

# PHL data center operators told to boost readiness

PHILIPPINE data center operators need to strengthen energy and water security to remain competitive against regional peers such as Vietnam and Malaysia in attracting artificial intelligence (AI) and cloud investments, according to ESGpedia, which said infrastructure readiness is becoming increasingly critical as Southeast Asia emerges as a major digital infrastructure hub.

Jozsef Acabo, vice-president at ESGpedia, said operators in the Philippines must prioritize “operational readiness,” particularly stable access to electricity and water resources needed to support large-scale digital infrastructure operations.

“I should say two fronts. First is disclosure,” he said in an online interview on Tuesday. “And then the second front would be operational readiness. How do you ensure data center operations or your operations have a sufficient source of energy as well as water?”

“So, those two categories, right? And you can have as much disclosure and certifications as you have, but you cannot really ignore, specifically in the Philippines, operational readiness,” he added.

Data centers are among the most energy-intensive infrastructure assets because servers, storage systems, networking equipment, and cooling systems operate continuously. Water is also critical for many cooling systems used in large-scale data center facilities to dissipate heat generated by high-density computing equipment.

Mr. Acabo described electricity as the primary operational requirement for data centers, while water remains an important secondary resource.

“When you say operational readiness, it covers risks and, of course, opportunities as well, particularly the main source of your operations, which again, bulk of it is energy,” he said. “The secondary would be water.”

The comments come as Southeast Asian countries compete to attract hyperscalers, cloud providers, and AI-related infrastructure investments amid growing demand for computing capacity across the region.

Mr. Acabo said the Philippines retains advantages because of its strategic location and English-speaking workforce but warned that infrastructure limitations could affect its competitiveness relative to neighboring markets.

“The sources of energy and water and the infrastructure might not be as agile and weatherproof, I should say, or ready for more use compared to, say, Vietnam or Malaysia, right, where data centers have been popping up really recently,” he said.

“And so, you have competitors across other neighboring countries that have more, I should say, more established infrastructure so that data center operations will thrive,” he added.

## SUSTAINABILITY REPORTING

Beyond securing reliable power and water supply, Philippine data



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center operators are also facing increasing pressure to improve emissions transparency and sustainability reporting as global investors and hyperscalers increasingly prioritize renewable energy sourcing and climate disclosures.

“When you are in a data center operation, intensity levels of your disclosure are very important, not just for local compliance, but also for global or international investors,” Mr. Acabo said.

He said sustainability reporting is becoming increasingly important for operators seeking to attract overseas clients as Southeast Asian countries adopt carbon pricing mechanisms and stricter environmental requirements.

“One particular example is that if you are operating a data

center service in the Philippines, you definitely would like to get not just local Philippine clients, which is your priority, but also attract clients outside the Philippines,” he said.

“And when you do that, that means the first obvious prospects and clients would be Southeast Asian countries,” including Singapore, Malaysia, Thailand, Indonesia, and Vietnam, he added.

Singapore currently imposes a carbon tax, while other countries in the region are considering similar pricing mechanisms, according to Mr. Acabo.

“If you are trading your services for Singapore, you must report your carbon footprint,” he said. “The government put a tax on per ton of your carbon footprint.”

“And so if you have your carbon footprint done without some assurance, or you haven’t double checked that data, then you might be losing some of those dollars that you earn towards carbon tax,” he added.

Mr. Acabo said accurate and verifiable emissions reporting is becoming increasingly important as regional clients and investors place greater scrutiny on sustainability compliance and operational efficiency.

He also cited the implementation of the Philippine Financial Reporting Standards (PFRS) S1 and S2 sustainability disclosure frameworks as an emerging compliance requirement for large corporations and their subsidiaries.

“The upcoming PFRS S2, which is implemented now, and top tier companies will start to report by submission in April 2027, is the, I guess, the new and pressing matter,” he said.

