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White paper on the roadmap for EU sustainable finance requirements

ENGAGE Consortium



Consortium

EUROPEAN
DATAWAREHOUSE

 **HYPOPORT**

 **Università
Ca' Foscari
Venezia**

UCI

woonnu


DEXAI
ARTIFICIAL ETHICS

List of abbreviations

Abbreviation	Description
CDA/Climate Delegated Act	Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives
CINEA	The European Climate, Infrastructure and Environment Executive Agency of the European Commission. Granting authority in the context of ENGAGE Project.
CSRD	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate



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	sustainability reporting (Corporate Sustainability Reporting Directive)
CSV	Comma-separated values. Text file format.
DDA/Disclosures Delegated Act	Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation
DEXAI	Dexai – Etica Artificiale, S.r.l.s.
DNSH	Do Not Significant Harm principle
DQM	Data Quality Management
Dx.y	Deliverable number y belonging to WPx
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EDW	European DataWarehouse GmbH
EIB	European Investment Bank
ENGAGE/Project	Engage for ESG Activation Investments project
ENGAGE Portal	IT infrastructure to be developed under ENGAGE Project
ENGAGE Templates	ENGAGE Energy Efficiency Disclosure Templates to be developed under ENGAGE Project
EPBD/ Energy Performance of Buildings Directive (IV)	Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings (recast)
EPC	Energy Performance Certificate
ESAs	European Supervisory Authorities
ESMA	European Securities and Markets Authority
EU	European Union
EU Taxonomy/EU Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020
GAR	Green Asset Ratio
GDPR	Regulation (EU) 2016/679 or General Data Protection Regulation
GFC	Global Financial Crisis
GHG	Greenhouse gases
HYP	Hypoport, B.V.
MEPS	Minimum Energy Performance Standards
ND	“No Data” option, followed by a number

NFRD	Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups Text with EEA relevance (Non-financial reporting Directive)
No.	Number
NUTS	Nomenclature of territorial units for statistics
PSF	Platform for Sustainable Finance
Securitisation Regulation	Regulation (EU) 2017/2402
UCI	Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito
UD	Unusual Date check
UNIVE	Università Ca' Foscari Venezia
WOO	Woonnu, B.V.
WP	Work Package



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Executive Summary

This document presents a roadmap for European sustainable mortgages and consumer loans dedicated to the renovation of dwellings, with a particular focus on compliance with key sustainable finance regulations, most notably, the EU Taxonomy Regulation and the Energy Performance of Buildings Directive (EPBD IV). These acts are increasingly relevant to residential mortgages and renovation loans, both in terms of product design and disclosure obligations.

As of the second quarter of 2025, navigating the evolving landscape of sustainable finance regulation remains complex. This is because 2025 is a pivotal year of regulatory change. Several developments are shaping the current environment, including growing calls for simplification of the sustainable finance framework, rising political emphasis on EU competitiveness, and ongoing reviews of the EU Taxonomy Climate Delegated Act and the Disclosure Delegated Act.

While the first Omnibus Proposal has been published by the European Commission, further proposals are expected. That said, despite the previously announced timelines, no formal communication has yet been issued by the Commission regarding the specific scheduled reviews of the Climate and Disclosure Delegated Acts. This regulatory uncertainty complicates strategic planning for market actors.

In this paper we aim to clarify the current state of play and highlight, including the strategic directions being considered by the Platform on Sustainable Finance in the context of a future revision of the EU Taxonomy. Building on this, we propose a realistic and future-proof data roadmap for residential mortgages and renovation finance, highlighting that any revised EU Taxonomy criteria are likely to require alignment with the requirements of EPBD IV if an effective implementation is desired.

In this endeavour, we are mindful of market constraints and practical feasibility. We acknowledge that many EU Member States have not published their national implementation plans for EPBD IV yet, making it difficult to extrapolate precise data requirements at this stage.

Nonetheless, the ENGAGE Consortium has consistently approached sustainable finance regulation with a clear understanding of market perceptions and implementation challenges. Accordingly, the EU Taxonomy disclosures required in the ENGAGE Templates include the minimum data points required by the regulations, focusing on those criteria and data elements that entities can reasonably report against.

With the publication of this white paper, we seek to share the approach taken by ENGAGE towards sustainable finance disclosure requirements. In addition, this white paper provides with a summary of the two ENGAGE pilots' experience in using the ENGAGE Templates, in particular, with the main challenges faced by each of the institutions when reporting through the ENGAGE Templates.



Introduction

ENGAGE for ESG is an initiative co-funded by the European Union. Its purpose is to create a standardised and harmonised disclosure framework for mortgages and renovation loans to simplify ESG reporting.

Since its creation in November 2022, the initiative has focused on creating standardised disclosure templates for mortgage and home renovation loans in line with the Climate Delegated Act with the aim of minimising the reporting burden for financial institutions under the EU Taxonomy framework.

[The ENGAGE Templates 1.1 were released in August 2024](#) and include the 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 the Do Not Significant Harm principle of the Climate Delegated Act for the economic activities of construction, acquisition, and ownership of real estate, as well as the minimum safeguards. The ENGAGE Templates version 1.2 including the data fields required to align with the Climate Delegated Act requirements for home renovation loans will be released shortly.

The ENGAGE Templates are operationalised through a dedicated IT infrastructure, the ENGAGE Portal. The two ENGAGE solutions play a crucial role in the current, uncertain, regulatory environment and, especially, in the context of the disclosure obligations for lending institutions.

The report is divided into three main sections:

1. The regulatory foundations of ENGAGE, where the regulatory basis observed for the development of the ENGAGE disclosure framework are explained;
2. The current ESG regulatory developments, where we focus on the latest ESG regulatory updates impacting on the ENGAGE disclosure framework;
3. The proposed ENGAGE solutions, where the ENGAGE Templates and the ENGAGE Portal are presented, along with the experience of NN Bank and UCI.

1. The regulatory foundations of ENGAGE

The ENGAGE disclosure framework -with the ENGAGE Templates at its core- has been developed in accordance with the most pertinent EU regulatory framework including regulations such as: EU Taxonomy, the Energy Performance of Buildings Directive, the EU Commission Notices, the Securitisation Regulation and the Covered bonds directive.

Therefore, the present section is dedicated to a thorough description of these regulations with a special focus on those aspects relevant for the conception and design of the ENGAGE Templates.

1.1 The Taxonomy Regulation

The EU Taxonomy is an EU-wide classification system for sustainable activities that aims to drive sustainable investment by providing clear science-based definitions for economic activities that significantly contribute to environmental objectives.

The concept of the EU Taxonomy emerged from a growing recognition to urgently address climate change and other environmental challenges, coupled with the realisation of the financial sector's crucial role in this transition.

The Commission, aware of the potential for sustainable finance to contribute to EU climate goals, began working on a comprehensive strategy to reorient capital flows towards sustainable investments. In May 2020, the European Parliament and the Council reached an agreement on the Taxonomy Regulation, which established the legal framework for the EU Taxonomy. The Taxonomy Regulation entered into force on 12 July 2020, with reporting obligations for non-financial undertakings tied to the Climate Delegated Act, which itself became applicable as of 1 January 2022. The CDA describes the detailed technical screening criteria that prescribe how certain economic activities can be designated as sustainable or, in other words, how they can be regarded as Taxonomy-aligned.

