



CORPORATE SOCIAL RESPONSIBILITY REPORT FY 2023

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INTRODUCTION

About This Report

Since our founding in 2021, TeraWulf has embarked on a mission to redefine the landscape of sustainable bitcoin mining. Through this report, our intention is to openly communicate our strategic environmental, social and governance (ESG) initiatives and tangible accomplishments in 2023. These initiatives are anchored in our mission of generating strong returns for our investors and we believe reflect good business practices that position TeraWulf for enduring success.

This report covers certain sustainability data from January 1, 2023 to December 31, 2023, and includes disclosures based on the Sustainability Accounting Standards Board (SASB) framework and IT Services Standard located in the report's appendix.

A MESSAGE FROM OUR CEO

Our mission at TeraWulf is to be the premier large-scale, zero-carbon bitcoin miner, generating attractive investor returns while leading the industry in environmental stewardship and social responsibility in the communities where we live and work.



Dear fellow stakeholders,

We are committed to transparency regarding our business practices, financial performance, and responsibility to ESG initiatives for the benefit of our stakeholders. With the full support of our Board of Directors and executive team, we are focused on generating long-term value and advancing a culture rooted in environmental sustainability, operational safety, social responsibility, and robust corporate governance. Our dedication to delivering sustainable value is integral to the long-term success of our business.

At TeraWulf, sustainability means managing our business in a way that creates value for our stakeholders, not just in the near term, but for the long run.

Our sustainability efforts are built on the following principles:

- 1 Community Engagement and Employee Well-Being:** Being a trusted partner that creates fulfilling and competitive jobs—with an unrelenting focus on safety and respect for human rights, environmentally sustainable operations, and meaningful work for our diverse workforce.
- 2 Environmental Responsibility:** Prioritizing zero-carbon power, we contribute to a more sustainable future via our energy-efficient mining operations and environmentally responsible business practices.
- 3 Investor Confidence:** Delivering attractive returns on the capital they have entrusted to us – today, tomorrow, and throughout the long term.

TeraWulf's mission is to be the premier provider of environmentally sustainable bitcoin mining. Given the energy required in the mining process, our unparalleled access to cost-effective, zero-carbon power is a significant competitive advantage. In 2023, 95% of the energy consumption for our mining operations was from zero-carbon resources, with our sights set on achieving 100% zero-carbon energy usage.

In addition to our environmental stewardship, integrity serves as one of the foundational elements of our operations. Guided by a robust corporate governance

framework, we uphold principles of transparency and accountability. Enhancing our governance structure was a top priority in 2023, evidenced by the Board's creation of a dedicated Sustainability Committee to steer our strategic direction. We also implemented several new corporate policies to drive our business decisions as outlined in our ESG and Sustainability policies.

In our rapidly evolving industry, talent is paramount. At TeraWulf, our people are our greatest asset. We are committed to attracting the right talent and nurturing their growth, fostering an inclusive, high-performance culture where every employee feels valued, safe, and supported to do their best work. We expect a similar commitment to excellence from our partners and stakeholders across our value chain.

Thank you for your interest in understanding our approach to ESG. We are dedicated to leading by example, consistently seeking ways to improve efficiency and make positive impacts across our operations. Moving forward, we aim to set clear, specific targets to provide stakeholders with transparent insights into our performance. We look forward to keeping our investors regularly informed about our progress. Together, we are mining the future, responsibly.



CHAIRMAN, CEO and CO-FOUNDER



“*The flexibility and scalability of our mining facilities are key assets in managing grid stress and efficiently utilizing surplus renewable energy. This not only benefits TeraWulf in terms of optimizing operations but also contributes positively to the broader goals of sustainability and environmental stewardship.*”

Kerri Langlais,
Chief Strategy Officer



ACCELERATING DECARBONIZATION

At TeraWulf, our approach to decarbonization centers on value creation. As a digital infrastructure company, our objective is to support the energy transition through our sustainable bitcoin mining facilities. These facilities have the capability to adjust power consumption in alignment with grid supply, offering essential demand response services. Their flexible scalability assists in managing grid stress and optimizing the utilization of surplus renewable energy sources.

OUR BUSINESS

TeraWulf is a leading digital asset technology company specializing in digital infrastructure and sustainable energy development to facilitate environmentally conscious bitcoin mining. Our primary focus involves building digital infrastructure to operate and maintain bitcoin mining facilities in the United States, leveraging clean, cost-effective, and reliable power sources. Our fully integrated facilities utilize a blend of nuclear and hydro energy, and currently consume 95% zero-carbon energy to produce bitcoin, with the goal of utilizing 100% zero-carbon energy.

Through our vertically integrated business model, we strive to support sustainable bitcoin mining practices while making positive contributions to the communities in which we operate. As industry leaders, we set the standard by:

- **Advancing environmental stewardship** and championing the transition to a zero-carbon future.
- **Prioritizing the well-being of our employees** and their families through fair and competitive compensation practices, comprehensive benefits and flexible work conditions.
- **Nurturing an inclusive company culture** through open and respectful dialogue.
- **Engaging in philanthropic initiatives** that address various community needs and promote social welfare.

