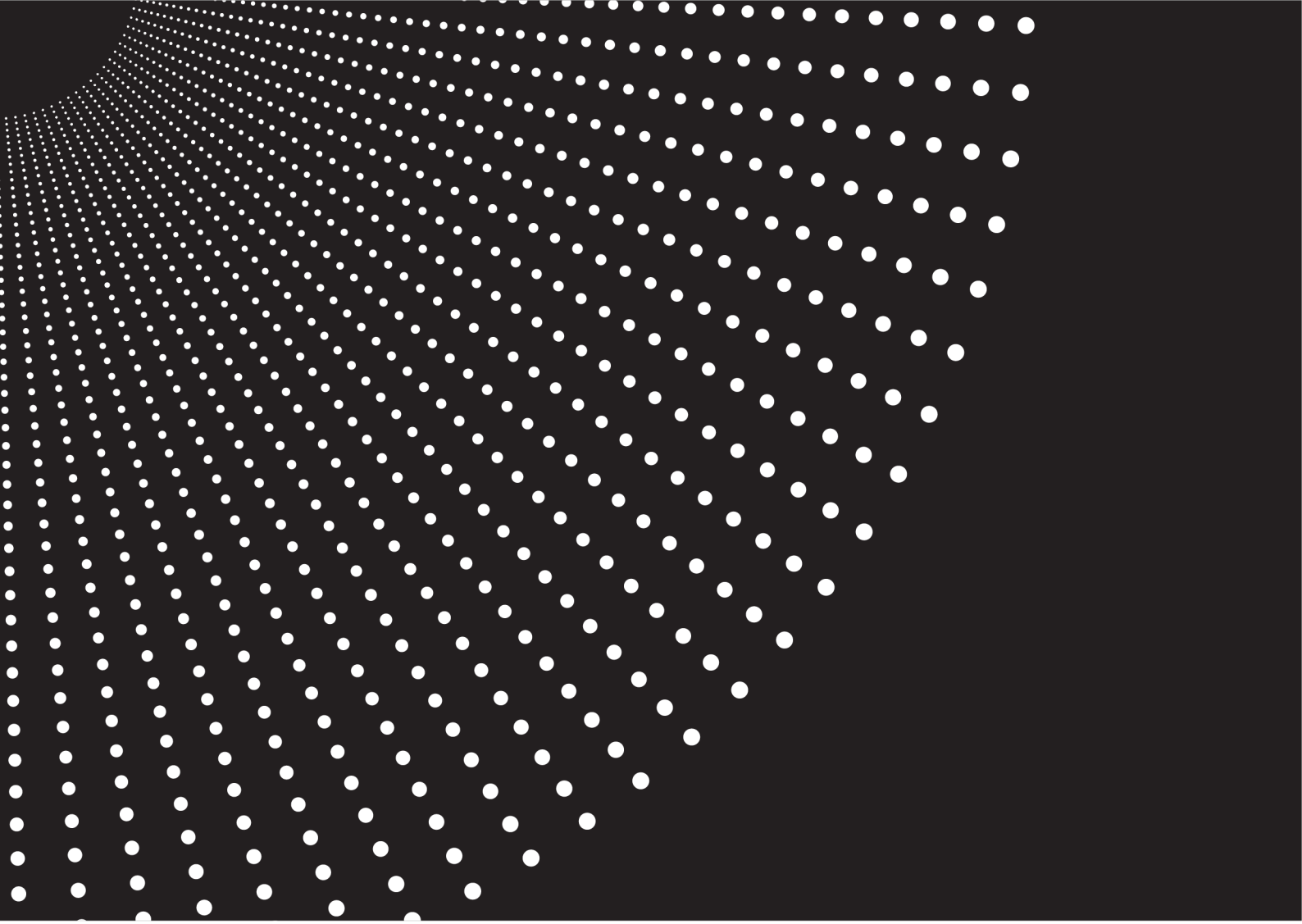

FY2025 Basis of Preparation for Sustainability Reporting

31 March 2025

MACQUARIE

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1. Introduction

The purpose of this document is to set out the basis of preparation for Sustainability metrics covered by PwC's limited assurance engagement. These metrics are also contained within the Macquarie Group FY2025 Sustainability Report, located at macquarie.com/sustainability.

The metrics in scope of assurance are listed in Section 2 and the corresponding methodologies are set out in Section 3.

Greenhouse Gas (GHG) emissions references for Macquarie's own business operations can be found in Appendix 1.

PwC's independent assurance report can be found in Appendix 2.

2. Metrics covered

The table below outlines the metrics covered by this document and the corresponding sections where their methodology is detailed.

Metric	Section
Energy use and emissions in Macquarie's own business operations	3.1
• Energy use, and Scope 1 and Scope 2 (market-based and location-based) emissions for the year ended 31 March 2025	
• Scope 3 operational GHG emissions Categories 1-6 and 8 for the year ended 31 March 2025	
• Carbon offsets	
• Percentage of global electricity sourced from renewable energy in line with Macquarie's RE100 commitment, for the year ended 31 March 2025	
Financed emissions metrics and targets for the most recent reported data for the year ended 31 March 2024	3.2

3. Methodologies

3.1. Energy use and emissions in Macquarie's own business operations

3.1.1 Energy use, and Scope 1 and Scope 2 (market-based and location-based) emissions for the year ended 31 March 2025

3.1.1.1 Operational boundary for energy use, and Scope 1 and Scope 2 greenhouse gas (GHG) emissions

Corporate offices and data centres

Macquarie corporate offices and data centres are defined as:

- Offices leased by Macquarie and its subsidiaries, which are also occupied by Macquarie people and have a net usable area (i.e., the area that can be fitted out by the tenant) of greater than 100m^2.
- Data centres globally where Macquarie has oversight of electricity usage and pays for this usage.
- New offices from business acquisitions from the month the acquisition is completed.

The following exclusions have been applied in determining the reporting boundary for corporate offices and data centres:

- Offices or buildings that are owned or managed by Macquarie but are not tenanted by Macquarie people.
- Serviced offices, data centres and cloud computing services used by Macquarie where Macquarie has no oversight of the energy usage of the office, data centre and cloud computing services. Energy costs for serviced offices are typically included as part of a service fee.
- Joint venture offices, defined as offices where Macquarie people may be located as part of a joint venture business activity but where Macquarie has limited ability to influence the operation of these offices and does not have oversight of the data required to calculate electricity consumption and GHG emissions.
- Properties associated with businesses acquired by Macquarie that are operationally segregated subsidiaries (OSS) are excluded until such time as the associated lease obligations may be renewed by Macquarie post-acquisition.

Base buildings

Macquarie's base buildings are defined as: offices or buildings where Macquarie owns and occupies the building. Base building energy refers to the energy required to operate the mechanical plant and other services, such as lifts and lighting in the lobby and other communal areas.

The following exclusions have been applied in determining the reporting boundary for base buildings:

- Tenant (third-party or Macquarie) energy use in Macquarie owned and operated buildings.
- Properties associated with businesses acquired by Macquarie that are OSS are excluded until such time as the associated lease obligations may be renewed by Macquarie post-acquisition.

