



1 Introduction

1.1 Background

TeraWulf Inc. (“TeraWulf” or the “Company”) is a vertically integrated owner and operator of next-generation digital infrastructure purpose-built to support compute-intensive and high-performance computing (HPC) workloads. The Company’s facilities are designed for scale, efficiency, and sustainability - underscoring TeraWulf’s commitment to responsible digital infrastructure that advances both technological innovation and environmental stewardship.

By leveraging clean, reliable, and cost-efficient energy, TeraWulf delivers high-performance compute capacity while minimizing its environmental footprint. Its operations exemplify how advanced digital infrastructure can strengthen grid resiliency and accelerate the broader energy transition. Through the redevelopment of legacy industrial sites into state-of-the-art digital campuses, TeraWulf is creating sustainable infrastructure that promotes long-term economic growth, energy efficiency, and climate-aligned outcomes.

1.2 Sustainability Strategy

Sustainability is foundational to TeraWulf’s business model. The Company’s strategy focuses on developing and operating digital infrastructure in regions with access to abundant, low-cost, and predominantly zero-carbon energy resources—an approach that minimizes environmental impact while maximizing efficiency and reliability.

TeraWulf’s facilities are strategically located in power markets with high concentrations of hydroelectric and nuclear generation, enabling a leading share of zero-carbon energy consumption across its portfolio. According to the NYISO *Power Trends 2025* report, approximately 90% of energy production in Upstate New York (Zones A-E) in 2024 came from zero-carbon resources. In that context, TeraWulf sourced the majority of the electricity powering its operations from zero-carbon generation, reinforcing its position as one of the most sustainable large-scale data center operators in the United States.

Beyond power sourcing, TeraWulf’s facilities are designed for operational excellence and environmental performance. They incorporate advanced heat management and closed-loop cooling systems that eliminate water withdrawals or discharges to local ecosystems and are engineered to achieve a target Power Usage Effectiveness (PUE) below 1.25.

TeraWulf also plays an active role in enhancing grid resiliency. The Company’s operations participate in demand-response programs, flexing load in response to market and grid conditions to support renewable integration and system reliability. Importantly, not all forms of high-performance computing require constant 24×7 operation. TeraWulf is collaborating with tenants and system operators to align workload scheduling with grid conditions—ensuring that energy-intensive computing can serve as an asset to the grid, rather than a strain on it.

Through disciplined development, efficient energy utilization, and responsible site selection, TeraWulf demonstrates that compute-intensive infrastructure can drive both technological advancement and environmental progress.

2 Green Financing Framework

TeraWulf has established this Green Financing Framework (the “Framework”) to support the financing and integration of its long-term sustainability strategy and goals, specifically in the key focus areas of (i) ensuring all data centers remain highly energy efficient to reduce greenhouse gas emissions and (ii) continuing to maximize the sourcing of predominantly zero-carbon power.

This Framework is aligned with the International Capital Markets Association (ICMA) Green Bond Principles (GBP) 2025, which are based on four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also follows the recommendations of the Guidelines for External Review and will apply to any green finance instruments issued by TeraWulf for the purpose of financing or refinancing Eligible Green Projects and Activities. Relevant disclosures will be included in TeraWulf’s annual Corporate Social Responsibility (CSR) Report and other publicly available materials.

2.1 Use of Proceeds

TeraWulf intends to allocate an amount equal to the net proceeds of any Green Financing to the assets at the Lake Mariner Campus in Western New York. Lake Mariner Data – the Company’s state-of-the-art data center campus located on the site of the former 700 MW Somerset coal-fired power plant – exemplifies TeraWulf’s ability to repurpose legacy industrial sites into next generation, sustainable digital infrastructure.

The campus benefits from the region’s naturally cool climate, which is ideal for efficient data center operations, and access to reliable, predominantly zero-carbon energy resources. According to the NYISO *Power Trends 2025* report, approximately 90% of energy production in 2024 was generated from zero-carbon resources. Upon full buildout, Lake Mariner is projected to support up to 750 MW of power demand, leveraging existing transmission infrastructure to enable advanced computing applications, including AI and HPC workloads.

Lake Mariner benefits from the region’s abundant hydroelectric and nuclear generation and incorporates demand-responsive operations that allow TeraWulf to dynamically adjust load in real time, enhancing grid stability, improving resiliency, and supporting the continued integration of renewable energy.

The ongoing expansion of the Lake Mariner campus further strengthens TeraWulf’s ability to deliver reliable, energy-efficient digital infrastructure to its tenants. With the addition of new HPC data centers, TeraWulf is expanding scalable compute capacity with a minimal environmental footprint, reinforcing its leadership in sustainable digital infrastructure.