At TeraWulf, we are not only dedicated to the growth and success of our business but also to the betterment of society and the preservation of our environment for future generations.



ENVIRONMENTAL STEWARDSHIP

A COMMITMENT TO SUSTAINABLE BITCOIN MINING

Climate Change Statement

TeraWulf is dedicated to sustainable bitcoin mining practices, recognizing the imperative to address the potential risks posed by climate change. These risks extend throughout our organization and impact our key stakeholders, employees, and the communities we serve and in which we live. With a firm commitment to environmental stewardship, we have set forth clear objectives to mitigate our environmental footprint, particularly in response to the threats posed by climate change. Our progress towards these objectives is regularly monitored and assessed.

In alignment with our leadership philosophy, we prioritize fostering environmental consciousness among our workforce and other stakeholders. Additionally, we actively engage in public discourse regarding environmental sustainability, particularly in the context of bitcoin mining and its pivotal role in advancing the electric grid's transition to zero-carbon energy.

We believe that combatting climate change necessitates collaborative efforts among regulators, industry participants, academic institutions, communities, and individuals. TeraWulf is resolute in its commitment to contributing to the development of environmentally sound and economically viable solutions to address this global challenge.

ZERO CARBON BITCOIN MINING

Environmental stewardship is a foundational principle at TeraWulf, integral to shaping our business strategy. Bitcoin mining, a process reliant on energy consumption to power computers for verifying and recording cryptocurrency transactions, often raises concerns regarding its environmental impact. Traditional mining operations fueled by fossil fuels contribute to carbon emissions, exacerbating climate change. In contrast, TeraWulf prioritizes sustainable practices, harnessing energy from non-fossil fuel and clean sources such as hydroelectric and nuclear power, which emit no carbon. Additionally, our facilities serve as a valuable tool for grid operators to balance load with increasing contributions of renewable, and by definition intermittent, energy sources.

At our Lake Mariner facility in New York, we pride ourselves on utilizing 93% zero-carbon energy, sourced from abundant local hydroelectric energy sources, with the iconic Niagara Falls in close proximity. Since launching bitcoin mining operations at Lake Mariner in March 2022, we have rapidly expanded this facility, achieving 5.5 EH/s and 160 MW of operating capacity as of December 31, 2023. Exahashes per second, or "EH/s," serve as the standard metric for measuring the computing power of bitcoin mining facilities.

Furthermore, our joint venture at the Nautilus Cryptomine exemplifies our commitment to carbon-free energy. Our operations, powered entirely by nuclear energy, commenced operations in February 2023. By April of the same year, TeraWulf had achieved a significant milestone, reaching 1.9 EH/s and 50 MW of owned operating capacity at the facility. Notably, Nautilus stands as a pioneering example of a behind-the-meter bitcoin mining facility directly accessing reliable, carbon-free, 24x7 baseload power directly from the 2.5 GW Susquehanna nuclear generation station.



2023 ENVIRONMENTAL INITIATIVES

In 2023, TeraWulf's environmental initiatives were centered around the following key areas:



COMMITMENT TO ZERO-CARBON ENERGY

TeraWulf has taken a proactive stance in selecting zero-carbon energy sources to power our facilities. By embracing such sources, we are actively contributing to the advancement of a sustainable energy landscape, characterized by increased renewable energy generation. It is important to note that our commitment to zero-carbon energy sets a higher standard than merely achieving carbon neutrality.



GRID STABILIZATION

Leveraging our high-throughput yet adaptable computing loads, we play a pivotal role in responding swiftly to real-time grid conditions. This capability enables us to contribute to the stabilization of the electrical grid by adjusting our power consumption levels promptly and also absorbing excess renewable resources when they are produced.



WASTE REDUCTION

At TeraWulf, we prioritize minimizing waste across all facets of our operations. Through strategic optimization of reuse and recycling practices, we strive to minimize our environmental footprint. This includes a focus on the reuse or recycling of IT equipment components, including our mining equipment. Additionally, we work with certified e-waste recyclers who adhere to stringent environmental standards.



RESPONSIBLE SUPPLIERS & PARTNERS

We uphold stringent environmental stewardship values throughout our supply chain. Our Supplier Code of Conduct emphasizes the importance of shared values among our suppliers, ranging from enhanced disclosure of energy-related consumption to more effective management of waste.

These environmental focus areas are integral to our organizational culture and are spearheaded by our Sustainability Committee established in 2023. While TeraWulf was founded on its commitment to advancing environmental sustainability across all facets of its operations and for the benefit of the communities in which it operates, the Company has cemented this commitment through the adoption of its Sustainability and ESG policies, which outline the guiding principles for the Company in these areas.

“At TeraWulf, we are dedicated to pioneering initiatives that prioritize sustainability, conserve our natural resources, and advance social progress on a global scale, ensuring a better future for generations to come.”

