

Item 13 – GRI Sector List Update

For GSSB approval

Date	03 November 2025
Meeting	19 November 2025
Description	The Standard Team proposes a few modifications to the list of sectors that will be considered for Sector Standards. The list is presented to assist in planning the activities of the Sector Program and to engage interested parties. This update addresses practical issues that emerged during Sector Standard development and aligns GRI's sector list with other classification approaches where appropriate. The changes focus on improving consistency and clarity, reducing overlap, and reflecting industry convergence trends. The final definition of each sector will be determined at the project's inception, in consultation with stakeholders and informed by ongoing monitoring of the evolution of related sector classifications.

This document has been prepared by the GRI Standards Team and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

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1 Introduction

2 The GRI Sector Program developed a provisional list of 40 sectors for Sector Standard development,
3 and an [updated version of this list](#) was approved by the GSSB in October 2021.

4 Since the last update, the Standards Team has received feedback on the name, definition, and scope
5 of some sectors, including from the GSSB, EFRAG, and IFRS, in the context of discussions on
6 aligning sector standard development. Based on this feedback and on the experience of developing
7 eight Sector Standards, the Standards Team is proposing a limited amendment to the sector list.

8 The names of the sectors and the description of their activities in this list are provisional; the final
9 definition of each sector will be determined at the project's inception, in consultation with stakeholders
10 and informed by ongoing monitoring of the evolution of related sector classifications.

11 Rationale

12 The main objective of the composition of the sector list is to accommodate as many potential
13 reporters as possible, while maintaining internal cohesion of each sector and keeping the total
14 number of sectors within the original scope of the program (about 40 sectors).

15 The list is presented to assist in planning the activities of the Sector Program and to engage with
16 interested parties. The final definition of each sector will be decided at the inception of the project, in
17 consultation with stakeholders.

18 The changes focus on improving consistency and clarity, reducing overlap, and reflecting industry
19 convergence trends. This update addresses practical issues that emerged during sector standard
20 development and aligns GRI's classification with EFRAG and IFRS sector classifications where
21 appropriate.

22 EFRAG and IFRS sector classifications

23 As preliminary work for developing sector standards, EFRAG developed a list of 35 sectors,
24 presented at EFRAG Sustainability Board Meeting in September 2024 [1]. In this classification,
25 business activities are grouped into sectors based on “common characteristics of business models
26 (similar business activities that are sharing similar impacts, risks and opportunities)”. GRI collaborated
27 with EFRAG during 2024 to develop this classification.

28 As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation
29 assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and
30 evolve the SASB Standards and encourages preparers and investors to continue to use the SASB
31 Standards.. The SASB standards are organized using the Sustainable Industry Classification System
32 ® (SICS ®), which groups companies based on “their sustainability related risks and opportunities”.
33 The full list contains 77 industries, grouped into 11 sectors [2].

34 Proposed changes

35 The Standards Team recommends five key changes:

1. Integrate the 'renewable energy' sector into 'power production and energy utilities' sector, and create a sector for 'Water and Waste Services'
2. Integrate the 'packaging' sector into various material processing sectors (metal processing, forestry, construction materials, and household goods)
3. Reorganize the transport-related sectors to improve clarity and alignment with other frameworks
4. Create a 'recreation and leisure' sector to cover organizations that focus on these activities and that currently have no clear sector assignment
5. Revise the 'security services' sector to clarify its scope and relevance, modifying its name.

The Standard Team also proposes to change the names of the following sectors:

- 'Household durables' to 'household goods'
- 'Managed healthcare' to 'health services'
- 'Medical equipment and services' to 'medical equipment'
- 'Retail' to 'wholesale and retail trade'

Table 1 lists the 40 sectors proposed with a brief description of the activities covered under each one. Sectors for which the Standards Team is proposing a change in their name or scope are marked with an asterisk. The rationale for each of these changes is explained in the annexes of this document.

