



ENGAGE for ESG: The European Investment Bank Green Eligibility Checker for Housing Stock

Thursday, 24 October 2024



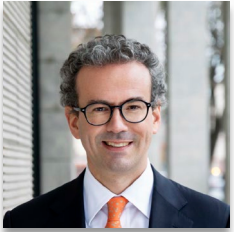


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Today's Speakers



Marco Angheben
Head of Business Development &
Regulatory Affairs
European DataWarehouse
ENGAGE Project Coordinator



Frank Lee
Head of Division
Advisory Services
European Investment Bank



Roman Dojcak
Advisor – Green Gateway
European Investment Bank



Vincent Mahieu
Head of Energy Efficiency &
Regulatory Technology
Hypoport



Agenda

- 15:00 Welcome and introduction
- 15:05 The European Investment Bank Green Eligibility Checker
- 15:35 How to become a Test User via the ENGAGE Portal
- 15:45 The ENGAGE Taxonomy alignment report
- 15:55 Regulatory update
- 16:00 Next ENGAGE for ESG webinar on 21 November 2024





Introduction of the ENGAGE for ESG initiative

Marco Angheben

European DataWarehouse & ENGAGE Project Coordinator



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 1.1, released in August 2024, 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 and Do Not Significant Harm of the Climate Delegated Act for the economic activities of acquisition and ownership of real estate, as well as the minimum safeguards.
- 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.
- Version 1.2 of the ENGAGE Templates, which focuses on home renovation loans, will become available before the end of 2024.
- The Templates will be updated and expanded over the coming years to incorporate the most relevant European sustainability regulations. They are currently being operationalised through the ENGAGE Portal, an IT infrastructure available from November 2024.
- All institutions are invited to test the Templates and the Portal upon request to engage4esg@eurodw.eu

