

# Climate Neutral Data Center Pact Governance



Cloud Infrastructure Service Providers in Europe (“**CISPE**”) and the European Data Center Association (“**EUDCA**”) have created a governance coalition known as the Climate Neutral Data Center Pact (the “**Pact**”).

## Mission

The Climate Neutral Data Center Pact’s main purpose is to develop and agree on environmental and sustainability metrics and targets for data centers operating in Europe, which are described and published in “the Initiative”. The Pact works collaboratively with trade associations and data center operators that have signed the Initiative and other industry stakeholders. The Pact coordinates communications between the signatories of the Initiative and the European Union. The Pact promotes and advances the sustainability of cloud computing, data centers, and the technology necessary to support a climate neutral digital future. Pact members agree that by joining the Pact they will maintain their best efforts to meet the goals and ambition of the Pact and uphold the highest standards towards achieving a climate neutral Europe.

## Membership and Participation

Trade associations representing data center operators and companies that own or operate one or more data centers within the European Union may join the Pact. All data center owners or operators that join the Pact will be referred to as “Pact Operators”; all trade associations will be referred to as “Pact Associations”. Pact Operators and Pact Associations are all collectively Pact Members.

## Meetings

The Pact will meet no fewer than four times in a calendar year, including biannual meetings with the European Commission. Following a call for items from Pact Members, the Board of Directors of the Pact will set the agenda and schedule for each meeting. The meeting schedule for each calendar year will be announced on or before 1 December of the previous calendar year. Such meetings will be open to all Pact Members and referred to henceforth as “full Pact meetings”. The biannual meetings with the European Commission will be announced as soon as they are scheduled, with no fewer than 45 days’ notice to all Pact Members. Meeting agendas will be circulated by a member of the Board of Directors, or their designee, to all Pact Members at least 5 business days prior to a meeting. Meeting minutes will be taken and approved by the Board and made available to all Pact Members. Pact meetings will be open to all Pact Members

## Leadership

The Board of Director (the “Board”) will comprise of six seats and will include one representative from CISPE and one representative from EUDCA. Two additional seats will be available to Pact Associations. The final two seats will be available to Pact Operators.

The two seats for Pact Associations and two seats for Pact Operators will be for a duration of two years, beginning on January 1 and concluding on December 31 of the following year. The Board of Directors will, from amongst its own members, elect one Chair. The Chair of the Board of Directors will serve a one-year renewable term.

Board of Director positions will be filled through Pact elections. Pact Operators will vote to fill the two Pact Operator Board of Director seats. Pact Associations will vote to fill the two Pact Association Board of Director seats. Each Pact Member will have one vote. Elections will be held in the fourth quarter of the year before the end of the term of the current term of Board of Directors positions. Elections for the Board will be decided based on the candidate, or candidates, receiving the most votes in a single election.

If a Board of Directors position becomes vacant for any reason, the remainder of the term will be filled by a substitute. A special election to fill the term will be held within 60 days of the position becoming vacant. If a Board of Directors position becomes vacant within 60 days of the end of the current term then the position will remain vacant until the next scheduled election. Elections for vacant Board seats will be decided based on the candidate, or candidates, receiving the most votes in a single election.

The Board of Directors is responsible for coordinating all meetings and overseeing voting processes, decision-making, and any working groups. The Board of Directors has no additional voting authority, and may only vote in decision-making processes if they are authorized to act and are voting on behalf of the Pact Member they represent. During their tenure, all members of the Board of Directors will

attend the biannual meetings with the European Commission. They must also attend at least 75% of the full Pact meetings each calendar year. The Board of Directors is responsible for maintaining the Pact website, which must remain updated with a publicly available list of all Pact Members and the agreed upon targets and metrics contained and updated as part of the “the Initiative.”.

## Website

The Pact will create a website to make information about the Initiative available to the public. The website will include the text of the Initiative, the list of Pact Operators and Pact Associations and information about upcoming meetings and events of the coalition. The website will serve as the main forum for distributing information and publicly listing all Pact Members.

