TeraWulf

FY2025

Corporate Responsibility Report

TERAWULF

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I. Introduction

About This Report

TeraWulf develops, owns, and operates large-scale digital infrastructure assets purpose-built for power-intensive computing applications across the United States. This Corporate Social Responsibility ("CSR") Report outlines the Company's environmental, social, and governance ("ESG") approach and performance, reflecting both continuity in our operating principles and the evolution of our business during fiscal year 2025.

Over the past two years, TeraWulf has deliberately repositioned its platform toward high-performance computing ("HPC") hosting as its primary growth engine. While the Company continues to operate bitcoin mining assets utilizing existing infrastructure, it does not intend to deploy new capital toward bitcoin mining. Accordingly, our sustainability framework increasingly emphasizes infrastructure stewardship, energy efficiency, grid reliability, and the long-term reuse of industrial assets.

Unless otherwise noted, this report covers the period from January 1, 2025, through December 31, 2025. Disclosures are informed by the Sustainability Accounting Standards Board ("SASB") standards for Software & IT Services, where applicable, as well as information included in TeraWulf's Annual Report on Form 10-K for the year ended December 31, 2025.

A Message from Our CEO

Dear Fellow Stakeholders,

At TeraWulf, sustainability is not a parallel initiative – it is embedded in how we plan, build, and operate infrastructure at scale across our portfolio. Our strategy centers on long-term control of critical assets, the repurposing of legacy energy and industrial sites, and the alignment of compute-intensive facilities with durable power resources in a manner that supports both system reliability and long-term value creation. During the past year, we advanced our transition toward an HPC-focused infrastructure platform supporting artificial intelligence, machine learning, and advanced cloud workloads. This evolution reflects structural shifts in global compute demand and the increasing scarcity of power-advantaged locations capable of supporting high-density, mission-critical operations.

Our sustainability approach is guided by three core principles:

- **Responsible Asset Stewardship** – Extending the productive life of industrial and energy infrastructure while minimizing new land disturbance.
- **Efficient and Reliable Operations** – Designing facilities that optimize power utilization and integrate responsibly with regional electric grids.
- **Durable Stakeholder Value** – Making disciplined investment decisions supported by strong governance and long-term customer relationships.

We also continued to align our financing strategy with our long-term infrastructure approach, utilizing sustainable financing instruments that support energy-efficient assets designed to operate reliably over multi-decade lifecycles.
As we scale our platform, we are committed to maintaining a culture grounded in accountability, safety, and inclusion. We appreciate the continued engagement of our stakeholders and remain focused on transparent reporting and continuous improvement.

Sincerely,

"TeraWulf was built on the belief that digital infrastructure should be developed with the same long-term discipline and accountability as traditional energy assets. That principle remains unchanged as our business evolves. We focus on owning and operating durable, efficient infrastructure capable of serving critical computing needs for decades, while being a responsible partner to the communities and grids in which we operate."

Chairman & Chief Executive Officer

Accelerating Decarbonization

TeraWulf's approach to decarbonization is driven by infrastructure design and power-sourcing decisions rather than offset-based mechanisms. We prioritize development in regions with durable, cost-competitive power characteristics and engineer facilities to operate efficiently within those systems over long operating horizons.

Our HPC facilities are designed without reliance on backup diesel generation, instead utilizing robust grid interconnection, redundant electrical architecture, and advanced cooling systems. Legacy bitcoin mining operations continue to provide flexible load capability, enabling real-time adjustment of power consumption in response to grid conditions and supporting broader grid reliability.

> *"Our strategic shift toward high-performance computing reflects a deliberate decision to prioritize long-duration infrastructure over short-cycle compute applications. By controlling power-advantaged sites, interconnection rights, and industrial-scale facilities, we are building a platform that can support evolving compute demands while maintaining disciplined capital allocation and operational resilience."*
>
> Kerri Langlais
> Chief Strategy Officer

Our Mission Statement

Our mission is to be the leading provider of large-scale digital infrastructure, delivering advanced data center solutions that maximize energy efficiency, optimize resource utilization, and enhance customer value, while generating strong and stable returns for our investors.

Our Business

TeraWulf operates as a vertically integrated digital infrastructure owner and operator, controlling the physical, electrical, and mechanical components required to support large-scale HPC deployments. This model enables disciplined development sequencing, consistent operating standards, and long-term infrastructure performance across the asset lifecycle.

Evolution of the Platform

TeraWulf's business has evolved from its origins in sustainable bitcoin mining to an infrastructure-first HPC hosting platform. Bitcoin mining served as an early revenue driver and continues to operate on existing infrastructure, providing flexible load characteristics that support grid operations. Today, HPC hosting represents the Company's primary growth driver and capital allocation focus.

As of 2025, TeraWulf's platform includes multiple large-scale data campuses designed for modular expansion, long-term contracting, and high-density compute deployment. These campuses are supported by long-duration power arrangements and credit-enhanced customer contracts, providing long-dated revenue visibility and infrastructure-style returns.

