

NTT INDYCAR SERIES

News Conference

Friday, April 22, 2022

Mark Miles

Governor Eric Holcomb

Nizar Trigui

Press Conference



around us. It's fitting we're gathered here on Earth Day to discuss this effort to effect change across our sport.

Look building backwards, our work in sustainability, I don't really know when it began. I do remember that we introduced E85 in 2012 as the race fuel for INDYCAR racing. In the past two years we've sharpened our focus on sustainability much further.

We've inventoried our venue here at IMS and advanced sustainability issues through many of our renovations at IMS. The much publicized renovations to our restrooms and other parts of this facility gave us the opportunity to look at our use of energy, water efficiency, to begin converting to LED lighting and water conserving faucets, electric hand dryers, all the other things that ended up really contributing to our sustainability in those respects.

In 2021 we worked with our electric utility provider to source renewable energy. All these efforts led to the place where we receive from the Council For Responsible Sport their silver certification for last year's Indy 500.

Looking forward, beginning in the run-up to this May, there's much more which is really what we're here to talk about today. Here are some of those initiatives:

IMS working with Shell and climate technology company CHOOOSE will launch a new consumer program which will allow our fans to offset their travel to the 2023 Indy 500 through a voluntary and nominal contribution to the GreenTrees Reforestation Project.

IMS will offset our entire operational carbon footprint through a contribution to GreenTrees as well. GreenTrees, by the way, is a Shell initiative that restores national habitats in more than a million acres across seven states in the Mississippi alluvial valley.

We're also expanding recycling and waste recovery efforts here, working with our concessionaires and Gleaners Food Bank so that food can be consumed by people, will be saved and will be redistributed.

Legends, our merchandise licensee, came up with the idea to bring us a sustainability mobile merchandise store that will come to us via an electric vehicle truck and will sell

THE MODERATOR: Good afternoon and welcome to the world famous Indianapolis Motor Speedway.

Joining us today, it's a big deal when the governor of Indiana is joining us, great to welcome back Governor Eric Holcomb to the Indianapolis Motor Speedway. Welcome, governor.

He's the chief technology officer and group president solutions businesses, Bridgestone Americas, say hello to Nizar Trigui.

Let's begin with the president and CEO of Penske Entertainment Corporation, we'll start with Mark Miles.

MARK MILES: Good afternoon.

It is a big day, a very big day, that we've been working on for really more than two years here. Getting ready for May to fully bloom is the right time to begin talking about these initiatives.

Today we're announcing a robust and innovative lineup of environmental impact initiatives, which will dramatically decrease the carbon footprint for this year's Indy 500, Presented by Gainbridge, and significantly boost sustainability efforts within the sport of INDYCAR.

These steps are the latest and most comprehensive elements of a long-term strategy for the organization that has been developed over the last two years or more, and are possible with great coordination with our expert partners.

For more than a hundred years IMS, and eventually INDYCAR, have been all about moving forward, about progress. IMS has been an incubator for new technology and a place where history is made. Innovation is to our DNA and so is caring about our community and the world



shirts and other merchandise made from recycled post consumer plastics. Who would have thought that we'd be wearing souvenir shirts that were made from plastic bottles and will save six bottles per shirt and one kilowatt-hour of electricity per shirt and two gallons of water? We hope people will belly up and buy.

Really interestingly, a little while after this media conference, we'll go outside and see it. All Firestone tires for Indy 500 practice, qualifications and race day will be delivered here to the racing capital of the world from Firestone Central Indiana Warehousing Center, using Freightliner's eCascadia trucks from Penske Trucks Leasing of electric vehicles. Fully electric trucks will pull the trailers that will deliver all the tires to us for May.

To assist in this effort we have installed a new 150 kilowatt high-power electric charger on the grounds on the eastside of the Indianapolis Motor Speedway Museum. This was possible through the support of the IDC, the state, through Shell Recharge Solutions. We're excited about that. I think it's a sensational symbol about our commitment to clean energy going forward.

To talk more about his perspective on it, it's a pleasure to welcome and introduce Governor Holcomb.

GOVERNOR ERIC HOLCOMB: Thank you, Mark. Congratulations on that long list of commitments. I thought I had seen every creative T-shirt out here in my life, but add one more to the list.

It's also good to be back at the track twice in one week. I must be living right. It's not even May, but if you make me an offer for tomorrow, I'll see you tomorrow out here as well.

