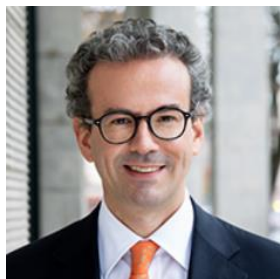


**BAUHAUS EVENT: UNIQUE
IDENTIFIER FOR BUILDINGS & ESG
PORTAL CONCEPTS** 18 JANUARY 2021



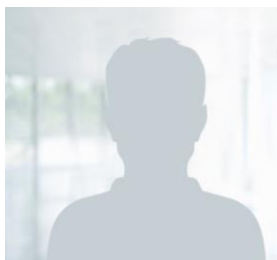
ON TODAY'S CALL



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CONTENT

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WHO WE ARE

COMPANY

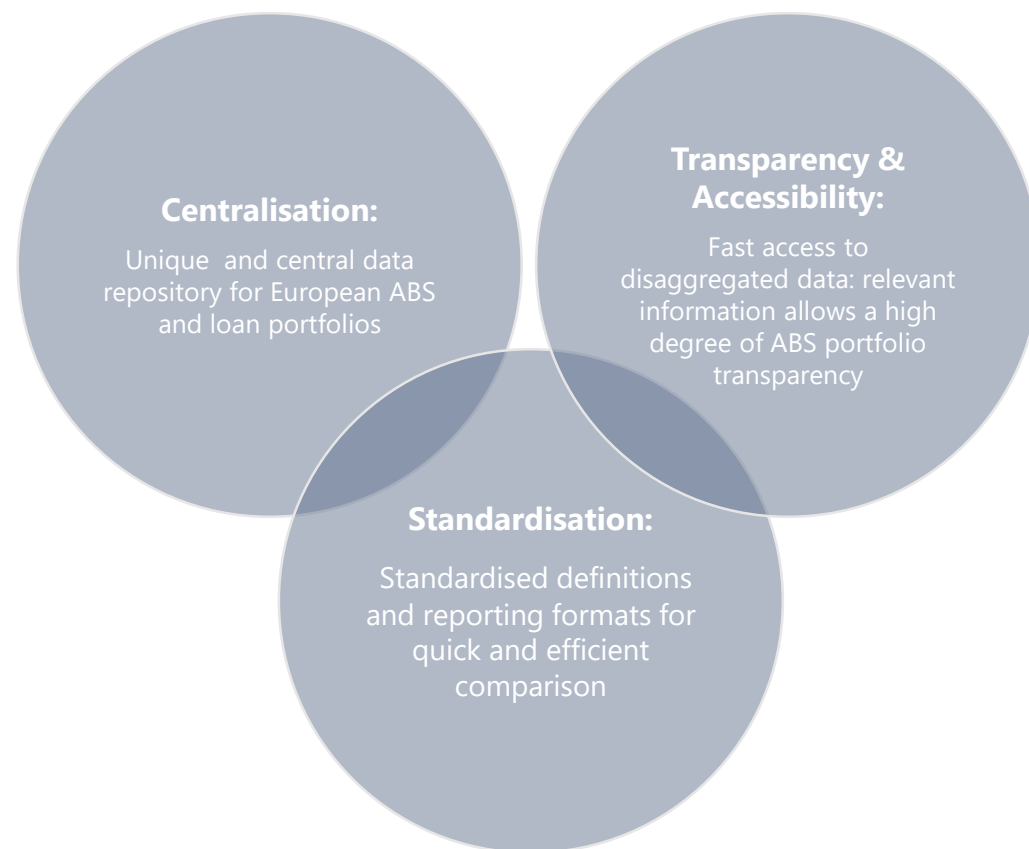
European DataWarehouse (ED) provides loan and bond level data as well as documentation repository services for the fixed income market

ED currently hosts data for over 1250 Asset-Backed Security (ABS) transactions and private portfolios belonging to several different originators across Europe

CLIENTS

More than 500 data owners, data providers and data users are registered with ED

Originators, issuers, sponsors and servicers upload ABS data to ED, while data users including investors, data vendors, rating agencies and public institutions use ED data for monitoring and risk assessment purposes



A UNIQUE ORGANISATION

ED was created in 2012 as part of the implementation of the European Central Bank ABS Loan Level Initiative. ED became fully operational in January 2013 and is funded and owned by a mix of market participants. ED operates as a utility to respond to the need for improved transparency to investors and other market participants in ABS.

SUPERVISORY BOARD: Consists of currently 13 representatives and is responsible for the strategy and monitoring ED's operations as a market initiative.