The disclosure obligations under the Disclosures Delegated Act also apply to financial institutions from 1 January 2024, covering financial year 2023. These include the GAR, a key indicator designed to measure the proportion of a credit institution's assets aligned with the EU Taxonomy and its corresponding technical screening criteria. This increasing alignment between financial disclosure and environmental objectives reflects a broader effort to embed sustainability into the architecture of EU financial regulation.

The Taxonomy Regulation sets forth six environmental objectives:

1. climate change mitigation;
2. climate change adaptation;
3. the sustainable use and protection of water and marine resources;
4. the transition to a circular economy;



5. pollution prevention and control;
6. the protection and restoration of biodiversity and ecosystems.

The Taxonomy Regulation intends to help channel capital towards projects and investments that contribute to the EU's climate and environmental goals, fostering the transition towards a sustainable, low-carbon economy.

The EU Taxonomy and its technical screening criteria were developed as science-based tools to guide investment towards activities that contribute to defined environmental objectives. In practice, most stakeholders primarily apply the criteria related to the climate objective of climate change mitigation. Section 7 of the Climate Delegated Act (Annex I) sets out the specific criteria for the construction and real estate sector, covering seven distinct economic activities.

The Taxonomy Regulation establishes the criteria for an economic activity to be considered environmentally sustainable:

- a) The economic activity **substantially contributes** to one or more of the environmental objectives set in the EU Taxonomy Regulation;
- b) The economic activity **does not significantly harm** any of the environmental objectives set in the EU Taxonomy Regulation;
- c) The economic activity is carried out in compliance with the **minimum safeguards** foreseen in the EU Taxonomy Regulation; and
- d) The economic activity complies with **technical screening criteria** established by the Commission through delegated acts¹.



Figure 1: Sustainable investments. Source: <https://www.pexels.com/>

¹ The first delegated act, which focuses on technical screening criteria for economic activities significantly contributing to climate change mitigation and adaptation (known as the "Climate Delegated Act"), was adopted on June 4, 2021. A subsequent delegated act addressing the remaining four environmental objectives (referred to as the 'Environmental Delegated Act') was adopted in draft status on 13 June 2023. The Climate Delegated Act is available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139>; the draft Environmental Delegated Act is available at https://finance.ec.europa.eu/system/files/2023-06/taxonomy-regulation-delegated-act-2022-environmental_en.pdf

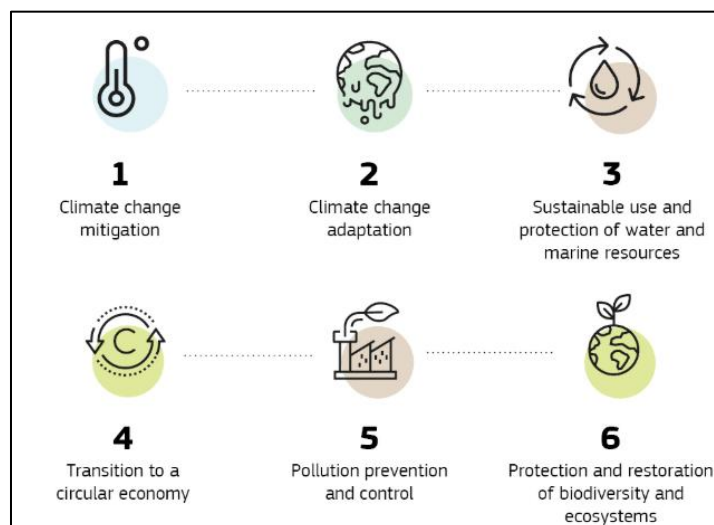


Figure 2: Environmental objectives as per Article 9 of the Taxonomy Regulation. Source: [EU Taxonomy Navigator](#)

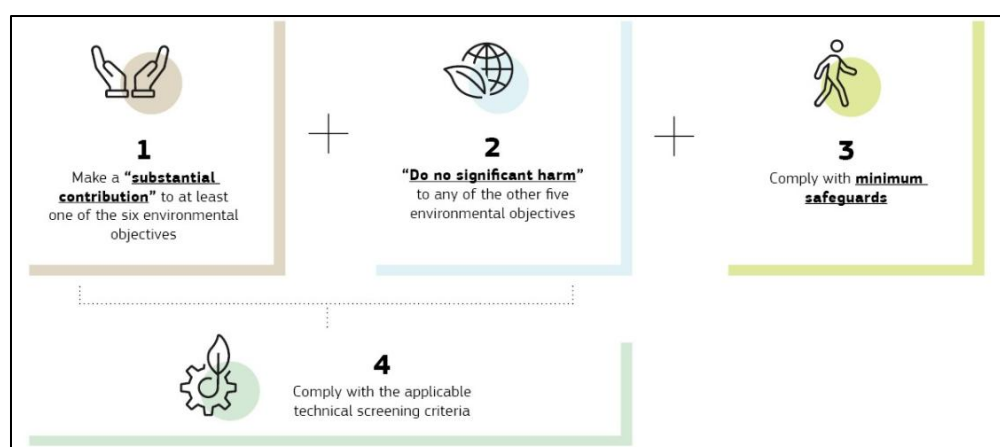


Figure 3: Criteria for environmentally sustainable economic activities, as per Article 3 of the Taxonomy Regulation. Source: [EU Taxonomy Navigator](#)

Under Article 8(1) of the Taxonomy Regulation, certain large enterprises required to publish non-financial information under the NFRD, i.e. “undertakings”, must disclose to the public the manner and extent to which their activities align with environmentally sustainable economic activities defined by the EU Taxonomy Regulation and delegated acts. The scope of undertakings covered by Article 8 of the Taxonomy Regulation is expanded by the CSRD.

The concept of "Minimum Safeguards" was introduced by the EU Technical Expert Group on Sustainable Finance (the predecessor of the Platform on Sustainable Finance), in its report

published in March 2020² in relation to the development of the EU Taxonomy Regulation. This report played an important role in shaping the concept of minimum safeguards.

The EU Taxonomy describes in Article 18 that the procedures with respect to Minimum Safeguards shall be implemented by the undertaking carrying out the economic activity. Article 18.1 states that the standards (procedures) “[...] shall be 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”.

In addition, Article 18.2 states that “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”.

The Climate Delegated Act

The Climate Delegated Act is a key component of the EU Taxonomy, which aims to provide a clear and consistent framework for determining environmentally sustainable economic activities substantially contributing to the climate change mitigation and climate change adaptation objectives.

In accordance with the general qualification criteria provided in the Taxonomy Regulation, the Climate Delegated Act elaborates on the technical screening criteria, the “do not significant harm” principle, and the minimum social safeguards with which entities have to comply in order to determine whether the relevant economic activity is EU Taxonomy-aligned.

The Disclosures Delegated Act³

The Disclosures Delegated Act sets out the content, methodology, and presentation of the information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments, or lending activities. One of its most important features is the introduction of key performance indicators (KPIs) on Taxonomy-aligned investments and expenditures. Most notably, it describes the calculation method for the GAR.

