Equinix Global Climate Risk Report

This report has been prepared in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, addressing all four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets. This report reflects updates as of 2025 and includes historical data, particularly emissions data from calendar years 2019, 2022, 2023 and 2024. No emissions data from 2025 is included.

Governance

Equinix's governance for climate-related risk management includes Board-level oversight, executive leadership and cross-functional collaboration. This structure ensures that climate-related risks and opportunities are embedded into strategic decision-making, financial planning and enterprise risk management across the company.

Board oversight

The Equinix Board of Directors has ultimate responsibility for risk oversight, while management is responsible for risk management. The Board and its committees oversee the company's top risks, including strategic, operational, financial, regulatory, compliance and external risks. Climate-related risks and opportunities are considered by the Board in relation to performing risk oversight responsibilities.

The Equinix Board of Directors has a total of six committees. Three of these committees have oversight of sustainability matters, including climate-related risks and opportunities: Nominating and Governance; Audit; and Talent, Culture and Compensation.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for sustainability oversight, including climate-related risks and opportunities. It reviews strategies, policies, practices, performance and reporting related to corporate sustainability matters and provides periodic updates to the full Board. This Committee receives updates from the Sustainability Program Office (SPO), on behalf of the Sustainability Executive Steering Committee, at least annually. These briefings include progress against environmental metrics and serve as strategic forums to highlight climate-related risks and opportunities.

The Committee receives quarterly updates on key risks identified through Equinix's Enterprise Risk Management (ERM) program. These can include cybersecurity, data center outages, competitive pressures and climate-related risks—both transition risks (e.g., evolving customer preferences, renewable energy policy, technological disruption) and physical risks (e.g., hurricanes, floods and droughts).

Talent, Culture and Compensation Committee

The Talent, Culture and Compensation Committee provides oversight of human capital management. This includes strategies to attract, develop and retain talent at all levels, cultivate an engaged employee base, make Equinix's culture a competitive advantage and promote workplace inclusion and belonging. The committee also determines salaries and contingent compensation for executives, including establishing targets, incentive awards and incentive compensation plans. The Talent, Culture and Compensation Committee reviews and approves the remuneration targets that are linked to environmental and climate considerations. Further information on this committee's oversight of renumeration targets is detailed in the section on metrics and targets.

Audit Committee

The Audit Committee oversees the company's accounting practices, system of internal controls, audit processes and financial reporting processes. The Audit Committee reviews financial reporting processes, including statutory reporting that includes sustainability-related information. The Audit Committee also discusses management of financial and nonfinancial risks related to the committee's oversight, which may include financial effects of climate-related risks.

Management oversight

Sustainability Executive Steering Committee

The Sustainability Executive Steering Committee reviews broader sustainability objectives, key results and initiatives to ensure their alignment with organizational goals and priorities. The committee includes the Executive Chairman; Chief Executive Officer (CEO) and President; Chief Financial Officer (CFO); Executive Vice President, Global Operations; Chief Business Officer; and Chief Legal Officer, who are responsible for delegating sustainability topics to other senior executives and employees. The Sustainability Executive Steering Committee meets annually and is updated on progress, impacts and priorities, including those related to climate risks and opportunities, by the Sustainability Program Office (SPO)—the Equinix global central sustainability program.

Equinix's CEO and President is the highest-ranking individual in the company and a member of the Steering Committee. As a member of the Board, the CEO and President is also a key liaison between the company and the other Board members. The CEO and President reports to the Executive Chairman and the Board. Equinix's CFO, who reports to the CEO and President, has climate-related responsibilities due to the position overseeing the SPO, which includes the assessment of financial impacts due to climate-related risks.

Sustainability Vice President Steering Committee

The Sustainability Vice President Steering Committee reports to the Sustainability Executive Steering Committee and meets bimonthly to drive regular program decision-making and strategies across functions. This cross-functional committee is made up of representatives at the vice-president and senior vice-president levels from Procurement; Global Design and Construction (GDC); Operations; the Global Regulatory and Public Policy Office (GRPO); and Global Products and Markets. Specifically, the committee acts as a decision-making mechanism for matters related to executing the company's sustainability strategy. This includes strategy decisions related to climate risks and opportunities.