Paul Prager, Chairman & CEO

VALUE OF VERTICAL INTEGRATION

As a vertically-integrated bitcoin mining company, we understand the value of owning our mining facility sites to ensure optimal energy efficiency and cost reduction. Energy infrastructure assets are complex and require specialized equipment, extensive commercial relationships, and engagement with diverse stakeholder groups. Led by a seasoned and diverse management team with over 30 years of experience in developing and operating energy infrastructure assets, we prioritize site ownership to facilitate proactive management of development, supply chain, and commercial agreements.

At TeraWulf, we are dedicated to being conscientious stewards of the environment and the communities in which we operate. Our vertical integration not only promotes accountability and transparency but also empowers our employees, investors, and communities.



ENERGY-EFFICIENT OPERATIONS

TeraWulf distinguishes itself not only by procuring zero-carbon energy to power its bitcoin mining operations but also by boasting one of the most energy-efficient mining fleets in the sector. The metric "J/TH," denoting Joules per Terahash, serves as a vital measure of energy efficiency for bitcoin mining hardware, representing the amount of energy (in Joules) required to compute one Terahash of data. In an industry where electricity consumption garners significant attention, comprehending and enhancing J/TH efficiency is not solely about cost-effectiveness in bitcoin production; it is also about fostering a more environmentally conscientious cryptocurrency ecosystem.

In 2023, TeraWulf achieved a fleet efficiency of approximately 27.6 J/TH, surpassing the industry average of 28.3 J/TH.¹

As cryptocurrency adoption expands globally, the demand for bitcoin mining escalates, amplifying the significance of energy-efficient mining operations. Our facilities and future development plans underscore our commitment to sustainable bitcoin mining practices.



The Lake Mariner Facility in Barker, NY is fueled by 93% zero-carbon market power.

¹Source: [Compass](#).



2023 ENERGY MIX AND CONSUMPTION DATA

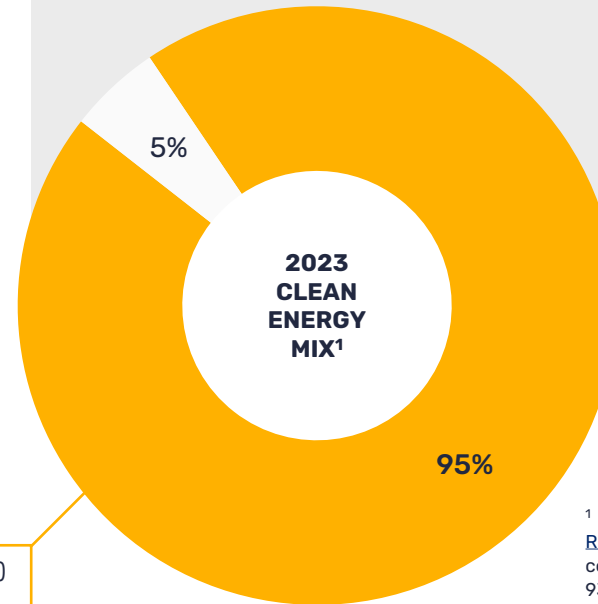
At TeraWulf, we are dedicated to minimizing our environmental footprint as we expand our bitcoin mining operations. Our commitment to reducing energy consumption and harnessing zero-carbon energy sources drives our efforts.

Moreover, our facilities play a crucial role in grid management by offering demand response services. This involves strategically reducing our electricity usage during peak demand periods. Maintaining balance on the electric grid is essential; any disparity between power production and consumption can lead to grid failures or damage. As storing excess electricity at scale remains a challenge, consumption must align with production. TeraWulf's facilities optimally absorb surplus renewable energy when it is generated and swiftly adjust operations to reduce energy consumption during peak demand, thereby supporting grid stability and sustainability.

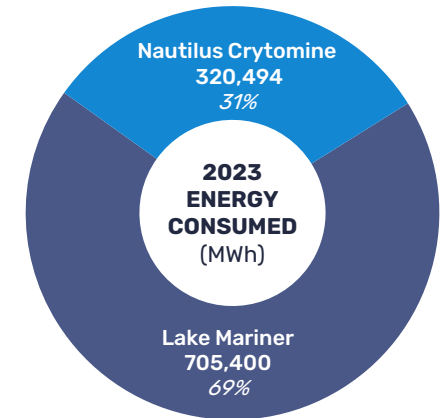
In 2023, our participation in ancillary demand response expanded to three programs in New York: CSRP (Commercial System Relief Program), DSASP (Demand Side Ancillary Services Program), and SCR (Special Case Resource). Demand response programs like these not only enhance operational efficiency but also offer significant benefits such as reducing peak demand, mitigating strain on the grid, and fostering a more sustainable energy ecosystem.

In 2023,
95% of the energy utilized in
our mining facilities came
from clean sources,
primarily hydro and nuclear
power, and we are driving to
achieve 100% zero-carbon
powered operations.

Miner Fleet Efficiency (J/TH)
27.6



¹ Per NYISO's [2021-2040 System & Resource Outlook](#), 2022 energy consumption in NYISO Zones A-E was 93% attributable to zero-carbon energy resources, primarily hydro and nuclear.





“Bitcoin mining infrastructure plays a pivotal role in advancing the decarbonization of the energy grid. We firmly believe that our scalable access to low-cost, zero-carbon power grants us a significant and sustainable competitive advantage over other bitcoin mining companies.”

