Taxidermy activities

N.69.10 Legal activities

N.69.20 Accounting, bookkeeping and auditing activities, tax consultancy

N.70.20 Business and other management consultancy activities

N.71.11 Architectural activities

N.71.12 Engineering activities and related technical consultancy

N.71.20 Technical testing and analysis

N.72.10 Research and experimental development on natural sciences and engineering

N.73.11 Activities of advertising agencies

N.73.12 Media representation

N.73.20 Market research and public opinion polling

N.73.30 Public relations and communication activities

ESRS SEC 1 Sector Classification and general requirements

N.74.11 Industrial product and fashion design activities

N.74.12 Graphic design and visual communication activities

N.74.13 Interior design activities

N.74.14 Other specialised design activities

N.74.20 Photographic activities

N.74.30 Translation and interpretation activities

N.74.91 Patent brokering and ~~market~~marketing service activities

N.74.99 All other professional, scientific and technical activities n.e.c. -business brokerage activities, i.e. arranging for the purchase and sale of small and medium-sized businesses, including professional practices, but not including real estate brokerage - appraisal activities other than for real estate and insurance (for antiques, jewellery, etc.) - bill auditing and freight rate information -weather forecasting activities - consulting in the area of occupational safety and health at workplace - agronomy consulting services -environmental consulting activities - energy saving advice activities - other technical consulting -activities of quantity surveyors - economic services for construction projects, e.g. by construction economists - supervisory board activities - activities of planning and projects elaboration in the area of hunting management - activities of estimation of the number of game animals

O.77.40 Leasing of intellectual property and similar products, except copyrighted works

O.77.51 Intermediation service activities for rental and leasing of cars, motorhomes and trailers

O.77.52 Intermediation service activities for rental and leasing of other tangible goods and non-financial intangible assets

O.78.10 Activities of employment placement agencies

O.78.20 Temporary employment agency activities and other human resource provisions

O.79.11 Travel agency activities

O.79.12 Tour operator activities

O.79.90 Other reservation service and related activities

O.80.01 Investigation and private security activities

O.80.09 Security activities n.e.c.- security system services as part of security service centres or alarm receiving centres (ARC) - remote monitoring and video surveillance systems services, and, only if provided in connection with later monitoring and remote monitoring services, installation, repair and maintenance of electronic security systems -security consultants activities - activities in an emergency call and service centre or alarm receiving centre (ARC) - monitoring and remote monitoring of electronic security systems, e.g. burglar alarms, video surveillance systems, fire alarms - monitoring and remote monitoring of mechanical or electronic locking devices, safes and vaults -

O.81.21 General cleaning of buildings

O.81.22 Other building and Industrial cleaning activities

O.81.23 Other cleaning activities

O.82.10 Office administrative and support activities

O.82.20 Activities of call centres

ESRS SEC 1 Sector Classification and general requirements

O.82.30 Organisation of conventions and trade shows

O.82.40 Intermediation service activities for business support service activities n.e.c.

O.82.91 Activities of collection agencies and credit bureaus

O.82.92 Packaging activities

O.82.99 Other business support service activities n.e.c.

Q.86.99 Other human health activities n.e.c.- shiatsu, Thai massage, watsu, tuina qigong

R.88.99 Other social work activities without accommodation n.e.c. social, counselling, welfare, refugee, referral and similar services, which are delivered to individuals and families in their homes or elsewhere and carried out by government offices or by private organisations, disaster relief organisations and national or local self-help organisations and by specialists providing counselling services - child and youth support activities - adoption activities, activities for the prevention of cruelty to children and others - household budget counselling, marriage and family guidance, credit and debt counselling services -activities for disaster victims, refugees, immigrants etc. - vocational rehabilitation and habilitation activities for unemployed persons provided that the education component is limited - eligibility determination in connection with welfare aid, rent supplements or food stamps - day facilities for the homeless and other socially weak groups -fundraising or other support activities aimed at social work -cultural and intercultural mediation activities aimed at preventing the distress of adults experiencing difficulties in social and labour market integration, removing the social marginalisation of children and adolescents, rehabilitating adults and minors in prison, on probation and out of prison and reintegrating adults to active life -refugee resettlement activities

T.94.11 Activities of business and employers membership organisations

T.94.12 Activities of professional membership organisations

T.94.20 Activities of trade unions

T.94.91 Activities of religious organisations

T.94.92 Activities of political organisations

T.94.99 Activities of other membership organisations n.e.c. -activities of organisations (not directly affiliated to a political party) furthering a public cause or issue by means of public education, political influence, fund-raising etc. - grant giving activities by membership organisations or others - activities of philanthropic intermediaries and voluntarism promotion - international cooperation and solidarity activities - service activities to promote hunting and trapping

T.96.10 Washing and cleaning of textile and fur products

T.96.21 Hairdressing and barber activities

T.96.22 Beauty care and other beauty treatment activities

T.96.23 Day spa, sauna and steam bath activities

T.96.30 Funeral and related activities

T.96.40 Intermediation service activities for personal services

T.96.91 Provision of domestic personal service activities

T.96.99 Other personal service activities n.e.c.

Technology sector group

Information Technology sector

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

- C.26.11 Manufacture of electronic components
- C.33.20 Installation of industrial machinery and equipment
- G.46.50 Wholesale of information and communication equipment
- ~~G.46.84 Wholesale of hardware, plumbing and heating equipment and supplies~~
- G.47.40 Retail sale of information and communication equipment
- J.58.29 Other software publishing
- K.62.10 Computer programming activities
- K.62.20 Computer consultancy activities and computer facilities management activities
- K.62.90 Other information technology and computer service activities
- K.63.10 Computing infrastructure, data processing, hosting and related activities
- O.77.33 Rental and leasing of office machinery, equipment and computers

Media and Communication sector

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
- C.18.20 Reproduction of recorded media
- ~~G.46.50 Wholesale of information and communication equipment~~
- ~~G.47.40 Retail sale of information and communication equipment~~
- G.47.69 Retail sale of cultural and recreational goods n.e.c
- ~~G.46.84 Wholesale of hardware, plumbing and heating equipment and supplies~~
- J.58.11 ~~Book publishing~~ Publishing of books
- J.58.12 Publishing of newspapers
- J.58.13 Publishing of journals and periodicals
- J.58.19 Other publishing activities, except software publishing
- J.58.21 Publishing of video games
- J.59.11 Motion picture, video and television programme production activities
- J.59.12 Motion picture, video and television programme post-production activities

ESRS SEC 1 Sector Classification and general requirements

J.59.13 Motion picture and video distribution activities

J.59.14 Motion picture projection activities

J.59.20 Sound recording and music publishing activities

J.60.10 Radio broadcasting and audio distribution activities

J.60.20 Television programming, broadcasting and video distribution activities

J.60.31 News agency activities

J.60.39 Other content distribution activities

K.61.10 Wired, wireless and satellite telecommunication activities

K.61.20 Telecommunication reselling activities and intermediation service activities for telecommunication

K.61.90 Other telecommunications activities

K.63.91 Web search portal activities

K.63.92 Other information service activities n.e.c.

O.77.39 Rental and leasing of professional radio, television and communication equipment

S.91.12 Archive activities

Transportation sector group

Road Transport sector

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

H.49.31 Scheduled passenger transport by road

H.49.32 Non-scheduled passenger transport by road

H.49.33 On-demand passenger transport service activities by vehicle with driver

H.49.39 Other passenger land transport n.e.c.

H.49.41 Freight transport by road

H.49.42 Removal services

H.52.10 Warehousing and storage

[H.52.21 Service activities incidental to land transportation](#)

H.52.24 ~~Cargo~~Cargo handling

H.52.25 Logistics service activities

[H.52.26 Other support activities for transportation](#)

[H.52.32 Intermediation service activities for passenger transportation](#)

H.53.10 Postal activities under universal service obligation

H.53.20 Other postal and courier activities

ESRS SEC 1 Sector Classification and general requirements

H.53.30 Intermediation service activities for postal and courier activities

R.86.92 Patient transport by ambulance

R.86.99 Other human health activities n.e.c. - transportation of blood and body organs and fluids

Other Transportation sector

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

C.33.16 Repair and maintenance of civilian air and spacecraft

C.33.17 Repair and maintenance of other civilian transport equipment

C.33.19 Repair of other equipment

G.46.14 Activities of agents involved in the wholesale of machinery, industrial equipment, ships and aircraft

H.49.11 Passenger heavy rail transport

H.49.12 Other passenger rail transport

H.49.20 Freight rail transport

H.49.34 Passenger transport by cableways and ski lifts

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.51.22 Space 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. 52.25 Logistic service activities

H.52.26 Other support activities for transportation

H.52.31 Intermediation service activities for freight transportation

H.52.32 Intermediation service activities for passenger transportation

H.53.10 Postal ~~activities~~ activities under universal service obligation

H.53.20 Other postal and courier activities

ESRS SEC 1 Sector Classification and general requirements

H.53.30 Intermediation service activities for postal and courier activities

O.77.34 Rental and leasing of water transport equipment

O.77.35 Rental and leasing of air transport equipment

O.77.39 Rental and operational leasing of land-transport equipment (other than motor vehicles) without drivers: railroad vehicles

R.86.92 Patient transport by ambulance

R.86.99 Other human health activities n.e.c. - transportation of blood and body organs and fluids

Appendix B: Defined terms [MOVED TO SEC 1 FROM OIL AND GAS ED]

~~1836~~ This appendix is integral part of the [draft] ESRS SEC1 Sector classification standard and has the same authority as the other parts of the [draft] Standard.

<p><u>Contract</u></p>	<p><u>The full text of any contract, concession, production-sharing agreement or other agreement granted by, or entered into by, the government which provides the terms attached to the exploitation of mineral resources or coal.</u></p> <p><u>The full text of any annex, addendum or rider which establishes details relevant to the exploitation rights described above or the execution thereof.</u></p> <p><u>The full text of any alteration or amendment to the documents described above.</u></p>
<p><u>Cyber security</u></p>	<p><u>Cyber security relates to activities necessary to protect network and information systems, the users of such systems and other persons affected by cyber threats. It constitutes a comprehensive framework encompassing tools, policies, security concepts, safeguard measures, guidelines, risk management approaches, actions, training, best practices, assurance, and technologies that can be used to protect the cyber environment, the organisation and user’s assets.</u></p> <p><u>Organisation and user’s assets encompass a broad spectrum, including connected computing devices, personnel, infrastructure, applications, services, telecommunication systems, and all transmitted and/or stored information within the cyber environment</u></p>
<p><u>Economic activity</u>³⁴</p>	<p>An economic activity takes place when resources such as capital goods, labour, manufacturing techniques or intermediary products are combined to produce specific goods or services. Thus, an economic activity is characterised by an input of resources, a production process and an output of products (goods or services).</p>
<p><u>Licence</u></p>	<p><u>The full text of any license, lease, title or permit by which a government confers on an undertaking(s) or individual(s) rights to exploit mineral resources or coal. The full text of any annex, addendum or rider that establishes details</u></p>

³ Source: NACE Rev.2.0 Statistical classification of economic activities in the European Community, paragraph 11, page 15.

⁴ It is noted that an alignment with how economic activities are classified in accordance with the EU Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy) is not always possible as both frameworks serve different purposes.

	<p><u>relevant to the exploitation rights described above or the execution thereof.</u></p> <p><u>The full text of any alteration or amendment to the documents described above.</u></p>
<u>Local supplier</u>	<p><u>Suppliers in the community surrounding operations, a region within a country, or a country.</u></p>
<u>Near</u>	<p><u>A facility, site or asset is near a certain area, if it can have a direct material impact on that area, irrespective of the actual distance that separates the two.</u></p>
<u>Operational site</u>	<p><u>Means the site geographical area where the business activities are performed, whether these are owned or operated by the undertaking, and includes the land, structures and any other surrounding areas and equipment.</u></p>
<u>State aid</u>	<p><u>State aid is defined as an advantage in any form whatsoever conferred by national public authorities to undertakings on a selective basis.</u></p> <p><u>Therefore, subsidies granted to individuals or general measures open to all enterprises are not covered by this prohibition and do not constitute State aid (examples include general taxation measures or employment legislation).</u></p> <p><u>To be State aid, a measure needs to have these features:</u></p> <p><u>there has been an intervention by the State or through State resources which can take a variety of forms (e.g. grants, interest and tax reliefs, guarantees, government holdings of all or part of a company, or providing goods and services on preferential terms, etc.);</u></p> <p><u>the intervention gives the recipient an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions as a result, competition has been or may be distorted; the intervention is likely to affect trade between Member States.</u></p> <p><u>Despite the general prohibition of State aid, in some circumstances government interventions are necessary for a well-functioning and equitable economy. Therefore, the Treaty leaves room for a number of policy objectives for which State aid can be considered compatible.</u></p> <p><u>These exemptions can be found in legislation relevant to State aid.</u></p> <p><u>For non-EU countries, state aid refers to financial assistance received from any government.</u></p>
<u>Venting</u>	<p><u>Controlled release of unburned gases directly into the atmosphere.</u></p>

	<u>Venting is arguably more harmful to the environment as the released gas typically contains high levels of CH₄, whereas flaring converts the CH₄ into less harmful CO₂.</u>
<u>Work stoppage</u>	<u>Work stoppages include strikes, defined as a temporary work stoppage, and lockouts, defined as the total or partial temporary closure of one or more places of employment or the hindering of the normal work activities of employees, which one or more groups of workers carry out with a view to enforcing or resisting demands or expressing grievances, or supporting other workers in their demands or grievances.</u>

Appendix C: Sector descriptions

[1937](#) The content of this Appendix, which does not have the same authority as Appendix A, is provided for illustrative purposes, and may be subject to changes following the issuance of the respective sector standards.

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. It encompasses also the manufacturing of wood, pulp and paper products.

