



The ENGAGE for ESG initiative: EU Taxonomy Compliance for Mortgages

Tuesday, 23 April 2024



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Today's speakers



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Vincent Mahieu

Head of Energy Efficiency & Regulatory
Technology
Hypoport
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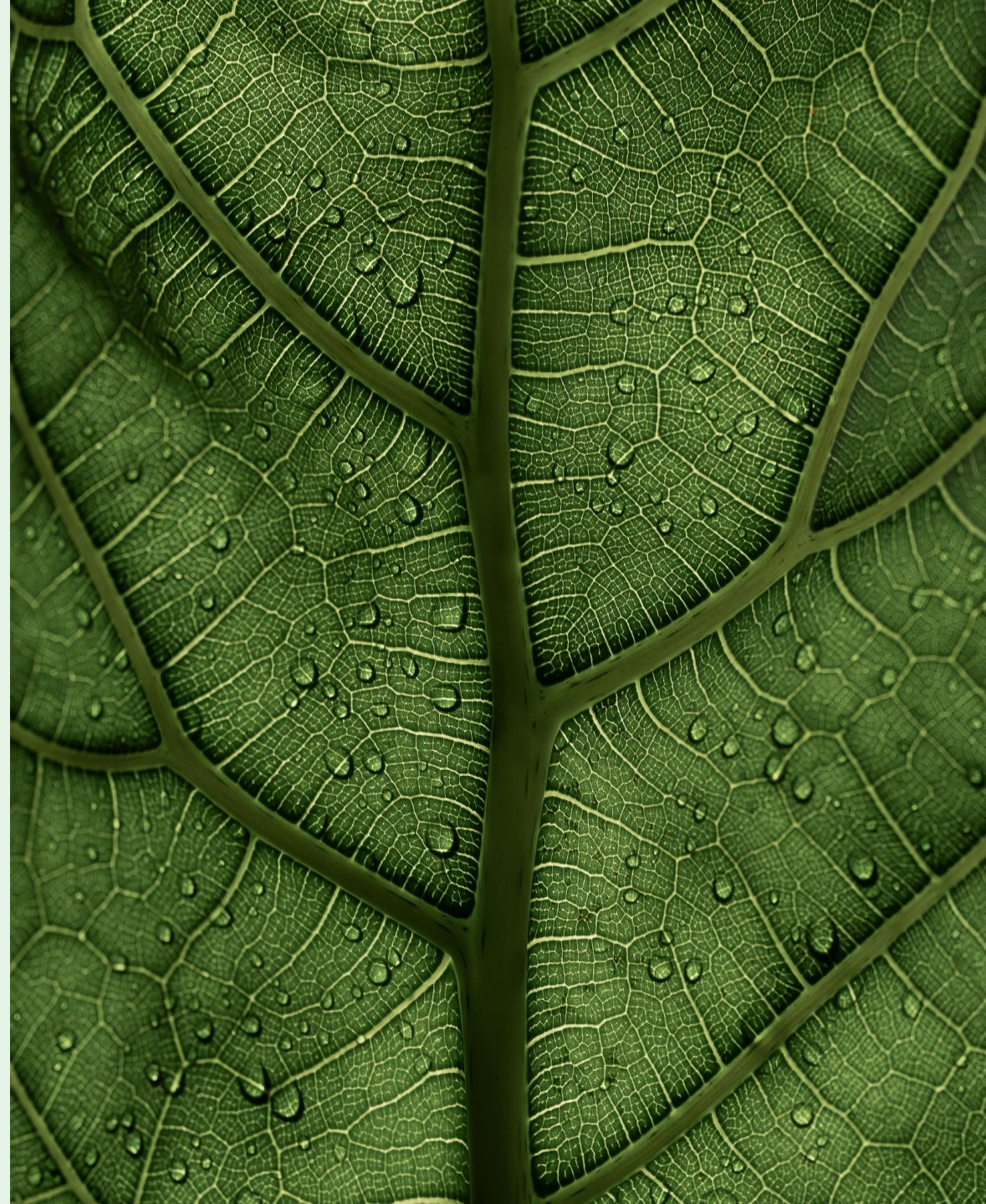
Agenda

- 14:00** **Introduction of the ENGAGE for ESG Initiative**
Marco Angheben, European DataWarehouse & Project Coordinator
- 14:10** **Scope of the ENGAGE Templates version 1.0**
Vincent Mahieu, Hypoport
- 14:20** **The ENGAGE Templates: converting EU Taxonomy into data requirements**
Vincent Mahieu, Hypoport
- 14:50** **Closing remarks**
Marco Angheben, European DataWarehouse & Project Coordinator
- 14:55** **Questions & Answers**



Introduction of the ENGAGE for ESG initiative

Marco Angheben, European DataWarehouse & Project
Coordinator





The EU climate challenge

75%

- *Almost 75% of the EU building stock is energy inefficient according to current building standards.*
- *It is therefore urgent for the EU to focus on how to **make our buildings more energy-efficient**, less carbon-intensive over their full life-cycle and more sustainable.*
- *The level of renovations of existing buildings remains persistently low and shallow.*

55%

- *The European Commission estimates that **in order to achieve the proposed 55% emission reduction climate target by 2030, around EUR 275 billion of additional investments are needed per year.***
- *It is necessary to act on different fronts to foster a better use of EU and national public funds and **mobilise a greater share of private funds.***



The ENGAGE for ESG Initiative

- The ENGAGE for ESG initiative aims to contribute to the goals of the EU Green Deal, by promoting ESG transparency for residential mortgages and home renovation loans.
- The ENGAGE Templates 1.0, released in November 2023, include data elements that allow financial institutions to disclose the alignment of their mortgages with the EU Taxonomy requirements in line with the Substantial Contribution Criteria of the Climate Delegated Act.
- The Templates will also enable the assessment of the degree of sustainability for mortgages and the classification of investments for certain mortgages as “sustainable” according to the EU Taxonomy.
- The Templates will be updated and expanded to incorporate the most relevant European sustainability regulations. They will be operationalised through the ENGAGE Portal, a dedicated IT infrastructure currently under development.
- ENGAGE Templates will be integrated in 2024 into the ENGAGE Portal currently under construction.
- All interested institutions are invited to test the Templates and the Portal upon request to engage4esg@eurodw.eu.
- A specific legal framework has been prepared for the safe and lawful processing of the data.