3.1.1.2 Calculation process for energy use, and Scope 1 and Scope 2 greenhouse gas (GHG) emissions

Energy use

This covers electricity, natural gas and diesel.

Energy usage has been sourced directly from meter data, or supplier invoices, or building owner invoices, where available.

Approximately 78% of energy use data for the reporting period was obtained directly from actual meter data, or supplier invoices, or building owner invoices.

For diesel usage, where no tank meter readings were available, usage was estimated based on engine performance data from diesel generator data sheets. For natural gas, where no invoiced data was available, usage was estimated based on usage in comparable offices.

Scope 1 emissions: Direct emissions associated with diesel, natural gas, and refrigerant usage

Scope 1 emissions for the baseline reporting period are estimated by multiplying energy usage by relevant emission factors from government or other international sources.

For refrigerant gases, usage was estimated based on refrigerant charge and leakage rates in accordance with the National Greenhouse and Energy Reporting (NGER) (Measurement) Determination 2008 (refer to Appendix 1 for GHG emissions references).

Emission factors outlined in Appendix 1 have then been applied to determine the equivalent direct emissions associated with diesel, natural gas, and refrigerants consumed.

Scope 2 emissions: Indirect emissions associated with total electricity consumed

Approximately 83% of the electricity usage data for the reporting period was obtained directly from the actual tenancy or building data, and the remaining 17% of energy consumption was estimated by one of the following prioritised data methodologies:

1. To account for seasonal variances, estimates are derived as follows:
   - Where a clear seasonal trend exists from previous reporting periods, the estimate is based on an extrapolation of these trends and adjusted for any year-on-year overall movements.
   - Where no clear seasonal trend exists from previous reporting periods, the actual figure for the same period in the prior year is used as the estimate.
2. Where invoiced data existed for part of the reporting period, the average daily invoiced electricity consumed for that part of the reporting period is determined and extrapolated out to the remainder of the reporting period. This method is used when some of the invoiced data within the reporting period is unavailable from the energy providers.
3. Where no invoiced data was available for a particular office, the electricity consumed for that office is estimated based on the net lettable area of the office and the average electricity consumption per square metre of other offices in the same region.

Grid emission factors outlined in Appendix 1 have then been applied to determine the equivalent indirect emissions associated with electricity consumed using the Scope 2 location-based methodology.

For sites where renewable electricity has been purchased, either through utility contracts directly, or via building owners, or by purchasing of energy attribute certificates, an emission factor of zero is applied to calculate Scope 2 market-based emissions.

3.1.2 Scope 3 operational GHG emissions Categories 1-6 and 8 for the year ended 31 March 2025

3.1.2.1 Operational boundary and calculation process for Scope 3 GHG emissions from Macquarie's own business operations

Category 1: Purchased goods and services (including Category 2: Capital goods, Category 4: Upstream transportation and distribution, and Category 8: Upstream leased assets)

Operational Boundary

This category covers emissions arising from the procurement of goods and services (including capital goods, upstream transportation and distribution, and upstream leased assets) that are paid for via Macquarie's procurement system, and are categorised according to Macquarie's internal taxonomy codes. This excludes transactions not associated with the purchase of goods and services and capital goods where identifiable e.g., commissions or equivalent payments related to a financial transaction, which Macquarie considers to be outside of the procurement process, intra-company and payroll payments, community/charitable donations, and taxation-related spend.

OSS are excluded from this combined category.

Calculation process

The "spend-based" method (as per the GHG Protocol Scope 3 Guidance, refer to Appendix 1 for GHG emissions references) was used to calculate these emissions, with industry-average emission factors applied based on the economic value of the goods and services (including capital goods, upstream transportation and distribution, and upstream leased assets) processed via Macquarie's procurement system.

Spend data was extracted from Macquarie's procurement system, which was categorised according to Macquarie's internal taxonomy codes and uploaded to an emissions calculation platform where emission factors were applied. This platform applies the United States Environmentally-Extended Input-Output (USEEIO) dataset that estimates cradle-to-gate GHG emissions for each given industry or product category (refer to Appendix 1 for GHG emissions references).

The corresponding USEEIO emission factors were mapped against Macquarie's internal taxonomy codes and then applied to calculate overall emissions for this category. A weighted average emission factor was applied for any uncategorised spend.

The USEEIO release being used provides data through to 2019 with emission factors denominated in $US. These were translated to the relevant period using inflationary indices and then to the relevant currency (i.e., from $US to $A) using the period average exchange rate.

$$\text{Emissions} = \sum \left(\text{spend by category} \times \text{converted emission factor (Ef) by category} \right)$$

Category 2: Capital goods

Operational Boundary

Given the capital goods spend data has been captured in the calculation methodology for Category 1, emissions related to Category 2 are not reported separately.

Calculation process

Capital goods are included under Category 1, as described above.

Category 3: Fuel- and energy-related activities

Operational Boundary

This category covers emissions arising from the extraction, production and transportation of fuels and energy consumed (e.g., electricity, steam, heating, and cooling) by Macquarie, including transmission and distribution (T&D) losses. Only electricity is included in the calculation as other fuels and energy are not material. It includes emissions from Macquarie's global corporate offices, data centres and base buildings (see Section 3.1 for definition).

OSS are excluded from this category.

Calculation process

Electricity usage is based on invoice data from energy retailers or building owners, where available, or estimated based on comparable offices.

For energy consumed in Australia, state-level emission factors were used, based on the Australian National Greenhouse Accounts Factors (refer to Appendix 1 for GHG emissions references).

For energy consumed outside of Australia, emission factors by country were used based on the UK Government DEFRA GHG Conversion Factors for Company Reporting (refer to Appendix 1 for GHG emissions references).

Category 4: Upstream transportation and distribution

Operational Boundary

Given the upstream transportation and distribution spend data has been captured in the calculation methodology for Category 1, emissions related to Category 4 are not reported separately.

Calculation process

Upstream transportation and distribution are included under Category 1, as described above.

Category 5: Waste generated in operations

Operational Boundary

This category covers emissions arising from the disposal and treatment of waste generated in operations.

It excludes e-waste, construction waste, and effluents and wastewater.

OSS are excluded from this category.

Calculation process

Data for waste generated in operations has been sourced directly from building owners, or cleaning provider reports, where available.

For sites representing approximately 53% of Macquarie people (Sydney: No.1 Martin Place, 50 Martin Place, 1 Shelley Street, 1 Elizabeth Street, and London: Ropemaker), waste data was obtained directly from building owners or cleaning provider reports.

For offices where no waste data was available, data was extrapolated using tonnes/Full-time Equivalent, from sites where data was available, and headcount in those remaining offices. The headcount number excludes Macquarie people on extended leave, people at non-Macquarie offices, people who work remotely on a permanent basis, consultants who are not expected to work in a Macquarie office, casual people, and Non-Executive Directors. Emission factors are based on the UK Government DEFRA GHG Conversion Factors for Company Reporting (refer to Appendix 1 for GHG emissions references).

