

California Voluntary Carbon Markets Disclosure

Context

Macquarie Group Limited and its subsidiaries (“Macquarie Group”) provide the following information pursuant to California’s Assembly Bill (AB) 1305 (Gabriel, 2023), which adds Part 10, Voluntary carbon market disclosures, to Division 26 of the California Health and Safety Code, §§ 44475 et seq.

Section 44475

Macquarie Group Limited is a diversified financial services holding company listed in Australia and regulated as a non-operating holding company (“NOHC”) of an Australian “authorised deposit-taking institution” (“ADI”) by the Australian Prudential Regulation Authority (“APRA”), the prudential regulator of the Australian financial services industry. Macquarie Group’s breadth of expertise covers asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment. Macquarie Group works with government, institutional, corporate and retail clients and counterparties, around the world.

Commodities and Global Markets (CGM)

CGM may purchase, sell and/or market voluntary carbon offsets (**VCOs**) listed on external carbon offset registries through a spot or forward transaction or an exchange traded futures or option as part of its normal course of business. Any such VCOs are assigned serial numbers by the applicable registry, which has established standards, documentation, third-party verification requirements, and monitoring protocols for the relevant project.

Each registry maintains a publicly-disclosed ledger and other information with project details associated with the VCO on its website, including relevant information (as applicable) regarding:

- protocols, location, timelines, project type, conformance to existing standards, durability, existence of verification and annual emissions reduced or carbon removed;
- accountability measures for projects that are not completed or do not meet projected reductions or removals, which may include cancellation of credits from buffer pools, requiring project proponents to provide compensation through retirement of credits and other remedies; and
- data and methods needed to independently reproduce and verify the number of reduction or removal credits issued by the project.

Where CGM executes an exchange-traded and cleared futures or option contract which physically settles by transfer of a VCO from the seller to the buyer, such futures or option contract shall be traded, cleared, delivered and settled in accordance with the relevant exchange’s rules and requirements.

Macquarie Asset Management (MAM)

In certain situations involving nature-based investments of funds managed by MAM, it is possible that MAM may be considered to be marketing VCOs within the State of California for the purposes of Section 44475 of AB 1305. Any carbon offset project which generates VCOs that MAM might market in California will be registered on an external carbon offset registry in accordance with the particular standards and protocol of the applicable registry.

Generally, each registry maintains a publicly-disclosed ledger and other information with project details associated with the VCO on its website, including relevant information (as applicable) regarding:

- protocols, location, timelines, project type, conformance to existing standards, durability, existence of verification and annual emissions reduced or carbon removed;
- accountability measures for projects that are not completed or do not meet projected reductions or removals, which may include cancellation of credits from buffer pools, requiring project proponents to provide compensation through retirement of credits and other remedies; and
- data and methods needed to independently reproduce and verify the number of reduction or removal credits issued by the project.

AB 1305 is new and it is uncertain whether and how it applies to MAM. MAM’s approach to providing information in response to AB 1305 could change over time.

Section 44475.1

The table below summarises information concerning VCOs purchased by Macquarie Group to offset Scope 1 emissions from office premises and Scope 3 emissions attributable to business travel during the FY2024 reporting period.

