



# Unlocking Green Potential: ENGAGE for ESG for EU Taxonomy Disclosures on Mortgages & Home Renovation Loans

Athens - Monday, 7 October 2024  
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# The Greek energy poverty challenge

Arrears on utility bills	Inability to keep house adequately warm	Dwelling with leaking roof, damp walls or rotten frames
<b>34.1 %</b>	<b>18.7 %</b>	<b>12.5 %</b>

- In 2022, 34.1% of the total population was having arrears on their utility bills
- In the same year, 18.7% was not able to keep their home adequately warm
- In 2020, about 12.5% of total population was living with a leaking roof, damp walls or rotten windows, frames or floor.

Source: Eurostat SILC



# The European climate data gap

SPEECH

## Energy performance data - a must-have for managing climate-related credit risk

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Welcome address by Frank Elderson, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the ECB conference real estate climate data industry good practices

*Frankfurt am Main, 23 September 2024*



Source: [Energy performance data - a must-have for managing climate-related credit risk \(europa.eu\)](https://europa.eu)



# ENGAGE for ESG: a concrete solution

*1. PHYSICAL RISKS*

“What data is needed for EU Taxonomy Alignment?”

“What is needed to gain insights into the renovation potential?”

*2. GREEN ASSET RATIO CALCULATION*

“How does this mortgage portfolio compare to other portfolios?”

“Which portfolio has the best renovation performance?”

*3. TRANSITION RISKS MANAGEMENT*



# Green Asset Ratio calculation

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



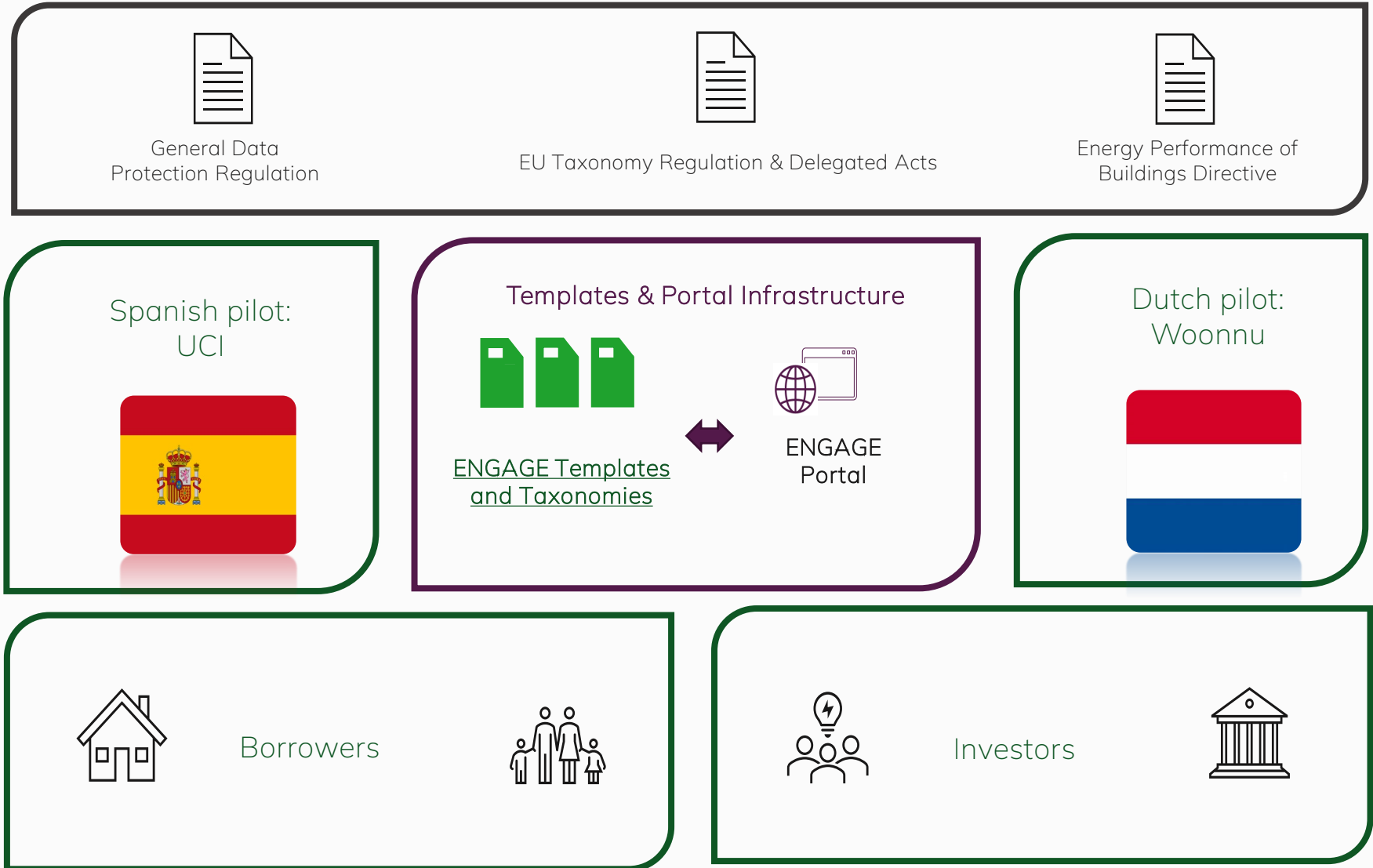
Source: © European Union, 2023. Presentation delivered at ENGAGE webinar 14 December 2023, L. Alessi (JRC, European Commission)

