



**CARBON NEUTRALITY
QUALIFYING EXPLANATORY STATEMENT**



Introduction

Roush Fenway Racing, LLC ("Roush Fenway") campaigns two race cars in the NASCAR Cup Series and, to our knowledge, is the first NASCAR organization to achieve carbon neutral status in accordance with the world's foremost standard PAS 2060 *Specification for the Demonstration of Carbon Neutrality*, as independently certified by ERM Certification and Verification Services (ERM CVS), a leading international assurance body. To achieve and maintain carbon neutrality, we embarked on a program in conjunction with our partner, Castrol, to manage our greenhouse gas (GHG) emissions by tracking, quantifying and reducing our emissions, and offsetting the remaining balance with high-quality carbon offset projects in order to achieve carbon neutral emissions.

This document forms the Qualifying Explanatory Statement (QES) required under PAS 2060, to demonstrate that Roush Fenway has achieved carbon neutrality for the entire organization including operations, the two race teams and race cars. All information provided within this report has been reviewed by an independent audit firm, and is believed to be correct. If provided with any information affecting the validity of the following statements, this document will be updated accordingly to reflect Roush Fenway's current status towards carbon neutrality.

Declarations

Carbon Neutrality of the Roush Fenway organization achieved in accordance with PAS 2060 on December 31, 2020, for the period commencing January 1, 2020, ERM CVS certified, with commitment to maintain to December 31, 2021.

Please refer to the ERM CVS verification statement confirming independent validation of the declarations made in this QES according to PAS 2060.



General Information

Entity Making PAS 2060 Declaration	Roush Fenway Racing, LLC
Baseline date for PAS 2060 program	January 1, 2019
First Application Period	January 1, 2020 - December 31, 2020
Commitment Period	January 1, 2021-December 31, 2021
Individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration	Ian Prince, CFM, LEED AP Chief Sustainability Officer
Subject of Carbon Neutrality	Roush Fenway Racing, LLC (Refer to Boundaries and Scope section below for further details.)
Rational for selection of Subject	To manage the GHG emissions associated with competing in NASCAR racing and become a carbon neutral race team.
Type of conformity assessment	I3P-3 Independent Third-party Certification- unified
Individual responsible for implementing the Carbon Management Plan	Ian Prince, CFM, LEED AP Chief Sustainability Officer
Applied standards:	<p>Carbon Neutrality: <i>PAS 2060 Specification for the Demonstration of Carbon Neutrality</i></p> <p>Carbon accounting and reporting: <i>WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard</i></p> <p>Verification: <i>ISO 14064-3 Specification for the Verification and Validation of Greenhouse Gas Statements.</i></p> <p>Carbon Offset Projects: <i>Verified Carbon Standard</i></p>
Total GHG Emissions First Application Period (2020)	3,634
Retired carbon credits	4,950 VCU's (tonnes) on December 15, 2020

Roush Fenway is committed to reducing our greenhouse gas (GHG) emissions and offsetting the balance, with a goal of achieving carbon neutral emissions and diminishing our impact on climate change. To our knowledge, Roush Fenway is the first NASCAR race team to achieve carbon neutrality and be independently certified in accordance with the requirements of PAS 2060, the WRI/WBCSD *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* and ISO 14064. In collaboration with, and with support from, Castrol, our objective is to maintain this status.

About Roush Fenway Racing

Roush Fenway operates two race teams in the NASCAR Cup Series from its campus in Concord, North Carolina, where it runs the business and, among other things, builds race cars. To compete in NASCAR, the following activities are required:

- Conducting customary day-to-day operations necessary to run a business
- Fabricating NASCAR compliant race cars
- Providing resources including utilities, materials, parts and employees
- Procuring leased motors and a supply of fuel and tires from third parties
- Transporting cars, equipment and personnel to and from races
- Competing in NASCAR sanctioned race events and test sessions
- Recycling or disposing of materials at the end of their useful life

As part of our analysis, we also take into account the full lifecycle of each car including:

- Extraction and production of raw materials
- In-bound transportation of materials and parts
- Manufacturing, assembly and maintenance of parts
- Consumption of race car fuel, lubricants and tires
- End of life emissions

The GHG emission of each of the activities listed above were quantified as detailed below.