EUROPEAN
DATAWAREHOUSE

 HYPOPORT

UCI

woonnu

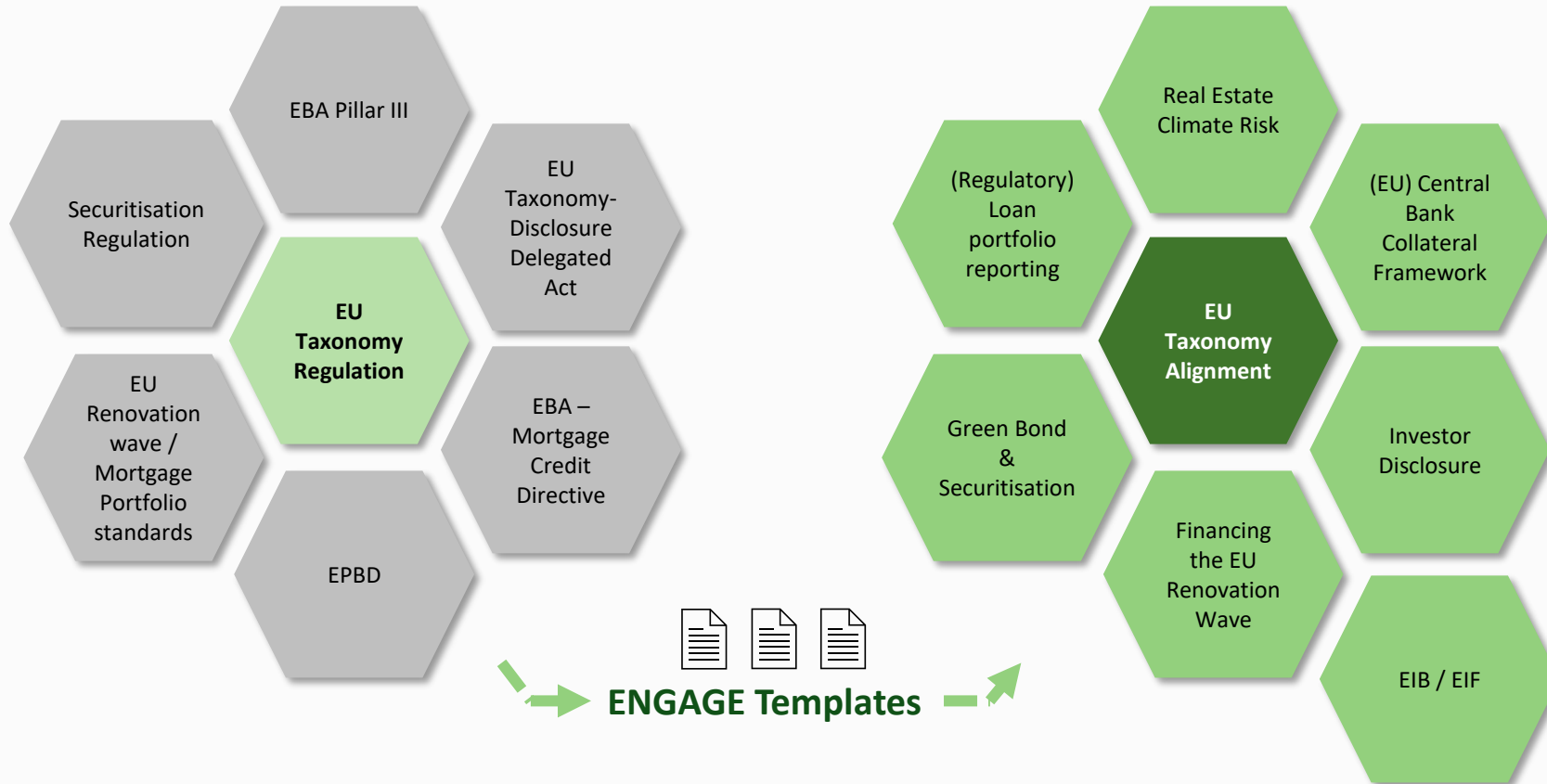

DEXAI
ARTIFICIAL ETHICS



Università
Ca' Foscari
Venezia



ENGAGE: (Regulatory) Background

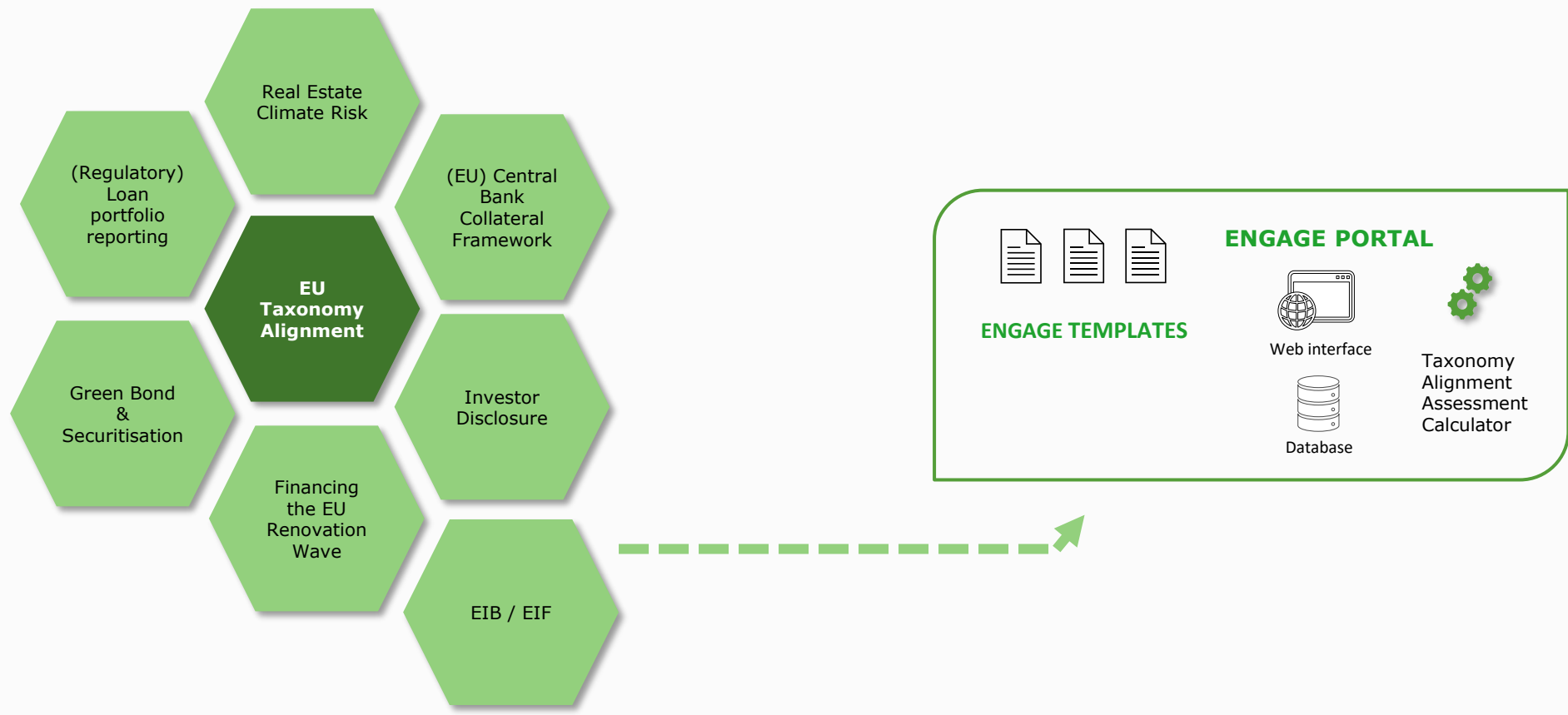


EU Taxonomy is the common denominator of many sustainable finance regulations



Scope for ENGAGE: The EU Taxonomy

A future proof format for real estate data encompassing Europe's most relevant (regulatory) sustainable finance requirements.

