

FORMULA 1 2022 SUSTAINABILITY AND DIVERSITY & INCLUSION PROGRESS

In 2019, Formula 1 launched its Sustainability Strategy, setting out the following ambitions:

- 1. To achieve Net Zero Carbon by 2030: including delivering 100% sustainable fuels.
- 2. To leave a legacy of positive change wherever we race.
- 3. To take steps to build a more diverse and inclusive sport by removing barriers, nurturing talent, and inspiring change.

Innovation, inclusivity, and sustainability at the heart of our future growth and values at Formula 1 and this document provides an update on the progress F1 has made throughout 2022.

Stefano Domenicali, President and CEO of Formula 1, said:

"We are committed to making Formula 1 more sustainable and increasing diversity and opportunity across this incredible sport. We remain focused on these very important objectives and have continued to make strong progress in 2022. We have delivered important initiatives on our journey to be Net Zero Carbon by 2030, expanded our scholarship programme for underrepresented groups and announced the F1 Academy that will provide opportunities for young female drivers to begin their journeys to the highest levels of our sport. We are proud of what we are delivering, but we know we must continue to make progress and deliver positive lasting change for Formula 1."

Ellen Jones, Head of Sustainability at Formula 1, said:

"We're now three years into our journey to Net Zero by 2030 and it's fantastic to see the progress that's been made already. The work that's going on behind the scenes to bring this strategy to life is tireless and we are confident that we are building strong foundations for the future of our business and sport. Thank you to everyone across Formula 1, from our fans, teams, race promoters, and many more, for your efforts this year as we build a more sustainable and inclusive business. We look forward to working with you even more in the next year."

LAYING THE FOUNDATIONS

In 2022, Formula 1 took the following key steps to ensure that we are delivering against our sustainability goals:

- 1. Team building We built our internal sustainability capability and capacity in 2022 through the hiring of our first Head of Sustainability and Sustainability Coordinator. We have also added resources to our HR function with our first Diversity and Inclusion Business Partner.
- 2. Policies We updated our internal policies and procedures relating to sustainability, including our Code of Conduct, Sustainability Policy and Procurement Guidelines. We also maintain our FIA 3 Star Environmental Accreditation.
- 3. Reporting We published our first Environment, Social & Governance briefing note, which outlines how the sport, as a collective, is developing potential solutions to global transportation challenges. The note also gives a progress update on Formula 1's delivery against its ambitious Sustainability Strategy.
- 4. Communications We launched the Net Zero by 2030 campaign around our Silverstone race, reinforcing our goals via media and digital outreach and creating a constant presence across the paddock through extensive branding.
- 5. Collaboration We have had regular meetings with the F1 Teams, sharing broadcaster briefing & race logistics notes and working sessions on water refill & carbon measurement.

NET ZERO CARBON BY 2030

Since making our Net Zero commitment, we have taken the following actions to reduce our carbon footprint:

- Introduced remote broadcast operations, which has continued to enable us to deliver initiatives at the Media & Technology Centre which in the past would have been done at the track, which has led to reductions the number of personnel and amount of freight required on-site at races.
- As part of our ongoing review of how to reduce the carbon footprint of our logistics operations, we redesigned our fleet of freight containers to enable greater use of more efficient 777F cargo planes. 777Fs emit a minimum of 19% less carbon than the 747F variants chartered historically.

- Transitioned to 100% renewable energy in our F1 offices.
- Achieved the highest Sustainability Management accreditation awarded by the FIA (3* accredited).
- Started the process of looking at rationalising our race calendar for the future, by engaging with promoters to work towards a more regional approach, over time. We continue to navigate various issues (such as the climate in certain regions during specific months of the year) that restrict the extent to which certain race events can be moved.
- For the second year running, achieved Albert Certification for the broadcast production of the FORMULA 1 PIRELLI BRITISH GRAND PRIX. Albert Certification, which is industry-backed and awarded by the British Academy of Film and Television Arts ("BAFTA"), is given to productions that meet sustainable credentials, tackle the environmental impact of broadcasting, and inspire audiences to act on a more sustainable future. Formula 1 first earned the accreditation in 2021.

