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UK DATA CENTRE TRENDS AND PRIORITIES REPORT 2025



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Data centres are grappling with unprecedented demands . . .

INTRODUCTION

Data centres are the backbone of our increasingly digital world, powering everything from cloud computing to online commerce. However, this essential infrastructure faces a complex and evolving landscape. Driven by the explosion of data and the rise of compute-intensive technologies like AI, data centres are grappling with unprecedented demands.

Balancing the need for ever-greater capacity and performance with crucial considerations like sustainability, efficient power management and cutting-edge cooling solutions is paramount. This report delves into the critical challenges facing data centre operators today, exploring the interplay of infrastructure advancements, the growing influence of AI, the escalating demand for power and the emergence of innovative cooling techniques such as liquid cooling. We provide insights into these key areas, offering a roadmap for navigating the future of data centre development and operation.

METHODOLOGY

We surveyed 100 individuals across a range of different job functions, all involved in the management of data and/or infrastructure at UK enterprises. Job titles included Data Centre Manager, Head of Infrastructure, Global IT Director Infrastructure and Data Manager. Respondents were from a diverse range of industries including banking and finance, retail, manufacturing, public sector and telecommunications.







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FOREWORD

by Mark Yeeles, Vice President, Secure Power Division, Schneider Electric UK & Ireland

The era of Artificial Intelligence (AI) is upon us and following the launch of the UK Government's AI Opportunities Action Plan in January 2025, the technology is descending into every aspect of UK business and enterprise.

For data centre owners, operators and end-users, the shift towards AI-ready infrastructure has presented an opportune moment, not only in terms of how organisations design, build, power, cool and manage their AI workloads, but in how they mitigate the long-term environmental impact of the technology.

One of the key findings of this report shows that 'sustainability' continues to dominate as one of the primary challenges in data centre management, and at Schneider Electric we see this challenge first-hand. As Edge AI and distributed IT become more prevalent, it's clear that the way in which we monitor and manage our data centres must evolve, and we must harness the power of AI and data analytics to deliver a greener and more sustainable future.

Nearly a third of respondents (29%) cite that software tools are leading sustainability efforts, which is not coincidental. Across the globe there are numerous examples of world-leading organisations such as the Wellcome Sanger Institute, who have used software to reduce 33% of data centre-related energy consumption.

At the same time, collaboration remains top of the agenda, and a further 32% of respondents continue to collaborate with suppliers and partners to achieve their sustainability objectives – an approach which remains vital considering the prolific skills shortage facing our industry.

Finally, with the shift towards high-density workloads, the adoption of liquid cooling technology has become a major focal point for IT and data centre decision-makers. At Schneider Electric, we're helping our customers embrace this challenge through our end-to-end cutting-edge AI-specific data centre solutions including liquid cooling and by developing reference designs with partners like NVIDIA – enabling businesses to address the unique challenges of utilising liquid cooling at-scale.



Mark Yeeles, Vice President, Secure Power Division, Schneider Electric UK & Ireland

The 2025 edition of the UK Data Centre Trends and CXO Priorities Report takes a deep dive into the sustainability, skills and technology challenges facing the digital infrastructure industry, and shares detailed insights into the decision-making priorities guiding IT decision-makers from across the banking and finance, retail, manufacturing, public sector and telecommunications sectors.

At Schneider Electric, our mission is to be our customers' partner for sustainability and efficiency, and we're proud to be helping organisations address the challenges of AI, from the grid to the chip, to the chiller, and beyond.