Table 1. List of GRI sectors, organized by priority groups

Sector	Description of activities
Group 1: Basic materials and needs	
Oil and gas	Exploration and production of oil and gas; suppliers of equipment and services to oil and gas fields; storage and transportation; refining and marketing of oil and gas products.
Coal	Exploration and extraction of coal; suppliers of equipment and services to coal mines; storage and transportation; refining and marketing of coal products.
Agriculture, aquaculture, and fishing	Crop production, animal husbandry, aquaculture, and fishing. Including rubber but excluding hunting and forestry.
Mining	Exploration and extraction of minerals, except coal; suppliers of equipment and services to mining; storage and transportation; refining and marketing of minerals.
Food and beverages	Manufacturing of food, beverages, and tobacco.

Textiles and apparel	Manufacturing and retail of textiles, apparel, footwear, jewelry, and accessories.
Banking	Consumer banking, commercial banking, corporate banking, and investment banking.
Insurance	Life, non-life, reinsurance, and intermediation.
Capital markets	Asset ownership, asset management, wealth management, custody and investment advisory.
Power production and energy utilities *	Electricity generation, transmission, and distribution; gas utilities
Water and waste services *	Water utilities and services; waste management.
Forestry	Forestry and logging, production of pulp and paper.
Metal processing	Steel and aluminum production; smelting and processing of other metals.
Group 2: Industrial	
Construction materials	Production of cement, concrete, tiles, bricks, glass, and other construction materials, except steel and timber.
Aerospace and defense	Manufacturing of aircraft and weapons.
Automotive	Production of road vehicles and auto parts, retail, and repair of road vehicles, car rental, and leasing.
Construction	Construction of buildings, civil engineering, and other construction activities.
Chemicals	Manufacturing of chemical products, including plastics and fertilizers.
Machinery and equipment	Manufacturing of machines and equipment, including ships and trains. This can include all heavy industry not specified elsewhere.
Pharmaceuticals	Manufacturing of pharmaceutical products, research and development of idem, and biotechnology.
Electronics	Manufacturing and design of electronic products, including computers, mobile phones, and their components; semiconductors.
Group 3: Transport, infrastructure and tourism	
Media and communication	Telecom operators, media companies, printing industry.
Software	Software and related services.

Real estate	Real estate developers and services associated.
Transportation infrastructure	Operation of roads, railways, ports, airports, etc.
Water transportation *	Transportation services by water.
Ground transportation *	Transportation services by rail and road.
Airlines	Passenger airlines.
Air freight and logistics *	Freight transportation by plane, postal, and other logistical services, and storage services.
Hotels	Management of hotels, resorts, and other leisure spaces.
Group 4: Other services and light manufacturing	
Educational services	Education services at all levels, including online education.
Household goods*	Manufacturing of furniture, household appliances, toys, sporting goods, and similar products. Can include all light manufacturing not specified elsewhere.
Health services*	Health care services, including veterinary.
Medical equipment *	Manufacturing of medical supplies and equipment.
Wholesale and retail trade *	All wholesale and retail trade not included in other sectors, including repair services.
Security services *	Provision of security services, management of correctional facilities.
Recreation and leisure *	Operation of recreation and cultural venues, sport facilities, and gambling.
Restaurants	Restaurants, bars, and cafes; catering services.
Commercial services	Professional services, including lawyers, accountants, consultants, advertising and marketing, and business process outsourcing.
Non-profit organizations	Non-governmental organizations, foundations, professional and civic associations, charities.

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Annex 1. Utilities

Recommendation

The existing GRI sector list includes a 'utilities' sector, covering water, waste, and energy companies, and a 'renewable energy' sector, for organizations specialized in renewable energy. This distinction was based on the different characteristics of companies in new renewable energies (mostly solar and wind), following the ICB sector classification. However, the [GSSB suggested in February 2022](#) that renewable energy generation be included in the same sector as other electricity producers to reflect the convergence process across the industry, where most established electricity providers were integrating new renewable energy into their portfolios.