LEGACY WHERE WE RACE

As F1 continues its journey to become Net Zero Carbon by 2030, it is crucial that key stakeholders, such as our host race promoters, are working with us to deliver more sustainable events. At the beginning of 2022, we issued best practice guidance to all our race promoters to help them to run more sustainable events, and to set expectations for future seasons. This guidance looks at key areas such as energy, plastic and waste, wellbeing and nature, local fan travel and carbon.

Ahead of every race, we work with each promoter to:

- 1. Create a sustainability plan for each event.
- 2. Develop year on year targets to map continual improvement towards Net Zero Carbon.

Results in 2022 include:

- Over 80% of our promoters worked directly with their community through initiatives such
 as surplus food donation to local charities and engagement with local causes, including
 education and outreach, for example:
 - 1. Great Britain F1, Silverstone and Sky worked with fans to promote more sustainable actions.
 - 2. Miami Ahead of the Miami Grand Prix, F1 in Schools launched in the City of Miami Gardens.

- Over 80% of our promoters made strides in reducing single use through initiatives like water refill stations, increased recycling facilities, and usage of refillable cups.
- Over 70% of our promoters started offering greener ways to reach the race through last-mile solutions such as shuttles and broader support of public transport for example:
 - 1. Netherlands
 - 2. Canada
- Over 50% of our promoters started powering their events using alternative energy sources like solar panels, green tariffs, and biofuels for example:
 - 1. Bahrain
- Race Promoters working towards FIA Environmental Accreditation
 - 1. Abu Dhabi The Promoter has received the highest level of environmental accreditation from the FIA and is delivering across the F1 Sustainability Strategy including promotion of reuse & recycling, increased use of renewable energy, use of solar panels & EV charging points, and expanded community outreach.

SUSTAINABLE FUEL BY 2026

- Whilst racing fuel represents less than 1% of our emissions, sustainable fuel is the area where F1 can have the greatest effect on the global transportation sector.
- After developing the most efficient hybrid engine in the world, F1 and the FIA are also leading in the development of sustainable fuel, which has purposely been designed with a 'drop-in' feature to help accelerate adoption and reduce costs for use in existing road cars (both internal combustion engines and hybrids).
- This drop-in fuel will be carbon neutral. With this advanced sustainable drop-in fuel, it is
 possible to impact not just new cars sold, but the entire global car parc having an enormous
 impact on the global transport sectors Green House Gas (GHG) emissions. It would also
 require no modification to existing vehicles, therefore requiring no additional costs to
 consumers.
- By 2030 there will be 1.4bn cars on the road globally however only 8% will be pure Battery
 Electric Vehicles leaving more than 1.2bn Internal Combustion Engine (ICE) vehicles. The
 sustainable fuel would be available for use in all those existing vehicles reducing emissions
 globally, a game changing moment in greenhouse gas reduction globally.

- The advanced sustainable fuel that we are working on would not only reduce the environmental impact of all new and existing road-cars globally, but also to have a potential impact on some of the largest emitting sectors of heavy road transport, shipping, and aviation with the fuel we develop presenting new solutions for those sectors.
- Formula 2 and Formula 3 will also be sustainably fueled by 2027, with a 55% sustainable component fuel introduced in both Championships from 2023.
- The fuel is already in production with support from key stakeholders within F1 including the FIA, Aramco (an F1 Global Partner), fuel providers in the sport, the F1 teams and manufacturers.

Diverse and Inclusive sport

F1 Academy

- In November 2022 we announced the **F1 Academy**, an all-female driver category to develop and prepare young drivers to progress to higher levels of competition. The aim of the series is to maximise the opportunity and potential of young female drivers to reach the highest levels of our sport with Formula 1 committing €2.25m to the project.
- F1 Academy will begin racing in 2023 and will consist of five teams, which will be run by strong and experienced current F2 and F3 teams, each entering 3 cars to make up a 15-car grid. The inaugural season will comprise seven events of 3 races each, amounting to a total of 21 races, plus fifteen days of official testing. The 2023 calendar will be revealed in due course and is likely to include one Formula 1 event weekend.