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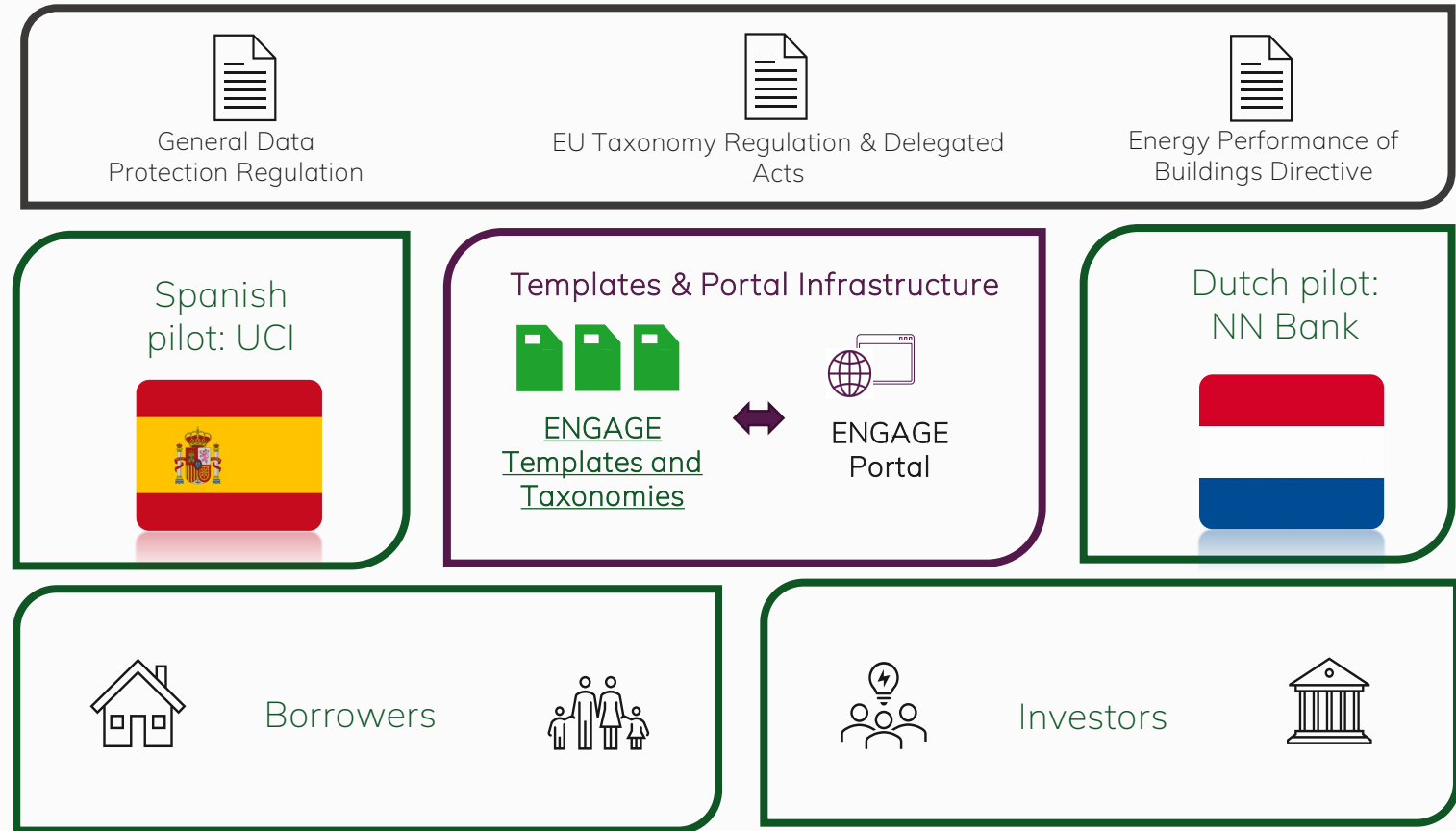
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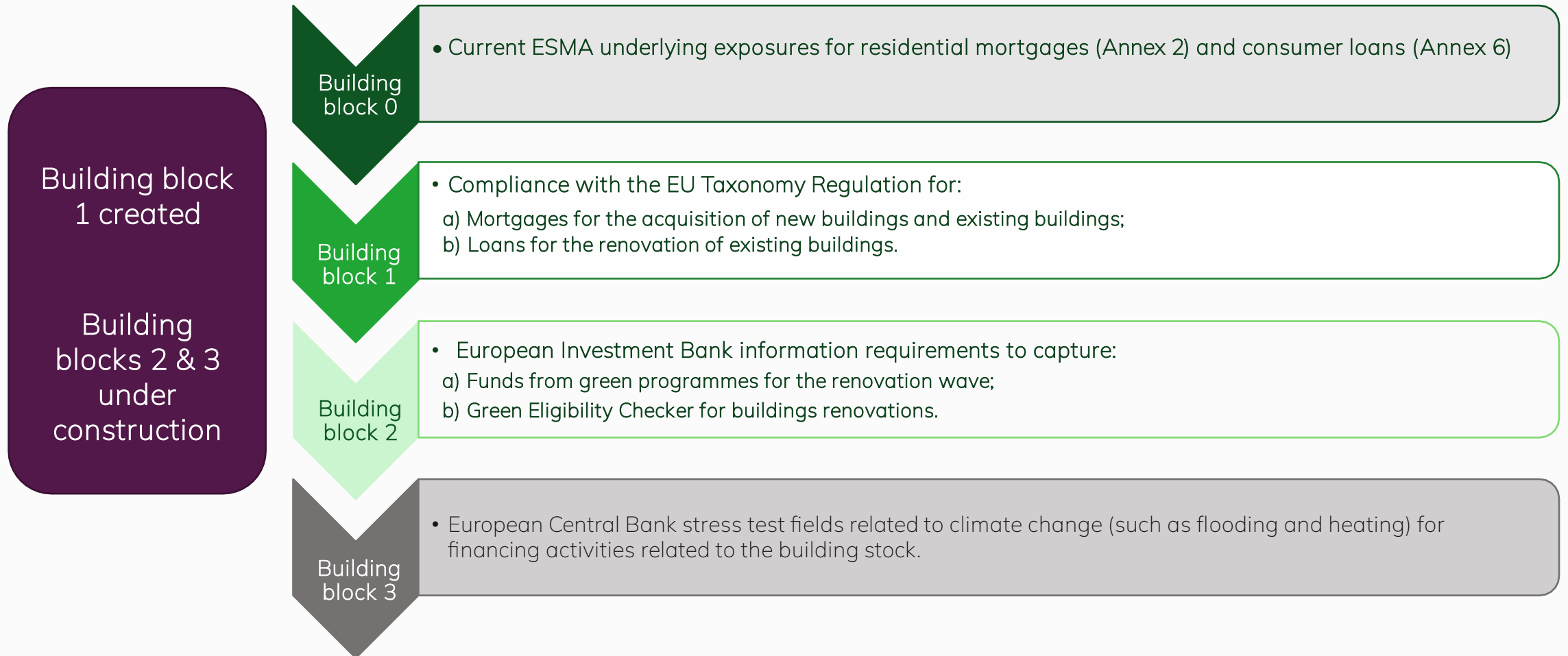
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ENGAGE: The High-Level Concept

