



# The ENGAGE Templates: Addressing Disclosure Requirements for EU Taxonomy Alignment

14 December 2023



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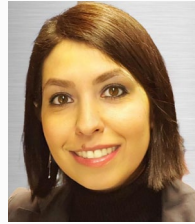


# Today's speakers



**Dr. Christian Thun**  
CEO  
European DataWarehouse

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**Lucia Alessi**  
Chair Sustainable Finance  
Research Forum  
European Commission (JRC)

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**Marco Angheben**  
Head of Business Development  
& Regulatory Affairs  
European DataWarehouse

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**Vincent Mahieu**  
Head of Energy Efficiency &  
Regulatory Technology  
Hypoport

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**Cátia de Almeida L. Alves**  
Sustainability & Corporate  
Social Responsibility Director  
Union de Créditos Inmobiliarios

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# Agenda

- 11:00    Welcome & Introduction:
- Dr. Christian Thun, European DataWarehouse
- 11:05    Compliance with the EU Taxonomy: why and how lending institutions can become aligned
- Lucia Alessi, Joint Research Centre, European Commission
- 11:20    The ENGAGE Templates as a solution for EU Taxonomy compliance: Templates overview and logic
- Vincent Mahieu, Hypoport
- 12:10    The ENGAGE Portal: how UCI is preparing for its 2024 EU Taxonomy-aligned data extraction
- Cátia de Almeida L. Alves, Unión de Créditos Inmobiliarios
- 12:25    Closing Remarks
- Marco Angheben, European DataWarehouse



# Welcome & introduction

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Dr. Christian Thun, European DataWarehouse





# The ENGAGE for ESG initiative

- The ENGAGE for ESG initiative aims to contribute to the goals of the EU Green Deal, namely, to the activation of sustainable investments in the building sector, by promoting ESG transparency for residential mortgages and home renovation loans.
- The ENGAGE Templates 1.0 focus on the data disclosure framework allowing lending institutions to align their mortgages with the EU Taxonomy requirements in line with the Substantial Contribution Criteria of the Climate Delegated Act for the economic activities of construction, acquisition, and ownership of real estate.

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# Compliance with the EU Taxonomy: Why and how lending institutions can become aligned

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Lucia Alessi, Joint Research Centre,  
European Commission





# The EU Taxonomy: impact on lenders

**Lucia Alessi**

Team Leader - Financial Research

*European Commission – Joint Research Centre*

*lucia.alessi@ec.europa.eu*



# EU sustainable finance framework

## 1. EU TAXONOMY



A common classification of economic activities contributing to climate and environmental objectives.

- Taxonomy Regulation: **applies** since July 2020
- Climate Delegated Act and Disclosures Delegated Act **apply** since January 2022
- Complementary Climate Delegated Act **applies** since January 2023
- Environmental Delegated Act adopted by the Commission in June 2023, **due to apply** from January 2024

## 2. DISCLOSURES



Comprehensive disclosure regime for both non-financial and financial institutions to provide investors with the information necessary to make sustainable investment choices.

- Benchmark ESG disclosures **apply** since April 2020
- Sustainable Finance Disclosure Regulation (SFDR) **applies** since March 2021
- Sustainability preferences **apply** since August 2022
- Corporate Sustainability Reporting Directive (CSRD): first companies **report** for financial year 2024



## 3. TOOLS

Broad toolbox for companies, market participants and financial intermediaries to develop sustainable investment solutions, while preventing greenwashing.

- EU Climate Benchmarks Regulation **applies** since April 2020
- Regulation for a EU Green Bond Standard (EUGBS), political agreement **reached** in February 2023



**ESG ratings** provide an assessment about the ESG characteristics, exposures to ESG risks or impacts of an entity, a financial instrument or a financial product.

- Regulation on ESG ratings providers **proposed** by the Commission in June 2023

# EU Taxonomy – defining sustainable



## A classification system

Provides clarity on what is an environmentally sustainable activity and under which circumstances.



## A measuring tool

Measures the degree of sustainability of an investment and the degree of green activities of companies



## A transition tool

Helps investors and companies to plan and report on the transition. It sets the objectives and the direction of travel for different economic activities.

## What the EU Taxonomy is **not**:



- It's not a mandatory list to invest in
- It does not make any judgement on the financial performance of an investment
- What's not green is not necessarily brown.

# 6 environmental interlinked objectives

## CLIMATE CHANGE

Mitigation

Adaptation

***First Technical Screening Criteria  
in the Climate DA (2021) and  
Complementary DA (2022),  
additional activities in July package***

## OTHER OBJECTIVES

Transition to a circular economy

Pollution prevention and control

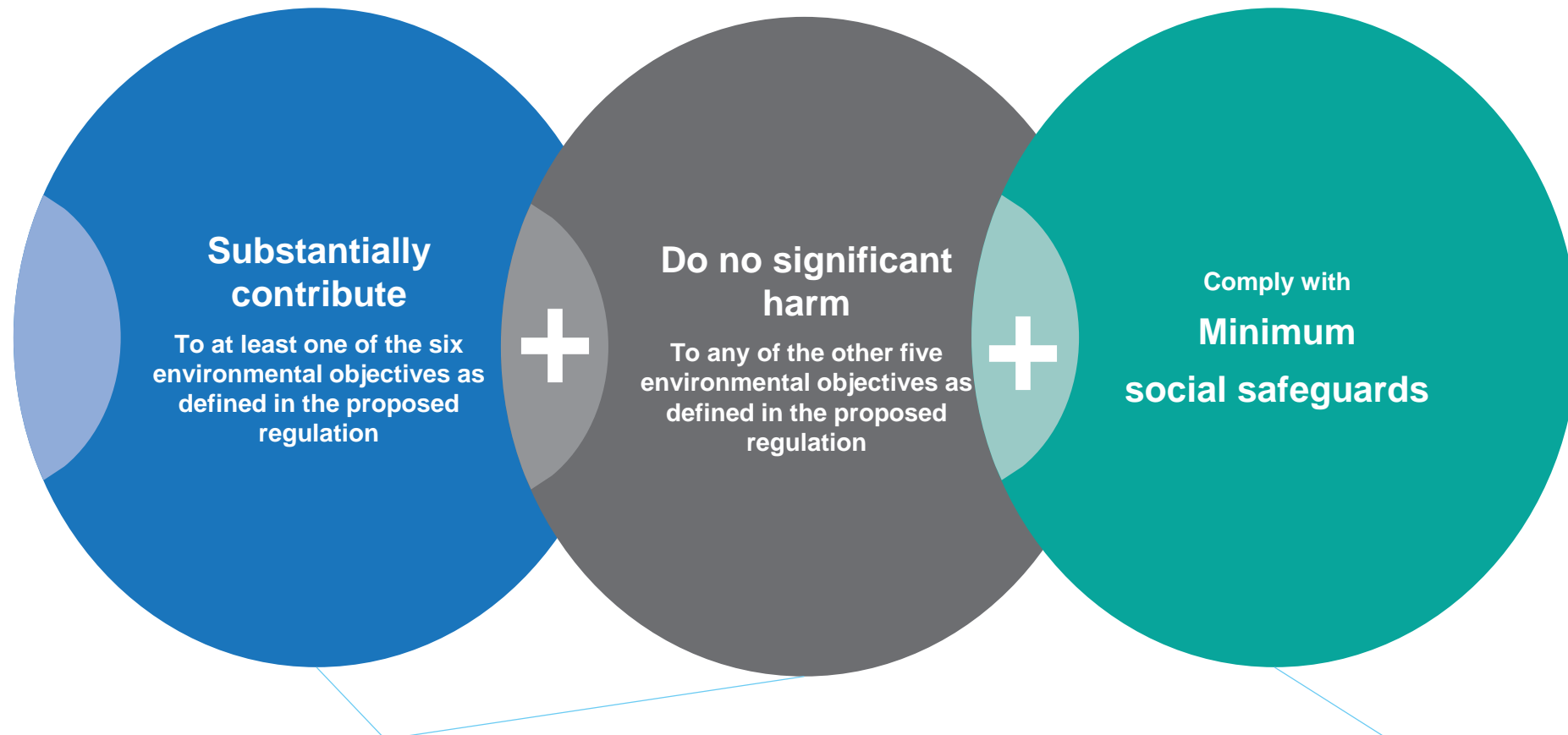
Sustainable use and protection of  
water and marine resources

Protection and restoration of  
biodiversity & ecosystems

***Environmental DA (2023)***

# Basic conditions

Activities are green if they...

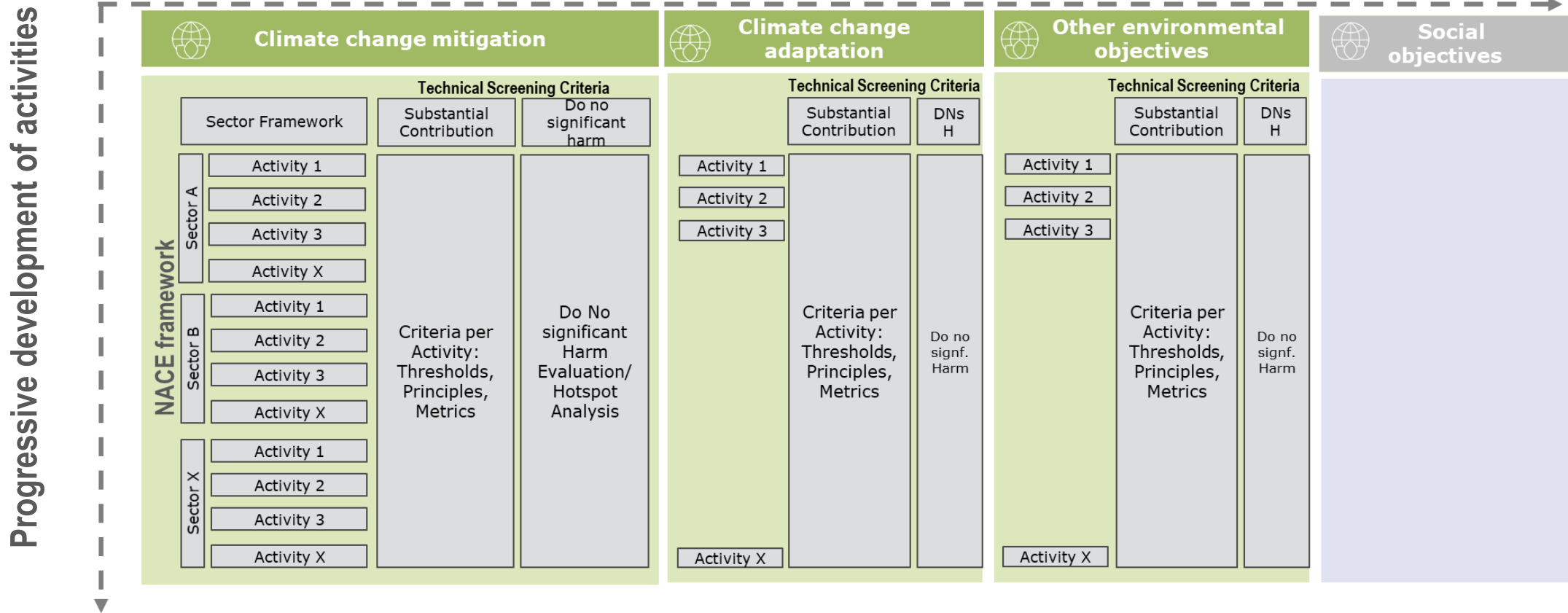


Comply with quantitative or qualitative  
**Technical Screening Criteria**

UN Guiding Principles and OECD Guidelines

# The EU taxonomy – what it looks like

Progressive development of activities per environmental (and potentially social) objectives



# Construction of new buildings

	<b>Climate change mitigation</b>
<b>SUBSTANTIAL CONTRIBUTION</b>	<b>10% better than NZEB</b>

*Shortened from Climate DA  
(illustrative example only)*

	<b>Climate change adaptation</b>	<b>Water and marine resources</b>	<b>Circular economy</b>	<b>Pollution prevention and control</b>	<b>Biodiversity and ecosystems</b>
<b>DO NO SIGNIFICANT HARM CRITERIA</b>	<ul style="list-style-type: none"> <li>- Performing a robust climate risk and vulnerability assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Thresholds for max water use for water appliances (not for residential RE)</li> </ul>	<ul style="list-style-type: none"> <li>- At least 70% of construction and demolition waste is prepared for reuse/recycling</li> </ul>	<ul style="list-style-type: none"> <li>- No polluting substances as listed in relevant EU laws (e.g. mercury, formaldehyde)</li> </ul>	<ul style="list-style-type: none"> <li>- Performing an environmental IA, implementing required measures</li> <li>- No construction on fertile soil</li> <li>- No destruction of forests</li> <li>- No destruction of habitats of endangered species</li> </ul>

# Renovation of existing buildings

	<b>Climate change mitigation</b>
<b>SUBSTANTIAL CONTRIBUTION</b>	<b>At least 30% improvement in energy efficiency</b>

*Shortened from Climate DA  
(illustrative example only)*

	<b>Climate change adaptation</b>	<b>Water and marine resources</b>	<b>Circular economy</b>	<b>Pollution prevention and control</b>	<b>Biodiversity and ecosystems</b>
<b>DO NO SIGNIFICANT HARM CRITERIA</b>	- Performing a robust climate risk and vulnerability assessment	- Thresholds for max water use for water appliances (not for residential RE)	- At least 70% of construction and demolition waste is prepared for reuse/recycling	- No polluting substances as listed in relevant EU laws (e.g. mercury, formaldehyde)	NA