Sustainability Program Office

Equinix's SPO is led by the Vice President of Sustainability. The SPO has a dedicated team that is responsible for the day-to-day oversight of Equinix's sustainability strategy, including how we are evolving our climate-related strategy. The SPO provides thought leadership, subject-matter knowledge and program management to ensure Equinix has the people, programs and systems in place to evolve its climate-related risk management across a range of topics. The SPO collaborates across a range of functional areas such as design and construction, operations, renewable energy and energy procurement, energy efficiency, and procurement. The SPO reports to the CFO and engages with the CEO and President through the Sustainability Executive Steering Committee.

Strategy

Overview

In 2025, a quantitative climate risk assessment was conducted utilizing 2024 data to identify, assess and quantify Equinix's climate-related transition and physical risks, as well as corresponding opportunities and potential financial impacts associated with them.

Physical risks were analyzed over short- to long-term time horizons to track the shift in climate patterns and temperature rise. Transition risks, driven by immediate changes in policies, markets and technology as society moves toward a low-carbon economy, were analyzed over short- to medium-term horizons. The susceptibility of Equinix to physical and transition climate risks (as well as the opportunities) was assessed over the following time horizons:

- Physical risks: Short-term, five years since the most recent year (2028); medium-term, 10 years since the most recent year (2033); and long-term (2040).
- Transition risks: Short-term, five years since the most recent year (2028); and medium-term, 10 years since the most recent year (2033).
- Opportunities: Short-term, five years since the most recent year (2028); and medium-term, 10 years since the most recent year (2033).

Table 1 presents the list of all physical and transition risks assessed in Equinix's climate risk analysis which are in alignment with TCFD's risk categories. Following the table, each risk is described in the context of Equinix operations. Mitigation measures are described in the Business and Strategy and Financial Planning sections.

Table 1. Physical and transition risk categories assessed

Risk category	Description	Financial impact methodology
Acute physical–heatwave	Prolonged period of high temperatures relative to the expected conditions for that time of year and place.	Operational disruption and damage to physical infrastructure.
Acute physical–freeze	An extended period of temperatures below a freezing threshold and below typical cold-weather conditions for a location.	
Chronic physical–drought	A prolonged period of below-average precipitation over a 90-day period.	
Acute physical–flash flood	A rainfall event where the single-day accumulated precipitation exceeds a certain amount specific to the land's ability to drain water.	
Acute physical–river flood	Heavy or prolonged rainfall resulting in overflowing river banks and spillage onto the surrounding land.	
Chronic physical–coastal flood	A dry land being submerged by sea water, caused by rising sea levels, storm surges and wave action.	
Acute physical–tropical windstorm	A powerful, low-pressure weather system with rotating winds and heavy rainfall that forms over warm tropical oceans.	
Acute physical–temperate windstorm	Also known as an extratropical cyclone, a large-scale, low-pressure weather system that forms in the Earth's middle latitudes (between approximately 30° and 60° latitude), caused by the interaction of contrasting cold polar and warm tropical air masses.	
Acute physical–wildfire	A sudden fire that burns in a natural area driven by temperature, relative humidity, wind and precipitation, assessed via the Fire Weather Index (FWI), vegetation and historical fire data.	
Transition–technology	Uncertainty of the cost of technological innovations that support the energy transition to a low-carbon economy.	Changes in revenue associated with climate-driven shifts away from traditional, carbon-intensive technologies.
Transition–litigation	The impact of climate-related litigation facing a company from potential climate lawsuits or negative public sentiment events. This includes litigation types reflecting legal risks from misrepresentation, governance failures and environmental harm.	Probability-weighted loss from potential lawsuits or penalties from company's climate change liabilities.
Transition–investor sentiment	The financial impact of evolving interest rates, driven by both macroeconomic shifts and investor preferences for "greener" assets—creating financial risks for companies, particularly those with high levels of debt.	Financial impact is assessed based on modeled increased debt servicing costs associated with a low-carbon economy.
Transitional–reputation	The impact of uncertain and changing external perceptions of Equinix's contribution to the transition to a low-carbon economy.	Revenue loss from a reputational damaging event.
Transition–policy (carbon price)	Policies that act to constrain adverse effects of climate change or promote adaptation to climate change.	Price on carbon (USD per MTCO2e) and Equinix's current-year carbon emissions across geographies.
Transition–market demand	Uncertain shifts in supply and demand for Equinix services, including macroscale changes as demands on specific sectors grow or shrink—as well as micro-level changes from variations in consumer demand as preferences shift toward more sustainability-minded products within the same sector.	Revenue impact due to change in demand for Equinix products and services.