PRICING COMMITTEE: Consists of currently 8 members from the ABS industry and is responsible for setting the fee structure for ED clients. The fees are set in line with ED's utility approach



17 SHAREHOLDERS



ESG – THE REGULATORY CONTEXT

ESG CONSIDERATIONS

Sustainable finance generally refers to the process of taking due account of **environmental, social and governance (ESG) considerations** when making investment decisions in the financial sector, leading to increased longer-term investments into sustainable economic activities and projects.

- **Environmental considerations** may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy.
- **Social considerations** may refer to issues of inequality, inclusiveness, labour relations, investment in human capital and communities, as well as human rights issues.
- The **governance** of public and private institutions, including management structures, employee relations and executive remuneration, plays a fundamental role in ensuring the inclusion of social and environmental considerations in the decision-making process.

In the EU's policy context, sustainable finance also encompasses transparency on risks related to ESG factors that may impact the financial system, and the mitigation of such risks through the appropriate governance of financial and corporate actors.

https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/what-sustainable-finance_en

EUROPEAN COMMISSION PRIORITIES FOR SUSTAINABLE FINANCE

A European Green Deal

Striving to be the first climate-neutral continent

Sustainable finance at EU level aims at supporting the delivery on the objectives of the European Green Deal by channeling private investment into the transition to a climate-neutral, climate-resilient, resource-efficient and just economy, as a complement to public money.

EU taxonomy for sustainable activities

EU Green Bond Standard

Sustainability-related disclosure in the financial services sector

Corporate disclosure of climate-related information

EU climate benchmarks and benchmarks' ESG disclosures

https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/what-sustainable-finance_en

**EEMI – EEDAPP
PROJECT**

EUROPEAN DATAWAREHOUSE PART OF THE ENERGY EFFICIENT MORTGAGES INITIATIVE



The **Energy Efficient Mortgages Initiative** is a market-led initiative, funded via the European Commission's Horizon 2020 Programme, which aims to deliver a standardised European framework and data collection architecture for energy efficient mortgages

Action Plan (EeMAP)

The aim of **Energy efficient Mortgages Action Plan (EeMAP)** was to create a framework for “**energy efficient mortgages**”

Data Protocol & Portal (EeDaPP)

The **Energy efficiency Data Protocol and Portal (EeDaPP)** aims to design and deliver a **market-led-protocol** for the collection of energy efficient mortgage data through a **standardised template** which will be made accessible via the design of a **common data portal**. **European DataWarehouse** is a key development partner for the EeDaPP.

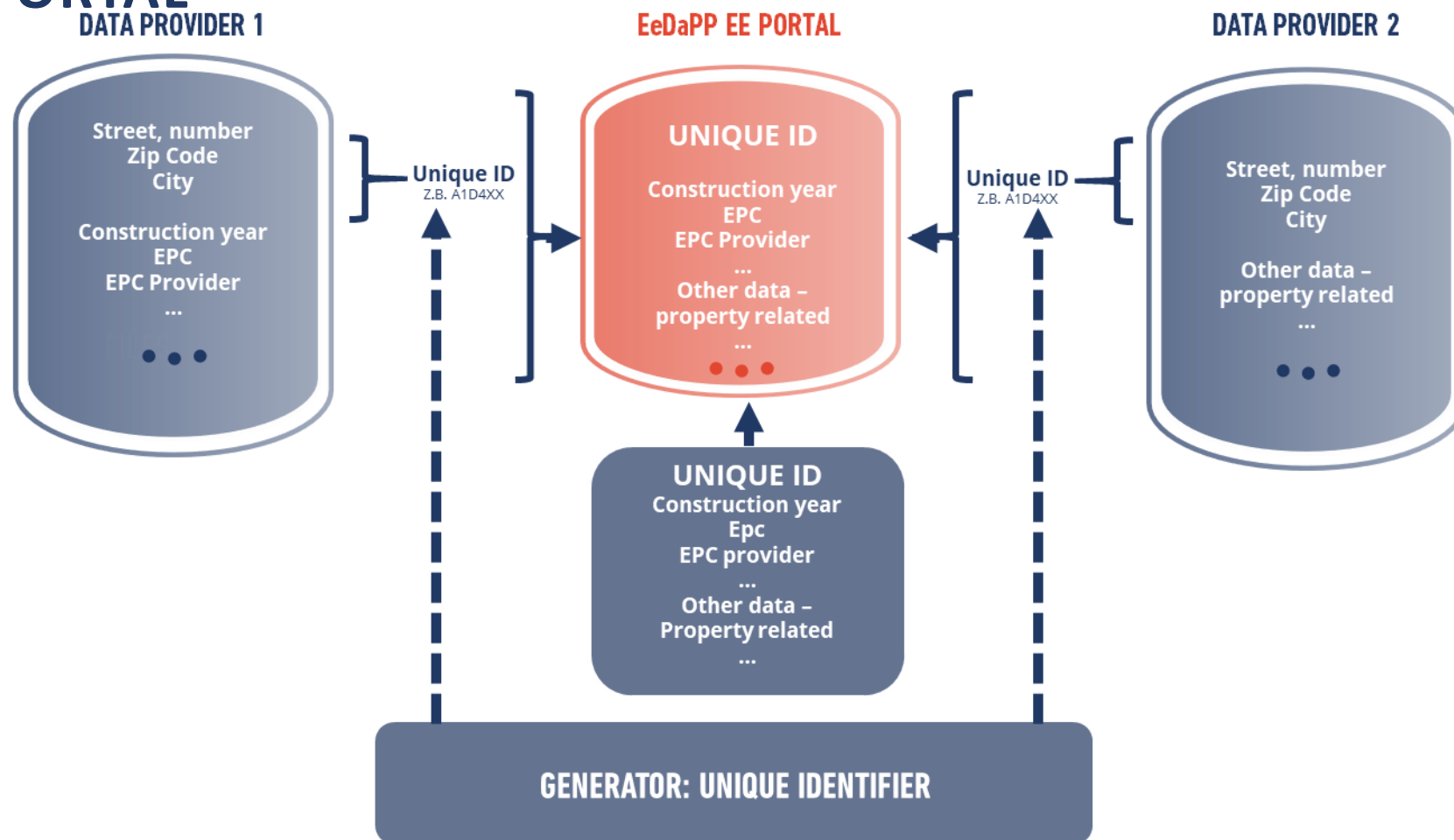
PROPOSED UNIQUE IDENTIFIER FOR BUILDINGS