Article 26 of the Taxonomy Regulation mandates that the Commission shall “*publish a report on the application of this Regulation*” by July 2023 and every three years thereafter. Such

² EU Technical Expert Group on Sustainable Finance. Taxonomy: Final report of the Technical Expert Group on Sustainable Finance. March 2020.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R2178-20230101>. The Disclosures Delegated Act has been amended by the Environmental Delegated Act, which shall apply from 1 January 2024.



report must assess the effectiveness of the technical screening criteria, the availability and reliability of data and whether revisions or additions to the technical screening criteria are warranted. Moreover, transitional activities⁴ under Article 10(2) are subject to review “*at least every three years*”, with potential amendments informed by evolving scientific and technological understanding⁴. In chapter 2.2 below we address the latest Taxonomy Regulation review proposals.

1.2 The Energy Performance of Buildings Directive

The EPBD is a key EU legislative act that aims to improve the energy efficiency of buildings and reduce greenhouse gas emissions. Since its inception in 2002, the EPBD has undergone several revisions to meet evolving environmental and technological challenges (2010, 2018,



2021, 2024). The revised Energy Performance of Buildings Directive (EU/2024/1275) entered into force in all EU countries on 28 May 2024 and helps increase the rate of renovation in the EU, particularly for the worst-performing buildings in each country.

The directive contributes to the objective of reducing GHG emissions by at least 60% in the building sector by 2030 compared to 2015, and

achieving a decarbonised, zero-emission building stock by 2050. It works hand in hand with other European Green Deal policies such as the emissions trading system for fuels used in buildings, the revised Energy Efficiency Directive, the revised Renewable Energy Directive and the Alternative Fuels Infrastructure Regulation.

Other measures in the revised Energy Performance of Buildings Directive include:

⁴ In the EU Taxonomy, transitional activities are those that contribute to climate goals where no low-carbon alternatives currently exist, serving as interim solutions with lower emissions. Enabling activities support other activities in achieving substantial environmental benefits, such as by improving energy efficiency. Both categories help ensure the Taxonomy remains practical and aligned with real-world technological and economic conditions.

- the gradual introduction of minimum energy performance standards for non-residential buildings based on national thresholds to trigger the renovation of buildings with the lowest energy performance;
- a binding target to increase the average energy performance of the national residential building stock by 16% by 2030 in comparison to 2020, and by 20-22% by 2035, based on national trajectories;
- an enhanced standard for new buildings to be zero-emission and the calculation of whole life-cycle carbon for new buildings;
- enhanced long-term renovation strategies, to be renamed national Building Renovation Plans;
- increased reliability, quality and digitalisation of Energy Performance Certificates with energy performance classes to be based on common criteria;
- the introduction of building renovation passports;
- one-stop-shops for the energy renovations of buildings for home-owners, small and medium-sized enterprises and other stakeholders;
- energy performance data collection and sharing at aggregated level.

1.3 The European Commission Notices

Since the entry into force of the Taxonomy Regulation, the European Commission has strived to facilitate its interpretation and application through the issuance of notices that provide guidance on the various articles.

The Commission Notice documents should be interpreted in conjunction with one another, as their common content and internal cross-references may at times give rise to ambiguities or apparent inconsistencies. The evolving nature of this guidance body—particularly when subsequent notices introduce new interpretations—requires that earlier positions be reassessed in light of the most recent information. To ensure a comprehensive and up-to-date understanding of the regulatory framework, these notices must be considered alongside the foundational Level 1 text (the Taxonomy Regulation) and the relevant Level 2 Delegated Acts.

So far, the European Commission has published the following notices in the form of Questions and Answers:

April 2021

- [What is the EU taxonomy and how will it work in practice?](#)

July 2021

- [FAQ: What is the EU taxonomy Article 8 Delegated Act and how will it work in practice?](#)



December 2021

- [How should financial and non-financial undertakings report taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?](#)

February 2022

- [Commission Notice on the interpretation of certain legal provisions of the Taxonomy Regulation Article 8 Disclosures Delegated Act on the reporting of eligible economic activities and assets](#)
- [FAQ on the Taxonomy Complementary Climate Delegated Act](#)

December 2022

- [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 C/2023/267.](#)
- [Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets C/2023/305 \(second Commission Notice\)](#)

June 2023

- [Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation](#)

December 2023

- [Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU taxonomy Regulation on the reporting of taxonomy-eligible and Taxonomy-aligned economic activities and assets C/2024/6691 \(third Commission Notice\)](#)

The Commission Notices C/2023/267, C/2023/305 (second Commission Notice) and C/2024/6691 (third Commission Notice) are of particular relevance to the real estate sector and thus, the ENGAGE Templates.



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1.4 The Securitisation Regulation

The Securitisation Regulation sets out the regulatory framework for securitisations in the EU. It establishes requirements related to transparency, due diligence, risk retention, and disclosure obligations for securitisations, including specific requirements for STS securitisations.

The Securitisation Regulation, as amended in April 2021, includes sustainability factors for STS securitisations. In addition, The ESAs and the ECB stressed in the Joint Statement on Disclosure on Climate Change for Structured Finance Products issued on 13 March 2023 the need for further climate-related information on the underlying assets of structured finance products in order to foster the investment in financial products with high ESG standards. The ESAs clarified in the Joint Statement that, as part of the templates review, ESMA intends to introduce new, proportionate, and targeted climate change-related metrics that are useful for investors and supervisors.

Commission Delegated Regulations (EU) 2020/1224 and 2020/1225 specify the transparency regime under the Securitisation Regulation, including the data tapes that reporting entities must report to comply with the requirements established in Article 7 of the Securitisation Regulation.

In March 2024 the European Commission adopted the Commission Delegated Regulation (EU) 2024/1700 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying, for simple, transparent and standardised non-ABCP traditional securitisation, and for simple, transparent and standardised on-balance-sheet securitisation, the content, methodologies and presentation of information related to the principal adverse impacts of the assets financed by the underlying exposures on sustainability factors. This Delegated Regulation provides with an alternative reporting mechanism of ESG factors for securitisations where underlying loans are residential loans, auto loans and leases (ABS). As such, since 8 July 2024, originators are given the option to report:

- The initial environmental indicator (EPC, EPC provider), as per Articles 22.4 and 26(d)4 of the Securitisation Regulation; or
- The indicators according to Commission Delegated Regulation (EU) 2024/1700, as per Articles 22.6 and 26(d)6 of the Securitisation Regulation.

1.5 The Covered Bond Directive

Covered bonds in the European Union are primarily governed by Directive (EU) 2019/2162 and Regulation (EU) 2019/2160, in force since 8 July 2022⁵. These instruments harmonise structural features such as dual recourse, bankruptcy remoteness, and public supervision. However, they do not contain provisions specific to sustainability.

Sustainability integration in the covered bond market has so far been voluntary. The ICMA Green Bond Principles (GBP) remain the dominant market standard, offering guidance on transparency and reporting but not requiring alignment with the EU Taxonomy.⁶ Several initiatives exist where Covered Bond information is amended ESG data on an aggregate level. These initiatives are often not (per se) based on the EU Taxonomy.

The European Green Bond Regulation (EU) 2023/2631, applicable from December 2024, allows covered bonds to carry the "EuGBS" label provided that at least 85% of proceeds are Taxonomy-aligned and externally verified.⁷ However, the lack of detailed loan-level collateral data remains a barrier to widespread adoption.