# Acquisition and ownership of buildings

	<b>Climate change mitigation</b>
<b>SUBSTANTIAL CONTRIBUTION</b>	<b>Energy Performance Certificate A or In the top 15% of the national or regional building stock</b>

*Shortened from Climate DA  
(illustrative example only)*

	<b>Climate change adaptation</b>	<b>Water and marine resources</b>	<b>Circular economy</b>	<b>Pollution prevention and control</b>	<b>Biodiversity and ecosystems</b>
<b>DO NO SIGNIFICANT HARM CRITERIA</b>	- Performing a robust climate risk and vulnerability assessment	NA	NA	NA	NA



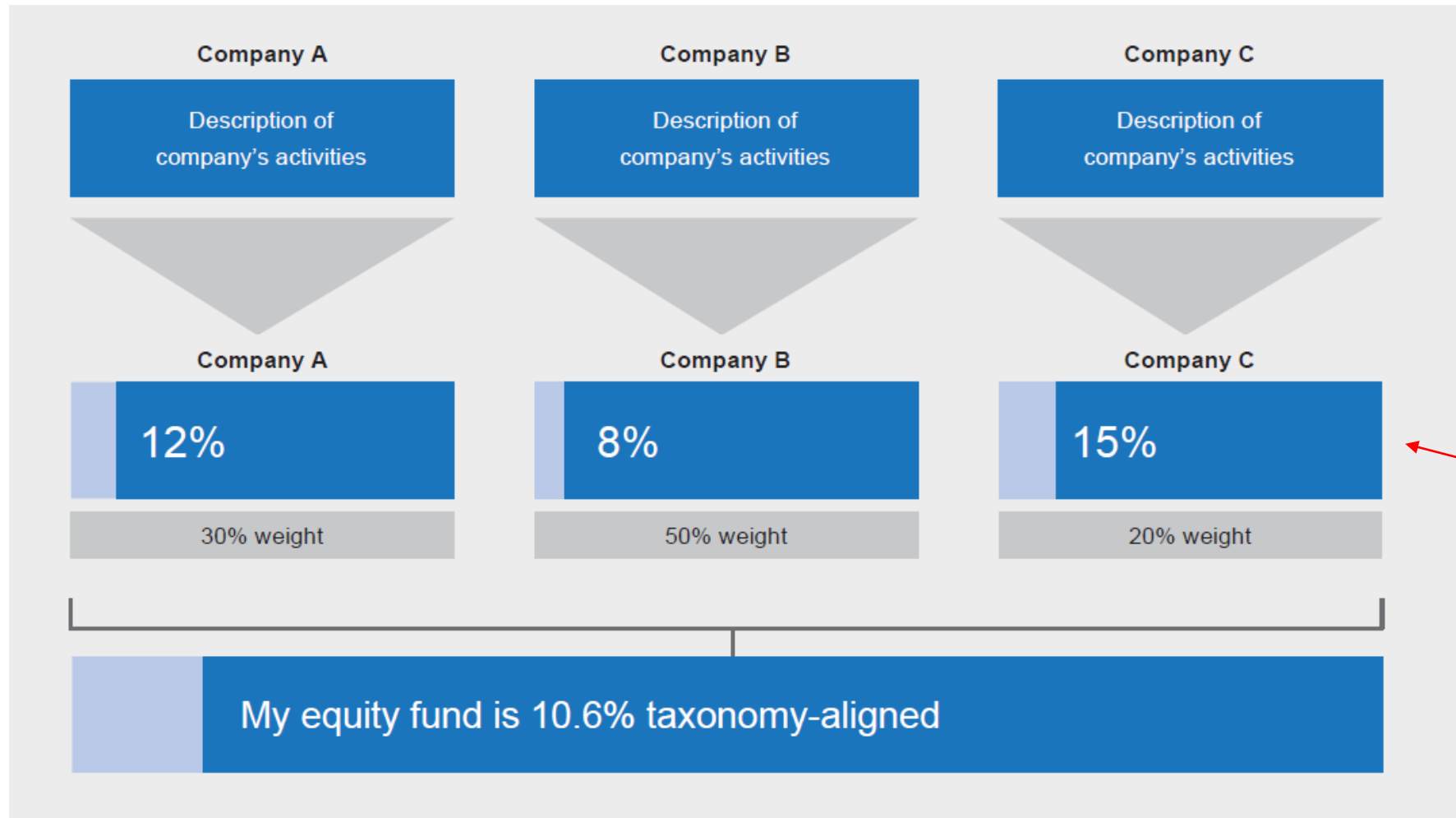
# Acquisition and ownership of buildings

	<b>Climate change adaptation</b>
<b>SUBSTANTIAL CONTRIBUTION</b>	<b>Adaptation solutions are implemented Robust climate risk and vulnerability assessment</b>

*Shortened from Climate DA  
(illustrative example only)*

	<b>Climate change mitigation</b>	<b>Water and marine resources</b>	<b>Circular economy</b>	<b>Pollution prevention and control</b>	<b>Biodiversity and ecosystems</b>
<b>DO NO SIGNIFICANT HARM CRITERIA</b>	<ul style="list-style-type: none"> <li>- EPC C at least or</li> <li>- In the top 30% of the building stock</li> <li>- NZEB or better for buildings built as of 2021</li> </ul>	NA	NA	NA	NA

# The Taxonomy-alignment of a financial portfolio



Based on share of Taxonomy-aligned Turnover or CapEx

# Banks' Green Asset Ratio (GAR)

Proportion of the bank's assets invested in Taxonomy-aligned economic activities as a share of total assets (except sovereign exposures)

**Breakdown** based on the objective, type of counterparty, transitional and enabling activities

Exposures to **SMEs and non-EU** counterparties excluded from the numerator

Inclusion of exposures to SMEs and non-EU in the GAR numerator will be considered by **2024** after impact assessment

**Green bonds** included in the numerator (but not green loans to SMEs) based on their Taxonomy-alignment

Financial institutions can disclose **voluntary KPIs** including (estimates of) exposures to sovereigns, SMEs, non-EU

# Schedule of disclosures – Climate

Review 30 Dec 2024

	2022*	2023	2024	2025
<b>Corporates (NFRD)</b>				
<b>Investment firms</b>				
<b>Asset managers</b>			***	
<b>Insurers</b>	KPI Underwriting			
	KPI Assets		***	
<b>Credit institutions</b>	Main GAR			
	Additional KPIs**		***	

\*Entry into force: 1 January 2022, reporting based on previous FY e.g. 2021 data for 2022 reporting

\*\*Trading book and Fees and Commissions delayed to 2026

\*\*\*Reporting for financial holdings may only account eligible data from previous FY, aligned in 2025

Taxonomy-eligible data

Taxonomy-aligned data

Mix according to holdings

# Schedule of disclosures – Environment

	2024*	2025	2026	2027
<b>Corporates</b>				
<b>Investment firms</b>				
<b>Asset managers</b>			***	
<b>Insurers</b>	KPI Underwriting			
	KPI Assets		***	
<b>Credit institutions</b>	Main GAR			
	Additional KPIs**		***	

\*Entry into force: 1 January 2024, reporting based on previous FY e.g. 2023 data for 2024 reporting

\*\*Trading book and Fees and Commissions KPIs apply as of 2026

\*\*\*Reporting for financial holdings may only account KPIs data from previous FY, alignment reporting in 2027

Taxonomy-eligible data

Taxonomy-aligned data

Mix according to holdings

# Thank you

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# The ENGAGE Templates as a solution for EU Taxonomy compliance: Templates overview and logic

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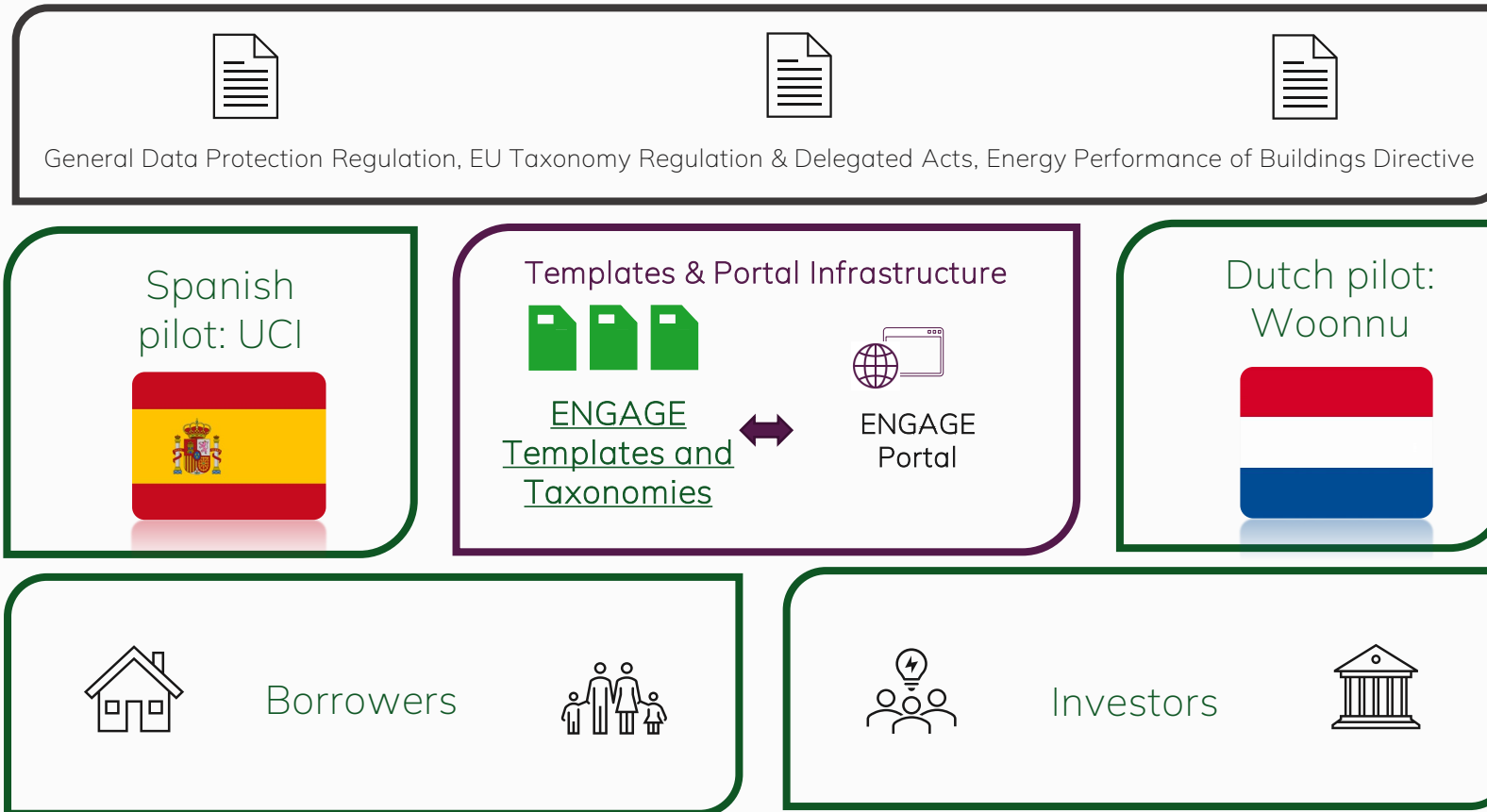
Marco Angheben, European DataWarehouse