Boundaries and Scope

Carbon inventory boundaries were established in accordance with the principles of Operational Control as defined in the GHG Protocol, and include carbon dioxide, methane, nitrous oxide and refrigerants, expressed as metric tonnes CO₂ equivalent (t CO₂e). The following emission sources were identified as being within the subject boundary:

Category	Emission sources included in footprint	Emission sources not included
Scope 1 Direct emissions	<ul style="list-style-type: none"> • Campus natural gas consumption • Direct emissions from company owned or leased cars, trucks, plane and race cars 	<ul style="list-style-type: none"> • Welding gas: quantity not material • R22 refrigerant: No losses reported
Scope 2- Purchased electricity	<ul style="list-style-type: none"> • Grid supplied electricity 	<ul style="list-style-type: none"> • No purchased steam or heat
Scope 3- Indirect emissions	<ul style="list-style-type: none"> • Purchased goods and services: Materials and parts for cars • Fuel and energy activities: Emissions from Scope 1 upstream fuel (well-to-tank) emissions and Scope 2 transmission and distribution losses • Upstream transportation: Includes transportation of car parts & materials • Business travel: commercial and charter flights, rental vehicles and hotels • Employee commuting 	<ul style="list-style-type: none"> • Purchased goods and services: Materials and services below materiality threshold include nitrogen gas for tires, car lubricants, water and sewage and non-car materials • Water and Sewer utilities: Quantity not material • Capital goods: Not applicable • Upstream leased assets: Not applicable • Waste from operations: Quantity not material • Downstream transportation and distribution: Not applicable • Processing, use and end of life of sold products: Not applicable • Downstream leased assets: Not applicable • Franchises: Not applicable • Investments: Not applicable

The boundaries encompass a true and fair representation of the business, and the operation of our race organization.



Calculation Approach

Our approach to quantifying emissions was guided by the internationally recognized standards (the Greenhouse Gas Protocol) in order to minimize uncertainty and yield accurate, consistent and reproducible results. The full methodology is documented in a separate internal report but key elements of the approach include:

- Definition of boundaries under the approach of Operational Control.
- The use of primary data (data from specific activities within organization or value chain) was prioritized such as data for campus energy and company vehicles.
- Secondary data, (e.g. studies of relevant activities) when required such as data for raw material emissions, were primarily drawn from US EPA data and when not available data from other government agencies or academia.
- The use of 2020 US EPA emission factors was prioritized, but when not available other government or research institute or academia research values were applied.
- In the case of uncertainties, approaches intended to preclude underestimates were applied.
- Quantified values cover at least 95% of the footprint.

Conservative assumptions were applied in conjunction with published emission factors for transport distances of parts and materials and energy consumption for the manufacturing of parts by third parties. Energy consumption figures for the off-site fabrication of parts were based on studies related to the production of parts for the US car industry. Energy consumption for on-site fabrication was captured in campus electricity and natural gas use.





Carbon Management Plan

Roush Fenway has produced a Carbon Management Plan (CMP) to clearly define our commitment to carbon neutrality and document how we will monitor and manage the carbon emissions to reduce Scope 1 and 2 GHG emissions from operations and Scope 3 emissions from business travel. Performance will be compared to quantified 2019 baseline values. The year 2020 was not selected as a baseline due to the unusual 2020 race season caused by COVID and reduced GHG emissions.

Roush Fenway aims to achieve reductions across the company in 2021 and 2022, as described in the attached CMP. We seek to achieve these with decreases in Scope 1 and 2 emissions and Scope 3 business travel, through the implementation of initiatives such as building consolidation, energy efficiency, renewables, electric vehicles and remote meetings. Further details are outlined in the attached CMP.

Many race team activities are dictated by NASCAR rules and regulations that, in many cases, limit emission reduction options. These factors include the number, location and length of races, car specifications (e.g. weight), and tires, fuel and motors provided by third parties. Consequently, GHG performance will also be measured against a carbon intensity value, in addition to total emissions, such as:

- Total Emissions per race, per team
- Total campus energy emissions per race, per team

Additional indicators may be established as required. To comply with PAS 2060, Roush Fenway will demonstrate annual progress toward its goals, by reductions in Scope 1, 2 or 3 business travel emissions or its carbon intensity values.

Emission Values

Quantified emissions for Roush Fenway are as follows:

Annual RFR GHG Emissions (tonnes CO2e)				
Year	Scope 1	Scope 2	Scope 3	Total
2019 Baseline	1518	1104	2360	4982
2020	978	838	1818	3634



Offsets

To achieve carbon neutrality in accordance with PAS 2060, all material emissions within the defined boundary are offset with independently certified and retired carbon credits in accordance with the:

- Verified Carbon Standard (VCS)

Under PAS 2060, carbon emissions are purchased for the preceding reporting period based on the quantified emissions for that period (in this case 2020).

