



ENGAGE Project Coordinator

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EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

General affairs

Policy definition and coordination

Subject: Targeted Consultation on the functioning of the EU Securitisation Framework

The ENGAGE for ESG initiative¹ welcomes the European Commission Targeted Consultation on the functioning of the EU Securitisation Framework and would like to contribute to it from its standpoint as a consortium of expert entities in the area of sustainable finance, data templates implementation and reporting.

- European DataWarehouse GmbH (EDW) is an ESMA-designated Securitisation Repository and a Eurosystem repository for ABS, pools of additional credit claims.

¹ More information about ENGAGE for ESG can be found at <https://engage4esg.eurodw.eu/>.

- Hypoport B.V. (HYP) is a specialist IT company, developer of software solutions for the financial sector.
- Università Ca' Foscari (UNIVE) is a pioneer university in sustainable finance programmes and research.
- Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito (UCI) is a specialist entity in sustainable financing for mortgages and loans in the Spanish and Portuguese markets.
- Nationale-Nederlanden Bank N.V. (NN Bank) is an innovative sustainable mortgage loan originator in the Dutch market.
- Dexai s.r.l. (DEXAI) is a consultancy company expert in compliance of new technologies with legal and ethical standards.

The ENGAGE Consortium would like to contribute to the Targeted Consultation, in particular, to question 12.8, with regards the role of securitisations for green transition financing.

Description of the ENGAGE for ESG initiative

ENGAGE for ESG is an initiative co-funded by the European Union and launched by the six institutions from across Europe mentioned above (the “**ENGAGE Consortium**”) with the purpose of creating a standardised and harmonised disclosure framework for mortgages and renovation loans that contributes to the activation of energy efficiency investments for the residential building stock. The initiative is also contributing to the goals of the Renovation Wave and supporting the implementation of the Energy Performance of Buildings Directive recast (EPBD), in particular, Article 17.

Since its inception in November 2022, the initiative has been focusing on developing standardised disclosure templates for mortgage and home renovation loans (ENGAGE Templates) in line with Regulation (EU) 2020/852 (the “**Taxonomy Regulation**”) and Commission Delegated Regulation (EU) 2021/2139 (the “**Climate Delegated Act**”) to facilitate the sustainability reporting for financial institutions and improve transparency vis-à-vis investors. In fact, the ENGAGE Consortium is enhancing existing mortgage loan disclosure frameworks based on the technical standards on disclosure requirements under the Securitisation Regulation (the “**ESMA Templates**”) through a flexible system of add-on templates for various regulatory standards. These add-ons are market-designed and built upon the principles of transparency, data availability and governance.

The [ENGAGE Templates version 1.1](#) were released in August 2024 and include the data elements that allow financial institutions to disclose the alignment of their mortgages with EU Taxonomy requirements in line with the substantial contribution criteria and 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. Version 1.2 of the ENGAGE Templates, which focuses on the disclosure requirements for home renovation loans, is expected to be released in late 2024.

During the coming months, the ENGAGE Templates will continue to expand to incorporate the most relevant European sustainability regulations and disclosure requirements (e.g., European Investment Bank (EIB) – European Investment Fund (EIF) disclosures for renovation projects).

Two pilot lenders Unión de Créditos Inmobiliarios, S.A. as well as Nationale-Nederlanden Bank N.V. have been submitting data as according to the ENGAGE Templates for the Netherlands, Portugal and Spain. Additional banks and lenders from across Europe are expected to adopt the ENGAGE Templates over the course of 2025.

The ENGAGE Templates have been operationalised through a dedicated IT infrastructure, the ENGAGE Portal. Stakeholders will be able to evaluate ESG criteria in the ENGAGE Portal and to use the infrastructure as a secure data room for sustainable disclosures, starting with the required disclosures to check the EU Taxonomy- alignment.

Market participants have positively welcomed the ENGAGE Templates and Portal, in particular, with regards to the conversion of the regulatory requirements of the EU Taxonomy into concrete data fields.