Category 6: Business travel

Operational Boundary

This category covers emissions arising from business travel, comprising air, hotel, taxis and car rental, and food and beverage. Food and beverage includes activity that may not be directly related to business travel (e.g. entertainment for Macquarie people or clients).

OSS are excluded from this category.

Calculation process

Air

Macquarie calculates air emissions (tCO_2e) based on the application of emission factors specified by DEFRA (refer to Appendix 1 for GHG emissions references) for the relevant period to data sourced from Macquarie's corporate travel agency, comprising flights booked, distance, class of ticket, flight haul type, and origin and destination countries.

$$Emissions = \sum (Ef_i \times Distance_i)$$

Hotel, taxis and car rental, and food and beverage

Hotel, taxis and car rental, and food and beverage emissions are calculated based on spend on corporate cards.

Emission factors for the relevant reporting period are based on government or other international sources, to determine the equivalent indirect emissions associated with hotel, taxis and car rental, and food and beverage spend.

Emissions (tCO_2e) are estimated as follows:

- **Hotel:** Emission calculations are based on total hotel spend at a particular hotel and the average daily rate per Business Travel News' Corporate Travel Index to estimate room nights based on location, with reference to Smith Travel Research's database to identify the class of service for each hotel. The emission factor is determined by class of hotel service and property location per the Cornell Hotel Sustainability Benchmark Index (refer to Appendix 1 for GHG emission references).

  $$Emissions = \sum (Ef_i \times Estimated\ room\ nights_i)$$

- **Taxis and car rental:** Emission calculations are based on spend on taxis and car rentals where the average distance travelled is determined with reference to Numbeo's report of Price Rankings by Country of Taxi 1km (Normal Tariff) (Transportation). The emission factor is based on car type, as determined by Macquarie's corporate card provider using its internally developed codes, and DEFRA emission factors (refer to Appendix 1 for GHG emission references).

  $$Emissions = \sum(Ef_i \times Distance_i)$$

- **Food and beverage:** Emission calculations are based on spend by restaurant category and the United States Environmental Protection Agency emission factors (refer to Appendix 1 for GHG emissions references). Restaurant category is determined by Macquarie's corporate card provider.

  $$Emissions = \sum(Ef_i \times Spend_i)$$

Category 8: Upstream leased assets

Operational Boundary

Given the upstream leased assets spend data has been captured in the calculation methodology for Category 1, emissions related to Category 8 are not reported separately.

Calculation process

Upstream leased assets are included under Category 1, as described above.

3.1.3 Carbon offsets

To meet the existing carbon offsetting commitment within Macquarie's 2025 Sustainability Plan which covers the total of Scope 1 and Scope 3 Category 6: Business travel emissions, Macquarie will purchase and retire a portfolio of Australian Carbon Credit Units and other voluntary carbon offsets by 31 December 2025. Leveraging Macquarie's internal due diligence processes, offset projects are selected based on quality and verifiability of emissions reductions. We have also engaged an independent third-party to assist with the evaluation and selection of suitable offset projects. Macquarie's choice of offsets considers emerging guidance provided by the Science Based Targets initiative (SBTi) Corporate Net Zero Standard, Net-Zero Banking Alliance Supporting note: The Use of Carbon Credits in Climate Target Setting, and The Oxford Principles for Net Zero Aligned Carbon Offsetting.

We purchased and retired 53,970 tonnes of carbon offsets as at 31 March 2025. This includes 482 tonnes of carbon removal units with longer term storage to offset residual Scope 1 emissions that were difficult to abate, helping achieve Macquarie's net zero commitment for Scope 1 and Scope 2. This was done after reducing Macquarie's Scope 1 and Scope 2 emissions by 98% since FY2020.

3.1.4 Percentage of global electricity sourced from renewable energy in line with Macquarie's RE100 commitment for the year ended 31 March 2025

In line with Macquarie's RE100 commitment within Macquarie's 2025 Sustainability Plan, Macquarie has sourced the equivalent of 100% of electricity consumption from renewable sources through a combination of renewable energy from building owners or utilities (53.8%) and energy attribute certificates (46.2%). Energy attribute certificates will be retired by 31 December 2025.

Based on RE100 boundary criteria, the equivalent of Macquarie's FY2025 electricity consumption sourced from renewable sources is 98.7% due to insufficient renewable energy certificates in the South Korean market.

3.2. Financed emissions metrics and targets

Financed emissions reporting boundaries

The scope of Macquarie's financed emissions coverage includes our on-balance sheet lending and equity investments activities excluding on-balance sheet securities held for client facilitation and market-making purposes (as opposed to held for investment). Note, for motor vehicles, we have included novated leases, given availability of both methodology and data.

Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance, trading assets and short-term financing (e.g., inventory finance). Investments related to our liquidity portfolio are also excluded.

To determine which of Macquarie's equity investments are in scope of our financed emissions coverage, we are guided by our adoption of an 'operational control approach', as defined by the GHG Protocol,[1] which helps us define our organisational boundaries.

Emissions associated with OSS are currently included in Macquarie's Scope 3, Category 15 Financed Emissions.

The following activities and assets are excluded from the scope of financed emissions coverage:

- Cash, cash balances at central banks and other demand deposits.
- Financial assets held for trading (trading book).
- Derivatives (hedge accounting).
- Advisory services (including mergers & acquisitions).
- On-balance sheet securities held for client facilitation and market-making purposes.
- Exposures to sovereigns, supranationals and multi-development banks.
- Brokerage activities.
- Issued guarantees that are not related to any potential future loans or equity investments.
- Activities undertaken by Macquarie Asset Management's (MAM) funds and Banking and Financial Services (BFS) Wealth Management.

Quantifying financed emissions

Absolute financed emissions

Macquarie's methodology for calculating absolute financed emissions is based on the PCAF Standard.

For general purpose business lending and equity investments, absolute financed emissions are calculated as follows:[2]

$$\text{Absolute financed emissions} = \sum \text{Client emissions} \times \frac{\text{Client financing}}{\text{Client value}}$$

For project finance and retail exposures, absolute financed emissions are calculated as follows:

$$\text{Absolute financed emissions} = \sum \text{Asset emissions} \times \frac{\text{Asset financing}}{\text{Asset value}}$$

In both cases, the attribution factor (representing client/asset financing relative to total client/asset value) is bound by 0-100%. The table below outlines the information used to determine the attribution factor, including sector-specific choices. Detail relating to the calculation of client or asset emissions is provided in the following section.

[1] 'A Corporate Accounting and Reporting Standard, Chapter 3, Setting Organisational Boundaries', Greenhouse Gas Protocol, accessed September 2023, https://ghgprotocol.org/.
[2] Within any given sector there may be a mix of exposure types (e.g., general purpose business lending and project finance).