- 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



The ENGAGE Templates Structure





Accessing the ENGAGE Templates

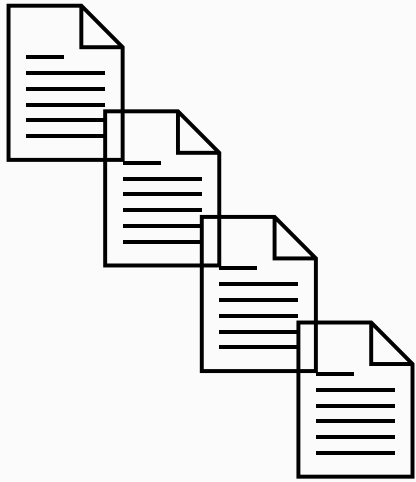
Template

YEAR AND CATEGORY	METHOD	FILE ID	FILE NAME	FILE SIZE	FILE TYPE	FILE EXTENSION	Building blocks / Fields (optional for the calculation)		
							Building blocks / Fields (optional for the calculation)	Building blocks / Fields (optional for the calculation)	Building blocks / Fields (optional for the calculation)
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00001	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00002	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00003	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00004	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00005	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00006	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00007	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00008	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00009	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00010	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X
2023 January 1 - 2023 January 31	Energy Performance Certificate (EPC)	00011	Energy Performance Certificate (EPC)	163	PDF	PDF	X	X	X

Guiding Documentation



Sample files



Available via the Access Request Form: <https://forms.office.com/e/td14aYsMQS>



**Frank Lee and Roman Dojcak, EIB Advisory
Green Gateway and Green Eligibility Checker**

Green Gateway Rationale



Advisory programme, funded under the InvestEU Advisory Hub, to **strengthen the role of financial intermediaries** in financing the EU's transition to a low-carbon and climate resilient economy.



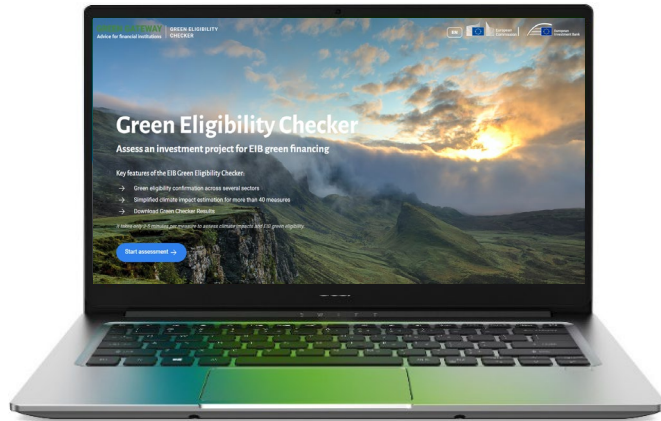
Green Gateway Advisory is **complementary** to the EIB Group green and **sustainable financing** offer.



The programme includes a **web portal with online tools** and a **bilateral advisory offer**.

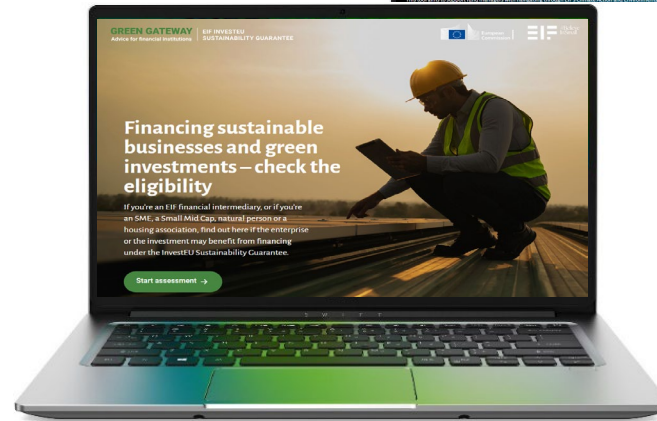
Green Gateway Advisory Platform

Green Gateway eligibility web tools



EIB Green Eligibility Checker

- Online tool helping **banking/leasing institutions assess green eligibility** of projects, estimate their impact and produce PDF report with assessment results;
- Upcoming work priorities: expand the tool's coverage to **new investment sectors** and EU Taxonomy objectives, and improve the tool's reporting functionalities.



EIF Sustainability Guarantee Tool

- Online tool built on the basis of the Green Checker, **adapted** to the eligibility criteria of the **InvestEU Sustainability Portfolio Guarantee Product** developed by EIF and EC;
- Upcoming work priorities: maintain alignment with the **evolving eligibility criteria** (Use Case Document) and mandate specificities (DNSH criteria under the Recovery and Resilience Facility).

Best Tech Provider (Platform Providers) – European Investment Bank: EIB Green Eligibility Checker

