Crusoe

Climate Risk Report

→ 2025

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→ About this report

This report is prepared with reference to the 2017 Final Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to present Crusoe's assessment of climate-related financial risks and opportunities. Information is included on the 11 core TCFD recommendations, as organized under each of the relevant TCFD pillars.

Crusoe engaged external consultants to support the company's climate risk assessment undertaken in 2025. The assessment encompassed the company's global footprint, as of December 31st, 2025. This includes facilities in operations, construction or planning; across offices, manufacturing facilities, and data centers; at our locations in the United States, Europe, and Israel.

Introduction

Crusoe is helping build a world where ambitious AI innovation can scale without compromising on speed, reliability, or long-term sustainability. Following the divestment of our Digital Flare Mitigation® business in 2025, we have shifted our focus to AI infrastructure. Our energy-first approach, which has guided our work since the company's inception, continues to influence how we develop and operate our AI data centers and cloud platform.

Resilience is a central principle embedded in our business – from planning, design, construction, and operations. Physical climate risks and the broader transition to a low-carbon economy have long informed how we think about strategy, operations, and financial planning. We aim to prioritize locations with access to abundant clean and renewable energy, and our energy team works to support the development of new low-carbon energy solutions and technologies. We also design with energy efficiency in mind and efficient cooling that limits long-term water use. Together, we believe this approach enables us to scale AI infrastructure while reducing climate impacts.

As regulatory and other stakeholder interest in the climate and broader sustainability profile of companies continues to evolve, we have built a more holistic assessment of how our business may intersect with climate matters. With support from subject-matter experts, we have evaluated potential impacts to our business across multiple physical and transition scenarios, as well as how our strategy demonstrates resilience to these impacts. The results reinforced our view that we are building a business positioned to navigate these shifts. While our assets, teams, and markets are not immune to climate change, they are located, designed, and managed in ways that help to mitigate foreseeable risks and support long-term resilience.

This process helped align discussions across the organization, bringing together strategic resilience-building activities that have been in process across teams overseeing insurance, public affairs, vertical integration, engineering and design, emergency preparedness, and energy strategy.

I am pleased to share the findings of this assessment in this report. They reflect both our current understanding of potential risks and opportunities, and the strength of a business model designed to anticipate and support the climate and energy transition.

HUI WEN CHAN
Senior Director, Sustainability

Governance

Crusoe's governance of climate-related matters is integrated across senior leadership, management, and the Board.

BOARD OVERSIGHT

The Board of Directors is the highest level governance body of Crusoe and, as such, provides ultimate oversight of Crusoe's sustainability and climate-related strategy and performance. This oversight is woven into our broader strategy and associated efforts to promote long-term business resilience, overseeing the company's overall risk appetite and governance, and reviewing key company policies, in addition to monitoring the company's strategy on significant, evolving regulations. We anticipate that as we continue to grow as a business, the scope and cadence of sustainability-related updates (including on climate) will also evolve.

SENIOR LEADERSHIP

Crusoe's Senior Director of Sustainability leads the development and coordination of our sustainability strategy, including the oversight of climate-related initiatives across the company. She works cross-functionally to facilitate the incorporation of climate considerations in business decisions and operational planning across the company.

Climate and sustainability are overseen at the executive level by members of our C-suite, including our Chief Executive Officer and Chief Strategy Officer. Members of Crusoe's executive and senior leadership team are directly engaged in reviewing and approving our sustainability framework, strategy and reporting each year.

MANAGEMENT

Specific sustainability programs are reviewed and approved by the relevant senior executives within each business, with management teams across the organization assessing and managing climate-related risks within the scope of their respective functions. Examples include:

→ **ENERGY**

Identifying options to procure more sustainable energy, where possible, for our cloud platform and data centers.

→ **INSURANCE**

Securing coverage that protects infrastructure against hazards such as storms, floods, and other climate-related events.