Climate-related opportunities were discussed during workshops with stakeholders (Table 2) and further identified through the climate risk model, which calculates the potential revenue upside for the business across multiple warming scenarios.

Opportunities were assessed based on both potential upside impact associated with investing in the opportunity as well as how prepared Equinix is to capitalize on the opportunity type across the multiple time horizons defined above.

Table 2. Opportunities assessed by Equinix stakeholders

Opportunity category	Description
Resource efficiency	Improving efficiency of Equinix's operations (data centers and offices) by reducing emissions and operational costs while reducing regulatory risk—by lowering resource consumption to remain below compliance thresholds. This minimizes exposure to evolving regulation, reduces the likelihood of penalties or additional reporting requirements and enhances sustainability leadership and customer value.
Energy source	Equinix's use of lower-emission sources of energy and transitioning away from high-emission fossil fuels, which reduces regulatory risk and enhances Equinix's leadership in the transition to a low-carbon economy.
Products and services	The shift of consumer preferences toward Equinix data centers due to their efficiency and Equinix's role in offering innovative solutions to customers to support their transition to a low-carbon economy.
Markets	Equinix's access to new customers through sustainability leadership in new markets (geographies or industry sectors) that prioritize sustainability.
Resilience	Equinix's ability to continue to do business in the midst of climate-related disruptions through resilience planning, which transforms what is traditionally seen as risk management into a value-creating strategy.

Physical risk

Physical risks scenario analysis modeling was completed for the nine climate hazards listed in Table 1 against Shared Socioeconomic Pathways (SSPs) scenarios of 2°C (SSP1-2.6), 2.5°C (SSP2-4.5), 3°C (SSP3-7.0) and >4°C (SSP5-8.5). The analytics produced include the exposure of current Equinix facilities under varying future conditions as well as the financial quantification of risk over defined short-, medium- and long-term time horizons. These pathways define possible future emission scenarios with different narratives that explore how society, demographics and economics will affect greenhouse gas (GHG) emissions and the resultant radiative forcing and temperature rise across the globe.

The analysis assessed changes in likelihood and frequency of climate-related events between the most current year and short-, medium- and long-term time horizons across warming scenarios. To understand the potential business impact of these changes in events, the financial impacts from operational disruption and damage to physical infrastructure were assessed alongside the change in climate. The potential financial impact for physical risk was based upon each facility's value, vulnerability to each hazard type and modeled increase of events in each warming scenario.

Results were aggregated at various levels (e.g., total global impact by risk type, country or region) for assessment of risk relevance at the enterprise level. Table 3 indicates the physical risks scale from nine hazards for an emission pathway of 2°C in the next 10 years. Scale is relative, and results should be interpreted in comparison to one another.

Table 3. Global physical risk results

	Physical climate risks scale
Higher	Riverine flood
	Heatwave
	Drought
	Flash flood
	Tropical windstorm
	Freeze
	Coastal flood
	Wildfire
Lower	Temperate windstorm

Impact descriptions

Higher scale

Riverine floods could lead to damage to Equinix's data centers and surroundings due to heavy or prolonged rainfall that causes riverbanks to overflow and flood surrounding land. The analysis revealed that, based on data center locations, riverine floods could have a high impact on Equinix's data center portfolio. However, across scenarios and time horizons, there is variance in the potential evolution of this climate hazard.

Heatwaves increasing in frequency and duration could cause increases in operating expenses to cool Equinix's sites. If not properly managed, these events could stress Equinix's infrastructure and data centers, including overheating critical IT equipment, which could result in hardware failures and data loss. The analysis indicated that heatwaves are highly relevant for Equinix's portfolio of data centers, and the potential impact from heatwaves is expected to increase in all time horizons.