## Work Group and Committee Structure

The Board will create working groups to develop new metrics and targets to add to the Initiative and to propose solutions to issues raised in full Pact Meetings, Board Meetings and/or in biannual meetings with the EU. Working groups must include no fewer than one Pact Operator and one Pact Association. All work group participants agree to attend no less than 25% of working group meetings each calendar year. Working group activities, meeting notes, and outcomes will be reported to all Pact Members. Working group meetings will be open to all Pact Members. No more than three working groups developing metrics and targets should be in operation at any given time but the Board may create additional working groups if needed. If a working group fails to achieve a quorum in any meeting during a rolling 90-day period then it shall be disbanded by the Board due to lack of participation. Each working group will have a published deadline and/or objective and will be disbanded upon achievement or failure to achieve its planned outcome.

The Board may also create Committees for purposes other than developing metrics or targets. Committees may organize based on the preference of attendees, discuss issues of importance to the industry, manage ongoing issues (e.g. communications) and inform the Pact of industry issues or topics of importance. Committees are not empowered to develop metrics or targets for Pact approval.

Working groups may elect from their own members and organize around a working group Chair. The Chair will be responsible for scheduling meeting, preparing agendas, officiating meetings and be responsible for reporting working group activities and meeting notes to all Pact Members. The Chair may nominate up to two deputies and delegate responsibilities accordingly. If there are multiple candidates for the Chair, then an election may be held. An election for the Chair of any working group will take place at the next scheduled full Pact meeting and all Pact members may vote for the Chair of the working group. The candidate receiving the most votes from all members voting will be the Chair. The candidate receiving the second most votes may choose to serve as Vice Chair of the working group.

Working groups will develop all new metrics and targets considered by the Pact. Prior to beginning the development of a new metric, the Chair of the working group will present all participants of the

working group with a schedule and agenda of meetings for developing any new metric and/or target. Each meeting will conclude with a plan towards making progress on metrics and goals in time for the next meeting. All meetings will be recorded, and written minutes will be taken and hosted on a shared online platform. Meetings will only proceed after a quorum of working group participants are present. A quorum is defined as 50% or greater of working group participants in attendance. Working groups will strive towards achieving consensus on any new metrics. Working group participants can vote to approve, reject, or abstain. A vote to approve a new metric or target must be approved by no less than 65% of voting Pact Operators. Any vote to reject a metric or target must be accompanied with a rationale for the rejections so the working group can amend the metric or target and make changes towards finalizing a metric or target.

Any proposed metric or target must be first submitted in writing by the Chair(s) of the working groups to the Board of Directors. A working group must complete documentation of a new metric or target at least 10 business days before it is finalized or voted on by the working group. All final documentation must be available through an online platform for all Pact members to review. A notification from the Chair of the working group or secretariat will be sent to all Pact members when a working group has completed a new metric or target. The day following the notification email will be the first business day of the full 10-business day period required for all Pact members to review the documentation.

## Decision Making and Changes to the Pact

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### Changes to the Pact

All new metrics or targets must first be considered and approved by a working group before being presented to a full Pact meeting. At the first full Pact meeting after the 10-business day period, the working group will present the documentation to meeting attendees for discussion and review. The Pact may proceed to vote on the documentation at the next full Pact meeting, which cannot be scheduled sooner than 15 calendar days than the prior full Pact meeting. Changes to the structure of the Board, governance, or the leadership of the Pact are also treated like new metrics or targets and must follow the process outlined in this section.

Any new metric, target or other changes must be approved by at least 65% of voting Pact Operators. A proposed change which fails to gain the necessary support in a first vote can be put forward to Operators for reconsideration on two further occasions. Where a proposed change fails to gain the necessary support having been voted on by Operators on three occasions, it will not be considered again in its unamended form. Once a metric and/or target fails, it will be returned to its working group. Upon return, the working group may proceed to amend the metric and/or target for reconsideration by the Pact or may request to the Board that the working group be disbanded.