→ **DESIGN & ENGINEERING**

Building infrastructure with structural resilience, resource efficiency, and high-performance cooling systems.

→ **PUBLIC AFFAIRS**

Managing local environmental and climate concerns and community engagement across our locations.

→ **ENVIRONMENTAL, HEALTH & SAFETY**

Managing environmental permits and safety, including emergency preparedness plans to safeguard personnel in the event of natural disasters or acute disruptions.

→ **BUSINESS CONTINUITY**

Evaluating potential operational disruptions, including climate-related ones, and ensuring systems are resilient to reduce or avoid loss.

Strategy

IDENTIFIED CLIMATE RISKS AND OPPORTUNITIES AND THEIR IMPACTS

The tables on the following pages summarize the climate-related risks and opportunities identified as potentially relevant to Crusoe's operations based on location and industry context. Operational leaders across key business functions were engaged to share their strategy and financial planning approaches, providing insight into how existing practices, design choices, and operating models address or mitigate these risks today.

→ About our assessment

Crusoe's climate assessment covered both physical climate risks, as well as climate transition risks and opportunities

To align our assessment with operational realities, we focused on the near term (2025–2030)—the horizon most relevant to our current build cycle—while also modeling conditions through 2050 to consider resilience across the full lifespan of our infrastructure.

→ PHYSICAL RISKS

Our physical risk assessment evaluated both chronic hazards, such as long-term changes in temperature, wind patterns, precipitation, sea-level rise, and water stress; and acute hazards such as extreme heat or cold events, storms, heavy precipitation, flooding, drought, wildfire, and associated cross-impacts such as landslides or subsidence. We assessed our exposure under two widely used climate pathways.

→ The Managed Transition scenario (SSP2-4.5)

This scenario reflects the type of policy and technological progress that Crusoe aims to support through our energy-first approach. It assumes a world in which governments, industries, and communities make meaningful progress on decarbonization over time by adopting cleaner energy technologies, improving efficiency, and strengthening climate policy.

→ The No Transition scenario (SSP5-8.5)

This scenario represents a higher-warming pathway with limited global mitigation, used as a stress-test to evaluate performance under more extreme physical conditions should global decarbonization efforts fall short.

→ TRANSITION RISKS & OPPORTUNITIES

We assessed transition risks that capture the uncertainties that may arise as economies accelerate, or delay, the transition to lower-carbon energy systems.

We also reviewed transition opportunities, which may be directly relevant to delivering an energy-first approach to sustainable AI infrastructure.

Strategy

→ Physical Risks

HAZARD & TIME HORIZON	DESCRIPTION	POTENTIAL IMPACTS	OUR CURRENT MANAGEMENT ACTIONS & CONTROLS
SHORT TERM **Increasing Temperatures** (Chronic) **& Extreme Heat** (Acute)	Temperatures are rising in several regions, increasing cooling degree days and the frequency of heatwaves.	→ Increased energy-related costs → Operational disruptions and related challenges	**Crusoe aims to mitigate risks from extreme heat through engineering, design, and operational safety protocols to improve the energy efficiency and resilience of our facilities and workforce.** For example, we aim to incorporate redundancies into our design to reduce risk of single-point failure. Site selection, and the natural cooler climates of some locations, can also help mitigate against such risks.
SHORT TERM **Storms, High Winds** (Acute)	Increasingly severe storms and strong winds are projected in several regions.	→ Increased costs → Operational disruptions and related challenges	**Crusoe works to mitigate the risk of acute storms through resilient infrastructure and emergency response procedures.** For example, we aim to position critical electrical systems in elevated positions and to incorporate other protection into the system casing.
SHORT TERM **Flooding** (Acute)	Heavy rainfall and occasional flooding may affect certain regions.	→ Increased costs → Operational disruptions and related challenges	**Crusoe aims to reduce flooding risks through site selection and protective infrastructure design.** For example, we take steps to assess and avoid high-risk flood zones during siting.
SHORT TO MEDIUM TERM **Water Stress** (Chronic) **& Drought** (Acute)	Water scarcity in several basins is becoming more common.	→ Increased costs → Operational disruptions and related challenges → Community scrutiny and potential industrial use restrictions	**Crusoe strives to limit exposure to water constraints through site selection and data center design.** For example, we aim to deploy closed-loop cooling systems to reduce water consumption.

