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## Sector Classification – Vote and recommendations SR TEG

### Objective

- 1 This paper summarises the recommendations of SR TEG to the SRB with regard to the finalisation of the SEC 1 Sector Classification, following their meeting on 12 September 2024.

### Vote and recommendations SR TEG

- 2 SR TEG discussed SEC 1 Sector Classification in its meeting of 12 September and approved the overall document, including the descriptions of the financial sector and the creation of a Bio-energy sector. The voting was as follows:
  - (a) 1 dissent: Luc Hendrickx, dissented as he disagreed with the CSRD requirement to have sector standards as they will result in more trickle down to SMEs.
  - (b) 1 dissent that could be changed into an approval, if the in para. 23 we delete “have been assessed to be material and”
  - (c) 6 abstentions: Belen Varela Nieto, Giulia Genuardi, Eric Duvaud, Anne-Claire Ducrocq [the latter two in written], Klaus Hufschlag, Pier Mario, because they consider that first the sustainability matters per each sector ESRS should be developed, before the classification can be established.
  - (d) 4 abstentions of new TEG members: Elena Philipova, Robert Adamczyk, Vanya Rusinova, Olivier Scherer (voted on 8 May and did not attend 12 September). Abstention is justified by the too short period since they started as SR TEG members. These members will form an opinion during the consultation and take a position in the final vote when the standard will be issued.
  - (e) 15 Approvers: Chiara Del Prete, Jose M Moneva, Beiersdorf Kati, Sigurt Vitols, Per Tornqvist, Philippe Diaz, Sandra Adler, Carlota de Paula Coelho, Jean-François

*Sector Classification – Recommendations SR TEG*

Coppenolle, Luis Piacenza, Signe Andreasen Lysgaard, Fiona Watson, Luis Piacenza, Christoph Toepfer, Julia K.

- 3 SR TEG recommends to SRB to limit the requirement of brief explanation only to matters that are omitted as not material, i.e. not covering also the only brief explanation for not material matters and not for material ones.
- 4 Belen Varela suggested an editorial comment on para. 16 to clarify that sector standards focus on own operations and/or add application requirement;
- 5 Julia Kölzer noted that the 10% revenue border to identify significant sectors should not include internal revenues when looking at 40 (a) of ESRS 2.