Response to question 12.8 of the Targeted Consultation

The ENGAGE Consortium believes that green transition financing requires the **improvement of transparency** with regards to sustainability data. In this sense, the ENGAGE Consortium hereby expresses its willingness to assist the European Commission in the identification and selection of the relevant climate-related data fields that could significantly enhance the transparency of climate-related risks and the characteristics of the underlying assets.

The ENGAGE Templates aim to reduce greenwashing by including granular information whilst remaining compliant with current regulations such as the General Data Protection Regulation and the EPBD recast.

- **Improvement of transparency**

The ENGAGE Consortium recommends adding to the ESMA Templates the relevant additional fields that enable the qualification of transactions as “sustainable” according to the EU Taxonomy Regulation and its delegated acts, extending loan-by-loan data with specific collateral energy efficiency information.

The unavailability of detailed energy efficiency indicators pertaining to real estate exposures, constitutes one of the main challenges. This is especially remarkable for granular data regarding renovations, as well as for the disclosure requirements for compliance with the Do Not Significant Harm principle for the various environmental objectives. The challenges relate, amongst others, to personal data protection restrictions and to the lack of comparable indicators across jurisdictions -due to inconsistent national legislation regulating the access (or lack of it open access) to the Energy Performance Certificates (EPCs), for instance-.

In line with the Joint ESAs-ECB Statement disclosure on climate change for structured finance products as of 13 March 2023 (“**ESAs-ECB Statement**”) to develop a dedicated reporting template for EU Taxonomy compliance, the ENGAGE Consortium delivered a proposed set of fields to improve the harmonisation of sustainability disclosures for mortgages. The ENGAGE Consortium believes that the addition of a limited number of sustainability indicators is the best way forward to achieve the goals of the ESAs-ECB Statement for structure finance products taking into consideration the more granular existing reporting requirements used by market participants.

In this context, the ENGAGE Consortium also agrees with the ECB staff response to the ESMA consultation paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation with regards to the need for a set of climate-related metrics that align with other EU regulatory criteria, such as the EU taxonomy or SFDR disclosure requirements, with the aim of harmonising the reporting burden for originators. More specifically, the ENGAGE Consortium supports the ECB staff suggestion to include the following fields like the primary energy demand (kWh/m² per year) or the issuance date of the EPC in the technical standards for disclosure requirements under the Securitisation Regulation.

- **ENGAGE for ESG as a relevant industry standard**

Since its creation in November 2022, the ENGAGE for ESG initiative has consolidated its position in the market and aims to become a widespread industry standard in 2025. By way of example, the ENGAGE Templates have been showcased as a best practice by Climate

Strategy & Partners in their report *Mortgage Portfolio Standards: The EPBD Delegated Act process can synchronise regulatory developments, climate initiatives, and EU technologies to offer a window into the future*².

In November 2024 the Hellenic Financial Stability Fund (HFSF) published its *Sustainability Report 2023*. In the report³, the HFSF supports the ENGAGE for ESG initiative and urges Greek banks to join the initiative to support the increase of sustainable finance and promote better monitoring and measurement for banks' lending portfolios.

The ENGAGE Consortium is in permanent contact with European lending institutions to exchange on the benefits and challenges of the proposed solutions. Since the release of version 1.0 of the ENGAGE Templates in November 2023, more than sixty entities have accessed the ENGAGE Templates, indicating a remarkable welcome from the industry. With the launch of the ENGAGE Portal in November 2024, the ENGAGE Consortium expects to receive interest from lending institutions to participate in the testing phase of the Portal.

All in all, the ENGAGE Consortium is convinced that the ENGAGE solution can significantly contribute to the improvement of transparency in sustainable finance and remains at the disposition of the European Commission to further elaborate on potential collaborations on the establishment of a green disclosure framework for securitisations.

Yours faithfully,

DocuSigned by:
Marco Angheben
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Marco Angheben

ENGAGE for ESG Coordinator, on behalf of

The ENGAGE Consortium

² Report available at https://www.climatestrategy.es/en/informe_29.php

³ Report available at <https://hfsf.gr/en/hfsfs-esg-sustainability-report/>

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