Strategy

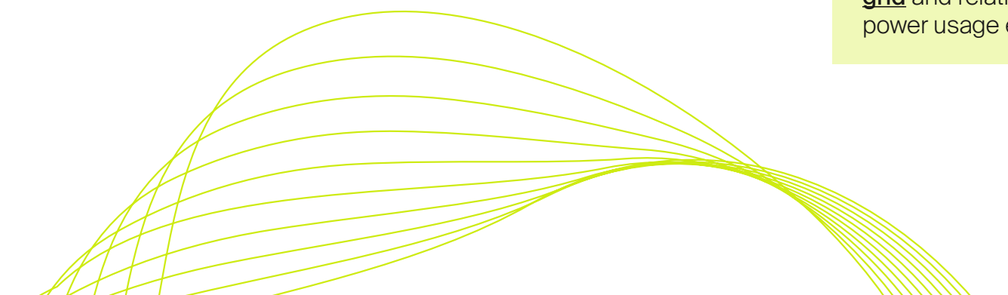
→ Transition Risks

HAZARD & TIME HORIZON	DESCRIPTION	POTENTIAL IMPACTS	OUR CURRENT MANAGEMENT ACTIONS & CONTROLS
SHORT TERM **Technology Maturity**	Rapid innovation in next-generation clean-energy technologies (e.g., carbon capture & sequestration (CCS), small modular reactors (SMRs) , long-duration energy storage); alongside the possibility that some early-stage technologies never mature commercially.	→ Increased costs → Competition among various technologies for market acceptance	**Crusoe strives to mitigate technology maturity risk through a flexible and diversified energy strategy.** This includes renewables, battery energy storage, natural gas with carbon-management technologies, and next-generation clean-energy options, as appropriate to particular site and operational risk tolerances.
SHORT TERM **Market Dynamics**	Growing electricity demand, competition for power, and supply chain constraints.	→ Increased costs → Operational disruptions and other challenges	**Crusoe takes steps to navigate market dynamics through strategic siting and procurement planning.** For example, we aim to integrate planning between energy development and data-center construction.
SHORT TERM **Reputation**	Increasing public scrutiny of data center energy use, land use, and water consumption.	→ Operational disruptions or other challenges → Reputational harm with certain stakeholders	**Crusoe aims to manage climate-related reputational risks through local engagement.** For example, we aim to engage early and on an ongoing basis with local communities and to clearly communicate design choices and associated environmental impacts.
SHORT TO LONG TERM **Policy & Legal**	Shifts in environmental permitting standards, increased reporting requirements, and potential carbon-related policies.	→ Increased costs → Increased scrutiny on project developments	**Crusoe aims to manage policy and legal risks by outperforming minimum standards and monitoring the regulatory landscape.**