### Other decision-making processes

Decision-making processes for the Pact that do not make changes to the Initiative will be decided by

a simple majority of voting Pact Members and will take place regularly in meetings.

All items that will be voted upon will be posted as part of a meeting agenda that is circulated to Pact Parties at least 5 business days prior to a meeting.

## **Voting**

Votes on all Pact decisions can be conducted by voice or through an online voting system. All Pact votes will occur only in Pact meetings and will not take place in meetings with the European Commission. In the case of a tie, the Board may call for a re-vote. If a re-vote results in a second tie then the decision will be considered defeated.

## **Joining Process**

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At any time, any qualifying data center operator or trade associations may join the Pact by submitting a signed application to the Board of Directors. Since its inception, the Pact has been successful in informing debate and regulation around climate neutrality in the data center sector. Existing Pact Operators were assured against the Pact targets in 2023. New Operators wishing to join the Pact will submit an application, which includes a signed copy of the Pact Pledge to meet the targets established in the Initiative on the date they join the Pact. The letter must be signed by an authorized member of the Operator's organization.

Existing or New Operators who decide to voluntarily certify their adherence to the Pact targets in conformity with the Pact control framework and testing attributes will be recognized with a logo that bears the mention 'certified' and the year of certification. Recognition and use of 'Certified' Logo shall last for a period of three (3) years from date of certification. Operators may voluntarily recertify at any time to reconfirm adherence to the Pact targets in conformity with the Pact control framework.

The Board will develop and update voluntary guidelines for companies who undertake or maintain a voluntary certification under the Pact control framework. A logo with the mention 'certified' plus the year achieved will be provided to recognize companies voluntarily certified against the Pact.

## **Use of Pact Logo**

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Any Member that has signed the Pact Members' Pledge, may display the logo on its website or other company materials to demonstrate its commitment to climate neutrality based on the Pact targets. Members must apply in writing to the Board of the Climate Neutral Data Center Pact enclosing a copy of the Pledge signed by an authorized representative of their organization.

Pact members who complete the voluntary certification process can display the 'certified' Pact Logo for a period of three (3) years from date of certification. Any EU law certifications or reporting requirements with similar control or testing attributes to those used in the PACT control Framework

will automatically be recognized and counted towards the Pact's voluntary certification to prevent duplicate efforts. The Pact will maintain and update a table mapping EU law certifications or reporting requirements against the Pact control framework to recognize these requirements and avoid duplication (in certification or reporting).

## Removal or Resignation

Any Pact Operator or Pact Association may voluntarily step down and request to be voluntarily removed from the Initiative. Requests to be removed will be granted within 30 days of written notice to any Director of the Board and will be made effective when the entity's name is removed from the website list of Pact Members.

Pact Operators shall remain in compliance with European data center policies and commit to maintain their best efforts to meet Pact targets. If a Pact Operator is not adhering to data centre specific European regulations or is failing to demonstrate suitable commitment to Pact targets, the Board may vote to remove a Pact Operator.

Before removing an Operator, the Board must provide a written explanation to the Pact Operator and allow at least 30 days for the Operator to appeal the decision in writing to the Board who will review any appeal and may ask for further clarification. The Board will consider if a company is partially compliant due to material and/or external business reasons beyond the operator's control, and further any efforts taken to become fully compliant.

Any vote to remove an Operator must be approved by majority vote in the Board.

## Additional Activities

Pact Members may develop policy positions and communicate such positions to the European Union via their own initiative or via Pact Associations with approval of the Board, or after an official vote by the full Pact. The Pact may collect information about the data center industry and release periodic reports about the sustainability of the data center industry. The Pact will work to promote the importance of data centers in reducing energy consumption from the ICT sector. The Pact may also sign collaboration or liaison agreements to work with external organizations and research agencies to study emerging technologies or solutions that can advance the sustainability of the data center industry.