What We Don't Do

TeraWulf's sustainability strategy is grounded in physical infrastructure, power sourcing, and operational design. The Company does not rely on unbundled renewable energy credits or carbon offsets as a substitute for disciplined siting, grid integration, and efficiency improvements.

Rather than pursuing short-term environmental attributes, TeraWulf focuses on long-lived assets, durable power arrangements, and infrastructure designed for efficient operation over multi-decade lifecycles.

Our Business

Together, these campuses anchor a geographically diversified platform designed to scale in alignment with customer demand and available grid capacity:

Lake Mariner Data Campus, NY

A flagship redevelopment of a former coal-fired power plant site, engineered for large-scale, liquid-cooled HPC deployments. The campus has a near-term capacity of approximately 500 MW, fully pre-leased under a long-term, credit-enhanced arrangement, and potential scalability to approximately 750 MW.

Lake Hawkeye Campus, NY

A large-scale digital infrastructure campus under development on a legacy coal plant site, designed to support up to 400 MW of HPC workloads through phased, modular buildout. The site benefits from existing power infrastructure and is intended to support long-term compute applications aligned with regional grid capabilities.

Abernathy HPC Campus, TX

A next-generation, AI-optimized campus under development through a majority-controlled joint venture (240 MW gross, 120 MW net), fully pre-leased under a long-term, credit-enhanced arrangement.

II. Environmental Stewardship

Climate Change Statement

TeraWulf is committed to the responsible development and operation of sustainable digital infrastructure and recognizes the importance of addressing climate-related risks and opportunities. As a long-term owner and operator of power-intensive assets, the Company evaluates environmental considerations across site selection, facility design, power procurement, and operations to support a cleaner, more resilient energy system.

Climate considerations are integrated into strategic planning and capital allocation decisions with the objective of ensuring that TeraWulf's infrastructure remains resilient, efficient, and relevant over multi-decade operating horizons.

Climate and Energy Considerations

TeraWulf approaches environmental stewardship through the lens of long-lived infrastructure ownership. Climate-related risks and opportunities are evaluated across the full asset lifecycle, including development, construction, operations, and eventual repowering or reuse. Rather than emphasizing short-term environmental attributes, the Company focuses on structural decisions that directly influence energy consumption, system efficiency, and grid interaction.

Environmental considerations are embedded in core business decisions and capital planning processes, reflecting the Company's view that durable sustainability outcomes in digital infrastructure are achieved through disciplined design, operational efficiency, and responsible grid integration.

In addition, TeraWulf considers physical climate risks, including extreme weather events and grid reliability, as part of site selection, facility design, and operational planning. Infrastructure assets are engineered to support continuous operations under a range of environmental conditions, with redundancy and resilience tailored to regional risk profiles.

Responsible Infrastructure Design

TeraWulf prioritizes the redevelopment of existing industrial and energy sites over greenfield development. By repurposing legacy assets—including former power generation facilities and industrial campuses—the Company minimizes incremental land disturbance, leverages existing transmission and electrical infrastructure, and reduces the environmental footprint associated with new site development.

Facilities are engineered to support high-density, mission-critical compute workloads through advanced electrical architectures, modular building design, and liquid-cooling systems. Modular development enables phased construction aligned with customer demand, reducing unnecessary capital deployment, material use, and environmental disruption.

Where appropriate, TeraWulf evaluates the incorporation of on-site generation, battery storage, and other dispatchable resources designed to enhance operational resilience and support grid reliability, rather than to serve as primary generation sources.

Power Strategy and Grid Integration

TeraWulf's power strategy emphasizes reliability, efficiency, and responsible integration with regional electric grids. Site selection is informed by in-house expertise spanning power generation, transmission, interconnection, and grid operations, enabling the Company to identify locations with durable, cost-competitive power characteristics and long-term viability.

Legacy bitcoin mining operations provide highly flexible load characteristics, enabling real-time curtailment or ramp-up of electricity consumption in response to grid conditions. Where available, this flexibility supports participation in demand response and ancillary service programs, enhancing grid reliability and facilitating renewable energy integration.

By contrast, HPC workloads require continuous, inflexible power. TeraWulf designs HPC campuses to meet hyperscale uptime requirements while minimizing excess capacity and wasted energy through optimized redundancy, electrical configuration, and cooling design.