Drought could lead to increased operational costs and operational limits on key resources such as power and water for the portion of Equinix's data center portfolio that relies on water for cooling. Increases in drought events across every scenario and time horizon confirms that Equinix's investments in water and energy efficiency could be of strategic advantage in building operational resilience, particularly in those sites that are vulnerable to drought.

Moderate and lower scale

Tropical windstorm, flash floods and freeze were assessed as moderate risks for Equinix, each with distinct regional exposure and projected trends. Tropical windstorms may result in power outages, network disruptions and water intrusion at certain data centers, with risk exposure anticipated to increase slightly over time. Flash floods could lead to potential water ingress and damage to critical infrastructure at vulnerable sites; however, their impact is expected to remain stable across all time horizons. Freeze events are currently limited to specific geographies and generally projected to decline, though evolving atmospheric patterns and disrupted jet streams may still cause intermittent polar air outbreaks into mid latitudes.

Coastal flooding, temperate windstorms and wildfires were determined to be lower risks for Equinix. Coastal flooding is relevant at a small number of sites where, if unmanaged, damage to Equinix's data centers could occur through physical destruction of equipment, disruption of power and connectivity, and operational outages. Temperate windstorms are not expected to pose future risks to Equinix's infrastructure. Temperate windstorms are usually produced by strong winds in areas with low atmospheric pressure, and Equinix's facilities are engineered to withstand moderate wind loads above what temperate windstorms produce. Wildfire events could lead to equipment damage in Equinix's data centers from heat, ash and smoke, and indirect damage such as power outages and cooling system failures. The analysis focused on direct impacts and found limited impact from wildfires in some geographical locations of Equinix's portfolio.

Transition risk

The transition risk scenario analysis evaluated Equinix's exposure to risk driven by the global transition to a low-carbon economy through six risk types within Table 1. To quantify this exposure, the analysis modeled the exposure of the business to transition risks against the Network for Greening the Financial System (NGFS) emission pathways of Current Policies (3°C), Nationally Determined Contributions (NDC) (2.3°C), Below 2°C (1.8°C), Delayed Transition (1.7°C) and Net Zero 2050 (1.4°C). NGFS scenarios were leveraged for the analysis due to the number, variety and robust nature of scenarios available. These scenarios were developed by central financial institutions from eight major economies and built Intergovernmental Panel on Climate Change assessments, socioeconomic assumptions and three different climate integrated assessment models. For transition risk, the potential financial impact quantified for each model outlined below is aggregated into a common view of potential loss for the projected year, based on inputs such as loss of revenue, cash flow and cost of debt.

Table 4 indicates the transition risks scale from six risks for emission pathway of NDCs in the next 10 years. Scale is relative and should be interpreted in comparison to one another.

Table 4. Global transition risk results

	Transition risks scale
Higher	Policy
	Market demand
	Investor
	Reputation
	Litigation
Lower	Technology

Impact descriptions

Higher scale

The policy risk analysis indicates that there is high policy risk to Equinix associated with the Net Zero 2050 and NDC scenarios in the next five and 10 years. Equinix's strategy to mitigate impacts from carbon pricing focuses on decarbonization and green financing initiatives. Equinix has issued approximately $9.5 billion in green bonds to fund projects such as renewable energy procurement, energy efficiency upgrades and green building development. These measures reduce exposure to carbon costs by lowering operational emissions and securing long-term access to clean and renewable energy, while green bonds provide capital for sustainability-minded infrastructure, ensuring compliance with evolving carbon regulations and minimizing financial risk. Additionally, this analysis indicates that our long-term Science-Based Target initiatives (SBTi) approved targets could result in the avoidance of financial and strategic risk.

The market demand risk is assessed as high, with the greatest impact on Equinix's revenue under NDCs and Net Zero 2050 scenarios over the next 10 years. This is due to stricter carbon regulations and higher expectations for low-carbon services—and customers, especially hyperscalers and enterprises, will increasingly demand colocation and interconnection services that prioritize sustainability.