Asset Overview:

- Data center Buildings: 6
- Total Gross Square Feet: ~900,000
- Total Data Hall Square Feet: ~300,000
- Total Gross Capacity: 523 MW
- Total Critical IT Load: 426 MW
- Target Operational PUE: <1.25

Co-Location Building	Critical IT Load (MW)
Wulf Den	2
CB-1	16
CB-2	42
CB-3	42
CB-4	162
CB-5	162

Examples of eligible investments and activities include:

- **Capital Expenditures** and selected **Operating Expenditures** (such as maintenance costs that increase the lifetime or value of assets)
- **R&D Expenditures** aimed at advancing technologies, solutions, or processes that support environmental objectives

All Eligible Investments and Activities will provide clear environmental benefits addressing specific sustainability objectives and contributing to the following United Nations Sustainable Development Goals (SDGs).

Table 1: Eligibility Criteria for Eligible Green Project Selection

Project Category	Eligibility Criteria and Example Projects	SDG Alignment
Energy Efficiency	Investments in or refinancing of energy-efficient data center infrastructure, including: - Existing, retrofitted, or upgraded data center infrastructure with a PUE = 1.45 or below - New-build data center assets with a PUE = 1.4 or below	  

2.2 Process for Project Evaluation and Selection

All projects and activities financed or refinanced with net proceeds under this Framework will follow an internal review and approval process overseen by TeraWulf's Green Finance Committee, comprising representatives from the Finance, Sustainability and Legal departments. This Committee is responsible for confirming that each proposed allocation meets the eligibility criteria and aligns with the environmental objectives of the Framework.

TeraWulf ensures full compliance with all applicable regional and local regulations at its operating sites, including environmental impact assessments and ongoing health, safety, and environmental management requirements throughout the construction and operations.

Environmental and social impacts are evaluated alongside financial and technical criteria to ensure that each project meaningfully contributes to the Company's sustainability objectives. The Green Finance Committee applies TeraWulf's corporate policies and risk management procedures to assess potential environmental and social risks, ensuring all Eligible Projects adhere to the Company's standards of responsible development and operation.

2.3 Management of Proceeds

The Green Finance Committee will monitor and track net outstanding proceeds from all Green Finance Instruments, ensuring allocation to eligible green assets and activities in accordance with this Framework. Allocations will be managed through an internal accounting system and reviewed periodically to confirm that the total allocations meet or exceed the net proceeds outstanding.

Pending allocation, unallocated net proceeds may be held in cash, cash equivalents, or short-term investments, or used to repay existing borrowings—provided all interim placements exclude exposure to high-emitting or otherwise non-sustainable activities. Should any project cease to meet the eligibility

criteria, TeraWulf will reallocate the corresponding proceeds to other Eligible Green Projects or Activities in a timely manner.

2.4 Reporting

2.4.1 Allocation Reporting

As appropriate, TeraWulf will publish annual reporting on the allocation and impact of proceeds under this Framework, providing transparency to investors and other stakeholders. Allocation reporting will continue until full allocation of net outstanding proceeds and, in the case of a green bond or green ABS issuance, will be presented on an aggregated portfolio basis.

To avoid duplication, TeraWulf will ensure that proceeds from secured and unsecured instruments are not double counted. Where applicable, an independent auditor or other qualified third party appointed by TeraWulf will verify the internal tracking and allocation of funds from Green Finance Instruments to Eligible Green Projects.

The allocation report will include, where relevant:

- Total amount of net proceeds from Green Finance Instruments outstanding;
- Amount of net proceeds allocated to Eligible Green Projects categories;
- Remaining balance of unallocated net proceeds, if any; and
- Share of proceeds allocated to new versus existing Eligible Projects.

2.4.2 Impact Reporting

On a best-effort basis, TeraWulf will include impact reporting within its Corporate Social Responsibility Report or other public disclosures. The methodologies, key assumptions, and underlying data will be clearly described. TeraWulf intends to align its reporting with the ICMA Handbook for Harmonized Framework for Impact Reporting (2024).

Illustrative impact metrics:

- 12-month rolling average PUE of Eligible Projects;
- Estimated GHG emissions avoided through energy-efficient infrastructure; and
- Total MWh of energy saved.

2.5 External Review

2.5.1 Second Party Opinion

TeraWulf will obtain and make publicly available a Second Party Opinion (SPO) from a consultant with recognized environmental and social expertise assessing the environmental and social benefits and alignment to the ICMA Green Bond Principles.

2.5.2 Verification

Annual reporting will include a management assertion detailing the amount of net proceeds allocated to Eligible Projects. An independent third party will be engaged to provide assurance over management's assertion, which will accompany future allocation reports.

2.5.3 Disclaimer

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