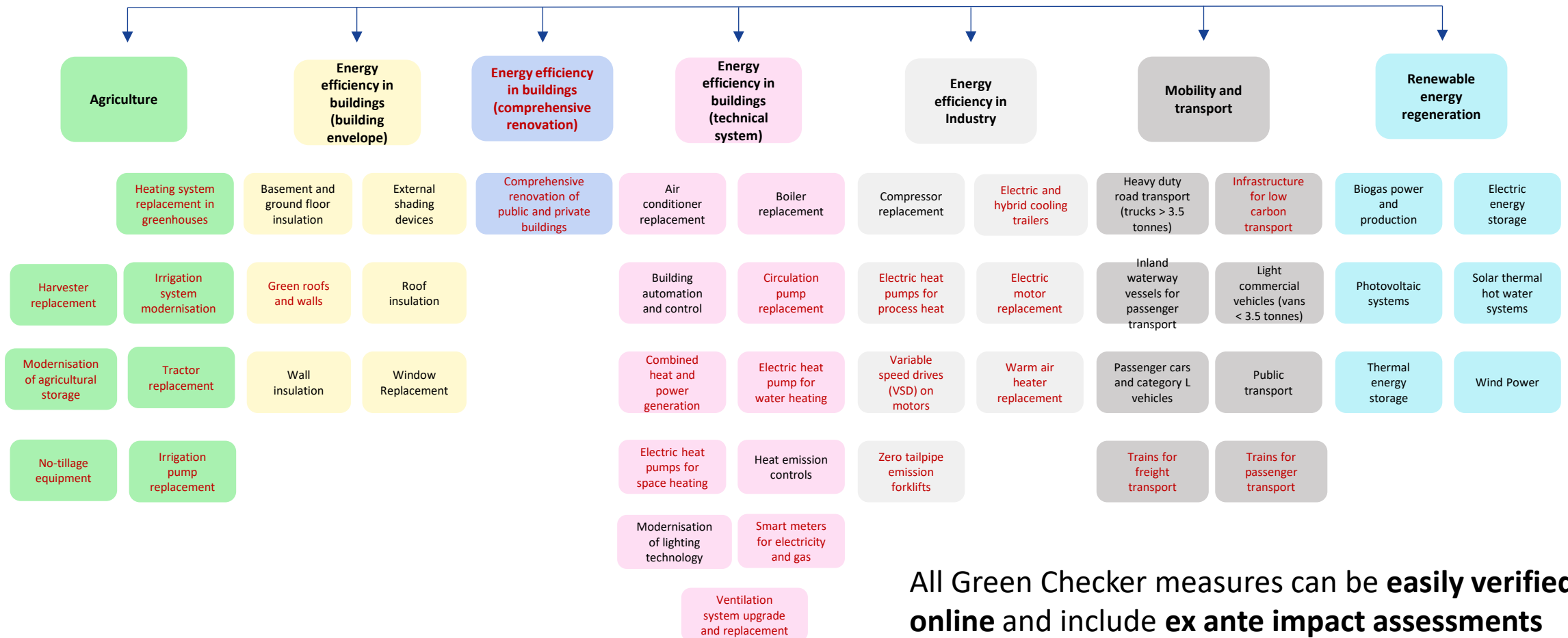
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Green Guide for Fund Managers

- Online tool developed to **help fund managers** (for VC / PE / PC funds) recognize potential transactions in the area of climate action & environmental sustainability;
- Upcoming work priorities: spread awareness, collect feedback, consider potential improvements.

Investment measures support by Green Checker



All Green Checker measures can be **easily verified online** and include **ex ante impact assessments** (based on energy savings, co2 reduction and/or GHG emission reductions)