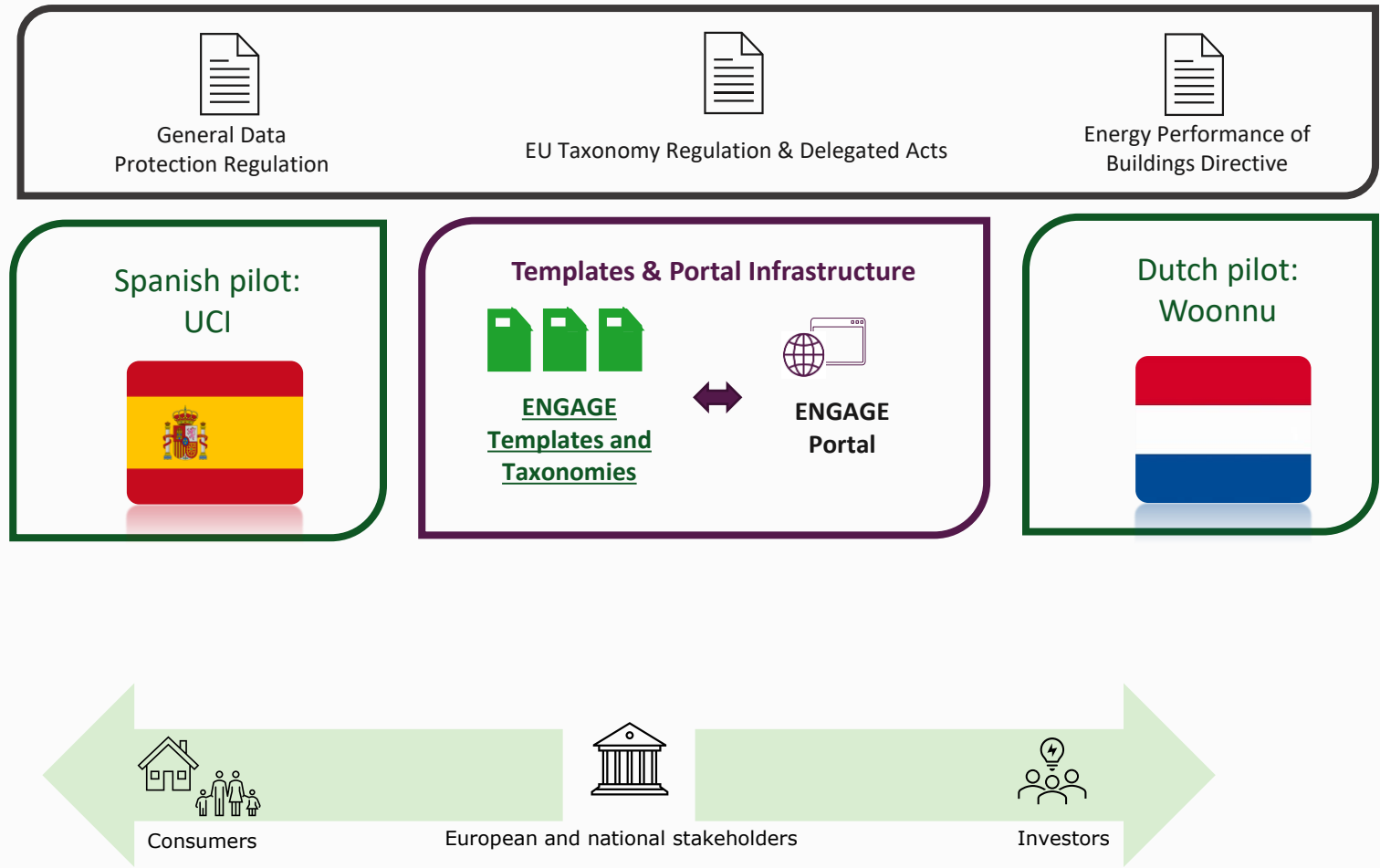


EU Taxonomy is the common denominator of many sustainable finance regulations



Scope for ENGAGE: The EU Taxonomy

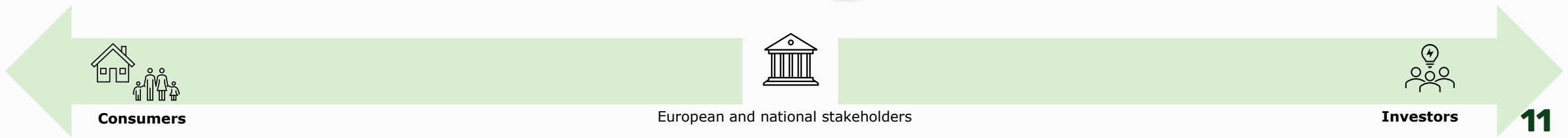
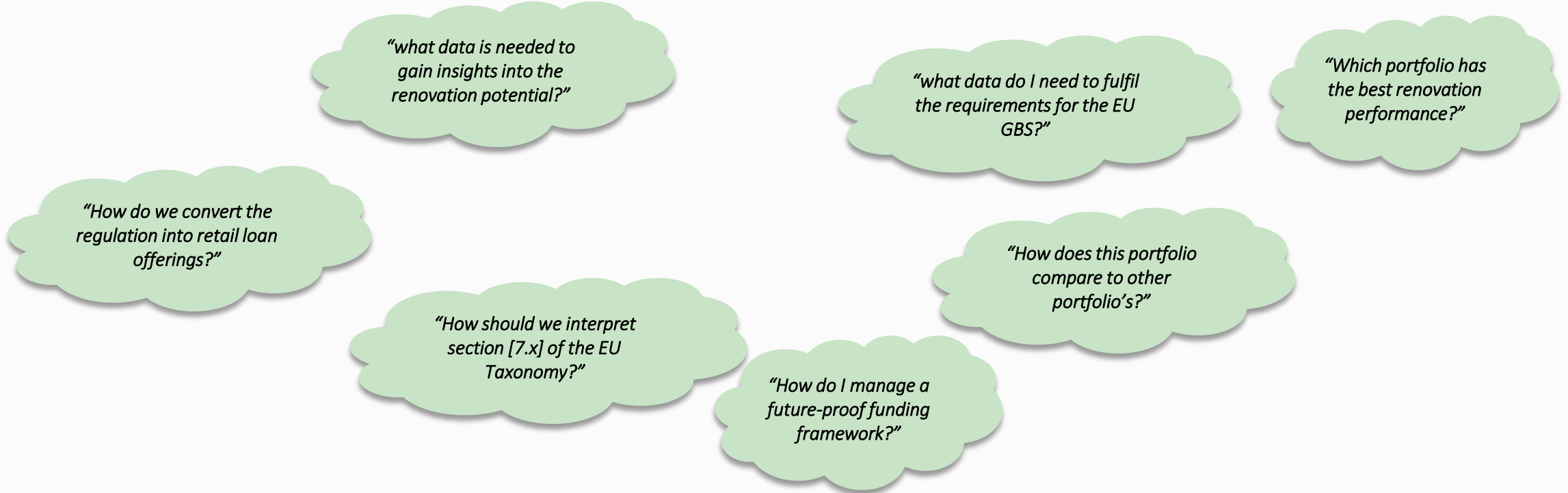
- A future proof format for real estate data encompassing Europe's most relevant regulatory and sustainable finance requirements
- Converting regulatory sustainable finance regulation into requirements incorporating both the consumer and the financial institution perspective