Strategy

→ Transition Opportunities

CATEGORY	DESCRIPTION	OUR CURRENT MANAGEMENT ACTIONS & CONTROLS
Energy Diversification & Ownership	The global energy transition is creating market opportunities for computing solutions that rely on abundant, cleaner, and affordable power. We expect grid congestion and price volatility to increase the value of energy independence.	**Crusoe's energy strategy aims to integrate control over diversified power sources with a focus on clean energy where feasible.** For example, we aim to apply "energy-first" siting in regions rich in wind, solar, geothermal, or other clean energy resources. We also build onsite generation assets, like natural gas power plants, and incorporate energy storage solutions that can provide bridge power and cleaner backup power, as deemed appropriate to particular site and operational needs and risk tolerances.
Resource Efficiency	Growing environmental pressures and resource scarcity may increase the value of highly efficient infrastructure that minimizes water use, energy load, and waste.	**Crusoe looks to leverage efficient design to strengthen performance and reduce environmental impact, including via closed-loop cooling systems.**
Markets for Low-Carbon Products	As companies seek computing solutions with lower environmental impact, we expect demand will grow for cleaner, more efficient infrastructure and verifiable low-carbon operations.	**Crusoe seeks to position itself to meet this demand through differentiated, climate-aligned compute offerings**, including with infrastructure sited in regions powered by abundant clean energy and/or with other inherent energy advantages (e.g., Iceland's 100% renewable grid and relatively cool ambient temperatures that can help to improve power usage effectiveness).