Financing	Client financing	Exposure at Default (EAD) pre-credit conversion factor, calculated in accordance with the APRA Prudential Standards, as at Macquarie's financial year-end date. This represents Macquarie's total committed exposure to the client or asset[3]
	Asset financing	
Client value	Public companies	Enterprise value including cash (EVIC) as at the client's latest financial year-end on or prior to the relevant Macquarie financial year-end date
	Private companies	Total debt plus equity as at the client's latest financial year-end on or prior to the relevant Macquarie financial year-end date
Asset value	Motor vehicles	Vehicle value at origination
	Residential mortgages	Property value as at the latest customer-led credit revaluation event
	Commercial real estate	Property value as at the latest credit event or valuation report
	Shipping	Average asset value during Macquarie's financial year

Economic emissions intensity

We calculate economic emission intensities by dividing the absolute financed emissions by the economic value of the activity (lending and/or equity investments).

Physical emissions intensity

Our methodology for calculating sector-level physical emissions intensity entails two alternative approaches.

For most sectors, physical emissions intensity is computed through a portfolio-weighted average approach, as below.[4] This is to reduce the effects of market volatility on our disclosed emissions intensities, e.g., due to fluctuations in client value.

$$\text{Physical emissions intensity} = \sum \left(\frac{\text{Client emissions}}{\text{Client production}} \right) \text{X} \left(\frac{\text{Client financing}}{\text{Portfolio sector financing}} \right)$$

For sectors that are less subject to market volatility, physical emissions intensity is computed in line with the PCAF methodology as follows:

$$\text{Physical emissions intensity} = \sum \left(\text{Client emissions X} \frac{\text{Client financing}}{\text{Client value}} \right) \div \sum \left(\text{Client production X} \frac{\text{Client financing}}{\text{Client value}} \right)$$

Calculating emissions

When disclosing emissions, we report in carbon dioxide equivalents (CO_2e), and include all major greenhouse gases (GHGs) where material and data permits. Where required, emissions are converted to CO_2e using the appropriate 100-year global warming potential values as determined by the Intergovernmental Panel on Climate Change and as reported by the International Energy Agency (IEA) and national authorities.

In line with the PCAF data-quality hierarchy,[5] our methodology prioritises client-reported emissions and production data, where available. Where client reporting periods differ from Macquarie's reporting year-end, their emissions and production data is taken for the most recent period. As there is often a significant lag in client-reported data, reporting of our financed emissions (i.e., FY2024) lags our financial reporting (i.e., FY2025) by one year.

Since the publication of Macquarie's 2023 Net Zero and Climate Risk Report, detailed analysis has been undertaken to provide a more complete view of our financed emissions footprint. This analysis led to further sector disaggregation, particularly for the oil/gas, transport, and real estate sectors; improved financed emissions coverage; changes to sector groupings; and a reallocation of some counterparties between sectors.

Additional sector-specific details relating to the calculation of client or asset emissions is provided below.

[3] This approach ensures more complete coverage of our exposure to carbon-intensive sectors and reduces potential volatility from any scenarios where clients draw down on the committed portion of existing loan agreements.
[4] In the case of project finance and retail exposures, client-level variables in both formulas are replaced with equivalent asset-level variables.
[5] Partnership for Carbon Accounting Financials, PCAF Standard (PDF).

	Sector	Emissions scope	Value chain	Inclusion criteria[6]	Geographical scope	GHGs included	Physical emissions intensity methodology	Absolute financed emissions attribution methodology	External data sources[7]
Select carbon-intensive sectors	**Upstream oil/gas**	1, 2, 3 (Cat. 11)	Upstream (extraction)	ANZSIC: 1200, 1511, 1512	Global	CO_2, CH_4 (CO_2 scope 3 only)	Portfolio-weighted	PCAF	Energy Institute, IEA
	Midstream and downstream oil/gas	1, 2	Product transport, storage and processing	ANZSIC: 2500, 2510, 2520, 6501	Global	CO_2, CH_4	N/A	PCAF	Energy Institute, IEA
	Coal mining	1, 2, 3 (Cat. 11)	Upstream (extraction)	ANZSIC: 1100, 1101, 1102	Global	CO_2, CH_4	N/A	PCAF	IEA, NGAF
	Residential mortgages	1, 2	Operational use	Product-based analysis[8]	Australia	CO_2, CH_4, N_2O	PCAF	PCAF	ABS, AER, AES, NGAF, property attribute data
	Commercial real estate	1, 2	Operational use	ANZSIC: 5710, 7710, 7711, 7712, product-based analysis[9]	Global	CO_2, CH_4, N_2O	N/A	PCAF	DCCEEW, NABERS, ABS, AER, AES, NGAF, PCAF, EPA, EIA, property attribute data
	Motor vehicles	1, 2	Operational use	Product-based analysis[10]	Australia	CO_2, CH_4, N_2O	N/A	PCAF	ABS, NGAF, vehicle make/model emission data
	Shipping	1	Operational use	ANZSIC: 6300, 6301[11]	Global	CO_2	N/A	PCAF	IMO, vessel attribute data
	Aviation	1 for operators, 3 (Cat. 13) for lessors	Operational use	ANZSIC: 6401, 6402, 6403, 7742[12]	Global	CO_2	N/A	PCAF	N/A
	Power generation	1	Generation (inc. coal-fired power)	ANZSIC: 3600, 3610	Global	CO_2	N/A	PCAF	EIA, NREL
	Agriculture	1, 2	Farming	ANZSIC: All codes of the format 01XX	Global	CO_2, CH_4, N_2O	N/A	PCAF	MLA
	All other sectors[13]	1, 2	All remaining	All remaining	Global	All major GHGs	N/A	PCAF	Exiobase

[6] All references to ANZSIC are to the 1993 version of the Australian and New Zealand Standard Industrial Classification (ANZSIC).
[7] These sources are in addition to client-reported data and sector-level information from public databases (e.g., The Carbon Disclosure Project (CDP), National Greenhouse Emissions Reporting (NGER)) or reported directly by clients.
[8] Includes retail lending secured by residential property in BFS. Excludes reverse mortgages, committed exposures where the facility has been approved but not settled before the reporting period, and non-retail residential property exposure.
[9] Includes lending within BFS, regardless of ANZSIC code, related to the purchase, refinance or construction of commercial and residential property. Excludes strata improvement loans and retail home loan products included in the residential mortgages sector.
[10] Includes lending and novated leases in BFS for passenger and light commercial vehicles.
[11] Sector coverage includes international commercial freight vessels within specified ANZSIC codes with deadweight tonnage (DWT) of at least 5,000.
[12] Sector coverage includes companies within specified ANZSIC codes which primarily engage in the ownership and/or operation of commercial aircraft, which includes airlines and aircraft leasing companies.
[13] In some instances, the methodology may involve extrapolating emissions from other sectors that are closely aligned. E.g., for residential properties that are not within the residential mortgages or commercial real estate sectors, we use the residential mortgages lending intensity.

Upstream oil/gas

The methodology for estimating upstream oil/gas sector emissions focuses on Scope 1 and 2 (operational) and Scope 3, Category 11 (Use of Sold Products i.e., combustion) emissions. These represent a significant majority of emissions associated with this sector.

The methodology leverages client-reported data via public databases (e.g., The Carbon Disclosure Project (CDP), National Greenhouse Emissions Reporting (NGER)) or reported directly by clients. Where client-reported emissions data is not available, emissions are estimated using client-reported production data and global emission factors based on the following IEA publications:

- The Oil and Gas Industry in Net Zero Transitions[14] for Scope 1 and 2 emissions.
- World Energy Outlook 2023[15] for Scope 3 emissions.