Vincent Mahieu, Hypoport





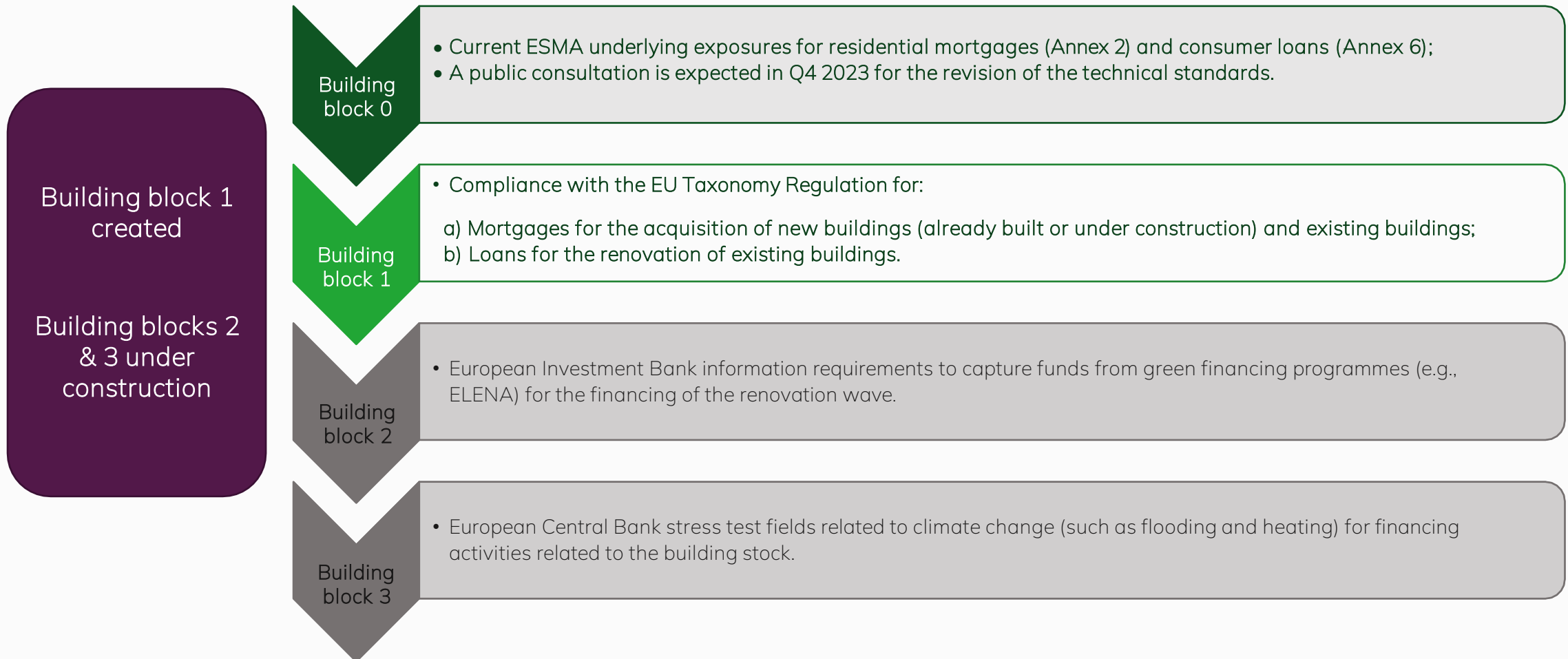
# ENGAGE: The High-Level Concept







# ENGAGE Templates Structure





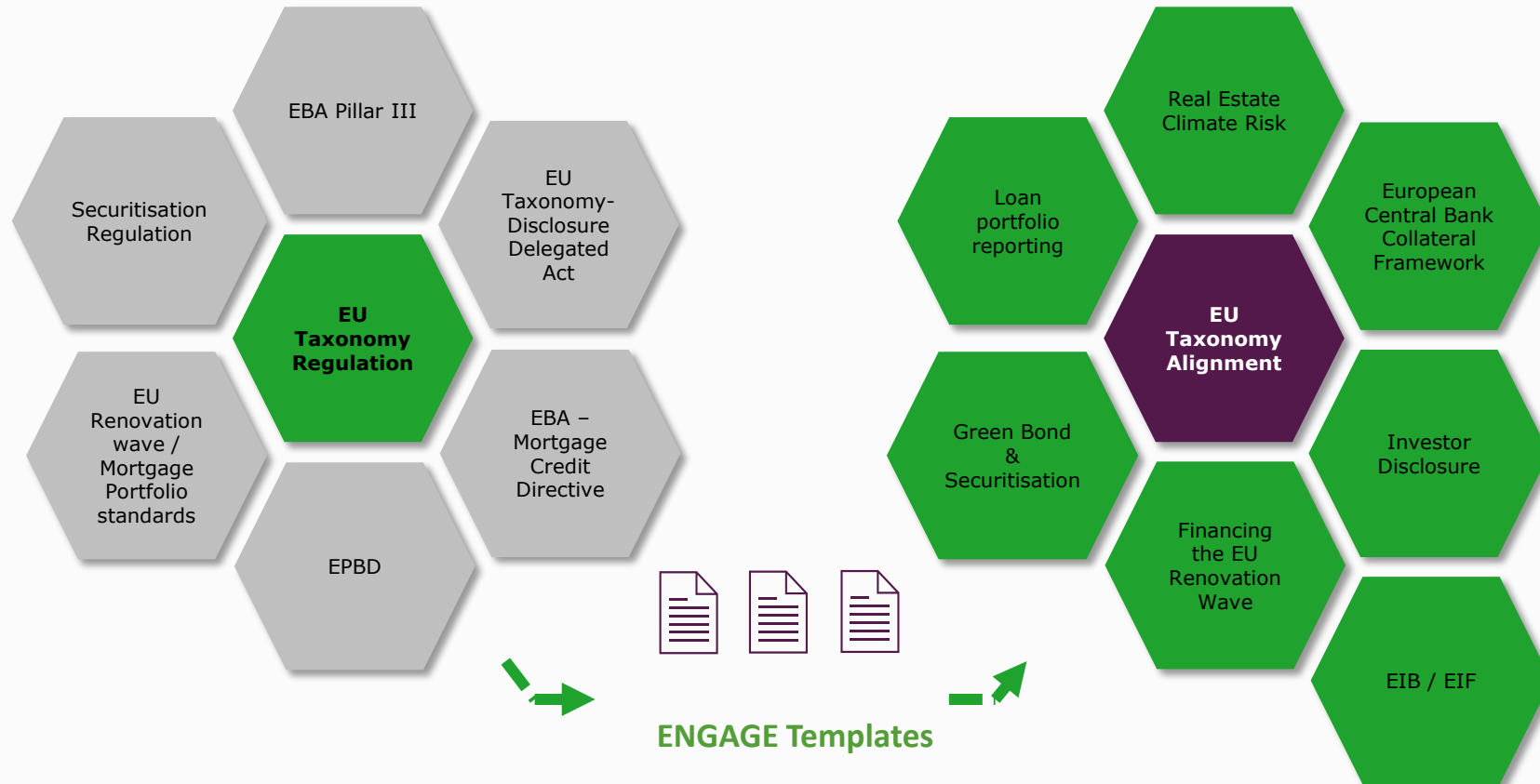
# Introducing the ENGAGE Templates

1. The ENGAGE templates – an introduction
2. The ENGAGE templates – design considerations
3. The ENGAGE templates – Version 1 – A phased Approach
4. The ENGAGE templates – Converting EU Taxonomy into Data requirements Prelude
  - 7.7.1
  - 7.7.1.A (top-15)%
  - 7.7.2 (10% criterium)
  - Minimum Safeguards
5. Summary





# The role of the ENGAGE Templates



EU Taxonomy is the common denominator of many (forthcoming) regulations



# The issues ENGAGE is addressing

*"what data is needed to gain insights into the renovation potential?"*

*"Which portfolio is eligible in the ECB collateral framework?"*

*"How does this portfolio compare to other portfolio's?"*

*"Which portfolio has the best renovation performance?"*

*"We do not know what data is needed for EU Taxonomy Alignment?"*



ENGAGE Templates

*"We have a mandate to fund EU Taxonomy aligned renovation investments but we have a challenge in identifying eligible investments"*

*"What kind of adaptation solution measures are applicable for economic activity [7.x]?"*

*"How should we interpret section [7.x] of the EU Taxonomy?"*

*"How do i manage a future-proof funding framework?"*

*"how does this portfolio compare against the Minimum Energy Performance Standards in this jurisdiction?"*



Consumers



European and national stakeholders



Investors

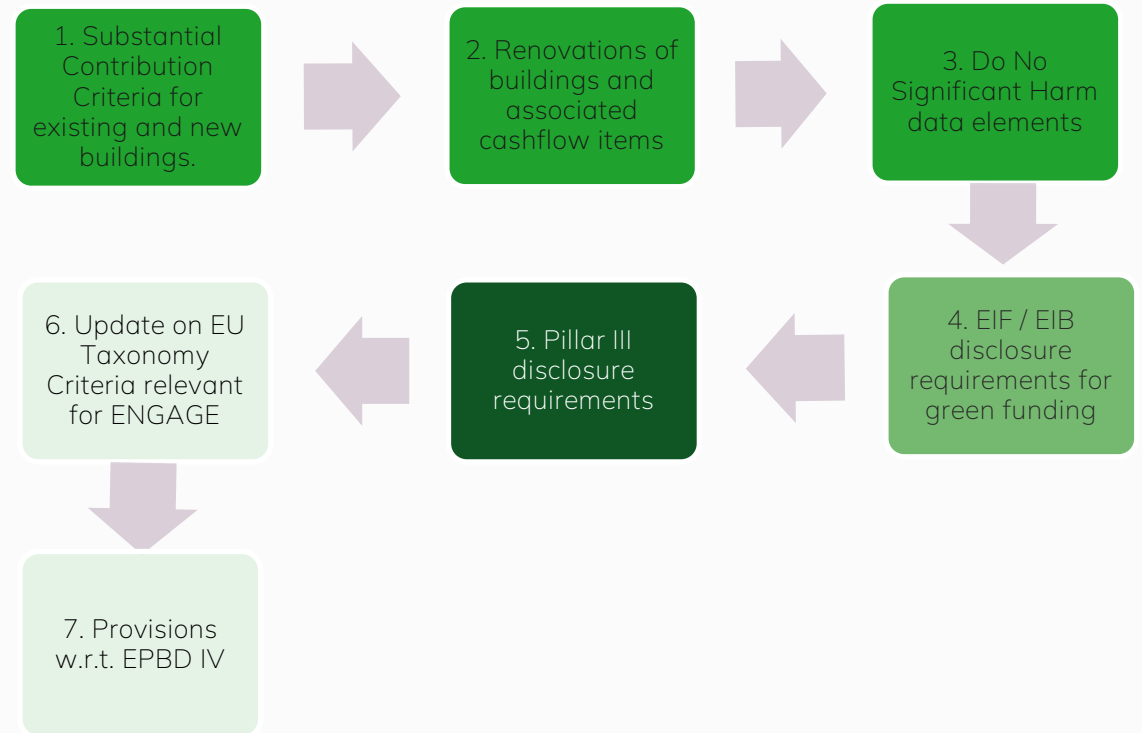


# A phased approach

We will build upon common regulatory framework and best practices to create and maintain the ENGAGE data framework.

The granular level of detail is needed for both the sustainability information but also for the credit information – such as cashflow details.

The ENGAGE Templates aim to translate **the legal text into concrete data fields.**





# The ENGAGE Templates: Design considerations





# ENGAGE Template Structure based on the ESMA RTS

Information Type	EU Securitisation Regulation disclosure Annex	Field Code Designator	Section	Total # Fields	Data Level
Assets	Annex 2 :RRE	RREL	Underlying exposures information section	82	Loan-level
		RREC	Collateral information section	23	Building-unit level
Documentation & Transaction Structure	ANNEX 12: NON-ABCP_INV_REP	IVSS	Securitisation information section	44	Aggregated on SPV level
		IVSR	Tests/Events/Triggers information section	10	Aggregated on SPV level
		IVSF	Cash-flow information section	6	Aggregated on SPV level
Liabilities	ANNEX 14: NON-ABCP_INSIDE_INFORMATION_OR_SIGNIFICANT_EVENT	SESS	Securitisation information section	24	Aggregated on SPV level
		SEST	Tranche/bond-level information section	42	Information as per debt tranche level.
		SESA	Account-level information section	7	Information as per relevant cash account level.
		SESP	Counterparty-level information section	9	Information as per relevant counterparty level

Source: ENGAGE calculations



# ENGAGE Template Structure

New: Add-On →

New: Add-On →

Information Type	EU Securitisation Regulation disclosure Annex	Field Code Designator	Section	Total # Fields	Data Level	ENGAGE Add-On
Assets	Annex 2 :RRE	RREL	Underlying exposures information section	82	Loan-level	
		RREC	Collateral information section	23	Building-unit level	
	ENGAGE specific (new files)	EREC	ENGAGE Extended Collateral File		Quantitative	Additional information for the checking of SCC and DNSH criteria to identify the relevant energy performance metrics on a building (unit) level.
Documentation & Transaction Structure	ANNEX 12: NON-ABCP_INV_REP	IVSS	Securitisation information section	44	Aggregated on SPV level	
		IVSR	Tests/Events/Triggers information section	10	Aggregated on SPV level	
		IVSF	Cash-flow information section	6	Aggregated on SPV level	
	ENGAGE specific (new files)	EGFF	ENGAGE Governance File (aggregated information)		Qualitative	Qualitative Information with reference towards Minimum Safeguards, top-15% and other relevant documentation
Liabilities	ANNEX 14: NON-ABCP_INSIDE_INFORMATION_OR_SIGNIFICANT_EVENT	SESS	Securitisation information section	24	Aggregated on SPV level	
		SEST	Tranche/bond-level information section	42	Information as per debt tranche level.	
		SESA	Account-level information section	7	Information as per relevant cash account level.	
		SESP	Counterparty-level information section	9	Information as per relevant counterparty level	

**ENGAGE – is an add-on to the existing ESMA disclosure formats**





# ENGAGE Template Structure

Information Type	EU Securitisation Regulation disclosure Annex	Field Code Designator	Section	Total # Fields	Data Level	ENGAGE Add-On
Assets	Annex 2 :RRE	RREL	Underlying exposures information section	82	Loan-level	
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Documentation & Transaction Structure	ENGAGE specific (new files)	EGFF	ENGAGE Governance File (aggregated information)		Qualitative	Qualitative Information with reference towards Minimum Safeguards, top-15% and other relevant documentation



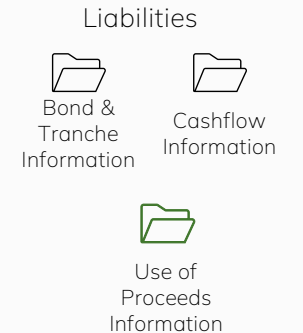
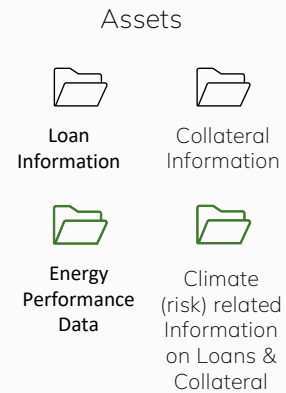
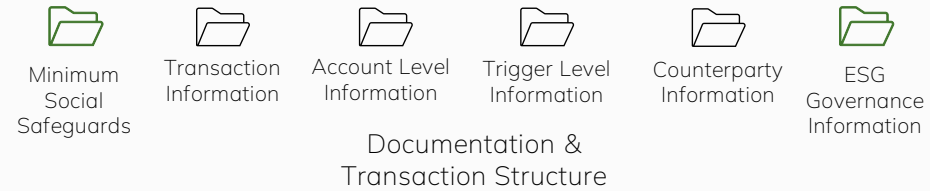
For a mortgage portfolio only, these sections are relevant. As there is no liability or transaction structure.

