

# California Voluntary Carbon Markets Disclosure

## Context

Macquarie Group (Macquarie Group Limited and its subsidiaries) provides 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's Commodities and Global Markets business group (**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. 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. Relevant exchanges and clearinghouses include those owned and/or operated by CME Group, Intercontinental Exchange, Inc., and Xpansiv.

## Section 44475.1

Table 1 summarizes 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 FY2023 reporting period.

a) Business name & registry	b) Project ID	c) Project name	d) Project type	e) Protocol for estimation of emissions	f) Verified by a third-party	Additional information: Broker name and address	Additional information: Volume of carbon credits (tonnes of CO <sub>2</sub> -e)
<p><i>Business entity:</i> Corporate Carbon Solutions Pty Ltd.</p> <p><i>Offset registry or program:</i> Australian Federal Government ACCU Scheme, formerly known as The Emissions Reduction Fund established by the Carbon Credits (Carbon Farming Initiative) Act 2011</p>	ERF102191	Industrial Carbon Emissions Reduction	Industrial Electricity and Fuel Efficiency  Avoided emissions  Australia.	Carbon Credits (Carbon Farming Initiative— Industrial Electricity and Fuel Efficiency) Methodology Determination 2015 (legislation.gov.au)	Yes, see FY2023 Basis of Preparation for ESG Reporting  Section 2, p2, Metrics covered by third-party assurance including:  "3. Management's assertion that carbon offsets have been purchased and retired for the 2023 reporting period representing a quantity of greenhouse emissions offset greater than the sum of Scope 1, Scope 2 and Scope 3 (category 6) operational value chain emissions."	Macquarie Bank Limited (Commodities and Global Markets)	23,150
<p><i>Business entity:</i> Guizhou Xinzhanxin Agricultural Technology Co., Ltd.</p> <p><i>Offset registry or program:</i> Verified Carbon Standard/Verra Registry</p>	VCS2378	Miaoling Afforestation Project	Afforestation.  Carbon removal.  China.	AR-ACM0003		Northmore Gordon Pte Ltd, 20 Collyer Quay, #09-01 Singapore 049319	34,800
<p><i>Business entity:</i> L.F Jeffries Nominees Pty. Ltd</p> <p><i>Offset registry or program:</i> Puro Registry</p>	643002406801000176	Biochar Project	Biochar.  Carbon removal.  Australia.	Biochar (CO3000000)		Northmore Gordon Pte Ltd, 20 Collyer Quay, #09-01 Singapore 049319	91
							TOTAL: 58,041

Table 1 - 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 FY2023 reporting period.

## Section 44475.2

On 11 December 2023, Macquarie Group released its **Net Zero and Climate Risk Report (NZCR Report)** which provided a progress update on certain Macquarie Group net zero commitments including our commitments. Please refer to Section 5 (Metrics & Targets) of the NZCR Report and the relevant NZCR Report Appendices for supporting information including, where applicable, limited third party assurance processes undertaken with respect to quantification of certain emissions within Scopes 1 through 3.

Macquarie Asset Management (**MAM**) is an operating group within Macquarie Group and conducts business through numerous subsidiaries of Macquarie Group Limited. Information concerning MAM's net zero commitment is available in MAM's **FY23 Sustainability Report**.