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SUMMARY OF FINDINGS

Sustainability dominates as the primary challenge in data centre management

Software tools are leading sustainability efforts, as cited by nearly a third of respondents (29%) A third of respondents (35%) have no solid sustainability plans, while more than a quarter (27%) are evaluating initiatives

Almost a third of respondents (32%) are collaborating with suppliers on sustainability

Survey respondents are combatting the skills shortage by upskilling existing employees (39%) and tapping into talent at industry events (27%)

Minimising water usage was cited by over a third of respondents (36%) as the top priority regarding sustainability goals

A majority of respondents (55%) said their organisation was considering Al-native infrastructure for data centres, with respondents interested in how this technology will support them to reach sustainability targets (19%)

More than half of survey respondents agree that AI will be a force for good for the data centre sector

> Almost half of respondents expect to see an increase in power demand over the next year, with 25% planning to optimise existing infrastructure with more efficient technology

Infrastructure (racks/cables) will be a priority for 18% of respondents over the next year while storage and cooling will receive the highest budget allocation (21%)

Almost a third of respondents believe infrastructure will be more distributed with Edge Computing over the next 3-5 years

Liquid cooling is the priority method for respondents over the next two years



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CHAPTER **KEY CHALLENGES AND THE** SUSTAINABILITY MISSION



6



QUESTION 1 What do you consider the two biggest challenges of data centre management?

KEY FINDINGS

Sustainability dominates as the primary challenge with almost a quarter (22%) selecting this. This highlights the immense pressure on data centres to balance environmental commitments with operational resilience. Energy efficiency, renewable integration and carbon reduction are key, yet many facilities still rely on traditional power sources, complicating compliance with stricter ESG regulations.

Meanwhile, 10% of respondents cite supply chain issues, exposing vulnerabilities in hardware procurement, semiconductor shortages and global logistics disruptions. This challenge is further exacerbated by geopolitical instability and vendor concentration, increasing the risk of supply bottlenecks. Together, these challenges reveal a future where data centres must not only enhance sustainability but also build resilience against unknown risks and supply chain fragility in an increasingly volatile landscape.



How does your organisation currently integrate sustainability practices into its data centre operations?



KEY FINDINGS

Software tools, cited by nearly a third of respondents (31%), lead sustainability efforts. Recycling and waste reduction (20%) reflects growing focus on secure decommissioning and responsible disposal, crucial for preventing data leaks. Renewable energy (17%) adoption is rising, though grid limitations and backup power dependencies remain challenges. These trends show sustainability evolving through intelligent software, efficient resource management and strategic energy procurement, all while balancing security and resilience.

To what extent does your organisation have long-term plans for improving sustainability in its data centres?



KEY FINDINGS

35%

27%

19%

19%

No specific plans yet

sustainability initiatives

strategy in place

I don't know

Evaluating options for future

Comprehensive sustainability

With a third of respondents (35%) lacking sustainability plans, many data centres struggle to align ambition with execution due to cost and regulatory concerns. Meanwhile, over a quarter of respondents (27%) are evaluating initiatives, reflecting awareness but also hesitation in committing to long-term strategies. One fifth of those surveyed (19%) have a comprehensive plan, while an equal percentage remain uncertain, exposing internal communication gaps. This divide highlights the risk for organisations delaying action, as rising regulations and energy costs make sustainability a competitive necessity.

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PRIORITIES REPORTS, EVENTS & WEBINARS

In the next 3–5 years, what key sustainability goals or targets does your organisation aim to achieve in its data centre operations?



KEY FINDINGS

Minimising water usage cited by over one third of respondents (36%) emerges as the top priority regarding sustainability goals. This reflects a growing concern over water-intensive cooling methods, particularly in regions facing resource scarcity. This trend aligns with the shift towards liquid cooling innovations and closed-loop systems, reducing both environmental impact and operational costs. Reducing energy consumption (30%) follows closely, highlighting the ongoing drive for efficiency through AI-driven workload distribution, advanced cooling and hardware optimisation.



How does your organisation engage with suppliers and partners to ensure sustainability throughout the data centre supply chain?



KEY FINDINGS

With almost a third of respondents (32%) collaborating with suppliers on sustainability, organisations recognise the need for greener supply chains. However, a quarter of those surveyed (25%) either lack engagement or are unaware of their organisation's efforts, highlighting a major gap in strategy and visibility. A small minority (11%) include sustainability in procurement, suggesting cost still takes priority. As regulations tighten and transparency expectations rise, failing to integrate sustainability into supplier relationships could lead to compliance risks and reputational damage.





How are you addressing the skills and staff shortages within your team?