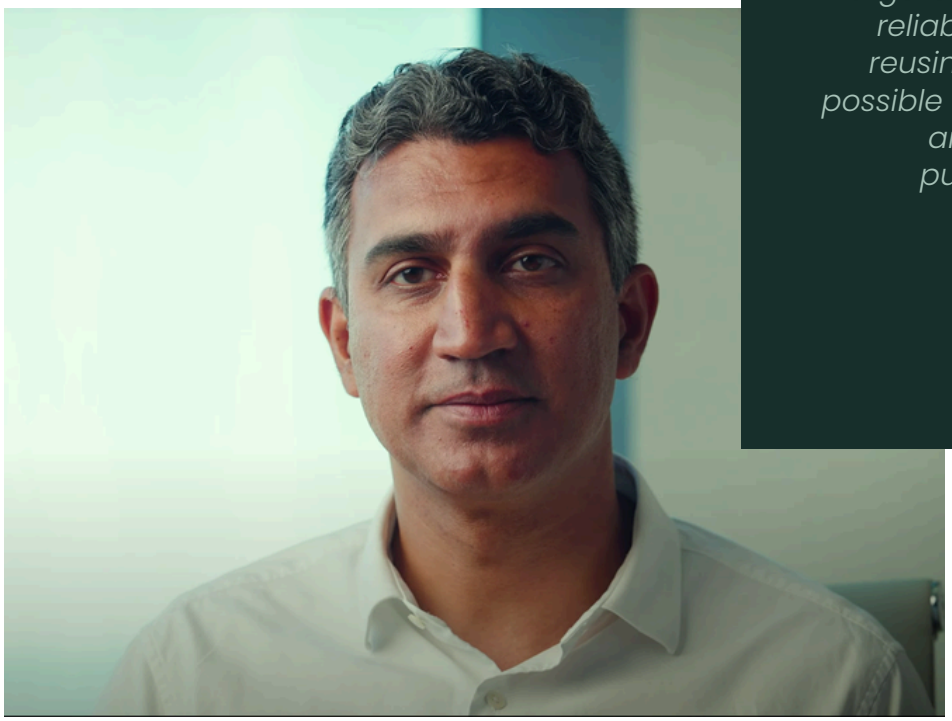
> *"Responsible energy use starts with infrastructure siting and system design. TeraWulf develops facilities in regions with strong zero-carbon generation profiles and integrates flexible operations that support grid reliability. Our approach emphasizes direct power sourcing, load management, and participation in demand response programs rather than reliance on offsets."*
>
> Kerri Langlais
> Chief Strategy Officer

Value of Vertical Integration

TeraWulf's vertically integrated operating model is central to its environmental and operational performance. By owning or controlling land, interconnection rights, electrical infrastructure, cooling systems, and data center facilities, the Company maintains accountability across the entire asset lifecycle.

Vertical integration enables greater transparency into energy consumption and operating performance, accelerates the implementation of efficiency improvements, and supports disciplined capital allocation aligned with long-term infrastructure returns.

This model also allows TeraWulf to apply consistent environmental, safety, and operational standards across its portfolio.



"Designing resilient digital infrastructure requires the same engineering rigor as large-scale power systems. We prioritize reliability, efficiency, and scalability by reusing proven industrial assets where possible and deploying modern electrical and cooling architectures that are purpose-built for continuous, high-density compute operations."

Nazar Khan
Chief Technology Officer

Environmental Performance and Metrics

TeraWulf tracks environmental performance across multiple dimensions, including energy utilization, cooling efficiency, waste management, and water use. Key metrics are reviewed internally to inform design decisions, operational improvements, and capital allocation.

Key Environmental Priorities Include:

- Efficient power utilization through advanced cooling and electrical design
- Responsible redevelopment of legacy industrial sites
- Participation in grid support and demand response mechanisms where available
- Disciplined water use, with no routine water consumption in bitcoin mining operations and closed-loop cooling architectures for HPC facilities

Metrics are reported at an enterprise level unless otherwise indicated and may evolve as the Company's operating footprint and data availability change.

2025 Environmental Metrics

Total Energy Consumed

The total energy consumed across TeraWulf's sites in 2025 was 1,365 GWh (per the site meter).

Low-Carbon Power

Based on regional generation data, the estimated percentage of low- or zero-carbon power across sites was ~89% in 2025.

Power Usage Effectiveness

The average power usage effectiveness (PUE) across sites was ~1.06[2] in 2025.

Demand Response & Grid-Support Events

In 2025, there were 238 market dispatch events across 73 days at our sites: ~261 total hours of curtailment, ~57 MW average load curtailed per event, and 14.9 GWh total energy curtailed.

(1) Per NYISO 2025 Trends Power Trends Report (Figure 23), which shows 89% zero-carbon energy production for Upstate NY Zones A-E; primarily nuclear (41%), hydro (39%) and wind (8%).
(2) Average calculated across 2025 operations at the Lake Mariner facility.

Energy Mix and Consumption Data

TeraWulf monitors energy consumption and power sourcing across its facilities to support infrastructure planning and operational decision-making. Energy mix varies by campus and reflects regional grid characteristics and market structures.

2025 Energy Data

~89%[1]

Power Sourced from Low- or Zero-Carbon Resources

1,365 GWh

Total Energy Consumed

~1.06[2]

Average Facility Power Usage Effectiveness

In addition to PUE, TeraWulf evaluates infrastructure efficiency through system-level design decisions, including power distribution architecture, cooling topology, and right-sizing of redundancy to minimize stranded capacity.

(1) Per NYISO 2025 Trends Power Trends Report (Figure 23), which shows 89% zero-carbon energy production for Upstate NY Zones A-E; primarily nuclear (41%), hydro (39%) and wind (8%).
(2) Average calculated across 2025 operations at the Lake Mariner facility.