The Standards Team recommends organizing these activities into two sectors: one for electricity and power producers and distributors, and another for water and waste, following EFRAG's classification (see below).

The key reason is the increased integration of renewable and non-renewable electricity producers, which makes the distinction in the original sector list difficult to implement in practice.

Climate change is likely the key sustainability impact for power producers, and the most relevant disclosures should reveal each organization's position in the energy transition. Combining these sectors would enable more direct comparison between different energy generation methods, allowing stakeholders to better assess companies' transitions to cleaner energy and their overall environmental footprint.

The recommendation acknowledges the existence of multi-utility companies operating across both sectors and suggests considering this when developing disclosures.

The proposal rearranges the two sectors as follows:

Power production and energy utilities sector will include these ISIC codes:

- 3510 Electric power generation, transmission and distribution
- 3520 Manufacture of gas; distribution of gaseous fuels through mains
- 3530 Steam and air conditioning supply

Water and waste services sector will include these ISIC codes:

- 3600 Water collection, treatment and supply
- 3700 Sewerage
- 3811 Collection of non-hazardous waste

- 87 • 3812 Collection of hazardous waste
- 88 • 3821 Treatment and disposal of non-hazardous waste
- 89 • 3830 Materials recovery
- 90 • 3900 Remediation activities and other waste management services

91 **EFRAG and IFRS approaches**

92 SASB's Electric Utilities and Power Generators Industry covers transmission, distribution, and
93 generation of electricity using any technology. SASB also identifies industries for solar technology and
94 project developers and wind technology and project developers. These latter industries include both
95 equipment manufacturing and project development.

96 EFRAG distinguishes between the power production and energy utilities sector and the water and
97 waste services sector. The first includes production, transmission, and distribution of electricity, as
98 well as combined heat and power, production of biogas, and hydrogen.

99 **Analysis**

100 This sector's size is significant. 4% of all companies in the GRI dataset belong to these sectors: 1% in
101 water and waste utilities and 3% in electricity producers and distributors. In GDP terms, in the
102 European Union, water and waste represent 1% of GDP and electricity producers and distributors
103 2.2%.

104 The current GRI sector list combines electricity production and distribution with water and waste
105 services, while separating electricity producers using renewable energy. This analysis considers first
106 the rationale for combining water, waste, and electricity companies; second, the level of integration
107 across the three areas; and third, the case for distinguishing renewable energy among electricity
108 producers.

109 **Differences and similarities across electricity, water, and waste**

110 Organizations in electricity, water, and waste share many important characteristics leading to
111 common impacts. They are usually large, capital-intensive sectors that own and run large
112 infrastructure requiring maintenance. They provide basic services to people, engage with
113 communities, are heavily regulated, are critical for economic development, and have large impacts on
114 land use and biodiversity.

115 Significant differences also exist. Water and waste utilities are more concerned with water resource
116 depletion, ecosystem impacts, public health risks, circularity, material recovery, and pollution.

117 Organizations focused on electricity have specific concerns, most notably their role in the energy
118 transition.

Integration across water, waste, and energy areas

Provision of clean water and wastewater management are usually integrated as part of the same cycle; solid waste management is often conducted by different organizations.

Integration across energy and waste/water is common in some countries like Italy and Germany, but not frequent in most countries [3].

Distinguishing renewable electricity production

Electricity production is one of the largest sources of greenhouse gas (GHG) emissions, but there are large variations across different technologies. More than half of global production burns fossil fuels, mostly coal (the most GHG-intensive) and gas (less GHG-intensive), while many other technologies emit very little GHG.

Renewable energy is not a well-defined term. In the current GRI sector list, the brief sector description considers only 'new' renewable energy technologies such as solar, wind, or biomass, but excludes hydro. This discrimination responds to the different business structure of companies specialized in 'new' renewable energy but doesn't fit with electricity generation's impacts on climate change. A split of electricity generation across technologies would probably need to include hydro and nuclear energy, together with new renewables, to distinguish them from GHG-intensive technologies.