Scholars, Interns and Apprentices

In 2020 we announced that Chase Carey had personally provided \$1m to fund a new programme to give young people from underrepresented groups the chance to begin their careers at Formula 1 and to get the education they desired to work as engineers in the sport.

Since then, we have delivered the following programmes, with all students already beginning their journey with us:

• **Engineering scholarship:** 10 students from six universities in Britain and Italy. The scholarship will cover the full cost of their tuition.

- **Apprenticeship programme:** Two long-term apprenticeships for people from underrepresented backgrounds, with a focus on mechanical engineering.
- **Internship programme:** Six interns from underrepresented backgrounds with a mix of short- and long-term placements.

In February 2022, we announced that we would <u>extend our funding</u> commitment to the Formula 1 Engineering Scholarship programme for underrepresented groups until 2025. This means that by the end of 2025, 50 students will have started their journey into the sport.

We have also introduced:

- **Career Insight Days:** This summer we launched our business insight workshop, "The Next Grand Prix" in partnership with the charity Social Mobility Business Partnership (SMBP), offering students from low-income backgrounds the chance to gain hands-on experience.
- In July 2022, we partnered with Aspiring Solicitors to offer a **Summer Vacation** scheme in our legal department to four first year law students from underrepresented groups. The purpose of the scheme is to help improve diversity and representation in the legal profession.

Alongside this, back at base, we have

- Ensured that the talent shown on F1-owned programmes and channels reflects the diversity of our fans and the countries in which we race.
- Supported our communities, by committing a portion of our apprenticeship levy to supporting education and training at local businesses.
- Continued to promote a culture of inclusion in our workplace and attract and retain new
 diverse talent. Earlier this year, we engaged diversity specialists to support us to create
 bespoke diversity & inclusion training to help us advance our knowledge and understanding
 of the issues around equality, diversity, and inclusion in the workplace. We have since
 launched our Inclusive Leadership training module for line managers and leaders across our
 business.
- Made it mandatory that all staff take part in Diversity & Inclusion training to ensure unconscious bias plays no part in our recruitment practices or day-to-day operations.

- Undertaken a holistic review of our recruitment and retention processes, from finding untapped routes-to-market to new interviewing techniques to strengthening development plans for our colleagues.
- Put in place salary review processes and are continuously monitoring pay gaps across different demographics.
- Made strong progress on the gender pay gap within our organisation since 2017. The
 progress we have made in the last two years is significant within our industry. Our mean
 gap over a two-year period 2017 2021 has gone from +51.9% to +19.1% and our median
 has shifted from +26.7% in 2017 to +11.95% in 2021.
- In 2018 our gender split was 72% male and 28% female and in 2021 this has improved to 69.6% make and 30.4% female and continue to improve with further progress to be reported in early 2023.
- Run the second instalment of the Women's Wildcard, which is a route into F1 Esports for
 female participants as we continue to look to build a community where female gamers feel
 safe and supported, representing the sport's ongoing commitment to support the inclusion
 of women in both motorsport and esports.
- Formula 1 Management (FOM), the FIA and F1 teams have established a D&I working group, with representation from each organisation. The group meets fortnightly to explore ways to engage young people from diverse backgrounds and to create new opportunities that provide insights into careers in F1 and the world of motorsports.
- This year, we hosted two STEM skills workshops at schools in collaboration with the Smallpeice Trust and representatives from the D&I working group. 60 Year 9 students (ages 13 & 14) took part in a challenge to build an F1 car. The participating schools were selected based on the Engineering UK EDI criteria and the number of children who qualify for free school meals. In 2023 we plan to continue this relationship with Smallpeice, to deliver further STEM challenge days throughout the year. Each workshop will have representatives from different F1 teams to discuss careers in the sport.

We fully understand that we must maintain our momentum in these vitally important areas as progress still needs to be made, but a huge amount of work is already underway to make Formula 1 more sustainable and more diverse. We will continue to keep all our stakeholders including our fans updated on our progress.

