

Basis of Reporting

Scope 3



Scope 3
Report

Carbon
Footprint

Calendar
Year 2025



Scope 3 Basis of Reporting 2025

This document outlines the methodology used by Mercedes-Benz Grand Prix Ltd (MGP) to report its Scope 3 carbon footprint for the calendar year 2025.

Overview

The scope of MGP's carbon footprint is based on the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Where possible the footprint has been aligned to SBTi requirements to align with best practice.

The data in the footprint is used for a range of compliance reporting requirements such as the UK Government's Streamlined Energy and Carbon Reporting (SECR). However, it must be noted that emissions factors and data sources may vary depending on the requirements of such reporting mechanisms.

Notes of Historical Relevance

In 2022 MGP set a new carbon footprint baseline to cover the full range of Scope 1, 2 and 3 emissions categories applicable to facilities (where the design, development and manufacture of Formula One motor racing cars occur) and trackside operations (where racing activities are carried out).

Scope and Reporting Boundaries

The footprint has been calculated in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard boundaries for Operational Control. A company has operational control if it or one of its subsidiaries has the full authority to introduce and implement its operating policies at the property. The company operates and competes in the FIA Formula One World Championship, competing in over 20

races across the globe each year, and conducts factory-based R&D activities for the design and development of racing vehicles and additional ad hoc activities. Defining reporting boundaries requires a rigorous approach to understand emissions sources under MGP's operational control and emissions sources under external parties' control. The GHG reporting scope covers all Scope 3 emissions from any upstream or downstream operations completed by external parties for the purpose of business activities. For a full list of all categories included please see Scope 3 tables below.

Methodology

Emissions data is subject to calculation using the predetermined processing techniques outlined within the GHG Protocol standards. This is to ensure that the results are repeatable and comparable year-on-year.

Activity data is collected via a range of methods that include meter readings, third-party logs and invoices. Data may be subject to conversion using data-backed conversion methods in cases where the usage metric is not suitable for emissions calculations. Specific examples can be found in the emissions data overview section.

The usage metrics vary across emissions sources but can be grouped into kWh for energy consumption, litres for fuel consumption, kilograms for fugitive emissions, tonnes per kilometre for freight or distance travelled for business travel.

Scope 3

Scope 3 Basis of Reporting 2025

Calculations are completed via internal methodologies or via an external third-party. Each category is subject to a basic principle for calculation that can be found below:

$$\text{Usage metric} \times \text{emissions factor} = \text{kgCO}_2\text{e}$$

The input metric will vary according to the respective category, this includes but is not limited to spend, consumption, weight or distance.

Data Hierarchy

Where available and relevant, activity data collected internally or from suppliers is used as the primary source for emissions calculations. If not available, estimations may be used based on previous year's data or available supporting information. As a final option spend based emissions will be used as proxy information to ensure all relevant activities are included within the GHG reporting boundary. This year's preference for activity data from previously spend-based suppliers is a result of aiming to improve data quality. As a result, individual supplier emissions have both increased and decreased due to enhanced data quality.

Internal Data Auditing

All data used within the carbon footprint is subject to an internal quality assurance process prior to emissions calculations. These steps can be broken down into three stages:

1. Data source review – data to be used in the footprint is reviewed and queried for any outliers or errors.
2. Data processing validation –

information is subject to a validation exercise that covers data review from source to final input.

3. Emissions QA - results from the data processing are subject to a random sample quality assurance process.

The carbon footprint will be subject to a third-party limited assurance upon completion.

Restatement Policy

The footprint is subject to restatement, either in its entirety or within a specific emissions category, if additional information is presented within the reporting period that amounts to a total tCO₂e emissions impact of +/- 5%. In the event of methodological changes, if these cannot be reasonably applied to all past years, MGP may reasonably estimate these data points, or choose to not recalculate. In both events, MGP will describe and disclose methodological changes in its annual disclosure.

Scope 3

The emissions included with Scope 3 are related to the downstream and upstream business activities. These emissions sources have been calculated using data from financial spend, metered data, movement/travel logs, surveys, sales figures and supplier provided data. The table outlines the respective GHG Protocol categories and the related data points used within each category. Any GHG protocol category not included within the below list is not included within the emissions boundary of MGP unless otherwise specified.

Each category uses a range of emissions factors for the respective data input these include the sources

Scope 1 & 2

Scope 3 Basis of Reporting 2025

Exiobase, Ecoinvent, DESNZ Conversion Factors and supplier specific emissions as the source.

Scope 3: Purchased Goods & Services	
Source	Details
Supplier Spend	<p>This covers all goods and services purchased by the business and its subsidiaries otherwise not included within areas of the GHG reporting boundary and covers the upstream emissions associated with these purchases. Supplier spend data is taken directly from our finance (ERP) system on an annual basis. This data represents payments, inclusive of VAT, made to suppliers within the reporting period, as opposed to invoiced spend, which differs from data utilised for the financial statements. Where we are unable to identify what the spend is for any suppliers and where the spend value is small, it is classified as de minimis and excluded from the footprint. Checks are then completed to ensure less than 5% of the total cash spent, normalised into GBP, is excluded. Emissions results are calculated on the full cash spend using spend based emissions conversion generated by a third-party using Exiobase emissions factors as basis of these conversions. All emissions conversions consider currency type and are adjusted based on inflation rates within the reported period.</p>
Supplier Data	<p>This covers all instances where emissions and/or activity data has been collected from suppliers. Data is sourced either directly from the supplier or publicly available data to generate an intensity factor. Where available, Scope 1, 2 and 3 data, within purchased goods and services, upstream transportation and distribution and waste generated in operations, is included. Scope 2 emissions are included on a market-based basis where available, otherwise location-based emissions are used. If Scope 3 data is unavailable, this is estimated. Where supplier-provided emissions factors are available, along with quantities of purchased goods, activity-based emissions calculations are implemented.</p>