Climate change is not the only impact facing organizations in the electricity business. Beyond climate change, both conventional and renewable energy share the same stakeholder groups and many sustainability impacts:

- Land use considerations
- Grid infrastructure management
- Energy security and reliability concerns
- Community impacts from large-scale energy projects

A final consideration is the increased integration of 'new renewable' producers with other technologies. Many traditional electricity producers have expanded into renewable energy sources without fully divesting from fossil fuels. Firms with 50-75% renewable energy portfolios often still retain substantial fossil fuel assets. Even among companies exceeding 75% renewable energy, many maintain some fossil fuel capacity, suggesting a gradual transition rather than an abrupt shift [4]. Additionally, many specialized producers in solar or wind energy are being acquired by established producers as part of the latter's gradual transition toward renewable energy.

Annex 2. Packaging

Recommendation

The Standards Team recommends integrating the 'packaging' sector, currently under priority Group 3, into various material processing sectors. Manufacturers producing packaging material should use the sector standards for plastic, paper, metal, or wood, depending on their production process. This recommendation follows EFRAG's proposed sector classification, as it is explained below.

The following ISIC codes currently corresponding to the Packaging sector should be redistributed:

- 2220 Manufacture of plastic products → Chemicals
- 1623 Manufacture of wooden containers → Forestry
- 1702 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard → Forestry
- 2599 Manufacture of other fabricated metal products n.e.c. → Metal processing

EFRAG and IFRS approaches

SASB's industry list includes containers and packaging within the resource transformation sector, following the GICS sector classification.

SASB defines this industry as: "Containers and packaging industry entities convert raw materials, including metal, plastic, paper, and glass, into semi-finished or finished packaging products. Entities produce a wide range of products, including corrugated cardboard packaging, food and beverage containers, bottles for household products, aluminium cans, steel drums, and other forms of packaging. Entities in the industry typically function as business-to-business entities, and many operate globally."

EFRAG does not recognize an independent packaging sector. Instead, it splits packaging and container production according to the main material – paper packaging groups with paper product producers, plastic packaging with plastic product producers, etc.

Analysis

The packaging sector includes manufacturing companies that make containers and packages for other industries, using any material. Compared to other sectors in the GRI classification, packaging is particularly small. Less than 1% of public companies in the GRI database belong to this sector. While we lack precise estimates of its GDP or employment percentage, there is no reason to expect these would be larger.

Given its small economic contribution and limited number of reporting entities, the only compelling justification for maintaining a standalone packaging sector would be if these companies exhibited very distinct and significant sustainability impacts.

Evidence does not support this distinction. The packaging industry lacks inherently distinct impacts from its production processes, whether within organizational boundaries or through upstream supply chains. Manufacturing plastic packaging typically involves similar processes, raw materials, and technologies as other plastic goods production. Paper-based packaging uses the same inputs and energy-intensive processes as other pulp and paper products, while metal cans align closely with the broader metal processing sector. Material-specific impacts – such as deforestation in paper production or fossil fuel extraction for plastics – are better addressed within corresponding material sectors.

Sustainability impacts also arise from the end use of packaged products, including their role in material consumption, product safety, and post-consumer waste. Both packaging producers and downstream companies share responsibility for these impacts. However, most regulatory burden and societal scrutiny fall on consumer-facing companies in the food, beverage, apparel, and personal care industries.

Under Extended Producer Responsibility (EPR) schemes – widely implemented in the European Union and Canada – legal and financial obligations for packaging waste can rest with brand owners or importers, not packaging manufacturers. These obligations include funding recycling programs, complying with recyclability and labelling regulations, and reporting to national authorities or producer responsibility organizations [5].

Public expectations and investor pressure on packaging can also target brand names visible to consumers, rather than packaging manufacturers. While manufacturers are directly impacted by regulatory changes and evolving customer demands, they also act as strategic partners to help their clients achieve sustainability goals. In some cases, contracts require manufacturers to meet specific technical and sustainability standards defined by their clients.