Moderate to lower scale

Reputation and investor risks are also moderate and closely linked to stakeholder trust and confidence in Equinix's climate strategy. Reputation risk considers potential revenue loss and recovery time if a reputation-damaging event occurs, influenced by our industry, geographic footprint and emissions intensity. We mitigate by setting clear SBTi targets, publishing transparent progress reports, and investing in renewable energy, energy efficiency and circular economy initiatives. Investor risk remains moderate, with exposure increasing under accelerated climate action scenarios. Equinix's SBTi targets, including achieving 100% clean and renewable energy coverage globally, will strengthen investor confidence in climate alignment and future resilience.

Technology and litigation risks were both assessed as low. Technology risk would only impact Equinix if rapid, widespread changes occur across all sectors, as projected in Below 2°C and Net Zero 2050 scenarios, with financial impact tied to potential asset impairment. We mitigate by aligning technology phaseout with natural end-of-life cycles. Litigation risk remains present under all scenarios, with higher exposure over a 10-year horizon.

Business and strategy

Operations

The cost to procure power is a significant component of Equinix's operational spend and exposure to both physical and transition climate-related risks. As a result of climate change, emerging regulations related to GHG emissions at the local, state or national level—in the form of taxes or fees—could increase Equinix's cost of electricity and hence its operational costs. Equinix physical risk scenario analyses of possible future worlds (2°C, 2-4°C, 4°C) indicated that portions of the portfolio are expected to increase in both heatwave and drought events. This may lead to increases in both electricity costs and water costs, depending on the use of local hydropower in the region for electricity generation and each specific facility's level of reliance on water for cooling. This risk exposure is helping to shape Equinix's investment strategy to build resilience across the portfolio, as described below.

Physical risk mitigation begins with careful site selection and resilient design. In zones where natural hazards are present, Equinix will deploy risk mitigation mechanisms that reflect a balanced approach in respect to the potential frequency or severity of an occurrence. Where feasible, Equinix selects low-risk locations and constructs elevated, water-resistant facilities with sealed cable entries and critical equipment positioned above projected flood levels. Additionally, localized climate data during design and construction are incorporated to adapt facilities to site-specific conditions.

To mitigate the impact of energy costs and operational disruptions due to physical climate risk, Equinix implements resilient operational protocols. These include detailed Standard Operating Procedures (SOP) for severe weather emergencies and activation of regional crisis management teams under our Business Continuity Program (BCP). Real-time weather monitoring is also deployed to enable rapid response and maintain operational continuity during extreme conditions. Additionally, redundant systems, such as backup power, are incorporated so operations can continue even if one system fails.

Beyond emergency response, efficiency measures reduce exposure to the impacts of both physical and transition risks. The Equinix energy efficiency program targets reductions in IT energy consumption, measured by improvements in power usage effectiveness (PUE), and includes optimizing cooling systems by raising data hall operating temperatures to the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standards, lowering cooling demand without compromising reliability. Through the Equinix water efficiency program, the company implements initiatives such as advanced metering technologies to track usage and identify optimization opportunities at water-cooled facilities.

Products and services

Stakeholder concerns about the energy consumption of data centers and the growing demand for sustainability-minded digital infrastructure are addressed through a comprehensive strategy. Equinix designs, builds and operates data centers to high operational standards, while advancing toward achieving climate targets that drive decarbonization across its operations. A key component of this strategy is the commitment to achieve 100% clean and renewable energy coverage across its global portfolio by 2030. Equinix has 96% renewable energy coverage across its global portfolio, which includes both the IT workloads of its customers and the overhead infrastructure loads that cool the data centers. In using an Equinix data center with renewable energy coverage, customers can reduce the carbon associated with their digital infrastructure footprints and access renewable energy coverage across many more markets than is feasible for a single company.

Equinix supports transparency on progress to its stakeholders through sustainability reporting, including by providing customers with detailed, site-specific data to help them understand the environmental footprint of their Equinix deployments and support their own sustainability goals and reporting requirements. Equinix offers Green Power Reports (GPRs), which outline electricity consumption, renewable energy coverage and carbon footprint for customer deployments, enabling accurate GHG measurements. Similarly, Customer Water Reports (CWRs) provide data on allocated water withdrawal and water usage effectiveness (WUE) for sites using water for cooling.