On December 15, 2020, the BP Target Neutral Program retired 4,950 Verified Carbon Units (each equivalent to 1 tonne CO₂e) on behalf of Roush Fenway Racing. This achieves carbon neutrality for 2020 and initiates offsetting obligations for the 2021 commitment period.

Carbon emissions were offset with the Grouped Hydropower Project. The Grouped Project activity generates electricity from micro and small scale hydropower projects, which are all connected to the regional electricity grid. Each individual project activity within the Grouped Project activity has a total installed capacity of less than 15 MW.

Credits meet PAS 2060 criteria including being:

- Independently verified
- Represent genuine, additional GHG emissions reductions, and
- Meet the criteria of additionality, permanence, leakage and double counting
- “Delivered” (Issued after the reductions have taken place) and
- Stored and retired in the independent Verra Registry.

Further information can be obtained by contacting Verra Registry directly.

Signed:



Name: Steven D. Newmark

Date: 2/10/2021

Title: President
Roush Fenway Racing, LLC.

Carbon Management Plan

1.0 Introduction

Roush Fenway Racing is committed to reducing operational GHG emissions to the extent reasonably practicable. As part of this commitment and with the support of Castrol, we have attained carbon neutrality in FY 2020 and commit to pursue certification through PAS 2060 for FY 2021 (January 1, 2021 – December 31, 2021). In collaboration with, and with support from Castrol, our goal is to maintain carbon neutral status.

This Carbon Management Plan (CMP) and any related supporting documentation will be reviewed and updated at least annually by our Chief Sustainability Officer, with input from the climate team consultants where appropriate. The review and any updates will take into account changes in legislation and industry good practice guidance. Amendments to this CMP will be made by the climate team and a revised version of the CMP will be provided to the Chief Sustainability Officer for formal approval.

2.0 Historic Performance

Although Roush Fenway officially began their Carbon Management Program in 2020, we have been implementing sustainable energy saving and carbon reduction measures since 2008. Roush Fenway's award winning 22-acre campus houses 175,000 square feet of manufacturing space and race shops that follow a program of sustainability. Roush Fenway considers sustainability and environmental management to be consistent with its overall corporate goals and values. We are committed to balancing environmental protection, social responsibility and economic progress without impacting on-track performance.

The following design and operational components of the Roush Fenway campus have already been implemented to reduce GHG emissions before tracking was implemented:

- Recycle over 90% of every race car, including Oil, Rubber, Aluminum, Metal, Plastic, and carbon fiber.
- Reduced the overall amount of waste produced by more than 100 tons in the past 10 years.
- Solar orientation on site to maximize the use of passive solar heating and cooling.
- Solar Shades on southern exposures to reduce solar heat gain and glare, reducing the amount of artificial building cooling required.
- Interior lighting controlled by occupancy and photoelectric sensors to reduce electrical usage.
- HVAC (Heating and Cooling) systems are computer controlled to maximize efficiency and reduce energy consumption costs.
- Highly reflective roofing membranes to reduce solar heat gain, reducing cooling costs.
- Rainwater run-off captured and contained for landscape irrigation reducing the need for potable water.
- Prohibit idling on campus to reduce emissions and air pollutants.

3.0 Targets

We are committed to protecting and minimizing the impact of our activities upon our local, regional and global environment. We will endeavour to carry out reasonable measures to meet our responsibilities and sustainability targets. We believe that environmental performance can be made without compromising on track race performance and doing so will not only support our environmental initiatives but also our reputation as an industry leader in sustainability.

Through our CMP in support of Carbon Neutrality, our goal, in collaboration with, and with support from, BP Lubricants USA, is to achieve:

- 20% reduction in absolute carbon emissions from Scope 1 and Scope 2 by 2022 from 2019 baseline.
- 20% reduction in absolute Scope 3 emissions from business travel by 2022 from 2019 baseline
- 10% renewable energy for our operations by 2022, subject to availability from local energy providers

We will also apply a number of carbon intensity metrics including:

- Total Emissions per race per team
- Total campus energy emissions per race, per team

4. Scope 1,2 and 3 GHG Emissions

Annual RFR GHG Emissions (tonnes CO2e)				
Year	Scope 1	Scope 2	Scope 3	Total
2019 Baseline	1518	1104	2360	4982
2020	978	838	1818	3634

Emission Reduction Strategy

Our plans for how we will deliver on our Climate Commitments will evolve to ensure we base our decisions on the latest market conditions and science-based data and continually seek new and innovative ways to reduce our carbon footprint and evaluate our climate resilience.