**The ENGAGE Format is transaction-agnostic. Meaning it can be used for many transaction structures such as ABS, RMBS, Covered Bonds and mortgage loan portfolio's. The ENGAGE Framework is flexible and modular.**

# ENGAGE Template Structure

## Dovetailing – Common Denominators

- ✓ By identifying common denominators among regulatory disclosure requirements, financial institutions can simplify and streamline their reporting processes.
- ✓ This will reduce the time, costs and resources required to comply with multiple regulations.
- ✓ Finding common denominators among regulatory disclosure requirements will facilitate cross-border investments in residential real estate.
- ✓ By creating an EU-wide mortgage disclosure standards and promoting consistency in reporting requirements, investors can have greater confidence in sustainable financial products.



*Dovetailing existing disclosure standards with EU Taxonomy requirements for real estate*



# ENGAGE Templates: Converting EUT into Data Requirements

## Design considerations

- ✓ The ENGAGE Templates cater both secured and unsecured underlying exposures (i.e. both mortgages and loans).
- ✓ The ENGAGE Templates cater both secured and unsecured funding structures (i.e. financial structured secured by a portfolio of loans and structures that are not secured by loans).
- ✓ In some EU Member States a mortgage can consist of multiple loan parts.
- ✓ As a (mortgage) loan can be partially EU Taxonomy aligned the ENGAGE Templates are set up in a way to clearly distinguish which part of fraction of the exposure is EU Taxonomy Aligned
- ✓ As a (mortgage) loan can simultaneously be aligned with multiple sections of the EU Taxonomy (i.e. a loan can be aligned with 7.3 and 7.6 of the Climate Delegated Act Annex I), the ENGAGE Templates allow for multiple (partial) taxonomy alignments per loan and loan parts.

## Finding common denominators

- Residential mortgage markets are jurisdictions specific
- Building codes and energy performance methodologies differ greatly among jurisdictions and, in some cases, even within countries.
- Data availability differs greatly across jurisdictions.
- A template that works for all EU member states is a careful balancing act as market practices, mortgage conditions, EPC methodologies and thus data availability greatly differs.



# The ENGAGE Templates: Version 1 – Scope – A phased approach





# Scope of the ENGAGE - Templates

			Technical Screening Criteria of Climate Delegated Act for Climate Change Mitigation - Annex I						
7. Construction and Real Estate Activities Section(s)		Subsection	Substantial Contribution Criteria	Do No Significant Harm					Minimum Social Safeguards
				(2)	(3)	(4)	(5)	(6)	
7.1	Construction of new buildings								
7.2(1)	Renovation of existing buildings	Major Renovations							
7.2(2)		Reduction of (net) Primary Energy Demand							
7.3	Installation, maintenance and repair of energy efficiency equipment								
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings								
7.6	Installation, maintenance and repair of renewable energy technologies								
7.7(1)	Acquisition and ownership of buildings	Buildings built before 31 December 2020: building has at least an Energy Performance Certificate (EPC) class A.							
7.7(1) alternative		Buildings built before 31 December 2020 - Alternative: building is within Top 15%							
7.7(2)		Buildings built after 31 December 2020							



# The ENGAGE Templates: Translating the EU Taxonomy into data requirements





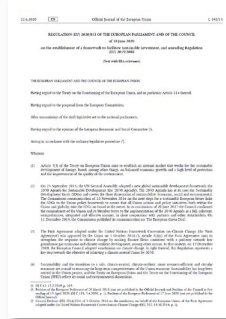
# ENGAGE: a solution based on the EC Q&A as of December 2022

## ENGAGE Templates Scope



ENGAGE Templates are based on:

- Taxonomy Regulation and Climate Delegated Act
- Q&A Guidance provided by the European Commission
- Additional Guidance by the European Commission (see next page)



### 01.

#### Taxonomy Regulation

22 June 2020

Establishes the regulatory requirements and principles for the preparation of the Taxonomy



### 02.

#### Climate Delegated Act

4 June 2021

Provides context for defining the set of technical criteria for determining which activities make a substantial contribution to the 2 climate objectives

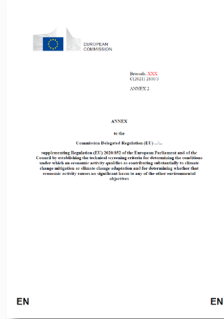


### 03.

#### Annex I – CC Mitigation

4 June 2021

Technical screening criteria to determine whether an economic activity makes a **Substantial contribution to Climate Change (CC) Mitigation** objective



### 04.

#### Annex II – CC Adaptation

4 June 2021

Technical screening criteria to determine whether an economic activity makes a **Substantial contribution to Climate Change (CC) Adaptation** objective

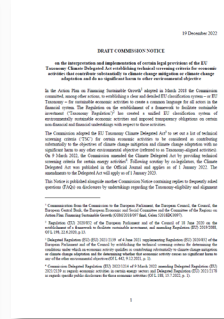


### 05.

#### Article 8 Disclosure

6 July 2021

Article 8 Disclosure: **Green Asset Ratio – proportion of Taxonomy Alignment** under Climate Mitigation

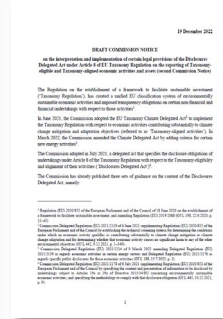


### 06.

#### Q&A on TSC

19 December 2022

Interpretation and implementation of certain legal provisions of the EUT CDA establishing technical screening criteria for economic activities



### 07.

#### Q&A on Disclosure

19 December 2022

Interpretation and implementation of certain legal provisions of the Disclosure Delegated Act under Article 8



# ENGAGE: A Solution based on the EC Q&A as of December 2022

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.</p> <p>As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.</p>	Not Applicable

7.7.1 – EPC of Class A

7.7.1.A – Top-15%

7.7.2 – 10% Criterium of SCC 7.1

In this version of the template, we have focussed on the Substantial Contribution Criteria that are relevant for energy efficient buildings – both existing and new buildings. As we follow a phased approach, we deemed it most appropriate to begin here, with economic activity 7.7 as:

- (existing) real estate tends to be the largest part of the balance sheet of European lending institutions.
- The whole (current) balance of the loan can be attributed towards Taxonomy Alignment or the Green Asset Ratio (GAR) if the TSC are met.
- These criteria are *relatively* straightforward to apply contrary to more challenging criteria such as the TSC for renovation loans and DNSH criteria.
- In addition, it is important that the criteria for new properties can be directly applied to identify and fund energy efficient new constructions.

**We have divided activity 7.7 into 3 sub-sections**





# ENGAGE: a solution based on the EC Q&A as of December 2022

As long as it is an official Energy Performance Certificate this does not matter.



**104. As of today many Energy Performance Certificates (EPC) in some Member States are based on energy consumption rather than energy demand. Can these consumption-based energy certificates be used as an equal basis to prove Taxonomy-alignment?**

If it is an officially produced EPC, it can be accepted, and used on equal terms.

The NZEB EPC contain(s) the PED and corresponding (relevant) threshold.



**105. What are the actual Nearly Zero-Energy Buildings (NZEB) thresholds in each Member State (region)?**

This information can be obtained from national authorities. Any new building in the EU should have an Energy Performance Certificate (EPC), and the EPC indicates the relevant value for the respective building and how it compares to reference values, such as NZEB.

The date of submission of the application is the relevant date for deciding which TSC to apply. Particularly relevant for new construction. This is also relevant for the top-15% analysis. This is relevant in determining which criteria to apply of SCC 7.7 before and after 31-12-2020. This answer has overlap with A143.



**106. For the activity “Construction of new buildings” in Section 7.1., is the date of submission of the building application decisive for the technical screening criteria to be applied?**

Yes, the date of submission of the complete application is the relevant date for deciding which TSC apply at that point in time.



# ENGAGE: a solution based on the EC Q&A as of December 2022

Overall conclusion is that the TSC allow for a residential property under construction to be considered under Section 7.7 (from the consumer / user perspective) and not require it to be considered under Section 7.1.



**107. Is the scope of the activity “Construction of new buildings” in Section 7.1. only limited to companies constructing the new buildings or also companies, which commission the construction of buildings (e.g. car manufacturing company which contract a construction company to build an office building)?**

This applies to both construction companies and entities that commission a new building. However, the way they can claim relevant turnover/CapEx/OpEx as Taxonomy-eligible/aligned may differ, and for the entity owning the building it is also possible to use the relevant criteria in Section 7.7. of Annex I.

Lending to a (prospective) homeowner is a SCC 7.7 activity. SCC 7.1 does not need to be applied towards homeowners.



**144. For buildings built after 31 December 2020, can the construction phase of a newly constructed property be considered as being part of the acquisition process? Can the drawn part of a construction mortgage loan therefore be considered under Section 7.7 (“Acquisition and ownership of buildings”), paragraph 2? Put differently: should Section 7.7 paragraph 2 only be used for buildings that have been completed or also for buildings that are being built? Or alternatively, should the consumer be seen as the entity undertaking the economic activity of Section 7.1 (“Construction of new buildings”) and the realised part of a property be considered for EU Taxonomy alignment according to 7.1 only?**

In the case of the construction of a new building, for the construction company (and for its revenues to be considered under the EU Taxonomy), the criteria under Section 7.1. apply. For the owner of the new building (whether it acquires the building through an acquisition, or if it is building its own building), the value of the building can be considered under the EU Taxonomy based on the criteria under Section 7.7.

Lending to a (prospective) homeowner is a SCC 7.7 activity. SCC 7.1 does not need to be applied towards homeowners.



**147. Can the construction of a building for own use count towards the activity “Construction of new buildings” in Section 7.1. or “Acquisition and ownership of buildings” in Section 7.7.?**

Yes, the construction of a new building for own use can be covered under Section 7.1 “Construction of new buildings”, or Section 7.7 “Acquisition and ownership of buildings”.



# ENGAGE: a prelude based on the Q&A as of December 2022

**107. Is the scope of the activity “Construction of new buildings” in Section 7.1. only limited to companies constructing the new buildings or also companies, which commission the construction of buildings (e.g. car manufacturing company which contract a construction company to build an office building)?**

This applies to both construction companies and entities that commission a new building. However, the way they can claim relevant turnover/CapEx/OpEx as Taxonomy-eligible/aligned may differ, and for the entity owning the building it is also possible to use the relevant criteria in Section 7.7. of Annex I.

**144. For buildings built after 31 December 2020, can the construction phase of a newly constructed property be considered as being part of the acquisition process? Can the drawn part of a construction mortgage loan therefore be considered under Section 7.7 (“Acquisition and ownership of buildings”), paragraph 2? Put differently: should Section 7.7 paragraph 2 only be used for buildings that have been completed or also for buildings that are being built? Or alternatively, should the consumer be seen as the entity undertaking the economic activity of Section 7.1 (“Construction of new buildings”) and the realised part of a property be considered for EU Taxonomy alignment according to 7.1 only?**

In the case of the construction of a new building, for the construction company (and for its revenues to be considered under the EU Taxonomy), the criteria under Section 7.1. apply. For the owner of the new building (whether it acquires the building through an acquisition, or if it is building its own building), the value of the building can be considered under the EU Taxonomy based on the criteria under Section 7.7.

Who receives the Financing?

Undertaking

Does the building unit fulfil the criteria of section 7.1 of Annex I of the EU Climate Delegated Act?

Homeowner

Does the building unit fulfil the criteria of section 7.7 of Annex I of the EU Climate Delegated Act?



# ENGAGE Templates: SCC 7.7.1

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.	Not Applicable

## Interpretation:

- At the reporting or assessment date the Energy Performance **Certificate** of the Building Unit should be of Class A.
- The application date of the construction permit is needed to assess if the building is built before 31 December 2020.
- An Energy Performance Certificate (EPC) of Class A is needed (A, A+, A++, A+++, A++++ also satisfies this condition).
- A certificate should be present with a valid date, as of the assessment date, irrespective of the methodology.