Against this backdrop, the ENGAGE Templates offer a forward-looking solution. Designed to support regulatory alignment, these templates facilitate loan-level and collateral-level data collection relevant for ESG assessment. Although not a regulatory requirement, such detailed data frameworks can support issuers in improving transparency, anticipating supervisory expectations, and enabling structured finance instruments, including covered bonds, to demonstrate green or taxonomy-aligned characteristics.

2. Current ESG regulatory developments

Given the recently evolving regulatory requirements, in this chapter we are presenting the latest updates, as well as the planned adjustments of the sustainable finance regulatory framework impacting on the ENGAGE disclosure framework, including an overview of the potential issues and complications that might arise due to perceived legal uncertainty.

While 2025 has long been signalled as the target year for this review, the timeline for both the process and its outcomes remains unclear. As of mid-2025, no formal roadmap has been published outlining when the review will be initiated, how stakeholder consultation will be conducted, or when the revised technical screening criteria might enter into force.

A critical factor in the forthcoming review is the expected establishment of a renewed Platform on Sustainable Finance—often referred to as "PSF 3.0". While the previous iteration of the Platform concluded its mandate in March 2025, the next configuration is likely to provide

⁵ Directive (EU) 2019/2162 and Regulation (EU) 2019/2160.

⁶ ICMA Green Bond Principles, June 2022.

⁷ Regulation (EU) 2023/2631 on European Green Bonds.



technical and strategic input to the Commission. However, the precise scope (mandate), membership and working priorities of this new expert group are yet to be defined, which may affect the pace and focus of the CDA review.

Further uncertainty arises from the possibility of amendments to the EU Taxonomy's level 1 framework. It is not unthinkable that, in the context of future omnibus legislative initiatives or broader sustainable finance reforms, the foundational level 1 text itself may be revised. Such a development could have direct implications for the structure, legal basis, and procedural rules governing the CDA and its periodic revisions. It could also facilitate more flexibility in applying the technical screening criteria for differing stakeholders.

Another key point of attention concerns the relationship between the CDA and the Energy Performance of Buildings Directive. The recast EPBD, adopted in April 2024, will enter into force in May 2026. Given the interdependencies between Taxonomy criteria—particularly for construction and renovation activities under Section 7—and minimum energy performance standards under the EPBD, the timing of the revised CDA will be critical. Without careful coordination, there is a risk of regulatory misalignment or confusion for market actors navigating cross-referenced frameworks.

2.1 The Platform for Sustainable Finance reports

The Platform on Sustainable Finance, established under Article 20 of Regulation of the EU Taxonomy, is a permanent expert group that advises the European Commission on the development and usability of the EU Taxonomy framework. Its responsibilities include reviewing technical screening criteria, improving user guidance, and ensuring policy alignment across the EU's sustainable finance agenda.

Since the start of 2025, the PSF has taken an intensively active role, issuing several detailed reports on critical areas such as the Climate Delegated Act, SME accessibility, corporate transition planning, and renovation-related finance. This recent work provides timely input into the review process and illustrates the value of continued expert guidance. In Table 1 below an overview of the most recent publications issued by the PSF in 2025 is included.

The PSF's mandate formally concluded in March 2025. Discussions are ongoing regarding the establishment of a successor platform—often referred to as “PSF 3.0”—which is expected to carry forward and deepen the work begun under the current mandate. A renewed platform presents an opportunity to further enhance transparency, technical consistency, and engagement with a wider set of stakeholders.



Date	Type	Title	Contains reference to RRE	Includes a Consultation
1 April 2025	Report - Advancing sustainable finance	<i>Platform on Sustainable Finance report - Advancing sustainable finance: Technical criteria for new activities & first review of the Climate Delegated Act.</i>	Yes	No
28 March 2025	Handbook - Climate benchmarks and benchmarks' ESG disclosures	<i>Updated handbook on climate Benchmarks and benchmarks' ESG disclosures.</i>	No	No
26 March 2025	Response - EU taxonomy delegated acts	<i>Platform on Sustainable Finance response to the public consultation on the draft delegated act amending the EU taxonomy delegated acts.</i>	No	No
21 March 2025	Report - Streamlining sustainable finance for SMEs	<i>Platform on Sustainable Finance report: Streamlining sustainable finance for SMEs.</i>	Yes	No
11 March 2025	Report - Monitoring capital flows to sustainable investments	<i>Platform on Sustainable Finance report: Monitoring capital flows to sustainable investments</i>	No	No
5 February 2025	Report - Simplifying the EU taxonomy to foster sustainable finance	<i>Platform on Sustainable Finance report: Simplifying the EU taxonomy to foster sustainable finance.</i>	Yes	No

23 January 2025	Report - Building trust in transition: core elements for assessing corporate transition plans	<i>Platform on Sustainable Finance report on Building trust in transition: core elements for assessing corporate transition plans</i>	No	No
8 January 2025	Draft report - Technical Working Group (TWG)	<i>The Platform published a draft report by its Technical Working Group (TWG) for a call for feedback on preliminary recommendations for the review of the Climate Delegated Act and the addition of activities to the EU taxonomy.</i>	Yes	Yes

Table 1: Overview of Platform on Sustainable Finance Publications in 2025, in inverse chronological order

On 8 January 2025, the PSF published a draft report prepared by its Technical Working Group (TWG), launching a call for feedback on preliminary recommendations for revising the Climate Delegated Act and expanding the EU Taxonomy. While it meant a formal step in the review process, the report was limited in scope and provisional in nature. It addressed only the substantial contribution criteria for activities 7.1, 7.2, and 7.7, but omitted other key construction and renovation activities such as 7.3, 7.4, and 7.6. These gaps were largely the result of time constraints faced by the TWG, as they describe in the report. More importantly, the Minimum Safeguards and DNSH perspectives have not been addressed in this report at all. Stakeholders were invited to submit feedback by 5 February 2025 via public consultation. In Table 2 we provide a summarised overview on some of these proposals that the PSF published. In Table 3 we portray some commentary on these proposals and the overall ideas that are and have not been presented.