Nazar Khan, COO & CTO

Resource Management

By prioritizing efficient management of energy, water consumption, and waste, we aim to significantly diminish our environmental footprint while concurrently achieving substantial cost savings. TeraWulf, in tandem with deploying the latest and most efficient mining equipment, has implemented a series of energy-conserving practices and innovative designs across our mining facilities. Our mining facilities have been tactically engineered to capitalize on natural ventilation, thereby reducing both energy consumption and noise pollution. Furthermore, we have transitioned to energy-efficient LED lighting in our facilities to further curtail our environmental impact.

In 2023, we took proactive measures to institute recycling protocols for all waste materials, including steel, plastic, aluminum, copper, and cardboard. Additionally, smart meters were integrated into our Lake Mariner facility, enhancing our ability to optimize and monitor real-time power consumption. This technological advancement has empowered TeraWulf to expand its participation in ancillary demand response programs.

TeraWulf's bitcoin mining operations do not consume water, and neither Lake Mariner nor Nautilus are situated in regions characterized by high baseline water stress.



E-Waste Reuse & Recycling

In its business operations, TeraWulf utilizes a diverse range of computing devices, including ASIC miners, servers, and electronic peripherals. When these devices reach the end of their functional lifespan, we prioritize the responsible management of company data and the equipment itself through recycling, refurbishment, or repurposing for repairs and spare parts.

Any mining machines that have exceeded their operational usefulness undergo a process wherein usable parts and components are carefully removed before the equipment enters the scrap and reclamation phase. We are committed to continually enhancing our repair procedures by integrating an increasing number of reused components into our processes, even after the initial machine has been earmarked for recycling.

Furthermore, we minimize waste by conducting repairs onsite, thereby eliminating the additional environmental impact associated with packing and shipping components to external repair vendors. This approach aligns with our sustainability objectives and underscores our dedication to environmentally responsible practices in all facets of our operations.

SOCIAL RESPONSIBILITY

EMPOWERING PEOPLE

Our employees represent our most valuable asset, serving as pivotal contributors to the sustained growth and prosperity of our organization. At TeraWulf, we are deeply committed to cultivating a culture of responsibility, inclusivity, and ethical conduct. Our dedication extends beyond environmental stewardship to encompass a diverse range of social considerations. This commitment is underscored by our comprehensive policies, structured governance framework, active engagement with communities, and focus on prioritizing the well-being of our employees.



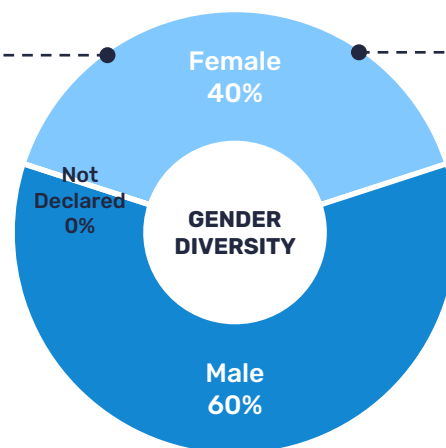
PEOPLE, DIVERSITY & INCLUSION

At TeraWulf, we promote a dynamic and inclusive workforce. We base hiring and recruitment practices based on merit and qualifications, recognizing the value of diverse perspectives and experiences. Through our dedication to fostering a culture of diversity, empowerment, and mutual respect, we are diligent to create an environment where every person feels valued and empowered to excel in their roles. As TeraWulf continues to expand its workforce in line with our future growth plans, we are committed to fostering diversity across all facets of our organization.

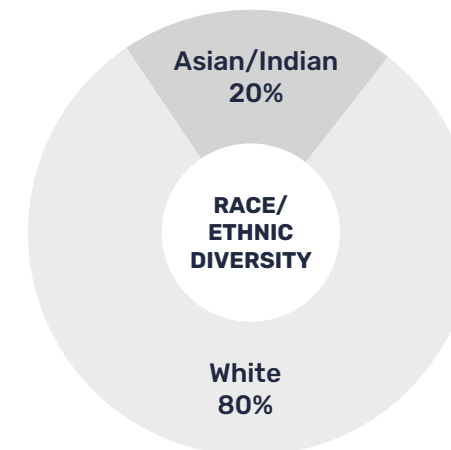
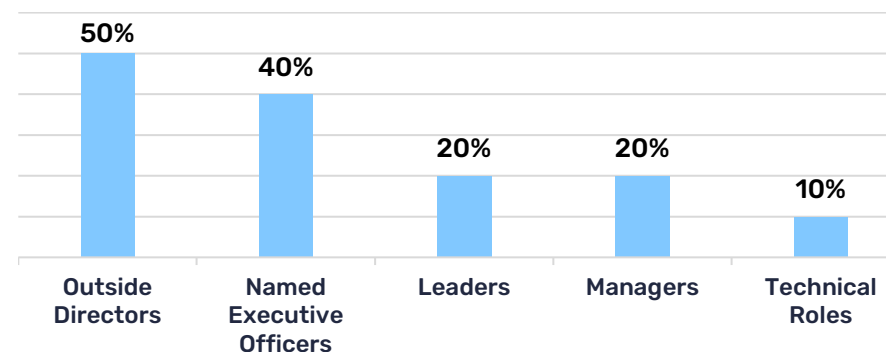
Our Diversity Policy delineates our commitment to fostering a diverse and inclusive work environment. We believe that a workforce encompassing a spectrum of perspectives not only stimulates innovation but also augments our problem-solving capabilities. TeraWulf's core principles guiding workplace diversity are outlined as follows:

- **Comprehensive Workforce Composition:** Our objective is to cultivate a workforce comprising individuals with varied knowledge, skills, perspectives, and relevant expertise.
- **Positive Contribution to Company Operations:** We recognize that a diverse workforce can significantly bolster our business development and operational effectiveness.
- **Identify Qualified Individuals:** Central to our culture is the recruitment of highly qualified individuals possessing requisite experience, education, and expertise, thereby ensuring enduring value creation for our company.

These guiding principles are seamlessly integrated into every facet of our employment processes, spanning from recruitment and onboarding to career development and advancement. Notably, we are pleased to highlight our progress in promoting gender diversity. At TeraWulf, women constitute 40% of our workforce and hold a variety of leadership and technical roles. We continue to implement strategies and initiatives aimed at fostering and advancing female and diverse demographic representation across our workforce.



POSITIONS HELD BY WOMEN



HUMAN RIGHTS

We are committed to upholding human rights for all individuals through our business practices, adhering to the highest ethical standards and in full compliance with applicable laws and company policies. Our commitment is guided by the principles outlined in our Human Rights Policy, which sets the standard for our approach to respecting human rights and promoting fair labor practices throughout our organization.



ZERO TOLERANCE FOR DISCRIMINATION AND HARASSMENT

We cultivate an inclusive workplace that celebrates diversity and unequivocally prohibits discrimination in any form. Our comprehensive anti-harassment policy, detailed in our Employee Handbook, ensures a working environment that is safe and respectful for all employees. We are committed to maintaining a workplace free from harassment, discrimination, or retaliation based on age, race, color, national origin, ancestry, religion, sex, sexual orientation, pregnancy, physical or mental disability, genetic information, veteran status, uniformed service member status, or any other status protected by federal, state, and local laws.



SAFE AND HEALTHY WORK ENVIRONMENT

Recognizing the inherent rights of our employees, we strive to provide a work environment that prioritizes their health and safety. Any employee requiring reasonable accommodation due to disability, religious beliefs, pregnancy, childbirth, or domestic violence is supported.



ETHICAL LABOR PRACTICES

Our policy denounces forced labor, child labor, and any form of labor exploitation. We strictly adhere to labor laws and regulations, ensuring fair treatment, appropriate working hours, and equitable compensation for all employees. We continually monitor human rights' best practices, assess potential risks and impacts, and update our policy as necessary to reflect our commitment.



EMPLOYEE VOICE AND FREEDOM OF ASSOCIATION

We uphold the rights of employees to freely associate, organize, and engage in collective bargaining in a peaceful manner, without fear of intimidation or harassment.

To reinforce our values and policies, we provide confidential and accessible channels for reporting any human rights violations or concerns. This includes a dedicated email address and direct reporting to supervisors, company management, or the Human Resources manager (refer to our Whistleblower Policy for more details). We guarantee that no employee will face retaliation or punishment for reporting suspected violations of law or ethical standards by another employee or for alerting the Company to any questionable situation.

BENEFITS AND COMPENSATION

We recognize that the strength of TeraWulf lies in the dedication and well-being of our employees.

In line with this commitment, we provide a robust benefits program tailored to our employees' needs. This includes a 401(k) retirement plan, flexible work hours, generous time off policies, and initiatives dedicated to addressing mental and physical well-being. Our Employee Assistance Program offers free and confidential counseling services, underscoring our dedication to supporting our employees through all facets of life. We conduct annual evaluations of our benefits offerings to ensure they remain aligned with the evolving needs of our workforce, actively seeking feedback from employees to continually enhance our support systems.

Our initiatives—from workplace flexibility to comprehensive benefits and performance-based rewards—underscore our belief that the success of TeraWulf is intricately tied to the well-being, satisfaction, and professional growth of our employees.



WORKPLACE FLEXIBILITY

Our approach to workplace flexibility acknowledges the diverse needs and preferences of our workforce. We embrace a hybrid work environment, allowing employees the flexibility to choose between working from the office or remotely based on individual circumstances. This flexibility empowers our team members to effectively balance professional responsibilities with personal commitments.



CAREER DEVELOPMENT

At TeraWulf, we are committed to recognizing and supporting the potential of our employees. Through our career development initiatives, we encourage regular feedback to help employees understand their strengths and areas for growth. This feedback is complemented by personalized career development discussions, ensuring every employee has the opportunity to thrive within our organization.