Water, Waste, and Resource Management

Responsible management of water, materials, and waste is an important component of TeraWulf's infrastructure development and operations. As a long-term owner and operator of large-scale digital infrastructure, the Company emphasizes waste reduction, materials reuse, and disciplined resource stewardship across both construction and ongoing operations.

Bitcoin mining operations do not utilize water for routine operations, and HPC facilities are designed with closed-loop liquid-cooling systems that significantly reduce water use compared to traditional data center cooling approaches. Facilities are not located in regions of high water stress, and water considerations are integrated into site selection and facility design decisions.

Construction and Operational Waste Reduction

TeraWulf implements waste reduction practices during construction and operations to minimize landfill disposal and support responsible materials management. At certain facilities, this includes investment in on-site equipment to process expanded polystyrene (styrofoam) waste generated during construction and equipment deployment. This material is densified and prepared for recycling and resale, reducing packaging waste and avoiding landfill disposal.

These practices support efficient site development and reflect the Company's focus on practical, infrastructure-driven approaches to waste reduction at scale.

Materials Reuse in Site Redevelopment

As part of its brownfield redevelopment strategy, TeraWulf prioritizes the reuse of materials generated during site transformation. At the Lake Mariner Data Campus, materials resulting from the demolition of the former coal-fired power plant stack were reused in on-site foundation pours. This approach reduced waste, minimized transportation-related emissions, and leveraged existing industrial materials in the redevelopment of the site.

By incorporating material reuse into redevelopment planning, TeraWulf seeks to reduce the environmental footprint of large-scale infrastructure projects while extending the productive life of legacy industrial assets.

2025
E-Waste Metrics

E-Waste Recycling and Reuse

Responsible management of IT equipment is a core component of TeraWulf's environmental strategy. Mining hardware, servers, and associated electronic components are refurbished, redeployed, or recycled to extend useful life and reduce electronic waste.

Where feasible, equipment is repaired onsite to minimize transportation-related emissions. End-of-life equipment is processed through certified recycling partners to support responsible material recovery and disposal.

73.5 LBS

Amount of equipment recycled

106.37 MTCO2e [1]

Estimated emissions avoided through reuse and recycling

Closed-Loop Cooling

TeraWulf designs its HPC facilities with closed-loop cooling systems that circulate coolant within sealed systems, enabling efficient heat removal while minimizing evaporative losses and continuous water intake. This approach supports high-density, liquid-cooled compute workloads while maintaining disciplined and predictable water use over long operating horizons.

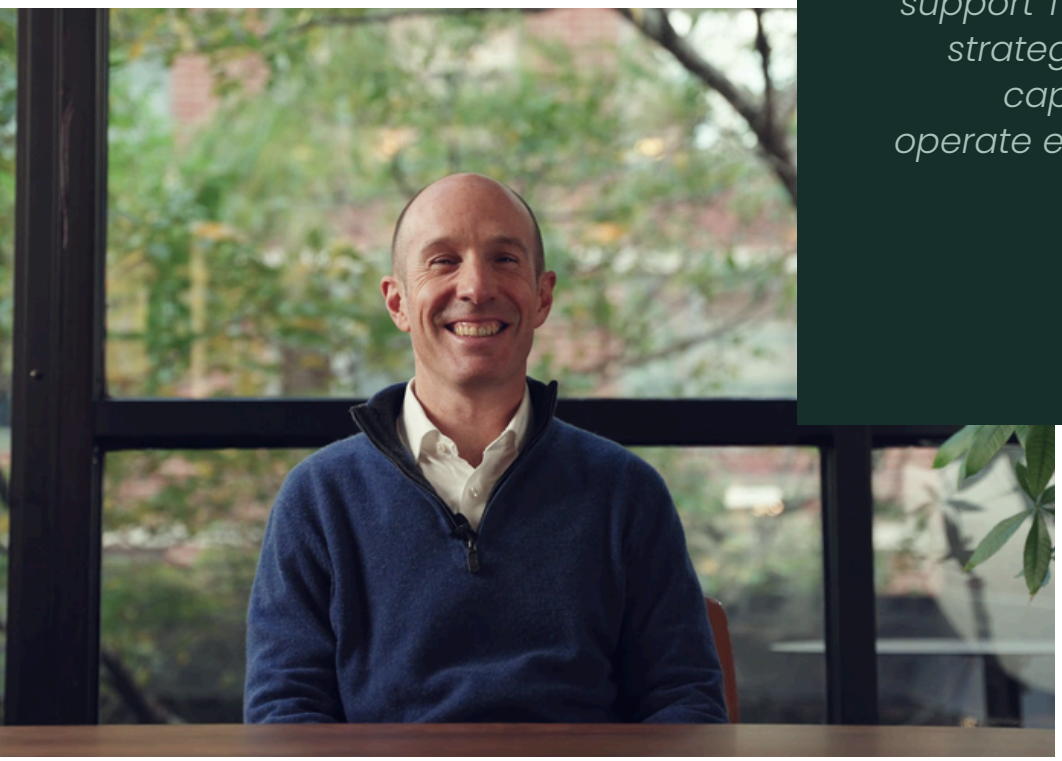
Compared to open-loop or evaporative cooling systems, closed-loop designs significantly reduce reliance on local water resources and enhance operational consistency across varying climate conditions.