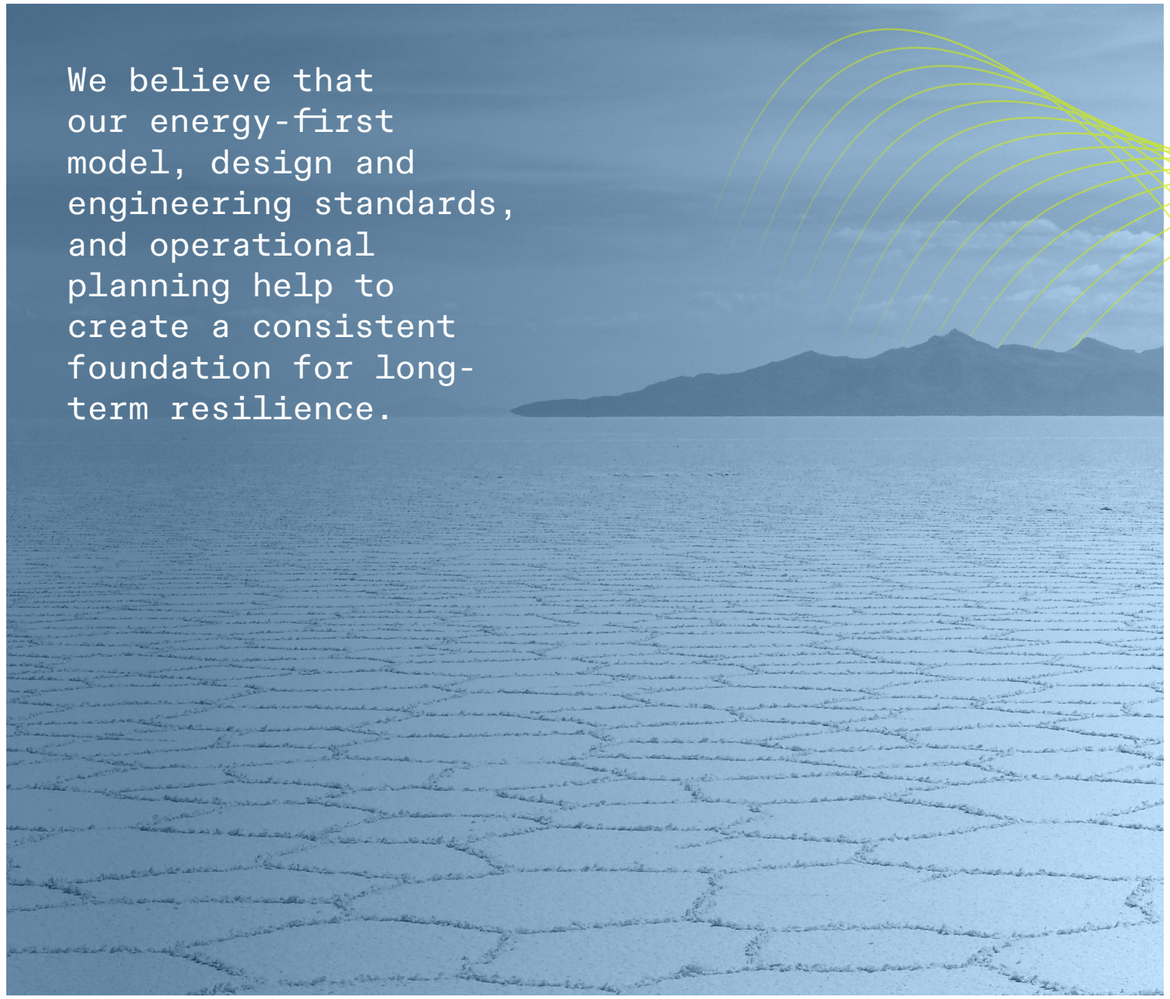


Strategy

OUR RESILIENCE TO CLIMATE-RELATED RISKS

Crusoe plans and operates its business with an aim to remain resilient across a wide range of climate futures. We have evaluated our strategy against climate scenarios that include both managed-transition pathways and higher-warming outcomes. Across these futures, we believe that our energy-first model, design and engineering standards, and operational planning help to create a consistent foundation for long-term resilience.

Through efforts such as those described in the tables under the column “Our Current Management Actions & Controls”, climate is a consideration in where we build, what technologies we deploy, and how we design the next generation of Crusoe infrastructure. By planning for a broad range of future conditions, and by grounding our strategy in resilient engineering and an energy-first mindset, we believe we will be able to maintain a stable path forward even as climate patterns continue to change.



Risk Management

IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

As discussed under the strategy section, we have established a structured process to help identify and assess climate-related risks. We established a broad universe of potential climate-related risks, drawing on authoritative scientific sources, including the Intergovernmental Panel on Climate Change, and aligned these with risks determined to be most relevant to our operations, supply chain, and markets.

We subsequently assessed a tailored list of potential risks for their potential impacts on a business of our type, including consideration of expected future climate conditions. Resilience and residual risks were then assessed based on the level of existing mitigation already in place. This involved input from various individuals and departments across the company, as deemed relevant and appropriate to their areas of expertise. For example, the Treasury team, which includes our insurance team, considers physical risks in financial planning and diligence. These assessments ultimately inform our internal risk oversight processes.

MANAGING CLIMATE-RELATED RISKS

We aim to prioritize actions in our management approach based on expected impact. Our climate-related risk management relies on functional ownership by relevant business departments, with monitoring and input from management, as deemed appropriate.

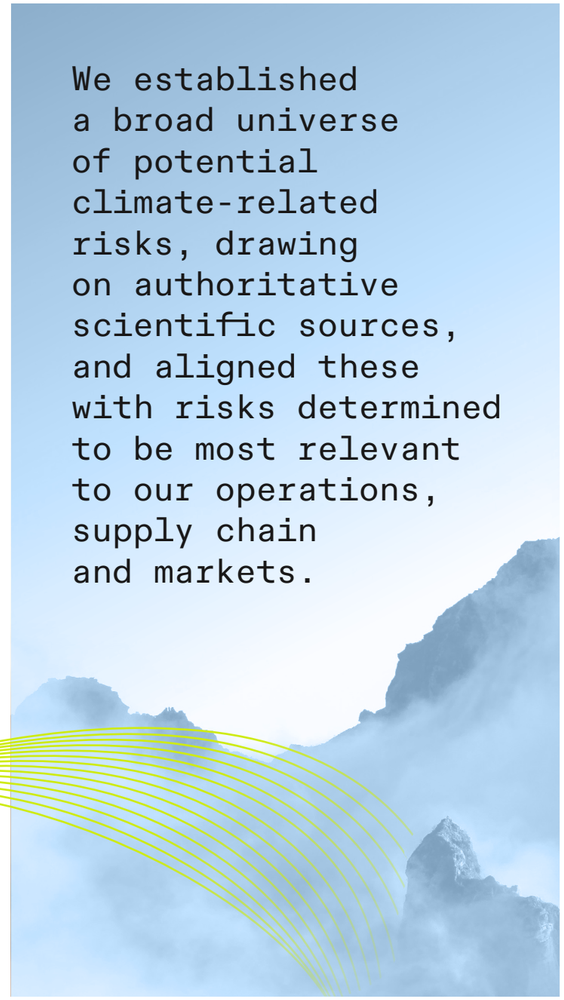
Because of the nature of our business and the solutions we seek to provide, aspects of climate risk management (including regarding energy availability and physical operating conditions) also serve as an expression of our business strategy—working to integrate mitigation of common risks in the industry into our considerations for site selection, design, and daily operations.

