

The ESG Scorecard

A Deep Dive into AI Infrastructure



Executive Summary

The rapid expansion of AI infrastructure is aggressively reshaping energy grids, water systems, and land use, often with limited public transparency around long-term environmental costs. This "AI arms race" has created a growth-versus-governance paradox where unprecedented scaling has significantly outpaced internal oversight and sustainability commitments.

As seen with Equinix, Digital Realty, and Supermicro, facing DOJ probes, Nasdaq delisting threats, and hazardous gas leak notices, the sector's primary risk has shifted from carbon tracking to a high-stakes matrix of fiduciary integrity, national security compliance, and intensifying social friction.

What are the most pressing ESG challenges currently facing AI infrastructure?

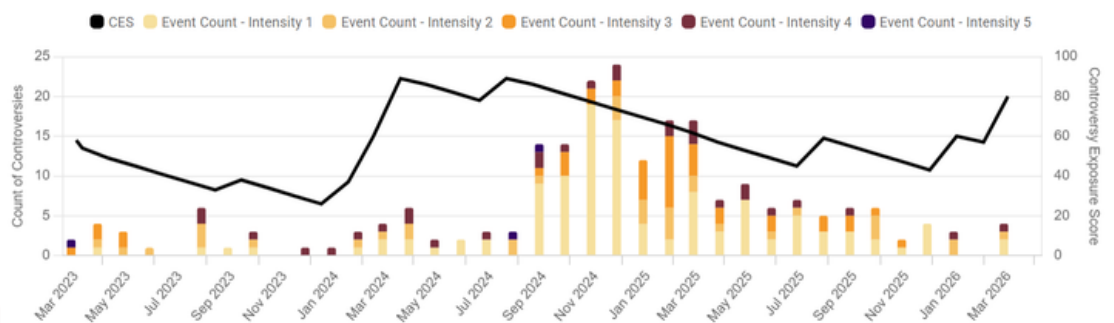
Supermicro: Fraud, Malware & Supply Chain Violations

Supermicro's ESG profile is dominated by extreme governance risk: a DOJ probe, Nasdaq delisting threats, and securities fraud lawsuits following a 2024 accounting scandal that echoed a prior \$17.5M SEC fine. The company also faces national security scrutiny over the alleged smuggling of restricted Nvidia chips to China.

Additional 2025 risks include investigations into unremovable motherboard malware, a whistleblower retaliation suit, and labor rights violations involving Filipino workers at its semiconductor supply chain partners.



CES **80 High Risk** ⓘ



Key Controversies:

- [Supermicro Pays \\$17.5M SEC Fine Over Alleged Accounting Violations](#)
- [Super Micro and Dell suspected of exporting Nvidia chips to China](#)
- [Super Micro Whistleblower Advances Suit Over Retaliation](#)
- [Taiwan: Filipino workers at semiconductor factories allege rights violations](#)
- [Supermicro server motherboards can be infected with unremovable malware](#)

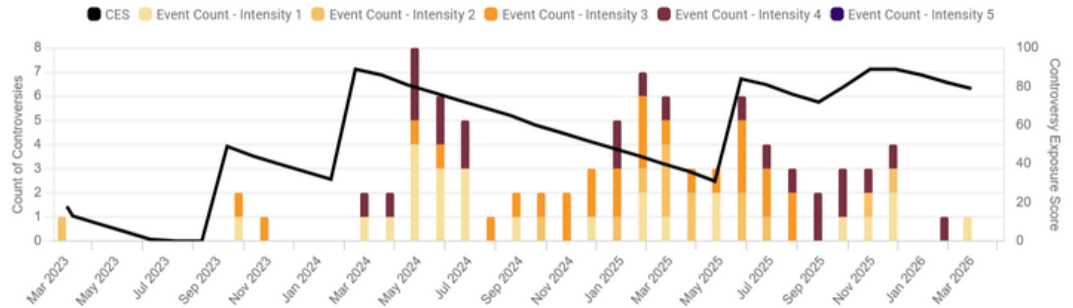
Equinix: Accounting Manipulation & the AI Infrastructure Backlash

Equinix faces mounting community opposition, with large-scale proposals on farmland and green belt land drawing pushback over pollution, while Dublin regulators have blocked gas-powered facilities for violating climate targets. Water consumption, opacity, and recurring safety failures.

On governance, Equinix is navigating a severe trust deficit following a \$41.5M settlement over alleged accounting manipulation and the systematic over-selling of power capacity.



CES **79 High Risk** ⓘ



Key Controversies:

- [South Mimms data centre team address environmental concerns](#)
- [The Small English Town Swept Up in the Global AI Arms Race](#)
- [Equinix loses appeal to get permission for gas-powered data center in Dublin](#)
- [Equinix \(EQIX\) Faces Class Action, DOJ and SEC Investigations After Hindenburg Accuses EQIX of Manipulating Accounting](#)
- [Equinix Sued By Data Center Tenant, Accused Of Stealing Intellectual Property"](#)

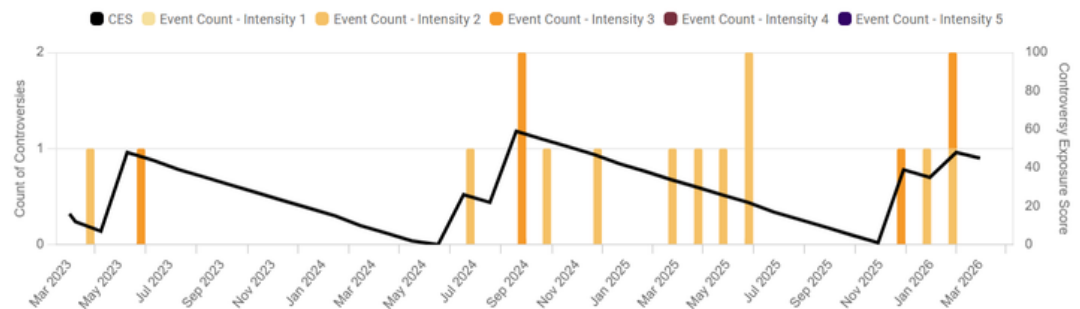
Digital Realty: Board Instability, Gas Leaks & Cybersecurity Breaches

Digital Realty's profile is shaped by board-level instability, including an abrupt CEO termination and a Chairman's resignation citing bias against female directors, alongside 2026 investigations into director conduct and a \$3.4M loss of tax breaks.

Environmental and social risks include formal legal notices over fluorinated gas leaks in Marseille, a major "Salt Typhoon" hacking breach, and a BIPA lawsuit over biometric data collection without worker consent.



CES **45 Medium Risk** ⓘ



Key Controversies:

- [\\$3.4 Million Realty Check: Digital Realty Loses Massive Hillsboro Tax Break](#)
- [Digital Realty among victims of Salt Typhoon Chinese hacking.gang.](#)
- [Chicago residents complain of noise from Digital Realty data center](#)
- [Digital Realty among victims of Salt Typhoon Chinese hacking.gang.](#)
- [NYSE: DLR Investor Alert: Investigation over Possible Wrongdoing at Digital Realty Trust](#)