How to become a Test User via the ENGAGE Portal

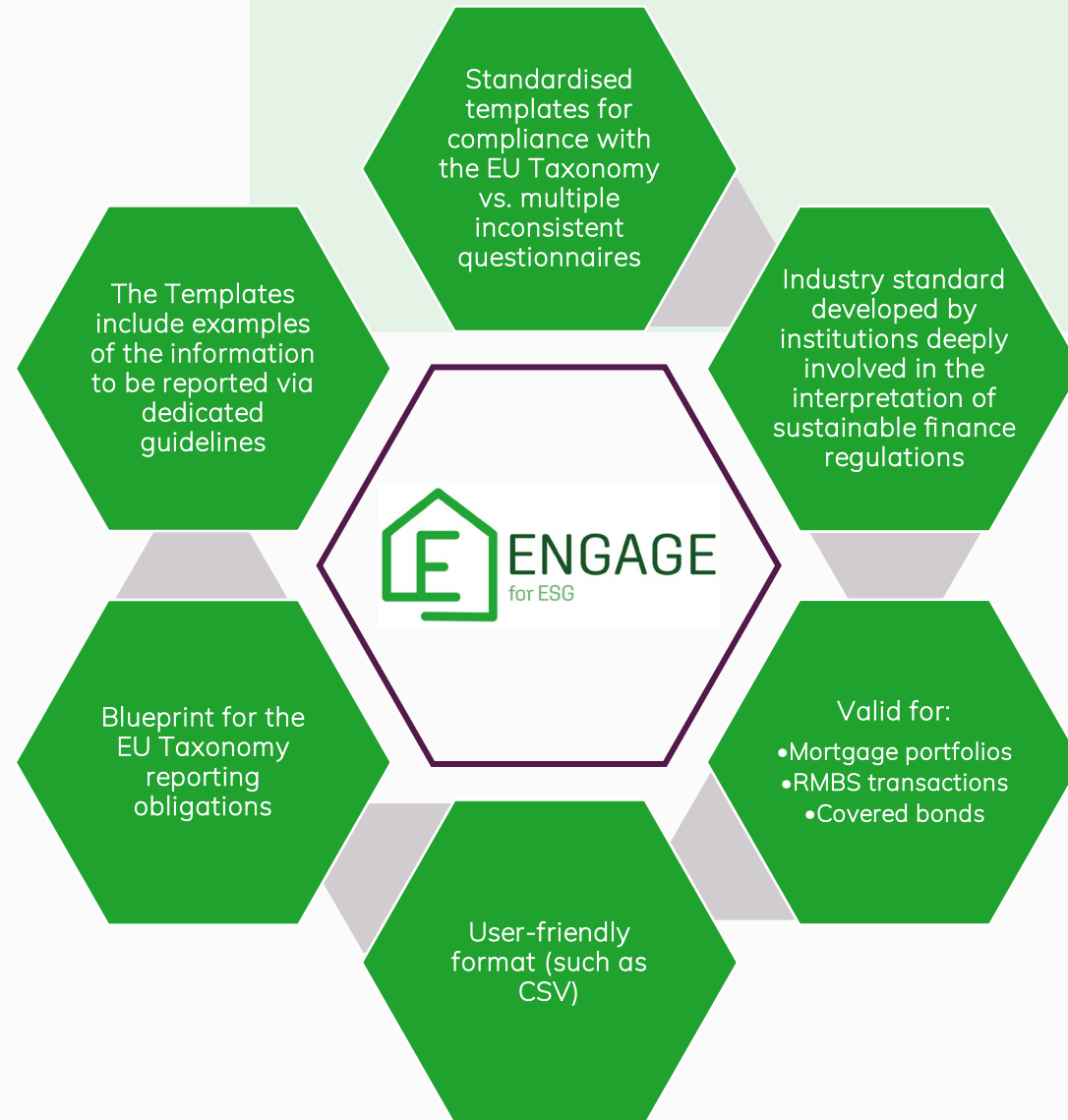
Marco Angheben

European DataWarehouse & ENGAGE Project Coordinator



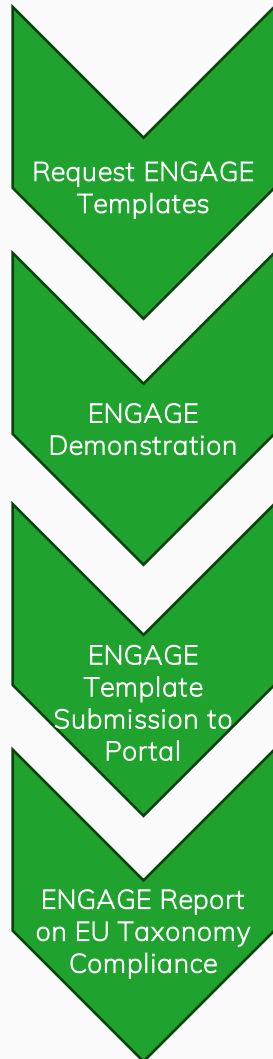


Why become a Test User via the Portal





How to become a Test User via the Portal



- Version 1.1 available now through [Request for Access to the ENGAGE Templates](#)
- More than 60 institutions have requested access to the ENGAGE Templates

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

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

- For each sample file submission a compliance report is generated



The ENGAGE Taxonomy report

Vincent Mahieu

Hypoport





Economic activities – Scope for ENGAGE

When developing **version 1.1** of the ENGAGE Templates, the ENGAGE Consortium has considered:

- ENGAGE data framework is an **add-on to existing market best practices**
- ENGAGE data framework is **scalable**. Meaning that if in the first phase the focus is on the EU Taxonomy, other elements can be incorporated at a later timeframe.

✓ **New in v1.1:**

- Fields for DNSH
- Minor improvements in datatype / description

❑ **Backlog for ENGAGE template v1.2:**

- ❑ - SCC 7.1
- ❑ - SCC 7.2, 7.3 + 7.6
- ❑ - Annex 6
- ❑ - Improvements

		Substantial Contribution	Do No Significant Harm					Minimum Safeguards
			(2)	(3)	(4)	(5)	(6)	
New buildings	7.1	V1.2	■	■	■	■	■	Scope of v1.1
	7.2	V1.2	■	■	■	■	■	
	7.3	V1.2	■			■		
Renovations	7.4		■					
	7.5		■					
	7.6	V1.2	■					
Existing / new buildings	7.7	V1.1	■					



The ENGAGE Templates: how it works

Using the ENGAGE Templates

- Add-on to ESMA Templates.
- Per (individual) criterium we have indicated the conditional fields that the ENGAGE Portal to assess the Technical Screening Criteria.
- By applying the conditional filters, you can check the data fields that are applied to assess the criteria.

