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Sector classification (SEC 1) V2 Cover Note

Objective

- 1 The objective of this session is to discuss the updated version of the sector classification document.

Questions for EFRAG SR TEG

- 2 Does EFRAG SR TEG have comments on the updated version of the document?

Potential alignment with EU Taxonomy

- 3 A full alignment between [draft] scope of ESRS sector standards and EU Taxonomy may not be possible as the sector scopes in both frameworks seem to be defined on a different basis. Hereafter three examples where an alignment may be impossible to achieve:

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

Agenda Papers

- 4 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 03-02 – Sector classification V2 (clean);
 - (b) Agenda paper 03-03 – Sector classification (V2 vs V1) compared.