Where required, emissions intensities are converted using the Energy Institute's Statistical Review of World Energy.[16]

For the remaining exposure without production data, emissions are estimated based on our portfolio-average economic emissions intensity.

Exposure and emissions from upstream pre-production oil/gas clients are included in overall sector exposure and absolute emissions calculations, but excluded from emissions intensity calculations as those clients have zero production.

Midstream and downstream oil/gas

The methodology for estimating midstream and downstream oil/gas sector emissions focuses on Scope 1 and 2 (operational) emissions. Scope 3 emissions, such as those associated with end-use combustion, are excluded to reduce double counting of emissions already measured and included in the upstream oil/gas sector.

Where emissions are proxied, we focus on CO_2 as it is the most material gas. We acknowledge that methane is present in midstream and downstream oil/gas operations. However, there is no methodology to apportion methane to specific midstream and downstream oil/gas activities from IEA sources selected for our proxy. Where data is sourced directly from clients and reported in CO_2e, underlying gases may include both CO_2 and CH_4.

The methodology leverages client-reported data via public databases (e.g., CDP, NGER) or reported directly by clients. Where client-reported emissions data is not available, emissions are estimated using client-reported throughput, utilisation or capacity data and global emission factors based on the following IEA publications:

- The Oil and Gas Industry in Net Zero Transitions.[17]
- Gas Market Report, Q3-2021.[18]

Where required, emissions intensities are converted using the Energy Institute's Statistical Review of World Energy.[19]

For the remaining exposures without throughput, utilisation or capacity data, emissions are estimated based on our portfolio-average economic emissions intensity.

Coal mining

The methodology for estimating coal mining sector emissions focuses on Scope 1 and 2 (operational) and Scope 3, Category 11 (Use of Sold Products i.e., combustion) emissions. These represent a significant majority of emissions associated with this sector.

The methodology leverages client-reported data via public databases (e.g., CDP, NGER) or reported directly by clients. Where client-reported emissions data is not available, emissions are estimated using client-reported production data and the following emission factors:

- The portfolio-average physical emissions intensity for Scope 1 and 2 emissions.
- Global emission factors from the IEA's World Energy Outlook[20] for Scope 3 emissions.

Where required, emissions intensities are converted using the National Greenhouse Accounts Factors.[21]

For the remaining exposure without production data, emissions are estimated based on our portfolio-average economic emissions intensity.

Residential mortgages

The methodology for estimating residential mortgages sector emissions focuses on Scope 1 and 2 emissions (on-site fuel combustion and electricity generated for use on the property). Scope 3 emissions, such as those associated with the building's construction or renovation activity, are currently excluded given a lack of appropriate methodology and data. The methodology applies to Australian BFS-issued retail rated loans secured by residential property,[22] excluding reverse mortgages, committed exposures where the facility has been approved but not settled before the reporting period, and non-retail residential property exposure.

[14] The Oil and Gas Industry in Net Zero Transitions', International Energy Agency, November 2023, https://www.iea.org/.
[15] 'World Energy Outlook 2023', International Energy Agency, October 2023, https://www.iea.org/.
[16] 'Statistical Review of World Energy', Energy Institute, 20 June 2024, https://www.energyinst.org/.
[17] 'The Oil and Gas Industry in Net Zero Transitions', International Energy Agency, November 2023, https://www.iea.org/.
[18] 'Gas Market Report, Q3-2021', International Energy Agency, July 2021, https://www.iea.org/.
[19] 'Statistical Review of World Energy', Energy Institute, 20 June 2024, https://www.energyinst.org/.
[20] 'World Energy Outlook 2023', International Energy Agency, October 2023, https://www.iea.org/.
[21] 'National Greenhouse Accounts Factors', Australian Government, https://www.dcceew.gov.au/.
[22] Includes construction loans at settlement, vacant land where there is an intention to build, and all retail residential mortgage loan purpose codes.

As property-level energy consumption or emissions data is not readily available, household energy consumption (electricity, gas and LPG) is estimated based on the following:

- Australian Energy Regulator (AER) Electricity and Gas consumption benchmarks for 2020:[23] This is the primary source used to estimate electricity and gas consumption based on household size, state and climate zone.
- Australian Energy Statistics (AES) published by the Department of Climate Change, Energy, the Environment and Water (DCCEEW):[24] This source is used to estimate LPG consumption, and electricity and gas consumption for geographical areas not covered by AER benchmarks and where household size is unknown, based on state-level averages.

Emissions are estimated using energy consumption and the following emission factors from the Australian National Greenhouse Accounts Factors (NGAF):[25]

- State-level grid emission factors for electricity.
- Combustion emission factors for natural gas and LPG.

Floor area, which is obtained from external data providers, is used to calculate property emissions intensity. Where it is not available for a given property, the methodology applies a portfolio-based average determined by the number of bedrooms.

Commercial real estate

The methodology for estimating commercial real estate (CRE) emissions focuses on Scope 1 and 2 emissions (on-site fuel combustion and electricity generated for use on the property). Scope 3 emissions, such as those associated with the building's construction or renovation activity, are currently excluded given a lack of appropriate methodology and data.

This sector includes property owners and operators (e.g., property trusts) identified through ANZSIC codes, supplemented by an internal classification approach incorporating additional identifiers such as loan purpose, capital treatment and product type. Exposures related to deals entered for the primary purpose of financing construction and/or development of buildings are excluded.

Where property-level emissions data is not available, it is estimated based on energy consumption (actual or proxied), floor area (actual or proxied) and relevant emissions factors.

Data sources used in estimating emissions include:

- National Australian Built Environment Rating System (NABERS) Energy Ratings[26]
- DCCEEW Commercial Building Baseline Study[27]
- Australian Bureau of Statistics (ABS)[28]
- AER[23]
- AES[24]
- NGAF[25]
- PCAF European building emissions factor database.[29]

Motor vehicles

The methodology for estimating motor vehicle sector emissions focuses on Scope 1 (fuel combustion for internal combustion engine (ICE) vehicles and plug-in hybrid electric vehicles (PHEVs)) and Scope 2 (electricity used to charge electric vehicles (EVs) and PHEVs) emissions.

The methodology applies to Australian BFS-financed vehicles, namely passenger cars and light commercial vehicles.

The methodology leverages known make and model vehicle efficiency and fuel type data used as part of the Australian Government Vehicle Fuel Consumption Labelling Standard and data obtained from industry sources.