“Most, if not all, data center operators in the Philippines right now are connected to a tier one listed parent company or group,” he added. “And so, they are not just pressured, but they must adopt and report and disclose to their parent company their material topics and climate impact.”

The Securities and Exchange Commission earlier adopted PFRS S1 and S2 sustainability disclosure standards, with phased implementation for large, listed firms beginning in 2027.

Despite the challenges, Mr. Acabo said the Philippines remains well positioned to benefit from the continued expansion of digital infrastructure investments across Southeast Asia as companies diversify operations amid geopolitical uncertainty.

“We are strategically located. We are a nation of English-speaking people. So those are our advantages,” he said.

“There are also some areas we need to improve as well.”

ESGpedia is a sustainability data and technology platform that helps companies manage environmental, social, and governance (ESG) disclosures, sustainability reporting, and carbon accounting across supply chains and investment networks. — **Juliana Chloe A. Gonzales**



MAYNILAD WATER SERVICES, INC.

**AERIAL VIEW** of Maynilad’s raw water reservoir project at the La Mesa Water Treatment Plant in Quezon City, where one converted lagoon is now partially operational to help support water supply during the dry season.

## Maynilad starts partial reservoir operations at La Mesa

WEST ZONE concessionaire Maynilad Water Services, Inc. said it has started storing raw water through its reservoir facility at the La Mesa Water Treatment Plant in Quezon City to help stabilize supply during the dry season.

In a statement on Tuesday, the water utility said the facility can store up to 67 million liters of raw water under partial operations, with full completion targeted by June 2026.

The project involves the repurposing of former sludge lagoons within the La Mesa compound into a six-meter-deep impounding reservoir with a total storage capacity of up to 200 million liters of raw water.

Previously used for sludge handling during the treatment process, the lagoons were converted into a dedicated raw water storage facility.

Once fully operational, the reservoir is expected to provide La Mesa Water Treatment Plant 1 with an additional raw water buffer during periods of reduced inflow.

“This facility enhances our ability to manage raw water variability and maintain stable treatment operations, particularly during periods of lower inflow or higher turbidity,” Maynilad Chief Operating Officer Christopher Jaime T. Lichauco said.

Maynilad said the facility will be its first dedicated raw water storage

reservoir and will complement its 38 existing treated water reservoirs across the West Zone.

Maynilad provides water and wastewater services in the West Zone, which covers parts of Metro Manila and Cavite province.

Metro Pacific Investments Corp., Maynilad’s majority shareholder, is one of three Philippine subsidiaries of First Pacific Co. Ltd., alongside Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

## Japanese credit agency assigns AEV investment-grade rating

ABOITIZ Equity Ventures, Inc. (AEV) has secured an “A-” foreign currency long-term issuer rating with a stable outlook from Japan Credit Rating Agency, Ltd. (JCR), which cited the conglomerate’s growing earnings contribution from banking, infrastructure, food and beverage, and digital businesses as the group diversifies beyond power generation.

In a statement on Tuesday, JCR said AEV maintains a “strong and stable business base and cash flow generation,” supported by the group’s diversified portfolio and disciplined financial management.

The Japanese credit rating agency noted that non-power businesses accounted for 42% of AEV’s beneficial earnings before interest, taxes, depreciation, and amortization (EBITDA) in 2025, reflecting the conglomerate’s long-term strategy of broadening its earnings base.

JCR cited the continued contribution of Aboitiz Power Corp. as the group’s core earnings platform, while

highlighting the growing role of Union Bank of the Philippines, Aboitiz InfraCapital, and Coca-Cola Europacific Aboitiz Philippines in expanding the conglomerate’s exposure to infrastructure and consumer-driven sectors.

The agency also pointed to AEV’s investments in renewable energy, liquefied natural gas (LNG), airports, water systems, and digital infrastructure as supportive of its long-term growth strategy.

JCR said the planned strategic partnership between Aboitiz InfraCapital and Global Infrastructure Partners is expected to strengthen the group’s infrastructure business.