As Mark mentioned, obviously the IMS has had a long-standing tradition of not just what they do here but also putting Indiana not just on a map but really on the world atlas as a leader in so many respects ever since that first test lap would have been run over a century ago. My, how far we've come in a century.

Since that very day, this place has become synonymous with, you mentioned, innovation. I would add to that speed and teamwork and competition and winning. You just described a winning agenda for the state of Indiana and for, indeed, the world.

It's because of your collaborative pursuit of progress that we mark yet another team victory and we add sustainability to that long list of descriptions that really do illustrate what this place is and what it means to our state and to the sport.

It falls right in line, as Mark said, with the state's commitments to be a real leader in the energy transition space. You don't have to look very far for other examples of that because, like a good tire, we need to be well-balanced. Our portfolio needs to illustrate that.

So we're out seeking to cultivate the sun, out seeking to be a leader in harnessing the wind, developing hydro's blue energy and engine sources. We're out to be a leader in producing electric vehicles and mapping out a state-wide strategy to charge them. We're out to convert our roads into smart roads where you can actually be charging your vehicle as you're driving it. And pursuing battery technology and the recycling industry that will surely follow. We hosted an autonomous challenge here not too long ago with some impressive results that we got from that.

Now today, as you mark the deploying electric vehicles that are going to be delivering these renewable rubber racing tires, just when you think you'd seen it or heard it all, here is one more thing that's happening here at the track, here in Indianapolis, Indiana.

In just 37 days, all the eyes of the world are going to be on this track. They're going to appropriately see the green flag. I think the 'green flag' now has a couple different meanings as we all go green and we go there fast.

I'm just so proud to stand with industry leaders like Team Penske, like Bridgestone, Firestone and Shell as we all come together to collaborate so that we can celebrate the greatest, greenest sustainability spectacle in racing ever.

Congratulations, Mark.

MARK MILES: Thank you. I just have to say I love these gubernatorial metaphors. Roll off the tongue. A thing of beauty.

We're going to see the eCascadia truck in a minute. But Firestone isn't done yet. They've been working for some time on really the tire of the future, a green tire.

It's really, really exciting, Nizar, to have you here, give you the opportunity to tell everybody assembled here and the racing world, people beyond, what's in store for race tires for INDYCAR.

NAZIR TRIGUI: Thank you. Governor, I love the analogy on tires. Thank you for the plug (smiling).

Good afternoon, everyone. I'm delighted to be here today. I'm excited about the 106th running of the Indianapolis 500. It's one of my favorite events of the year.

On behalf of Bridgestone and Firestone, we're honored to be part of the exciting announcement on Earth Day. We are proud to partner with Penske and with Shell to deliver the most sustainability month of May in the history of racing.

Sustainability is really at the heart of everything that we do at Bridgestone. It has been in our DNA from the beginning. It's also the purpose behind our vision to become the world's leading sustainability solution company.

We have recently announced the Bridgestone E8 Commitment establishing eight values to solidify Bridgestone's commitment to a more sustainable world. These E8 commitments really connect to every aspect of our business and guide all our decisions throughout the development and delivery of our products, our services and our solutions.

Of course, like our partners at Penske and Shell, we have set clear and very ambitious sustainability goals. We have committed to a full carbon neutrality and delivering a tire from 100% renewable materials by 2050, which is really what brings the announcement that we're going to share today.

In 2011 Bridgestone launched an initiative to diversify the world of natural rubber supply and reduce its carbon footprint. As you can imagine, natural rubber is a critical material for the proper functionality of tires as it has unique properties that really we have not yet duplicated or replicated in the synthetic rubber that's available.

In fact, certain performance such as durability or resilience to heat and demanding applications such as racing, can only be produced through the use of natural rubber. 90% of this natural rubber really comes from one species of tree in one small region of the world. Basically it's called the Hevea tree and they mainly grow in the Southeast Asia. You can imagine the challenge we would face if these precious trees are affected by disease or climate change or if we experience any major disruption to the supply chain from this region of the world, which is exactly what we have been trying to solve, really solving this problem.

This is where the Guayule comes into the picture. I think there are a few shrubs here. I'm sure nobody is familiar with the Guayule, and I'm going to make the introduction today.

MARK MILES: Are there plants right here?

NAZIR TRIGUI: We're going to see them outside.

Guayule is a shrub that goes naturally in the Chihuahua deserts and several parts of the southwest of the United States. It is a shrub that produces rubber in the bark, in the stem, branches and the roots of this shrub.