(a1) Business entity name selling the offset	(a2) Offset registry or program	(b) Project ID	(c) Project name, as listed in the registry or program	(d1) Project type	(d2) Project detail (carbon removal, avoided emissions or combination of both)	(d3) Project location	(e) Protocol for estimation of emissions reductions or removal benefits	(f) Verified by a third-party	Additional information Broker name and address	Additional information Volume of carbon credits (tonnes of CO ₂ e)
Umlilo Holdings Pty Ltd as trustee for Corporate Carbon Stage 3 Agricultural Trust	Australian Federal Government ACCU Scheme , formerly known as The Emissions Reduction Fund established by the Carbon Credits (Carbon Farming Initiative) Act 2011	EOP100851	Holroyd Station	Savanna Burning	Avoided emissions and carbon removal	Australia	Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2018 (26 March 2015 - 05 May 2018)	Yes ¹	Macquarie Bank Limited (Commodities and Global Markets)	20,000
Guizhou Xinzhaxin Agricultural Technology Co., Ltd.	Verified Carbon Standard/Verra Registry	VCS2378	Miaoling Afforestation Project	Afforestation (Agriculture Forestry and Other Land Use)	Carbon removal	China	AR-ACM0003 Afforestation and reforestation of lands except wetlands --- Version 2.0	Yes ¹	Northmore Gordon Pte Ltd, 20 Collyer Quay, #09-01 Singapore 049319	23,492 ²
Indus Delta Capital Limited	Verified Carbon Standard/Verra Registry	VCS2250	Delta Blue Carbon -1	Blue carbon - Mangrove (Agriculture Forestry and Other Land Use)	Carbon removal	Pakistan	VM0033 Methodology for Tidal Wetland and Seagrass Restoration Version 1.0, 20 November 2015	Yes ¹	Northmore Gordon Pte Ltd, 20 Collyer Quay, #09-01 Singapore 049319	10,000
Mosaic Forest Management Corporation	Verified Carbon Standard/Verra Registry	VCS3018	Big Coast Forest Climate Initiative	Afforestation (Agriculture Forestry and Other Land Use)	Carbon removal	Canada	VM0012 Improved Forest Management in Temperate and Boreal Forests (LtPF), v1.2, Active 23 July 2013	Yes ¹	Macquarie Bank Limited (Commodities and Global Markets)	10,000
Total										63,492

¹ See Macquarie Group's FY2024 Basis of Preparation for ESG Reporting Section 3.1.3. Management's assertion that carbon offsets have been purchased and retired representing a quantity of greenhouse gas emissions offset equal to the sum of Scope 1, and Scope 3 Category 6: Business travel operational value chain emissions for the year ended 31 March 2024.

² This amount excludes 493 tonnes purchased and retired to facilitate a sustainable building rating for Macquarie's Tokyo Gardens Terrace tenancy, covering base building emissions from 2023 to 2027.

The table below summarises information concerning additional VCOs purchased and retired by Macquarie Group to offset Scope 1 emissions from office premises and Scope 3 emissions attributable to business travel during the FY2021 to FY2023 reporting periods.

(a1) Business entity name selling the offset	(a2) Offset registry or program	(b) Project ID	(c) Project name, as listed in the registry or program	(d1) Project type	(d2) Project detail (carbon removal, avoided emissions or combination of both)	(d3) Project location	(e) Protocol for estimation of emissions reductions or removal benefits	(f) Verified by a third-party	Additional information Broker name and address	Additional information Volume of carbon credits (tonnes of CO ₂ e)
Guizhou Xinzhanxin Agricultural Technology Co., Ltd.	Verified Carbon Standard/Verra Registry	VCS2378	Miaoling Afforestation Project	Afforestation (Agriculture Forestry and Other Land Use)	Carbon removal	China	AR-ACM0003 Afforestation and reforestation of lands except wetlands --- Version 2.0	Yes ¹	Northmore Gordon Pte Ltd, 20 Collyer Quay, #09-01 Singapore 049319	14,545
Total										14,545

Section 44475.2

Progress updates pertaining to Macquarie Group's net zero related commitments and greenhouse gas emissions data are provided in key public documentation, including [Macquarie Group's FY24 ESG Report](#), [Macquarie Group's 2023 Net Zero and Climate Risk Report](#), [Macquarie Asset Management's June 2024 TCFD Report](#) and the [FY24 Macquarie Asset Management Sustainability Report](#) (including MAM's [Our Approach to Net Zero](#)). Information provided in these documents may include details on methodologies, targets, data sources, and limited third-party assurance processes. The extent to which there is independent third-party verification of data and claims made within the reports is outlined in the relevant report.