Agriculture, Farming and Fishing 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 includes the growing of tobacco plants.~~

~~The sector does not include activities covered in ESRS Food & Beverage Industry. Undertakings in the sector are involved in economic activities relating to agriculture, hunting, fishing and aquaculture as well as support activities, specialised sales and leasing activities connected to those main activities.~~

~~Agriculture includes crop production (A.01.11 to A.01.30), animal production such as raising of animals, dairy farming and poultry (A.01.41 to A.01.48) as well as mixed farming (A.01.50) which combines crop growing and animal raising. Also post-harvest activities are included (A.01.63).~~

~~Hunting and trapping activities relate to the pursuit of game for different objectives such as serving as food or for use of fur or skin (A.07.70).~~

~~Fishing refers to the harvesting of fish and other aquatic organisms from their natural habitats (A.03.11 to A.03.12) while aquaculture relates to the farming of aquatic organisms which includes fish farming and shellfish cultivation (A.03.21 to A.03.22).~~

~~Finally support, leasing and specialised sales activities are included in the sector. Typical support activities are crop spraying or trimming of fruit trees and vines (A.01.61, A.01.62). Leasing can relate to the leasing of flowers and plants (O.77.22) or the rental of herds and racehorses (O.77.39). Specialised sales activities include activities of agents involved in wholesale or retail sale of agricultural raw materials, grain, seeds, animal feeds, flowers or plants (G.46.11, G.46.21, G.46.22, G.47.76).~~

Forestry and Wood products sector

~~The Forestry and Wood products sector consists of several subsectors.~~

ESRS SEC 1 Sector Classification and general requirements

~~A first subsector includes the Undertakings in the sector are involved in economic activities related to the management and exploitation of forests and wooded areas as well as the manufacturing of wood products.~~

~~Management and exploitation of forests refers to the growing of standing timber, production of roundwood as well as the extraction and (logging), gathering of wild-growing non-wood forest products. Besides the production of timber, forestry activities result in products that undergo little processing, products 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.~~

~~The undertakings in this subsector own mosses, acorns, berries and/or manage natural nuts (A.02.10, A.02.20 and planted forestry lands and timber tracts or operate non-retail tree nurseries and rubber plantations. The undertakings conduct their 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. A.02.30). Support activities such as timber evaluation, forest fire fighting, forestry inventories are also included (A.02.40).~~

~~A second subsector 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 subsector 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. The ESRS sector includes the manufacture of wood and of products of wood and cork. These activities relate to sawmilling, planing and processing of wood (C.16.11, C.16.12) and the manufacturing of different items of wood and cork (C.16.21 to C.16.28), including the manufacturing of cork live preservers (C.32.99.).~~

~~The manufacture of briquettes, fire logs and pellets from wood waste or vegetable biomass is a shared activity with the ESRS Bio-energy sector (C.16.26).~~

~~The manufacturing of pulp and, paper and derived products is also included (C.17.11 to C. 17.25).~~

~~Finally, specialised sales activities from (agents active in) the wholesale of timber and the wholesale of wood are part of this sector (G.46.13 and G.46.83).~~

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 Undertakings in the sector includes general are involved in a broad range of activities related to the construction and specialised industry, from the actual construction activities for of buildings and civil engineering works. General to specialized construction is the construction activities.~~

~~Construction includes realisation 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, roads, railways, airfields, harbours, bridges, utility and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, sports facilities etc. The sector also includes specialised construction~~

ESRS SEC 1 Sector Classification and general requirements

~~activities or preparation for the construction of parts of buildings and civil engineering works. These (F.41.00, F.42.11, F.42.12, F.42.13, F.42.21, F.42.22, F.42.91, F.42.99).~~

~~In addition, there are the activities that are usually specialised in one aspect relating to construction but where that aspect is common to different structures, requiring and which requires 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 relate to demolition, site preparation, test drilling, electrical installation, plumbing, placing of insulation, plastering, joinery installation, painting, glazing masonry, or roofing activities (F.43.11, F.43.12, F.43.13, F.43.21, F.43.22, F.43.23, F.43.24, F.43.31, F.43.31, F.43.32, F.43.33, F.43.34, F.43.35, F.43.41, F.43.42, F.43.50, F.43.91, F.43.99).~~

~~Activities of agents involved in the wholesale of the construction. The rental building materials are included as well as wholesale of sanitary equipment with operator is classified with the associated construction activity. (G.46.13, G.46.83).~~

~~Finally, intermediation activities for specialised construction services by bringing clients and service providers together for a fee or a commission are part of this sector (F.43.60).~~

Utilities 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~~ consists of undertakings ~~that provide~~ with various profiles of activities. Development of the sector specific reporting standards may require making a distinction between various activities and disclosures relevant to them. To facilitate this process, a breakdown of activities into four sub-sectors is proposed.

Electricity production, transmission, distribution, storage of and trade in

Electricity production sub-sector groups all the activities focused on operating plants that convert the thermal energy, renewable or non-renewable resources into electricity. The generation activities are typically centralised and located in proximity to the resource used. Operation related services. All types of to the electricity production often requires complex infrastructure with power plants, fuel storage facilities and stable supply chain management (for non-renewable electricity sources).

This sub-sector includes the following activities:

- D.35.11 Production of electricity from non-renewable sources: operation of generation facilities that produce electric power producers are included, for example, utilities that generate from solar, wind, hydro, geothermal energy; including thermal, nuclear, biomass and thermal (coal, fuel oil gas turbine and gas) fuels. It also includes production, distribution, storage and trade of gas, as well as the provision of steam and air conditioning supply. The sector includes undertakings that operate the transmission and distribution systems that convey electricity from generating plants to end users. diesel

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 • D.35.12 Production of gas, such as biogas, electricity from renewable sources Heat, cooling and fuels production

ESRS SEC 1 Sector Classification and general requirements

Heat, cooling and fuels production

Heat, cooling and fuels production sub-sector groups the activities related to production of gas and steam and hot water for heating and power supply as well as air conditioning supply. This sub-sector includes the following activities:

- D.35.21 Manufacture of gas: production of gas for the purpose of gas supply by carbonation of coal, from by-products of agriculture or from waste-, manufacture of gaseous fuels with a specified calorific value, by purification, blending and other processes from gases of various types including natural gas
- D.35.30 Steam and air conditioning supply: production, collection and distribution of steam and hot water for heating, power and other purposes, production and distribution of cooled air, as well as production and distribution of chilled water for cooling purposes
- Production of clean hydrogen from electricity and renewable energy sources, as well as hydrogen, (considered aligned according to the supplementing Regulation (EU) 2020/852).

Transmission, distribution and storage

The sub-sector includes undertakings that operate the transmission and distribution systems of electricity and gaseous fuels.

This sub-sector includes the following activities:

- D.35.13 Transmission of electricity: operation of transmission systems that convey the electricity from the generation facility to the distribution system
- D.35.13 Distribution of electricity: operation of distribution systems (i.e., consisting of lines, poles, meters, and wiring) that convey electric power received from the generation facility or the transmission system to the final consumer
- D.35.22 Distribution of gaseous fuels through mains: distribution and supply of gaseous fuels of all kinds through a system of mains
- Electricity and heat storage are also included, clean hydrogen storage.

WaterSales and wastewater utilities as well as waste trading

This sub-sector includes activities related to sales of electricity and gas to end-users. The to sales of electricity and gas to end-users. This sub-sector also excludesincludes the (typically long distance) transport of following activities:

- D.35.14 Trade of electricity: sale of electricity to the user, activities of electric power brokers or agents that arrange the sale of electricity via power distribution systems operated by others, operation of electricity and transmission capacity exchanges for electric power
- D.35.23 Trade of gas through pipelines-mains: sale of gas to the user through mains, activities of gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others, commodity and transport capacity exchanges for gaseous fuels

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~~

ESRS SEC 1 Sector Classification and general requirements

~~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. Undertakings in the sector are involved in water collection, treatment and distribution of water for domestic and industrial needs (E.36.00) as well as in the production and distribution of ice or chilled water for cooling purposes (D.35.30).~~

~~They are also involved in the operation of sewer systems or sewage treatment facilities; waste collection (hazardous as well as non-hazardous), treatment and disposal activities; and the recovery of materials from waste streams (E.37.00, E.38.11, E.38.12, E.38.21).~~

~~Further activities include energy recovery from waste, incineration without energy recovery, waste recovery through the use of sewage sludge for agricultural and ecological purposes. Activities can also relate to disposal of hazardous or non-hazardous waste onto land, underground, into seas/oceans or other water bodies (E.38.22, E.38.23, E.38.31, E.38.32 and E.38.33).~~

~~Finally activities can relate to the provision of remediation services such as cleaning up of contaminated buildings, sites, soil or water (E.39.00).~~

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.

Recreation and Leisure sector

~~The ESRS 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. It consists of the following economic activities:~~

~~Undertakings in this sector operate museums, libraries, nature reserve activities, are active in the production and presentation of live performances, events, and shows, including theatre, concerts, motion picture projection and dance. Other activities included relate to the operation and management of libraries, museums and collections, cultural heritage sites, botanical, zoological gardens and nature reserves (J.59.14, S.90.11 to S.90.39, S.91.11, S.91.21, S.91.22, S.91.22, S.91.30, S.91.41 and S.91.42).~~

~~Other activities relate to amusement and recreation and include the operation of amusement parks, movie theaters, ski resorts, sports stadiums, aquariums and fitness facilities, arcades, and other venues. Recreational activities such as gambling and betting activities (S.92.00, S.93.11, S.93.12, S.93.13, S.93.19, S.93.21 and S.93.29). Activities of other membership organisations are also included (T.94.99).~~

~~A subsector of the Recreation and Leisure sector relates to undertakings which operate gambling facilities and/or platforms, including brick and mortar casinos, riverboat casinos, online gambling websites, and racetracks. For the purposes of this subsector, it is assumed that casinos and gaming undertakings are engaged solely in operating gambling facilities and providing online gaming services. Also some computer games incorporate gaming elements. Finally, activities can relate to the sale of cultural and recreational goods (G.47.69) or the representation by agencies of actors, authors, singers and performers in motion pictures, theatrical productions or other entertainment attractions (N.74.99).~~

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.

Capital Markets sector

~~This~~ For the purpose of this ESRS sector includes undertakings involved in 'Capital Markets', the following activities/definitions apply:

~~Eligible holding undertakings owning controlling levels of equity and with the sole purpose of owning subsidiaries active in asset management, banking or insurance. Only holdings that are on the list of financial conglomerates in execution of Directive 2002/87/EC (FICOD) are eligible.~~

~~Money market and non-money market investment funds, i.e. collective investment schemes that raise funds by issuing shares or units to the public, of which the proceeds are invested primarily in financial assets;~~

~~Legal entities, not acting as collective investment schemes, organised to pool securities, estates and other financial assets, without managing, on behalf of shareholders or beneficiaries.~~

~~The operation and supervision of financial markets other than by central banks and public authorities such as (futures) commodity contracts exchanges, securities exchanges, stock exchanges, stock or commodity options exchanges, crypto-asset exchanges, administration of financial markets except insurance and pension funding, financial supervisory authority of financial service activities except insurance and pension funding.~~

~~Activities such as relating to dealing in financial markets on behalf of others, securities brokerage, currency trading, debt-based crowdfunding offering loans and securities, ...~~

~~Financial transaction processing and settlement activities, including digital or internet based payment and provision and settlement activities for credit card transactions, activities of digital currency wallet providers, validation and mining for crypto assets deemed financial assets, ...~~

~~Portfolio and fund management activities, on a fee or contract basis, for individuals, businesses, and others. (a) 'benchmark' means any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees, as defined in Article 3, 1, (3) of Regulation 2016/1011/EU ;~~

~~(b) 'clearing' means the process of establishing positions, including the calculation of net obligations, and ensuring that financial instruments, cash, or both, are available to secure the exposures arising from those positions, as defined in Article 2 (3) of Regulation 648/2012/EU ;~~

~~(c) 'dealing on own account': means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments as defined in Article 4(1)(6) of Directive 2014/65/EU ;~~

~~(d) 'depository' means an institution entrusted with duties of managing the UCITS units, managing the cash flows of the UCITS, safekeeping of the assets of UCITS, as defined in Article 2, 1 (a) of Directive 2009/65/EC ;~~

ESRS SEC 1 Sector Classification and general requirements

(e) 'financial conglomerate' means a group that, subject to additional requirements, meets the following conditions, as defined in Art. 2.14 of Directive 2002/87/EC

(i) A regulated entity (a credit institution, an insurance undertaking or an investment firm) is at the head of the group or at least one of the subsidiaries in the group is a regulated entity;

(ii) Where there is a regulated entity at the head of the group, it is either a parent undertaking of an entity in the financial sector, an entity which holds a participation in an entity in the financial sector, or an entity linked with an entity in the financial sector when they are managed on an unified basis or the administrative, management or supervisory bodies of that latter entity consist of the same persons as the former entity.

(iii) Where there is no regulated entity at the head of the group, the group's activities mainly occur in the financial sector;

(iv) At least one of the entities in the group is within the insurance sector and at least one is within the banking or investment sector;

(v) The consolidated and/or aggregated activities of the entities in the group within the insurance sector and the consolidated and/or aggregated activities of the entities within the banking and investment sector are both significant.

(f) 'high-frequency algorithmic trading technique' means an algorithmic trading technique, as defined in Article 4(1)(40) of Directive 2014/65/EU) characterised by:

(i) Infrastructure intended to minimise network and other types of latencies, including at least one of the following facilities for algorithmic order entry: co-location, proximity hosting or high-speed direct electronic access;

(ii) System-determination of order initiation, generation, routing or execution without human intervention for individual trades or orders; and

(iii) High message intraday rates which constitute orders, quotes or cancellations.

(g) 'investment fund', as defined in Art. 1 (1) of Regulation 1073/2013 , means a collective investment undertaking that:

(i) Invests in financial and/or non-financial assets, to the extent that its objective is investing capital raised from the public; and

(ii) Is constituted pursuant to Union or national law under (i) contract law, as a common fund managed by management companies, (ii) trust law, as a unit trust, (ii) company law, as investment company; (iv) any other similar mechanism or legal form

(h) 'market maker': means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person, as defined in Article 4(1)(7) of Directive 2014/65/EU);

(i) 'multilateral trading facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract, as defined in Article 4(1)(22) of Directive 2014/65/EU);

(j) 'organised trading facility' or 'OTF' means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract, as defined in Article 4(1)(22) of Directive 2014/65/EU);

(k) 'regulated market' means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system

and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly, as defined in Article 4(1)(21) of Directive 2014/65/EU);

(l) 'settlement' means the completion of a securities transaction where it is concluded with the aim of discharging the obligations of the parties to that transaction through the transfer of cash or securities, or both, as defined in Art. 2(7) of Regulation 909/2014/EU ;

(m) 'systematic internaliser' means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an multilateral trading facility or an organised trading facility without operating a multilateral system, as defined in in Article 4(1)(20) of Directive 2014/65/EU);

(n) 'trading venue' means a regulated market, an multilateral trading facility or an organised trading facility, as defined in in Article 4(1)(24) of Directive 2014/65/EU)

A. Activities relating to investment banking and brokerage (NACE L.64.99, L.66.12)

Investment banking

Investment banking pertains to providing advisory-based services on financial transactions for different clients such as corporates, other financial entities or governments. These activities mostly relate to corporate finance and include assistance in raising capital, assistance in mergers and acquisitions, corporate restructuring and managing of financial risks for clients. Ancillary services provided include market making or trading in financial assets such as shares, derivatives, commodities or crypto assets, and economic and financial research.