	Short Term Recommendations	Long Term Recommendations
7.1 Construction of New Buildings	<ul style="list-style-type: none"> • <i>Reflect EPBD recast in EU Taxonomy and mandate lifecycle GWP disclosure from 2025 for all new buildings or those >1,000 m², expanding to all by 2028.</i> • <i>Replace “NZEB -10%” with Zero Emissions Buildings</i> 	<ul style="list-style-type: none"> • <i>Develop an EU-wide method for lifecycle GWP by 2025 (EPBD Art. 7(3)).</i> • <i>Establish GWP limits for buildings >1,000 m² by 2026, referencing EN 15978.</i>

	<p>(ZEB); include ZEB in the Climate Delegated Act.</p> <ul style="list-style-type: none"> • Standardise Primary Energy Demand (PED) measurement across Member States. • Incentivise early adoption of embedded carbon standards before full EPBD transposition. 	<ul style="list-style-type: none"> • Set GWP limits for all new buildings in legal text by 2030. • Strengthen integration of EPD disclosure requirements from the CPR.
7.2 Renovation of Existing Buildings	<ul style="list-style-type: none"> • Reflect EPBD recast in EU Taxonomy. • Replace “major renovation” with “deep renovation” and define it in the Climate Delegated Act. • Prioritise energy efficiency renovations, indicating future inclusion of embedded carbon aspects. 	<ul style="list-style-type: none"> • Require lifecycle GWP disclosure for renovations >1,000 m² by 2028. • Simplify reporting for small-scale residential renovations. • Address mortgage/loan imbalances and align blended finance with Taxonomy criteria.
7.7 Acquisition and Ownership of Buildings	<ul style="list-style-type: none"> • Allow proxies for TSC compliance if clearly labelled. • Require anonymised public disclosure of Taxonomy reporting data via open databases. • Incorporate real annual energy performance data; resolve EPC vs actual energy use discrepancies. • Learn from schemes such as NABERS, Energy Star, LEED, and BREEAM. • Ban new fossil fuel equipment in buildings. • Align Taxonomy with SFDR PAI indicators and EBA criteria for Green Asset Ratio (GAR). 	<ul style="list-style-type: none"> • Adapt portfolio criteria or add specific portfolio-level metrics. • Align criteria with CSRD and CSDDD transition plans. • Develop decarbonisation pathways using diverse data and aligned with MEPS. • Transition to energy-based metrics (kWh/m²) in decarbonised grids. • Introduce third-party verification for assets and portfolios.

Table 2: Summary of PSF CDA Report of January 2025 - On Section 7: Construction and real estate activities

On the same day the call for feedback period closed, on 5 February 2025, the PSF released a second report, *Simplifying the EU Taxonomy to Foster Sustainable Finance*. This publication took on a distinctly different tone—more pragmatic, implementation-oriented, and reflective of market realities. Although it did not propose specific technical criteria or open a formal consultation process, the report was widely welcomed by market

participants for its clear articulation of usability challenges and its forward-looking simplification proposals.

Subsequently, on 1 April 2025, the PSF published *Advancing Sustainable Finance*, a follow-up report that largely reiterated the content of the January draft. It introduced only limited adjustments and did not incorporate feedback received during the February consultation. Nor did it reflect the conceptual proposals put forward in the simplification report. Instead, the analysis relied heavily on stakeholder input gathered in 2023, raising concerns about the currency and representativeness of its evidence base. In **Error! Reference source not found.** we give a summarized overview on some of these proposals.

Notably, this final report was published just as the PSF's mandate came to an end. The new PSF is expected to resume the analysis.

	Short Term Recommendations	Long Term Recommendations
7.1 Construction of New Buildings	<ul style="list-style-type: none"> • <i>Align EU Taxonomy with EPBD: Require lifecycle GWP disclosure in EPCs from 2025 (either all new buildings or phased approach: large buildings 2025, all buildings 2028).</i> • <i>Replace "NZEB -10%" with "Zero Emissions Building (ZEB)" definition in Climate Delegated Act.</i> • <i>Clarify Primary Energy Demand (PED) calculation to address national variations.</i> • <i>Incentivise early adoption of embedded carbon requirements from EPBD.</i> 	<ul style="list-style-type: none"> • <i>Introduce EU-wide lifecycle GWP calculation methodology via EPBD Delegated Act (end-2025).</i> • <i>Set lifecycle GWP limits: buildings >1,000 m² by 2026; all new buildings by 2030.</i> • <i>Improve integration with Environmental Product Declarations under CPR.</i>
7.2 Renovation of Existing Buildings	<ul style="list-style-type: none"> • <i>Replace "major renovation" with "deep renovation" definition in Climate Delegated Act.</i> • <i>Prioritise operational energy savings, clearly signalling future embedded carbon requirements.</i> • <i>Harmonise financial reporting between renovation and new construction.</i> 	<ul style="list-style-type: none"> • <i>Require lifecycle GWP disclosure via EPCs for renovations >1,000 m² from 2028.</i> • <i>Simplify compliance for smaller residential renovations.</i> • <i>Address financial reporting biases favouring new constructions; promote blended finance.</i>
7.7 Acquisition and	<ul style="list-style-type: none"> • <i>Permit clearly labelled proxies for compliance.</i> 	<ul style="list-style-type: none"> • <i>Evaluate substantial contribution criteria for</i>

Ownership of Buildings	<ul style="list-style-type: none"> • <i>Require public or anonymised data disclosure for Taxonomy reporting.</i> • <i>Include actual annual energy performance measurements (e.g., NABERS, Energy Star).</i> • <i>Ban new fossil fuel heating/cooling installations.</i> • <i>Align EU Taxonomy definitions with SFDR (PAI indicators) and EBA (Green Asset Ratio).</i> 	<p><i>portfolio-level adjustments.</i></p> <ul style="list-style-type: none"> • <i>Clarify criteria in context of CSRD/CSDDD-aligned transition plans.</i> • <i>Develop comprehensive decarbonisation pathways, including benchmarking and regional alignment with EPBD MEPS.</i> • <i>Shift performance metrics from emissions to energy intensity post-grid decarbonisation.</i> • <i>Implement third-party verification for asset and portfolio reporting accountability.</i>
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Table 3: Summary of PSF CDA Report of April 2025 - On Section 7: Construction and real estate activities

2.2 The Omnibus simplification effort

The EU is undergoing a recalibration of its policy priorities, with initiatives such as the *Budapest Declaration* and the *Compass for Competitiveness* placing renewed emphasis on growth, industrial policy, and regulatory streamlining. In parallel, the Commission has launched Omnibus initiatives intended to align and simplify disclosure obligations across the CSRD, the CSDDD, and other sustainability frameworks.

In September 2023, in the context of the 2023 State of the Union Address, President Ursula von der Leyen stressed the need for proportionate regulation, stating: “We will reduce reporting obligations by 25% for companies, without watering down the objectives of the legislation.”⁸ She further highlighted: “We must strike the right balance between necessary transparency and not overburdening businesses with reporting duties.” These remarks reflect a clear recognition that overly complex reporting frameworks risk diminishing the competitiveness of EU firms.

Equally important is the feedback from market participants. Financial institutions, industry stakeholders, and several Member States have voiced concerns regarding the taxonomy’s complexity, high administrative burden, and difficulties in practical implementation. In this context, former ECB President Mario Draghi’s call for reform is particularly resonant: “Europe’s

⁸ European Commission, 2023 State of the Union Address by President von der Leyen, 13 September 2023.



economic growth has been slowing for decades, and we must now focus on making our economy more competitive and innovative.”⁹ This insight encapsulates a key tension that will define the review process: the need to maintain high environmental integrity while ensuring that regulatory frameworks remain workable, cost-effective, and conducive to economic vitality.

2.3 The EU Taxonomy review

In the context of the February 2025 Omnibus package, the Commission also published a draft delegated act amending the [EU Taxonomy Disclosure, Climate and Environmental Delegated Acts](#). Notably, the proposed amendments aim to simplify the reporting templates and exempt companies from reporting on activities that account for less than 10% of their turnover. Stakeholders were invited to provide feedback in a public consultation that closed at the end of March 2025, with adoption of the delegated act planned for June 2025.