COMPREHENSIVE BENEFITS

We offer competitive benefits to our full-time employees, including primary and secondary caregiver leave, adoption leave, and more. Our 2021 Omnibus Incentive Plan is designed to attract, retain, and motivate employees, executive officers, and directors through the granting of stock-based compensation awards.

SUPPLY CHAIN

We uphold rigorous standards of conduct for ourselves and our suppliers, ensuring alignment with TeraWulf's core values. Our Supplier Code of Conduct articulates clear compliance expectations for all suppliers and their subcontractors across key domains, including ethics, labor practices, health and safety, environmental stewardship, and management systems. This code is integrated into our supply agreements and terms and conditions, demonstrating our commitment to responsible sourcing and sustainable practices.

MANAGEMENT



COMMUNITY AND PHILANTHROPY

Recognizing that our social responsibility extends deeply into the communities where we operate, we established The TeraWulf Charitable Foundation in 2022. The Foundation operates as a private philanthropic entity dedicated to advancing social health, environmental conservation, and sustainability initiatives. Its inception was funded by the Company through a substantial donation of over two million shares of TeraWulf common stock. Under the guidance of our CEO, Paul Prager, and CSO, Kerri Langlais, the Foundation exemplifies TeraWulf's commitment to fostering positive global and community impact.



With a strong focus on safeguarding natural resources, one of the Foundation's primary endeavors involves making a financial commitment to the Chesapeake Conservancy, Inc., a non-profit organization based in Maryland. This commitment aids and supports the Conservancy's efforts in raising awareness about the importance of the Chesapeake Bay nationally, aiming to protect the ecosystem and expand access for more people to enjoy its historical significance and natural beauty.

In 2023, the Chesapeake National Recreation Area Act (S.2620 and HR 5045) was introduced in the U.S. Congress. If passed into law, this act will designate a collection of new and existing parks and public lands along the Chesapeake Bay as the new Chesapeake National Recreation Area.

Our commitment to social responsibility is reflected in our ESG Policy, which aligns closely with our stated focus areas. These encompass diversity, community involvement, responsible operations, and maintaining an ethical supply chain. For further details, our ESG Policy is available on our website.

“Through The TeraWulf Charitable Foundation, we’re committed to investing in local climate change initiatives, preserving our environment, and promoting sustainability. With strong financial support from our senior leaders, we’re focused on supporting innovation, enabling sustainable development, and driving social progress. With our dedicated management team, we’re confident in our ability to make a meaningful impact in these critical areas.”

Kerri Langlais, Chief Strategy Officer

CORPORATE GOVERNANCE

UPHOLDING TRANSPARENCY AND INTEGRITY

We firmly uphold the principle that robust corporate governance serves as the foundation of our business integrity and achievements. Our governance framework is crafted to promote standards of accountability, fairness, and transparency throughout our operations and decision-making processes. At TeraWulf, our commitment to strong corporate governance is reinforced by our Corporate Governance Guidelines, alongside the active engagement of specialized committees such as Audit, Compensation, Sustainability, Finance, and Nominating and Corporate Governance.

For detailed insights, all governance documents and committee charters are readily accessible on our website under the Governance section.



Our highly qualified board brings a diverse range of insights and backgrounds to support the Company's ambitions, including deep industry knowledge in bitcoin mining, capital allocation experience to support organic and inorganic growth, management and financial expertise, and digital innovation leadership."

Paul Prager, Chairman & CEO



COMMITMENT TO ETHICAL STANDARDS

We are dedicated to maintaining high ethical standards in every aspect of our business operations. Our Code of Ethics, applicable to all employees, directors, and officers, establishes clear expectations for ethical conduct and corporate responsibility. TeraWulf's Code of Ethics addresses a variety of essential topics vital to fostering ethical behavior within our organization. These topics encompass guidelines for professional conduct, policies regarding conflicts of interest, adherence to laws and regulations, protocols for reporting and addressing ethical concerns or violations through confidential channels, and an overarching commitment to ethical and fiduciary responsibility toward our stakeholders.

The Code of Ethics serves as a fundamental framework to ensure that all actions and decisions undertaken by individuals at TeraWulf are in alignment with ethical standards and corporate values. Additionally, our Related Persons Transactions Policy includes provisions for monitoring conflicts of interest.

BOARD RESPONSIBILITIES

The Board of Directors plays a critical role in overseeing strategic, financial, and operational risks associated with our operations and overarching strategy. Our board believes the current composition and leadership structure foster decisive decision-making, promotes clear accountability, and facilitates effective communication of our strategy to our shareholders, employees, business partners, and other stakeholders.

Key points regarding our board's structure and practices include:



Our founder and Chief Executive Officer serves as the chairman of the board.



All members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are independent.



All committees maintain charters that clearly establish their respective roles and responsibilities.



The board conducts an annual evaluation to assess its own effectiveness and that of its committees, identifying areas for improvement.

