

ENGAGE 4 ESG

An introduction for EU Taxonomy Compliance
for residential loans.

UNEP FI

Energy Efficiency Finance for
Building Renovations: Navigating
Data, Disclosure, and Taxonomy
Challenges

October 2025



Co-funded by the
European Union



1. About us

An introduction





ENGAGE: introduction

ENGAGE in short

ENGAGE is a market-driven initiative, co-funded by the EU, aimed at developing and maintaining a future-proof standard for residential real estate loans and ESG data. Our primary focus is on aligning with the **EU Taxonomy**-related disclosures, a fundamental element of EU sustainable finance regulation.

We do this by developing and maintaining:

- **Template Add-ons:** Enhancing existing mortgage loan disclosure frameworks through a flexible system of *ESG add-ons*. These *add-ons* are market-designed and built with transparency in mind.
- **ENGAGE Portal:** Providing a platform where stakeholders can evaluate ESG criteria with complete transparency. The portal also functions as a secure data room and potentially as a repository for sustainable disclosures.

Scope: EU, Residential (mortgage) loans, EU Taxonomy, EIB, CSRD



URL: <https://engage4esg.eurodw.eu/>

Over 70+ EU financial institutions joined and requested the templates.

Consortium members



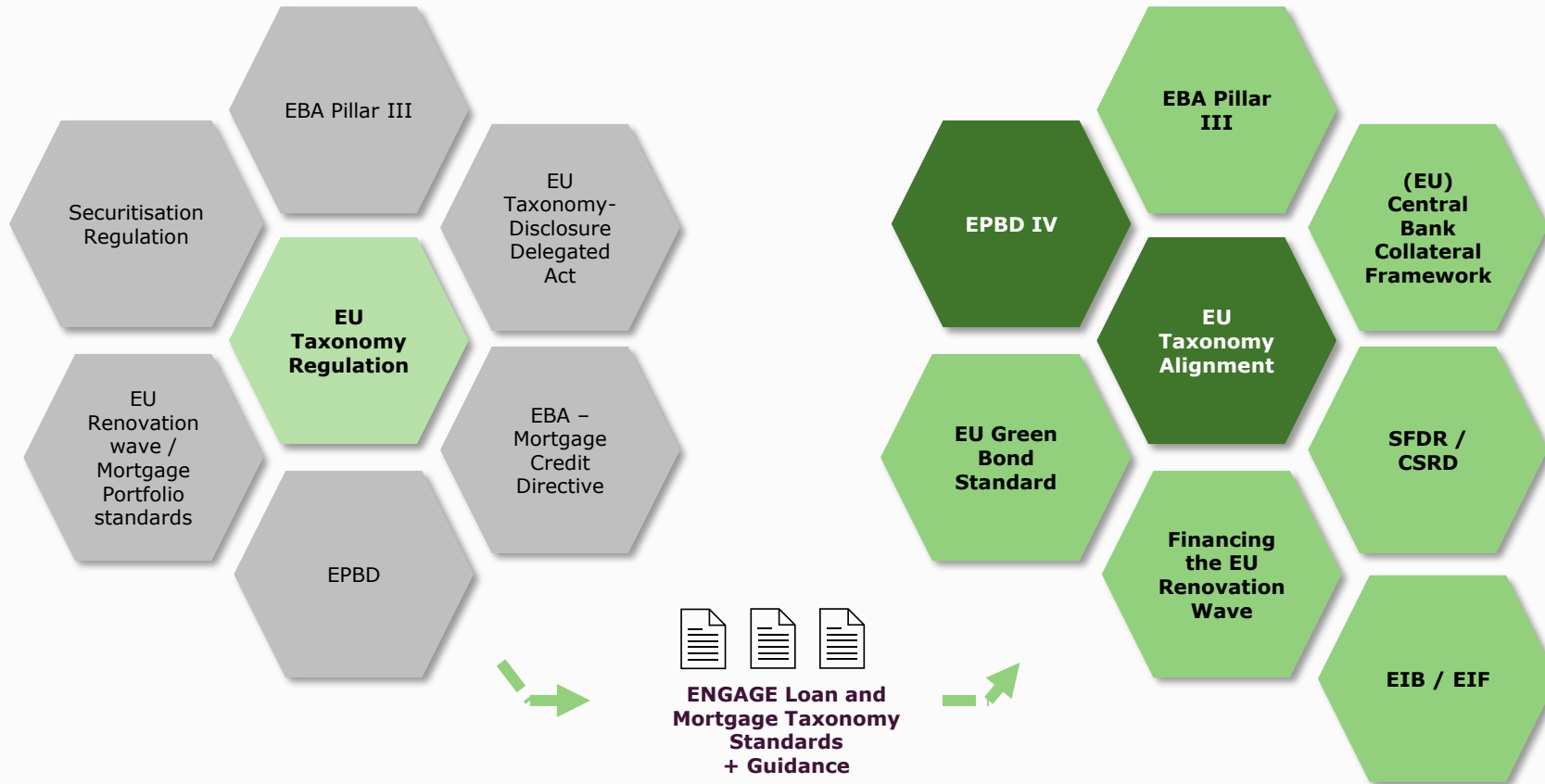
Università
Ca' Foscari
Venezia



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



ENGAGE: (Regulatory) Background



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



