



AI INFRASTRUCTURE CASE STUDY

UAE — STATE-LED EXPANSION, MIGRANT LABOUR RISKS



The UAE has worked to publicly position itself as a global AI hub in recent years through its official strategy for AI and its significant investments into data centre construction, cloud infrastructure and other supporting infrastructure. A core component of its strategy hinges on attracting international partners and investments, in part through reform of its investment laws and free zone incentives. Microsoft has committed to a \$15.2 billion UAE investment plan running from 2023 to 2029, including a 200 MW data centre expansion announced in November 2025. Similar commitments from Google and Amazon underscore the importance of the sector in the country and wider region.

While the UAE's geostrategic location, abundant energy supply and its ability to roll out projects quickly work in favor of this national strategy, it also poses significant environmental and labour risks. Particularly important is the reliance of infrastructure development on migrant workers who are employed in opaque systems with limited labour protections. Widespread passport confiscation; wage theft; poor worker accommodation standards; and the payment of illegal recruitment fees continue to be well documented challenges that are poorly regulated. The lack of systematic human rights due diligence by technology companies exposes them to potential legal liability under the EU Corporate Sustainability Due Diligence Directive and related supply chain legislation in multiple jurisdictions.

In addition, while environmental innovation is increasingly becoming a competitive differentiator for UAE data centres, evidence of equivalent leadership on social sustainability remains limited. Public disclosures and industry discussions tend to focus heavily on energy efficiency, water management and carbon reduction, while worker welfare, responsible recruitment, occupational health and safety, and broader human rights due diligence receive significantly less attention. In other areas where legislative progress has been made, questions of enforcement remain.

One example is in heat stress regulation. With temperatures in the UAE now routinely exceeding 50 degrees Celsius in summer months, migrant workers employed in construction projects are exposed to risks that can have long term health consequences. Despite the law mandating that workers receive breaks and have shaded areas available to them during peak heat hours, there are widespread allegations that these requirements are not being implemented. Those workers that are indirectly employed or subcontracted face further risk.

An additional factor relates to the ongoing regional conflict, which compounds these risks and further exacerbates migrant worker vulnerability. The regional conflict that escalated in 2026 has introduced a further dimension of risk. Data centres - now classified as critical infrastructure - have become potential targets, and migrant workers employed in the sector face compounded vulnerability with higher levels of exposure to physical risk, restricted freedom of movement, and limited access to emergency services among other risks.

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- [UAE Migrant Workers: Rights Abuses Amid the UAE's Green Energy Transition](#)
 - [Cybersecurity Profile 2025: United Arab Emirates \(UAE\)](#)
 - [2025 KnowTheChain ICT benchmark](#)
 - [The United Arab Emirates' AI Ambitions](#)
 - [How Gulf states can develop data centers without straining scarce water resources](#)
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