Brokerage and dealing activities

Brokerage refers to execution and/or reception and transmission of orders on behalf of clients. This implies concluding agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to place (on a firm or non-firm basis) financial instruments.

In contrast, dealing activities refer to dealing on own account. This can be through matched principal trading (standing as an intermediary between two counterparties), market making, acting as a systematic internaliser, trading utilising high-frequency algorithmic trading techniques or other ways of dealing on own account. It also includes activities of market making, advisory services and securitisation of assets other than loans.

B. Activities relating to asset management and custody (NACE L.64.31, L.64.32, L.66.19 and L.66.30)

This subsector includes different business activities: product development, investment management, distribution and advice and custody and asset servicing

Product development

Business activities related to product and services include all stages of the product development process, from initial concept to product and/or service launch. These include market research (including identifying the target market and assessing competitors' offering), engaging with clients to tailor products to their needs, design and development of the product (including defining the investment strategy, asset allocation, risk profile and investment horizon), consideration of sustainability and ESG criteria, legal and regulatory considerations including authorisation and ensuring compliance, pricing strategy, and comprehensive documentation including financial instruments' disclosures to inform and protect investors.

Investment management

Investment management involves the handling of investments in financial or real assets on behalf of clients or for own account to generate financial and/or sustainability performances.

When an investment manager deals on own account this refers to trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments

Also, investment managers can also act as members or participants to regulated markets, multilateral trading facilities or operational trading facilities.

When an investment manager acts on behalf of clients, they act in line with overall client needs – based on a mandate on behalf of the client - and preferences and with duty of care, loyalty, good faith, confidentiality, prudence and disclosure towards the clients.

Investment management also involves the devising of investment strategy based on research, the allocation to asset classes and/or the selection of individual assets. Trades and resulting investments need to be booked, valued and reported regularly to clients, and require ongoing risk management (such as diversification, hedging, portfolio adjustment, consideration of ESG risks, etc.) and oversight. Depending on the asset class, investment management may involve exerting various degrees of influence on or interaction with the entities connected to the asset.

Clients can be institutions (public or private, including funds) or private individuals, and investment management services will be provided to mutual funds (asset management) and segregated mandates (portfolio management). When dealing for own account the services will be provided through asset accounts or portfolios.

Lending by investment funds

Some investment funds can also act as loan originators or participate in loans. This can happen by qualifying venture capital funds, qualifying social entrepreneurship funds or European long-term investment funds.

Distribution and advice

Distribution (in the context of investment management) relates to the advice, purchase and sale of investment management “products” consisting of financial (such as shares, bonds or structured products) or real assets chosen according to pre-specified rules and strategies. Products can be in the form of collective investment vehicles or discretionary mandates for clients.

Manufacturers and distributors are required to define a target market for their products which are in line with the overall client needs and sustainability preferences. Investment products can be distributed through in-house teams, by providers of independent and non-independent advice, or directly to clients through platforms (internal or third-party). Distributors are required to comply with local KYC/AML requirements. In case of collective investment vehicles, shares or bonds, clients will make purchase decisions relying on pre-contractual information in the form of prospectuses. In case of discretionary mandates, clients will agree terms with the investment manager.

Depositary, custody and asset servicing

Depositary services, i.e. the holding of financial instruments in electronic form encompasses also activities of custody and related services such as cash/collateral management, asset servicing is covered here. In addition the accounting and administration of investment funds is taken care of.

Administration of benchmarks

The administration of benchmarks relates to ensuring that benchmarks used are composed accurately and can be relied upon by market participants for different purposes.

C. Exchanges, clearing and settlement (NACE L.66.11)

Trading venues

This subsector relates to administration of regulated markets/trading venues, including multilateral and operational trading facilities. This involves the management of platforms where financial instruments including shares, bonds and derivatives (including commodity derivatives) are bought and sold. The operational management of trading venues include market surveillance to prevent insider trading and market manipulation, setting and enforcing listing requirements, controlling market access and operating trading systems. They also provide execution of orders.

Clearing and settlement

The activities of clearing and settlement are essential in concluding market transactions. The undertakings that ensure these activities are covered by this sector standard.

D. Activities of financial conglomerates (NACE L.64.21)

Financial conglomerates manage participations in activities such as banking, insurance and asset management. The combination of different activities within a financial conglomerate allows to cross-sell products and services to the different client bases. It allows further to optimise regulatory and business performance for example by exchanging portfolios of products between the different activities (a portfolio of bank issued mortgages that is bought by an insurer to provide cash inflows to an insurance portfolio).

Credit Institutions sector

This sector includes undertakings involved in the following activities:

The credit institutions sector affects all the credit institutions that are operating under a banking license.

A. Other monetary intermediation (NACE L.64.19)

This activity includes:

(a) receiving of deposits or close substitutes for deposits and

(b) extending of credit or other forms of lending funds. This could be through (loans, mortgages, consumer credit cards, money order activities, etc. The activities are pursued by entities pursuing different business models such as universal banks, savings banks, credit cooperatives and unions, postal giro and postal savings banks and by specialised deposit-taking institutions.). It includes all the sustainability-related loans.

Eligible holding undertakings owning controlling levels (c) payment services (Debit cards, cheques, split payments (buy now / pay later), e-payments) as well as treatment of equity and with the sole purpose of owning subsidiaries active in asset management, banking nonperforming loans or insurance. Only holdings handling of borrowers that are on the list have defaulted.

B. Activities of financial conglomerates in execution (NACE L.64.21)

Financial conglomerates manage participations in activities such as banking, insurance and asset management. The combination of Directive 2002/87/EC (FICOD) are eligible different activities allows to cross-sell products and services to the different client bases. It allows further to optimise regulatory and business performance for example by exchanging portfolios of products between the different activities (a portfolio of bank issued mortgages that is bought by an insurer to provide cash inflows to an insurance portfolio).

ESRS SEC 1 Sector Classification and general requirements

~~Financing conduits i.e. units created by a financial or non-financial group to raise or borrow funds and to remit those funds to their parent or another entity within the group.~~

~~Financial lease, including the financial lease of durable goods such as vehicles.~~

C. Financial leasing (NACE L64.91)

This activity includes:

(a) The activities of financial lease, including the financial lease of durable goods such as vehicles. According to Annex II of REGULATION (EU) 2021/379 OF THE EUROPEAN CENTRAL BANK of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2), financial leases are contracts whereby the legal owner of a durable good (hereinafter the 'lessor') lends these assets to a third party (hereinafter the 'lessee') for most if not all of the economic lifetime of the assets, in exchange for instalments covering the cost of the good plus an imputed interest charge. The lessee is in fact assumed to receive all the benefits to be derivable from the use of the good and to incur the costs and risks associated with ownership. For statistical purposes, financial leases are treated as loans from the lessor to the lessee enabling the lessee to purchase the durable good. The assets (durable goods) which have been lent to the lessee are not recorded anywhere on the balance sheet.

(b) The operating leases are going to be treated in another sector.

D. K.64.92 Other credit granting (NACE L.64.92)

This activity includes:

(a) Financial service activities related to intermediation by incurring liabilities, in forms other than currency, deposits or close substitutes for deposits ~~such as~~. This includes granting of consumer credit by non-depository institutions; ~~provision of banking-like services without banking license, in co-operation with a licensed bank, money lending outside the banking system, loan securitisation, factoring and supply chain financing activities,~~

~~Financial service activities primarily related to distributing funds other than granting loans, writing of swaps, options and other hedging arrangements, viatical settlement activities, own account investment and trading activities (venture capital, investment clubs).~~ (b) provision of banking-like services without banking license, in co-operation with a licensed bank,

(c) money lending outside the banking system,

(d) loan securitisation,

(e) factoring and supply chain financing activities. According to the CRR, factoring' means a contractual agreement between a business (the 'assignor') and a financial entity (the 'factor') in which the assignor assigns or sells its receivables to the factor in exchange for the factor providing the assignor with one or more of the following services with regards to the receivables assigned:

(i) an advance of a percentage of the amount of the assigned receivables, generally short term, uncommitted and without automatic roll-over;

(ii) receivables management, collection and credit protection, whereby, in general, the factor administers the assignor's sales ledger and collects the receivables in the factor's own name;

Insurance sector

~~This sector includes undertakings involved in the following activities:~~

ESRS SEC 1 Sector Classification and general requirements

Eligible holding undertakings owning controlling levels of equity and with the sole purpose of owning subsidiaries active in asset management, banking or insurance. Only holdings that are on the list of financial conglomerates in execution of Directive 2002/87/EC (FICOD) are eligible.

Related to term A. Non-life insurance, permanent life obligations (NACE 65.12)

(4) Motor vehicle liability insurance (NACE 65.12) Insurance obligations which cover all liabilities arising out of the use of motor vehicles operating on land (including carrier's liability).

(5) Other motor insurance, underwriting annuities (NACE 65.12) Insurance obligations which cover all damage to or loss of land vehicles (including railway rolling stock).

(6) Marine, aviation and lifetransport insurance policies, disability income insurance policies, accidental death, funeral (NACE 65.12) Insurance obligations which cover all damage or loss to sea, lake, river and canal vessels, aircraft, and dismemberment insurance policies; damage to or loss of goods in transit or baggage irrespective of the form of transport. Insurance obligations which cover liabilities arising out of the use of aircraft, ships, vessels or boats on the sea, lakes, rivers or canals (including carrier's liability).

Related to provision of insurance services other than life insurance, such as accident insurance, medical (7) Fire and health insurance, fire and natural forces other damage to property insurance,

Of assuming (NACE 65.12) Insurance obligations which cover all damage to or part loss of property other than those included in the lines of the risk associated with existing insurance policies originally underwritten by other insurance providers;

Provision of retirement income benefits exclusively for the sponsor's employees business 5 and 6 due to fire, explosion, natural forces including storm, hail or members frost, nuclear energy, land subsidence and any event such as theft.

(8) General liability insurance (NACE 65.12) Insurance obligations which cover all liabilities other than those in the lines of business 4 and 6.

(9) Credit and suretyship insurance (NACE 65.12) Insurance obligations which cover insolvency, export credit, instalment credit, mortgages, agricultural credit and direct and indirect suretyship.

(10) Legal expenses insurance (NACE 65.12) Insurance obligations which cover legal expenses and cost of litigation.

(11) Assistance (NACE 65.12) Insurance obligations which cover assistance for persons who get into difficulties while travelling, while away from home or while away from their habitual residence.

(12) Miscellaneous financial loss (NACE 65.12) Insurance obligations which cover employment risk, insufficiency of income, bad weather, loss of benefit, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses other than those mentioned above, other financial loss (non-trading) as well as any other risk of non-life insurance not covered by the lines of business 1 to 11.

B. Proportional non-life reinsurance obligations (NACE 65.20)

The lines of business 13 to 24 shall include proportional reinsurance obligations which relate to the obligations included in lines of business 1 to 12 respectively.

C. Non-proportional non-life reinsurance obligations (NACE 65.20)

(26) Non-proportional casualty reinsurance Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 4 and 8.

(27) Non-proportional marine, aviation and transport reinsurance Non-proportional reinsurance obligations relating to insurance obligations included in line of business 6.

(28) Non-proportional property reinsurance Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 5, 7 and 9 to 12.

The methodological approach adopted for the GI business area description is compatible with that adopted in the Taxonomy regulation, i.e., it is based initially on the lines of business (referred to as LoB) as defined in Solvency II.

For GI, the lines of business 4-12 for non-life insurance, along with the lines of business 26-28 for reinsurance have been mapped to the corresponding NACE codes, though the terminology used to describe each business line may differ.

Under Art. 8 Taxonomy, the analysis for the underwriting indicator is based on the non-life insurance LoB. The difference lies in the scope of business activities retained as eligible for the Taxonomy, which is smaller than that for General insurance as defined in this paper. Indeed, four of the non-life insurance lines of business are not eligible for Taxonomy, namely “general liability insurance”, “credit and suretyship insurance”, “legal expenses insurance” and “miscellaneous financial loss”.

Life and health insurance

The lines of business within the Life and health insurance business area are described below together with the NACE code that they relate to:

Health insurance and related

A. Non-life insurance obligations (NACE 65.12)

(1) Medical expense insurance (NACE 65.12) Medical expense insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in the line of business 3.

(2) Income protection insurance (NACE 65.12) Income protection insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in the line of business 3.

(3) Workers' compensation insurance (NACE 65.12) Health insurance obligations which relate to accidents at work, industrial injury, and occupational diseases and where the underlying business is not pursued on a similar technical basis to that of life insurance.

D. Life insurance obligations (NACE 65.11)

(29) Health insurance (NACE 65.11) Health insurance obligations where the underlying business is pursued on a similar technical basis to that of life insurance, other than those included in line of business 33.

(33) Annuities stemming from non-life insurance contracts and relating to health insurance obligations (NACE 65.11)

C. Non-proportional non-life reinsurance obligations (NACE 65.20)

(25) Non-proportional health reinsurance Non-proportional reinsurance obligations relating to insurance obligations included in lines of business 1 and 3.

E. Life reinsurance obligations (NACE 65.20)

(35) Health reinsurance Reinsurance obligations which relate to the obligations included in lines of business 29 and 33.

Life insurance

D. Life insurance obligations (NACE 65.11)

(30) Insurance with profit participation (NACE 65.11) Insurance obligations with profit participation other than obligations included in line of business 33 and 34.

Profit participation products regulated as employer-related funds; insurance contracts which provide insurance benefits through eligibility to participate materially in periodic discretionary distributions based on profits arising from the insurance undertaking's business. These products usually have a minimum guarantee return or capital protection. These products generally offer a biometric risk cover (e.g., death, life, disability, ...); the treatment and feature of such cover do not affect their definition.