What makes it so special is that the natural rubber that it produces is chemically identical to the rubber that comes from the Hevea trees in Southeast Asia.

Also since it is a desert shrub, really requires very little water to grow, compared to popular crops like cotton and alfalfa, which makes it alternative crop to grow in places like California and Arizona that are facing persistent multi-year droughts and they really need to figure out an alternative.

You can see we're really excited about the potential of Guayule as a sustainable source of natural rubber and its potential to reduce our carbon footprint by localizing production of really a key raw material for us. We use quite a bit of natural rubber in our productions.

Therefore, we are thrilled to announce today that we will be debuting this new sustainability material for the first time in Indy 500 during the Pit Stop Challenge, that we will be using these tires and actually during competition at the Music City Grand Prix in Nashville later in August. We believe it's only fitting that the next generation in sustainable tire performance debuts at Indy as part of the Greatest Spectacle in Racing.

Actually for more than a century Firestone have used this extreme condition of open-wheel racing as the proving grounds for advanced technology for our materials and our tires. In Indianapolis Speedway, we tested many revolutionary innovations over the years that we brought to market, including non-skid tread, nylon cord to name a few. Guayule, natural rubber, will follow the same path.

So Bridgestone is working to fully commercialize use of fully natural rubber in all its tires by 2030. By doing this we'll be creating a new domestic industry and sustaining agricultural jobs in areas of the US that have been hit hardest by the global and weather pattern changes.

We believe delivering sustainable innovation require collaboration and partnership between community, businesses, federal and regional agencies, and across the entire value chain, which is why we're thrilled to stand along the leaders in our industry and commit to making mobility more sustainable.

Thank you to the Penske team for partnering with us to incorporate sustainability into the month of May and the Indy 500. We believe together we can reduce the impact



of motorsport on the environment, ensuring fans can enjoy the thrills of racing for many generations to come.

Thank you for the opportunity to join you today and for allowing me to share a little bit about our exciting sustainability journey at Bridgestone and Firestone.

Now hand it back to Mark.

MARK MILES: Thank you. That is really amazing. If you're a race fan, I think I can distill all that down beyond the really important global implications from sustainability point of view and ultimately for consumers I'm sure.

But for race fans, what we know is the alternate tire, the red, is going to become literally green. You'll see that in the Pit Stop Challenge here in May, then you'll see it on the track in competition in Nashville.

We're going to have to retrain our commentators to talk about the tire strategy in the blacks and the greens.

Two things I also want to mention, one of them is news. The one that isn't is I see Jay Frye in the back of the room. The incredible amount of work that Jay and his team of engineers and Chevy and Honda, really all of our suppliers, are doing to deliver the INDYCAR hybrid motor for racing in the 2024 season. We won't talk much more about this now, but an incredible amount of investment and work is going into that. It will really make a difference in our profile and in our racing for the 2024 season.

The last bit of news, from a sustainability point of view, is actually big news. That is that after May, beginning for the rest of this season, starting with Detroit, all of the INDYCAR race cars will be delivered to the races on our race weekends using renewable diesel fuel. So we don't have available to us and the ability to charge a sufficient number of electric trucks, but we can send our race cars to the races each weekend after May where the trucks that haul them are powered by renewable diesel. This is a terrific development from an environmental point of view. So we're very pleased with that.

We may have lulled you into a glass-eyed state by trying to give you a number of what we think are important sustainability initiatives at one time. You'll see much more about them over the course of May.

After we take questions, I guess we'll go out. I don't know if we're going to see a green tire, but at least we'll see the truck that's going to get the other tires here for the rest of May.

THE MODERATOR: Tremendously important news, no

question about it.

The green tire, how did that really begin?

NAZIR TRIGUI: Actually I think it was a discussion with Mark and team, how do we partner on this initiative, bring a lot of innovation that both companies, Penske and Bridgestone, are doing.

Really we thought about this racing platform, this platform we both enjoy tremendously, we support and are committed to. Could be a great display of the technology, innovation in this space. We collaborated on this. We have amazing teams on both sides. We made it happen.

THE MODERATOR: Very cool.

We'll start the Q&A.

Q. The new green tire, I know you're using it as an alternate tire, does it essentially operate the same as the alternate tires we've been using in terms of how it interacts with the track, materials...