BUILDING BLOK	TEMPLATE CATEGORY	SECTION	FIELD CODE	FIELD NAME	CONTENT TO REPORT	ND Options for the BUILDING BLOCK 0		ND Options for the BUILDING BLOCK 1		FORMAT	Building block 1: Field Optional for the calculation of:				Building block 1: Field Optional for the calculation of:		
						ND1-ND4 allow	ND5 allow	ND1-ND7 allow	ND8 allow		Building block 0: Minimum level of fields for	Minimum Safeguards	Section 7.7.1 - EPC class	Section 7.7.1 - Top 15%	Section 7.7.2 or 7.1 - PED 10% lower NZI	DN5H 7.7	DN5H 7.1
1	ENG Annex 2: RRE Add-on	ENGAGE Additional Collateral-level information sections															
1	ENG Annex 2: RRE Add-on	Economic Activities Information	EREC1	Unique Identifier	Report the same unique identifier here as the one entered into field FREL1.			NO	NO	{ALPHANUM-20}							
1	ENG Annex 2: RRE Add-on	Economic Activities Information	EREC2	Underlying Exposure Identifier Building block 0	Unique identifier for each underlying exposure. This must match field FREL3.			YES	YES	{ALPHANUM-100}		N	N	N			
1	ENG Annex 2: RRE Add-on	Economic Activities Information	EREC3	Collateral Identifier Building block 0	Unique identifier for each collateral. This must match field FREEC3.			YES	YES	{ALPHANUM-100}		N	N	N			
1	ENG Annex 2: RRE Add-on	Economic Activities Information	EREC4	General Activity Designation	Enter the activity designation: - Construction of a new building (CNB) - Acquisition and ownership of building (AAOB) - Renovation of existing building (ROEB) - Acquisition and ownership of buildings - renovation (AOBR) - Installation, maintenance and repair of specific measures and/or equipment (IME)			YES	YES	{LIST}		N	N	N			
1	ENG Annex 2: RRE Add-on	Building Information	EREC5	Construction Year	Construction year of the building or apartment as per the cadastral or other relevant documentation			YES	YES	{YEAR}		N	N	N			
1	ENG Annex 2: RRE Add-on	Building Information	EREC6	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 do no significant harm to other environmental objective." Answer M3 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 7.1 to 7.2 are applicable.			YES	YES	{DATEFORMAT}		N	N	N			
1	ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC7	Energy Performance Certificate (EPC) Class	Enter the Energy Performance Class (i.e. "A", "B", "C") or the Indicator as applicable in your (jurisdiction) as depicted on the Energy Performance Certificate (EPC). Or use: Nil or Unknown			YES	YES	{ALPHANUM-100}		N	Y	Y			
1	ENG Annex 2: RRE Add-on	Energy Performance Certificate (EPC)	EREC8	Estimated or officially produced 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			YES	YES	{LIST}							

Applying the conditional filters, the user can check the data fields that are applied to assess the criteria



The ENGAGE Templates: how it *works*

Building Block

- Fields marked with 0 refer to the original ESMA Templates
- Fields marked with 1 refer to the ENGAGE add-on fields

Fields used for Taxonomy Technical Screening Criteria (TSC) assessment

- Fields with N are not optional for the TSC assessment for that economic activity.
- Fields with Y are not needed per se for the specific check, for that economic activity.

ND Options for the BUILDING BLOCK 0		ND Options for the BUILDING BLOCK 1		FORMAT	Building block 1: Field Optional for the calculation of:				Building block 1: Field Optional for the calculation of:	
ND1-ND4 allow	ND5 allow	ND1-ND7 allow	ND5 allow		Building block 0: Minimum level fields for	Minimum Safeguards	Section 7.7.1 - EPC class	Section 7.7.1 - Top 15:	Section 7.7.2 or 7.1 - PED 10% lower NZI	DNSH 7.7
		NO	NO	{ALPHANUM-28}						
		YES	YES	{ALPHANUM-1000}		N	N	N		
		YES	YES	{ALPHANUM-1000}		N	N	N		

We have transparently indicated per economic activity which data fields the ENGAGE Portal applies in the TSC assessment.



ENGAGE Taxonomy Report

Section	Economic Activity	Subsection
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(1a)		Buildings built before 31 December 2020 - Alternative: building is within Top 15%
7.7(2)		Buildings built after 31 December 2020

● — New buildings

● — Renovations

● — Existing / new buildings

ENGAGE Taxonomy Report

This report gives an aggregate overview of the portfolio (underlying exposures) in terms of EU Taxonomy alignment assessment:

- ✓ Breakdown per (sub) section of the different EU Taxonomy economic activities
- ✓ Granular information
- ✓ Detailed insights into the nuances of the Technical Screening Criteria, such as the Substantial Contribution Criteria and the Do-Not-Significant Harm.

The output is broken down in loans, collateral (building (units)) and balance.