Provision of administrative services of (31) Index-linked and unit-linked insurance (NACE 65.11) Insurance obligations with index-linked and unit-linked benefits other than those included in lines of business 33 and 34.

Index-linked and unit-linked products - a category of life insurance contracts where the benefits are wholly or partly determined by reference to the value of a fund or index. There is a segregation between the assets of the undertaking and those connected to the insurance policy. These products generally offer a biometric risk cover (e.g., death, life, disability, ...); the treatment and feature of such cover do not affect their definition.

(32) Other life insurance (NACE 65.11; 65.30 Pension funding) Other life insurance obligations other than obligations included in lines of business 29 to 31, 33 and 34.

(34) Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations (NACE 65.11; 65.30 Pension funding)

E. Life reinsurance obligations (NACE 65.20)

(36) Life reinsurance Reinsurance obligations which relate to the obligations included in lines of business 30 to 32 and 34.

Other financial service activities, except insurance and pension funding n.e.c. (activities of viatical settlement companies) (NACE 64.99)

This class includes other financial service activities primarily concerned with distributing funds other than by granting loans, including activities of viatical settlement companies.

Other services

Activities auxiliary to insurance and pension funding (NACE 66.2)

(1) Risk and damage evaluation (NACE 66.21) This class includes the provision of administration services of insurance, e.g., assessing and settling insurance claims; e.g.:

- assessing insurance claims
- claims adjusting
- risk assessing
- risk and damage evaluation
- average and loss adjusting
- settling insurance claims.

(2) Activities of insurance agents and brokers (NACE 66.22) This class includes activities of insurance agents and brokers (insurance intermediaries) in selling, negotiating or soliciting of annuities and insurance and reinsurance policies; . An insurance

agent, more commonly known as a “tied agent”, offers its clients products from one single insurer. An insurance broker on the other hand is independent of any single insurer and can offer its clients products from a range of insurers.

Closely related to insurance and pension funding such as salvage administration, actuarial services, pension and insurance advisory services.(3) Third parties [assistance] (NACE 66.29) This class includes activities involved in or closely related to insurance and pension funding, except financial intermediation, claims adjusting and activities of insurance agents. Assistance organises medical or technical help (particularly for motor vehicles) anywhere in the world. This service includes vehicle repatriation, facilitating repatriation or the onward journey of injured clients. The medical aspect mainly consists of organising medical evacuations (ambulance, by air or by train) and settlement of medical expenses incurred abroad. Home help services for the elderly or those requiring third party care are also available.

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. The ESRS Health care and services sector consists of the following economic activities:~~

Undertakings in the sector perform activities for human health such as the short- or long-term provision of medical, diagnostic and treatment services. They perform medical consultations and treatment, either generalised or specialised and dental practices. Medical laboratories that provide analytic or diagnostic services are also included like midwifery practices, activities of psychologists and physiotherapists or patient transport activities (R.86.10, R.86.21, R.86.22, R.86.23, R.86.91, R.86.92, R.86.93, R.86.94, R.86.95, R.86.96, R.86.97 and R.86.99).

Undertakings can also be active in the provision of residential care combined with either nursing, supervisory or other types of care. They also include intermediation activities for residential care by bringing clients and service providers together for a fee or commission (R.87.10, R.87.20, R.87.30, R.87.91, R.87.99).

The sector also includes social work activities without accommodation for older persons or persons with disabilities (R.88.10).

Finally, the sector includes animal health care services for farm and pet animals (N.75.00)

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.

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. The ESRS Accommodations sector consists of the following economic activities:~~

~~Undertakings in this sector are active in the provision of accommodations for short-term stays. This can occur in hotel rooms and suites, homes and apartments for holiday, hostels, guest rooms, camping grounds, worker dormitories or student accommodations (I.55.10, I.55.20, I.55.30 and I.55.90).~~

~~Undertakings can also be involved in the intermediation of all types of accommodation by bringing clients and service providers together for a fee or commission (I.55.40).~~

Food and Beverages Services sector

The ~~ESRS Food and Beverage~~Beverages services sector ~~includes~~consists of the following economic activities:

~~Undertakings in the sector engage food and beverage servingsservicing activities providing ~~complete~~ meals or drinks fit for immediate consumption, ~~whether~~. This can happen in traditional restaurants, self-service or take-away restaurants, with or without seating. Undertakings active in mobile food service activities, such as hot food trucks, ice cream or pancake vendors are also included in the sector. Event catering ~~and beverage serving activities.~~ Undertakings in the Food or contract catering service activities and beverage serving via bars, pubs, tea rooms also belong to this sector (I.56.11, I.56.12, I.56.21, I.56.22, and Beverage Services sector prepare meals, snacks, and beverages to customers' orders for immediate on and off-premises consumption. The food and beverages could I.56.30)~~

~~Undertakings can also be servedinvolved in permanent or temporary stands with or without seating.~~

~~Decisive is the fact that meals fit for immediate consumption are offered, not the kind intermediation of facility providing them. The following is excluded: the production all types of meals not fit for immediate consumption or not planned to be consumed immediately or of prepared food which is not considered to be and beverage services by bringing clients and service providers together for a meal fee or commission (I.56.40).~~

DurableHousehold goods sector group

Household ~~durables~~goods n.e.c.

The ~~Household durables sector includes the production of households goods of a different nature including furniture and furnishings, ESRS household appliances (refrigerators, ovens, washing machines, ...),~~goods n.e.c. sector consists of the following economic activities:

~~Undertakings in the sector are active in the manufacture of luggage, saddlery, ceramic household articles, cutlery, locks, various household articles, consumer electronics, sporting goods, luggage material~~clocks, (non) electric domestic appliances, power-driven hand tools ~~and other household goods. It incorporates, bicycles, sledges, furniture, music instruments, sports goods, games, brooms and brushes (C.15.12, C.23.41, C.25.61, C.25.62, C.25.99, C.26.40, C.26.52, C.27.51, C.27.52, C.28.24, C.30.92, C.30.99, C.31.00, C.32.20, C.32.30, C.32.40, C.32.91, C.32.99)~~

~~Undertakings are also undertakings active as agents involved in the specialised wholesale and, or as wholesale or retail saleseller of these goods as well as furniture, electrical household appliances, china and glassware, household goods, book, sporting equipment or games (G.46.15, G.46.43, G.46.44, G.46.47, G.46.49, G.47.54, G.47.55, G.47.61, G.47.63, G.47.64)~~

~~Rental and leasing of personal and repair activities~~household goods, furniture for these events, fairs and exhibitions are included in the sector (O.77.21, O.77.22, O.77.39)

~~Repair and maintenance of furniture, home furnishings, other personal and household goods-~~ are also included in the sector (T.95.24, T.95.29)

The sector is titled as “not elsewhere classified” as some ~~durable~~Household goods are part of other ESRS Sectors such as automobiles, rubber tyres (Motor vehicles), jewelry (Textiles, Accessories and Jewellery) and batteries (Electronics and electrical equipment, Chemicals and Motor vehicles).

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.

Aerospace, defence and services sector

~~Undertakings in the Aerospace, defence and services 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.~~The ESRS Aerospace, defence and services sector consists of the following economic activities:

Undertakings in the sector are active in the production of military ships such as destroyers, submarines, landing crafts. Activities also include manufacture of both civilian and military air- and spacecraft, and related parts. This can relate to planes, helicopters or drones. The manufacture of military fighting vehicles such as tanks, armoured combat vehicles for transporting persons or armoured amphibious military vehicles is also included. (C.30.13, C.30.31, C.30.32, C.30.40, H.51.22)

Other activities relate to manufacture of weapons and ammunition, the manufacture of communication equipment and the manufacture of instruments for search, detection, navigation, guidance, aeronautical and nautical systems and instruments (C.25.30, C.26.30, C.26.51).

Bioenergy sector

~~The Bioenergy sector is composed of the sub-sectors biomass (solid biofuels), liquid biofuels, and biogas, as well as wholesale of bioenergy.~~

The ESRS bio-energy sector consists of the following economic activities: The sub-sector biomass includes the processing of biological raw materials (e.g., briquettes, fire logs and pellets from agglomerated sawdust, wood waste and scrap, straw, charcoal or other vegetable biomass, agricultural residues) resulting from the agriculture and forestry sectors for the purpose of energy supply. (A.02.20, C.16.26).

The sub-sector liquid biofuels ~~includes~~include the transformation of biomass into biodiesel, ethanol, the manufacture of mixtures of bio-ethanol and ethers partially derived from biomass, and manufacture of liquid biofuels even if processes use waste as an input. (C.19.20, C.20.51).

The sub-sector biogas includes the transformation of sewage sludge, manure, and waste into biogas for the purpose of gas supply from, and the production of gaseous biofuels for energy supply through a gas distribution network. It also includes the cleansing of biogas for energy supply through a permanent network, as well as the operation of generation facilities that produce electricity from gaseous biofuels. (D.35.12, D.35.21).

This sub-sector also includes supplementary activities, such as the blending of biofuels, i.e. blending of alcohols with petroleum (e.g. gasohol), as well as the wholesale of low or free carbon fuels, greases, lubricants, oils, such as pellets of wood or biomass, biofuels, liquefied bio forms of petroleum gases, natural gas, butane and propane gas in blending or pure.

Finally, the wholesale of solid, liquid and gaseous biofuels is included in the sector (G.46.81).

Chemicals and polymers sector

~~The Chemicals~~ESRS chemicals and polymers sector ~~includes the transformation~~consists of ~~organic and inorganic raw materials by a chemical process and~~the following economic activities:

Undertakings in the formation of products. It distinguishes~~sector are active in~~ the production of basic chemicals ~~that constitute the first industry group from the production,~~ petrochemicals, and specialty chemicals. It includes manufacturing processes for industrial gases or medical gases, dyes and pigments, (in)organic basic chemicals, fertilisers, plastics in primary forms, and synthetic rubber (C.20.11 to C.20.17, C.20.20, C.20.30, C.20.41, C.20.42, C.20.51, C.20.59, C.20.60).

Other activities relate to the manufacture of rubber and plastic products, plastic plates, sheets, tubes and profiles, plastic packing goods, doors, windows, builders' ware of intermediate~~plastic and end~~other plastic products produced by further processing. Manufacture of basic chemicals that make up the remaining industry activities. safety headgear and other personal safety equipment in plastic are also part of this sector. Processes such as cutting, chamfering, turning, milling, drilling and finishing plastic products are also included (C.22.12, C.22.22, C.22.23, C.22.24, C.22.5, C.22.26, C.32.99).

ESRS SEC 1 Sector Classification and general requirements

~~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 subsector 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. Finally, there are the activities that relate to the wholesale and retail sale of chemical products, perfume and cosmetic products (C.46.45, C.46.85, G.47.75).~~

Construction Materials sector

The ~~ESRS~~ construction materials sector ~~includes manufacturing~~ consists of the following economic activities related to a single substance of mineral origin:

~~The~~ Undertakings in this sector comprises ~~are active in the production of undertakings which manufacture, produce and cut materials~~ cement, lime, and plaster for construction purposes. ~~The manufacturing subsector include non-metallic, (ready-mixed), the creation of concrete, plaster, mortars, (fibre) cement, lime, bricks blocks, pipes, and tiles, flat other precast items, the manufacture of glass, hollow and glass, glass fibres and refractory products undertakings, as well as the manufacture of other non-metallic products including ceramics, clay products and insulation materials (C.23.11 to C.23.15, C.23.20, C. 23.31, C.23.32, C.23.42, C.23.43, C.23.44, C.23.45, C.23.51, C.23.52, C.23.61 to C.23.69, C.23.70, C.23.99).~~

~~The sector also includes the manufacture of building components of zinc (C.25.99).~~

~~Finally, the sector includes manufacturing of refractory products as well as industrial ceramics, the activities relating to retail sale of building materials and glass (C.47.52) and wholesale of construction materials (G.46.83).~~

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 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 electrical and electronic equipment, electronic manufacturing services and original design manufacturing, hardware and semiconductor subsectors.~~

~~The electrical and electronic equipment subsector 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) subsector consists of two main subsectors. EMS undertakings provide assembly, logistics, and after market services for original equipment manufacturers. The ODM subsector of the sector provides engineering and design services for original equipment manufacturers and may own significant intellectual property.~~

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

ESRS SEC 1 Sector Classification and general requirements

~~The Semiconductors subsector 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. The ESRS electronics and electrical equipment sector consists of the following economic activities:~~

~~Undertakings provide for manufacturing of electronic components, loaded printed circuit boards, computers and peripheral equipment, communication equipment, consumer electronics, instruments and appliances for measuring, testing and navigation, watches and clocks. They also produce optical instruments and lenses (C.26.11, C.26.12, C.26.20, C.26.30, C.26.51, C.26.52 and C.26.70).~~

~~Other activities relate to the manufacturing of electric motors and transformers, power circuit breakers and other control instruments, batteries, accumulators, fibre optic cables, electronic and electric wires or cables, wiring devices, lighting equipment and miscellaneous electrical equipment other than above (C.27.11, C.27.12, C.27.20, C.27.31, C.27.32, C.27.33, C.27.40, C.27.90).~~

~~The manufacture of electrical and electronic equipment for motor vehicles is part of this sector (C.29.31 – shared NACE with ESRS Motor vehicles)~~

~~The sector also includes repair activities (C.33.13, C.33.14, T.95.10, T.95.21 and T.95.22)~~

~~Finally, the sector includes activities that relate to the retail sale of information and communication equipment as well as lighting equipment and wholesale of the latter (G.46.47, G.46.50, G.47.40 and G.47.55).~~

Food and Beverages sector

~~The Food & Beverage ESRS food and beverages sector includes consists of the manufacturing, following economic activities:~~

~~Undertakings are active in processing and distribution of the products from of agriculture, forestry and farming. This includes food, beverages, pet fishing into food, feed for humans and animals, and including 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, distil, (C.10.11 to C.10.92).~~

~~Other activities relate to the manufacture and distribute various of beverages, either alcoholic or non-alcoholic beverages, including beer, wine, and liquor. A specific subsector is dedicated to the manufacturing of (C.11.01 to C.11.07).~~

~~The manufacture and tobacco products, including the manufacturing of and electronic cigarettes and non-nicotine are included in this sector (C.12.00 and C.32.99).~~

~~Finally, the sector comprises activities relating to the wholesale and retail sale of food and beverage products.~~

~~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, as well as the activities of agents involved in those sale activities (G.46.17, G.46.23, G.46.32, G.46.33, G.46.34, G.46.35, G.46.36, G.46.37, G.46.38, G.46.39, G.47.21, G.47.22, G.47.23, G.47.24, G.47.25, G.47.26, G.47.27)~~

Machinery and Equipment sector

ESRS SEC 1 Sector Classification and general requirements

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. 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 other sectors 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. The sector also includes undertakings manufacturing of abrasives. The ESRS machinery and equipment sector consists of the following economic activities:

Undertakings in the sector are active in the manufacture of abrasive products and manufacturing of various sorts of machinery and equipment such as engines, turbines, fluid power equipment, pumps, compressors, taps, valves, bearings, ovens, furnaces, lifting and handling equipment (C.23.91, C.28.11 to C.28.99, C.32.99)

Also manufacturing of civilian ships, pleasure boats and railway locomotives, rolling stock and hand-propelled luggage trucks are included (C.30.11, C.30.12, C.30.20)

Repair of electrical equipment is included in the sector (C.33.12, C.33.15, C.33.19, C.33.20)

Finally, the sector comprises activities relating to the wholesale, retail sale and leasing of machinery and equipment (G.46.14, G.46.61, G.46.62, G.46.63, G.46.64, O.77.31, O.77.32, O.77.39)

Medical Instruments sector

Undertakings in the The ESRS medical instruments sector consists of the following economic activities:

Undertakings in this sector are engaged active in the manufacture/manufacturing 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 invalid carriages (C.26.60, C.30.92, C.32.50).