Scope for ENGAGE: The EU Taxonomy

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

EUROPEAN
DATAWAREHOUSE

HYPOPORT

Spanish & Portuguese pilot

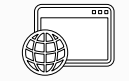
Consumer & funding

UCI



ENGAGE Loan and
Mortgage Taxonomy
Standards
+ Guidance

Portal



Web interface



Database



Taxonomy
Alignment
Assessment
Calculator

Dutch pilot

Consumer & funding

nationale
nederlanden



Scientific layer



Università
Ca'Foscari
Venezia

Governance & Legal layer

DEXAI
ARTIFICIAL ETHICS





Scope for ENGAGE: The EU Taxonomy

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





The Eu Taxonomy – Scope for ENGAGE

In short:

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



Taxonomy
Regulation



Climate
Delegated Act



Annex I –
CC Mitigation

EU Taxonomy Alignment Steps

Substantial
Contribution

+

Do No Significant
Harm

+

Minimum Safeguards

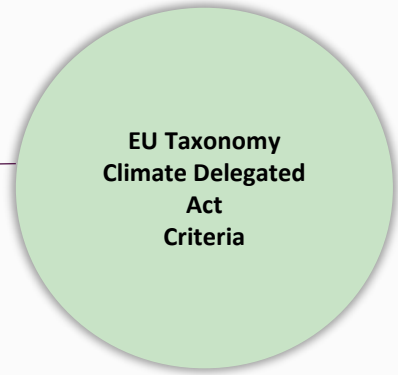
=

Sustainable Activity

Additional
Technical
Screening
Criteria
Available



The Eu Taxonomy – Scope for ENGAGE



+



=



TSC

Substantial Contribution

Do No Significant Harm

Minimum Safeguards

Data Granularity

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

Climate Related Information

Documentation and governance

+

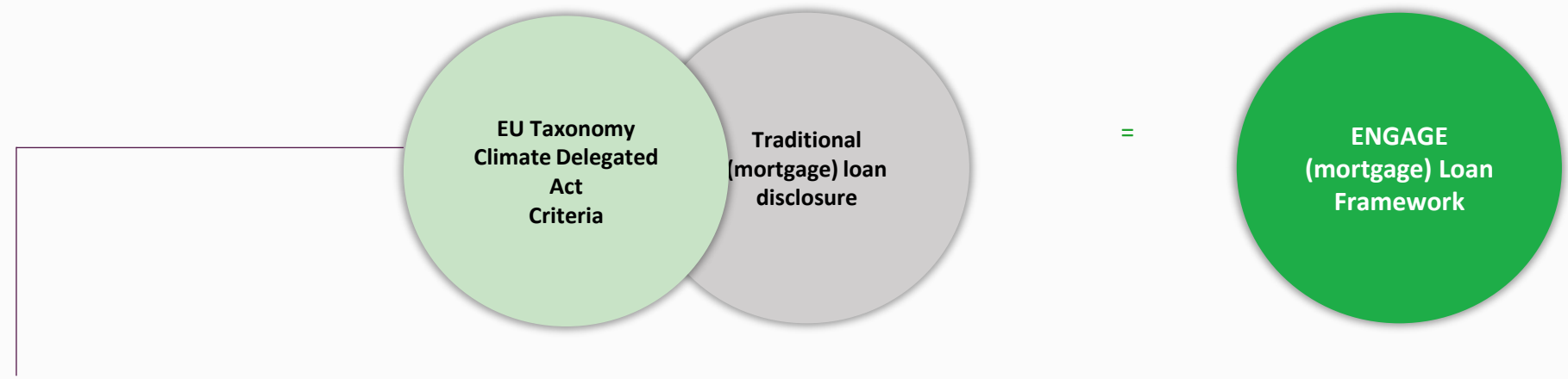
Sec. Reg. Disclosure

Loan

Collateral



The Eu Taxonomy – Scope for ENGAGE



TSC

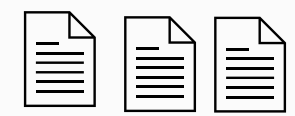
- Substantial Contribution
- Do No Significant Harm
- Minimum Safeguards