NAZIR TRIGUI: To be honest, we could have placed it on either. As I mentioned, the material is exactly on a chemical level almost exactly the same. Process-ability is slightly different. We're making changes in our manufacturing process.

But the property of the material, the feel of the vehicle, we believe is going to be identical. We're doing a lot of testing with a lot of the drivers to ensure they don't feel a difference.

Q. Mark, is this going to be the ultimate tire that teams will use from the Nashville race on in perpetuity?

MARK MILES: It is the alternative to the reds, as we know it today. It will debut in racing in the race itself in Nashville. We don't have a schedule yet for subsequent races, but ultimately it will be the successor for the reds.

Q. You mentioned the goal of becoming the first responsible sport certified venue. Can you explain what that means, what it takes to get to that point.

MARK MILES: Yeah, so this is a recognition from an organization that many of our partners are involved with. It's really I think a leader in pushing and promoting and encouraging sustainability called the Council For Sustainability Sport. Frankly our partner Shell kind of introduced us to this and helped us develop this focus.

There's a very long list of metrics which you check the box

 . . . when all is said, we're done.®

or you don't. It ends up with a score. You either get a certain level of certification or you don't.

So we went through that for the Indy 500 in 2021. This year we hope to achieve a comparable certification for IMS, for the venue itself, which of course is a broader, bigger footprint and challenge. So that's what we're doing.

We're looking through the things that we've talked about today and others, at ways to check more boxes, which is maybe not the right way to say really make a difference in reducing our carbon footprint and thereby earning this recognition.

Q. With all of these changes you have instituted over the years, where does all this position you in terms of IMS as a venue for potentially reaching carbon neutrality at some point?

MARK MILES: I would say for IMS as a venue, this is a challenge. It's a venerable, vast place, tougher than say a 17,000-seat basketball venue.

But we aim to be at least the leader in motorsports in terms of this venue. I feel very confident if we don't have that designation already, we'll be earning it immediately.

I really feel the same way for INDYCAR. You didn't ask about INDYCAR. I think the series will take its place as we implement these and other measures as a leader in motorsports, and I think get a lot of recognition in sports in general.

Q. How big is this announcement today in terms of the future of not just INDYCAR but from a state level going forward in other industries as well?

GOVERNOR ERIC HOLCOMB: I think not only is it an example, but it's inspiring to see the real commitment, the setting goals, the taking the steps, then measuring along the way.

We have so many exciting examples in other industries, as well, be it in manufacturing, auto production or agriculture, who are making very similar investments. It's just proof positive that this commitment through innovation, and with that will come a lot of competition to keep up with the leader in reducing your carbon footprint, making your way toward recycling and reuse, how that reduces and gets you to zero emissions.

This is kind of another planting a flag in the ground saying, We're doing it and it's happening all over our state. For a state like Indiana, who per capita is number one in the country in manufacturing, this is a big darn deal.

MARK MILES: I would just say there's more to it also than what we've talked about today.

We are heavily engaged in doing all the necessary things to be a leader in this, in this sustainability space. We mentioned the fact that we could calculate with the help of outside experts our carbon footprint, our inventory, for the race last year. We're continuing to stay on that. We'll look at it again for this year. We'll look at the whole of the venue for this year. We hope to have a handle on the carbon footprint for our immediate involvement in INDYCAR throughout a year.

Then the next step is to broaden, to begin to work with our race promoters and with our team owners, to look at their operations to see how collectively we can go further throughout the whole kind of ecosystem of the sport and we can be more and more responsible and more and more a leader, not just in motorsports but in setting examples for sustainability.

NAZIR TRIGUI: If I may add to that.

As one of a company that's actually leader, used to be called the number one tire company in the world, really moving from the number one tire company of the world to we want to be the sustainability solution company in the world.

It's really we've reached a point of no return. Industries and government, I think we're all realizing that earth is something that future generation has entrusted in us and it's something that we need to maintain for future generation.

For us, for example, I think governor talked about recycle. We have established a platform that actually we call it the four Rs, which is really about reducing, reusing, recycling and renewing. Renewing is the last stage where you actually take the material you have, like the example of the shirt, maybe that's a reuse application, but renew is where we actually want to take some of the material that we create and turn them back into raw material that we can bring for full circularity.

This is really an exciting stage that I think most leaders in the industry have now realized this is the path forward. We need to look at it very holistically, not just manufacturing, selling, we have to own the value change and bring that material back for full circularity.