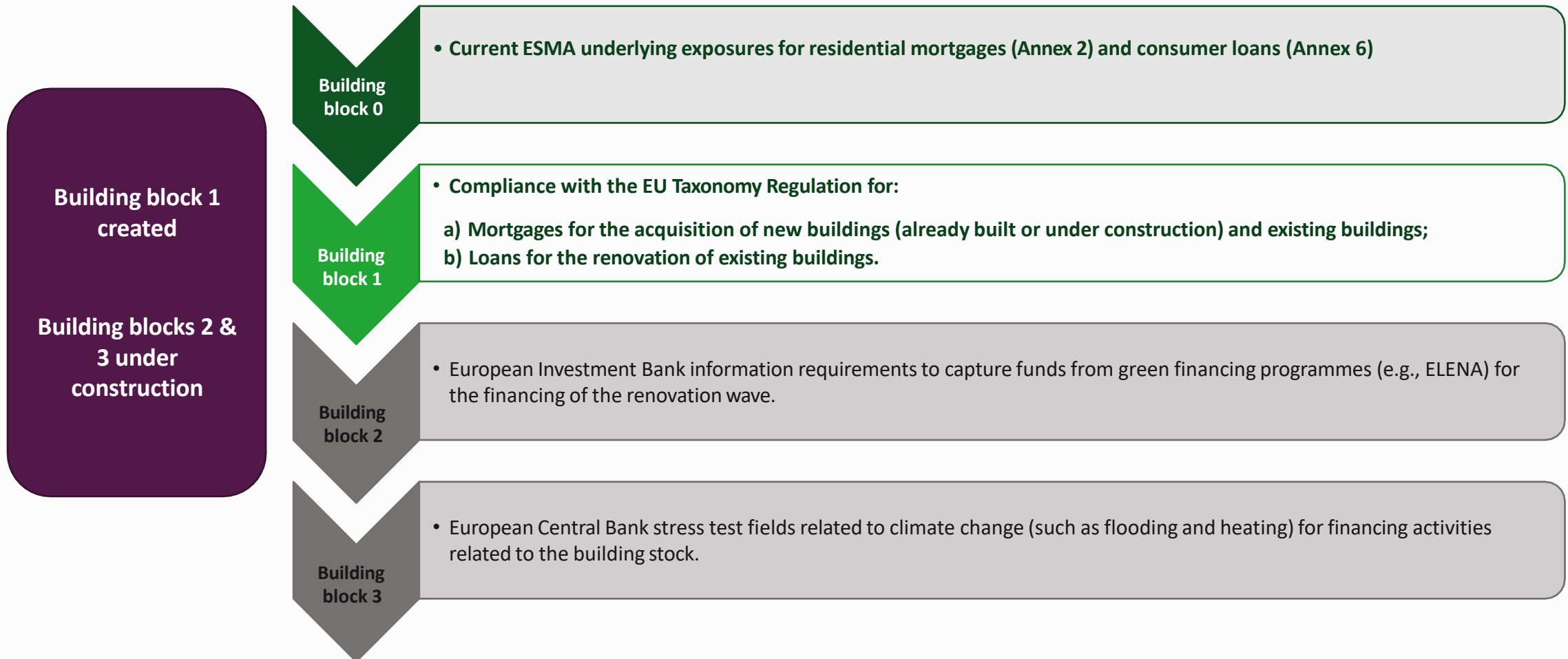
Scope for ENGAGE: The EU Taxonomy

Here is what we learned to be relevant for financial institutions from the outreach to (potential) pilots.





Scope for ENGAGE: The EU Taxonomy





The ENGAGE Templates

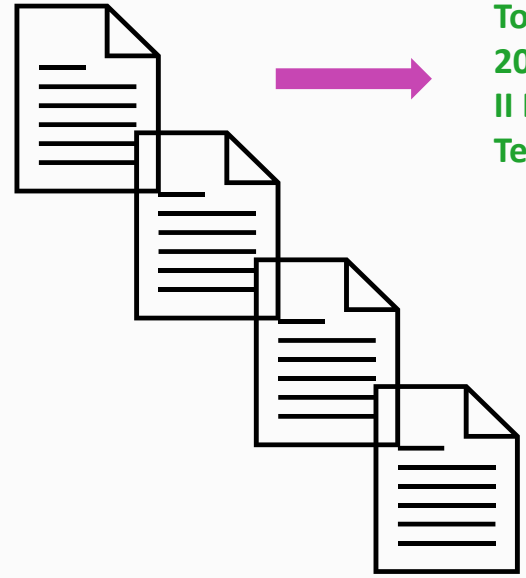
Templates V.1

TEMPLATE CATEGORY	SECTION	FIELD CODE	FIELD NAME	IS REQUIRED	IS MANDATORY	IS PUBLIC	Building class 1: Field Options for the calculation of:	Minimum Management	Section 7.2.1: EPC class A++	Section 7.2.1: Top 1%	Section 7.2.2: EPC class A+	Section 7.2.2: Top 10%
000 Annex 2: ENE Add-on	General building information	EN001	General Activity Description	YES	YES	ISPT						
000 Annex 2: ENE Add-on	Building information	EN002	Construction Year	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Building information	EN003	Construction permit application date	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN004	Energy Performance Certificate (EPC) Class	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN005	Calculated or officially published Energy Performance Certificate (EPC)	YES	YES	ISPT						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN006	Issued a year of final event (update Energy Performance Certificate (EPC) registration)	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN007	Energy Performance Certificate (EPC) Validity End Date	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN008	Energy Performance Certificate (EPC) Methodology	YES	YES	EN123(CEN/ISO)						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN009	Energy Performance Certificate (EPC) Status	YES	YES	ISPT						
000 Annex 2: ENE Add-on	Energy Performance Certificate (EPC)	EN010	EU-Registered Energy Performance Certificate (EPC) Member (EPC) Member	YES	YES	ISPT						
000 Annex 2: ENE Add-on	Priority Energy Demand (PED)	EN011	Priority Energy Demand (PED) of the building	YES	YES	EN123(CEN/ISO)						

Guiding Documentation



Sample files



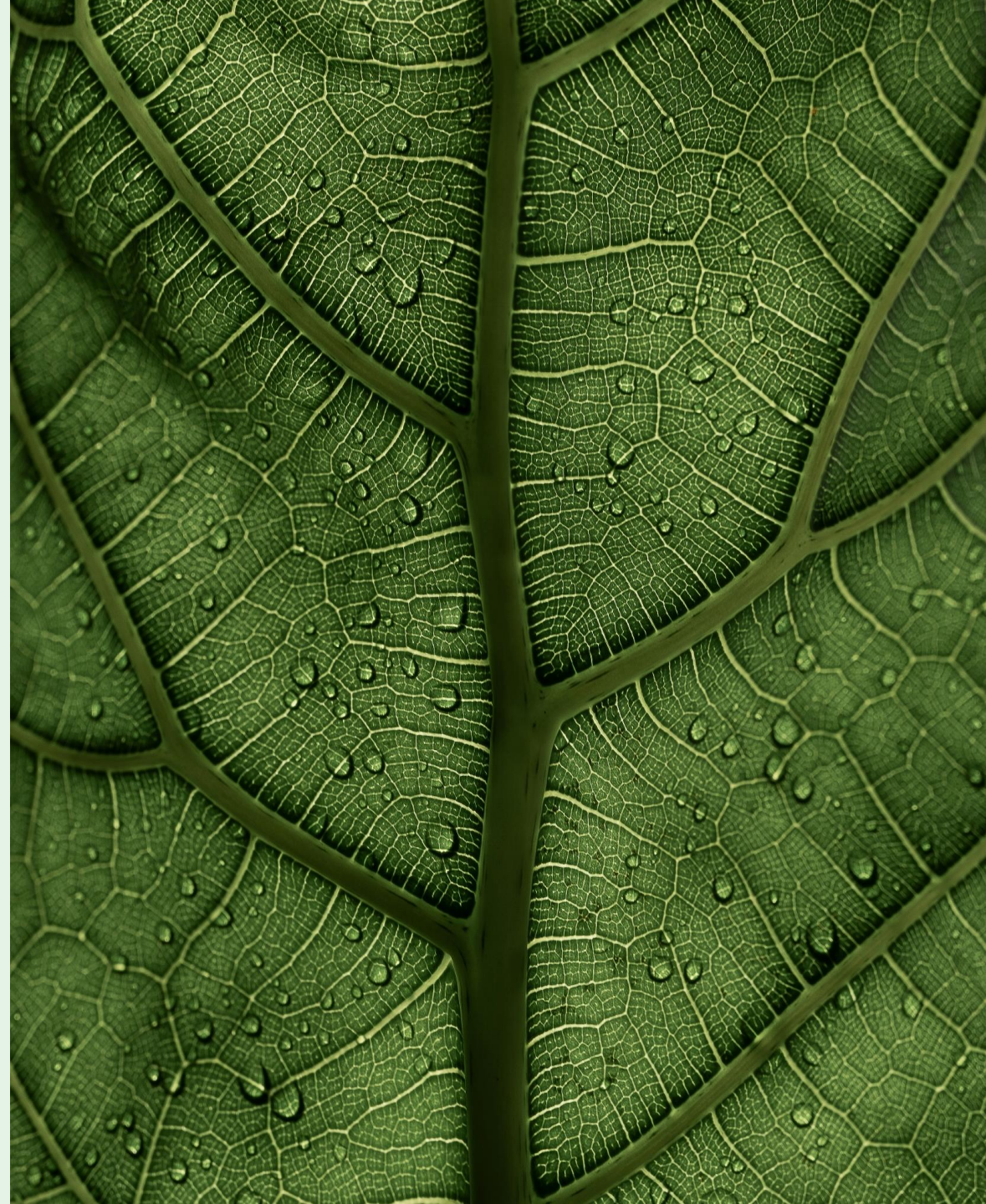
To be presented on 24 April 2024 during the II ENGAGE Templates Technical webinar