The unique identifier will contain a key set of characteristics that will enable users to query and extract information regarding certain buildings and the green credentials including the following details:

1. **Commercial or residential real estate type** (C or R);
2. **Property type** (Field RREC9 – Residential: RHOS, RFLT, RBGL, RTHS, MFHS and OTHR; Commercial: PCMM and BIZZ);
3. **Year of construction** (Field CREC25 – 1999, XXXX – unknown);
4. **Property/collateral identifier** (Field RREC3 – FC8FD726B204B331C0B90CA73C519D59);
5. **Location based on the Eurostat NUTS coding** (Field RREC6 – ITC45, XXXXX - unknown);
6. **Other relevant information that can be updated/changed over time** (size of the property in square meters or other country specific elements);
7. **Incremental number for cases where all previous parameters are the same for two properties** (3 numeric, 001, etc.).

- . RHOS: House, detached or semi-detached
- . RFLT: Flat or Apartment
- . RBGL: Bungalow
- . RTHS: Terraced House
- . MFHS: Multifamily House
- . PCMM: Partial Commercial use
- . BIZZ: Commercial or Business use
- . OTHR: Other

HIGH LEVEL IT PROPOSAL FOR AN ENERGY EFFICIENCY (EE) PORTAL



KEY PRINCIPLES OF A CENTRALISED ESG DATA PORTAL

- **CENTRALISATION** – all ESG documentation (ESG ratings, EU taxonomy, financial information) should be collected into one European centralised database for all European companies.
- **PROPORTIONALITY** – the information should be collected on a sector by sector basis, striking the right balance between simple structures, processes and methodologies over time to cope with time horizons associated with sustainability risks and in particular the risk management systems.
- **COMPARABILITY** – a centralised repository facilitates the comparison of ESG information across submissions and sectors.
- **DATA HARMONISATION AND STANDARDISATION** – the ESG documentation should be based on a single reporting framework. Such framework should include minimum reporting templates with taxonomies and KPIs like in the EU taxonomy.
- **DATA VALIDATION AND INTEGRITY** - the information submitted should be subject to upfront checks to make sure that the information reported is complete, timely and correct.

NEW ESG PROJECT

NEW PROJECT - MODELING THE ESG RISK EXPOSURE OF EUROPEAN BANKS

WHY IS A FRAMEWORK NEEDED?

- Lack of widely accepted methodologies, scores and metrics for banks' ESG risk.
- Tools and techniques currently used vary in quality, relevance and accuracy.
- A comprehensive framework is needed by the banking sector to respond to these emerging risks and measure the overall exposure in terms of financial stability.

OBJECTIVES

- Bridge the gap between the need for a targeted disclosure framework and financial risk assessment.
- Develop and test a first-generation matrix able to capture the overall ESG risk exposure of European banks both at individual-level and banking system-level.

PROJECT CONSORTIUM

- Lucia Alessi (European Commission)
- Rosella Carè, Riccardo De Lisa (University of Cagliari)
- Marco Angheben, Eirini Kanoni, Nicola Moscan (European DataWarehouse)

THANK YOU//CONTACT US

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