Q. Mark, you had some statistics on the recycled material for the shirts. Do you have similar statistics on the overall impact that the various changes you've

outlined will have or is that part of the carbon footprint discussion you were just alluding to?

MARK MILES: I can't give you a projected reduction based on these initiatives for this year. We have estimated what the footprint will look like. It's based on that that we're making the investment for what we can't reduce immediately to offset through the purchase of these credits.

We think we will be offsetting something like - I should get this number correct - Logan can help me here? What's our number? 500 tons of carbon this year.

Q. Could you elaborate on the GreenTrees initiative. From the fans' perspective, how is that going to work? A surcharge on their purchase for next year?

MARK MILES: When we get to the renewal period, which everyone in Indiana knows starts immediately with the checkered flag and goes for 500 hours after the checkered flag.

As you go online to buy your tickets to renew for the 2023 race, you get through with the transaction, and you'll get to the place where you can find this CHOOOSE option. It's very simple. I think it's a pretty nominal number. That will be a contribution you're making toward the CHOOOSE offset.

It isn't a precise calculation because there are differences whether you're going from Carmel or Carmel. We've just chosen a number where we think hopefully we'll collect enough money to make a meaningful offset for our fans' travel.

Frankly, that is the single biggest source of our carbon or contributor to our carbon footprint. It's appropriate that we have an initiative there.

Q. With respect to the tire change, do you anticipate any difference from a competitive standpoint, the cars will drive as well or the tires will be as durable? If we're satisfied in that regard, why the slow ramp-up from the usual tires to the green tires to making it standard?

NAZIR TRIGUI: We're very comfortable and we have done all the validation from a safety, durability point of view. We're 100% comfortable.

The logistic of manufacturing, bringing the raw material, processing it, ensuring that we have the quality and the manufacturing quality control, the manufacturing process, is the part that we're doing. We never rush quality. We do it properly. We introduce it. Actually a lot of testing is

already going on tracks with drivers.

We're confident that we're being systematic in our point of quality control.

Q. In terms of the rollout for INDYCAR, is the supply chain an issue?

MARK MILES: I think we take our lead from Firestone. They have to know that they can -- they already know that they can supply a tire that will meet our needs and achieve the sustainability objectives that have been set.

But we got to know that we'll have a sustainability supply. Once we start with it as the tire for the whole season, we're going to want to know that's going to be a secure source.

Q. There is a definite date for an objective similar to the zero carbon project launched in Formula 1 in 2019. I'm thinking here the reduce the carbon emissions to zero by 2030. This is one question. Another question is when conceive this idea of this transformational sustainability initiative?

MARK MILES: On the first part of the question, we chose to, like Firestone, take I think a careful, thoughtful approach so when we come forward, and we will, maybe by the end of this year, with a clear, measurable objective, zero carbon by blank date, we intend to meet it.

By the way, we have had conversations with Formula 1 I think we can help each other down this path. We will with other racing series as well. Ultimately I think we'll come up with a measurable goal, but we want to make sure that we not only know that we can get there but in what time frames we can get there. We didn't feel like we had to get ahead of ourselves in that regard.

Where did this come from? A couple things. One, as Nizar already said, there's no turning back for the world. I think it's clear to every part of society that things have to change, things are changing, innovation is a big part of that, and racing can play I think an unusual role in that regard. There wasn't any real debate about it.

The other thing I would say, I'm not a Penske Corp spokesperson, but Roger Penske and Penske Corp and Automotive Group and Leasing, for this, this is serious business across their businesses. There's a Penske Corp coordinator that works with all of our organizations that are part of that corporate family on sustainability initiatives.

Great example is the eCascadia trucks, which are here, which come from Penske Truck Leasing which has them. When we talk about the program for the balance of this



year to move our race cars via renewable energy, the folks there who are familiar with renewable diesel and understand logistics and sourcing have been enormously helpful to us. It's part of a broader corporate agenda in particular for us at Penske Entertainment, as well.

Before you let us go, I want to thank Logan Waddle who came up with the 500-ton number from the back of the room, and Lauren Guidotti who must be here somewhere, two people who have been after this for more than a couple years here at Penske Entertainment. They are passionate, they're expert, and they are driving us forward. Logan will be our lead in sustainability full-time, if we can get him out of the ticket office at the end of May. We just want to appreciate the work you two have done to get us to this point.

THE MODERATOR: We will leave it there. We hope you'll join us for a video and photo opportunity.

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