Supply chain

Supplier manufacturing and other activities account for the majority of Equinix Scope 3 emissions. Transition risks such as tightening carbon regulations, rising costs from carbon pricing, and shifting customer and investor expectations are amplified in the supply chain—where most Scope 3 emissions occur and where material costs are most exposed to carbon-related price increases. These risks are mitigated through two key strategies: addressing embodied carbon in materials and engaging suppliers to decarbonize. For embodied carbon, Equinix focuses on avoiding unnecessary raw materials, reducing embodied carbon in high-impact commodities and partnering to explore innovative low-carbon materials. For supplier engagement, we focus on cultivating relationships with key suppliers to reduce emissions and lessen our shared impact, whether by supporting science-based target setting or partnering to identify detailed embodied carbon statements for a specific product.

R&D investing

Several Equinix teams, including the Chief Technology Officer (CTO) Office, Global Design and Construction (GDC), and Global Operations, conduct research and development (R&D) on which innovations, technologies, infrastructure changes and process improvements will be best suited to meet evolving data center needs due to climate change risk. Mechanical and electrical engineers regularly explore new technologies and schemes to implement that drive efficiency and enhance reliability and resiliency. At the Co-Innovation Facility, Equinix partners with peers to test digital infrastructure solutions and shape the Data Center of the Future. Innovations crafted with sustainability in mind, including liquid cooling, high-density cooling, intelligent power management and on-site prime power generation, are some of the innovations being explored in the CIF.

To manage data center infrastructure in real time amid fluctuating demand and rising energy costs, Equinix developed Equinix Smart View, a SaaS platform that used machine learning to monitor electrical and mechanical systems, optimize performance and enhance resiliency. This provided customers with real-time visibility into environmental and operational data across their deployments, enabling smarter, more efficient operations.

Financial planning

Revenue

Customers increasingly expect Equinix to manage climate-related physical and transition risks and provide renewable energy coverage. Sustainability requirements are now frequently included in requests for proposals (RFPs), and more detailed inquiries on these topics are being received. Customer retention and recurring revenue are supported by Equinix's commitment to high-performance, efficient data centers and climate targets. Annual financial planning and business strategy are reviewed in consideration of power prices, renewable energy goals and customer needs, and strategies and programs are evolved as new climate risks and opportunities arise.

Operating expenses

The impacts of climate-related risks and opportunities on Equinix operating costs are factored into financial planning processes both annually and during quarterly business reviews with each country managing director, and incorporated into overall business strategy. Equinix's approach is to actively manage against energy price volatility, reliability and supply risk through its Global Utilities and Renewable Energy team. Equinix maintains power contracts to purchase power at fixed rates in certain locations and procures renewable energy coverage to mitigate climate-related risks and to protect against price volatility, future GHG regulations, and changing reputational or market risks. Data center efficiency is managed through global environmental sustainability and energy efficiency programs by monitoring PUE—a data center efficiency metric. Reducing PUE means that less power is being used to cool our customers' IT loads, which results in a lower carbon footprint.

CAPEX

Physical risks are considered during the selection, design and construction of new sites to ensure resiliency. Equinix mitigates and avoids these risks through actions such as increasing floor levels above flood plains and constructing roofs designed to withstand excessive wind speeds. A quantitative climate risk assessment was conducted to assess how changing acute extreme precipitation events and rising sea levels may change future flood risk exposure for Equinix. Climate-related risks influence efficiency upgrades and retrofits. Through its Global Design Standards program, Equinix promotes the integration of sustainability and efficiency into global design specifications.

Access to capital

Green finance continues to serve as an integral part of Equinix's sustainability strategy. Equinix issues green bonds to raise capital for projects that meet strict eligibility criteria, such as green buildings, renewable and clean energy, energy efficiency, resource conservation, decarbonization solutions, and climate change adaptation. These green bonds demonstrate Equinix's continued commitment to design, build and deliver reliable, secure and sustainability-minded digital infrastructure in order to benefit customers, investors and the communities in which it operates. Progress is communicated through Green Bond Allocation Reports, demonstrating that financial activities contribute to projects with clear environmental benefits and highlighting the pivotal role of green debt issuances in driving the low-carbon transition. As of December 2025, Equinix has issued a total of approximately $9.5 billion in green bonds, with $7 billion in net proceeds allocated to eligible sustainability projects.