(1) Estimated avoided emissions were calculated using estimated quantities of recycled materials multiplied by average unit weights to derive total short tons recycled. Emission factors were sourced from EPA's Waste Reduction Model (WARM), Version 16, Exhibit 1-1. For each material stream, the most representative WARM material category was selected, and per unit avoided emissions were calculated as the difference between the model's net landfill emissions factor and net recycling emissions factor ($MTCO_2e$ per short ton).

Sustainable Financing and Green Bond Framework

TeraWulf integrates sustainability considerations into its capital allocation and financing strategy. The Company has utilized green bond financing to support the development and operation of energy-efficient digital infrastructure assets aligned with its long-term environmental objectives.

Green bond proceeds are allocated in accordance with the Company's Green Financing Framework and are intended to support eligible projects that emphasize efficient power utilization, responsible infrastructure redevelopment, and long-lived asset stewardship. Internal processes are maintained to monitor allocation and reporting, with disclosure provided consistent with applicable frameworks and investor expectations.



"Sustainable financing instruments support TeraWulf's infrastructure-first strategy by aligning long-duration capital with assets designed to operate efficiently over multi-decade lifecycles."

Patrick Fleury
Chief Financial Officer

III. Social Responsibility

TeraWulf's social responsibility framework reflects the Company's role as a long-term owner and operator of critical infrastructure. Our approach emphasizes workforce safety, fair employment practices, inclusive culture, community engagement, and responsible supply chain management.

Our People

TeraWulf's workforce is central to the successful development, construction, and operation of its digital infrastructure platform. We seek to attract and retain highly skilled professionals across engineering, operations, development, and corporate functions by fostering a workplace that emphasizes accountability, collaboration, and operational excellence.

Employees are supported through competitive compensation structures, comprehensive benefits programs, and opportunities for professional growth. As the Company scales its infrastructure platform, workforce planning and talent development are aligned with long-term operational needs and safety requirements.

Local Employment and Workforce Transition

At its data center locations, TeraWulf prioritizes local employment and workforce development, particularly in communities impacted by the closure of prior industrial or energy operations. Where feasible, the Company seeks to rehire and retrain workers whose roles were displaced by facility shutdowns, supporting workforce continuity and preserving valuable institutional knowledge.

This approach has been implemented at the Lake Mariner Data Campus, where TeraWulf has rehired and retrained many former employees of the prior power generation facility as part of the site's redevelopment. By investing in local talent and skills development, TeraWulf aims to support economic continuity while building a workforce aligned with the long-term operation of modern digital infrastructure.

Health, Safety, and Training

Operational safety is a foundational priority across all TeraWulf facilities and project sites. Our safety programs are designed to address the inherent risks associated with large-scale electrical infrastructure, construction activity, and data center operations. These programs include site-specific safety protocols, contractor safety requirements, and regular training tailored to employee roles and responsibilities.

The Company promotes a culture of shared responsibility for safety, supported by reporting mechanisms that encourage the identification of hazards, near-miss reporting, and continuous improvement.

2025 Safety Metrics

5.2

Recordable Incident Rate

682

Total Safety Training Hours Completed

"Safety, workforce development, and operational excellence are inseparable. As we redevelop industrial sites into modern digital infrastructure campuses, we invest in training, local talent, and a safety-first culture that reflects the long-term nature of the assets we operate."

Paul Prager
Chief Executive Officer

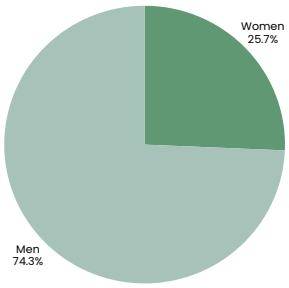
Diversity, Equity, and Inclusion

TeraWulf is committed to fostering a workplace that values diverse perspectives, backgrounds, and experiences. We believe diversity and inclusion strengthen decision-making, enhance innovation, and support long-term business performance.

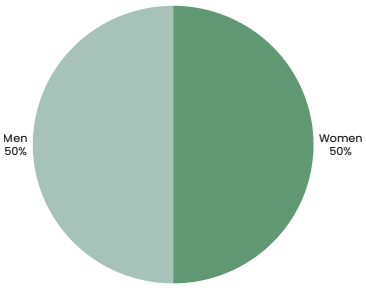
Our practices emphasize merit-based hiring and advancement, equal opportunity, and respectful treatment across the organization. Leadership is accountable for reinforcing inclusive practices and maintaining a work environment in which employees can contribute and advance based on their capabilities.