KEY FINDINGS

The skills shortage is one of the biggest challenges for data centre teams, exacerbated by the growing demand for AI technology. Despite offering a diverse range of roles for different skillets, this sector has notoriously struggled to deliver a compelling message regarding career opportunities.

To combat this, survey respondents reported that they favour upskilling existing employees (39%) and tapping into talent at industry events (27%). Others highlighted using graduate and apprenticeship schemes (15%) and improving diversity and inclusion (9%). Only 10% said they did not have a skills shortage in the team.



CHAPTER2 AI, PRIORITIES AND THE FUTURE OF DATA CENTRES



How far do you agree with the following statement – 'AI will be a force for good for the data centre sector'?



KEY FINDINGS

Al is making its mark on all industries, but the data centre sector is one that is feeling the impact of this technology more – and it's a double-edged sword. While this technology is placing added pressure on data centre facilities due to the increased computational power requirements, it's also significantly improving outcomes through predictive analytics and resource management optimisation.

More than half of survey respondents agree that AI will be a force for good for the data centre sector, while 22% are less convinced and do not agree. For the remaining 20%, they are yet to decide on their stance.



Is your organisation considering Al-native infrastructure for future data centres?



KEY FINDINGS

The majority of respondents (55%) said their organisation was considering Al-native infrastructure for data centres, though more than a third said this was not the case and 10% were unsure. As this is still an emerging area, it is understandable that there might be some hesitancy or concern around adopting this technology, though infrastructure leaders should make a concerted effort to investigate further to ensure they are benefitting from the efficiencies these tools can offer.

What do you see as the top two benefits of Al-native data centres?



KEY FINDINGS

There are many exciting benefits to adopting an Al-native infrastructure and survey respondents were interested in how this technology will support them to reach sustainability targets (19%).

With Gartner's prediction that 75% of organisations will have implemented a data centre infrastructure sustainability programme driven by cost optimisation and stakeholder pressures by 2027, it is clear that environmental concerns are top of mind for many individuals involved in data and/or infrastructure management.

Aside from sustainability, answers in our survey were split across numerous areas including more efficient data analysis (20%), reduction in downtime (18%), reducing errors (15%) and improved service delivery (14%).



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PRIORITIES



25%

Other



To which two areas do you expect to allocate the largest portion of your budget in the next 12 months?

It's become a cliche to say the pace of change in the field of technology is unprecedented but it's worth repeating as one of the only guarantees is the continuous growth of data as organisations continue to adopt digital-first strategies.

According to Statista, by 2028, global data creation is projected to grow to more than 394 zettabytes. It's unsurprising then to note that respondents to this survey said that storage would receive the highest budget allocation over the next 12 months (21%), alongside cooling (21%). This reiterates the need and challenge of delicately balancing sustainable and energy efficient practices with increased data storage.

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PRAND COORDINATION Coordination

I don't know 🧹

13%

10%

We will see cloud adoption both public and private - dominate

QUESTION 12

How do you see infrastructure management evolving over the next 3–5 years?

KEY FINDINGS

Pressure to keep up with global growth has seen data centre managers become hyper-focused on infrastructure modernisation, all the while ensuring it is secure. When asked how they see infrastructure management evolving over the next three-to-five years, the majority of survey respondents (31%) believe it will become more distributed with Edge Computing. This result is reflective of the rise in data demand and an increased need for improved data privacy and reduced latency, as Edge Computing offers the solution.

If not already, how does your organisation plan to adopt Edge Computing throughout 2025?



KEY FINDINGS

IT teams are utilising Edge Computing models more widely, due to its host of benefits such as cost effectiveness and enhanced scalability. This is emphasised by IDC who predicts worldwide spending on Edge Computing to reach US\$378 billion in 2028, driven by demand on real-time analytics, automation and enhanced customer experiences.

It's therefore quite surprising that a high proportion (30%) of respondents are uncertain as to whether they'll adopt Edge Computing this year, with over a third planning no investment in 2025. This suggests respondents may be concerned about potential security and adoption risks, meaning Edge providers must do more to convince end-users to incorporate this technology into their business models.