Request form for the ENGAGE Templates: <https://forms.office.com/e/td14aYsMQS>



Scope of the ENGAGE Templates version 1.0

Vincent Mahieu, Hypoport BV





The EU Taxonomy – Scope for ENGAGE

In short:

- The **EU Taxonomy Regulation** is a new regulation that constitutes the cornerstone of the EU Sustainable Finance Action Plan.
- The EU Taxonomy provides a **common language** and uniform criteria to identify the extent to which economic activities may be considered environmentally sustainable.
- Its aim is to reorientate **capital flows towards lower-emission economic activities** that will help decarbonize the economy.
- The EU hopes to reach **its 2030 climate targets** and **the ultimate goal of net-zero greenhouse gas emissions by 2050**.
- The EU Taxonomy defines the **minimum criteria that economic activities should comply with in order to be considered environmentally sustainable**.



Taxonomy Regulation



Climate Delegated Act



Annex I – Climate Change Mitigation

EU Taxonomy Alignment Steps

Substantial Contribution

+

Do No Significant Harm

+

Minimum Safeguards

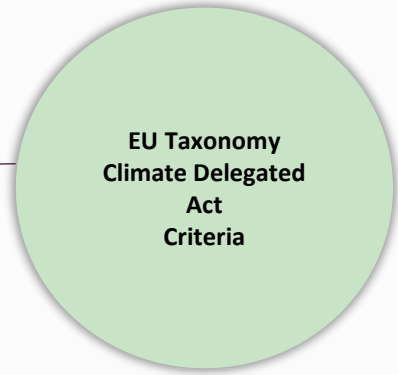
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Sustainable Activity

Additional Technical Screening Criteria Available



The EU Taxonomy – Scope for ENGAGE



+



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Technical Screening Criteria

Substantial Contribution

Do No Significant Harm

Minimum Safeguards

Data Granularity

Detailed Loan (part) and collateral (building unit level information)

Climate Related Information

Documentation and governance

+

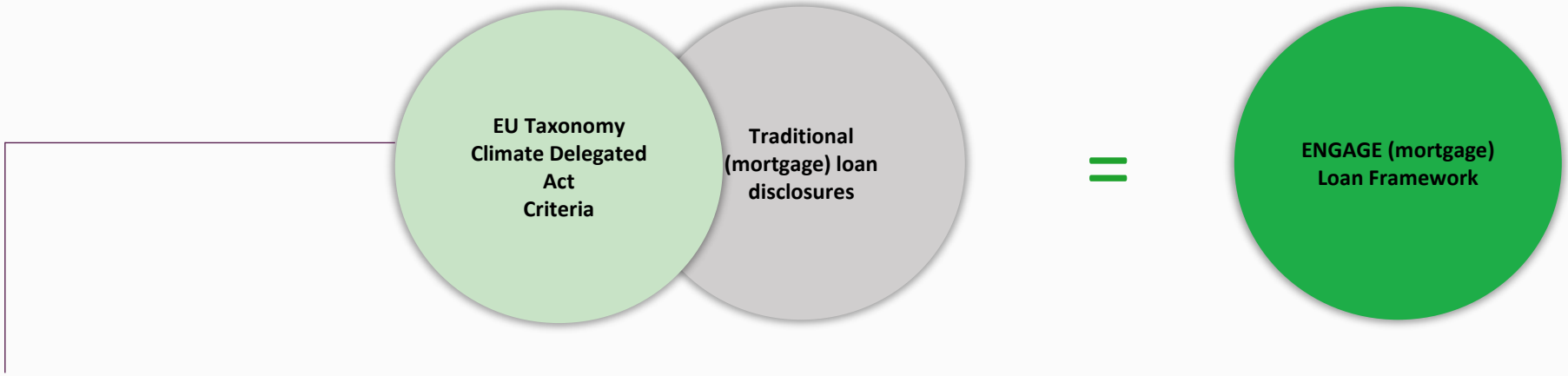
Securitisation Regulation Disclosures

Loan

Collateral



The EU Taxonomy – Scope for ENGAGE



Technical Screening Criteria

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Collateral



ENGAGE TEMPLATES

Combining the implicit data requirements of the EU Taxonomy with common mortgage loan disclosure format(s).



The EU Taxonomy – Scope for ENGAGE

Do No Significant Harm

Minimum Safeguards

Documentation, Governance & Transaction Structure (optional)

Dovetailing – Common Denominators

- ✓ By identifying common denominators among regulatory disclosure templates, financial institutions can simplify and streamline their (often costly) reporting processes.
- ✓ This will reduce the time and resources required to comply with multiple regulations, allowing financing institutions to focus on their core business: lending money.

Substantial Contribution

Assets

Liabilities

Dovetailing existing disclosure standards with EU Taxonomy requirements for real estate

Note that the ENGAGE Templates format can be used for mortgage portfolios, funds, securitisations and covered bonds.