The sector also comprises activities relating to the retail sale of medical and medical/orthopaedic goods and the rental of medical and hospital equipment and supplies subsectors. 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. (G.47.74, O.77.39).

Metal Processing sector

The ESRS metal processing sector includes a subsector on manufacturing and one on metal processing.

The subsector relating to manufacturing includes undertakings that are active in iron and steel production. The iron and steel production subsector consists of steel producers with iron and steel mills and undertakings with iron and steel foundries. The steel producers subsector 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. It also includes the following economic activities of smelting and/or refining ferrous and non-ferrous metals from ore, pig or scrap, using electrometallurgical

ESRS SEC 1 Sector Classification and general requirements

~~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.:~~

~~The subsector relating to metal processing includes~~ Undertakings in this sector are active in the manufacturing of basic iron and steel, tubes, pipes, the production of aluminium, precious metals, lead, zinc, tin, copper, non-ferrous metals and nuclear fuel (C.24.10, C.24.20, C.24.41, C.24.42, C.24.43, C.24.44, C.24.45, C.24.46)

~~Other activities included are cold drawing of bars, wire, narrow strip, cold forming and folding, as well as the casting of iron, steel and other (non-ferrous), light metals, the manufacture of~~ and non-ferrous metals (C.24.31, C.24.32, C.24.33, C.24.34, C.24.51, C.24.52, C.24.53 and C.24.54).

~~There is also the manufacturing of fabricated metal products such as metal structures and different metal industrial goods such as, doors, windows, central heating radiators, steam generators or reservoirs made of metal, tools or stells, steel drums, packaging, wire products, furniture, metal goods for office use, coins, metal safety headgear. This includes processes such as forging and shaping metal, coating and heat treatments (C.25.11, C.25.12, C.25.21, C.25.22, C.25.40, C.25.51, C.25.52, C.25.53, C.25.63, C.25.91, C.25.92, C.25.93, C.25.94, C.25.99, C.32.11 and C.32.99).~~

~~Finally, the sector comprises activities relating to the wholes of metals, metal ores, hardware, heating equipment, waste and crap (G.46.82, G.46.84, G.46.87).~~

Motor Vehicles sector

The Motor Vehicles sector is comprised of undertakings active in the manufacture, repair, maintenance of motor vehicles, motorcycles, and related parts / accessories (passengers, freight and agriculture). This sector also includes undertakings active in wholesale and retail of motor vehicles and the related parts and accessories and rental and leasing of motor vehicles.

More in detail, this sector is divided in three sub-sectors: manufacture of motor vehicles, motorcycles, repair and maintenance of motor vehicles and motorcycles, sales, rental and leasing of motor vehicles and motorcycles.

More detail on the activities included in the three subsectors are provided below:

Manufacture of motor vehicles and motorcycles

The economic activities in this group include manufacture of motor vehicles for transporting passenger, manufacture of agriculture machineries, manufacture of motorcycles. In addition, this group also includes manufacture of various parts and accessories for motor vehicles and motorcycles, including manufacture, retreading and rebuilding of rubber tyres.

In particular this subsector includes:

Manufacture of motor vehicles (C29.10) comprising the manufacture of electric, combustion and hybrid engine vehicles and of autonomous vehicles notably, manufacture of passenger cars, manufacture of commercial vehicles such as vans, lorries, road tractors for semi-trailers, manufacture of buses, trolleybuses and coaches, manufacture of motor vehicles engines, including electric motors, manufacture of other motor vehicles such as snowmobiles, golf cars, amphibious motor vehicles, road sweeper trollies, all-terrain vehicles go-carts and similar, including racing cars.

Manufacture of bodies and coachwork for motor vehicles; manufacture of trailers and semi-trailers (C29.20) comprising manufacture of containers specially designed and equipped for carriage by one or more modes of transport.

Manufacture of agricultural and forestry machinery (C.28.30), comprising manufacture of agricultural and forestry tractors, manufacture of track laying tractors, manufacture of single-axe (pedestrian-controlled) tractors, manufacture of mowers,

ESRS SEC 1 Sector Classification and general requirements

manufacture of self-loading or self-unloading trailers or semi-trailers for agricultural purposes, manufacture of agricultural machinery for soil preparation or cultivation

Manufacture of motorcycles (C30.91) comprising manufacture of engines for motorcycles - manufacture of sidecars for motorcycles - manufacture of parts and accessories for motorcycles, e.g. brakes, gear boxes, clutches, road wheels, silencers and exhaust pipes, and parts thereof

Manufacture of electrical and electronic equipment for motor vehicles (C29.31) comprising manufacture of motor vehicles electrical equipment (e.g. generators, alternators), manufacture of inverter modules and fuel cells for cars, manufacture of cable sets

Manufacture of other parts and accessories for motor vehicles (C29.32) comprising manufacture of diverse parts and accessories for motor vehicles such as gear boxes, brakes, shock absorbers and manufacture of parts and accessories of bodies for motor vehicles such as bumpers, safety seat belts, car seats, manufacture of air-conditioning machines for motor vehicles

Manufacture, retreading and rebuilding of rubber tyres and manufacture of tubes (C22.11) comprising manufacture of rubber tyres for vehicles, equipment, mobile machinery, aircraft; pneumatic tyres; solid or cushion tyres; manufacture of inner tubes for tyres; manufacture of interchangeable tyre treads, tyre flaps, camelback strips for retreading tyres etc; tyre rebuilding and retreading.

Manufacture of batteries and accumulators (C.27.20), comprising manufacture of non-rechargeable and rechargeable batteries

Manufacture of fibre optic cables (C.27.31), comprising manufacture of fibre optic cable for data transmission or live transmission of images

Manufacture of other electronic and electric wires and cables (C.27.32), comprising manufacture of insulated wire and cable, made of steel, copper, aluminium.

Manufacture of wiring devices (C.27.33), comprising manufacture of current-carrying and non-current-carrying wiring devices for electrical circuits regardless of material

Manufacture of other pumps and compressors (C.28.13), comprising manufacture of air or vacuum pumps, air or other gas compressors, manufacture of pumps for liquids and manufacture of pumps for internal combustion engines

Repair and maintenance of motor vehicles and motorcycles.

The economic activities in this group include repair and maintenance of motor vehicles and motorcycles. This group of activities also include intermediation service activities for repair and maintenance.

In particular this subsector includes:

Repair and maintenance of motor vehicles (T. 95.31), comprising repair and maintenance of motor vehicles, including trailers and semi-trailers, e.g. mechanical repairs, electrical repairs, repair of motor vehicle parts; repair of screens and windows; repair of motor vehicle seats. This class included repair and maintenance of caravan and motorhome housing cells.

Repair and maintenance of motorcycles (T.95.32), comprising repair and maintenance of motorcycles - motorcycle and motorcycle equipment spraying and painting activities - bodywork repair on motorcycles - washing, polishing, etc. of motorcycles.

Intermediation service activities for repair and maintenance of motor vehicles and motorcycles (T.95.4)

Sales, rental and leasing of motor vehicles and motorcycles

ESRS SEC 1 Sector Classification and general requirements

The economic activities in this group include wholesale and retail of motor vehicles and motorcycles and the related parts and accessories and rental and leasing of motor vehicles.

In particular this subsector includes:

Wholesale of motor vehicles (G.46.71), comprising wholesale of new and used motor vehicles.

Wholesale of motor vehicle parts and accessories (G.46.72), comprising wholesale of new and used motor vehicle parts, equipment and related accessories, wholesale of batteries and accumulators for motor vehicles.

Wholesale of motorcycles, motorcycle parts and accessories (G.46.73), comprising wholesale of new and used motorcycles, wholesale of parts and accessories for motorcycles—.

Retail sale of motor vehicles (G.47.81), comprising retail sale of new and used motor vehicles

Retail sale of motor vehicle parts and accessories (G.47.82), comprising retail sale of new and used parts, equipment and accessories for motor vehicles

Retail sale of motorcycles, motorcycle parts and accessories (G.47.83), comprising retail sale of new and used motorcycles, retail sale of new and used parts and accessories for motorcycles

Rental and leasing of cars and light motor vehicles (O.77.11), comprising rental and operational leasing of motor vehicles without driver

Rental and leasing of trucks (O.77.12), comprising rental and operational leasing of trucks, motor caravans, utility trailers and heavy motor vehicles

Rental and leasing of other machinery, equipment and tangible goods n.e.c. - rental and operational leasing of land-transport equipment (other than motor vehicles) without drivers: caravan trailers – tyre leasing (O.77.39)

Pharma and Biotechnology sector

~~The Pharma and biotech sector includes the research, the development, the manufacture and the market of medicinal products. These products include chemical, biological, homeopathic, herbal medicinal products, as well as radiopharmaceuticals; biological medicinal products. These cover a wide range of products including immunological medicinal products, blood products, vaccines, recombinant proteins, monoclonal antibodies and advanced therapy medicinal products (i.e. gene therapy products, somatic cell therapy medicinal products, tissue engineered 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 medicinal products. 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 (marketing authorisation or registration). The ESRS pharma and biotechnology sector consists of the following economic activities:~~

~~Undertakings are active in the manufacturing of basic pharmaceutical products and preparations. They are also involved in research and development (C.21.10, C.21.20, N.72.10).~~

~~Finally, the sector comprises activities relating to wholesale and retail sale of pharmaceutical goods (G.46.46, G.47.73).~~

Textiles, Accessories, Footwear and Jewellery sector

~~The Textiles, Accessories, Jewellery, and Footwear sector includes several inter-related sub-sectors. For example, this sector undertakings involved in the manufacturing, wholesale and retail sales, and repair and rental of various products,~~

ESRS SEC 1 Sector Classification and general requirements

including (but not limited to) apparel, household textiles, technical and industrial textiles, footwear, bags and luggage, watches, and jewellery.

The MTA sector encompasses manufacturing, wholesale [46.16, 46.24, 46.41, 46.42], retail [47.51, 47.53, 46.47, 47.71], repair [95.29] and rental [77.22] of textiles and textile articles.

The MTA sector includes the preparation and spinning of 'early steps' of the manufacturing process of textiles, from preparatory operations on textile fibres, textile [13.10] to weaving, [13.20] or knitting or crocheting [13.91] of fabrics, to finishing of textiles and wearing apparel, and activities [13.30]. Fabrics like felt, tulle, lace and embroidery [13.99], non-wovens [13.95] are also included, as well as tanning, dressing and dyeing of leather and fur [15.11].

The sector encompasses the manufacture of made-up textile articles. The sector also includes all clothing of all types: outerwear [14.21], underwear and nightwear [14.22], workwear [14.23], and other wearing accessories such as hats, gloves, belts, ties [14.29]. It also includes babies' apparel [14.22, 14.10] and sportswear, such as tracksuits, ski suits, swimsuits and other technical sportswear [14.10, 14.22, 14.29]. It includes the tailoring (of all types of clothing—whether 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 [14.21], from various materials such as leather, fur, patent leather, woven or knitted fabrics [14.10, 14.24].

The sector also includes labels and ornamental trimmings (e.g. pompons, braids) [13.96] and buttons and fasteners [32.99].

The sector also encompasses textiles other than garments, like technical and industrial textiles and textile articles, such as bolting and straining cloths, conveyor belts [13.96] and belts for occupational use [32.99], fire and biohazard protective clothing [32.99]. Production of artists canvas, of sails and parachutes, and of automotive trimmings and loose covers for cars [13.96] also fall under the scope of this sector. Furthermore, the sector covers the manufacture of similar products from other materials (cordage, rope, twine and netting [13.94], and of non-wovens, e.g. for wound care dressing of for baby wipes [13.95].

The manufacturing of household textiles [13.92], such as, is also included in the MTA sector, as well as of tarpaulins, tents, blinds and sun blinds [13.96] and carpets and rugs [13.93]. Even the production of flags [13.92] belongs to this sector.

Additionally, the sector involves the manufacturing, wholesale [46.16, 46.24, 46.42], retail [47.72], rental [77.22] and repair [95.23] of bags and luggage, of leather, composition leather or any other material, where the same technology is used as for leather [15.12], and of footwear for all purposes, of any material, by any process [13.99, 14.10, 14.29, 15.12, 15.20].

The MTA sector also includes the manufacturing [32.12, 32.13], wholesale [46.48], rental [77.22] and repair [95.25] of jewellery [32.12] and imitation leathers or leather substitutes), such as rubber footwear, textile luggage. The products made from leather substitutes are included here, since they are made in ways similar to those jewellery [32.13] made from metals (precious or base metals or different combinations of the two), stones (precious, semi-precious, or imitation) and pearls. While retail of jewellery [47.77] is encompassed in which leather products are made (e.g. luggage) and are often produced the MTA sector, retail of imitation jewellery [47.78] falls instead in the same unit Sales and Retail sector.

