AI vs. AI: The AWS-OM Paradox

Team Members:

- Mahek Gupta (Finance 2027)

- Hannah Huang (Global Business 2027)

- Chelsea Laubach (Global Business 2027)

Fictional Identity: Gabelli Global Consulting Group Audience: Senior Executives of Amazon Web Services

Presentation Outline

- Explaining the partnership

- Ethical, legal, and financial implications

- Risk analysis

- Recommending a course of action

Executive Summary

In December 2024, Amazon Web Services (AWS) partnered with Orbital Materials (Orbital) to develop AI-driven solutions aimed at reducing data center emissions, with plans to launch a product by the end of 2025. While this mission gains public support, both companies risk being perceived as hiding behind a corporate facade of greenwashing. Scaling AI requires immense energy and water consumption, contributing to significant greenhouse gas emissions. While this partnership could drive innovation and support decarbonization, potential alone is not a guarantee. Institutions must require companies to adhere to a green standard, and AWS should hold itself to this benchmark before bringing a product to market.

While this partnership presents ethical arguments both for and against, seeing as this partnership offers promising possibilities for greener technologies, AWS must prioritize transparency and accountability to mitigate greenwashing risks. To maintain industry leadership and credibility, AWS must act before launching the product. This includes mandating independent environmental impact assessments, establishing clear sustainability benchmarks, requiring third-party validation, and publicly disclosing environmental trade-offs. By taking these steps, AWS can ensure its role in AI-driven sustainability is defined by verifiable impact rather than assumptions, setting a precedent for responsible innovation in the tech industry.