Data Granularity

- Detailed Loan(part) and collateral (building unit level information)
- Climate Related Information
- Documentation and governance

Sec. Reg. Disclosure

- | | |
|------------|------|
| Loan | RREL |
| Collateral | RREC |
| | EREC |
| | EGFF |



ENGAGE Loan and Mortgage Taxonomy Standards + Guidance

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



ENGAGE Template Structure

Dovetailing – Common Denominators

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

Substantial Contribution

Do No Significant Harm

Assets + Collateral

Do No Significant Harm

Minimum Safeguards

Documentation, Governance & Transaction Structure (optional)

Liabilities

Dovetailing existing disclosure standards with EU Taxonomy requirements for real estate

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

2. The ENGAGE Templates

Converting EU Taxonomy into Data requirement



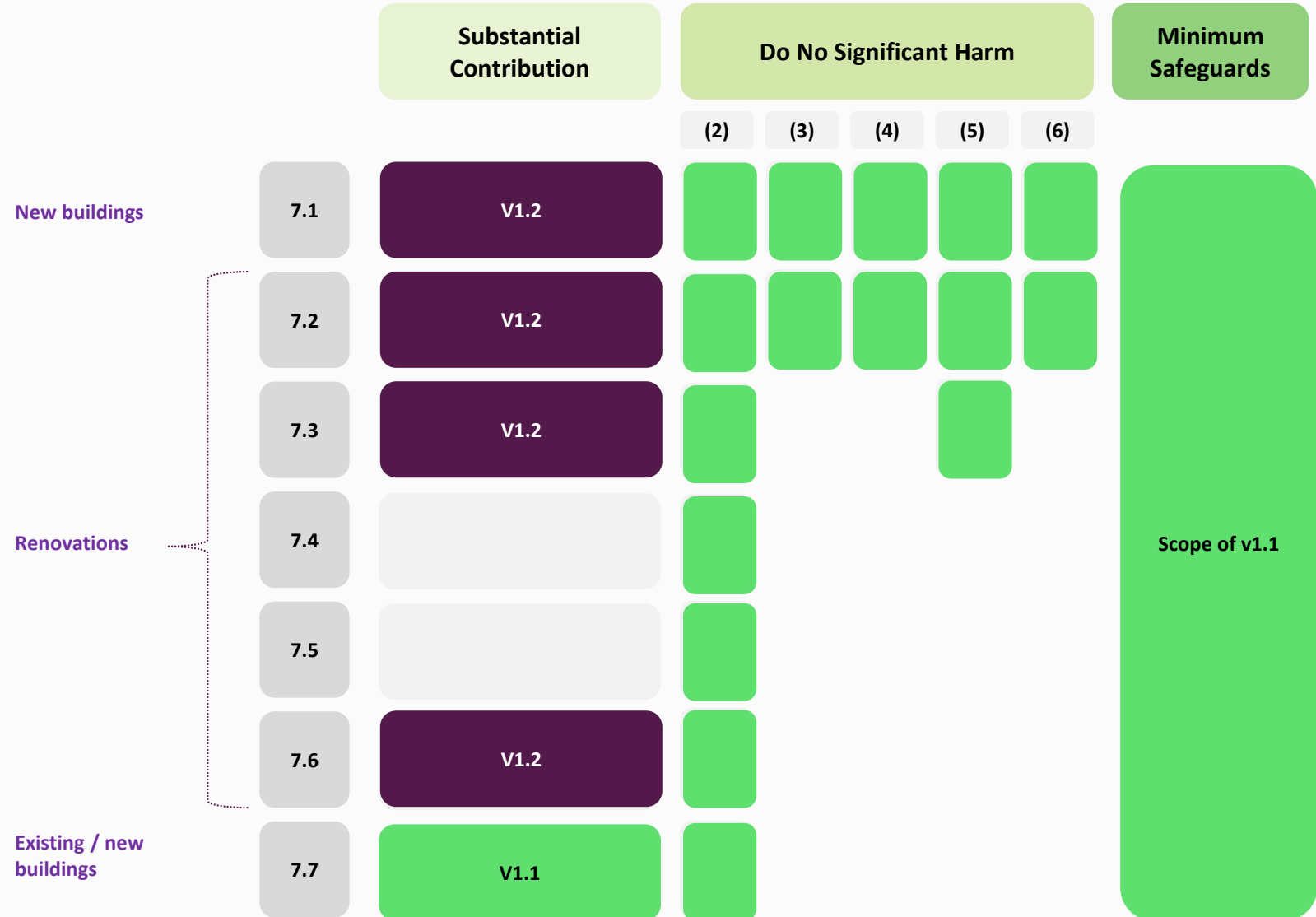


Economic Activities – Scope for ENGAGE

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 ENGAGE template v1.2:**
 - SCC 7.1
 - SCC 7.2, 7.3 + 7.6
 - Annex 6 version for unsecured renovation loans
 - CSRD – Financed emissions
 - EIB
 - (minor) Improvements

V1.3 we expect to include the EUT Simplification (on the agenda for 2026H1)!