2025 Workforce Composition

Percentage of women in the workforce[1]



Percentage of women in leadership roles



Human Rights, Labor Practices, and Employee Voice

TeraWulf respects internationally recognized human rights standards and is committed to conducting business in a manner that supports human dignity and fair labor practices. We maintain zero tolerance for forced labor, child labor, discrimination, harassment, or retaliation.

Employees are free to exercise their rights to freedom of association and collective bargaining in accordance with applicable laws. The Company maintains confidential reporting mechanisms, including a whistleblower program, to allow employees and third parties to raise concerns without fear of retaliation.

Compensation, Benefits, and Professional Development

TeraWulf's compensation and benefits programs are designed to attract, retain, and motivate employees in a competitive infrastructure and technology labor market. Programs include health and wellness coverage, retirement savings plans, paid leave, and equity-based incentives that align employee interests with long-term Company performance.

The Company supports ongoing professional development through training, performance feedback, and leadership development initiatives designed to enhance technical expertise and management capabilities.

1) Percentage calculated excluding employees who did not disclose gender.

Our Partners

Supply Chain Management

TeraWulf expects suppliers, contractors, and business partners to adhere to high standards of ethical conduct, labor practices, health and safety, and environmental responsibility. Supplier selection and oversight processes consider operational capability, compliance with applicable laws, and alignment with the Company's values.

As a developer and operator of large-scale infrastructure, TeraWulf prioritizes working with vendors experienced in regulated, safety-critical environments and maintains oversight to promote consistent standards across projects.

Customer Responsibility

TeraWulf partners with leading global enterprises, including hyperscale customers, that operate under rigorous governance, security, and compliance frameworks. These customer relationships reflect TeraWulf's focus on long-term infrastructure partnerships rather than short-duration or speculative compute deployments.

As a provider of infrastructure rather than applications, TeraWulf does not control customer workloads. However, the Company primarily serves customers operating in regulated, enterprise, and mission-critical environments and expects adherence to applicable laws, ethical standards, and responsible use policies.

Community Engagement and Philanthropy

TeraWulf engages proactively with the communities in which it operates, particularly in regions where the Company is redeveloping legacy industrial and energy assets. Community engagement focuses on transparent communication, collaboration with regional stakeholders, and support for local workforce development and essential services where feasible.

In Upstate New York, TeraWulf has partnered with the TeraWulf Charitable Foundation to support a range of local initiatives aligned with community priorities. These efforts include funding for the local school district, food security and youth services organizations, literacy and education programs, and emergency energy assistance for vulnerable households. Supported initiatives have included organizations such as Blue Cabinets, the regional Food Bank, Youth Services, Lansing Loves to Read, and Emergency Energy Assistance programs.

TeraWulf has also invested in community infrastructure and quality-of-life improvements, including support for recreational facilities such as community pickleball courts. These investments reflect the Company's long-term commitment to the communities in which it operates and its belief that sustainable infrastructure development should deliver shared local benefits.

TeraWulf Charitable Foundation

Established in 2022, the TeraWulf Charitable Foundation supports community-focused programs aligned with education, workforce readiness, environmental conservation, and regional economic development. Philanthropic initiatives are structured to reflect local priorities and reinforce long-term community partnerships.

In the Mid-Atlantic region, the Foundation has also supported efforts to expand public access to natural and cultural resources, including initiatives associated with the proposed establishment of the Chesapeake National Recreation Area (CNRA) in Maryland and Virginia. The CNRA initiative has gained significant momentum, with authorizing legislation passing the U.S. Senate in late 2024. The effort seeks to designate portions of the Chesapeake Bay region as a National Park Service unit to increase public access, promote conservation, and highlight the area's cultural and historical significance.

The Foundation's support reflects TeraWulf's broader commitment to environmental stewardship, community engagement, and long-term public benefit.

"Through the TeraWulf Charitable Foundation, we are committed to investing in local communities, supporting sustainability initiatives, and reinforcing long-term partnerships that reflect the regions where we operate."

Kerri Langlais
Chief Strategy Officer

IV. Corporate Governance

Strong corporate governance underpins TeraWulf's ability to execute its strategy, manage risk, and deliver long-term value. Our governance framework emphasizes accountability, transparency, ethical conduct, and effective oversight.

"Our Board brings deep expertise in energy, infrastructure, finance, and technology, positioning TeraWulf to execute disciplined growth while maintaining strong governance and risk oversight."

Paul Prager
Chief Executive Officer

Governance Framework

TeraWulf's Board of Directors provides oversight of strategy, capital allocation, financial performance, risk management, and sustainability considerations. Governance practices reflect the Company's role as a publicly traded owner and operator of large-scale infrastructure assets.

Formal policies addressing business ethics, conflicts of interest, information security, and regulatory compliance support consistent decision-making and accountability. Governance documents are accessible on the Company's website.

Board Structure and Responsibilities

The Board is composed of directors with diverse expertise relevant to digital infrastructure, energy markets, finance, and corporate governance. Directors engage actively with management, providing strategic guidance while maintaining appropriate independence and oversight.