We also have structured processes for reviewing incidents and implementing corrective actions. This approach is intended to keep our risk management processes dynamic, evolving in step with both our internal operations and the external climate landscape.

INTEGRATION WITH OVERALL RISK MANAGEMENT

Crusoe leverages many of the same principles and processes for climate-related risks as for the company's overall risk management, though adapted as the company has deemed appropriate to the specific context of climate matters. Many of these risk management activities are also integrated with our overall business strategy. However, due to the dynamic nature of risk management, we recognize that integration is an ongoing activity.

As we continue to grow and fine-tune aspects of our operations, we will continue to assess how to best integrate climate risk into our overall risk management considerations.



Metrics & Targets

METRICS USED TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

Crusoe uses a broad set of technical and operational metrics in our operations, many of which can provide insights on potential climate-related risks and opportunities given the nature of our business. These metrics can vary by function and be site specific in some instances. Examples of key metrics that we track include:

→ **POWER USAGE EFFECTIVENESS (PUE)**

This is the expected average PUE over a full year based on the facility's design, engineering models, local climate data, and expected operating load.

ABILENE STARGATE CAMPUS*

Annualized Design PUE

→ **1.31**

→ **COOLING WATER USAGE EFFECTIVENESS (CWUE)**

This is the yearly projected WUE based on the cooling system design, annual temperature/humidity cycles, and expected load.