The ENGAGE Templates: how it works

Building Block

- Fields marked with **0** denote the original ESMA Template
- Fields marked with **1** indicate the ENGAGE Add-On fields

Fields used for Taxonomy 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	DNSH 7.1
		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.



Guiding documentation – an excerpt

Information Classification: Internal Use



3.1 Acquisition and ownership of buildings (section 7.7 of Annex I of the Climate Delegated Act)

According to section 7.7 of Annex I of the Climate Delegated Act, the Substantial Contribution Criteria to climate change mitigation are met if:

- For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A or the building is within the top 15 % of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.
- For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex I that are relevant at the time of the acquisition.

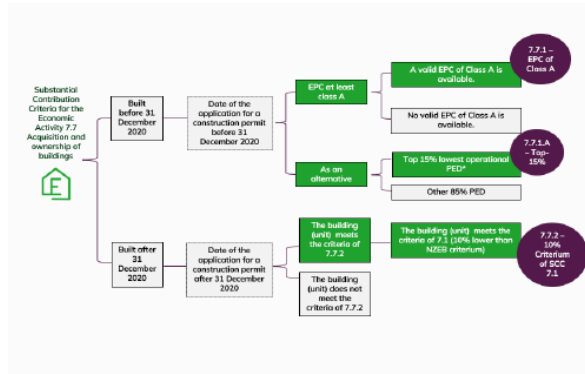


Figure 1: Summarised decision tree



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

Information Classification: Internal Use



The figure above shows that for buildings built before 31 December 2020 two conditions are given to determine if the SCC are met: either the building has an EPC class A, or it is within the top-15% of the national or regional building stock expressed as operational Primary Energy Demand of buildings built before 31 December 2020. For buildings built after 31 December 2020 the 10% criterium prescribed in section 7.1 applies.

In this context, the European Commission clarified in the CDA Q&A of 2023 that to determine the date in which a building was "built" under section 7.7, the date of the application for a construction permit should be used⁹. For instance, for some buildings that were built in 1950 or 2005 it is apparent that the building meets the criteria for buildings built before 31 December 2020 because the date of the application for the construction permit is clearly pre-31 December 2020. However, for some buildings that were constructed or finalised in 2021 or 2022 it is relevant to verify if the application for the construction permit is dated before 31 December 2020 or thereafter.

Therefore, for a loan to be regarded aligned with the Substantial Contribution Criteria under section 7.1 of Annex 1 of the Climate Delegated Act, the requirements of section 7.1 of the Climate Delegated Act will be applied if the borrower is an (corporate) undertaking, whereas either the requirements of section 7.1 or the equivalent section 7.7(2) will be applied if the borrower is a (residential) homeowner.

The DDA Q&A of 2023 addressed on the topic of new constructions a credit institution should consider its client's contractual relationship underlying the building. Therefore:

- Where the contract of the client is for construction of a new building, the credit institutions should assess the exposure against the criteria in Section 7.1 of the relevant Annex to the Climate Delegated Act;
- Where the contract of the client is a purchase contract, the credit institution should assess the exposure against the criteria in Section 7.7 of the relevant Annex to the Climate Delegated Act.

When financing a loan towards a (future) residential homeowner, where the agreement specifies that the loan is used to pay the construction company it could be regarded as a 7.1 loan. However, in this situation it could be interpreted that answer 144 of the CDA Q&A of 2023 suggests this is a loan for the homeowner, thus 7.7 can be applied. In cases of doubt whether to apply 7.1 and 7.7, it is up to the discretion of the template user to select the criteria that it regards most appropriate.

⁹ See Answer 143.



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



Guiding documentation – an excerpt

Information Classification: Internal Use



3.1.1 Summary of regulatory assessment and data requirements for the SCC applicable to the EPC class A criterium

Substantial contribution to Climate Change Mitigation of Annex I

For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.

Interpretation:

- At the reporting or assessment date the EPC of the Building Unit should be of Class A.
- The application date of the construction permit is needed to assess if the building is built before 31 December 2020.
- An Energy Performance Certificate (EPC) of Class A is needed (A, A+, A++, A+++; A+++ also satisfies this condition).
- A certificate should be present with a valid validity date, as of the assessment date, irrespective of the methodology.
- A credit institution should consider its client's contractual relationship underlying the building.