In parallel, the Commission is reviewing the existing EU taxonomy screening criteria, including the “do no significant harm” criteria, with the objective of updating, simplifying and enhancing their usability. Tentatively, the feedback period could take place in early 2026, aiming to adopt a delegated act in the second quarter of 2026. Changes would then apply as of the reporting year 2027 (for the financial year 2026), or possibly 2026 if companies voluntarily wish to report against the revised rules. Later on, the Commission will also add new activities to the EU Taxonomy, taking into account Commission priorities and industry demands.

The Commission is also reviewing the EU Taxonomy disclosures rules with a simplification objective. The timeline for this revision has not yet been determined.

2.4 The ENGAGE Consortium recommendations

Based on the analysis of the regulatory framework and its market experience, the ENGAGE Consortium puts forward the following recommendations:

1. The interaction of the Taxonomy Regulation and Delegated Acts with the Energy Performance of Buildings Directive (EPBD) recast national implementation legislation. The ENGAGE Consortium has observed that the Climate Delegated Act provides with criteria that eventually may collide with the upcoming national laws to be enacted in implementation of the EPBD. In this regard, consistency between the EU legal acts and the national implementation acts should be ensured.

⁹ Mario Draghi, Speech at the European Parliament, “A Strategy for European Competitiveness”, March 2024



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2. The simplification of the Taxonomy criteria for renovation activities. The ENGAGE Consortium, specifically, the pilot institutions members of the initiative, have flagged certain difficulties when it comes to the application of the Taxonomy alignment criteria for home renovation loans, e.g., issues to identify major renovations or to determine the primary energy demand reduction. As an example, the Taxonomy criteria could clearly establish the number of EPC label degrees that the renovation activity should improve, or require the adoption of certain specific energy efficiency measures.
3. The simplification of the Taxonomy criteria for new buildings. The Taxonomy criteria for new buildings could be simplified, in particular, for residential homeowners, in those elements where it presents most complexity, e.g., DNSH criteria. In addition, EU Member States' legal setups for the construction, acquisition and ownership of buildings differs substantially. As such, the Taxonomy Regulation could provide with enough flexibility to contemplate and allow the alignment assessment under the diverse legal configurations. For instance, in Netherlands, homeowners assume the legal ownership of the property acquired during the whole construction process. As a result, the provision of the evidence required for the Taxonomy alignment as natural persons is especially burdensome.
4. The data availability and accessibility challenge. The availability and accessibility of energy performance data remains a critical challenge that jeopardises the effective implementation of the Taxonomy Regulation and Delegated Acts. The lack of data and the obstacles to access where available operates at various levels:
 - a. First, the lack of a harmonised European-wide EPC scale poses an issue for the comparison of buildings' energy efficiency. In this regard, the ENGAGE Consortium advocates for the definition at European level of the EPC scales, including the specific indicators like, for instance, the primary energy demand (kWh/m² per year) for a clear



Figure 5: House with solar panels installed. Source: <https://www.pexels.com/>

correlation with the Taxonomy Technical Screening Criteria requirements as also advocated by the ECB staff response to the ESMA consultation paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation.

- b. Second, the unavailability of EPC information at property level also poses an issue for credit institutions. To some extent, this is due to the different interpretations of the General Data Protection Regulation across Europe. The situation with the introduction of the update version of the EPBD has not changed so far in many European countries (such as Germany, Greece, and Italy), given that the national implementation legal acts have not been passed yet. The availability of EPC information open access in a machinereadable format via APIs and ready for bulk upload and download is pivotal, as this would enable the matching of loan-level data with EPC data, helping the disclosure of the energy performance information of the underlying assets of loans.
 - c. Third, for some Taxonomy criteria, e.g. the DNSH criteria or the minimum safeguards, the collection of the evidence needed to verify the Taxonomy alignment is especially difficult, in particular, for residential homeowners.
 - d. Last, but not least, the ENGAGE Consortium believes that for the purposes of incentivising the disclosure of the sustainability metrics under the Disclosures Delegated Act, it would be beneficial to allow EPC proxies based on standard market practices with the appropriate safeguards to ensure transparency and prevent greenwashing. While the Joint Committee of ESAs rejected in its Q&As the use of estimated EPCs for the disclosures under the ESMA templates, the ENGAGE Consortium is of the opinion that, in lack of EPC information available at national or regional databases for financial institutions, such permission could contribute to the renovation wave.
5. To date, the EU Taxonomy has predominantly reflected the perspectives of corporates and financial institutions. While small and medium-sized enterprises (SMEs) have begun to receive more focused attention, the **role of homeowners**—who are, through residential (mortgage) lending, among the most significant indirect stakeholders—remains insufficiently integrated. The absence of a clearly articulated **consumer or homeowner perspective** weakens the EU Taxonomy's effectiveness in achieving real-world impact. Homeowners are pivotal actors in the decarbonisation of the built environment, and their active engagement is indispensable to the expansion of sustainable finance.

Regulatory	Engagement	Industry reporting
<ul style="list-style-type: none"> • Simplification of the TSC to make them operational • Clarification on the applicability of the Minimum Safeguards • Consistency with the EPBD IV 	<ul style="list-style-type: none"> • More homeowner involvement needed 	<ul style="list-style-type: none"> • Limited home renovation reporting

Figure 6: Challenges identified by the ENGAGE Consortium in the current Taxonomy regulatory framework

The solutions proposed by the ENGAGE Templates will be discussed in the following section.

3. The proposed ENGAGE solutions

The ENGAGE solutions aim to activate investments in energy efficiency projects to bridge the funding gap in sustainable finance by means of promoting transparency in the ABS market, in particular, residential mortgages and home renovation loans. To this end, ENGAGE has developed a set of data disclosure template(s) reflecting the information needed to adhere to the EU Taxonomy Regulation and an IT infrastructure that automatically assesses the alignment of the relevant loans or transactions with the EU Taxonomy, amongst other features.

3.1 The ENGAGE Templates

When developing the ENGAGE Templates, the ENGAGE Consortium has considered:

1. Unique data templates specifically developed from EU regulatory requirements

In May 2025 the Spanish Intellectual Property Register has approved the registration of the ENGAGE Templates, confirming their status as an original and protected intellectual creation.



The registration not only recognises the originality of the ENGAGE Templates but also provides a secure foundation for their broader dissemination and use by formally establishing their protected status and validating their credibility as a trusted tool for regulatory compliance and ESG data harmonisation.

2. Existing (granular) financial reporting standards for residential mortgage loans (primarily, the ESMA templates) and market practices

The ENGAGE Consortium has decided to build the ENGAGE Templates on the existing disclosure requirements under the Securitisation Regulation, in particular, Annex 2 (for version 1.1 of the ENGAGE Templates) of the technical standards on disclosure requirements, because they present a range of advantages that will contribute to their usability by relevant stakeholders, amongst others, that ESMA templates are already widely used and applied. Overtime, the ENGAGE Templates will evolve potentially including additional data fields as the sustainable reporting framework evolves. Even if Annexes 2 and 6 have been originally developed for securitisation transactions, the ENGAGE Templates have seized it for a wider scope of instruments outside the realm of securitisation, as it forms the most widely used and (regulatory) accepted and detailed mortgage disclosure template in the EU.