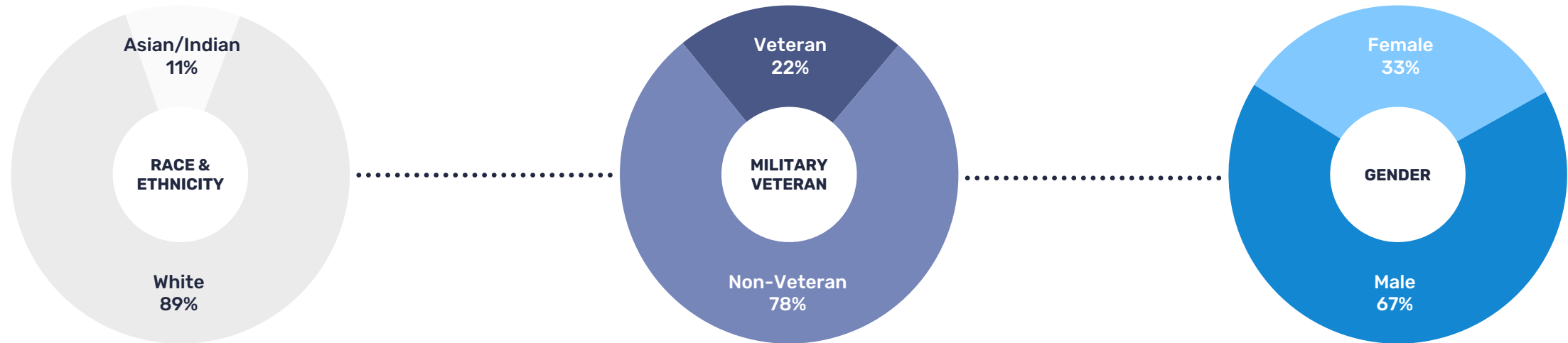
The Nominating and Corporate Governance Committee is dedicated to fostering a diverse board that encompasses a broad spectrum of viewpoints, backgrounds, skills, experiences, and expertise. Factors such as race, gender, ethnicity, age, culture, and nationality are considered in this endeavor. Additionally, the committee regularly reviews the skills, experiences, and backgrounds necessary to align the board with TeraWulf's strategic vision, business objectives, and operational needs.

Strategic discussions are a fundamental aspect of every board meeting, as well as meetings of the board's committees. The board and its committees engage with executive management on a regular basis to evaluate risk, including various scenarios and interrelated risks, within the context of strategic planning and operational discussions.

BOARD COMPOSITION

Our Corporate Governance Guidelines serve as the foundation for determining the board's composition, independence, and effectiveness. Guided by these principles, our aim is to curate a board of directors comprising individuals whose collective expertise, qualifications, and skills enable them to effectively discharge their oversight responsibilities.





As of December 31, 2023, TeraWulf's board comprised 33% female and 11% Asian/Indian members. In addition to gender and demographic diversity, we also recognize the value of other diverse attributes that our directors may bring to the board, including life experience and veterans of the U.S. military. We are proud to report that our current board has more than 22% military veteran representation. Their service in the military brings invaluable leadership skills, strategic thinking, discipline, and a keen sense of commitment to our board, underscoring the importance of service in effectively overseeing a company.



BOARD COMMITTEES

The Nominating and Corporate Governance Committee was established in 2023 to enhance governance oversight. The committee charters delineate the purpose, responsibilities, and structure of each committee, ensuring robust oversight and governance in their respective domains.

For further details regarding the Board's composition, members, and committees, consult our 2023 Proxy Statement and visit the Governance page on our website.

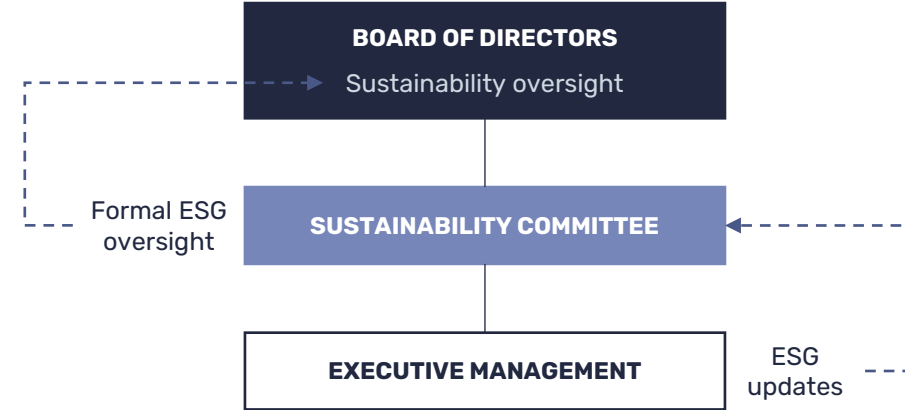
-  Chair
-  Member
-  Chairman of the board
-  *** Independent director**

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE		POSITION
Manages board nominations, assesses board performance, and ensures that corporate governance principles are adhered to; this company's charter outlines its responsibility in maintaining board effectiveness and ensuring governance practices align with the company's goals.	Cassie Motz *	
	Ted Carter *	
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 *	
	Cassie Motz *	
	Steven Pincus *	
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 *	
	Michael Bucella *	
	Cassie Motz *	
SUSTAINABILITY COMMITTEE		
Guides TeraWulf's sustainability initiatives. Ensures that environmental and social responsibilities are integrated into business operations. Responsible for monitoring of developments, trends, and best practices for corporate sustainability.	Kerri Langlais	
	Lisa Prager	
	Paul Prager	 
FINANCE COMMITTEE		
Guides our approach to managing financial resources, investment decision, and capital structure, ensuring alignment with our strategic objectives and fostering sustainable growth. The charter underscores our commitment to financial diligence, supporting our mission to create lasting value to our stakeholders.	Michael Bucella *	
	Kerri Langlais	
	Lisa Prager	