> Notes and considerations

- The application date of the construction permit is needed to assess if the building is built before 31 December 2020.
- A credit institution should consider its client's contractual relationship underlying the building.
- Note Answer 104 of the CDA Q&A of 2023: "EPC methodologies differ per country or sometimes within a country. Some jurisdictions use energy demand instead of energy consumption. As long as it is an official Energy Performance Certificate this does not matter".

> ENGAGE Templates data fields

Based on the above assessment, the ENGAGE Templates request the fields below to assess alignment with the criterium EPC class A set forth in section 7.7.1.

Field Code	Field Name
RREL1	Unique Identifier
RREL2	Original Underlying Exposure Identifier
RREL3	New Underlying Exposure Identifier
RREL5	New Obligor Identifier
RREL6	Data Cut-Off Date



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

19

Information Classification: Internal Use



RREL30	Current Principal Balance
RREC2	Underlying Exposure Identifier
RREC4	New Collateral Identifier
EREC3	Collateral Identifier Building block 0
EREC4	General Activity Designation
EREC5	Construction Year
EREC6	Construction permit application date
EREC7	Energy Performance Certificate (EPC) Class
EREC8	Estimated or officially produced EPC
EREC9	Issuance date of most recent EPC
EREC10	EPC original validity
EGFF1	Unique Identifier
EGFF11	Environmental Objective
EGFF15	DNSH Compliance Reference

Table 2: ENGAGE data fields for compliance with the SCC for section 7.7.1 (EPC class A criterium) in green

In green we have indicated the fields that we have identified for the assessment of this check that are identified on a building (unit) / collateral level. RREL1, 2, 3, 6, 30 are fields that are needed to identify the loan, timestamp and corresponding amount per loan. EREC4 is used to identify the type of activity and field EGFF10 -part of the Minimum Safeguards section- is in indicator for the environmental objective¹⁰.

The ENGAGE Templates additionally request for this section optional fields that might be useful for a better description of the ESG characteristics of the building.

3.1.2 Summary of regulatory assessment and data requirements for the SCC applicable to the top-15% criterium

If all buildings built before 31 December 2020 had an EPC and a PED-value, the calculation of the top-15 could be easily undertaken through the ranking of buildings PED values from low to high and the selection of the Top-15% threshold value.

However, to the best of our knowledge, there is currently no jurisdiction in the EU with a full coverage of EPCs, let alone of Prime Energy Demand values. This is due to the fact that not all residential properties built before 31 December 2020 have an EPC, and therefore, a PED is not available for all building units. To perform the Top 15% analysis, an estimation approach and corresponding evidence (hereinafter, "study") is required to determine the (estimated) operational PED of all the residential building (units) of a given jurisdiction built before 31 December

¹⁰ Climate Change Mitigation



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

20

Guiding documentation is available, detailing EU Taxonomy data requirements



Guiding documentation – an excerpt

Information Classification: Internal Use



2020. All building units with an operational PED that is lower than the determined threshold value can then be considered to meet the alternative SCC of 7.7.1.

In this regard, there are two considerations to be observed in the top-15% study:

- 1) The study must relate to buildings built before 31 December 2020, meaning the application date of the construction permit must be before or on 31 December 2020.
- 2) The study must distinguish between residential and non-residential properties.

The CDA Q&A of 2023 highlight the requirement that a study describing the Top-15% should be public and transparent ("adequate evidence should be provided (e.g. a recent study)").

To the best of our knowledge, there are a range of varying estimation techniques available to perform a top-15% study. For instance, this can consist in assessing the building code through time whereas other studies or assess (model) the operational PED per building unit to gauge if it is in the top-15%. We have facilitated flexibility of the method in the ENGAGE template and we have emphasised the feedback of the European Commission in the CDA Q&A of 2023 that the methodology should be public and transparent.

Therefore, we have incorporated the numerator and denominator that is used in the top-15% assessment in the ENGAGE template and some background information so that stakeholders can understand the methodology and study that is applied.

Notes & considerations

- The application date of the construction permit is needed to assess if the building is built before 31 December 2020.
- Note CDA Q&A of 2023, Answer 152: if a building unit is within the Top 15% at a certain date, it does not automatically mean that it is considered to meet the SCC during its full lifetime: when the Top 15% is recalculated, it could be that an individual building unit is no longer within the Top 15% (e.g. if the composition of the building stock (and thus the top 15% threshold value) has changed).
- Also note CDA Q&A of 2023, Answer 157 regarding heritage or protected buildings that are exempt from the EPC.
- We assume that the word "alternative" means that as an alternative to using the EPC of class A. Per building unit (reference asset) an alternative assessment of the Substantial Contribution Criteria can be applied. This could be an interesting alternative when no EPC is available.