TEMPLATE CATEGORY	SECTION	FIELD CODE	FIELD NAME	CONTENT TO REPORT	ND1 ND4 allowed	ND5 allowed	ND1 ND7 allowed	ND5 allowed	FORMAT
SMA_ANNEX 2: RSE	Underlying exposures information section								
SMA_ANNEX 2: RSE	Underlying exposures list	RREL1	Unique Identifier	The unique identifier of the transaction For securitised pool, please use the unique identifier assigned by the reporting entity in accordance with Article 15(1) of Delegated Regulation (EU) ... (include number of the disclosure RTS) For not securitised pool, please use the unique identifier code that you have received from the ENGAGE platform when you have registered your transaction	NO	NO			(ALPHANUM-38)
SMA_ANNEX 2: RSE	Underlying exposures list	RREL2	Original Underlying Exposure Identifier	Unique underlying exposure identifier. The identifier must be different from any external identification number, to ensure anonymity of the obligor. The reporting entity must not amend this unique identifier	NO	NO			(ALPHANUM-1000)
SMA_ANNEX 2: RSE	Underlying exposures list	RREL3	New Underlying Exposure Identifier	If the original identifier in field RREL2 cannot be maintained in this field enter the new identifier here. If there has been no change in the identifier, enter the same identifier as in RREL2. The reporting entity must not amend this unique identifier	NO	NO			(ALPHANUM-1000)
SMA_ANNEX 2: RSE	Underlying exposures list	RREL4	Original Obligor Identifier	Original unique obligor identifier. The identifier must be different from any external identification number, in order to ensure anonymity of the obligor. The reporting entity must not amend this unique identifier	NO	NO			(ALPHANUM-1000)
SMA_ANNEX 2: RSE	Underlying exposures list	RREL5	New Obligor Identifier	If the original identifier in field RREL4 cannot be maintained in this field enter the new identifier here. If there has been no change in the identifier, enter the same identifier as in RREL4. The reporting entity must not amend this unique identifier	NO	NO			(ALPHANUM-1000)
SMA_ANNEX 2: RSE	Underlying exposures list	RREL6	Data Cut-Off Date	The data cut off date for this data submission	NO	NO			(DATEFORMAT)

Figure 7: Screenshot of the ENGAGE Templates

3. The importance of minimising the reporting burden for lending institutions

By encompassing existing disclosure requirements and best market practices, ENGAGE Consortium aims to provide through the ENGAGE Templates a one-size-fit all solution that brings added value to a wide range of stakeholders, e.g., financial institutions originating mortgages, credit rating agencies, investors and regulators. The detailed granularity level of the Templates, including loan and collateral information, prevents greenwashing and facilitates the precondition to abstract or aggregate many other types of reports, as required.

4. Neutrality with regard to transaction structures

The ENGAGE Templates have been designed to be agnostic from a transaction structure, to enable their versatile use for a portfolio of (mortgage) loans, for a specific funding structure or for an unsecured green bond transaction. The templates are also suited for covered bond assets or mortgage portfolios in general.



5. Proportionality

The ENGAGE Templates are a modular one-size-fit-all disclosure framework that sets out different information requirements depending on the goal pursued by the lending institution using the Templates.

In addition, a phased approach is foreseen for the scope of the ENGAGE Templates as a voluntary disclosure framework, proposing the completion of the Templates with available information on a best-efforts basis.

The ENGAGE Templates have been designed based on the identification of the necessary data fields, to carry out the EU Taxonomy assessments. In this way it is transparent for users:

- Which fields are needed to assess alignment with the EU Taxonomy;
- How Taxonomy assessment checks or calculations for alignment are conducted.

All fields in the ENGAGE Templates are conditional; this means that they are mandatorily requested to the extent necessary for the performance of the alignment check with the relevant section(s) of Annex I of the Climate Delegated Act. Where information is not available, for the sake of transparency, the ENGAGE Templates provide with the possibility to use seven “no data” options.

6. The one-size-fits-all approach

The ENGAGE Templates, while initially focused on the requirements of the EU Taxonomy Regulation, aim to incorporate further disclosure regimes, such as the European Investment Bank (EIB) data fields required for the Green Eligibility Checker assessment.

In summary, the ENGAGE Templates address and help to reduce the risks described in Figure 5 above.

3.2 The ENGAGE Portal

The ENGAGE Portal is a web-based platform where authorised users can upload and download the ENGAGE input and output files, i.e., the ENGAGE Templates, and the ENGAGE data quality and ENGAGE Taxonomy alignment reports, respectively. The ENGAGE Portal is a data platform with a dedicated permission management system allowing access to eligible users to different data and folder sections.

More importantly, the ENGAGE Portal allows users to upload the ENGAGE data Templates as input file. Upon the processing of the input file, the ENGAGE Portal produces a data quality and EU Taxonomy alignment report based on the provided loan-level data in accordance with the ENGAGE Templates. The ENGAGE Portal primarily enables lending institutions to upload and assess the alignment of their mortgage and home renovation loans portfolios with the EU Taxonomy Regulation first.



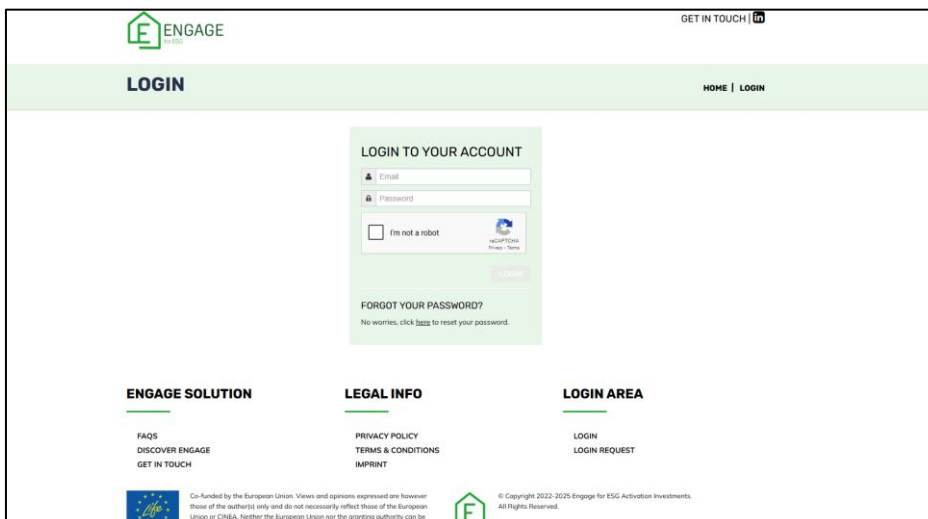


Figure 8: Login to the ENGAGE Portal

3.3 The UCI and NN Bank case studies

- **UCI dataset**

UCI provided a sample of 72,500 mortgage loans and 481 home renovation loans. UCI used stratified sampling techniques to ensure that the dataset was both comprehensive and representative.

UCI dataset was curated to encompass a diverse range of loan types. It covered both performing and non-performing loans, providing a realistic snapshot of its loan book. In addition, loans originated in recent years alongside legacy loans granted before the Global Financial Crisis (GFC) were included in the sample. This blend of loan vintages permitted the inclusion of loans with different performance across different economic cycles.