The EU Taxonomy – Scope for ENGAGE

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

- ✓ ENGAGE Templates are an **add-on to existing market best practices**
- ✓ ENGAGE Templates are **scalable**; if in the first phase the focus is on the EU Taxonomy, other elements can be incorporated later.
- ✓ **Continuous Improvement and Innovation.**

Renovations

Existing / new buildings

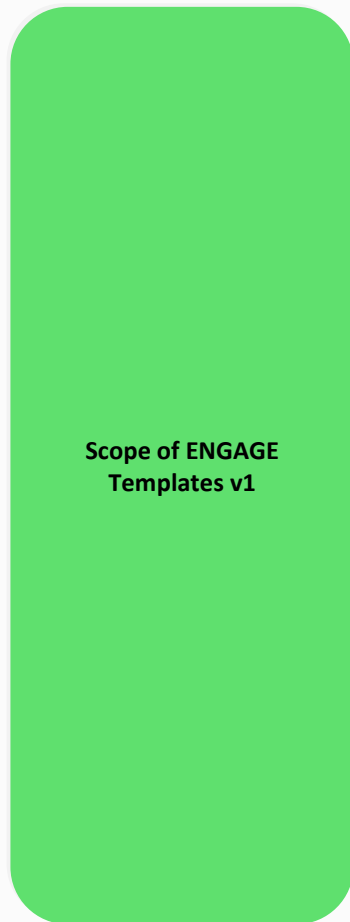
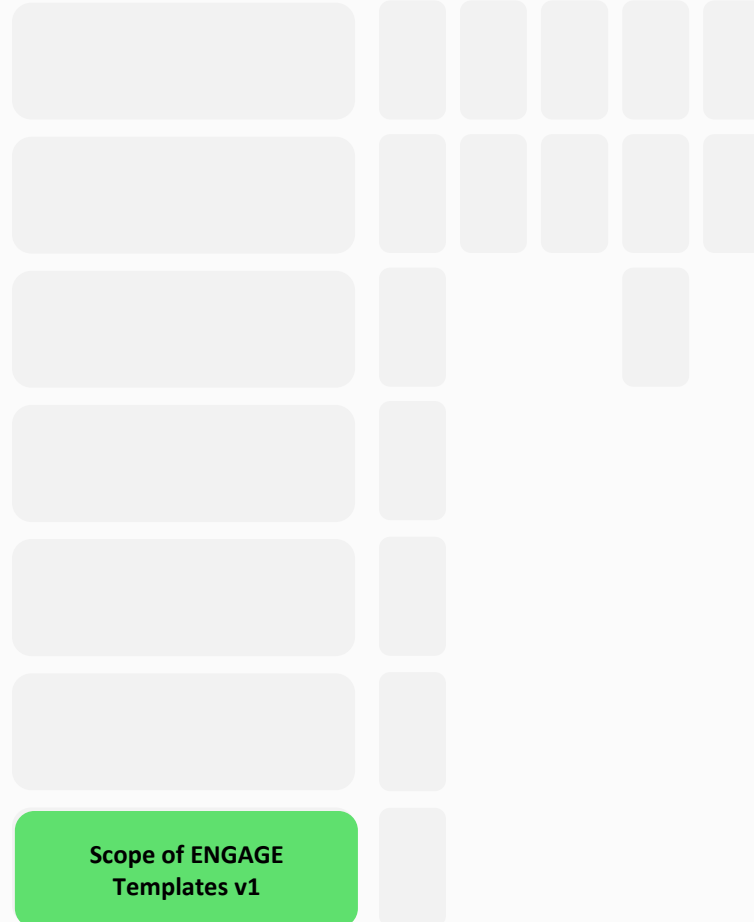


Substantial Contribution

Do No Significant Harm

Minimum Safeguards

(2) (3) (4) (5) (6)





The ENGAGE Templates

Substantial Contribution Criteria for the Economic Activity 7.7 Acquisition and ownership of Buildings

Substantial Contribution

7.7

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 economic activity 7.7 into 3 subsections

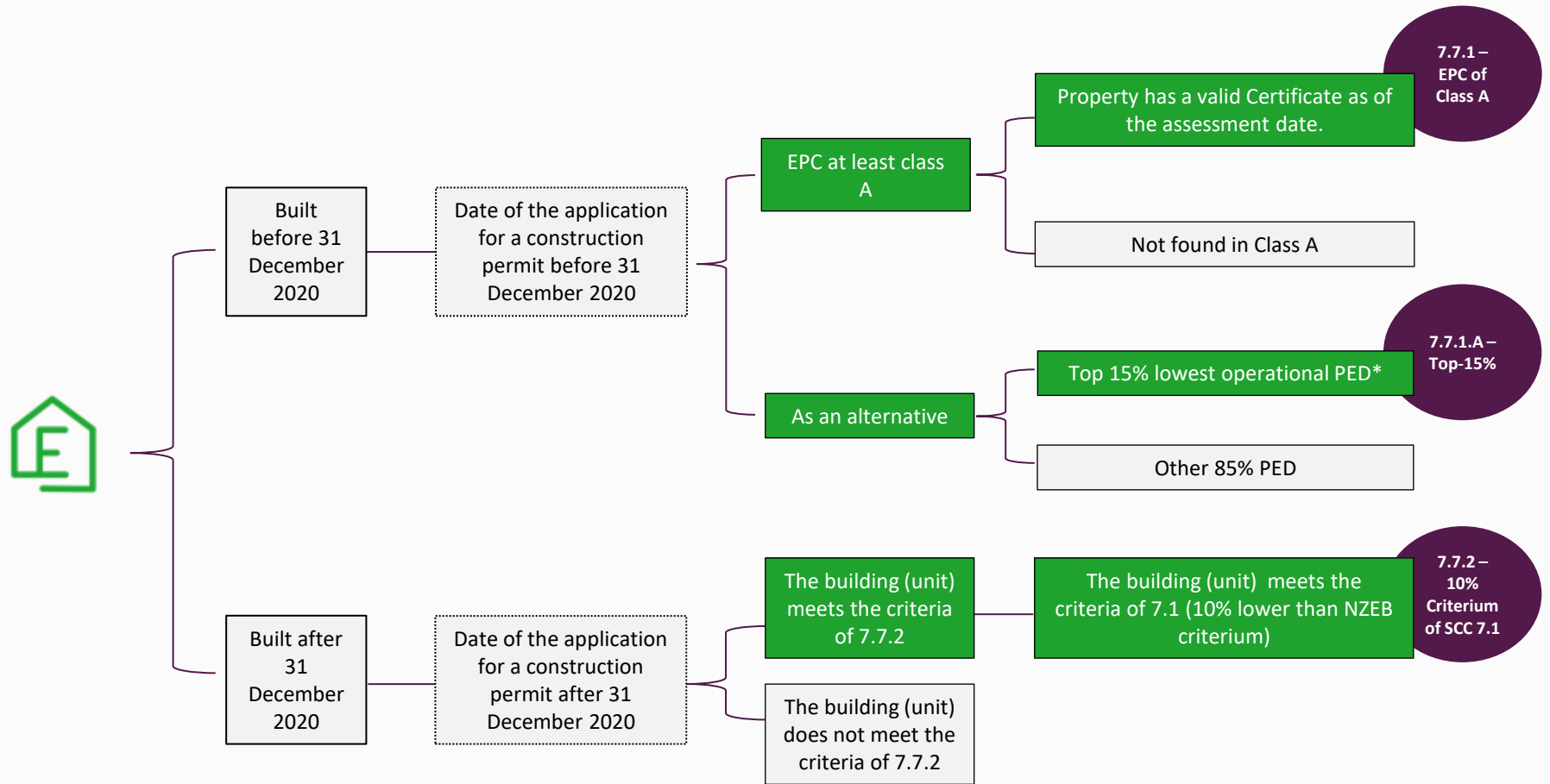


The ENGAGE Templates

Substantial Contribution Criteria for the Economic Activity 7.7 Acquisition and ownership of Buildings

Substantial Contribution

7.7



We have divided activity 7.7 into three subsections



The ENGAGE Templates: Summary

Excerpt of first version of the ENGAGE Templates

- Add-on to the 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 Do Not Significant Harm criteria will be created in the next versions.