Risk management

Identifying and assessing climate-related risks

Climate risk assessment, development and action begins with dedicated subject-matter experts from Equinix's sustainability and risk teams, which identify and evaluate potential impacts of climate change in collaboration with key internal business stakeholders and support from third-party consultants.

Equinix's Enterprise Risk Management (ERM) program facilitates identification, assessment, management, monitoring and reporting of key business risks. The program follows guidelines and best practices from the ISO 31000 standard (Risk Management—Principles and Guidelines) and the COSO standard (Enterprise Risk Management—Integrating with Strategy and Performance).

The ERM team periodically surveys and/or interviews key business process owners, management, executives and board members to identify risks, including cybersecurity, data center outages, competition, climate-related issues around power, transition risks (downstream consumer preference, renewable energy policy and technological disruption) and physical risks (earthquakes, hurricanes, floods and droughts). This process enables the team to collect, analyze and prioritize risk information to develop an enterprise risk profile. The findings feed into an existing risk register, a comprehensive repository that outlines identified risks and provides an overview of the overall risk landscape. The ERM program includes an Emerging Risks team composed of a cross-functional group of internal leaders. The team meets monthly to identify fast-moving, potentially impactful risks, including operational, financial, geopolitical and industry risks.

Complementing this enterprise-wide process, the SPO conducts a dedicated climate risk assessment that delivers a detailed analysis. Findings from this assessment, including potential changes in risk and quantified financial impact, are shared with the ERM team for integration into the ERM program, supporting prioritization, monitoring and reporting—and ensuring climate risks are managed with the same rigor as other enterprise risks.

In 2025, the SPO conducted a quantitative assessment with all relevant climate risks to model quantitative climate impacts in greater detail across climate change scenarios and time horizons. The climate risk assessment included the following key inputs to ensure comparability with other enterprise risks:

- Financial fundamentals, to build comparable cash-flow impact projections across future time horizons.
- Market breakdown, to capture our actual distribution of revenue across geographies and business units/service types.
- Physical footprint, including geographic location and dependency of key facilities.
- GHG footprint by scope and geography.

Managing climate-related risks

Risks, including those related to climate change, are managed at multiple levels throughout the organization and across cross-functionally engaged teams. Equinix recognizes management of climate change must be cross-functional; and given the nature of Equinix's business of building and operating data centers, climate-related physical risks (e.g., extreme weather) and transitional risks (e.g., energy pricing) are highly relevant to the business.

Risks identified via the ERM program are shared with the Governance, Risk and Compliance Committee (GRCC), led by the Vice President, Chief Risk and Compliance Officer. The GRCC comprises cross-functional senior leaders from legal, compliance, risk management, internal audit and other departments, with the responsibility of monitoring and prioritizing risks. The GRCC reviews and prioritizes key enterprise and emerging risks for presentation to the executive team on a quarterly basis. From these discussions, selected risks are brought to the Nominating and Governance Committee for further evaluation. Based on the committee's assessment, these risks may be escalated and reported to another relevant committee or to the full Board, as appropriate, for additional oversight.

Prioritized risks enter the risk assessment process that identifies risk drivers, mitigation efforts, gaps, action plans and results in a risk profile. An Executive Staff Risk Owner is designated as responsible for owning and managing the risk. The Executive and/or their designee are assigned to actively manage the risk and the associated risk profile and participate in reporting to the Nominating and Governance; Talent, Culture and Compensation; and/or Audit committees of the Board. The risk profile is updated periodically and includes the following elements: owner, designee, risk definition, risk score, velocity, mitigation capability, drivers, controls, safeguards and mitigation measures. Additionally, risk appetite for each risk and key risk indicators (KRIs) may also be defined.