“The rating reflects the strength of our diversified portfolio, the resilience of our operating businesses, and the discipline of our long-term approach to growth,” Aboitiz Group President and Chief Executive Officer Sabin M. Aboitiz said.

The “A-” rating reflects expectations that AEV will maintain a sound financial position despite global market volatility, elevated

fuel prices, and geopolitical uncertainty, according to JCR.

The agency added that the group’s earnings stability is supported by long-term contracted power sales, diversified operations, and disciplined financial policies.

JCR also cited the conglomerate’s ongoing transition toward a more diversified energy portfolio, noting that new investments are increasingly focused on renewable energy and LNG projects aligned with the country’s long-term energy transition roadmap.

“As we continue to scale our businesses, we remain focused on creating sustainable long-term value while maintaining financial prudence and operational discipline,” Mr. Aboitiz said.

The rating agency likewise cited AEV’s liquidity profile, conservative leverage strategy, and stable cash flow generation as factors underpinning the investment-grade rating.

AEV shares rose 1.47% to P31 piece on Tuesday. — **Alexandria Grace C. Magno**

## Philippine Stock Exchange index (PSEi)

5,963.24

▼46.14 PTS.

▼0.76%

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### PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P465.00 +P5.00 +1.09%	<b>ACEN</b> ACEN Corp. P3.08 —	<b>AEV</b> Aboitiz Equity Ventures, Inc. P31.00 +P0.45 +1.47%	<b>ALI</b> Ayala Land, Inc. P15.80 -P0.12 -0.75%	<b>AREIT</b> AREIT, Inc. P39.00 -P0.35 -0.89%	<b>BDO</b> BDO Unibank, Inc. P118.00 +P0.80 +0.68%	<b>BPI</b> Bank of the Philippine Islands P92.00 +P0.90 +0.99%	<b>CBC</b> China Banking Corp. P55.45 +P0.15 +0.27%	<b>CNPF</b> Century Pacific Food, Inc. P27.70 -P1.25 -4.32%	<b>CNVRG</b> Converge ICT Solutions, Inc. P11.02 -P0.12 -1.08%
<b>DMC</b> DMCI Holdings, Inc. P9.11 -P0.03 -0.33%	<b>EMI</b> Emperador, Inc. P15.46 +P0.18 +1.18%	<b>GLO</b> Globe Telecom, Inc. P1,710.00 -P30.00 -1.72%	<b>GTCAP</b> GT Capital Holdings, Inc. P475.00 -P14.00 -2.86%	<b>ICT</b> International Container Terminal Services, Inc. P799.00 -P27.00 -3.27%	<b>JFC</b> Jollibee Foods Corp. P136.50 -P1.50 -1.09%	<b>JGS</b> JG Summit Holdings, Inc. P27.00 -P0.10 -0.37%	<b>LTG</b> LT Group, Inc. P15.20 +P0.16 +1.06%	<b>MBT</b> Metropolitan Bank & Trust Co. P64.15 -P0.65 -1.00%	<b>MER</b> Manila Electric Co. P600.00 -P4.50 -0.74%
<b>MONDE</b> Monde Nissin Corp. P7.06 —	<b>PGOLD</b> Puregold Price Club, Inc. P46.15 -P1.15 -2.43%	<b>PLUS</b> DigiPlus Interactive Corp. P11.76 -P0.32 -2.65%	<b>RCR</b> RL Commercial REIT, Inc. P6.94 -P0.01 -0.14%	<b>SCC</b> Semirara Mining and Power Corp. P25.80 -P0.20 -0.77%	<b>SM</b> SM Investments Corp. P622.00 +P10.00 +1.63%	<b>SMC</b> San Miguel Corp. P67.80 +P0.05 +0.07%	<b>SMPH</b> SM Prime Holdings, Inc. P19.00 -P0.14 -0.73%	<b>TEL</b> PLDT Inc. P1,192.00 -P4.00 -0.33%	<b>URC</b> Universal Robina Corp. P60.50 -P0.50 -0.82%