Scope 3

Scope 3 Basis of Reporting 2025

Scope 3: Purchased Goods & Services

Water Consumption	The water supply is used to serve site manufacturing and staff amenities. Water is provided to the site via an external provider. Data is provided via invoicing from the service provider. All emissions are calculated using DESNZ 2025 emissions conversion factors.
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Scope 3: Capital Goods

Source	Details
Supplier Spend	This covers all upstream emissions from the capital goods purchased by the business within the 2025 calendar year. Supplier spend data is taken directly from our finance (ERP) system on an annual basis. This data represents payments (inclusive of VAT) made to suppliers within the reporting period, as opposed to invoiced spend, which differs from data utilised for the financial statements. Where we are unable to identify what the spend is for any suppliers and where the spend value is small, it is classified as de minimis and excluded from the footprint. Checks are then completed to ensure less than 5% of the total cash spent, normalised into GBP, is excluded. Results are calculated using spend-based emissions conversion generated by a third-party using Exiobase emissions factors as basis of these conversions. All emissions conversions consider currency type and are adjusted based on inflation rates within the reported period.
Supplier Data	This covers all instances where emissions and/or activity data has been collected from suppliers. Data is sourced either directly from the supplier or publicly available data to generate an intensity factor. Where available, Scope 1, 2 and 3 data, within purchased goods and services, upstream transportation and distribution and waste generated in operations, is included. Scope 2 emissions are included on a market-based basis where available, otherwise location-based emissions are used. If Scope 3 data is unavailable, this is estimated. Where supplier-provided emissions factors are available, along with quantities of purchased goods, activity-based emissions calculations are implemented.

Scope 3: Fuel and energy related activity

Source	Details
Scope 1	This covers all upstream emissions generated from Scope 1 emissions sources. Data is gathered via Scope 1 collection processes. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.
Scope 2	This covers all upstream emissions generated from Scope 2 emissions sources. Data is gathered via Scope 2 collection processes. It should be noted that T&D emissions are excluded for the direct electricity line at the Brackley site. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.

Scope 3

Scope 3 Basis of Reporting 2025

Scope 3: Upstream transport and distribution

Source	Details
Freight Activities	This covers all freight transported for the purposes of business activities. This includes the freighting by air, road, sea and rail. Data is provided in a range of formats that includes travel logs, booking invoices and fuel usage. Where distance data is unavailable, assumptions are made from previous and similar journeys or estimated based on the origin and destination of the journey. The impact of SAFc purchase on air freight is reported separately and based on assured emissions reduction. All emissions are calculated using WTT and TTW DESNZ emissions conversion factors within the reporting year 2025.
Supplier Spend	A small number of transport activities are recorded via supplier spend. Data is collected and processed based on payments to suppliers in 2025. Emissions results are calculated using spend based emissions conversion generated by a third-party using Exiobase emissions factors as basis of these conversions. All emissions conversions consider currency type and are adjusted based on inflation rates within the reported period.

Scope 3: Waste generated in operations

Source	Details
Waste Production	This covers all waste generated from business activities at owned and operated facilities. Waste weight data is obtained via waste transfer notes provided by the waste carriers. The data is categorised based on the recorded waste streams and EWC codes. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.
Water Discharge	This covers all wastewater discharge generated from business activities. Data is provided via invoicing from the service provider. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.

Scope 3

Scope 3 Basis of Reporting 2025

Scope 3: Business Travel	
Source	Details
Transport activities	This covers all transport taken by an individual for the purposes of business activities, in vehicles not owned or operated by MGP. This includes the travelling by air, road and rail. Data is provided in a range of formats that includes movement logs, booking invoices and fuel usage. The impact of SAFc purchase on air travel is reported separately and based on assured emissions reduction. Emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025, supplier provided emissions factors and inhouse factors based upon vehicle usage information.
Hotel Stays	This covers all hotel nights used by individuals when conducting activities on behalf of the business. Data is provided via hotel invoicing and travel booking logs. All hotel stays are measured in nights stayed and based on geographical location. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.
Supplier Spend	Small amounts of business travel and hotel stays are recorded via supplier spend. Data is collected and processed based on payments to suppliers in 2025. Emissions results are calculated using spend based emissions conversion generated by a third-party using Exiobase emissions factors as basis of these conversions. All emissions conversions consider currency type and are adjusted based on inflation rates within the reported period.

Scope 3: Employee Commuting and WFH	
Source	Details
Commuting	This covers all staff travel to and from Brackley and Silverstone considered to be employee commuting. This data is gathered via an annual staff survey that indicates travel distances, frequency and method of transport. The results from this survey are aggregated to calculate the total employee commuting emissions. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.
Home working	This covers working from home data which is gathered via an annual staff survey that indicates the number of home working days of each employee. The results from this survey are aggregated to calculate the total employee working from home emissions. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.

Scope 3

Scope 3 Basis of Reporting 2025

Scope 3: Use of sold product

Source	Details
Customer Racing Fuel use	This covers all the racing fuel supplied to customers for the purposes of F1 racing, testing and ADHOC activities. This data is gathered using internal financial records. All fuel is considered to be used for the purposes of combustion via customer activities. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.

Scope 3: End-of-life treatment of sold products

Source	Details
Merchandise Disposal	This covers the disposal of merchandise and packaging sold to customers external to the business. This data is recorded via sales records that indicate the total weight of product sold. All disposal is considered to be household waste due to final customers being the general public. All emissions are calculated using DESNZ emissions conversion factors within the reporting year 2025.