Additional considerations

Maintaining a separate packaging sector conflicts with classification consistency. Splitting plastic, glass, or paper manufacturers into packaging and non-packaging groups misaligns with how sustainability impacts are typically distributed. An organization manufacturing plastic trays, bottles, and components is unlikely to manage or disclose impacts differently based solely on whether products are used for packaging rather than other applications. Material-driven classifications allow for greater cohesion, comparability, and relevance in impact reporting.

From a circular economy perspective, organizing sectors by primary material rather than end use provides a more robust framework for addressing recyclability, closed-loop systems, and secondary raw materials. Lifecycle impacts and circularity potential are fundamentally tied to material characteristics and processing pathways, rather than to specific final product use. For example, aluminum recycling processes and emissions remain largely consistent regardless of whether aluminum is used in packaging or construction components.

Annex 3. Transport

Recommendations

The existing GRI sector list includes five transport sectors under priority Group 3: shipping; airlines; trucking; trading, distribution, and logistics; and transport infrastructure. This division has two shortcomings that justify revision:

- The names and explanations are incomplete; rail transport is not clearly assigned.
- Including trading activities with distribution and logistics should be revisited.

The Standards Team recommends the following:

1. Maintain division by land, water, and air, but improve clarity and alignment with SASB standards by changing 'trucking' to 'ground transportation' and 'shipping' to 'water transportation'. This brings names closer to those used by SASB, GICS, and ISIC, and signals that they refer to both passenger and freight transport. The airlines sector will maintain its name.
2. Maintain the transportation infrastructure sector, justified by the sector's economic relevance and the separate characteristics of organizations that operate airports vs airlines, ports vs ships, or roads vs trucks.
3. Change 'trading, distribution, and logistics' to 'air freight and logistics' to align with SASB and GICS. This sector will include postal and courier activities and logistical services when not clearly linked to other transport modes. It will also include organizations exclusively devoted to freight transport by air. Trading activities will be separated from transport and bundled with wholesale and retail.

Pipeline transportation remains with the Oil and Gas Sector as defined in GRI 11.

Sector Size

In national accounts, transport (including storage) represents 4-5% of economic activity:

Country	Transport GDP share	Note
United States	3.5%	
European Union	5.2%	
Japan	4.8%	
India	4.4%	
China	4.4%	Includes communications
Brazil	4.0%	Includes communications

Sources: Bureau of Economic Analysis [6], Eurostat [7], Japan's Economic and Social Research Institute [8], Ministry of Statistics & Programme Implementation of India [9], National Bureau of Statistics of China [10], Instituto Brasileiro de Geografia e Estatística [11].

3% of companies in the GRI database are in transport sectors. This smaller share than national accounts likely reflects that some subsectors (trucking) are dominated by small companies, others (transport infrastructure) by state-owned entities, and some are operated directly by individuals.

The sector's sustainability impact is probably larger than its GDP weight, though there is no good way to measure this across different impact types.

Transport represents 16.2% of total GHG emissions, only slightly behind agriculture (18%), and buildings (17%). These emissions divide into 11.9% for road transport, 1.9% for aviation, 1.7% for shipping, and 0.4% for rail [12].¹

Transport also has a disproportionate impact on air pollution beyond GHG. Economic and social impacts could also be significant, as this sector touches almost all aspects of human activity.

EFRAG, IFRS, GICS, and ISIC classifications

EFRAG divides transport into two sectors:

- TRO Road transport: includes passenger, freight, and postal activities
- TTR Other transportation: including air freight and logistics, postal activities, airlines, cruise lines, rail, warehousing, and supporting activities

SASB industry list includes the following:

1. Air Freight and logistics
2. Airlines
3. Cruise lines
4. Marine transportation
5. Rail Transportation
6. Road Transportation

Ownership and management of transport infrastructure have no place in the SASB Standards. The descriptions of sectors 4, 5, and 6 imply they refer to freight transport only, leaving no place for passenger transport other than airlines.