# ENGAGE for ESG Initiative Description

Two main pillars:

1. A template for real estate data encompassing EU key sustainable finance requirements

2. A portal to assess EU Taxonomy alignment



# The ENGAGE Consortium Partners

**EUROPEAN**  
DATAWAREHOUSE

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 **HYPOPORT**

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**UCI**

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**woonnu**

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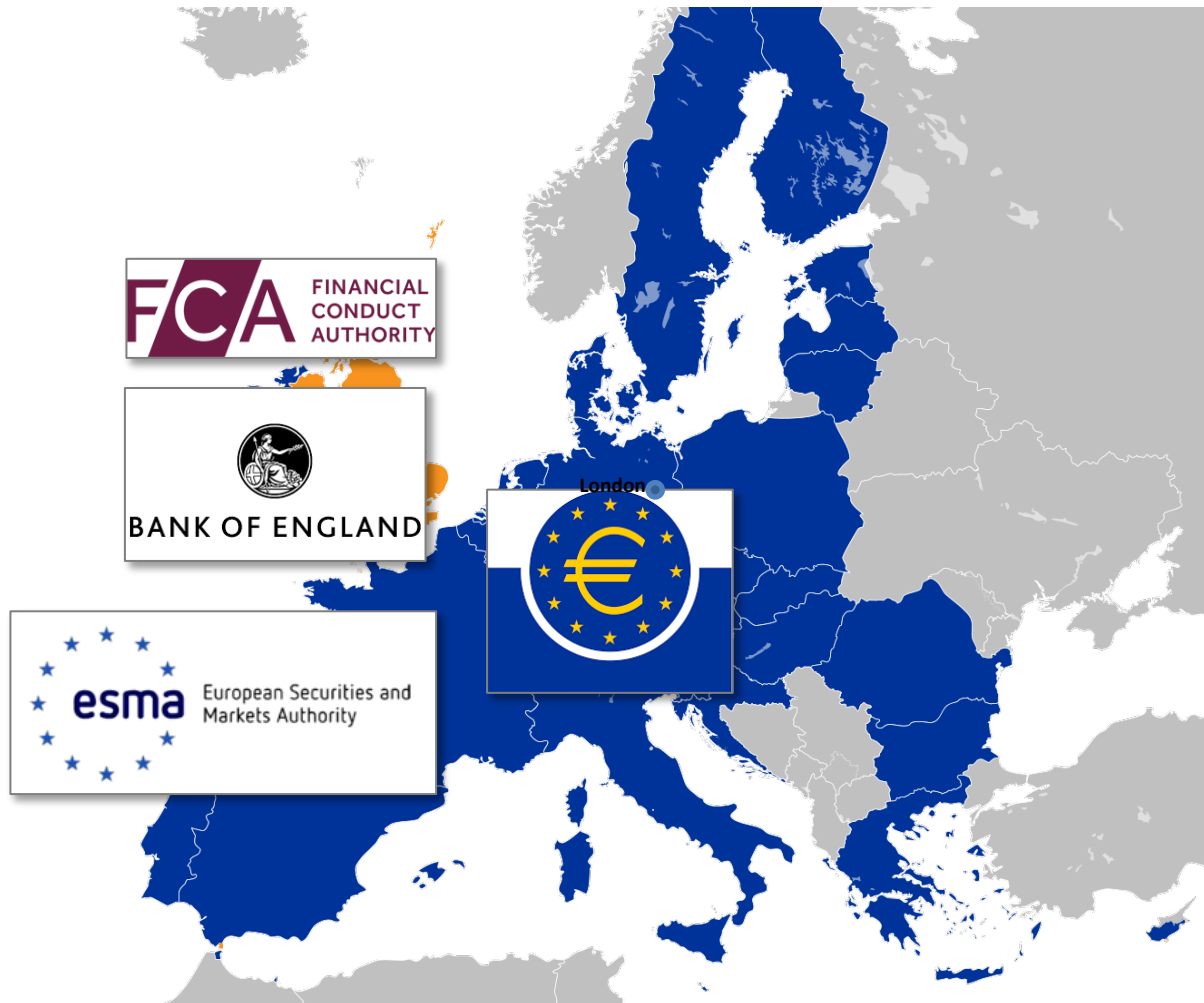
Ca' Foscari  
University  
of Venice