Board and committee meetings regularly address operational performance, development activity, capital allocation, risk management, and regulatory matters. Periodic evaluations support continuous improvement in Board effectiveness.

ESG Oversight Integration

Environmental, social, and governance considerations are integrated into Board and committee oversight rather than managed as a standalone function. This approach reflects the Company's view that ESG factors are inseparable from infrastructure strategy, power planning, and long-term risk management.

Management provides regular updates to the Board to support informed oversight and alignment with long-term shareholder interests.

Committees of the Board

The Board has established standing committees, including the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Each committee operates under a formal charter defining its responsibilities, authority, and scope of oversight.

Nominating and Corporate Governance Committee	Position
Manages board nominations, assesses board performance, and ensures that corporate governance principles are adhered to; this committee's charter outlines its responsibility in maintaining board effectiveness and ensuring governance practices align with the Company's goals.	Cassie Motz * (Chair) Ted Carter * (Member) Amanda Fabiano * (Member)
Audit Committee	
Focuses on ensuring financial reporting accuracy, supervises audit processes, and monitors compliance with legal requirements. The committee's charter outlines its purpose to oversee the integrity of financial statements, ensuring the effectiveness of internal controls and regulatory obligations.	Ted Carter * (Chair) Cassie Motz * (Member) Steven Pincus * (Member)
Compensation Committee	
Responsible for shaping executive compensation strategies, aligning rewards with corporate performance, and overseeing salary, bonuses, and incentive plans. The committee operates under a charter that defines its role in ensuring compensation practices are fair, competitive, and aligned with shareholder interests.	Steven Pincus * (Chair) Michael Bucella * (Member) Cassie Motz * (Member)
Sustainability Committee	
Guides TeraWulf's sustainability initiatives and ensures that environmental and social responsibilities are integrated into business operations. Responsible for monitoring developments, trends, and best practices for corporate sustainability.	Kerri Langlais (Chair) Lisa Prager (Member) Paul Prager (Chairman of the Board, Member)

Chair · Member · Chairman of the Board · * Independent Director

Risk Management and Internal Controls

TeraWulf maintains enterprise risk management processes designed to identify, assess, and mitigate operational, financial, regulatory, and cybersecurity risks associated with the development and operation of large-scale digital infrastructure. These processes are informed by the Company's asset profile, public company reporting obligations, and long-term infrastructure ownership model.

Internal controls support accurate financial reporting, operational integrity, and compliance with applicable laws and regulations. Risk assessments are reviewed periodically and updated to reflect changes in operations, development activities, and the external environment.

As part of its enterprise risk management framework, TeraWulf maintains insurance coverage designed to support the resilience of its operations and infrastructure assets. Insurance programs are structured to address risks associated with large-scale industrial facilities, construction activities, and ongoing operations, and are reviewed periodically to align with the Company's evolving asset base and risk profile. These programs complement the Company's emphasis on disciplined design, operational controls, and governance oversight.

Cybersecurity, Privacy, and Data Governance

The secure operation of TeraWulf's digital infrastructure is fundamental to maintaining trust with our customers and the long-term reliability of our platform. As an owner and operator of large-scale, mission-critical data centers, we apply a risk-based security program that integrates physical security, cybersecurity, and responsible data protection across the enterprise.

Cybersecurity and information security are integrated into TeraWulf's enterprise risk management framework. The Board of Directors provides oversight of cybersecurity risk, and management is responsible for implementing the Company's cybersecurity strategy, policies, and operational controls that align with industry best practices, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework and ISO/IEC 27001. We are continuously enhancing our capabilities to address emerging threats and operational risks, and the Board receives periodic updates regarding our security posture and resiliency initiatives.

TeraWulf maintains a risk-based cybersecurity program designed to protect infrastructure availability, reduce the risk of unauthorized access, support business continuity, and actively monitor supply chain and third-party risk. Incident response and business continuity plans are in place and are periodically reviewed and tested. Employee training and awareness programs reinforce security responsibilities across the organization.

Physical security measures are implemented across TeraWulf's facilities to protect personnel, customer equipment, and critical infrastructure assets and are integrated into facility design and ongoing operations.

TeraWulf is committed to respecting individual privacy and protecting personal information in accordance with applicable laws and regulations. Privacy considerations are incorporated into business processes and employee training, and information regarding the Company's privacy practices is made available through publicly accessible disclosures.

Cybersecurity, Privacy, and Data Governance

"Cybersecurity is fundamental to safeguarding our operations. At TeraWulf, we embed security into every aspect of our strategy."

Kerri Langlais
Chief Strategy Officer

Ethics, Compliance, and Integrity

All directors, officers, and employees are expected to adhere to the Company's Code of Business Conduct and Ethics. Training, reporting channels, and whistleblower protections support ethical conduct and regulatory compliance.

Policy and Government Relations

TeraWulf engages constructively with policymakers, regulators, and industry organizations on issues related to digital infrastructure, power markets, grid reliability, and environmental regulation. Engagement activities are conducted in compliance with applicable laws and disclosure requirements. The Company did not make political contributions during the reporting period.