GICS divides transport into five sectors:

- 203010 Air Freight & Logistics

¹ All data for 2021.

- 273 • 203020 Passenger Airlines
- 274 • 203030 Marine Transportation
- 275 • 203040 Ground Transportation
- 276 • 203050 Transportation Infrastructure

277 **ISIC** also divides transport into five sectors:

- 278 • 49 Land (subdivided into 491 Rail, 492 Road, and 493 Pipeline)
- 279 • 50 Water
- 280 • 51 Air
- 281 • 52 Warehousing and support (including infrastructure)
- 282 • 53 Postal and courier activities

283 **Analysis**

284 Three different criteria can divide the transport sector:

- 285 1. By medium: land, water, or air
- 286 2. By what you move: passengers or cargo
- 287 3. By activity type: owning and managing transport infrastructure versus transporting things and
- 288 people over that infrastructure

289 The classifications listed above primarily follow the distinction between land, water, and air, but also
290 partially introduce the other two criteria. EFRAG stands out by combining all forms of transport other
291 than road – a decision criticized during consultations but defended by EFRAG because it aligned with
292 EU policy to prioritize the sustainability of road transport.

293 Both ISIC and GICS separate transport infrastructure, with ISIC combining it with broader support
294 services, including warehousing. Postal activities are treated separately in ISIC and combined with air
295 freight in both GICS and SASB. Owning and managing pipelines is classified as a transport activity by
296 ISIC, though all other classifications place it within the oil and gas industry.

297 Except for EFRAG, these classifications maintain the distinction between land, water, and air, and
298 add one or more sectors for postal services, logistics, and infrastructure.

299 Separating transport into land, water, and air has advantages, since each mode has distinct
300 sustainability impacts, regulatory frameworks, and stakeholder landscapes. Aviation faces climate and
301 noise concerns, shipping must deal with marine pollution and fuel use, and land transport is shaped
302 by air quality, road safety, and worker welfare issues. Sector organizations (such as IATA) and
303 regulatory bodies (such as ICAO) are also divided along these lines. At the same time, further splitting
304 land into road and rail is less compelling: while rail has a different emissions profile and infrastructure
305 footprint, many issues, such as labor rights and safety, overlap with road, so it may be more efficient

to address them together, with subsections to capture differences. Rail will also be a significantly smaller sector.

From national accounts, land transport is the largest mode, representing 1.3% of GDP in the United States, 2% in the European Union, and 3.5% in India (with road transport about four times larger than rail). Water transport is estimated at 0.3-0.8% of GDP and air transport can be as high as 0.6% in the United States and as low as 0.1% in India. Air and water transport are likely underrepresented in GDP figures because they are more prevalent in international transactions, which are harder to measure in national accounts.

Postal and courier services account for 0.4% of GDP in both the United States and the European Union. Transport infrastructure can be estimated at 1.7% of GDP, based on annual investment needs estimated by the OECD [13].

Companies in the GRI database using GICS classification show the following distribution:

GICS Code	GICS industry name	Number of companies	Median revenue (US\$ M)
203010	Air Freight & Logistics	138	905
203020	Passenger Airlines	78	2,906
203030	Marine Transportation	106	680
203040	Ground Transportation	137	1,139
203050	Transportation Infrastructure	150	537

Both national accounts and the GRI database indicate that land transportation and transportation infrastructure are the largest of the five sectors, but the other three still maintain a significant size.

Alignment with SASB

The proposed classification broadly aligns with SASB but has justified deviations:

SASB	GRI proposal	Note
Air Freight & logistics	Air freight and logistics	Aligned
Airlines	Airlines	Aligned
Cruise lines	<i>Included in water transportation</i>	Cruise lines is too narrow a sector
Marine transportation	Water transportation	Aligned
Rail Transportation	Ground transportation	Merging rail and road
N/A	Transport infrastructure	Significant sector for GRI

Merging rail and road transport into 'ground transportation' is justified mainly because an individual rail sector may be very small. SASB has almost twice as many sectors as GRI, allowing for finer subdivisions.

