CISPE comments on the draft proposal for date centre sustainability label

CISPE (Cloud Infrastructure Services Providers in Europe) welcomes the European Commission's initiative to develop a harmonised EU sustainability rating scheme for data centres. As operators of critical digital infrastructure, CISPE members support transparency, continuous improvement, and meaningful climate action. However, the current draft raises technical, legal, and operational concerns. To be credible and effective, the scheme must balance ambition with practicality, reflect technological realities, and ensure fair treatment across diverse business models.
The comments below outline CISPE's key recommendations, focusing on timeline, data quality & KPI design, visualisation, legal clarity, and disclosure safeguards.

1. Timeline and development

CISPE and its members strongly advocate for a gradual and prudent implementation of the EU-wide data centre sustainability label. Stakeholders broadly support initiating the scheme in 2027, allowing time for at least two full reporting cycles under the Energy Efficiency Directive (EED). This is essential to:

- Refine the methodology and ensure alignment with Minimum Performance Standards (MPS) and other instruments.
- Test the framework in real-world settings to avoid unintended consequences.
- Cleanse and validate the dataset to improve reporting quality and comparability.

Premature implementation risks embedding flawed methodologies, increasing administrative burden, and undermining trust in the label's legitimacy.

2. Data quality and KPI concerns

The current dataset and KPI framework are not yet robust enough to support a public-facing or compliance-based label. Below, we outline the key areas of concern.

Reporting and climate normalisation

- EED reporting remains incomplete and error-prone, particularly with cooling degree day (CDD) data and energy-use metrics frequently misreported or missing.
- Key indicators lack proper normalisation, such as WUE by water stress and PUE by climate conditions, making cross-site or cross-border comparisons unreliable.
- Certain metrics appear misaligned with existing EU regulations, especially around definitions of waste, heat reuse, and energy sourcing.
- We see an opportunity for the Commission to provide more aligned guidance to Member States. This would help avoid potential divergences and strengthen the foundation for consistent and reliable data across the board.

Performance vs capacity-based metrics

- The draft scheme mixes performance-based metrics (e.g., REF, PUE) with capacity-based requirements (e.g., liquid cooling, hardware circularity, grid-function readiness). It's also unclear how the weighting of each category might influence the overall result, especially since performance metrics largely depend on actual load—something that, in most cases, is beyond the operator's control.
- Pass/fail thresholds for qualitative KPIs are too rigid and may exclude valid business models or stifle innovation.
- The KPI of "Total electricity consumption" is purely a measure of size and not of efficiency or environmental performance. Disclosure of this metric is a potential competition risk as it would signal infrastructure growth.

Compute performance and storage

- **Accelerated compute**: Measuring the efficiency of AI accelerators is complex because AI workloads do not operate uniformly—they shift between compute-heavy and memory-heavy phases. Simple metrics like TFLOPS per watt do not capture this variation and risk providing a misleading picture of real-world efficiency. Given how quickly AI hardware and software are evolving, we recommend a phased approach: start by using normalized compute and storage metrics as a baseline, while working with standardization bodies to develop future-proof methods for measuring accelerator efficiency.

Heat reuse:

- The metric remains mandatory, despite dependency on local infrastructure availability. Operators should not be penalized if external conditions prevent waste heat reuse.
- Instead, heat reuse should be treated as voluntary or incentive-based and consider a simple yes/no indicator for additional heat reuse applications.

3. Label design

CISPE members express concern over some of the current visual and communicative elements of the proposed label:

- **Visual misrepresentation**: Early indicators, such as pie charts for renewable energy sourcing, lack contextual clarity. They risk unintentionally valorising certain procurement methods (e.g., Power Purchase Agreements over Guarantees of Origin), despite the absence of a robust framework to evaluate their systemic impact. Additionally, using darker green to highlight higher hourly matching percentages oversimplifies the issue and risks misleading stakeholders. Hourly matching does not automatically deliver greater environmental benefits. In practice, companies could meet hourly matching targets by using existing renewable capacity on the grid, without adding new clean energy or reducing emissions.[1]
- **Lack of numerical context**: The absence of percentage values or progress indicators in current visual designs makes it difficult for users to assess how close a facility is to achieving 100% renewable energy goals.
- **Inconsistent data representation**: Pie charts and bar graphs currently do not convey equivalent levels of granularity, leading to visual mismatches that can mislead stakeholders and consumers. A harmonized and intuitive visual system is essential to ensure clarity and fairness across the sector. Additionally, the current approach aligns the complexity of a sector like data centres with simpler categories such as products or homes. While we understand the need for standardization, we believe it's also important to reflect the greater complexity of certain systems, as this adds meaningful context to the evaluation.

4. Legal and conceptual gaps

The current draft includes concepts and obligations that lack legal clarity or conflict with broader EU and global frameworks.

- **Hourly matching of green power** currently lacks a global definition, with GHG Protocol guidance not expected until 2027. Introducing it now risks misalignment with future international standards and could require costly revisions. Moreover, hourly matching does not always guarantee additional carbon reductions—operators could meet targets by claiming existing renewable capacity without driving new clean energy investments. This could distort market incentives, encouraging data centres to locate in already clean-grid regions rather than supporting renewables where they are most needed. Hourly matching is one of many valid decarbonization strategies and imposing it prematurely would add complexity without clear environmental benefit. It should remain a voluntary bonus KPI, allowing flexibility while global standards and verification frameworks mature.
- The requirement for **water stewardship programmes** is overly prescriptive and may contradict national or regional regulation. Flexibility should be allowed for regionally appropriate approaches to water use.

[1] See: Leggett, A. & Gillenwater, M. (2025). *Limitations of Hourly Matching Claims for Scope 2 Reporting*. Greenhouse Gas Management Institute

- **Grid function participation** is treated as a binary metric, despite its dependence on market availability and national policy. This KPI should be contextualised rather than enforced as a rigid pass/fail requirement.
- **Circular economy and e-waste**: Current hardware circularity definitions are too narrow. The label should allow for flexible disclosure of circular economy practices, capturing refurbishment, reuse, and recycling in all forms—not just predefined thresholds.

5. Implementation and disclosure

A core concern among CISPE members is the lack of clarity around what elements of the label will be made public and how much granularity will be shared. Uncertainty remains over:

- **Scope of disclosure**: Will all KPI values be public or only aggregate labels? Will operators be allowed to opt-out of facility-level disclosure?
- **Protection of commercially sensitive data**: Direct exposure of facility-level REF, IT load, or storage KPIs can reveal customer patterns, undermining confidentiality and competitive positioning.
- **Interpretability and transparency**: The final label must include plain-language explanations, data dictionaries, and public methodology files. Tools to cross-check and verify a facility's rating should be provided to third parties (public authorities, buyers, etc.)