ENGAGE Taxonomy Report



Portfolio Name Example Portfolio 2024
Portfolio Date (DD-MM-YY) 01-08-2024

 Total # of Loans 1300
 Total # of Building Units 1100
 Total Balance €444,600,000.00
 TSC passed % **50.94%**

Section	Economic Activity	Subsection	TSC assessment*									TSC pass Total Portfolio								
			SCC (check passed)			DNSH* (check) passed			TSC Passed (SCC + DNSH)			SCC (check passed)			DNSH (check) passed			TSC Passed (SCC + DNSH)		
			# of loans	# of Building Units	Balance	# of loans	# of Building Units	Balance	# of loans	# of Building Units	Balance	% of all loans	% of total Building	% of total Balance	% of all loans	% of total Building	% of total Balance	% of all loans	% of total Building	% of total Balance
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.	460	411	€133,400,000.00	414	370	€120,060,000.00	411	363	€119,190,000.00	35.38%	37.36%	30%	31.85%	33.64%	27%	31.62%	33.00%	27%
7.7(1a)		Buildings built before 31 December 2020 - Alternative: building is within Top 15%	392	301	€113,680,000.00	353	271	€102,370,000.00	349	301	€101,210,000.00	30.15%	27.36%	26%	27.15%	24.64%	23%	26.85%	27.36%	23%
7.7(2)		Buildings built after 31 December 2020	23	22	€6,670,000.00	21	20	€6,090,000.00	21	22	€6,090,000.00	1.77%	2.00%	2%	1.62%	1.82%	1%	1.62%	2.00%	1%
Total			875	734	€253,750,000.00	788	661	€228,520,000.00	781	686	€226,490,000.00	67.31%	66.73%	57.07%	60.62%	60.09%	51.40%	60.08%	62.36%	50.94%

Example of breakdown per economic activity 7.1 (Acquisition & Ownership of Real Estate)



ENGAGE Taxonomy Report

Portfolio Name *Example Portfolio 2024*
 Portfolio Date (DD-MM-YY) *01-08-2024*

Total # of Loans 1300
 Total # of Building Units 1100
 Total Balance €444,600,000.00
 TSC passed % **50.94%**

TSC assessment*

Section	Economic Activity	Subsection	SCC (check passed)			DNSH* (check) passed			TSC Passed (SCC + DNSH)		
			# of loans	# of Building Units	Balance	# of loans	# of Building Units	Balance	# of loans	# of Building Units	Balance
7.7(1)	Acquisition and ownership of buildings	<i>Buildings built before 31 December 2020: building has at least an Energy Performance Certificate (EPC) class A.</i>	460	411	€133,400,000.00	414	370	€120,060,000.00	411	363	€119,190,000.00
7.7(1a)		<i>Buildings built before 31 December 2020 - Alternative: building is within Top 15%</i>	392	301	€113,680,000.00	353	271	€102,370,000.00	349	301	€101,210,000.00
7.7(2)		<i>Buildings built after 31 December 2020</i>	23	22	€6,670,000.00	21	20	€6,090,000.00	21	22	€6,090,000.00
Total			875	734	€253,750,000.00	788	661	€228,520,000.00	781	686	€226,490,000.00

This block displays the Technical Screening Criteria (TSC) assessment, per economic (sub) activity. This section of the report displays the absolute number of loans, building units and corresponding balance that passed these checks.



ENGAGE Taxonomy Report

Portfolio Name	Example Portfolio 2024
Portfolio Date (DD-MM-YY)	01-08-2024
Total # of Loans	1300
Total # of Building Units	1100
Total Balance	€444,600,000.00
TSC passed %	50.94%

TSC pass Total Portfolio

SCC (check passed)			DNSH (check) passed			TSC Passed (SCC + DNSH)		
% of all loans	% of total Building u	% of total Balance	% of total loans	% of total Building u	% of total Balance	% of total loans	% of total Building u	% of total Balance
35.38%	37.36%	30%	31.85%	33.64%	27%	31.62%	33.00%	27%
30.15%	27.36%	26%	27.15%	24.64%	23%	26.85%	27.36%	23%
1.77%	2.00%	2%	1.62%	1.82%	1%	1.62%	2.00%	1%
67.31%	66.73%	57.07%	60.62%	60.09%	51.40%	60.08%	62.36%	50.94%

This block displays the Technical Screening Criteria (TSC) assessment, per economic (sub) activity. This section of the report displays the relative (vis-à-vis the portfolio) number of loans, building units and corresponding balance that passed these checks.