To identify, assess and manage risks at the asset (data center) level, the process begins during site selection, when natural hazard exposures are identified by the Risk Management function and considered as part of the business case for the site. This information is provided to the Real Estate team as a part of the decision criteria for selecting a site, then to the Design and Construction team to ensure awareness of issues unique to a particular location. Potential design solutions are created to address exposures. The Business Continuity team then conducts a threat and risk assessment for each data center on an annual basis, which identifies major issues and their impact and likelihood. Risks are evaluated and scored for impact, likelihood and severity based on their potential human (i.e., death and injury), property (i.e., loss and damage) and business (i.e., loss of market share, business interruption) impact in the event of an incident. Physical risks like floods are included in the assessment. The risk assessment is updated annually and includes risks consistent with the Global Risks Report by the World Economic Forum. This information is presented to the Business Continuity Executive Steering Committee, which includes the Global Head of Operations as well as executives and subject-matter experts from within Equinix who meet at least quarterly.

Metrics and targets

Equinix uses different metrics to understand exposure to physical and transition climate-related risks and opportunities. Transition risk metrics include the cost of renewable electricity, energy efficiency, energy consumption and distribution, supplier engagement progress and GHG emissions. Physical risk metrics focus on water consumption, electricity consumption from the grid, increases in sustainable sourcing and global physical infrastructure resiliency. Opportunity metrics include energy efficiency and renewable energy.

Equinix has been measuring and reporting on GHG emissions in line with the Greenhouse Gas Protocol since 2015. Scope 1, 2 and 3 emissions are independently assured according to ISO 14064-3:2019 standards for the quantification and reporting of GHG emissions. This measurement and reporting inherently reduces Equinix's risk exposure to increasing expectations from stakeholders (e.g., employees, customers and investors) for emissions disclosure and regulation of corporate climate disclosure.

Table 5. GHG emissions by scope (MTCO2e)

Emissions	2019 (Baseline)	2022	2023	2024
Scope 1	40,700	40,300	29,000	59,400
Scope 2				
Location-based	2,081,000	2,418,000	2,623,800	2,645,700
Market-based	308,000	241,000	247,600	253,300
Subtotal: Scope 1 and 2 (market-based)	348,700	281,300	276,600	312,700
Scope 3	1,311,000	1,292,000	1,249,000	1,435,000
Total emissions (Scope 1 and 2 [market-based] and Scope 3)	1,659,700	1,573,300	1,525,600	1,747,700

Climate targets

Equinix is committed to reaching net-zero GHG emissions across the value chain (all scopes) by 2040. Equinix's 2040 long-term science-based target has been validated by the Science Based Targets initiative (SBTi). Our science-based targets demonstrate leadership within the industry to our stakeholders—our investors, customers, regulators, communities and employees. These targets comprise our existing near-term science-based targets and new long-term science-based targets.

Near-term targets

By 2025:

- Engage 66% of suppliers by qualified emissions covering purchased goods and services and capital goods to set their own science-based targets.

By 2030:

- Reduce absolute Scope 1 and 2 emissions 50% from a 2019 base year.
- Reduce absolute Scope 3 emissions from fuel- and energy-related activities 50% from a 2019 base year.
- Achieve 100% clean and renewable energy across our global portfolio.

Long-term targets

By 2040:

- Reduce absolute Scope 1 and 2 emissions 90% from a 2019 base year.
- Reduce absolute Scope 3 emissions 90% from a 2019 base year.

Energy efficiency target

Equinix monitors PUE to understand usage trends and assess the impact of our energy efficiency interventions. We set a global target supported by site-level PUE targets and initiatives that we reassess annually.

- Target: By 2030, achieve 1.33 PUE globally.

Remuneration linked to climate considerations

Beginning in 2022, the Talent, Culture and Compensation Committee began including a strategic modifier for the annual incentive in its annual incentive plan (AIP) for employees at and above the vice-president level. Since inception, the strategic modifier has included elements tied to Equinix's achievement of certain sustainability and climate-related targets and aspirations, as well as elements related to certain strategic priorities.

Equinix has included a strategic modifier in the 2025 plan for leaders at and above the vice-president level, including executive officers. This strategic modifier considers the level of achievement of goals relating to environmental metrics across the areas of energy efficiency, renewable energy and science-based climate targets. Equinix believes this strategic modifier supports and aligns executive compensation with key Equinix strategic priorities.

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