4.1 Buildings and Vehicles

A large portion of our quantified carbon footprint comes from occupying buildings we own and operate and the company vehicles we own or lease. Our direct Scope 1 emissions relate to our vehicle use and energy consumption for those facilities where we have direct control. Our indirect Scope 2 emissions comprise our emissions associated with electricity we purchase. Reducing these emissions, almost half of our footprint (41%), requires collaboration across the entire organization and will have the greatest impact on our reduction efforts.

Our Real Estate team will lead our reduction efforts in energy emissions through a mix of strategies, including the following:

- consolidating and optimizing office space and occupancy levels
- implementing energy reduction initiatives through the office sustainability plans including 100% conversion to LED lighting
- collaborating further with utility providers to purchase renewable energy and evaluate future PPAs
- exploring the installation of roof top Photovoltaics for 2022
- installing onsite Bio-Diesel fuelling station
- changing our in-house fleet to all electric and hybrid vehicles, where possible, and creating rental car policies that encourage hybrid car preferences
- encouraging employee carpooling plans

4.2 Business Travel

With business travel representing 24.7% of our quantified carbon footprint, we will seek to reduce business travel emissions in a material way. We have already implemented certain measures as part of this objective such as our senior leaders pursuing a campaign to reduce in-person meetings that require travel and promoting the use of web conferencing tools. These measures have already helped reduce our business travel emissions. Furthermore, we will engage with travel industry partners including airlines and ground transportation to explore partnering solutions that further drive down emissions from business travel.

Independent Assurance Statement to Roush Fenway Racing

ERM Certification and Verification Services (ERM CVS) was engaged by Roush Fenway Racing to provide assurance in relation to the information set out below and presented in the Roush Fenway Racing's PAS 2060 declaration of carbon neutrality set out in its Carbon Neutrality Qualifying Explanatory Statement for 2020 ('the QES'), including carbon inventories for 2019 and 2020

Engagement Summary	
Scope of our assurance engagement	<p>To assure whether the carbon neutrality declaration made by Roush Fenway Racing for the application period from January 1st 2020 to 31st December 2020, reported in the QES, conforms with the requirements of PAS 2060. The scope included assuring:</p> <ul style="list-style-type: none"> • Whether calculation methodologies applied are consistent with the requirements of PAS 2060 and are applied correctly to the data • Whether sufficient and appropriate evidence is available to support the information within the QES, including whether the data contained within the QES has been accurately collated and reported and is supported by evidence
Reporting criteria	<ul style="list-style-type: none"> • WRI/WBCSD GHG Protocol • Roush Fenway Racing internal methodology • PAS 2060:2014 Specification for the demonstration of carbon neutrality
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) and ISO14064:3
Assurance level	Limited assurance
Materiality	A materiality threshold is set at five percent (for both understatements and overstatements) of the total annual emissions.
Respective responsibilities	<p>Roush Fenway Racing is responsible for preparing the QES and for the collection and presentation of the information within it.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

Our conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that Roush Fenway Racing's carbon neutrality declaration for the application period from January 1st 2020 to 31st December 2020, as presented in the QES, does not conform with the requirements of PAS 2060.

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A team of GHG and assurance specialists performed the following key activities:

- Interviews with relevant staff to understand and evaluate:
 - The internal reporting processes, quantification methodology, including sampling approach, review of references and assumptions used for applied estimations, and the emission calculation workbooks
 - The data management systems and processes (including data collection and internal review processes) used for collecting and reporting the data
- A review of the calculations of the GHG emissions for 2019, as the baseline period, and 2020.
- A review of samples of evidence for the underlying data used in the calculations of the GHG emissions, and a check of the emission factors used
- A review of the carbon offsets purchased and confirmation of their retirement
- A review of the information presented in the QES for accuracy and completeness.

The limitations of our engagement

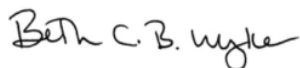
The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Force Majeure – COVID-19

Prior to our assurance engagement, travel restrictions were imposed following the outbreak of COVID-19. As a result of these we agreed to conduct the head office visits via conference and video calls for this year's assurance engagement. While we believe these adaptations do not affect our limited assurance conclusion(s) above, we draw attention to the possibility that if we had undertaken in person visits we may have identified errors and omissions in the assured information that we did not discover through the alternative assurance program.

Our Observations

We have provided Roush Fenway Racing with a separate management report with our detailed (non-material) findings and recommendations.



Beth C. B. Wyke
Global Head of Corporate Assurance
9 February 2021



ERM Certification and Verification Services, London

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