Where this is unknown or emissions factors are required to derive CO_2e per km, information is obtained from government sources including:

- The ABS Motor Vehicle Usage Survey.[30]
- Green Vehicle Guide[31] and Australian National Greenhouse Accounts.[25]

[23] 'Electricity and Gas consumption benchmarks for residential customers 2020', Australian Government, Australian Energy Regulator, 11 June 2020, https://www.aer.gov.au/.
[24] Department of Climate Change, Energy, the Environment and Water, Australian Energy Statistics, Table F, September 2024, https://www.energy.gov.au/publications/ australian-energy-update-2024.
[25] 'Australian National Greenhouse Accounts Factors Workbook', Australian Government Department of Climate Change, Energy, the Environment and Water, accessed September 2024, https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors/.
[26] 'National Australian Built Environment Rating System Energy Ratings', accessed September 2024, https://www.nabers.gov.au/ratings/find-a-current-rating.
[27] Department of Climate Change, Energy, the Environment and Water, Commercial Building Baseline Study 2022, accessed September 2024, https://www.dcceew.gov.au/energy/publications/commercial-building-baseline-study-2022.
[28] 'Statistical Area Level 4', Australian Bureau of Statistics, accessed September 2024, https://www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/main-structure-and-greater-capital-city-statistical-areas/statistical-area-level-4.
[29] 'European building emission factor database', Partnership for Carbon Accounting Financials, accessed September 2024, https://carbonaccountingfinancials.com/financing-towards-net-zero-buildings.
[30] Survey of Motor Vehicle Use, Australia', Australian Bureau of Statistics, accessed September 2024, https://www.abs.gov.au/statistics/industry/tourism-and-transport/motor-vehicle-census-australia/latest-release.
[31] 'About us', Green Vehicle Guide, accessed September 2024, https://www.greenvehicleguide.gov.au/.

Shipping

The methodology for estimating shipping sector emissions focuses on emissions produced during ship operation, on a tank-to-wake basis (i.e., fuel combustion), i.e. Scope 1, given these are the most material direct emissions from the shipping industry.

Other emissions, such as those associated with fuel extraction, transport, and refining (well-to-tank emissions), are excluded to reduce double counting of emissions already measured and included in the upstream oil/gas and midstream and downstream oil/gas sectors.

Emissions data are sourced from the International Maritime Organization (IMO), when available, with the remainder of vessel attribute data obtained from an industry source.

Aviation

The methodology for estimating aviation sector emissions focuses on emissions produced during aircraft operation, on a tank-to-wake basis (i.e., fuel combustion). This means we include the following:

- Scope 1 emissions for airlines – currently there are no clients in this category.
- Scope 3, Category 13 (Downstream Leased Assets) emissions for aircraft lessors.

Other emissions, such as those associated with fuel extraction, transport, and refining (well-to-tank emissions), are excluded to reduce double counting of emissions already measured and included in the upstream oil/gas and midstream and downstream oil/gas sectors.

The methodology leverages data reported directly via clients.

Power generation

The methodology for estimating power generation sector emissions focuses on Scope 1 emissions of clients whose primary activity[32] is electricity generation and who contribute energy to the grid, and multi-utility companies and gentailers who have operational generation assets. Scope 2 and 3 emissions for companies that generate electricity from fossil fuels are comparatively small and/or do not relate directly to power generation activity and are hence not included.

The methodology leverages client-reported data via public databases (e.g., Environmental Protection Agency (EPA), NGER) or reported directly by clients.

Where client-reported emissions data is not available, emissions are estimated using client-reported production data and the following emission factors:

- National Renewable Energy Laboratory (NREL) emission factors for renewable power generation (e.g., solar, wind power).[33] As these do not distinguish between Scope 1 and 2 emissions, estimates for renewable power generation assets also include Scope 2 emissions, which Macquarie deems to be immaterial.

For the remaining exposure without production data, emissions are estimated based on our portfolio-average economic emissions intensity.

Agriculture

The methodology for estimating agriculture sector emissions focuses on Scope 1 and 2 emissions. This includes emissions generated within the boundaries of the farm from agricultural activities (e.g., enteric fermentation, manure management, fertiliser application) and associated land-use change. These represent a significant majority of emissions associated with this sector. Scope 3 emissions are not included as they are relatively small and generally not within the scope of influence of financial institutions.

Our agriculture exposure is currently exclusively to Australian livestock. The methodology leverages client-reported production data and Australia-specific emission factors from Meat and Livestock Australia (MLA).[34]

For the remaining exposure without production data, emissions are estimated based on our portfolio-average economic emissions intensity.

All other sectors

The methodology for estimating emissions associated with all other sectors focuses on Scope 1 and 2 emissions.[35] Scope 3 emissions are not included due to a lack of available methodology and comprehensive data. The methodology leverages economic intensity-based emissions estimations, multiplying client-level financing values by emission factors estimated by the following approach:

- Scope 1 and 2 revenue emission factors are extracted from EXIOBASE for all available sectors. These are converted to the appropriate unit ($tCO_2e/A\$$) using period-average exchange rates and, where necessary, adjusted for inflation.
- Asset turnover ratios are extracted from publicly available sources for all available sectors.
- All exposures are mapped to appropriate sectors within each database, with the resulting lending-based emission factors determined by the product of the relevant revenue emission factors and asset turnover ratios.

For Macquarie's BFS business, exposures are mapped to Australia-specific emission factors, while exposures within all other operating groups are mapped to global emission factors.

[32] Primary activity means that the majority (greater than 50%) of the electricity generating capacity is operational and therefore revenue generating.
[33] National Renewable Energy Laboratory, accessed September 2023, https://www.nrel.gov/.
[34] 'Beef industry trends analysis - 2020', Meat and Livestock Australia, 30 May 2023, https://www.mla.com.au/.
[35] In some instances, the methodology may involve extrapolating emissions from other sectors that are closely aligned. E.g., for residential properties that are not within the residential mortgages or commercial real estate sectors, we use the residential mortgages lending intensity.

Approach to setting financed emissions targets

Macquarie's framework for setting financed emissions targets reflects industry recommendations, our internal expertise and relevant, credible data and decision useful metrics.

See below for a summary of our approach:

1. **Define sector and product scope**

- Sectors are defined using a combination of ANZSIC codes, business and product taxonomies, and knowledge of clients and their activities.
- Product scope covers on-balance sheet lending and equity investment activities. Other products may be included where data and methodology allow.

2. **Select metrics**

- Metrics to measure and track emissions performance of companies and clients within the defined sectors are identified.
- Considerations include available guidance and methodologies, commonly used metrics and data sources, and decarbonisation strategies implied by net zero pathways and business strategy.
- In line with the PCAF Standard, the approach covers clients' Scope 1, Scope 2 and Scope 3 emissions, where significant and where data allows. We expect the quality and availability of clients' emissions data to improve over time.
- For sectors that are likely to play a continued role in the economy into 2050, and to avoid undesirable consequences of rapid reallocation of capital, we set physical emissions intensity targets.

3. **Establish the baseline**

- Baselines are established for each in-scope sector prior to assessing net zero pathways and targets. This enables measurement of the carbon performance of in-scope sectors of Macquarie's portfolio over time.

4. **Determine net zero pathway**

- Science-based net zero scenarios are identified and analysed. Our scenario selection criteria considers the nature and spread of Macquarie's business activities, including sectoral and geographical relevance.
- Additional analysis is conducted and any adjustments are made as necessary to reflect scenario granularity and data availability.

