CONFEDERATION OF INDUSTRY
OF THE CZECH REPUBLIC

PRAGUE, APRIL 23, 2026

Position of the Confederation of Industry of the Czech Republic to the EU Data Centre Rating & Labelling Scheme

The SPCR supports the European Commission's objective of improving the environmental sustainability of data centres while safeguarding Europe's competitiveness, innovation capacity, and digital resilience. Data centres are a cornerstone of the modern economy, enabling cloud computing, artificial intelligence, industrial digitalisation, and essential public services. A well-designed, credible policy framework is therefore key to ensuring both sustainable operations and continued investment in Europe's digital infrastructure.

However, the current direction of the EU Data Centre Rating & Labelling Scheme and the potential introduction of Minimum Performance Standards (MPS) risk relying on incomplete data and overly simplistic metrics, which could lead to unintended consequences. The framework should therefore be grounded in robust, validated data and adopt a genuinely system-level, risk- and context-based approach that reflects regional conditions and avoids disproportionate or counterproductive requirements.

SPCR position:

1) Overall position

- As the European Commission advances a labelling and rating approach, the priority should be to strengthen the scheme's credibility and environmental integrity. This requires improving the metric framework (moving beyond one-dimensional indicators where possible) and ensuring that any single-metric ranges or bands are periodically re-based on comprehensive, validated EU EED reporting data, with appropriate contextualisation to avoid unintended consequences.

2) EU Energy Efficiency Directive (EED)

- The Energy Efficiency Directive (EED) provides an appropriate foundation for EU data centre sustainability policy. It establishes an emerging reporting framework that can support sector-wide learning, aggregated analysis, and, over time, robust benchmarking. However, EED reporting data remains at an early stage and is not yet sufficiently complete or consistent across Member States to support fair and reliable EU-wide rating band calibration or Minimum Performance Standards (MPS) threshold setting.

- The labelling scheme should include a clear mechanism for periodic recalibration of ranges and bands as EED reporting coverage, validation, and comparability improve across successive reporting cycles.

3) Label's metrics suggestions

A) Adopt multi-dimensional, context-aware metrics

E-MAIL SPCR@SPCR.CZ
WEB WWW.SPCR.CZ | ADDRESS FREYOVA 948/11, 190 00 PRAGUE 9, CZECH REPUBLIC

- Data centre sustainability is a system-level outcome shaped by the interaction of multiple factors, including facility design, IT equipment and workloads, cooling technologies, energy systems, geography and climate, grid carbon intensity, water availability, and upstream impacts such as embodied carbon. A labelling system based primarily on isolated, one-dimensional metrics—such as PUE or WUE—risks creating unintended consequences.

- A more robust approach would complement single indicators with multi-dimensional methodologies that better capture system-level performance and regional conditions, such as the Data Centre Resource Effectiveness (DCRE) metric and the Water Usage Impact (WUI).[1] Recognising such methodologies—either within the label or as complementary disclosures—would improve environmental integrity and reduce the risk of unintended incentives.

B) Comprehensive, validated EED data over time

- If PUE and WUE are retained as core elements of the label, ranges, bands, and thresholds should:
    - Be derived from comprehensive and validated EU EED datasets based on multiple reporting cycles, rather than early or partial data;
    - Be periodically re-based as reporting matures, including explicit checks for data quality and comparability across Member States;
    - Incorporate contextual factors (such as climate and local resource constraints) to ensure fair assessment and avoid penalising efficient facilities operating under specific regional conditions;
    - Explicitly account for trade-offs, ensuring that improvements in one dimension do not lead to negative impacts in another.

4) Maintain MPS as a baseline

- Minimum Performance Standards (MPS) can play an important role in removing the worst-performing facilities from the market. However, they should be introduced only once the underlying reporting and benchmarking systems are sufficiently mature to support fair and effective thresholds.

- MPS should function as a baseline floor rather than a best-practice benchmark. Introducing them prematurely or designing them too rigidly risks misclassification, distorted investment signals, and unintended geographic concentration of infrastructure, potentially undermining Europe's digital resilience.

5) Ensure harmonisation

- Coherence between the Cloud and AI Development Act (CAIDA), the Energy Efficiency Directive (EED), and data centre sustainability policies is essential. While CAIDA aims to scale Europe's digital infrastructure capacity, the EED and related frameworks focus on measuring and improving environmental performance. These initiatives must be complementary and properly sequenced—

[1] https://www.thegreengrid.org/resources/library-and-tools/wp93-data-center-resource-effectiveness-dcre-metric.

starting with capacity development, followed by data collection, benchmarking, and only subsequently the consideration of MPS.

- Data centre sustainability policy intersects with multiple policy areas, including energy, water, digital, industrial, and sustainable finance. Ensuring consistency across these domains is critical to achieving credible and effective outcomes.
- Poorly calibrated label ratings or MPS could deter investment or shift workloads outside the EU, potentially relocating rather than reducing environmental impacts. Policymakers should also avoid duplicative or conflicting requirements across EU and national initiatives.
- Future frameworks should ensure alignment with sustainable finance instruments such as the EU taxonomy, rely on high-quality and contextualised data, and provide sufficient time for reporting systems to mature. This will help ensure that sustainability measures support both Europe's digital expansion and its climate objectives, rather than undermining them.