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**DEXAI**  
ARTIFICIAL ETHICS

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# AUTHORISED REPOSITORY FOR EUROPE & THE UK



- EDW is registered as securitisation repository under the Securitisation Regulation
- EDW is a data repository for the Eurosystem collateral framework pursuant to Guideline (EU) 2015/510 for
  - Asset-backed securities, and
  - Pools and additional credit claims.
- EDW is registered as a secure website with the Bank of England to comply with its transparency requirements.



# The ENGAGE Templates: Structure

Building block 1  
created

Building blocks 2  
& 3 under  
construction

Building  
block 0

- Current ESMA underlying exposures for residential mortgages (Annex 2) and consumer loans (Annex 6)

Building  
block 1

- Compliance with the EU Taxonomy Regulation for:
  - a) Mortgages for the acquisition of new buildings and existing buildings;
  - b) Loans for the renovation of existing buildings.

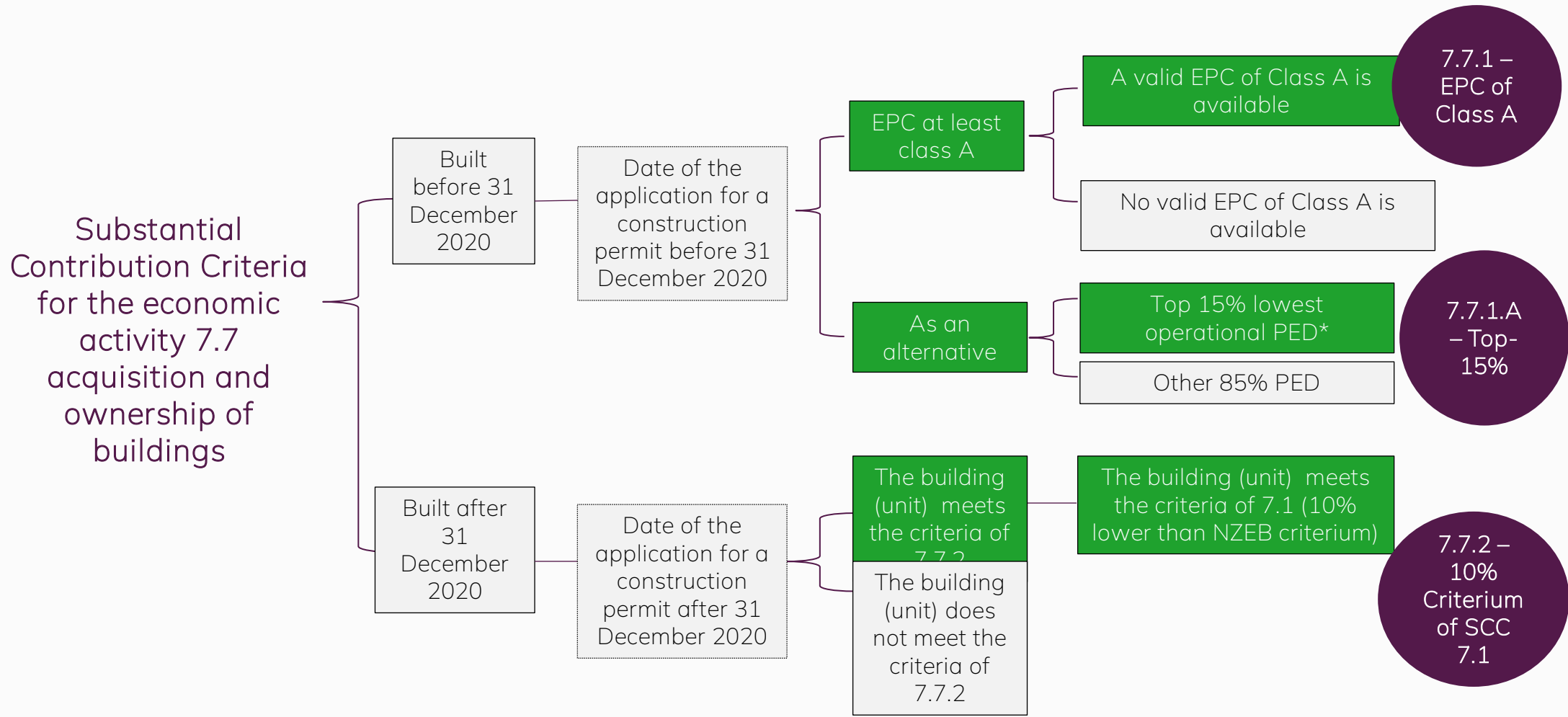
Building  
block 2

- European Investment Bank information requirements to capture funds from green financing programmes (e.g., ELENA) for the financing of the renovation wave.

Building  
block 3

- European Central Bank stress test fields related to climate change (such as flooding and heating) for financing activities related to the building stock.

# The ENGAGE Templates: Summary



The EU Taxonomy is the common denominator of many sustainable finance regulations



# UCI data availability in Spain

1) Information available for all loans

36%

2) Data available for 80-99% of loans

26%

3) Data available for specific loans

12%

4) Working on a unique definition

26%



# NN Bank data availability (EPC data)

		Energy Performance Certificate (EPC) Class	Estimated or officially produced EPC	Issuance date of most recent EPC	EPC original Validity	EPC Methodology	Energy Performance Certificate (EPC) Status	EU-Equivalent EPBD-Regime
EP-ONLINE (ISSUANCE YEAR > 2020)	13%	Primary Energy Demand (PED) of the building	Estimated or officially produced Primary Energy Demand (PED)	Primary Energy Demand (PED) Based on Reference Building	Primary Energy Demand (PED) Based on Building or Building unit	Nearly zero-energy building (NZEB) threshold		