Field #	Field Code	Field Name
1	RREL1	Unique Identifier
2	RREL3	New Underlying Exposure Identifier
3	RREL5	New Obligor Identifier
4	RREL6	Data Cut-Off Date
5	RREL30	Current Principal Balance
6	EREC1	General Activity Designation
7	EREC2	Construction Year
8	EREC3	Construction permit application date
9	EREC4	Energy Performance Certificate (EPC) Class
10	EREC6	Issuance date of most recent available Energy Performance Certificate (EPC) registration
11	EREC7	Energy Performance Certificate (EPC) Validity Length
12	EGFF10	Environmental Objective

## Key considerations:

- The application date of the construction permit is needed to assess if the building is built before 31 December 2020. For some or most cases it is clear that the building was built before 31 December 2020.
- Note Answer 104 of the Q&A: "EPC methodologies differ per country or sometimes within a country. Some jurisdictions use energy demand instead of energy consumption. As long as it is an official Energy Performance Certificate this does not matter."



# ENGAGE Templates: SCC 7.7.1 Alternative (top-15%) 1/3

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.	Not Applicable

## Interpretation:

- Building units, in a given jurisdiction, built before 31 December 2020 have an EPC and a PED-value and are ranked from low to high as part of the selection of the Top-15% threshold value.
- As assessment is necessary for the reference asset (building unit) under consideration to check that the threshold value and reflects the top-15%.
- Currently no European jurisdiction has full coverage of EPC's, let alone of Prime Energy Demand figures. As not all residential properties built before 31 December 2020 have an EPC and therefore a PED is not available for all building units.
- To perform the Top 15% analysis, an estimation approach and corresponding study is required to determine the (estimated) operational PED of all the residential building(unit's) a given jurisdiction built before 31 December 2020.
- All building units with an operational PED that is lower than the determined threshold value can then be considered to meet the SCC of 7.7.1.A.

## Key considerations:

- Note that there are two important filters that should be applied in the assessment: 1) only assess buildings built before 31 December 2020, meaning the application date of the construction permit is before or on 31 December 2020 and 2) should at distinguish between residential and non-residential.
- The Q&A highlights the requirement that a study describing the Top-15% should be public and transparent ("adequate evidence should be provided (e.g. a recent study)").

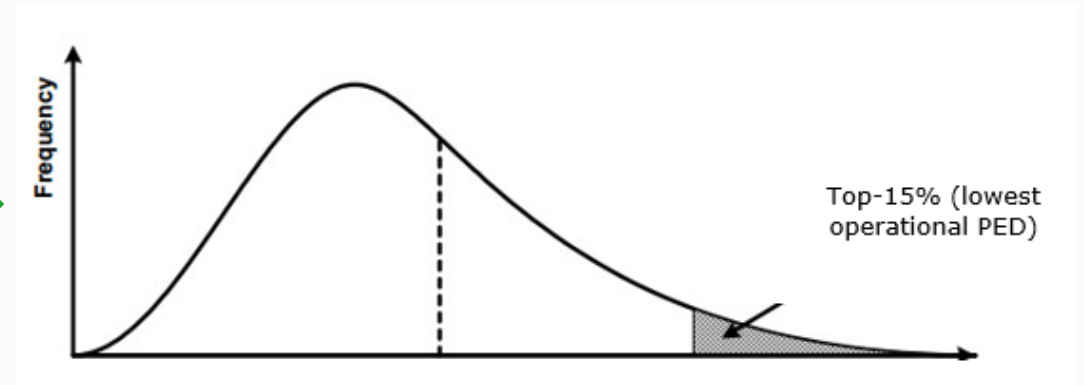


# ENGAGE Templates: SCC 7.7.1 Alternative (top-15%) 2/3

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.	Not Applicable

## Interpretation:

- There are a range of varying estimation techniques available to perform a top-15% study.
- For instance, there are studies assessing the building code through time whereas other studies or assess (model) the operational PED per building unit to gauge if it is in the top-15%.
- We have facilitated flexibility of the method in the ENGAGE templates in line with the European Commission in the Q&A that the methodology should be public and transparent.
- We incorporated the numerator and denominator that is used in the top-15% assessment in the ENGAGE templates and some background information so that stakeholders can understand the methodology and study that is applied.
- The application date of the construction permit is needed to assess if the building is built before 31 December 2020



$$\text{Top-15 \%?} = \frac{\text{[reference asset] built before 31/12/2020}}{\text{Total \# residential building stock built before 31/12/2020 in a given jurisdiction}}$$



# ENGAGE Templates: SCC 7.7.1 Alternative (top-15%) 3/3

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.	Not Applicable

## Key considerations:

- The application date of the construction permit is needed to assess if the building is built before 31 December 2020
- There are a range of varying estimation techniques available to perform a top-15% study.
- We facilitated flexibility of the method in the ENGAGE template and the European Commission in the Q&A that the methodology should be public and transparent.
- We incorporated the numerator and denominator that is used in the top-15% assessment in the ENGAGE templates and some background information so that stakeholders can understand the methodology and study that is applied.



Field #	Field Code	Field Name
1	RREL1	Unique Identifier
2	RREL3	New Underlying Exposure Identifier
3	RREL5	New Obligor Identifier
4	RREL6	<b>Data Cut-Off Date</b>
5	RREL30	Current Principal Balance
6	EREC1	General Activity Designation
7	EREC2	Construction Year
8	EREC3	Construction permit application date
9	EREC18	Building unit in top-15% indicator
10	EREC19	Top15_Explanatory Variable
11	EREC20	Top15_Object Reference Value
12	EREC21	Top15_Object Threshold Value
13	EGFF1	Top15_Document Name
14	EGFF2	Top15_Document Issuance Date
15	EGFF3	Top15_Document URL
16	EGFF4	Top15_Document Geographic Scope
17	EGFF5	Top15 Numerator
18	EGFF6	Top15 Denominator
19	EGFF7	Top15 Methodology Description
20	EGFF10	Environmental Objective



# ENGAGE Templates: SCC 7.7.2 (1/3)

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.7 Acquisition and ownership of buildings	L68	2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.	Not Applicable



Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.1 Construction of New Buildings	F41.1, F41.2, F43	Constructions of new buildings for which: The Primary Energy Demand (PED) <sup>282</sup> , defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council <sup>283</sup> . The energy performance is certified using an as built Energy Performance Certificate (EPC).	<sup>282</sup> : The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m <sup>2</sup> per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC). <sup>283</sup> : Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

## Interpretation:

- The EU Taxonomy requires building (units) with a construction permit application date after 31 December 2020 to be built according to the NZEB criteria and the Primary Energy Demand (PED) should be 10% less than the locally applicable threshold value.
- As of 31 December 2020 NZEB should be implemented in the EU according to the Energy Performance of Buildings Directive (EPBD III). As part of this directive the prime energy demand should be recorded and displayed on the Energy Performance Certificate.





# ENGAGE Templates: SCC 7.7.2 (2/3)

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.1 Construction of New Buildings	F41.1, F41.2, F43	Constructions of new buildings for which: The Primary Energy Demand (PED) <sup>282</sup> , defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council <sup>283</sup> . The energy performance is certified using an as built Energy Performance Certificate (EPC).	<sup>282</sup> : The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m <sup>2</sup> per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC). <sup>283</sup> : Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

## Interpretation:

- To determine if the SCC have been met (i.e. the requirement of the PED to be 10% less than the locally applicable threshold value), the estimated or measured PED must be compared to the threshold value as established in the national or regional building code.
- In addition in most countries the NZEB incorporation has set threshold for the energy performance of new building (units). The NZEB threshold can differ per: Region in some jurisdictions and or per building type.
- Additionally in some regions, such as for instance in the Netherlands, EPC's based on NZEB can have different statuses indicating whether it is an energy performance assessment based on the building permit (application) or an existing building.
- The 10 % lower threshold can be checked by calculating if the  $0.9 \times \text{Prime Energy Demand} \leq \text{Prime Energy Demand per building (unit)}$ .



# ENGAGE Templates: SCC 7.7.2 (3/3)

Section	NACE	Substantial contribution to Climate Change Mitigation of Annex I	Footnote
7.1 Construction of New Buildings	F41.1, F41.2, F43	<p>Constructions of new buildings for which:</p> <p>The Primary Energy Demand (PED)<sup>282</sup>, defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council <sup>283</sup>. The energy performance is certified using an as built Energy Performance Certificate (EPC).</p>	<p><sup>282</sup>: The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m<sup>2</sup> per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).</p> <p><sup>283</sup>: Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).</p>

### Key considerations:

- The application date of the construction permit is needed to assess if the building is built after 31 December 2020, see answer 106 of the Q&A.
- Assess if NZEB is incorporated in the jurisdiction. Also see answer 105 of the Q&A.
- Answer 109 of the Q&A states: *“For the energy threshold, this depends on national regulations, i.e. if the EPC applies to the whole building, or to each apartment. Whichever is the requirement at national level, it should apply for both residential and non-residential buildings. The correct EPC will be provided in any case, in line with the national regulations. For identical apartments, having normally identical EPCs, a limited sub-set can be used. However, if there are different types of apartments, with different EPCs, all types need to be checked.”*
- Answer 114 of the Q&A states: *“The TSC applicable at the time of the building permit should be used (i.e. the date of the complete application for receiving the building permit).”*
- Answer 115 of the Q&A states: *“For new buildings, either an EPC (valid for 10 years) or an EPC as-built are valid.*



Field #	Field Code	Field Name
1	RREL1	Unique Identifier
2	RREL3	New Underlying Exposure Identifier
3	RREL5	New Obligor Identifier
4	RREL6	<b>Data Cut-Off Date</b>
5	RREL30	Current Principal Balance
6	EREC1	General Activity Designation
7	EREC2	Construction Year
8	EREC3	Construction permit application date
9	EREC6	Issuance date of most recent available Energy Performance Certificate (EPC) registration
10	EREC7	Energy Performance Certificate (EPC) Validity Length
11	EREC8	Energy Performance Certificate (EPC) Methodology
12	EREC10	EU-Equivalent Energy Performance Certificate (EPC) Method / EPBD-Regime
13	EREC11	Primary Energy Demand (PED) of the building
14	EREC12	Estimated or officially produced Primary Energy Demand (PED)
15	EREC15	Nearly zero-energy building (NZEB) threshold
16	EGFF10	Environmental Objective



# ENGAGE Templates: Minimum Safeguards

Article	Text
18	<p>Minimum safeguards</p> <p>1.The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.</p> <p>2.When implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of ‘do no significant harm’ referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.</p>

## Interpretation:

- When addressing the question who undertakes this economic activity, we arrive at the conclusion that in our specific context, it is the (prospective) homeowner. The term ‘undertaking’ is not defined in the context of the Taxonomy Regulation. The term “undertaking” is commonly understood to refer to a corporation, business entity, or an organized enterprise, rather than an individual.
- The (prospective) building owner is exercising ownership – and thus carrying out the economic activity. A financial institution is facilitating this via a mortgage loan – financing the economic activity - of buying real estate.

Field#	Field Code	Field Name
1	EGFF8	Description on how Minimum Safeguards are complied with
2	EGFF9	URL towards MSS Issuer Statement
3	EGFF10	Environmental Objective
4	EGFF11	Link alignment with the OECD Guidelines for Multinational Enterprises
5	EGFF12	Link towards UN Guiding Principles on Business and Human Rights
6	EGFF13	Link towards eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

We deem, with the current guidance, the Minimum Safeguards of the Taxonomy Regulation in the context of (mortgage) lending for residential properties to homeowners - more concretely for the economic activities of 7.2 – 7.7 of the Climate Delegated Act – Annex I, not to be applicable to households as we do not consider these to be undertakings.