The reporting of the data fields required under building block 0 of the ENGAGE Templates - which pertains to the ESMA Templates fields- did not mean a burdensome exercise, thanks to the internal developments implemented at UCI following the issuance of fully compliant RMBS deal.

However, the UCI systems currently in force do not generate this information for all types of loans. Specifically, personal loans intended for the renovation of buildings are not yet accommodated within the existing infrastructure. This limitation highlights an important area for further development, i.e., the need to enhance IT systems to include the capability to process and report on these renovation loans. By undertaking this improvement, UCI aims to achieve full compliance across all loan types, thereby enhancing the accuracy and completeness of these ESMA Templates- related fields for all loans.

Regarding the data fields requested under building block 1 of the ENGAGE Templates, while UCI has a substantial amount of information readily available, there is significant room for improvement.

The following graphic illustrates the current level of data availability with regard to the data fields requested in the ENGAGE Templates version 1.1. The graphic highlights the areas where UCI is well-equipped and identifies fields that require further development.



Figure 9: UCI sample data availability statistics against ENGAGE Templates version 1.1, related to the 72,500 mortgage loans submitted to the ENGAGE Portal.

As depicted in the graphic, UCI has categorised the data fields into four different groups based on the current availability of information.

1. Fully available information: highlighted in dark green at the top of the graphic, the first group consists of 12 fields for which UCI has all the data requested in the ENGAGE Templates across all loans.
2. Highly available information: the second group includes 9 data fields that are available for about 80% to 99% of the loans. This substantial coverage allows for reliable insights, albeit some data gaps exist because of the unavailable data for 1% to 20% of the loans.

3. Restrictively available information: the third group comprises 4 fields with limited data availability. These data fields are only available for about 1% to 40% of the loans.
4. Unavailable information: the final group consists of 9 fields for which there is no data available. Notably, 8 of these fields pertain to the Top 15% study, which is an element subject to completion in Spain and Portugal. The absence of this data highlights areas where further data collection and integration efforts are needed.

- **Challenges identified by UCI**

1. **Lack of Top-15%-related data**

To determine whether the underlying property to a loan qualifies as within the top 15% of the national or regional building stock, UCI compares the EPC of the property from the respective loan with the EPC mapping of the region where the building is located. However, UCI currently lacks an official document for reference, as this is work in progress in Spain and Portugal. Therefore, UCI has only completed three fields of the ENGAGE Templates: “Building unit in Top-15% indicator”, “Top15%_Explanatory Variable,” and “Top15% Methodology Description.”

2. **Automation of data extraction process**

Another significant challenge is that the data extraction process has not been fully automated yet. UCI staff extracts the data from existing data files in UCI records on a field-by-field basis. This requires the verification of the extraction and the completion of the missing data fields manually. The automation of the data extraction process will ensure that new loans and all dynamic fields of existing loans are automatically generated whenever necessary.

- **NN Bank dataset**

NN Bank contributed to the pilot study with 43,466 mortgage loans.

The data extraction process at NN Bank was led by Koen Cop.

The data sources used by NN Bank to complete the fields required by the ENGAGE Templates are:

- a) its own mortgage loan servicing administration;
- b) EP-online, a publicly available government website and online database;
- c) The database basis registration addresses and buildings (*Basisregistratie Adressen en Gebouwen*, “BAG”).

The data from EP-online and BAG is already included in NN Bank’s mortgage loan administration and is updated periodically. The data needed for the ENGAGE Templates

version 1.1 could therefore be extracted via queries from NN Bank's own mortgage loan administration.

Challenges identified by NN Bank

Automation of data extraction process

A significant challenge is that the data extraction process has not been fully automated yet. NN Bank staff extracts the data from existing data files in its mortgage loan database records on a field-by-field basis. This requires the verification of the extraction and the completion of the missing data fields manually. The automation of the data extraction process will ensure that new loans and all dynamic fields of existing loans are automatically generated whenever necessary.

Construction of new buildings

During the construction phase of a new building, the customer is already given a loan in order to pay for the ground on which the building is built and to pay the constructor during the building phases. In this case, it is not possible for NN Bank to conduct the Taxonomy-alignment check on the mortgage loan for the construction of a new building due to the lack of information regarding the DNSH environmental objective indicators 3 (*sustainable use and protection of water and marine resources*), 4 (*transition to a circular economy*), 5 (*pollution prevention and control*) and 6 (*protection and restoration of biodiversity and ecosystems*).¹⁰

Conclusions

The ENGAGE taxonomy and Templates provide a comprehensive and highly practical framework for financial institutions seeking to align with the EU Taxonomy and the CDA. At its core, ENGAGE serves as a *de facto* data ingredient list for compliance with the EU Taxonomy Regulation, operationalising what can otherwise be a legally abstract and technically demanding framework into tangible, traceable data elements.

Unlike the EU Taxonomy itself—which does not prescribe a standardised loan-level reporting format—ENGAGE translates these high-level regulatory objectives into structured, granular datapoints. This is particularly significant given that audit and assurance processes often require analysis at the level of individual exposures. The ability to map regulatory criteria directly onto exposure-level data provides internal clarity, supports external accountability, and marks a major step forward in the standardisation of sustainable finance reporting.

From an internal governance perspective, the ENGAGE Templates cater for consistency in data definitions, identification of data gaps, and alignment across business units. Importantly, ENGAGE's built-in data quality and referential integrity checks contribute to improved data governance. When dealing with novel, complex, and high-impact datasets—such as those

¹⁰ Once the building has been built, NN Bank regards the loan to fall under 7.7 of Annex I of the Climate Delegated Act (acquisition and ownership of a building), for which the aforementioned objectives do not apply.

required for Taxonomy alignment assessments—ensuring high data quality is paramount. The ENGAGE Templates facilitate both ad hoc data governance audits and routine verification of internal data consistency, significantly strengthening institutional readiness for supervisory scrutiny.

For external stakeholders—including investors, potential investors, regulators, supervisors, rating agencies, and accounting teams—the ENGAGE dataset offers a single data source. Its standardised structure allows the same loan-level collateral information to be used across multiple disclosure and analytical contexts. Furthermore, ENGAGE Portal’s design enables institutions to easily derive aggregate-level outputs from detailed input data, supporting the production of stratified investor reports and summary compliance documentation without the need for extensive data transformation.

The ENGAGE taxonomy and Templates mean an industry revolution: they are an unparalleled disclosure framework for mortgages and home renovation loans, whose originality has been officially recognized by public authorities¹¹. The ENGAGE Templates are also helpful to manage and mitigate the climate change risks (transition and physical risks) inherent to banks’ portfolios.

In summary, the ENGAGE Templates are the only existing templates that bridge national and EU-level data requirements at such depth and granularity. It is uniquely positioned to enable inter-jurisdictional comparison and facilitate regulatory alignment across Member States. In fact, they are a useful tool to ease the decision-making processes and the implementation of pertinent policy decisions aiming to foster sustainable investments.

The ENGAGE Templates are the one-size-fits-all template that ensures compliance-readiness and data governance integrity.

¹¹ As of 10 April 2025, the ENGAGE Templates have been included in the Spanish Intellectual Property Register as an original, protected creation.



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