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. It is also noteworthy that the manufacture of analogue watches is included within the scope of this sector [15.12, 26.52, 32.12, 32.13, 47.77].~~

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.

Mining, Coal and Quarrying sector

The Mining, Quarrying and Coal sector is composed of mining, quarrying, coal and service sub-sectors.

The Mining sub-sector includes the extraction of metals which can be achieved by different methods, such as underground or surface mining, well operation, seabed mining, salars' exploitation, geothermal mining and others. Extraction of critical ~~minerals such as copper, lithium, nickel, cobalt~~metals and rare earth elements ~~is can be~~ included in this sub-sector, provided that these remain within the specification of NACE codes for the sub-sector. Supplementary activities, such as crushing, grinding, washing, drying or sintering are also included. The activities in this sub-sector are classified under NACE division 07 Mining of metal ores (codes 07.10, 07.21 and 07.29, 46.12, 38.32, 43.12).

The Quarrying sub-sector includes activities such as quarrying, mining of non-metal and industrial minerals, 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 extraction of salt, as well as mining and quarrying of various minerals and materials, as well as supplementary activities such as dredging of alluvial deposits, rock crushing or the use of salt marshes. The activities in this sub-sector are classified under NACE division 08 Other mining and quarrying (codes 08.11, 08.12, 08.91, 08.92, 08.93, 08.99), 47.76, 38.32, 43.12

The Coal sub-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. This sub-sector includes undertakings that mine coal and manufacture coal products, whether it concerns underground or surface mining, thermal or metallurgical coal. This sub-sector also includes manufacturing of coke oven products. The activities in this sub-sector are classified under NACE division 05 Mining of coal and lignite (codes 05.10, 05.20, 19.10, 38.32, 43.12), as well as NACE code 19.10 Manufacture of coke oven products.

The Services sub-sector includes providing support services on a fee or contract basis to the three sub-sectors mentioned above. Such services can consist of exploration services like prospecting, draining and pumping services or test drilling and test hole boring. The activities in this sub-sector are classified under NACE 09.90 Support activities for other mining and quarrying.

Oil and Gas

The Oil and Gas sector is composed of upstream, midstream, downstream and service sub-sectors. The undertakings operating within these sub-sectors are referred respectively to as upstream-, downstream-, midstream- and service undertakings, according to the definitions in Appendix A.

ESRS SEC 1 Sector Classification and general requirements

Oil and Gas upstream ~~sub-sector refer to the undertakings carrying out~~ activities ~~include the of~~ development, exploration and production of conventional and unconventional oil and gas reserves. Unconventional development includes the mining and extraction of oil sands, shale oil and gas, deep sea exploration and fracking, among other techniques. Activities of developing and/or operating oil and gas fields occur both for on-shore and off-shore reserves. Activities in this sub-sector are classified under NACE B.06.10 Extraction of crude petroleum and B.06.20 Extraction of natural gas.

Oil and Gas midstream ~~includes~~ ~~sub-sector covers undertakings carrying out activities that include~~ the transportation and storage of natural gas, crude oil, and refined petroleum products. Activities involve gathering, transporting and processing of natural gas as well as transport of crude oil and refined products over land (pipelines, truck and rail) or water (tankers and barges) ~~, as well as~~. ~~Includes also~~ storage terminals stocking oil and gas above and below ground. Activities in this sub-sector are classified under NACE H.49.50 Transport via pipeline.

Oil and Gas downstream ~~sub-sector refers to undertakings carrying out~~ activities ~~that~~ include refining (classified under NACE C.19.20) and marketing of petroleum products, including operating gas stations and convenience stores (classified under NACE G.46.71 and G.47.30).

Oil and Gas services ~~sub-sector refers to undertakings that~~ provide support activities and equipment to the Oil and Gas value-chain. Services include activities such as drilling, completing and equipping oil and gas on-shore and off-shore wells, as well as seismic surveying, well cementing, ~~and well monitoring. The provision of equipment comprises selling or renting equipment used in the extraction, storage, and transportation of oil and natural gas, and well monitoring.~~ Services are usually provided on a contractual basis, and equipment is either purchased, leased or rented. Activities in this sub-sector are classified under NACE include B.09.10 Support activities for petroleum and natural gas extraction.

Integrated oil and gas undertakings are involved in activities in more than one of the above sub-sectors, typically across upstream, midstream and downstream activities. Such undertakings may need to report disclosure requirements and data points for each of the activities or apply specific disclosure requirements or data points.

Real Estate sector group

The Real Estate 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 sector

The ESRS real estate sector ~~includes owning or leasing~~ consists of property and may be done on a fee or contract basis. the following economic activities:

Undertakings in ~~this~~ the sector are ~~commonly structured as real estate investment trusts (REITs) or play important roles~~ active in the ~~Real Estate value chain and operate in a wide range~~ construction of ~~subsectors within the real estate sector, including residential, retail, office, health care, industrial and non-residential buildings, utility projects for fluids, utility projects for electricity and telecommunications, and hotel properties~~ water projects. These construction activities go along with site preparation works, test drilling, the installation of insulation, plastering works, joinery installation, floor and wall covering, painting, glazing and other finishing works. Other related works relate to specialised construction activities, masonry or scaffolding or erection of construction site safety equipment. Sites are being finalised by use landscape service activities. (F.41.00, F.42.21, F.42.22, F.42.91, F.43.11, F.43.12, F.43.13, F.43.23, F.43.31, F.43.32, F.43.33, F.43.34, F.43.35, F.43.41, F.43.50, F.43.91, F.43.99, O.81.30)

Intermediation activities for specialised construction services and real estate activities by bringing clients and service providers together for a fee or a commission are part of this sector (F.43.60, M.68.31). Activities of rent-collecting agencies, real estate escrow agents and management of real estate and other support activities are also included (M.68.32, O.81.10)

Further activities relate to the buying and selling of own real estate and the development of building projects (M.68.11, M.68.12)

Finally, rental and operating of own or leased real estate is included in this sector (M.68.20)

Sales and Trade sector group

Sales and Trade sector

The ESRS sales and trade sector comprises non-specialised sales (consists of sales and trade activities of a general nature, i.e. undertakings selling many different products or services, either wholesale and/or retail sale).

It includes Undertakings in the activities of sector can act as agents involved in the wholesale of different products such as pharmaceutical goods, perfumery, sports goods, bicycles, cars, motor vehicles or as whole sellers of intermediate products and other products. Also activities of agents involved in non-specialised wholesale are included. It also includes the wholesale of other intermediate products such as plastics (G.46.18, G.46.19, G.46.86, G.46.90)

Undertakings in primary forms or packaging articles.

the sector also includes non-specialised can be active in the retail sale of food, beverages or tobacco and other non-specialised retail sales of wearing apparel, furniture, appliances, hardware and other products. Also sales of other products, which can be new goods and/or second-hand goods are included. Undertakings in the sector can also be involved in intermediation service (G.47.11, G.47.12, G.47.78, G.47.79)

Intermediation activities for retail sales sale activities by bringing clients and service providers together for a fee or a commission are part of this sector (G.47.91, G.47.92).

Finally, undertakings that are active in the leasing of Leasing activities relating to intellectual property, tangible goods and intermediation activities for rental and leasing form also non-financial intangible assets are part of the this sector. (O.77.40, O.77.52)

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.

Education sector

The ESRS education sector includes consists of the following economic 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,

ESRS SEC 1 Sector Classification and general requirements

~~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. Undertakings in this sector are active in pre-primary education, primary education, general secondary education, vocational secondary education, post-secondary non tertiary education, tertiary education, sports and cultural education. Also driving schools are part of this sector as well child day-care and educational support activities (Q85.10, Q.85.20, Q.85.31, Q.85.32, Q.85.33, Q.85.40, Q.85.51, Q.85.52, Q.85.53, Q.85.59, Q.85.69, R.88.91).~~

~~The sector also includes research and development on social sciences, humanities, arts and interdisciplinary research in those fields (N.72.20)~~

~~Intermediation activities for courses and tutors by bringing clients and service providers together for a fee or a commission are part of this sector (Q.85.61).~~

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 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.~~

~~The Professional Services sector further 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. This subsector 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. The ESRS professional services sector consists of the following economic activities:~~

~~Undertakings in the sector are providing different type of service activities that can relate to legal advice, accounting, management consultancy architectural, engineering, technical testing, research, advertising, market research, public relations or taxidermy activities. They are also active in providing services such as interior design, photographic activities, translation, patent brokering or business brokering (C.32.99, N.69.10, N.69.20, N.70.20, N.71.11, N.71.12, N.71.20, N.72.10, N.73.11, N.73.12, N.73.20, N.73.30, N.74.11, N.74.12, N.74.13, N.74.14, N.74.20, N.74.30, N.74.91, N.74.99)~~

ESRS SEC 1 Sector Classification and general requirements

Leasing of intellectual property is also included in the sector (O.77.40)

Intermediation activities for rental and leasing of cars, other tangible goods and non-financial intangible assets, business support or personal services by bringing clients and service providers together for a fee or a commission are part of this sector (O.77.51, O.77.52, O.82.40, T.96.40)

Undertakings are also active in the following service activities: employment placement, employment agencies, travel agencies and tour operators, (private) security activities, cleaning, office support, call centres, organisation of trade shows, packaging, human health activities or social work activities. The sector further includes activities of professional membership organisations, trade unions, religious and political organisations. Finally, the sector includes activities such as hairdressing, washing and cleaning of textiles, spa, sauna, funeral activities and the provision of personal service activities (O.78.10, O.78.20, O.79.11, O.79.12, O.79.90, O.80.01, O.80.09, O.81.21, O.81.22, O.81.23, O.82.10, O.82.20, O.82.30, O.82.91, O.82.92, O.82.99, Q.86.99, R.88.99, T.94.11, T.94.12, T.94.20, T.94.91, T.94.92, T.94.99, T.96.10, T.96.21, T.96.22, T.96.23, T.96.30, T.96.91, T.96.99)

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.

Information Technology sector

~~The Information Technology sector includes the activities of software development and its distribution, including operating systems, tools and applications. Software as a Service, (mobile) apps, games, online platforms, their maintenance, support services and consulting activities related to those. Internet cloud and hosting services and the development and maintenance of data centers is part of this sector. Undertakings can also be active in the development of machine learning models, natural language processing systems and artificial intelligence algorithms.~~

~~Also, hardware activities which relate to the design, manufacture and distribution of computers, computer components or parts (including microchips, CPUs, GPUs, ...), servers or network devices are part of this sector. The hardware activities also include the manufacturing and distribution of consumer products including tablets, laptops, smartphones or wearables.~~

~~The sector is also involved in the development of devices or sensors connected via the internet. This expands to industrial activities such as the development and maintenance of smart grids, connected vehicles or healthcare monitoring.~~

~~Finally, the sector is involved in the development and maintenance of cyber security solutions. The ESRS information technology sector consists of the following economic activities:~~

~~Undertakings in the sector are active computer programming, software publishing, computer consultancy, data processing activities (J.58.29, K.62.10, K.62.20, K.92.90, K.63.10).~~

~~Rental and leasing of computers is part of the sector (O.77.33)~~

~~Finally, the retail and wholesale of information and communication equipment is also included in the sector (G.46.50, G.47.40).~~

Media and Communication sector

~~Undertakings in the The ESRS media and communication sector consists of the following economic activities:~~

~~Undertakings in the sector are active in the media and entertainment, internet media and services and telecommunications subsectors. The main components are printing of newspapers, magazines, periodicals, reproduction of recorded media,~~

ESRS SEC 1 Sector Classification and general requirements

~~publishing activities, including software publishing, of books, newspapers, journals, video games. The sector encompasses also motion picture and sound recording activities, radio and TV television broadcasting and programming, news agency activities, telecommunicationstelecommunication activities, information technology and web search portals. Also archive 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. (C.18.11, C.18.12, C.18.13, C.18.14, C.18.20, J.58.11, J.58.12, J.58.13, J.58.19, J.58.21, J.59.11, J.59.12, J.59.13, J.59.14, J.59.20, J.60.10, J.60.20, J.60.31, J.60.39, K.61.10, K.61.20, K.61.90, K.63.91, K.63.92, S.91.12)~~

~~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 subsector 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 subsector consists of two main parts. The internet media subsector 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 subsector 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 subsector 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 subsector 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 subsector provides direct communication through radio-based cellular networks and operates and maintains the associated switching and transmission facilities. The wireline subsector 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~~

ESRS SEC 1 Sector Classification and general requirements

activities classified in this subsector is the transmission of content, without being involved in its creation. The breakdown in this subsector 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. The rental and leasing of radio, television and communication equipment is included in the sector (O.77.39)

Finally, the sector includes retail sale activities cultural and recreational goods, (G.47.69)

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 The Other Transportation sector are typically active in the air is comprised of undertakings that provide passenger and freight and transport services by air, water (inland, sea and coastal) and, rail. The Other Transportation sector includes also logistics, airlines, cruise lines, marine services, warehousing and support activities for transportation, ~~and~~ including operating of transport infrastructure (e.g. airports, operation of railway infrastructure and rail-related facilities, rail stations, harbours, etc.).

More in detail, this sector is divided in four sub-sectors: air transport, rail transport, water transport and, logistics.

The rail transport sub-sector includes passenger rail transport, whether urban, suburban or interurban, rail freight shipping, support services, rail transport infrastructure (such as railways, rail stations, etc.) and other supporting activities (such as repair and maintenance of rolling stocks, other equipment) (C.33.17, C.33.19, H.49.11, H.49.12, H.49.20, H.52.10, H.52.21, H.52.24, H.52.26, H.52.31, H.52.32, H.53.10, H.53.20, H.53.30, R.86.92).

The air transport sub-sector includes passengers air transportation sub-sectors, freight transportation, air transport infrastructure (such as airports, heliports, etc.) and other supporting activities (such as repair and maintenance of aircrafts, helicopters, other equipment) (C.33.16, C.33.17, C.33.19, G.46.14, H.51.10, H.51.21, H.51.22, H.52.10, H.52.23, H.52.24, H.52.26, H.52.31, H.52.32, H.53.10, H.53.20, H.53.30, O.77.35, R.86.92, R.86.99).