5. **Estimate interim target**

- Interim targets are estimated based on the selected net zero scenario. Depending on the granularity of available projections, and available science-based target setting methodologies, targets may be set as a specific value, range or as a percentage reduction/range from a specified baseline.
- Macquarie's actual performance against these targets may not follow a linear pathway, with year-to-year volatility to be expected as our portfolio changes over time.

6. **Reassess as inputs change or evolve**

- Macquarie's methodology will continue to evolve to respond to changes to the external and internal environment, including the evolution of our businesses, the macroeconomic environment, updates to available data, tools and net zero scenarios.
- Adjustments to targets and baseline calculations are made as necessary to reflect evolving conditions and improved data quality.

The following page provides a summary of sector-specific methodology decisions for financed emissions targets.

Sector-specific target methodology decisions

In applying the above 6-step target setting approach to our carbon-intensive sectors, we make the following sector-specific methodology decisions:

	Sector-level target setting decisions			
Sector	**Emissions scope**	**Metric**	**Reference scenario**	**Baseline year**
Upstream oil/gas	1, 2, 3 (Cat. 11)	gCO_2e/MJ	NGFS Net Zero 2050	FY2020
Coal mining	1, 2, 3 (Cat. 11)	$MtCO_2e$	N/A	FY2020
Residential mortgages	1, 2	$kgCO_2e/m^2$	CRREM	FY2021

Appendix 1: GHG emissions references

Table 1 – GHG emissions references for Macquarie's own business operations

The following documents have been referenced in calculating Macquarie's own business operations Scope 1, Scope 2 and Scope 3 GHG emissions (tCO_2e). Most recent year's emission factors are used from each of these sources. For Scope 2, and Scope 3 Category 3, where external factors change across the period of the Macquarie financial year, the relevant factor is allocated to each month.

Component	Reference documents
Australia **Electricity, Natural Gas, Refrigerants and Diesel**	• Australian Government - Department of Climate Change, Energy, the Environment and Water: National Greenhouse and Energy Reporting (Measurement) Determination 2008 and subsequent amendments for the calculation of greenhouse gas (GHG) emissions (2023 and 2024)
New Zealand **Electricity**	• NZ Ministry for the Environment: Measuring emissions: A guide for organisations (2024)
Taiwan, Japan, and Hong Kong **Electricity**	• Taiwan - Bureau of Energy, Ministry of Economic Affairs (2022) • Japan – Japan Ministry of Environment (2020) • Hong Kong – CLP and HKE Annual reports (2023)
Malaysia **Electricity** **Diesel**	• Institute for Global Environmental Strategies (IGES): IGES List of Grid Emission Factors (2024) • Australian Government - Department of Climate Change, Energy, the Environment and Water: National Greenhouse and Energy Reporting (Measurement) Determination 2008 and subsequent amendments for the calculation of greenhouse gas (GHG) emissions (2024)
United States **Electricity** **Natural Gas and Diesel**	• United States Environmental Protection Agency (USEPA): Emissions & Generation Resource Integrated Database (eGRID) (2022) published Jan 2024 • Australian Government - Department of Climate Change, Energy, the Environment and Water: National Greenhouse and Energy Reporting (Measurement) Determination 2008 and subsequent amendments for the calculation of greenhouse gas (GHG) emissions (2024)
Canada **Electricity**	• The Climate Registry Information System (CRIS) (2024)
Brazil, Chile, China, India, Indonesia, Mexico, Philippines, Singapore, South Korea, Thailand, and UAE **Electricity**	• Institute for Global Environmental Strategies (IGES): IGES List of Grid Emission Factors (2024)
United Kingdom **Electricity and Natural Gas**	• Department for Environment Food and Rural Affairs (DEFRA): UK Government GHG Conversion Factors for Company Reporting (2024)
Austria, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Spain, and Switzerland **Electricity**	• Association of Issuing Bodies (AIB): European Residual Mixes (2023)

Component	Reference documents
Scope 3 Category 1: Purchased goods and services (including capital goods, upstream leased assets, and upstream transportation and distribution)	• World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD): *GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2013) • GHG protocol Technical Guidance on the EEIO model via GHG Protocol Scope 3 Calculation Guidance and associated Life Cycle Database reference of third-party Databases • United States Environmental Protections Agency (USEPA): United States Environmentally Extended Input Output (USEEIO) dataset that estimates cradle to gate GHG emissions for each given industry or product category (2023)
Scope 3 Category 3: Fuel- and energy-related activities	• Australia state based: Australian Government - Department of Climate Change, Energy, the Environment and Water: *National Greenhouse and Energy Reporting (Measurement) Determination 2008 and subsequent amendments for the calculation of greenhouse gas (GHG) emissions* (2024) • Rest of world: Department for Environment Food and Rural Affairs (DEFRA): *UK Government GHG Conversion Factors for Company Reporting* (2022)
Scope Category 5: Waste in operations	• Department for Environment Food and Rural Affairs (DEFRA): *UK Government GHG Conversion Factors for Company Reporting* (2024)
Scope 3 Category 6: Business travel **Air** **Hotel** **Taxis & Car Rental** **Food & Beverage**	• Air: Department for Environment, Food and Rural Affairs (DEFRA), Government of the United Kingdom: UK *Government Greenhouse Gas Conversion Factors for Company Reporting* (2024) • Hotel: The Business Travel News (BTN) Corporate Travel Index (2024), Smith Travel Research (STR), Cornell Hotel Sustainability Benchmarking Index (CHSB Index) (2024) • Taxis & Car Rental: Department for Environment, Food and Rural Affairs (DEFRA), Government of the United Kingdom: *UK Government Greenhouse Gas Conversion Factors for Company Reporting* (2024); Numbeo, *Prices by Country of Taxi 1km (Normal Tariff) (Transportation)* (2024) • Food & Beverage: United States Environment Protection Agency (USEPA) Office of Research and Development: *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities* (2024)

Appendix 2: Independent assurance report over selected sustainability metrics reported by Macquarie Group Limited for the 12 months ended 31 March 2025

To the Directors of Macquarie Group Limited

Independent Limited Assurance Report on identified Subject Matter Information in Macquarie Group Limited's Sustainability Report and Basis of Preparation

The Board of Directors of Macquarie Group Limited ('Macquarie' or 'MGL') engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information in Macquarie's Sustainability Report ('Report') for the year ended 31 March 2025 and in the FY2025 Basis of Preparation for Sustainability Reporting (the 'Subject Matter Information').