"As demand for HPC workloads, including AI and advanced computing, accelerates, regulators must consider frameworks that balance innovation, energy efficiency, and national security."

Paul Prager
Chief Executive Officer

V. Looking Ahead

As compute demand continues to expand, TeraWulf remains focused on disciplined growth, infrastructure resilience, and responsible operations. Our priorities include continued efficiency improvements, community engagement, and strong governance as we support the next phase of digital infrastructure development.

"Looking forward, our objective is not rapid expansion for its own sake, but building digital infrastructure that remains productive, resilient, and relevant over time."

Paul Prager
Chief Executive Officer

VI. Appendix

Reporting Frameworks and Disclosures

SASB Disclosure: Software and IT Services

The SASB standards, now part of the International Financial Reporting Standards (IFRS) Foundation, provide a framework for companies to disclose sustainability information to their investors. In this report, we have mapped our disclosures to specific SASB indicators relevant to TeraWulf's operations in the Software & IT Services industry.

As TeraWulf continues to grow and evolve, we anticipate enhancing and refining our disclosures over time. Metrics and disclosures are reported on an enterprise-wide level, unless otherwise indicated.

Topic	Metric	SASB Code	Cross-Reference, Explanation, Omissions
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed. (2) Percentage grid electricity. (3) Percentage renewable.	**TC-SI-130a.1**	See Energy Mix and Consumption Data section of this report for electricity consumption.
	(1) Total water withdrawn. (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	**TC-SI-130a.2**	(1) TeraWulf's mining facilities do not consume water. (2) TeraWulf's mining facilities are not located in regions with High or Extremely High Baseline Water Stress.
	Discussion of the integration of environmental considerations into strategic planning for data center needs.	**TC-SI-130a.3**	Environmental considerations inform TeraWulf's site selection, power sourcing, facility design, and capital allocation. The Company prioritizes predominantly zero-carbon power, brownfield redevelopment, energy-efficient infrastructure, and resilient grid integration across its digital infrastructure platform.
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of users affected	**TC-SI-230a.1**	TeraWulf did not experience any material data breaches during 2025. TeraWulf does not collect PII in the ordinary course of business.
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards.	**TC-SI-230a.2**	See Information & Data Governance section of this report.
Recruiting & Managing a Global, Diverse & Skilled Workforce	(1) Percentage of employees that require a work visa. (2) Employee engagement as a percentage. (3) Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees.	**TC-SI-330a**	(1) No employees (0%) require a work visa. (2) We do not have a single metric that we believe encompasses employee engagement. (3) See People, Diversity & Inclusion section of this report for diversity metrics.
Recruiting & Managing a Global, Diverse & Skilled Workforce	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	**TC-SI-550a.1**	In FY 2025, there were no material monetary losses that resulted from legal proceedings associated with anticompetitive behavior regulations.
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime.	**TC-SI-550a.1**	In FY 2025, TeraWulf did not experience a technology-related performance disruption or downtime issue that had a material impact on the business that required regulatory and/or financial reporting or incurred financial penalties.

Scope

In this report, unless otherwise stated, all data and information relate to TeraWulf's activities during the fiscal year 2025, which began on January 1, 2025 and ended on December 31, 2025. Throughout this report, the terms "Company," "Organization," "we," "TeraWulf," and "our" refer collectively to the parent company and its subsidiaries through which business operations are conducted. The inclusion of information in this report should not be interpreted as an indication of the significance or financial impact of that information.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements include statements concerning anticipated future events and expectations that are not historical facts and include but are not limited to statements regarding our corporate governance efforts, goals and objectives; our recruiting efforts; our efforts related to diversity, equity and inclusion and other important social causes; and our environmental, social and governance (ESG) operations, framework and responsibilities. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. In addition, forward-looking statements are typically identified by words such as "plan," "believe," "goal," "target," "aim," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, although the absence of these words or expressions does not mean that a statement is not forward-looking.

Forward-looking statements are based on the current expectations and beliefs of TeraWulf's management and are inherently subject to a number of factors, risks, uncertainties and assumptions and their potential effects. There can be no assurance that future developments will be those that have been anticipated. Actual results may vary materially from those expressed or implied by forward-looking statements based on a number of factors, risks, uncertainties and assumptions. Therefore, any reader of this report should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2025 and our other filings with the Securities Exchange Commission (the "SEC"), which are available at www.sec.gov.

Materiality

This report contains statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance or forecasts of expected risk or performance. Any matters discussed in this report should not be taken or otherwise assumed as necessarily rising to the level of materiality used for purposes of public company disclosure obligations pursuant to the U.S. federal securities laws and regulations, even if we use the words "material" or "materiality" in this report. In addition, historical, current and forward-looking environmental and social-related/sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

No Incorporation by Reference

Our investor relations website at investors.terawulf.com contains additional information about TeraWulf, including financial and other information for investors. The content of our website is not incorporated by reference into this report or into any report or document we file with the SEC. Any references to our website are intended to be inactive textual references only.