Integrating cruise lines with water transportation is justified by the sector's very limited size (only one cruise line company was identified among the 20,000 registered in the GRI database).

While SASB list of industries does not include transport infrastructure, we consider it has significant size and impact to merit a dedicated GRI Sector Standard. One reason for the deviation may be that transport infrastructure is often provided by public sector organizations, while the SASB list of industries focuses on listed corporations.

Annex 4. Recreation and leisure

Recommendation

The current GRI sector list lacks a sector explicitly covering organizations such as museums, libraries, nature reserves, amusement parks, movie theatres, ski resorts, sports stadiums, aquariums, and fitness facilities.

The Standards Team recommends creating a 'recreation and Leisure' sector, acknowledging that it is not considered a high-impact sector from a sustainability perspective.

The proposed Recreation and Leisure sector will cover the ISIC codes from the EFRAG classification listed below but also organizations operating gambling facilities and platforms, including brick-and-mortar casinos, riverboat casinos, online gambling websites, and racetracks.

EFRAG and IFRS approaches

SASB industry list splits this sector into two: leisure facilities, covering organizations that operate "amusement parks, film theatres, ski resorts, sports stadiums, and athletic clubs and other venues," and casinos and gaming.

EFRAG groups both subsectors into one 'recreation and leisure' sector. The following ISIC codes equivalent to EFRAG's NACE codes fall under this sector:

- 5914 Motion picture projection activities
- 8890 Other social work activities without accommodation
- 9000 Creative, arts and entertainment activities
- 9101 Library and archives activities
- 9102 Museums activities and operation of historical sites and buildings
- 9103 Botanical and zoological gardens and nature reserves activities
- 9200 Gambling and betting activities
- 9311 Operation of sports facilities

- 355 • 9312 Activities of sports clubs
- 356 • 9319 Other sports activities
- 357 • 9321 Activities of amusement parks and theme parks
- 358 • 9329 Other amusement and recreation activities n.e.c.
- 359 • 9499 Activities of other membership organizations n.e.c.

360 **Analysis**

361 Only 1% of companies in the GRI public company database fall into this sector, with half in the
 362 gambling subsector. The sector is more economically significant than these numbers suggest – in the
 363 European Union, it represents 1.2% of GDP and 1.7% of employment [7]. In the United States, it
 364 represents 1.1% of GDP [6] and 2% of employment (US Bureau of Labor Statistics). Some global
 365 estimates elevate this to 3.1% of global GDP and 6.2% of employment [14], though these estimates
 366 may include the production of cultural products such as books.

367 The recreation and leisure sector would be more relevant for medium and small companies, non-profit
 368 organizations, or the public sector than for listed enterprises [14]. While not particularly large, it aligns
 369 in size with many other proposed sectors in the GRI classification.

370 Recreation and Leisure is not widely recognized as a high-impact sector from an environmental
 371 perspective. Its environmental footprint is likely modest, apart from some venue-based organizations
 372 like ski resorts or natural parks.

373 The sector's most relevant impacts likely affect customers and workers. The sector is notable for a
 374 high prevalence of short-term contracts and may be subject to strong impacts related to digitalization.

375 Gambling activities face heavy regulation and may be perceived as distinct from the rest of the sector
 376 in terms of impacts on people.

377 The key argument for creating a separate Recreation and Leisure sector is that organizations in this
 378 area would not fit well into any other sector. Alternatives to a standalone sector include:

- 379 1. Grouping them with hotels and restaurants as part of a tourism-related sector
- 380 2. Grouping them with commercial services
- 381 3. Leaving these organizations without a sector standard

382 **Annex 5. Security services**

Recommendation

Currently, the GRI list of sectors includes 'security services and correctional facilities' in its priority Group 4. After receiving feedback from EFRAG and considering SASB's industry list, the Standards Team recommends maintaining 'Security Services' as a separate sector due to:

- Unique and high-stakes social impacts, including human rights.
- Existence of dedicated international frameworks

To increase scope clarity, it may be advisable to drop "and correctional facilities" from the title, although it will remain in the scope, and specify in a description that the scope excludes State-run security services like armies, police forces, or the judiciary.