EP-ONLINE (ISSUANCE YEAR <= 2020)	44%	Energy Performance Certificate (EPC) Class	Estimated or officially produced EPC	Issuance date of most recent EPC	EPC original validity	EPC methodology	Energy Performance Certificate (EPC) Status	EU-Equivalent EPBD-Regime
PROVISIONAL LABEL	40%	Energy Performance Certificate (EPC) Class	Estimated or officially produced EPC					
BUILDING YEAR LABEL	3%	Energy Performance Certificate (EPC) Class	Estimated or officially produced EPC					



# NN Bank data availability (cadastral data)

BASIS ADMINSTRATIE GEBOUWEN (BAG)	98%	General Activity Designation	Construction Year	Building unit in top 15% indicator	Top 15% Explanatory Variable	Top 15% Object Reference Value	Top 15% Object Threshold Value	Construction permit application date
NO BAG MATCH	2%	General Activity Designation	Construction Year	Building unit in top 15% indicator	Top 15% Explanatory Variable	Top 15% Object Reference Value	Top 15% Object Threshold Value	
CLIMATE RISK DATA	99%	DNSH EO2 Indicator						





# Benefits of the ENGAGE for ESG solution

1

The ENGAGE Templates are an **add-on** to the existing disclosure requirements under the Securitisation Regulation (ESMA templates).

2

ENGAGE Templates are a **one-size-fit all solution** that minimises the reporting burden of lending institutions.

3

The ENGAGE Templates can be used for portfolios of loans and different funding structures (e.g., securitisations, covered bonds).

4

**Proportionality:** where information is not available, the ENGAGE Templates provides with the possibility to use “no data” options.

# How to become a test user?

Request  
ENGAGE  
Templates

- Version 1.1 available now through [Request for Access to the ENGAGE Templates](#)
- More than 50 institutions have requested access to the ENGAGE Templates

ENGAGE  
Demonstration

- The ENGAGE Team is available for clarifications on the ENGAGE Templates
- Several sessions have already been set up with interested parties

Submission to  
ENGAGE Portal

- Available from **November 2024**, subject to a standard legal arrangement
- Free of charge until October 2025
- Possibility to submit the ENGAGE sample files various times enriching the information

EU Taxonomy  
Compliance  
Report

- For each sample file submission a compliance report is generated



**Website:**

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

**Social Media:**

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



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