Subject Matter Information and Criteria

The Subject Matter Information is as set out below:

Table 1 – Subject Matter Information for the year ended 31 March 2025

	Description	**Amount**	**Reference**
a)	Total energy use	159 TJ	Report: Page 68
b)	Total electricity consumed from MGL's corporate offices, data centres and base building consumption around the world (where MGL owns and occupies the building)	42.6 GWh	Report: Page 69
c)	Total Scope 1 direct emissions from diesel, natural gas and refrigerants usage from MGL's corporate offices and base building consumption around the world (where MGL owns and occupies the building)	482 tCO_2e	Report: Page 68
d)	Total Scope 2 indirect emissions from electricity usage from MGL's corporate offices, data centres and base building consumption around the world (where MGL owns and occupies the building) (market-based)	0 tCO_2e	Report: Page 68
e)	Percentage of global electricity sourced from renewable power based on RE100 boundary criteria, in line with Macquarie's RE100 commitment	98.7 %	FY2025 Basis of Preparation for Sustainability Reporting: Page 6
f)	Scope 3 Category 1: Purchased goods and services (including Category 2, 4 & 8)	164,983 tCO_2e	Report: Page 68

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g)	Scope 3 Category 3: Fuel and energy related activities	3,526 tCO_2e	Report: Page 68
h)	Scope 3 Category 5: Waste generated in operations	223 tCO_2e	Report: Page 68
i)	Scope 3 Category 6: Business travel	59,164 tCO_2e	Report: Page 68

Table 2 – Subject Matter Information as at 31 March 2025

Description	**Amount**	**Reference**
Carbon offsets purchased and retired for FY2025	53,970 tonnes	FY2025 Basis of Preparation for Sustainability Reporting: Page 6

Table 3 – Subject Matter Information for the year ended 31 March 2024

Description		**Amount**	**Reference**
<u>Financed emissions</u>			
a)	Upstream oil/gas		
	(i) Scope 1, 2 and 3 absolute emissions	5.0 $MtCO_2e$	Report: Page 71
	(ii) Scope 1, 2 and 3 physical emissions intensity	62.3 gCO_2e/MJ	Report: Page 72
b)	Midstream and downstream oil/gas		
	(i) Scope 1 and 2 absolute emissions	0.1 $MtCO_2e$	Report: Page 71
c)	Residential mortgages		
	(i) Scope 1 and 2 absolute emissions	0.7 $MtCO_2e$	Report: Page 71
	(ii) Scope 1 and 2 physical emissions intensity	33.2 $kgCO_2e/m^2$	Report: Page 72
d)	Commercial real estate		
	(i) Scope 1 and 2 absolute emissions	0.1 $MtCO_2e$	Report: Page 71

e)	Motor vehicles (i) Scope 1 and 2 absolute emissions	0.2 $MtCO_2e$	Report: Page 71
f)	Shipping (i) Scope 1 absolute emissions	0.8 $MtCO_2e$	Report: Page 71
g)	Aviation (i) Scope 1 and 3 absolute emissions	0.7 $MtCO_2e$	Report: Page 71
h)	Power generation (i) Scope 1 absolute emissions	0.5 $MtCO_2e$	Report: Page 71
i)	Farming (i) Scope 1 and 2 absolute emissions	0.2 $MtCO_2e$	Report: Page 71
j)	All sectors (i) Total absolute emissions for all sectors (including sectors not covered by the above), for Scopes as specified per sector	11.4 $MtCO_2e$	Report: Page 71
Data Quality Score			
a)	Upstream oil/gas Scope 1 and 2	2.2	Report: Page 71
b)	Upstream oil/gas Scope 3	2.8	Report: Page 71
c)	Residential mortgages	4.1	Report: Page 71

Table 4 – Subject Matter Information as at 31 March 2024

Description		**Amount**	**Reference**
Exposure at Default			
a)	Upstream oil/gas	$A2.3 billion	Report: Page 71
b)	Midstream and downstream oil/gas	$A0.3 billion	Report: Page 71

c)	Coal mining	$A0.0 billion	Report: Page 71
d)	Residential mortgages	$A134.8 billion	Report: Page 71
e)	Commercial real estate	$A12.7 billion	Report: Page 71
f)	Motor vehicles	$A4.4 billion	Report: Page 71
g)	Shipping	$A1.6 billion	Report: Page 71
h)	Aviation	$A1.3 billion	Report: Page 71
i)	Power generation	$A0.9 billion	Report: Page 71
j)	Farming	$A0.1 billion	Report: Page 71
k)	Total for all sectors (including sectors not covered by the above)	$A216.3 billion	Report: Page 71

Table 5 – Subject Matter Information for the year ended 31 March 2020 baseline

Description	**Amount**	**Reference**
Scope 3 Category 1: Purchased goods and services (including Category 2, 4 & 8)	137,030 tCO_2e	Report: Page 68

The criteria used by Macquarie to prepare the Subject Matter Information ('Criteria') are established by Macquarie management ('Management'). The Criteria are outlined in the document entitled "*FY2025 Basis of Preparation for Sustainability Reporting (31 March 2025)*" located at www.macquarie.com/about/company/sustainability.html as at 9 May 2025.

We assessed the Subject Matter Information against the Criteria. The Subject Matter Information needs to be read and understood together with the Criteria.

The maintenance and integrity of Macquarie's website is the responsibility of Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on Macquarie's website.

Our assurance conclusion is with respect to the years ended or as at, as specified in Tables 1 to 5 above, and does not extend to information in respect of earlier periods except where otherwise stated, or to any other information included in, or linked from, the Report and the FY2025 Basis of Preparation for Sustainability Reporting including any images, audio files or videos.

Responsibilities of Management

Management is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Macquarie and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls relevant to the preparation of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1*, Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the years ended or as at, as specified in Tables 1 to 5 above.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- Enquired of relevant management of Macquarie regarding the processes and controls for capturing, collating, calculating and reporting the Subject Matter Information;
- Calculated the arithmetic accuracy of a sample of calculations of the Subject Matter Information;
- Assessed the appropriateness of the greenhouse gas ('GHG') emission factors and methodologies applied in calculating the Subject Matter Information;
- Assessed the appropriateness of estimates and assumptions applied by Management in the preparation of the Subject Matter Information;
- Agreed the Subject Matter Information to underlying data sources and calculations on a sample basis;
- Agreed a sample of external data used in the estimation and attribution of operational Scope 3 emissions to third party sources; and
- Reviewed the presentation and disclosure of the Subject Matter Information in the Report and the FY2025 Basis of Preparation for Sustainability Reporting.

The Subject Matter Information includes 53,970 tonnes of carbon offsets purchased and retired for the year ended 31 March 2025. We have performed procedures as to whether these offsets were acquired during the year and arrangements are in place for their surrender, and whether the description of them in the Subject Matter Information is a reasonable summary of the relevant contracts and related documentation. We have not, however, performed any procedures regarding the external providers of these offsets, and express no conclusion about whether the offsets have resulted, or will result, in a reduction of 53,970 tonnes of CO_2e.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of Management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, GHG quantification is subject to inherent uncertainty because of evolving knowledge and information to determine emissions factors and the values needed to combine emissions of different gases.

Our scope did not include performing assurance procedures over the underlying data provided by third parties.

In particular, it is acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of emissions data from third parties, resulting in the extensive use of proxy data.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities', and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the years ended or as at, as specified in Tables 1 to 5 above.

Use and distribution of our report

We were engaged by the board of directors of Macquarie on behalf of Macquarie to prepare this independent assurance report having regard to the Criteria specified by Management and set out in this report. This report was prepared solely for Macquarie, to assist the Directors in obtaining independent limited assurance over the Subject Matter Information.

We accept no duty, responsibility or liability to anyone other than Macquarie in connection with this report or to Macquarie for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Macquarie and if anyone other than Macquarie chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Macquarie receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
9 May 2025