ABILENE STARGATE CAMPUS*

Annualized Design WUE**

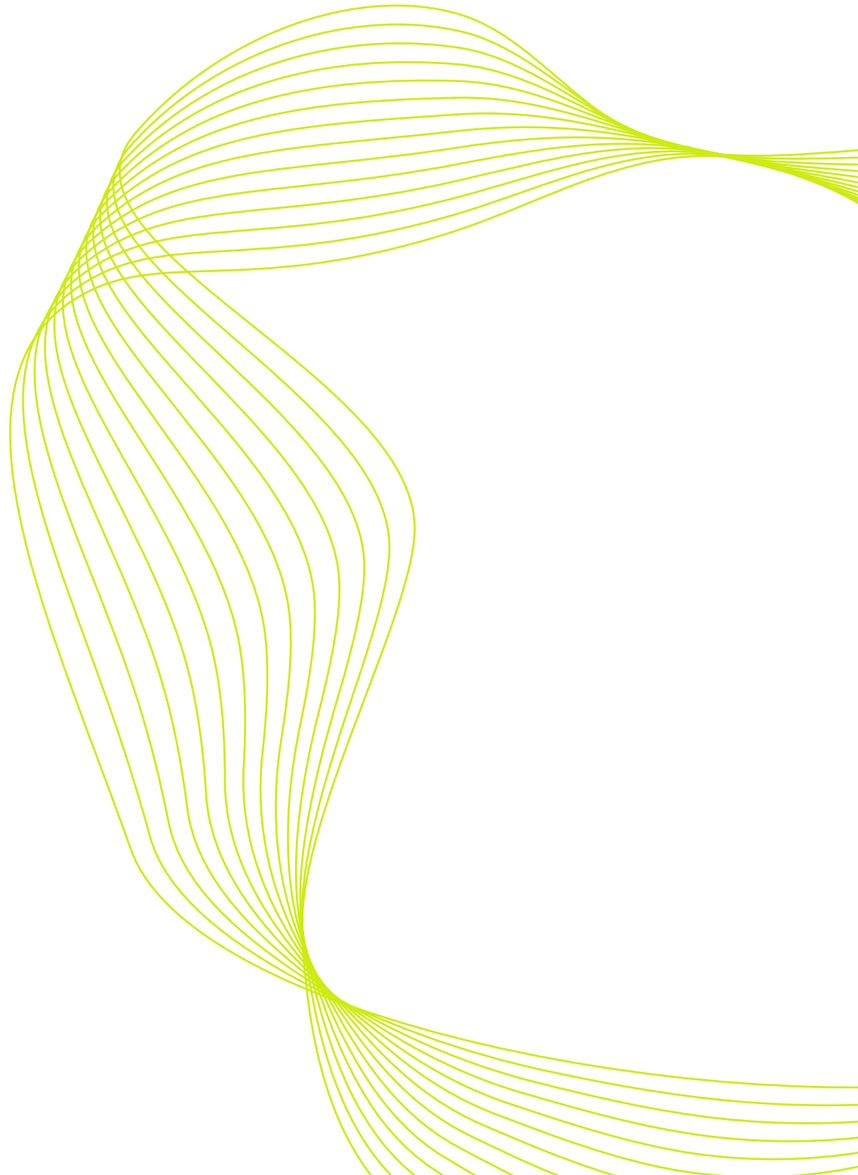
→ **0.00016**

At an enterprise level, Crusoe measures its greenhouse gas (GHG) emissions. Our 2024 and 2025 GHG footprint is shown on the next page.

TARGETS USED TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES

Crusoe tracks various operational goals, including on energy and water efficiency, at the site level. Our Project Sustainability Requirements (PSR), formalized in 2025, establishes operational targets, including an annualized design PUE target of 1.1 to 1.25.

As our operational footprint grows and new regulatory expectations, technologies, and climate conditions emerge, Crusoe will continue to evaluate climate-related targets appropriate to our business strategy.



* Annualized design figures for the Abilene Data Center Campus are for the full 8-building campus, of which two buildings are currently in operation and six are under construction.

** WUE only includes water related to cooling for the IT load in the data center. It does not include domestic water usage, or water used in general facility maintenance, or the fire system.

Metrics & Targets

OUR GHG EMISSIONS

Crusoe measures its Scope 1, Scope 2, and select categories of Scope 3 GHG emissions annually in accordance with the Greenhouse Gas Protocol, using primary operational and financial data and secondary emissions factors.

The emissions reported here have been restated for 2024, following the divestment from our Digital Flare Mitigation® (DFM®) business. The reduction versus previously reported 2024 GHG emissions does not represent an operational decrease in emissions, but instead reflects the structural change resulting from the divestment.

Crusoe anticipates an increase in emissions in future reporting periods influenced by changes in operational scope, asset mix and activity levels and will establish an updated rebaseline to reflect the changes, as deemed appropriate.

	2024	2025
→ SCOPE 1	**17,700**	**10,700**
Stationary Combustion	16,800	10,400
Fugitive Emissions[1]	900	300
→ SCOPE 2 MARKET-BASED[2]	**0**	**0**
→ SCOPE 2 LOCATION-BASED	**16,000**	**18,600**
→ SCOPE 3	**60,400**	**579,400**
Capital Goods	4,800	355,600
Downstream Leased Assets	N/A	116,600
Purchased Goods & Services	45,000	46,100
Fuel & Energy Related Activities (FERA)	7,900	32,700
Other[3]	2,200	17,700
Upstream Transportation & Distribution	100	4,900
Business Travel	400	5,800
→ TOTAL (SCOPES 1,2 & 3)[4]	**77,200**	**590,100**

1 Fugitive emissions reflect refrigerant leakage from our DFM® Cloud operations. The year-over-year decrease reflects our ongoing efforts to prevent leaks.