# The ENGAGE Templates: Summary

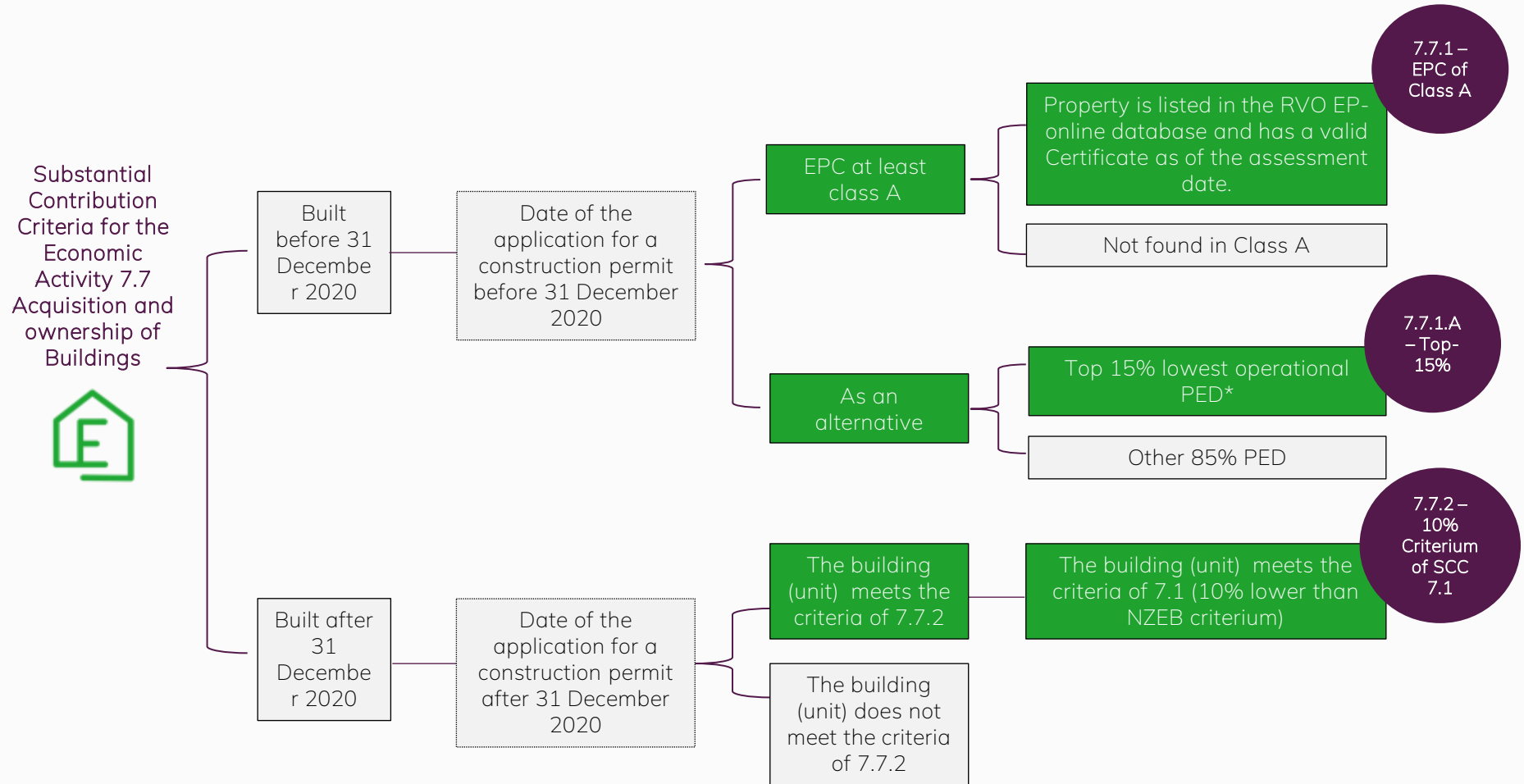




# The ENGAGE Templates: Summary

When developing **version 1.0** of the ENGAGE Templates, the ENGAGE consortium has considered:

- ✓ The ENGAGE Templates are **an add-on to existing market best practices**
- ✓ ENGAGE Templates are **scalable**. Meaning that if in the first phase the focus is on the EU Taxonomy, other elements can be incorporated at a later timeframe.
- ✓ **Continuous improvement and innovation**: The framework is designed to facilitate continuous improvement and innovation. This includes mechanisms for gathering and incorporating user feedback, as well as staying up-to-date with technological advancements and industry best practices.



EU Taxonomy is the common denominator of many (forthcoming) regulations



# ENGAGE Templates: Summary

Excerpt of first version of the ENGAGE Templates

- Add-on to ESMA Disclosure Templates
- First version of the template is based on Substantial Contribution Alignment for the activity Acquisition & Ownership of Real Estate.
- The fields to indicate alignment with the criteria.
- ENGAGE fields are conditional on the section of Annex I of the Climate Delegated Act for which the alignment is checked.
- By applying the filters, you can check the data fields that are applied to assess the criteria.
- We apply a phased approach. Data fields for e.g. renovations and DNSH criteria will be created in the next version(s).

Building block 1: Field Optional for the calculation of:

Minimum Safeguards	Section 7.7.1 - EPC class A	Section 7.7.1 - Top 15%	Section 7.7.2 or 7.1 - PED 10% lower NZEB
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TEMPLATE CATEGORY	SECTION	FIELD CODE	FIELD NAME	CONTENT TO REPORT	ND-SH2 allow	ND-SH1 allow	FORMAT	Building block 0: Minimum level of fields for reporting	Minimum Safeguard	Section 7.7.1 - EPC class A	Section 7.7.1 - Top 15%	Section 7.7.2 or 7.1 - PED 10% lower NZEB
ENG Annex 2: RRE Add-on	Building Information	ERE02	Construction Year	Construction year of the building or apartment as per the cadstral or other relevant documentation	YES	YES	(DATEFORMAT)		N	N	N	
ENG Annex 2: RRE Add-on	Building Information	ERE03	Construction permit application date	As described in "Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and "enabling" activities for the application of the taxonomy criteria, the date of the application for a construction permit is relevant to determine if the Substantial Contribution Criteria of 7.7.1 or 7.7.2 are applicable.	YES	YES	(DATEFORMAT)		N	N	N	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE04	Energy Performance Certificate (EPC) Class	Enter the Energy Performance Class as depicted on the Energy Performance Certificate (EPC). Null Unknown Other G F E	YES	YES	(ALPHANUM-100)		N	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE05	Estimated or officially produced Energy Performance Certificate (EPC)	- Estimated EPC based on Automated Valuation Model (AVM), desktop or other methodology where there is no underlying documentation for the building (ESTM) - Officially produced EPC based on the documentation relative to the specific dwelling obtained with the consent of the property owner or owners (OFPC) - Other (OTHER)	YES	YES	(LIST)		N	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE06	Issuance date of most recent available Energy Performance Certificate (EPC) registration	Enter the issuance date of last available Energy Performance Certificate (EPC) registration	YES	YES	(DATEFORMAT)		N	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE07	Energy Performance Certificate (EPC) validity length	Enter the number of years the EPC is valid for since the registration date. Enter the number of years in integer	YES	YES	(INTEGER-4000)		N	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE08	Energy Performance Certificate (EPC) methodology	Enter the name of the calculation method of the Energy Performance Certificate	YES	YES	(ALPHANUM-100)		N	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE09	Energy Performance Certificate (EPC) status	If applicable in the jurisdiction: the status of the Energy Performance Certificate (EPC) - Building permit (BPM) - In-use for already existing building (IUB) - Newly built (NEB)	YES	YES	(LIST)		Y	Y	Y	
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	ERE10	EU-Equivalent Energy Performance Certificate (EPC) Method / EPBD-regime	Please select one of the following options - Non-NZEB - NZEB - ZEB - Other	YES	YES	(LIST)		Y	Y	Y	
ENG Annex 2: RRE Add-on	Primary Energy Demand (PED)	ERE11	Primary Energy Demand (PED) of the building	Value of the Primary Energy Demand (PED) for the building as displayed on the Energy Performance Certificate (EPC). This value should be displayed as total primary energy use in kWh/m2 per year	YES	YES	(INTEGER-4000)		Y	Y	Y	
ENG Annex 2: RRE Add-on	Primary Energy	ERE12	Estimated or officially produced	Enter, if applicable, one of the following options: - Estimated Primary Energy Demand (PED) based on Automated Valuation Model (AVM), desktop or other methodology where there is no underlying documentation for the building (ESTM)	YES	YES	(LIST)		Y	Y	Y	

Applying the filters, it is possible to check the data fields that are applied to assess the criteria



## Data formats applicable

- Lending institutions will provide the ENGAGE Templates in CSV format.
- The ENGAGE Templates envisage the provision of the information following the standards of the ESMA technical standards on disclosure requirements prescribed in Commission Delegated Regulation (EU) 2020/1225.



# The ENGAGE Portal: How UCI is preparing for its 2024 EU Taxonomy-aligned data extraction

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Cátia de Almeida L. Alves, Unión de Créditos  
Inmobiliarios







# UCI's ESG strategy

2017

- Membership of the Energy Efficient Mortgages initiative (EEMI) of the European Mortgage Federation (EMF).
- Launch of the first green mortgage in Spain.

2019

- Structuring and launch of the first green securitisation fund (RMBS Belem 1). STS, Sustainalytics label, EEMI initiative of the EMF in collaboration with the EIB.
- Agreement with the Madrid Municipal Housing and Land Corporation (EMVS) to contribute to the renovation of housing in Madrid.
- ISO 14001 Environmental Management System certification from AENOR.
- Greenmociónate forum to develop real estate professionals as agents for change of the real estate stock.
- Launch of [creditos.com](http://creditos.com), a channel for refurbishments and renovation.
- Membership of the AUNA-EUH2020 forum to promote the renovation of buildings through affordable finance and contribute to decarbonization of the real estate stock.

2021

- “Engage for ESG activation investments”, a project coordinated by the European Data Warehouse and with the collaboration of UCI has been awarded a grant of 128 K€ by the European Climate, Infrastructure and Environment Executive Agency (CINEA), under the LIFE program (EC).

- Issuance of RMBS Green Prado XI, the first Spanish Green deal, in collaboration with the EIB, the EIF and ICO.

- Launch of the Green Mortgages & Loans area.

2018

- Agreement with Gloval and GBCe to promote sustainable finance.
- Launch of the SUMA Green Mortgage to finance energy-efficient purchases and renovations.
- NAR (National Association of Realtors) Green training: providing real estate professionals with training in green property finance.

2020

- 2021 Mortgage Prize from CESINE and Metros2 for our commitment to real estate sustainability through the Green Mortgage.
- UCI, the first institution in the Iberian Peninsula to be awarded the Energy Efficient Mortgage Label (EEML) by the European Mortgage Federation, which certifies compliance with the strictest environmental protection criteria.

- Creation of our Sustainability and CSR Department. UCI is committed to the inclusion of Percentage of assistance to the committees. These values as part of its commitment to stakeholders.
- Euronext Sustainable Finance prize awarded to RMBS Green Belem, the first green bond issue in Portugal.
- Greemko Automatization of UCI Carbon footprint assessment.

- The European Investment Bank (EIB) and Unión de Créditos Inmobiliarios (UCI), signed a new agreement Prado VIII 50 M€ to promote the renovation of existing buildings in Spain and Portugal.
- Coordination of the EML taxonomy working group.
- Elaboration of the first corporate sustainability annual report.

2022

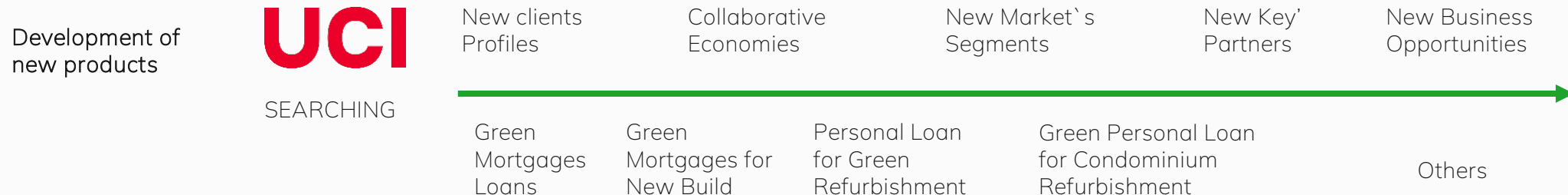
2023

- Creation of an internal ESG Scorecard within a Sustainable Action plan
- First ESG Rating conducted by Sustainable Fitch

# UCI's ESG strategy

## UCI Green Strategy

- As part of this company positioning, UCI has embedded Sustainability and Responsibility into its commitment to its stakeholders, adapting its business models to the SDGs (Sustainable Development Goals) laid down by the UN.
- This issue has been particularly important for UCI. We have been one of the representatives of the Spanish mortgage sector in the European Mortgage Federation's Energy Efficient Mortgage Initiative (EEMI).
- This project indicate of UCI's spirit of innovation, and pioneering in the Spanish market, reinforces our commitment to the planet sustainability.
- By incorporating sustainability and responsibility as strategic foundations, we are developing our corporate and Brand positioning.




# UCI's loan granting process

Information collection process

 Mortgage Loans

 Origination Loans

 Portfolio

Mortgage Loan (15-25 years with collateral)

Credit Risk analysis

Client rent  
Client salaries  
Client Bank Accounts

Data collected to assess the client's creditworthiness.

Property analysis

Appraisal Document  
Recent EPC (10 years)  
Information related with the collateral

Originated until 2013

EPC obtained through expert appraisal by an external firm (Gloval). The entire process lasted 2 months.

Originated after 2013

EPC acquired via OCR (3-month process) due to the document being digitized in our IT system.

**SOLICITANTE Y FINALIDAD**

Entidad:   
Sede:   
Finalidad: a efecto de garantía Notarial/Comunidad, los requisitos de la IC-050/2000 de 27 de Marzo (BOE 05/03/2001) en el momento de 05/03/2007 por el número 302 (Proyecto 11.781).

**IDENTIFICACIÓN Y LOCALIZACIÓN**

Vale para:   
Provincia: Madrid   
Localidad: Getafe (San Martín)

**COMPROBACIONES Y DOCUMENTACIÓN**

Identificación física mediante inspección ocular:   
Estado de inscripción en el:   
Registro de propiedad, hipoteca y cargas:   
Atribución al promotor:   
Comprobación Práctica Regulatoria:

**LOCALIDAD Y ENTORNO**

Localidad: Getafe (según artículo 47.1º RD) habiéndose según artículo del 2019, habiéndose experimentado un incremento del 3.54 % respecto al año 2015. Ocupación general: mixto y en gran parte tipo.