As of December 31, 2023 – 9 total directors

ESG OVERSIGHT

We believe that we have a responsibility to our people and the communities in which we operate, and that effective management of ESG issues will help drive long-term growth. Ultimate oversight for sustainability lies with the board. However, the board has delegated formal oversight of ESG programs and policies to its Sustainability Committee with additional topics also reviewed by other committees as needed. Management provides ESG updates to the Sustainability Committee on a regular basis.



PUBLIC POLICY & GOVERNMENT RELATIONS

TeraWulf actively monitors public policy and relevant legislation across all jurisdictions where we operate. Our primary aim is to inform policymakers and advocate for measures that advance the interests and goals of both our employees and the company as a whole. Additionally, we engage with carefully chosen industry associations, forging partnerships within our sector to advance our public policy and business objectives collaboratively. To facilitate this endeavor, TeraWulf maintains a presence in Washington, D.C., enabling seamless monitoring and collaboration on political, policy, and regulatory matters. Furthermore, we provide voting leave to our employees to support their right to vote on Election Day.

In 2023, TeraWulf did not make any contributions to political candidates, parties, or governmental entities.

*“A comprehensive, responsible, and thoughtful regulatory framework for digital assets is not a wish, nor a demand. We believe it is the **ONLY** way forward for an industry that is here to stay. Creating a responsible regulatory framework will not follow a smooth and predictable path, but it is an inevitable journey all stakeholders should acknowledge and begin together.”*

Paul Prager, Chairman & CEO

INFORMATION & DATA GOVERNANCE

TeraWulf employs a comprehensive approach to information security and data governance, encompassing physical, procedural, and technical safeguards. These measures are designed to protect sensitive information and secure our mining operations against unauthorized access.

We are dedicated to regularly reviewing and updating our information security and data governance practices to ensure compliance with the latest laws and regulations. This includes conducting routine risk assessments to evaluate the effectiveness of our cybersecurity program, regular analysis of the Company's risk profile, and adherence to relevant regulatory requirements.

In 2024, the Company will formally adopt our Cybersecurity Policy as a comprehensive framework outlining the Company's information security and cybersecurity initiatives. It will address the identification and documentation of cybersecurity threats, establishment of information security protocols, evaluation of compliance, and proactive detection and response to security incidents.

In line with our commitment to security, TeraWulf provides cybersecurity training to all employees, including full-time, part-time, and eligible contractors, equipping them with the knowledge and skills to effectively recognize and address cybersecurity concerns. This training is mandatory for all personnel.

“*Cybersecurity is not just about protecting data; it's about safeguarding the very foundation of our bitcoin mining operations. For TeraWulf, it's crucial to embed cybersecurity into every facet of our business strategy. Our ability to secure our mining rigs, defend against cyber threats, and protect the integrity of the blockchain is not just a matter of compliance—it's essential for the sustainability and success of our business.*”

Kerri Langlais, Chief Strategy Officer



LOOKING FORWARD

As we grow and evolve, TeraWulf remains committed to advancing our ESG initiatives. We are dedicated to ongoing enhancements across all aspects of environmental, social, and governance within our business operations. We believe that this approach not only fosters sustainable development but also generates enduring value for our stakeholders. Moving forward, our Sustainability Committee will prioritize the following areas:

- Enhancing our environmental initiatives to increase use of zero-carbon energy and further reduce our carbon footprint.
- Strengthening our community engagement and social impact programs.
- Continuously refining our sustainability reporting practices and increasing transparency with our stakeholders.
- Formalizing TeraWulf's Cybersecurity Policy to ensure the integrity and security of our operations and data.

We believe in the potential for sustainable bitcoin mining to bring about positive impacts for the environment and communities. We are dedicated to pursuing our ESG goals with integrity, innovation, and steadfast determination.



APPENDIX

REPORTING FRAMEWORKS AND DISCLAIMERS

SASB Disclosure: Software & 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 centre needs.	TC-SI-130a.3	TeraWulf develops, owns and operates its bitcoin mining facility sites in the U.S. using primarily nuclear and hydro energy sources. TeraWulf currently consumes 95% zero-carbon energy to fuel its operations, with a target of 100% zero-carbon energy.
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 data breaches during 2023. TeraWulf does not collect PII.
	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.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	TC-SI-520a.1	Any material monetary losses as a result of legal proceedings would be disclosed in our 2023 Annual Report on Form 10-K.
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime.	TC-SI-550a	In FY 2023, 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 2023, which began on January 1, 2023, and ended on December 31, 2023. 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, 2023 and our other filings with the Securities Exchange Commission (the "SEC").

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.