Regulatory update

Marco Angheben

European DataWarehouse & ENGAGE Project Coordinator





European Commission call for evidence on the establishment of a portfolio framework

- On 8 October 2024 the European Commission launched a call for evidence on an initiative laying down a comprehensive portfolio framework for voluntary use by financial institutions.
- The initiative aims to:
 1. increase lending volumes for energy renovations, in line with EU energy and decarbonisation targets;
 2. protect vulnerable households;
 3. outline best practices to encourage lenders to prioritise the worst-performing buildings.
- The establishment of a portfolio framework is announced in Article 17(10) of the EPBD recast.
- The deadline for the submission of feedback is 5 November 2024.
- A public consultation building on the feedback received for the call for evidence is intended to be launched in late 2025.



European Commission call for evidence on the establishment of a portfolio framework

- The purpose of the call for evidence is to gather opinions from stakeholders on the added value of a portfolio framework to guide financial institutions and facilitate access to financing for energy performance renovations of buildings.
- The call for evidence also aims to collect relevant data and feedback on:
 - current financing of energy performance renovation and the role of financial institutions;
 - potential barriers and obstacles;
 - best practices and future options to increase financing volumes; and
 - interaction with existing legislation, including the Sustainable Finance framework.
- You can respond to the call for evidence through https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14396-Energy-efficient-buildings-portfolio-framework-to-increase-lending-for-renovations-delegated-act-_en



Targeted consultation on the functioning of the EU securitisation framework

- On 9 October 2024 the European Commission launched a targeted consultation on the functioning of the EU securitisation framework.
- Question 12.8 of the targeted consultation is referring to the role of securitisation for the green transition, asking for input with regards to the initiative that could be taken in the industry or in the regulatory field.
- Deadline: 4 December 2024



ENGAGE Autumn Webinar Series



 **ENGAGE**
for ESG

Upcoming Webinars

**ENGAGE for ESG:
Portal Presentation**
21 November @ 10:00 CET

REGISTER NOW



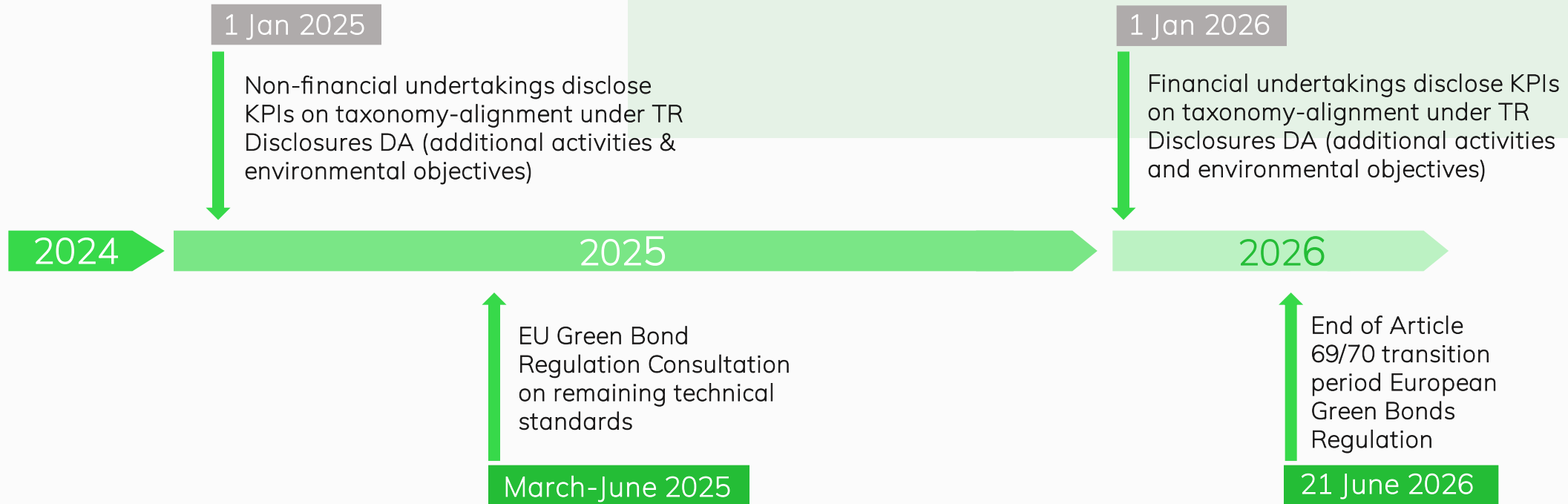
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CLICK BELOW TO
REGISTER:

- [Thursday, 21 November](#)
[10:00 \(CET\)](#)



Relevant sustainable finance milestones for ENGAGE for ESG



Source: selection of relevant regulations for ENGAGE for ESG from the ESMA implementation timeline, 18 October 2024.
Available at: https://www.esma.europa.eu/sites/default/files/library/sustainable_finance_-_implementation_timeline.pdf



Website:

engage4esg.eurodw.eu/

Social Media:

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



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Project Coordinator:

Marco Angheben
marco.angheben@eurodw.eu

ENGAGE General Contact:

engage@eurodw.eu

Communications

Carla Scarsella
carla.scarsella@eurodw.eu