Building block 1: Field Optional for the calculation of:

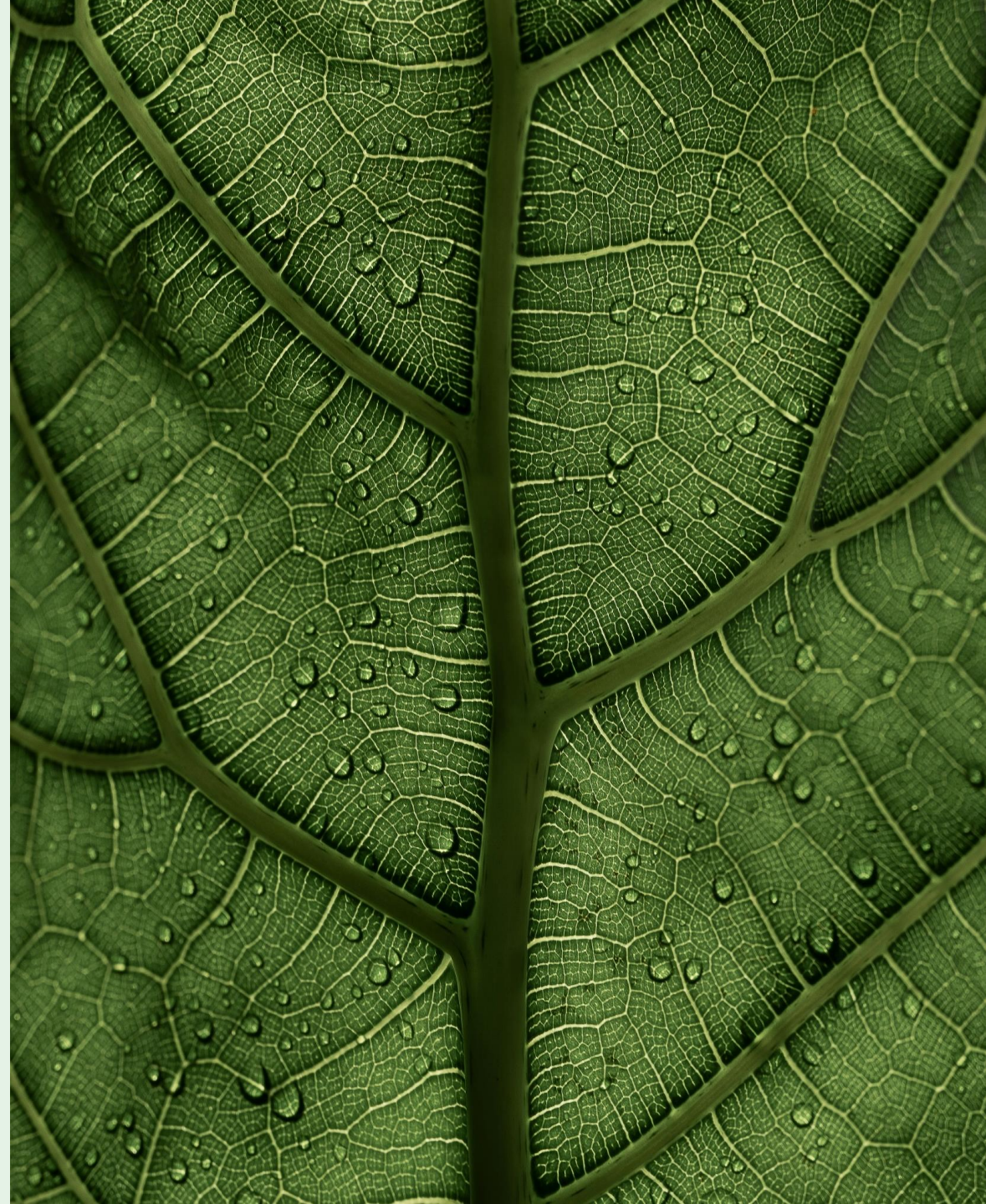
Minimum Safeguards	Section 7.7.1 - EPC class A	Section 7.7.1 - Top 15%	Section 7.7.2 or 7.1 - PED 10% lower NZEB																																																																																																																																																												
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ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC7	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-9999)																																																																																																																																																								
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC8	Energy Performance Certificate (EPC) Methodology	Enter the name of the calculation method of the Energy Performance Certificate	YES	YES	(ALPHANUM-100)																																																																																																																																																								
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC9	Energy Performance Certificate (EPC) Status	If applicable in the jurisdiction, the status of the Energy Performance Certificate (EPC): - Building permit (BUI) - In-use for already existing building (ABIU) - Newly built (NEBU)	YES	YES	(LIST)																																																																																																																																																								
ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC10	EU-Equivalent Energy Performance Certificate (EPC) Method (EPC) Regime	Please select one of the following options: - Non-NZEB - NZEB - ZEB - Other	YES	YES	(LIST)																																																																																																																																																								
ENG Annex 2: RRE Add-on	Primary Energy Demand (PED)	EREC11	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/m ² per year	YES	YES	(INTEGER-9999)																																																																																																																																																								
ENG Annex 2: RRE Add-on	Primary Energy Demand (PED)	EREC12	Estimated or officially produced Primary Energy Demand (PED)	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)																																																																																																																																																								

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



The ENGAGE Templates: converting EU Taxonomy into data requirements

Vincent Mahieu, Hypoport BV





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 EPC 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 EPC of Class A is needed (A, A+, A++, A+++, A++++ also satisfies this condition).
- A certificate should be present with a valid validity date, as of the assessment date, irrespective of the methodology.



Field Code	Field Name
RREL1	Unique Identifier
RREL3	New Underlying Exposure Identifier
RREL5	New Obligor Identifier
RREL6	Data Cut-Off Date
RREL30	Current Principal Balance
EREC1	General Activity Designation
EREC2	Construction Year
EREC3	Construction permit application date
EREC4	Energy Performance Certificate (EPC) Class
EREC5	Estimated or officially produced Energy Performance Certificate (EPC)
EREC6	Issuance date of most recent available Energy Performance Certificate (EPC) registration
EREC7	Energy Performance Certificate (EPC) Validity Length

Key considerations:

- The application date of the construction permit is needed to assess if the building is built before 31 December 2020. For some it is clear that the building was built before 31 December 2020.
- 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 EPC, this does not matter.

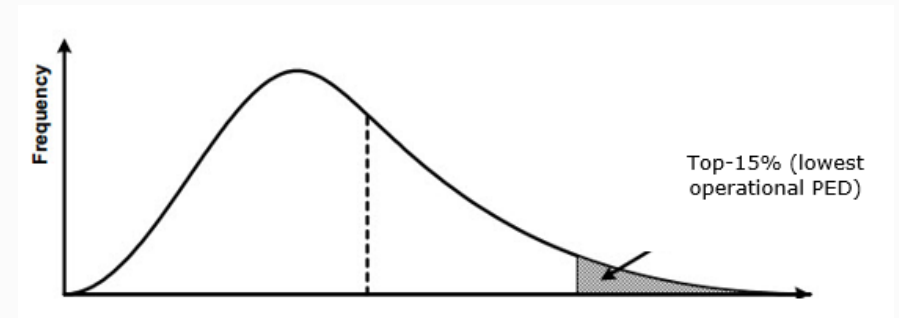


ENGAGE Templates: SCC 7.7.1 Alternative (top-15%) 1/2

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%) 2/2

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 have facilitated flexibility of the method in the ENGAGE Templates and we have emphasised the message of the European Commission in the Q&A that the methodology should be public and transparent.
- Therefore, we have incorporated the numerator and denominator that is used in the top-15% assessment and some background information in the ENGAGE Templates, so that stakeholders can understand the methodology and study that is applied.