Edificio:	Urbanización:	Equipamiento:
Tipo: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: primer vivienda	Urbanización: buena	Equipamiento: próximo
Tipología: vivienda	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado
Carácter: urbanización	Urbanización: buena	Equipamiento: adecuado

**CERTIFICADO DE EFICIENCIA ENERGÉTICA DE EDIFICIOS**

IDENTIFICACIÓN DEL EDIFICIO O DE LA PARTE QUE SE CERTIFICA:

Nombre del Edificio:		Código Postal:	
Dirección:		Comunidad Autónoma:	
Municipio:	Madrid	Provincia:	Madrid
Zona climática:	D3	Año de construcción:	Posterior a 2013
Plantas sobre rasante:	2	Normativa vigente (construcción):	Planes, bajo rasante: 1
Normativa vigente (rehabilitación):	CTE HE 2013	Referencia Catastral:	2056326V27350001PU

Tipo de edificio o parte del edificio que se certifica:

- Edificio de nueva construcción: Edificio existente
- Vivienda:  Individual  Bloque Completo  Bloque Individual
- Tercero:  Edificio completo  Local

DATOS DEL TÉCNICO CERTIFICADOR:

Nombre y Apellidos:		NIF/NIE:	
Razón Social:		NIF:	
Domicilio:		Código Postal:	28009
Municipio:	Madrid	Comunidad Autónoma:	Madrid
Provincia:	Madrid		
E-mail:		Teléfono:	
Titulación habilitante según normativa vigente:	Ingeniero Industrial		
Procedimiento reconocimiento de calificación energética utilizado y versión:	HU CTE-HE y CEE-Verdigi 1.0 1564.1124, de fecha 3 de marzo 2013 y Veridigi 1.0		

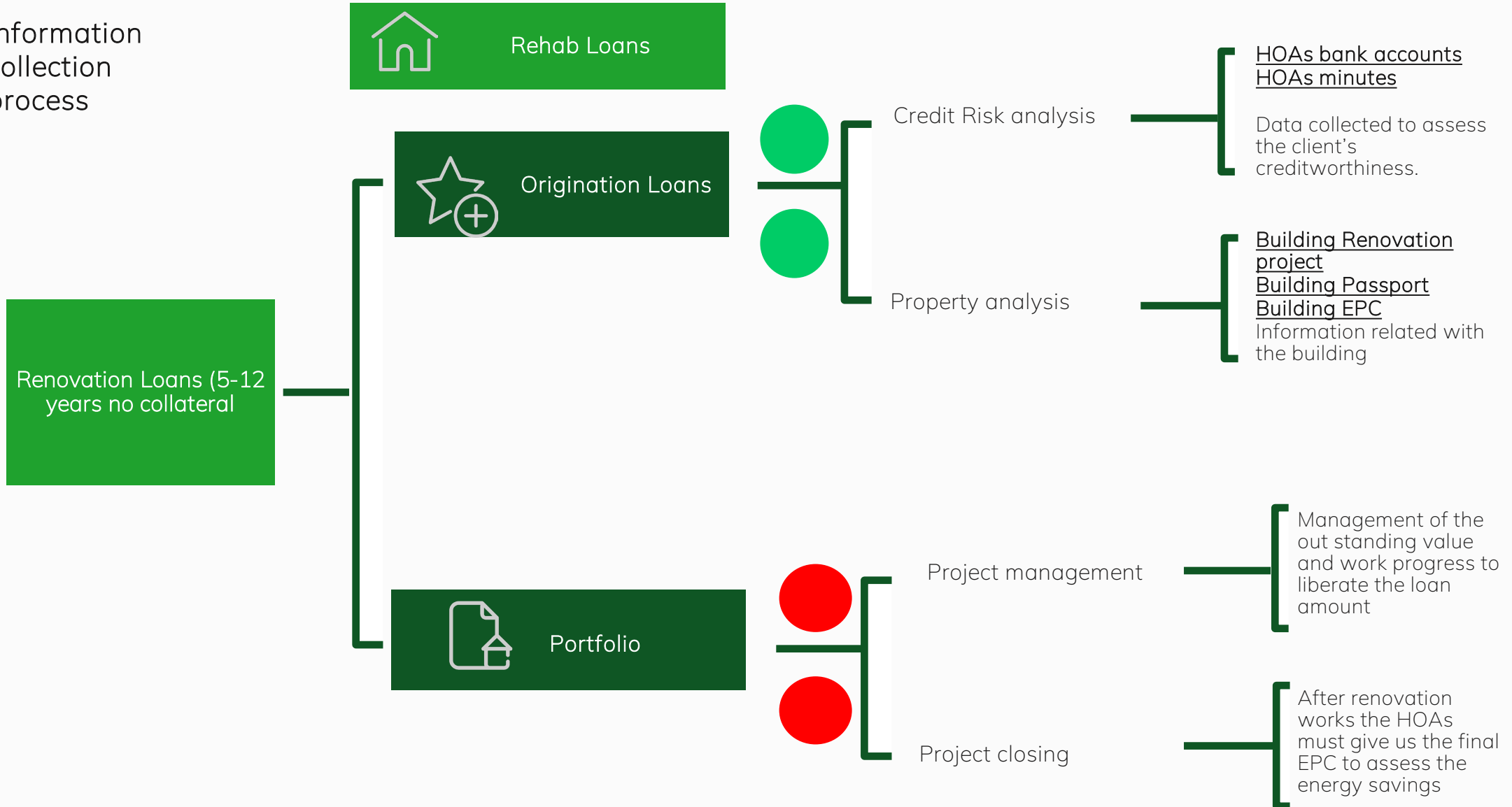
CALIFICACIÓN ENERGÉTICA OBTENIDA:

CONSUMO DE ENERGÍA PRIMARIA NO RENOVABLE [kWh/m²/año]	EMISIONES DE DIÓXIDO DE CARBONO [kgCO2e/m²/año]
12,24	2,54
13,24	2,84
14,24	3,14
15,24	3,44
16,24	3,74
17,24	4,04
18,24	4,34
19,24	4,64
20,24	4,94
21,24	5,24
22,24	5,54
23,24	5,84
24,24	6,14
25,24	6,44
26,24	6,74
27,24	7,04
28,24	7,34
29,24	7,64
30,24	7,94



# UCI's loan granting process

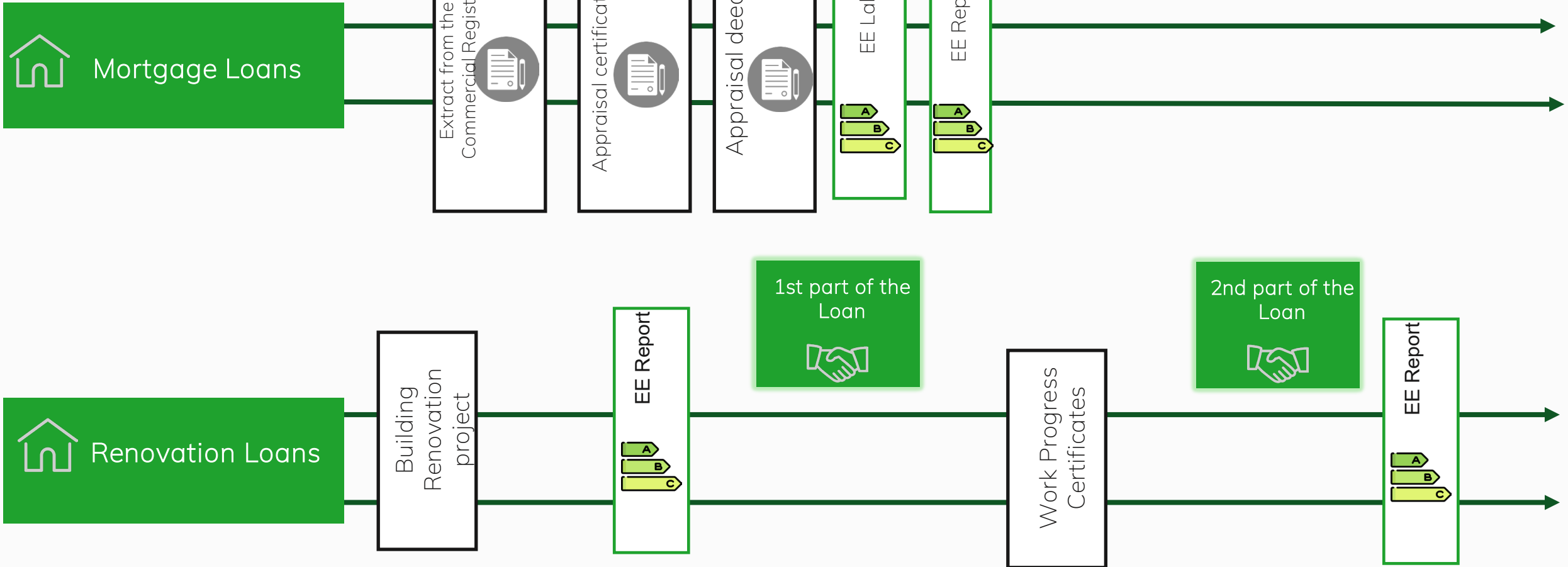
Information collection process





# UCI's loan granting process

Key documents:  
Timeline





# UCI's loan certification process

## Key documents from where to extract the information

Source

Information Provided

	Extract from the Commercial Register	Cadastral Reference	Appraisal Certificate	Appraisal Deed	EE Label	EE Report
Source	Obtained by various means: Online, by mail, in person or through intermediaries.	Obtained free of charge through the cadastre website.	Obtained from an official appraiser previous to accepting the operation. It is received some days after an inspection of the dwelling is done.	Obtained from an official appraiser previous to accepting the operation. It is received some days after an inspection of the dwelling is done.	The label must be included in any advertisement or offer of the property for sale or rent, as well as in the property itself. The label is issued by the regional authorities or Juntas after receiving the EPC from the appraiser.	This certificate is mandatory for all properties for sale or rent in Spain since June 1, 2013, and it must be obtained by the owner or developer from an official appraiser accredited by the Bank of Spain.
Information Provided	<ul style="list-style-type: none"> <li>Type of Ownership.</li> <li>General description of the property (location, size, boundaries, features, etc.).</li> <li>Total built square metres and percentage of communal areas.</li> <li>Classification of the property (residential, agricultural, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Provides information about a property, such as its ownership, legal status, and encumbrances.</li> <li>It is used as a double check to verify the information seen in the Nota Simple.</li> </ul>	<ul style="list-style-type: none"> <li>Shorter and simpler document that summarizes the main points of the valuation, such as the property description, the valuation method, the market data, and the final value.</li> <li>Energy efficiency, the carbon footprint, the physical risks, the accessibility, the social responsibility, and the corporate governance of the property and its owners or managers.</li> </ul>	<ul style="list-style-type: none"> <li>More detailed and comprehensive document that provides a thorough analysis of the property and its value, including the purpose of the valuation, the identification and location of the property, the description of the property and its surroundings, the method and criteria of valuation, the market research and comparison, the adjustments and corrections, the valuation result, and the appendices with supporting documents.</li> </ul>	<ul style="list-style-type: none"> <li>Shorter and simpler document that summarizes the main points of the valuation, such as the property description, the valuation method, the market data, and the final value.</li> <li>Energy efficiency, the carbon footprint, the physical risks, the accessibility, the social responsibility, and the corporate governance of the property and its owners or managers.</li> </ul>	<ul style="list-style-type: none"> <li>More detailed and comprehensive document that provides a thorough analysis of the property and its value, including the purpose of the valuation, the identification and location of the property, the description of the property and its surroundings, the method and criteria of valuation, the market research and comparison, the adjustments and corrections, the valuation result, and the appendices with supporting documents.</li> </ul>



# RMBS ESMA reporting

Deals / RMBS0000088101620237  
**RMBS GREEN PRADO XI**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 95980020140005209368N202301 | Selected PCD: 2023-09-13

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

UCI has achieved the highest score in every quarterly assessment since the ESMA templates became mandatory.

Deals / RMBSPT000088101520225  
**RMBS BELEM No. 2**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 8364008LJ0EYGVUCLN202001 | Selected PCD: 2023-08-31

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

Deals / RMBSPT000088101920202  
**RMBS GREEN BELEM No.1**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 4364008LJ0EYGVUCLN202001 | Selected PCD: 2023-08-31

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

Deals / RMBS0000088101420224  
**FT RMBS PRADO X**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 95980020140003209368N202301 | Selected PCD: 2023-09-11

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

Deals / RMBS0000088101220218  
**FT RMBS PRADO IX**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 95980020140005209368N202301 | Selected PCD: 2023-09-12

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

Deals / RMBS0000088101220210  
**RMBS PRADO VIII**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 95980020140005209368N202301 | Selected PCD: 2023-09-08

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data

Deals / RMBS0000088101220204  
**RMBS PRADO VII**

Share Edit Delete

Information Data & Documents Insights ECB Template ESMA Template Documents

Securitisation Identifier: 95980020140003209368N202301 | Selected PCD: 2023-09-08

File Name & Size Limit Upload New Publish

Download Feedback

Score: **A1** (ESMA Score) **A** (Data Quality Score)

Submission Status: Your files have been Accepted with Warnings (WARN)

Next Steps: No further action required.