The scope of this sector includes private providers of security services but excludes security and defence operations run by the State, such as police forces or armies.

EFRAG and IFRS approaches

SASB industry list does not include this sector. In the absence of other placement, organizations in this sector may fit into the Professional & Commercial Services Industry, though the sector description does not explicitly mention security services.

EFRAG does not have a standalone sector for security services. It includes security services as part of the Professional Services Sector, together with legal activities, management consultancy, research, design, translation, cleaning, and several other activities.

Analysis

Only 16 security services companies appear among the 20,000 largest public companies in the GRI database. National accounts don't distinguish this sector in GDP figures, so it is not possible to accurately measure its economic weight. However, employment data suggests the sector is small but not negligible. Employment data from both the European Union and the United States indicate that 0.8% of private employment works in this sector, with no indication that this percentage would be smaller in developing countries.

Compared to other sectors in the GRI classification, the global footprint of private security companies – particularly publicly listed ones – is small. The industry is highly fragmented, with few large companies, even fewer listed on stock exchanges.

This may make it difficult to justify a full Sector Standard if accommodating as many potential reporters as possible is a goal. However, several sector characteristics can justify a Sector Standard:

1. High-risk sustainability impacts unique to this sector

Security services provided by private companies are associated with unique human rights, labor, and governance risks, such as:

- Use of force, weapons, and surveillance

- Detention conditions (in privatized correctional facilities)
- Risks of complicity in abuses, particularly in conflict zones or when guarding controversial and high-value projects
- Accountability gaps due to public delegation of security to private actors

2. Intense scrutiny and reputational risks

Security providers – especially those involved in policing, crowd control, or detention – face intense scrutiny from civil society and regulators. There are reputational and ethical risks unique to this sector, particularly in border management, prison privatization, and large-scale surveillance, which can affect investor decisions and public trust.

3. Distinct business model and operations

The sector operates under a contractual business model, often involving:

- Government procurement processes
- Work in conflict zones
- Specialized certifications and vetting of personnel (e.g., for arms use)

4. International frameworks

Organizations such as the International Code of Conduct Association (ICoCA) and Voluntary Principles on Security and Human Rights (VPSHR) have developed frameworks recognizing the distinct profile of private security companies. A dedicated Sector Standard could build on this foundation, offering harmonized and practical guidance.

Annex 6. Name changes

The Standards Team suggests the following four name changes in the sector list:

- ‘Household durables’ to ‘household goods’

Durable goods are defined by the System of National Accounts as those that may be used repeatedly or continuously over a period of more than a year.

Recommendation: drop the term ‘durable’ to allow for a broader range of either durable or consumer goods, from furniture and accessories to toys and sports equipment.

- ‘Managed healthcare’ to ‘health services’

Managed healthcare is a term only used in the United States, where it refers to organizations that “offer health insurance products for individual, commercial, Medicare and Medicaid members” (from SASB). It does not cover most health service providers, which SASB classifies under Health Care Delivery.

448 Recommendation: Health services is the broadest possible term for organizations that provide health
449 care. The word 'services' helps to differentiate this sector from the production of medicines or medical
450 equipment, which have their own separate sectors.

- 451 • 'Medical equipment and services' to 'medical equipment'

452 The term services can cause confusion with the health services sector.

453 Recommendation: Medical equipment is a simpler title that concentrates on the manufacturing of
454 equipment, leaving the delivery of health care services to another sector.

- 455 • 'Retail' to 'wholesale and retail trade'

456 The term 'retail' will not be inclusive for organizations focusing on wholesale trade.

457 Recommendation: Wholesale and retail trade is longer but more accurate and should be preferred.

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