Air freight and logistics undertakings provide freight services and transportation logistics to both businesses and individuals. There are three main sector subsectors: air freight transportation, post and courier services, and transportation logistics services. Transportation logistics services include
The water transport sub-sector includes passengers transport and freight shipping services (deep-sea, coastal, and/or river-way), water transport infrastructure (such as harbours, etc.) and other supporting activities (such as repair and maintenance of cruises, ferries, other equipment) (C.33.17, C.33.19, G.46.14, H.50.10, H.50.20, H.50.30, H.50.40, H.52.10, H.52.22, H.52.24, H.52.26, H.52.31, H.52.32, H.53.10, H.53.20, H.53.30, O.77.34, R.86.99)

The logistics services and the other land transport sub-sector includes contracting with road, rail, marine, and air freight undertakings to select and hire appropriate transportation. Logistics services and other land transport services can also include customs brokerage, distribution management, vendor consolidation, cargo insurance, purchase-order management, ~~and~~ customized logistics information.

ESRS SEC 1 Sector Classification and general requirements

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

The airlines subsector 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 subsector in their operations from which they generate additional revenue. It is common within the subsector for undertakings undertaking to form partnerships or join alliances in order to increase network size.

The cruise lines subsector comprises undertakings that provide passenger transportation and leisure entertainment, including deep-sea cruises and river cruises. The subsector is dominated by a few large undertakings. The marine transportation subsector 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 subsector 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 cableways and ski lifts (C.33.17, C.33.19, H.49.34, H.52.10, H.52.21, H.52.24, H.52.25, O.77.39).

Road Transport sector

The Road Transport sector is comprised of undertakings that provide urban, suburban or long-distance road transport passengers services, freight transport operations by road and postal services operating under or outside the scope of universal service obligation. More in detail, this sector is divided in three sub-sectors: passenger land transport, freight transport services by road and postal activities.

The passenger land transport sub-sector includes urban, suburban or long-distance road transport of passengers by bus, coach, trolley bus or minibus, taxi, bike taxis, private hire vehicles with driver and motorbike taxi- (H.49.31, H.49.32, H.49.33, H.49.39, H.52.21, H.52.26, H.52.32, R.86.92).

The freight transport services by road subsector includes all freight transport operations by road, including removal services- (H.49.41, H.49.42, H.52.10, H.52.24, H.52.25, R.86.99).

The postal activities subsector includes delivery of letters, postcards, printed papers, small packets, goods and home delivery services and delivery of packages or parcels-

More detail on the activities included in the three subsectors are provided below:

Passenger land transport

The economic activities in this group include scheduled urban, suburban or long-distance road transport of passengers. This group also includes operation of school buses and buses for transport of employees. In addition, this group also includes non-scheduled urban, interurban and long-distance road transport of passengers in vehicles of 10 or more people and this may

ESRS SEC 1 Sector Classification and general requirements

~~include transport by bus, coach, trolley bus or minibus. The economic activities in this group also include on-demand transportation of passengers in vehicles with driver, for transport of 9 or less people such as taxi services, bike taxis and private hire vehicles with driver and motorbike taxi services.~~

~~This group also includes on-demand transport services, such as ride-hailing platforms, car-sharing platforms and other digital service platforms which intermediate between passengers and local car/bus operators.~~

~~Freight transport services by road~~

~~The economic activities in this group include all freight transport operations by road such as logging haulage, livestock haulage, refrigerated haulage, heavy haulage, bulk haulage, including haulage in tanker trucks, haulage of automobiles, transport of waste and waste materials, without collection or disposal, road transportation of freight on behalf of postal or courier units, without carrying out any other post or courier activities, road transportation of objects between different units (e.g. buildings, storage units...). This group of activities also include removal services to businesses and households by road transport.~~

~~Postal activities~~

~~The economic activities in this group include postal services operating under a universal service obligation by one or more designated universal service providers, for delivery of letters, postcards, printed papers, small packets, goods or documents are also included. This group includes also home delivery services and delivery of packages or parcels by firms operating outside the scope of the universal service obligation. (H.53.10, H.53.20, H.53.30).~~

~~ANNEX [it will be moved to basis for conclusions]: Reconciliation of ESRS sector mapping with other classification systems~~

Appendix D: Application Requirements

~~2038~~ This ~~annex~~appendix provides a ~~reconciliation~~non-binding illustration of the ~~ESRS sector mapping with the following classification systems:~~requirements in this [draft] Standard.

- ~~(a) — Pillar III (EBA Implementing Technical Standards on Pillar III disclosures on environmental, social and governance risks)~~
- ~~(b) — SASB industries (Sustainability Accounting Standards Board);~~
- ~~(c) — GRI (Global Reporting Initiative); and~~
- ~~(d) — FINREP (EBA Implementing Technical Standards on Financial Reporting according to IFRS).~~

~~ESRS sector — Pillar III mapping~~

~~21~~—This mapping has included the new NACE Section J “Publishing, broadcasting and content production and distribution activities” under NACE 2.1.

ESRS Sector	Pillar III ESG
Agriculture, Farming and Fishing	A. Agriculture, forestry and fishing Wholesale and retail trade Exposures to other sectors (NACE codes K, N–V)
Forestry and Wood products	A. Agriculture, forestry and fishing 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 C.32 — Other manufacturing n.e.c. Wholesale and retail trade
Construction and Engineering	F.41 — Construction of residential and non-residential buildings F.42 — Civil engineering F.43 — Specialised construction activities
Power Production and Energy Utilities	D35.1 — Electric power generation, transmission and distribution

ESRS SEC 1 Sector Classification and general requirements

	<p>D35.11 – Production of electricity⁵</p> <p>D35.2 – Manufacture of gas; distribution of gaseous fuels through mains</p> <p>D35.3 – Steam and air conditioning supply</p>
Water and Waste Services	<p>D35.3 – Steam and air conditioning supply</p> <p>E – Water supply; sewerage, waste management and remediation activities</p>
Recreation and Leisure	<p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N–V)</p>
Capital Markets	L – Financial and insurance activities
Credit Institutions	L – Financial and insurance activities
Insurance	L – Financial and insurance activities
Health Care and Services	Exposures to other sectors (NACE codes K, N–V)
Accommodations	I – Accommodation and food service activities
Food and Beverage Services	I – Accommodation and food service activities
Household durables n.e.c.	<p>C.15 – Manufacture of leather and related products of other materials</p> <p>C.23 – Manufacture of other non-metallic mineral products</p> <p>C.25 – Manufacture of other fabricated metal products, except machinery and equipment</p> <p>C.26 – Manufacture of computer, electronic and optical products</p> <p>C.27 – Manufacture of electrical equipment</p> <p>C.28 – Manufacture of machinery and equipment n.e.c.</p> <p>C.30 – Manufacture of other transport equipment</p> <p>C.31 – Manufacture of furniture</p> <p>C.32 – Other manufacturing</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N–V)</p>
Aerospace, defence and services	<p>C.25 – Manufacture of other fabricated metal products, except machinery and equipment</p> <p>C.26 – Manufacture of computer, electronic and optical products</p>

⁵ Although not explicitly stated in the EBA tables, it is assumed this incorporates both production from both renewable and non-renewable sources (NACE 35.11 and 35.12)

ESRS SEC 1 Sector Classification and general requirements

	<p>C.30 – Manufacture of other transport equipment</p> <p>C.33 – Repair, maintenance and installation of machinery and equipment</p> <p>H. 51 Air transport</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Chemicals and polymers	<p>C.20 – Production of chemicals and chemical products</p> <p>C.22 – Manufacture of rubber and plastic products</p> <p>C.27 – Manufacture of electrical equipment</p> <p>C.32 – Other manufacturing</p>
Bioenergy	<p>A. Agriculture, forestry and fishing</p> <p>C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</p> <p>C.19 – Manufacture of coke and refined petroleum products</p> <p>C.20 – Production of chemicals and chemical products</p> <p>D35.1 – Electric power generation, transmission and distribution</p> <p>D35.2 – Manufacture of gas; distribution of gaseous fuels through mains</p> <p>Wholesale and retail trade</p>
Construction Materials	<p>C.23 – Manufacture of other non-metallic mineral products</p> <p>C.25 – Manufacture of fabricated metal products, except machinery and equipment</p> <p>Wholesale and retail trade</p>
Electronics and electrical equipment	<p>C.26 – Manufacture of computer, electronic and optical products</p> <p>C.27 – Manufacture of electrical equipment</p> <p>C.29 – Manufacture of motor vehicles, trailers and semi-trailers</p> <p>C.33 – Repair, maintenance and installation of machinery and equipment</p> <p>Wholesale and retail sale</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Food and Beverages	<p>C.10 – Manufacture of food products</p> <p>C.11 – Manufacture of beverages</p> <p>C.12 – Manufacture of tobacco products</p> <p>C.32 – Other manufacturing n.e.c.</p>

ESRS SEC 1 Sector Classification and general requirements

	<p>Wholesale and retail trade</p>
Machinery and Equipment	<p>C.23 — Manufacture of other non-metallic mineral products</p> <p>C.28 — Manufacture of machinery and equipment n.e.c.</p> <p>C.30 — Manufacture of other transport equipment</p> <p>C.32 — Other manufacturing</p> <p>C.33 — Repair, maintenance and installation of machinery and equipment</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Medical Instruments	<p>C.26 — Manufacture of computer, electronic and optical products</p> <p>C.30 — Manufacture of other transport equipment</p> <p>C.32 — Other manufacturing</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Metal Processing	<p>C.24 — Manufacture of basic metals</p> <p>C.25 — Manufacture of fabricated metal products, except machinery and equipment</p> <p>C.32 — Other manufacturing</p> <p>C.33 — Repair, maintenance and installation of machinery and equipment</p> <p>Wholesale and retail trade</p>
Motor Vehicles	<p>C.22 — Manufacture of rubber and plastic products</p> <p>C.27 — Manufacture of electrical equipment</p> <p>C.28 — Manufacture of machinery and equipment</p> <p>C.29 — Manufacture of motor vehicles, trailers and semi-trailers</p> <p>C.30 — Manufacture of other transport equipment</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Pharma and Biotechnology	<p>C.21 — Manufacture of basic pharmaceutical products and pharmaceutical preparations</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Textiles, Accessories, Footwear and Jewelleries	<p>C.13 — Manufacture of textiles</p> <p>C.14 — Manufacture of wearing apparel</p>

ESRS SEC 1 Sector Classification and general requirements

	<p>C.15 – Manufacture of leather and related products of other materials</p> <p>C.32 – Other manufacturing</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Mining, Quarrying and Coal	<p>B.05 – Mining of coal and lignite</p> <p>B.07 – Mining of metal ores</p> <p>B.08 – Other mining and quarrying</p> <p>B.09 – Mining support service activities</p> <p>C.19 – Manufacture of coke and refined petroleum products</p> <p>C.20 – Production of chemicals and chemical products</p> <p>E.38 – Waste collection, recovery and disposal activities</p> <p>F. 42 – Specialised construction activities</p> <p>Wholesale and retail trade</p>
Oil and Gas	<p>B.06 – Extraction of crude petroleum and natural gas</p> <p>B.09 – Mining support service activities</p> <p>C.19 – Manufacture of coke and refined petroleum products</p> <p>H.49 – Land transport and transport via pipelines</p> <p>Wholesale and retail trade</p>
Real Estate	<p>F.41 – Construction of residential and non-residential buildings</p> <p>F.42 – Civil engineering</p> <p>F.43 – Specialised construction activities</p> <p>M – Real estate activities</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Sales and Trade	<p>G – Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Education	<p>Exposures to other sectors (NACE codes K, N – V)</p>
Professional Services	<p>C.32 – Other manufacturing</p> <p>Exposures to other sectors (NACE codes K, N – V)</p>
Information Technology	<p>C.26 – Manufacture of computer, electronic and optical products</p> <p>C.33 – Repair, maintenance and installation of machinery and equipment</p> <p>Wholesale and retail trade</p>

ESRS SEC 1 Sector Classification and general requirements

	<p>J. — Publishing, broadcasting and content production and distribution activities</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Media and Communication	<p>C.18 — Printing and reproduction of recorded media</p> <p>J. — Publishing, broadcasting and content production and distribution activities</p> <p>Wholesale and retail trade</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Other Transportation	<p>C.33 — Repair, maintenance and installation of machinery and equipment</p> <p>H.49 — Land transport and transport via pipelines</p> <p>H.50 — Water transport</p> <p>H.51 — Air transport</p> <p>H.52 — Warehousing, storage and support activities for transportation</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>
Road Transport	<p>H.49 — Land transport and transport via pipelines</p> <p>H.52 — Warehousing, storage and support activities for transportation</p> <p>H.53 — Postal and courier activities</p> <p>Exposures to other sectors (NACE codes K, N—V)</p>

ESRS sector – SASB industry mapping⁶

ESRS Sector	SASB industries
Agriculture, Farming and Fishing	Agricultural products Meat, poultry and dairy Tobacco (partly)
Forestry and Wood products	Forestry management Pulp and paper products Containers and packaging
Construction and Engineering	Engineering and construction services Home builders
Power production and Energy Utilities	Electric utilities and power generators Gas utilities and distributors Solar technology and project developers Wind technology and project developers
Water and Waste Services	Water utilities and services Waste management
Recreation and Leisure	Leisure facilities Media and entertainment Casinos and Gaming
Capital Markets	Asset management and custody activities Investment banking and brokerage Security and commodity exchanges
Credit Institutions	Commercial banks Mortgage finance Consumer finance
Insurance	Insurance Managed care
Health Care and Services	Health care delivery Health care distributors
Accommodations	Hotels and lodging
Food and Beverage Services	Restaurants

⁶ This table will have to be reviewed subject to the development of the ESRS sector standards as the final content of the standards does differ from the draft versions based on which this table was developed.