Processing Steps:
 

- Underlying Exposures (Published)
- Signature Validation
- File Validation
- Data Extraction
- PCD
- Trigger Data Processing Pipeline

Quick Statistics

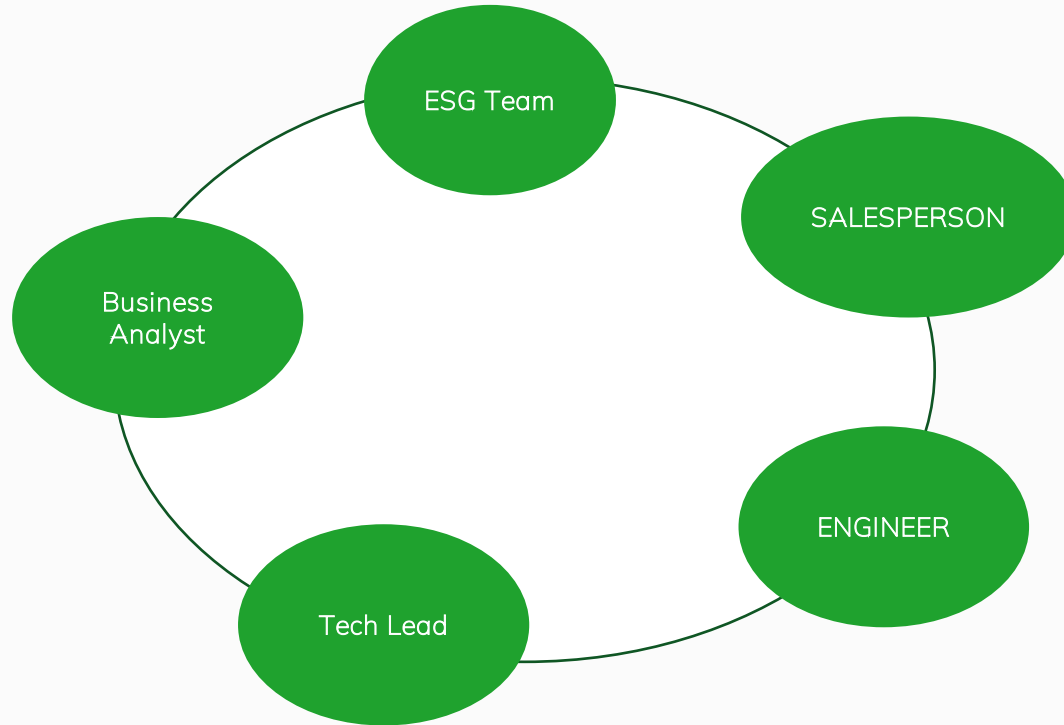
ND Threshold Report

Asset Class	Threshold 1	Threshold 2	Result
Residential	0 / 30	0 / 30	ACPT

Performance Data



# UCI methodology to collect and report new data



**BIGGEST CHALLENGE**



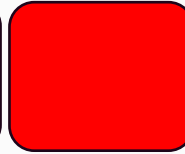
Convincing the commercial team to scan the EPC report and insert the key information in our systems.

Based on our experience, the process requires a strong focus on the origination stage to capture all the necessary information. It is also crucial to use a multidisciplinary team (from IT, business, and funding) to ensure an efficient process.

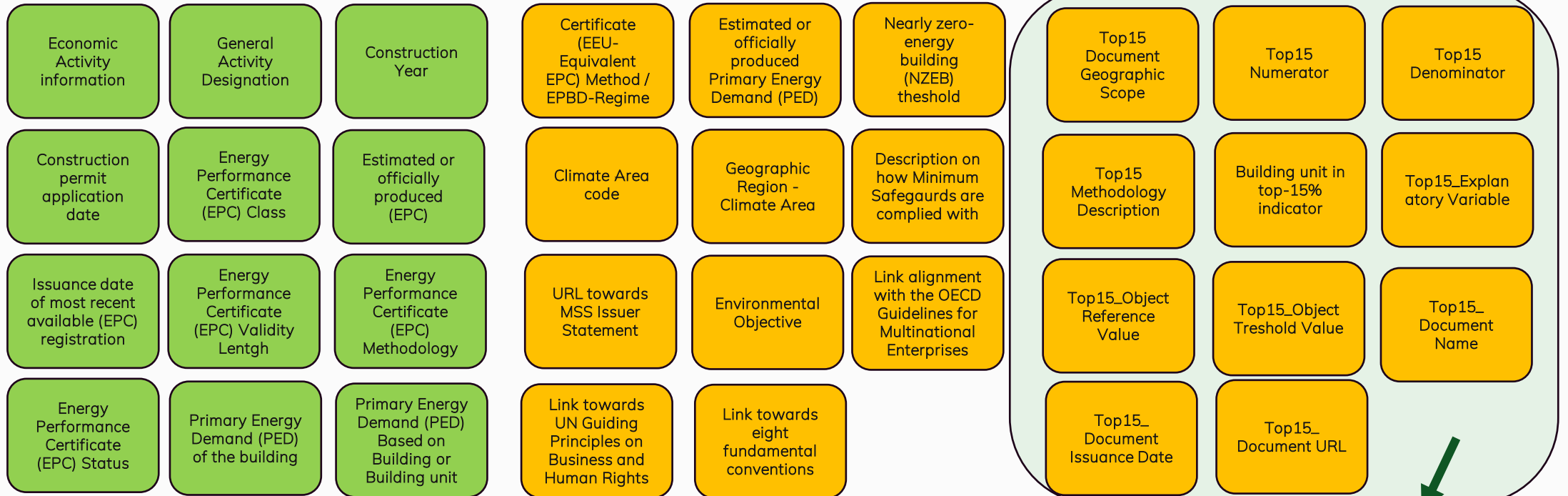




# Traffic Lights Classification



Out of the 34 new data fields included in the latest template, we believe we could have them already to report at some point in 2024. Therefore, no red colour identified although many orange buckets pending to be transformed to green. This applies both to Spain and Portugal and we expect to have all the information available after 6 months.



Waiting for a unique definition/  
Unification of criteria



# ENGAGE impact on UCI

Using the ENGAGE Templates is a valuable and rewarding experience for UCI. It helps us to comply with the regulatory framework, improve our data quality, and increase our market knowledge. It certainly brings many benefits and also some challenges for the company: presence.



## BENEFITS

- Improves our efficiency to comply with the sustainability regulatory requirements and standards, saving us 50% of our time dedicated to fulfil different templates.
- Enhances our data quality and accuracy, as we can use the validation rules and checks provided by the ENGAGE template to ensure that our data is complete and consistent.
- Increases our market visibility and reputation, as we can demonstrate our transparency and accountability to our stakeholders and potential customers. This template mitigates our reporting process operational risk which helps us with the accuracy of the data and therefore covers our reputational risk.
- Gives us the authority to require Spanish and Portuguese authorities to update mandatory property information.



## CHALLENGES

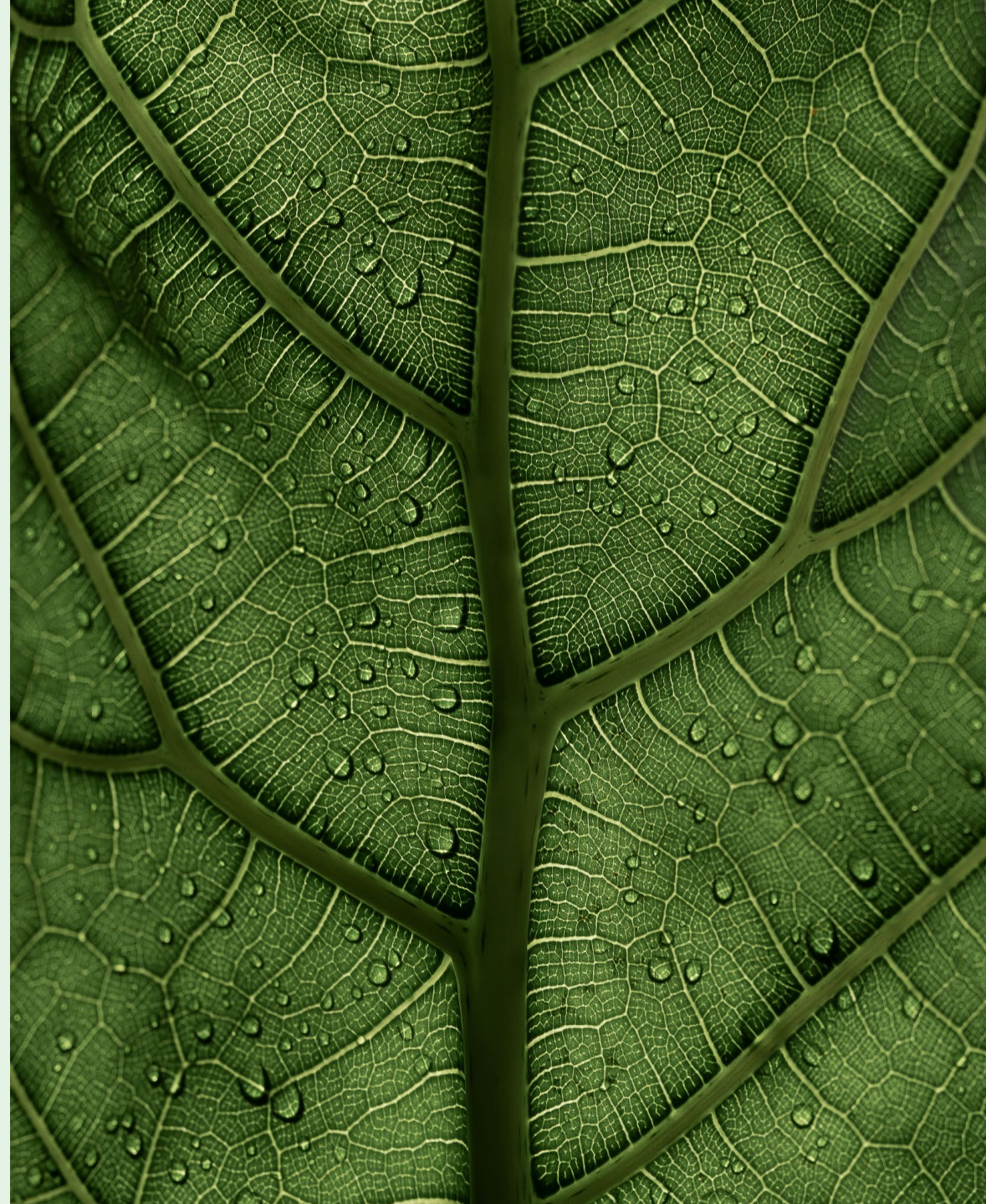
- The Spanish challenge is to release to the financial sector information needed to calculate certain classifications (such as natural hazard exposures and real estate stockage EPC distribution for each province). After having this information, we estimate a 6-month development to codify this information in the system for new originations. For the portfolio we assume to use estimation models Public information about the energy certification of buildings in Portugal can be found at <https://www.miteco.gob.es/>.
- The Portuguese challenge is aligning our internal data systems and processes with the ENGAGE templates. This requires an investment in IT infrastructure and human resources to map, extract, transform, and load our data into the ENGAGE templates. Public information about the energy certification of buildings in Portugal can be found at <https://www.sce.pt/>.



# Closing Remarks

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Marco Angheben, European DataWarehouse

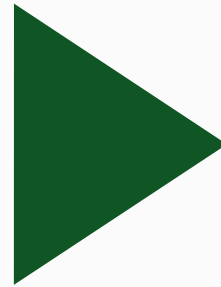




# How to get ENGAGED?

1

Access  
ENGAGE  
Templates  
now



2

Test ENGAGE  
Templates  
using real data  
within  
ENGAGE Portal  
in 2024



# 1. Access the ENGAGE Templates

- The ENGAGE templates are now available to lending institutions.
- To get access to the ENGAGE templates, lending institutions are required to complete a simple access request [form](#).
- Once the request is processed, the ENGAGE templates will be sent through email to the applicant along with the supporting guiding documentation that will help lending institutions understand the templates.

The screenshot shows a web form titled "Request for Access to the ENGAGE Templates for Lending Institutions". The form is set against a light green background with a subtle grid pattern. It contains four main sections, each with a text input field and a label:

- 1. Name, surname \***: A text input field with the placeholder "Enter your answer".
- 2. Lending institution legal name \***: A text input field with the placeholder "Enter your answer".
- 3. Business email address \***: A text input field with the placeholder "Enter your answer".
- 4. I hereby confirm that I have read and agree to the Terms and Conditions to access the ENGAGE Templates**: This section includes a blue hyperlink to the terms and conditions: <https://engage4esg.eu/rodw.eu/wp-content/uploads/2023/11/TermsConditionsAccessENGAGETemplates.pdf>. Below the link is a radio button labeled "I confirm".

At the bottom of the form, there is a green "Next" button and a footer note: "Never give out your password. [Report abuse](#)".



## 2. Test the ENGAGE Templates

- Once the ENGAGE Portal is available, UCI and Wonnu, the two pilots of the ENGAGE initiative, will be the first lending institutions testing the ENGAGE Templates.
- All lending institutions across the European Union are invited to test the ENGAGE Templates.
- The ENGAGE Templates and Portal will help lending institutions to assess the alignment of their mortgages and home renovation loans with the EU Taxonomy Regulation.

The image shows a blurred screenshot of a table with several columns and rows. The table appears to be a data table with a header row highlighted in yellow. The columns are too blurry to read, but the structure suggests a list of items with associated details. The rows contain text that is illegible due to the blurring effect.



**Website:**

[engage4esg.eurodw.eu/](https://engage4esg.eurodw.eu/)

**Social Media:**

<https://www.linkedin.com/company/engage-for-esg-activation-investments/>



Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them.

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