

Basis of Reporting

Scope 3



AMG
PETRONAS
FORMULA ONE TEAM

Scope 3
Report

Carbon
Footprint

Calendar
year 2024



Scope 3

Basis of Reporting 2024

This document outlines the methodology Mercedes-Benz Grand Prix Ltd (MGP) uses to report its Scope 3 carbon footprint for the calendar year 2024.

Overview

The scope of MGP's carbon footprint is based on the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. The footprint has also 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). In 2023 MGP restated the 2022 baseline to encompass a range of methodology and data adjustments and to allow for a like-for-like comparison between the 2022 and 2023 calendar years.

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.

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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 and kilograms for fugitive emissions.

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.

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 full 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.

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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.

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

Scope 3: Purchased Goods & Services	
Source	Details
Supplier spend	This covers all goods and services purchased by the business and covers the upstream emissions associated with these purchases. Data is collected and processed based on payments made to suppliers in 2024. Emissions results are calculated using spend based emissions conversion generated by a 3rd 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.
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 DEFRA emissions conversion factors within the reporting year 2024.

Scope 3: Capital Goods	
Source	Details
Supplier spend	This covers all capital goods purchased the business and covers the associated upstream emissions. Data is collected and processed based on payments to suppliers in 2024. Emissions results are calculated using spend based emissions conversion generated by a 3rd 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: 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 DEFRA emissions conversion factors within the reporting year 2024.
Scope 2	This covers all upstream emissions generated from scope 2 emissions sources. Data is gathered via scope 2 collection processes. All emissions are calculated using DEFRA emissions conversion factors within the reporting year 2024

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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. The impact of SAFc purchase on air freight is reported separately and based on audited emissions reduction. All emissions are calculated using DEFRA emissions conversion factors within the reporting year 2024.
Supplier spend	A small number of transport activities are recorded via supplier spend. Data is collected and processed based on payments to suppliers in 2024. Emissions results are calculated using spend based emissions conversion generated by a 3rd 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 provided 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 DEFRA emissions conversion factors within the reporting year 2024.
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 DEFRA emissions conversion factors within the reporting year 2024.
Supplier spend	A small number of waste activities are recorded via supplier spend. Data is collected and processed based on payments to suppliers in 2024. Emissions results are calculated using spend based emissions conversion generated by a 3rd 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.

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Scope 3: Business Travel	
Source	Details
Transport activities	This covers all transport taken by an individual for the purposes of business activities. 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 audited emissions reduction. Emissions are calculated using DEFRA emissions conversion factors, 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 DEFRA emissions conversion factors within the reporting year 2024.
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 2024. Emissions results are calculated using spend based emissions conversion generated by a 3rd 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 DEFRA emissions conversion factors within the reporting year 2024.
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 DEFRA emissions conversion factors within the reporting year 2024.

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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 DEFRA emissions conversion factors within the reporting year 2024.

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 volume of product sold. All disposal is considered to be household waste due to final customers being the general public. All emissions are calculated using DEFRA emissions conversion factors within the reporting year 2024.