ENGAGE Templates data fields

Based on the above assessment, the ENGAGE Templates request the fields below to assess alignment with the criterion Top-15% set forth in section 7.7.1.

Field Code	Field Name
RREL1	Unique Identifier
RREL2	Original Underlying Exposure Identifier

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

Information Classification: Internal Use



RREL3	New Underlying Exposure Identifier
RREL5	New Obligor Identifier
RREL6	Data Cut-Off Date
RREL30	Current Principal Balance
RREC2	Underlying Exposure Identifier
RREC4	New Collateral Identifier
EREC3	Collateral Identifier Building block 0
EREC4	General Activity Designation
EREC5	Construction Year
EREC6	Construction permit application date
EREC21	Building unit in top-15% indicator
EREC22	Top 15% Explanatory Variable
EREC23	Top 15% Object Reference Value
EREC24	Top 15% Object Threshold Value
EGFF1	Unique Identifier
EGFF2	Top 15% Document Name
EGFF3	Top 15% Document Issuance Date
EGFF4	Top 15% Document URL
EGFF5	Top 15% Document Geographic Scope
EGFF6	Top 15% Numerator
EGFF7	Top 15% Denominator
EGFF8	Top 15% Methodology Description
EGFF11	Environmental Objective
EGFF15	DNSH Compliance Reference

Table 3: ENGAGE data fields for compliance with the SCC for section 7.7.1 (Top-15% criterion) in green

In green we have indicated the fields that we have identified for the assessment of this check that are identified on a building (unit) / collateral level. In purple we have identified the fields that are to be provided in the governance file. RREL1,2 3, 6, 30 are fields that are needed to identify the loan, timestamp and corresponding amount per loan. EREC4 is used to identify the type of activity and field EGFF10 -part of the Minimum Safeguards section- is in indicator for the environmental objective¹¹.

The complete list of these fields, with their description, is available in the ENGAGE template by selecting the option "N" in the column with the name "Section 7.7.1 - Top 15%". The ENGAGE Templates additionally request for this section optional fields that might be useful for a better description of the ESG characteristics of the building.

¹¹ COM Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor the granting authority can be held responsible for them



The ENGAGE Templates

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

Substantial Contribution

7.7

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

7.7.1 –
EPC of
Class A

7.7.1.A –
Top-15%

7.7.2 –
10%
Criterium
of SCC 7.1

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

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

An example: interpreting EUT section 7.7 into functional data requirements.