ESRS SEC 1 Sector Classification and general requirements

Household durables n.e.c.	Appliance manufacturing Electrical and electronic equipment Building products and Furnishing (partly) Toys and sporting goods
Aerospace, defence and services	Aerospace and defence
Bioenergy	Biofuels
Chemicals and polymers	Chemicals Household and personal products Fuel cells and industrial batteries
Construction Materials	Construction materials Engineering and construction services Home builders Building products and Furnishing (partly)
Electronics and electrical equipment	Electrical and electronic equipment Electronic manufacturing services and original design manufacturing Fuel cells and industrial batteries Hardware Semiconductors
Food and Beverages	Alcoholic beverages Non-alcoholic beverages Processed foods Tobacco (partly) Food retailers and distributors
Machinery and Equipment	Industrial machinery and goods
Medical Instruments	Medical equipment and supplies
Metal Processing	Iron and steel producers
Motor Vehicles	Automobiles Auto parts Car rental and leasing Fuel cells and industrial batteries
Pharma and Biotechnology	Biotechnology and pharmaceuticals Drug retailers
Textiles, Accessories, Footwear and Jewelleries	Apparel, Accessories and Footwear

ESRS SEC 1 Sector Classification and general requirements

Mining, Quarrying and Coal	Metals and mining Coal operations
Oil and Gas	Oil and gas—exploration and production Oil and gas—midstream Oil and gas—refining and marketing Oil and gas—services
Real Estate	Real estate Real estate and services
Sales and Trade	{E-commerce} ⁷ Multiline and specialty retailers and distributors
Education	Education
Professional Services	Professional and commercial services Advertising and marketing
Information Technology	Software and IT services Internet media and services
Media and Communication	Telecommunication services Media and entertainment Internet media and services
Other Transportation	Air freight and logistics Airlines Cruise lines Marine transportation Rail transportation
Road Transport	Road transportation

⁷ NACE does not make any distinction at group and class level between in-store and online retail sale. Most of the retail sale activities operate both in-store and online sale methods. This implies that where specialised sales are included in manufacturing ESRS, this includes online sales.

ESRS sector – GRI mapping

22 — It is noted that the final GRI sector classification is decided upon by the GSSB (Global Sustainability Standards Board) and till that decision the table below is provisional only. The GSSB decides the final scope of each sector at the inception of each project and is open to the inclusion of new sectors.

[draft] ESRS sector	GRI sectors
Agriculture, Farming and Fishing	Agriculture, aquaculture and fishing
Forestry and Wood products	Forestry
Construction and Engineering	Construction
Power Production and Energy Utilities	Utilities Renewable energy
Water and Waste Services	Utilities
Recreation and Leisure	n/a
Capital Markets	Capital Markets
Credit Institutions	Banking
Insurance	Insurance
Health Care and Services	Managed healthcare
Accommodations	Hotels
Food and Beverage Services	Restaurants
Household durables n.e.c.	Household durables
Aerospace, defence and services	Aerospace and defence
Bioenergy	
Chemicals and polymers	Chemicals
Construction Materials	Construction materials
Electronics and electrical equipment	Electronics
Food and Beverages	Food and Beverages
Machinery and Equipment	Machinery and Equipment
Medical Instruments	Medical equipment and services
Metal Processing	Metal processing
Motor Vehicles	Automotive
Pharma and Biotechnology	Pharmaceuticals
Textiles, Accessories, Footwear and Jewelleries	Textiles and apparel
Mining, Coal and Quarrying	Coal Mining
Oil and Gas	Oil and Gas
Real Estate	Real estate
Sales and Trade	Retail
Education	Educational services
Professional Services	Packaging Commercial services Security services and correctional facilities
Information Technology	Software
Media and Communication	Media and communication
Other Transportation	Transportation infrastructure Shipping

ESRS SEC 1 Sector Classification and general requirements

	Airlines Trading, distribution and logistics
Road Transport	Trucking Trading, distribution and logistics
	Non-profit

ESRS SECTOR – FINREP mapping

23— ~~The FINREP mapping has been made with FINREP table 6 Breakdown of non-trading loans and advances to non-financial corporations by NACE codes and FINREP table 20 Geographical breakdowns by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE codes.~~

24— ~~FINREP groups exposures by NACE Sections which is a high level of aggregation. In contrast, ESRS uses disaggregation by NACE Classes and in specific cases even more detailed. Also, some ESRS Classes are used multiple times. This implies that parts of multiple ESRS sectors can be aligned with one NACE Section.~~

25— ~~This mapping has included the new NACE Section J “Publishing, broadcasting and content production and distribution activities” under NACE 2.1.~~

ESRS Sector standards	FINREP – table 6/table 20
Agriculture, Farming and Fishing Forestry and Wood products Bioenergy	Agriculture, forestry and fishing
Mining, coal and quarrying Oil and gas	Mining and Quarrying
Aerospace, defence and services Construction materials Chemicals and polymers Electronics and electrical equipment Food and beverages Forestry and Wood products Household durables Machinery and equipment Medical instruments Metal processing Motor vehicles	Manufacturing

ESRS SEC 1 Sector Classification and general requirements

<p>Pharma and biotech</p> <p>Textiles, Accessories, Footwear and Jewelleries</p> <p>Mining, coal and quarrying</p> <p>Media and communication</p> <p>Information technology</p> <p>Other transportation</p> <p>Bioenergy</p>	
<p>Power production and Energy utilities</p> <p>Water and waste</p> <p>Bioenergy</p>	<p>Electricity, gas, steam and air conditioning supply</p>
<p>Power production and Energy utilities</p> <p>Construction and engineering</p> <p>Water and waste</p> <p>Mining, Quarrying and Coal</p>	<p>Water supply</p>
<p>Construction and engineering</p> <p>Real estate</p>	<p>Construction</p>
<p>Agriculture, Farming and Fishing</p> <p>Forestry and Wood products</p> <p>Household durables n.e.c.</p> <p>Recreation and Leisure</p> <p>Construction Materials</p> <p>Electronics and electrical equipment</p> <p>Food and Beverages</p> <p>Machinery and Equipment</p> <p>Medical instruments</p> <p>Metal processing</p> <p>Motor vehicles</p> <p>Pharma and biotech</p> <p>Textiles</p> <p>Mining, Quarrying and Coal</p> <p>Oil and gas</p> <p>Information technology</p> <p>Media and communication</p> <p>Sales and trade</p>	<p>Wholesale and retail trade</p>

ESRS SEC 1 Sector Classification and general requirements

Bioenergy	
Aerospace, defence and services Other transportation Road transport	Transport and storage
Accommodations Food and beverages services	Accommodation and food service activities
Recreation and leisure Information technology Media and communication	Information and communication
Capital markets Credit institutions Insurance	Financial and insurance activities
Real estate	Real estate services
Recreation and Leisure Health care and services Pharma and biotech Education Real estate Education Professional services	Professional, scientific and technical activities
Agriculture, Farming and Fishing Recreation and Leisure Household durables n.e.c. Electronics and electrical equipment Machinery and Equipment Medical instruments Motor vehicles Real estate Sales and trade Information technology Media and communication Professional services Other transportation Road transport	Administrative and support service activities

ESRS SEC 1 Sector Classification and general requirements

n/a	Public administration and defence, compulsory social security
Education	Education
Health care and services	Human health services and social work activities
Recreation and leisure	Arts, entertainment and recreation
Recreation and Leisure Electronics and electrical equipment Education Professional services Media and communication	Other services

39 All references to ESRS below refer to the version published by the Delegated Act supplementing Directive 2013/34.

Example 1 – Single activity

40 Suppose that an undertaking has registered its activities under one single NACE-code, which is also their single operational activity. For example, an undertaking A has activities described as NACE B.07.10 *Mining of iron ores* solely. In this case the undertaking shall apply the [draft] ESRS *Mining, Quarrying and Coal* to its operations despite the scope of Mining, Quarrying and Coal being broader than the relevant NACE-code.

Example 2 – Multiple activities in one entity

41 Suppose that an undertaking has registered its activities under different NACE codes that are covered by different sector-specific ESRS. For example, undertaking A has in addition to its activities registered as NACE B.07.10 *Mining of iron ores* significant activities that are described as NACE C.24.10 *Manufacture of basic iron, steel and of ferro-alloys*. In this case, the undertaking shall apply – subject to its assessment of ESRS 2 paragraph 40(b) and AR 13(a)(b) (revenues above 10 per cent of the revenue of all its activities or whether it is connected to material actual or material potential negative impacts) – both the sector-specific [draft] ESRS *Mining, Quarrying and Coal* and *Metal processing*, the latter as it includes NACE C.24.10 *Manufacture of basic iron, steel and ferro-alloys*.

Example 3 – Vertically integrated operations

42 Suppose that an undertaking that is part of a group and that has intercompany transactions with its parent undertaking or other subsidiaries of that parent undertaking. For example, undertaking A and B are both subsidiaries of the same consolidated group C. Undertaking A has activities described as NACE B.07.10 *Mining of iron ores* but sells some of the extracted ore to undertaking B, which has activities registered solely as NACE C.24.10

Manufacture of basis iron, steel and of ferro-alloys. Suppose that undertaking A prepares ESRS sustainability statements on a stand-alone basis. At this level, undertaking A shall apply the sector-specific ESRS *Mining, Quarrying and Coal* to its operations. Similarly, suppose that undertaking B also prepares sustainability statements on a stand-alone basis. At this level, undertaking B shall apply the sector-specific [draft] ESRS *Metal processing*. At consolidated level, group C shall apply both [draft] ESRS *Mining, Quarrying and Coal* and *Metal processing* (absent any other activities), assuming that both types of activities fulfil the criteria mentioned in ESRS 2 paragraph 40(b) and AR 12(a)(b) for significant ESRS sectors. Note that if parent undertaking C prepares consolidated sustainability statements, subsidiaries A and B may benefit from the exemption from sustainability reporting on a stand-alone basis.

Example 4 – Insignificant activities

43 Subsidiary D delivers IT-solutions to its parent undertaking C and to the other subsidiaries of the group. Subsidiary D and undertaking C are separate legal entities. These IT solutions can be described as activities in accordance with NACE code J.62 *Computer programming, consultancy and related activities*. For the consolidated group C, the IT activities can be considered not significant as IT revenues are below 10 percent of all revenues (including both external revenue and value of internal activities), and no material impacts are identified related to these activities. Accordingly, these IT activities are not meeting the criteria for significant ESRS sectors of ESRS 2 paragraph 40(b) and AR 13(a)(b). As a result, group C is not required to apply the [draft] ESRS *Information technology*. However, in case the IT activities were to be considered significant, due to the 10 percent or due to the impacts of IT activities on people and the environment, group C shall apply the [draft] ESRS *Information technology*.

Example 5 – Undertakings operating in different sectors

44 Suppose there is an undertaking that is active in the construction business (NACE F.41.00 *Construction of residential and non-residential buildings*). The undertaking reports in accordance with [draft] ESRS Construction and Engineering.

45 As part of its construction business, the undertaking relies on a supplier for chemical additives to the concrete it uses with the purposes to achieve high early strength and low viscosity as well as superplasticizers (NACE 20.59 *Manufacture of other chemical products n.e.c.*).

46 The supplier gets into financial trouble and the construction undertaking decides to take over the chemical additives undertaking in order not to lose out on the valuable additives

to its core business. While producing less than 10% of the total combined group revenues, the group may be connected with material environmental impacts through the activities of the new chemical subsidiary (see ESRS 2 paragraph 40 (b) and AR 12 (a) and (b). If so, the combined group shall report also according to [draft] ESRS Chemicals and Polymers sector.

47 This example also illustrates the application of ESRS 1, paragraph 103: when there are significant differences between material impacts, risks or opportunities at group level and at level of one or more of its subsidiaries, the undertaking shall provide an adequate description of all these impacts, risks and opportunities.

Example 6 – Transport – internal activities

48 Suppose that an undertaking is active in retail sales (NACE 47.19 Other non-specialised retail sale). The undertaking has a fleet of trucks that ensures daily deliveries of goods from the distribution centre to the individual stores. The undertaking shall – in addition to its core activities (retail sales) – evaluate whether [draft] ESRS Road transportation applies based on its assessment related to ESRS 2 paragraph 40(b) and AR 13 (a) and (b) for its road transport activities. If both activities (retail sales and road transport) are done within the same legal entity, the undertaking shall consider the material impacts relating to its road transport activities. If the retail sales and road transport activities are done by different legal entities within one bigger group, the undertaking shall consider both criteria of ESRS 2 paragraph 40(b) and AR 13 (a) and (b).

Example 7 – Credit institution having a mortgage loan portfolio

49 Suppose that there is a credit institution that grants mortgages to retail clients (NACE 64.19 Other monetary intermediation) and is thereby financing the acquisition of real estate by its clients (NACE 68.10 Buying and selling of own real estate). That credit institution applies the [draft] ESRS Credit institutions. The credit institution shall not apply the [draft] ESRS Real estate if it has no financial or operational control over these activities. The credit institution shall consider whether there are material impacts, risks and opportunities connected through its value chain that it should report upon (paragraph 63 of ESRS 1).

Example 8 – Credit institution controlling real estate through investment funds

50 Suppose that a credit institution that provides financial service activities to retail clients (NACE 64.92 Other credit granting) also has real estate activities through funds which it consolidates. Imagine the following scenarios.

(a) The real estate fund controls through ownership a number of buildings. Subject to ESRS 2 paragraph 40(b) and AR 13 (a)(b), the significance of the activities of the credit

institutions shall apply [draft] ESRS *Real estate* to the activities related to these buildings.

(b) The real estate activities are legally executed by one or more special purpose vehicles. When the real estate fund which is consolidated by the credit institution has operational control over these special purpose vehicles, the credit institution shall apply [draft] ESRS *Real estate* to the activities related to these special purpose vehicles (subject to ESRS 2 paragraph 40(b) and AR 13 (a)(b)).

(c) The real estate fund has bought a number of shares in a real estate company, giving the fund significant influence over the real estate company and the buildings in its portfolio. The credit institution shall consider the real estate activities of the real estate company, i.e., the associate (significant influence), as part of the credit institutions' value chain (see ESRS 1 paragraph 67), but should not apply [draft] ESRS *Real estate*.

Example 9 – Consolidated reporting and subsidiary exemption

51 Retailer A has concentrated its real estate activities in one subsidiary B. B manages, owns and leases property (retail stores) from third parties and subleases them exclusively to subsidiaries of the group.

52 B has decided to use the subsidiary exemption and therefore does not prepare sustainability statements for its activities (ESRS 1 Chapter 7.6 *Consolidated reporting and subsidiary exemption*). Retailer A evaluates, based on ESRS 2 paragraph 40(b) and AR 13(a)(b), whether it must report according to [draft] ESRS *Real estate* for the retail stores it owns and manages. B's finance lease activities for other group subsidiaries fall under NACE code K.64.91 *Financial leasing*. However, retailer A may conclude that it does not need to report under the related [draft] ESRS *Credit institutions* for the leasing activities when the finance-leases are exclusively intra-group and they do not result in additional impacts, risks or opportunities for the group.

Appendix E: When does an undertaking apply more than one sector standard?

This Appendix is non-binding and for illustrative purposes only.