2 Market-based Scope 2 accounts for our use of renewable energy instruments such as vPPAs and EACs.

3 Other Scope 3 categories include Employee Commuting, Waste Generated in Operations, Use of Sold Products.

4 Crusoe's GHG footprint was developed in partnership with Gravity Climate, a digital GHG accounting solutions provider. Crusoe utilized primary and secondary data and emissions factors from the U.S. Environmental Protection Agency (EPA), and Ecoinvent, among others, to calculate our 2025 footprint.

Important Notes & Disclaimers

This report contains forward-looking statements. Any statement other than statements of historical fact are forward-looking statements, and you can sometimes identify such statements by the use of “target”, “commit”, “aim”, “expect”, “anticipate”, or similar language and their negatives. Forward-looking statements are subject to various known and unknown risks, uncertainties, changes in circumstances, and assumptions that are difficult to predict and are often beyond our control.

These statements are not guarantees of future results, occurrences, or performance. Actual results and financial outcomes may differ materially from those included in any of these forward-looking statements due to a variety of factors, including, but not limited to, the precautionary statements included in this report, as well as the following factors: global sociodemographic and economic trends, climate-related conditions and weather events, energy prices and technological innovations, client behavior, data limitations and uncertainty, legislative and regulatory changes, and other unforeseen events or conditions. Any forward-looking statements made by or on behalf of the company speak only as to the date they are made, and the company does not undertake (and expressly disclaims) any obligations to update such statements, except to the extent required by law.

Additionally, our discussion of various sustainability matters herein leverages various frameworks and the interests of various stakeholders. Any significance should not be read as necessarily rising to the level of materiality under any specific legal regime, even if we use the word “material” or “materiality” in our disclosures. Particularly in the sustainability context, materiality is subject to various definitions that differ from (and can often be more expansive than) the definitions under regulatory reporting obligations. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. Similarly, certain aspects of this report are informed by policies and procedures that we believe apply appropriate levels of support to address issues in scope; while some of these statements may use words such as “ensure”, “prevent”, or similar language, such terms should not be considered to mean (as there can be no guarantee) that such efforts will be successful in all situations.

Furthermore, much of this information is subject to assumptions, estimates, or third-party information that is still evolving and subject to error or change. In particular, we do not control all aspects of the data centers we build, which may include sourcing of energy, operational procedures, or other factors depending on the relevant circumstances. These or any errors may cause actual results to differ materially from what has been reported and otherwise adversely impact our business, financial condition, or results of operations. Additionally, our sustainability initiatives and disclosures, as well as relevant internal controls, based on any standards may change due to revisions in framework requirements, availability or quality of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control. We cannot guarantee that any such changes will align with any individual stakeholder’s preferences, including any particular interpretations of frameworks or perceived common or best practice. Similarly, any language of “alignment”, “accordance”, or similar should not be understood as guaranteeing complete alignment with particular standards or interpretations thereof.

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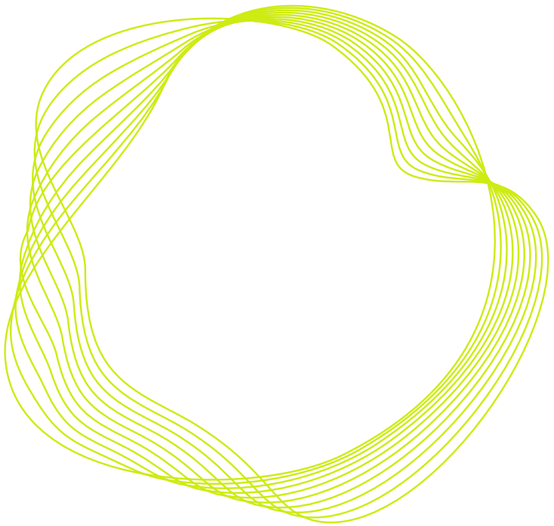


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