3. EU Taxonomy & EPBD IV

Relation between EU Taxonomy and EPBD IV





EPBD IV – A primer

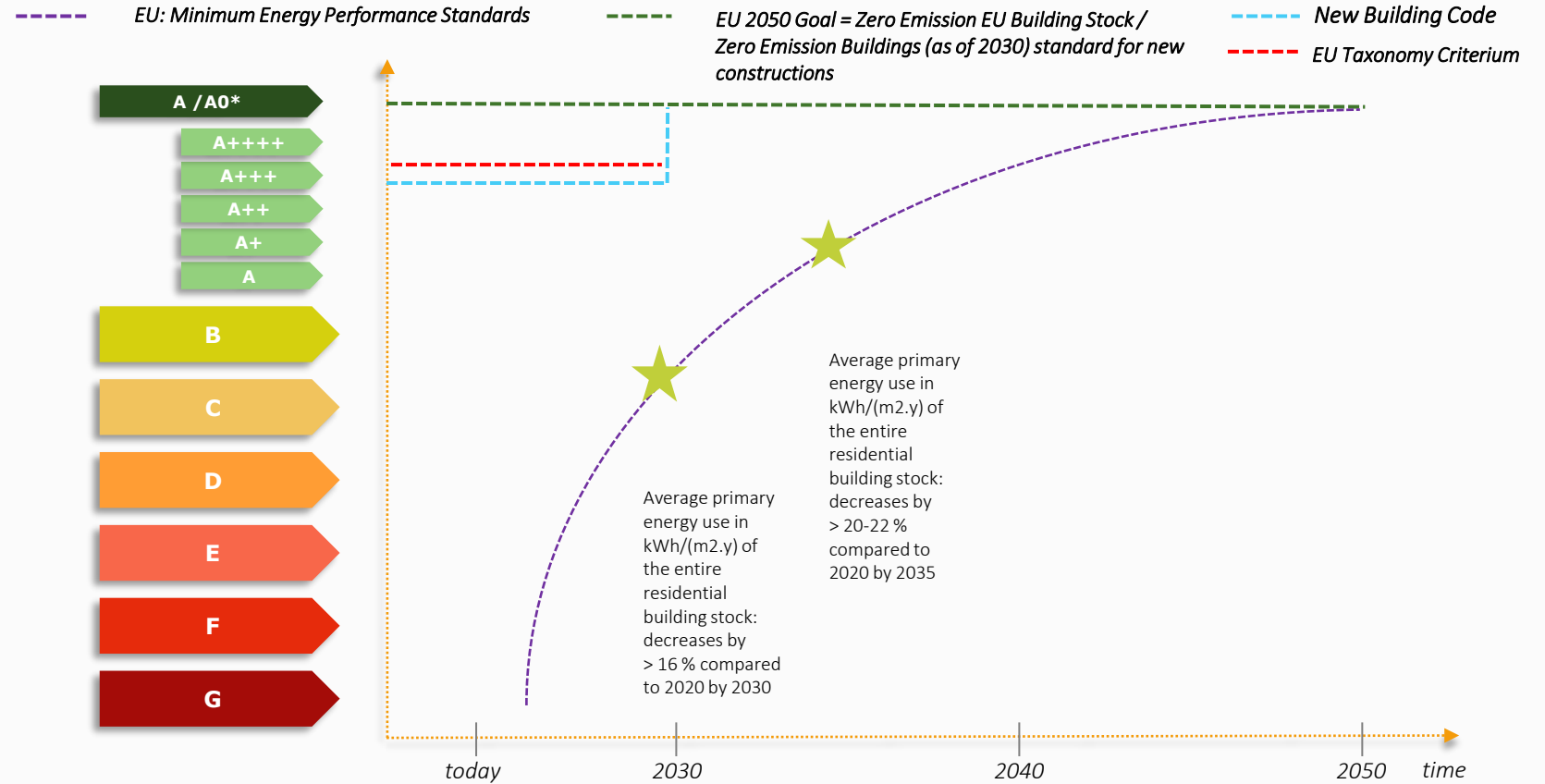
EPBD IV – in short

The **European Climate Law** establishes the objective of achieving climate neutrality across the economy by 2050 at the latest.

The **revised Energy Performance of Buildings Directive (EPBD IV)** must be transposed into national legislation **by 29 May 2026**, with phased provisions running until 2030.

Zero-emission building (ZEB): These are buildings with very low energy demand, no carbon dioxide emissions on site from fossil fuel use, and no or only very limited operational greenhouse gas emissions.

By 2030, all new buildings must be *zero-emission buildings*, while the existing building stock must be transformed into *zero-emission buildings* by **2050**.



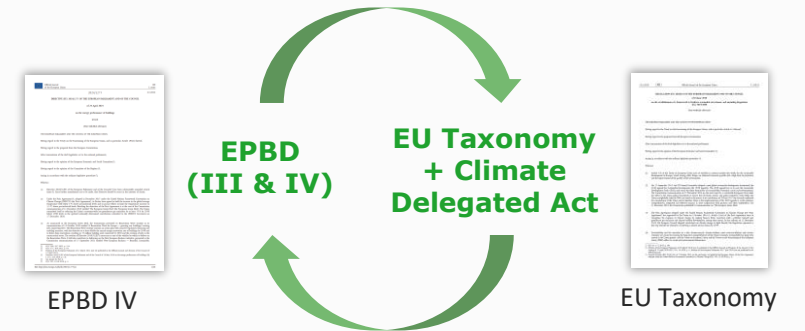
EPBD IV: all buildings must be ZEB by 2050. EPBD IV contains multiple policy instruments that apply to residential loans



EPBD IV – Link with the EU Taxonomy

Relevant elements / articles for residential loans

Application level	Article	Short Explanation
National level	National Building and Renovation Plan (Article 3)	National strategy with renovation roadmaps, targets (2030, 2040, 2050), policy measures and financing to make the building stock emission-free by 2050.
Building / portfolio level	Minimum Energy Performance Requirements (Article 9)	By 2030, energy consumption must be 16% lower than in 2020 and by 2035 reduced by 20–22%. More than half of the reduction must come from the 43% least energy-efficient dwellings, measured in primary energy consumption.
Portfolio level (financial institutions)	Mortgage Portfolio Standards (Article 2)	(voluntary) mechanisms to encourage lenders to improve the average energy performance of mortgage-backed portfolios, in line with EU decarbonisation targets.
Individual building / owner	Renovation Passport (Article 12, Annex VIII)	Voluntary tailor-made roadmap for phased deep renovation of a specific building to make it emission-free.