Field Code	Field Name
RREL1	Unique Identifier
RREL3	New Underlying Exposure Identifier
RREL5	New Obligor Identifier
RREL6	Data Cut-Off Date
RREL30	Current Principal Balance
EREC1	General Activity Designation
EREC2	Construction Year
EREC3	Construction permit application date
EREC18	Building unit in top-15% indicator
EREC19	Top15_Explanatory Variable
EREC20	Top15_Object Reference Value
EREC21	Top15_Object Threshold Value
EGFF1	Top15_Document Name
EGFF2	Top15_Document Issuance Date
EGFF3	Top15_Document URL
EGFF4	Top15 Document Geographic Scope
EGFF5	Top15 Numerator
EGFF6	Top15 Denominator
EGFF7	Top15 Methodology Description



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) ²⁸² , 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 ²⁸³ . The energy performance is certified using an as built Energy Performance Certificate (EPC).	²⁸² : 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 ² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC). ²⁸³ : 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) ²⁸² , 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 ²⁸³ . The energy performance is certified using an as built Energy Performance Certificate (EPC).	²⁸² : 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 ² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC). ²⁸³ : 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 Substantial Contribution Criteria have been met (i.e. the requirement of the Primary Energy Demand (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, EPCs 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 $0.9 \times \text{PED} \leq \text{Prime Energy Demand per building (unit)}$.



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)²⁸², 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 Council²⁸³. The energy performance is certified using an as built Energy Performance Certificate (EPC).</p>	<p>²⁸²: 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/m² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).</p> <p>²⁸³: 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 that 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 that for new buildings, either an EPC (valid for 10 years) or an EPC as-built are valid.



Field Code	Field Name
RREL1	Unique Identifier
RREL3	New Underlying Exposure Identifier
RREL5	New Obligor Identifier
RREL6	Data Cut-Off Date
RREL30	Current Principal Balance
EREC1	General Activity Designation
EREC2	Construction Year
EREC3	Construction permit application date
EREC6	Issuance date of most recent available Energy Performance Certificate (EPC) registration
EREC7	Energy Performance Certificate (EPC) Validity Length
EREC8	Energy Performance Certificate (EPC) Methodology
EREC10	EU-Equivalent Energy Performance Certificate (EPC) Method / EPBD-Regime
EREC11	Primary Energy Demand (PED) of the building
EREC12	Estimated or officially produced Primary Energy Demand (PED)
EREC15	Nearly zero-energy building (NZEB) threshold



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 of 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.

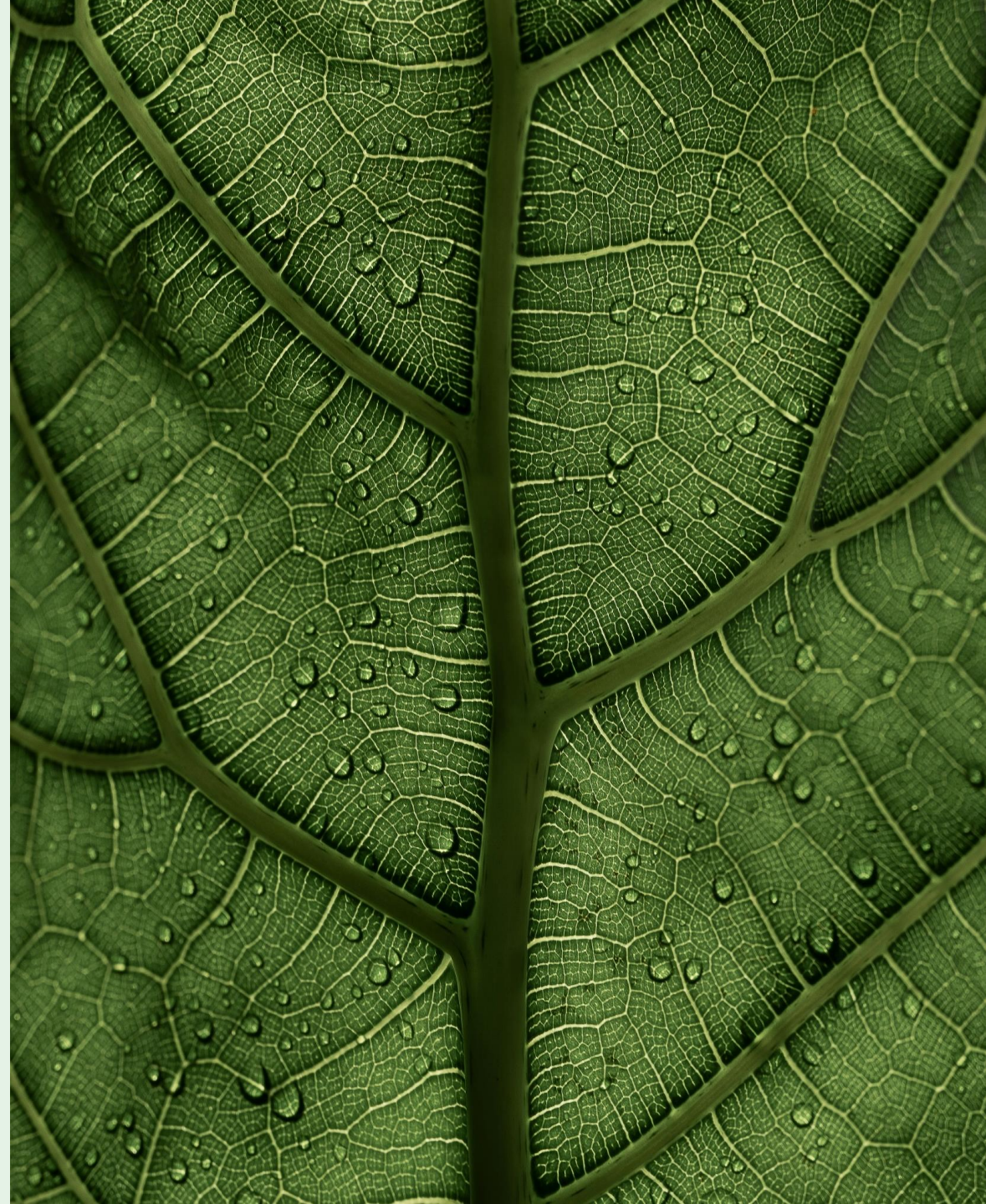
Field Code	Field Name
EGFF8	Description on how Minimum Safegaurds are complied with
EGFF9	URL towards MSS Issuer Statement
EGFF10	Environmental Objective
EGFF11	Link alignment with the OECD Guidelines for Multinational Enterprises
EGFF12	Link towards UN Guiding Principles on Business and Human Rights
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.



Closing remarks

Marco Angheben, European DataWarehouse & Project
Coordinator





How to get ENGAGED as a Pilot

1. Request the ENGAGE Templates:

<https://forms.office.com/e/td14aYsMQS>

2. Set up a 30 minute one-on-one demo with the ENGAGE team

3. Sign the ENGAGE agreement to receive the sample data submission

4. Submit your ENGAGE Templates (mortgage sample file) into the ENGAGE Portal

5. Receive the ENGAGE report on EU Taxonomy compliance

Interested institutions are invited to participate in the ENGAGE initiative during the testing phase of the Templates and the Portal. Please contact us if you like to learn more via engage4esg@eurodw.eu. A specific legal framework has been prepared for the safe and lawful processing of the data.



ENGAGE Webinar Series

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for ESG

Unlocking EU Taxonomy Alignment: The ENGAGE Templates Webinar Series

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- 24 April @ 16:00 CEST:**
ENGAGE for ESG: Technical Session on the ENGAGE Templates II
- 29 May @ 10:00 CEST:**
ENGAGE for ESG: Technical Session on the ENGAGE Templates III
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Questions & Answers





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