6%

QUESTION 14

How do you anticipate your organisation's power demand will change in 2025?

Somewhat increased
power demand33%No change23%I don't know17%Significantly increased
power demand15%Significantly decreased
power demand6%

Slightly decreased

power demand

KEY FINDINGS

Power demands are supercharging the rate of technological progression and these results show that the majority of respondents (48%) expect this to somewhat continue on an upward trajectory – unsurprising given the continued rise in Al adoption.

A fairly large proportion (23%) are expecting their organisation's power demand to remain the same, with no change, while 6% expect their power demand to significantly decrease. This could be the result of having implemented more sustainable and efficient processes/infrastructure, enabling the data centre to operate much more cost-effectively.

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PRIORITIES REPORTS, EVENTS & WEBINARS

What strategies is your organisation planning to manage rising power demand?



KEY FINDINGS

Planning strategically is key to managing rising power demands, exacerbated by perpetually increasing data volumes. By optimising existing infrastructure with more efficient technology, it becomes much more manageable and 25% of respondents agreed. Identifying and adopting more sustainable storage solutions was also a high priority for respondents, with 24% citing this. Nearly a quarter of respondents believe working with expert partners could help improve efficiencies.

The near-equal split of these results suggests data centre managers are taking varying approaches to managing rising power demands, however, incorporating all three – optimising existing infrastructure with more efficient technology; identifying and adopting more sustainable storage solutions; and working with expert partners – could help to streamline the approach and be the perfect strategy to managing this effectively.

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PRIORITIES REPORTS, EVENTS & WEBINARS

Which cooling methods do you plan to prioritise over the next two years?



KEY FINDINGS

With fluctuating temperatures continuing worldwide amid ongoing climate concerns, data centre managers are being tasked with sourcing more innovative ways to cool their data centres and ensure they can operate at peak efficiency. This combined with the surge in AI and it's not surprising Omdia research predicts the data centre cooling market to reach US\$16.87 billion in 2028. The survey results show respondents will prioritise liquid immersion cooling over the next two years, while evaporative cooling and air cooling are each being prioritised by 30% of participants.

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Liquid immersion cooling

Evaporative cooling

Air cooling

Other

31%

30%

30%

9%





Sustainability

remains a

dominant

concern

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CONCLUSION

Our survey findings illustrate the complex challenges faced by IT leaders and data centre managers as they strive to balance sustainability targets with increasing power demands driven by data growth and AI adoption.

The data shows that sustainability remains a dominant concern, with increasing regulatory pressures and rising energy costs demanding more efficient infrastructure and responsible resource management. While software tools and supplier collaboration are supporting sustainability efforts, a significant portion of organisations still lack a formal strategy for navigating this challenge.

Al is both enabling and adding pressure to the data centre sector, with more than half of respondents considering Al-native infrastructure to optimise efficiency and support sustainability goals.

Meanwhile, as data volumes continue on the upward trajectory, Edge Computing is gaining traction, with many respondents anticipating a shift toward more distributed models over the next three to five years. However, there remains some hesitancy around Edge Computing so awareness and education from trusted partners and service providers in this space would be beneficial.

Many organisations are seeking to optimise existing infrastructure through more efficient technologies and liquid immersion is viewed as the preferred cooling method as respondents look ahead.

The ongoing skills shortage remains a challenge, with many organisations prioritising upskilling to bridge the gap.

As digitalisation continues across the region, data centre managers will need to take a proactive approach towards infrastructure modernisation and development of the workforce, to manage a diverse set of competing priorities and goals.

The good news is that this pace of change is mirrored by solution providers across this sector, with many vendors offering strategic partnerships and guidance to help organisations adapt to the challenges of today and tomorrow.



Jess Abell, Chief Content Officer, Lynchpin Media







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Understanding thermal and power-related operational challenges for North american data centers

https://www.cxopriorities.com/Reports/ EkkoSense/Understanding%20thermal%20 and%20power-related%20operation%20 challenges%20for%20North%20 American%20data%20centers/index.html

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