**EPBD IV: all buildings must be ZEB by 2050. EPBD IV contains multiple policy instruments that apply to residential loans
And many links to the EU Taxonomy**

4. ENGAGE Portal and Output

Portal & Output





ENGAGE Output: EU Taxonomy Assessment 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 Constructions

● — Renovations

● — Existing / new buildings

ENGAGE Output

1. ENGAGE EUT Assessment output

This report provides a comprehensive overview of the portfolio's underlying exposures in the EUT assessment:

- Each (sub) section of the EU Taxonomy's economic activities is broken down into (partial) alignment.
- Offers greater granularity than DDA templates.
- Enables deeper insights into the nuances of the TSC, including SCC and DNSH.

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

2. EU Taxonomy Data Quality report

We have also developed an EU Taxonomy Data Quality report for mortgage loans, offering detailed insights into data completeness and portfolio quality.

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



ENGAGE: EUT Assessment Output



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*

TSC pass Total Portfolio

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 total loans	% of total Building	% of total Balance	% of total 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 for Economic Activity 7.1 (Acquisition & Ownership of Real Estate)



ENGAGE: EUT Assessment Output

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	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
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
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
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: EUT Assessment Output

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.

5. ENGAGE – Real Examples and reflections

A digital fireside chat with UCI (Spain) and NN (The Netherlands)





ENGAGE: EUT Assessment Output

ENGAGE 4 ESG in practice: Some real-world perspectives from 2 sustainable lenders. A Spanish and Dutch perspective on how ENGAGE is applied. Perspectives are shared by UCI (SPAIN) and NN (Netherlands).

What do you consider to be the greatest added value of using ENGAGE?

In what ways does ENGAGE support you in addressing data-related challenges?

From your perspective, what are the key priorities or expectations of funders and investors when investing in sustainable Mortgages?

What are the main (data) challenges for EU Taxonomy-related disclosures within your jurisdiction?



ENGAGE: EUT Assessment Output

ENGAGE 4 ESG in practice: Some real-world perspectives from 2 sustainable lenders. A Spanish and Dutch perspective on how ENGAGE is applied. Perspectives are shared by UCI (SPAIN) and NN (Netherlands).

What do you consider to be the greatest added value of using ENGAGE?

In what ways does ENGAGE support you in addressing data-related challenges?

From your perspective, what are the key priorities or expectations of funders and investors when investing in sustainable Mortgages?

What are the main (data) challenges for EU Taxonomy-related disclosures within your jurisdiction?



ENGAGE: EUT Assessment Output

ENGAGE 4 ESG in practice: Some real-world perspectives from 2 sustainable lenders. A Spanish and Dutch perspective on how ENGAGE is applied. Perspectives are shared by UCI (SPAIN) and NN (Netherlands).

What do you consider to be the greatest added value of using ENGAGE?

In what ways does ENGAGE support you in addressing data-related challenges?

From your perspective, what are the key priorities or expectations of funders and investors when investing in sustainable Mortgages?

What are the main (data) challenges for EU Taxonomy-related disclosures within your jurisdiction?



ENGAGE: EUT Assessment Output

ENGAGE 4 ESG in practice: Some real-world perspectives from 2 sustainable lenders. A Spanish and Dutch perspective on how ENGAGE is applied. Perspectives are shared by UCI (SPAIN) and NN (Netherlands).

What do you consider to be the greatest added value of using ENGAGE?

In what ways does ENGAGE support you in addressing data-related challenges?

From your perspective, what are the key priorities or expectations of funders and investors when investing in sustainable Mortgages?

What are the main (data) challenges for EU Taxonomy-related disclosures within your jurisdiction?



ENGAGE: introduction

ENGAGE in short

ENGAGE is a market-driven initiative, co-funded by the EU, aimed at developing and maintaining a future-proof standard for residential real estate loans and ESG data. Our primary focus is on aligning with the **EU Taxonomy**-related disclosures, a fundamental element of EU sustainable finance regulation.

We do this by developing and maintaining:

- **Template Add-ons:** Enhancing existing mortgage loan disclosure frameworks through a flexible system of *ESG add-ons*. These *add-ons* are market-designed and built with transparency in mind.
- **ENGAGE Portal:** Providing a platform where stakeholders can evaluate ESG criteria with complete transparency. The portal also functions as a secure data room and potentially as a repository for sustainable disclosures.

Scope: EU, Residential (mortgage) loans, EU Taxonomy, EIB, CSRD



URL: <https://engage4esg.eurodw.eu/>

Over 70+ EU financial institutions joined and requested the templates.

Consortium members



Università Ca' Foscari Venezia



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