

# Climate Bonds Standard Verification Report

## PRE-ISSUANCE VERIFICATION OPINION



**Document Title:** Humm ABS Aurora Trust Additional Notes Pre-Issuance Verification Opinion

**Prepared By:** DNV Business Assurance Australia Pty Ltd

**Location:** Sydney, Australia

**Date:** 23<sup>rd</sup> September 2024

**Identification:** DNV-2024-ASR-10526366

### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

## HUMM BNPL PTY LTD

### DNV VERIFICATION OPINION

#### Scope and Objectives

Humm BNPL Pty Ltd ("Humm") issued Humm ABS Aurora Trust Class A-G, B-G, C-G, D-G, E-G, F-G notes which is issued by Perpetual Corporate Trust Limited as trustee of Humm's special purpose trust, Humm ABS Aurora Trust ("Issuer"). They are aimed at refinancing solar-related assets. These assets include residential solar photovoltaic ("PV") systems and their supporting infrastructure, such as inverters, transformers, energy storage systems, control systems, and solar hot water systems. The Bonds are designed with specific climate-related objectives, primarily focused on funding renewable energy projects. The underlying assets, such as solar PV systems and associated infrastructure, help avoid or reduce greenhouse gas emissions by generating clean energy, decreasing energy demand, improving energy efficiency, and utilizing renewable sources.

Humm is issuing additional notes under the Aurora Trust to the value of approximately AUD 120m. The scope of this engagement is limited to the verification of the additional notes (collectively, "the Bonds").

Humm has prepared a Climate Bond Framework ("the Framework") for the hummgroup Climate Bond Certified ABS Notes that DNV has provided Second Party Opinion ("SPO") on its alignment with:

- Green Bond Principles 2022 (with June 2022 Appendix) ("GBP") issued by the International Capital Markets Forum ("ICMA")

Humm has submitted the Bonds for verification and certification against the Climate Bond Standard version 4.0 ("CBS"). DNV notes that the requirements of the CBS meet and exceed the guidance set out in the ICMA Green Bond Principles 2022. DNV conducted Pre-Issuance and Post-Issuance Verification for Humm Aurora Trust and Humm has received Pre-Issuance CBI Certification Mark on 20<sup>th</sup> March 2024 and Post-Issuance CBI Certification Mark on 23<sup>rd</sup> July 2024 for the notes previously issued by Humm Aurora Trust.

DNV has been commissioned by Humm to provide verification of the Bonds as an independent and approved verifier under the CBS. Our criteria and information covered to achieve this is described under 'Work Undertaken' below. Humm intends to use the proceeds of the Bonds to finance nominated projects and assets falling under the following categories:

- CBS Solar Energy Sector Criteria (v2.3)

No assurance is provided regarding the financial performance of the Bonds, the value of any investments in the Bonds, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bond has met the criteria of the CBS and the associated Sector Criteria on the basis set out below.

The scope of this DNV opinion is limited to the CBS, Solar Energy Sector Criteria and the GBP 2022. This report contains the findings from the verification and a verification statement regarding compliance with the Climate Bond Standard ("CBS"), as well as GBP.

## Responsibilities of the Management of Humm and DNV

The management of Humm has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Humm's management and other interested stakeholders in the Bonds as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Humm. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect based on inaccurate or misleading information provided by Humm or its representatives. Thus, DNV shall not be held liable if any of the information or data provided by Humm's management and used as a basis for this assessment were not correct or complete.

## Basis of DNV's Opinion

DNV has conducted the verification against the CBS V4.0 and associated Solar Energy Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS V4.0 and the relevant technical criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Humm in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Bonds's nominated projects and assets, as described above and in Schedule 2 to this Opinion;
- Verification of compliance with the GBP as described above and in Schedule 3 to this Opinion;
- Assessment of documentary evidence provided by Humm on the Bonds and supplemented by a high-level desktop research,
- Discussions with Humm management, and review of relevant documentation;
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV has performed the Pre-Issuance Verification of the Bonds. It is DNV's responsibility to provide an independent verification statement on the compliance of the Bonds with the **Climate Bonds Standard V4.0**.

DNV conducted the verification in accordance with the CBS V4.0, and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the CBS V4.0 were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming with the Principles & Standards and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Framework, and other associated documentation, meet the requirements of the CBS V4.0 and Solar Energy Sector Criteria.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Bonds are not, in all material respects, in accordance with the Pre-Issuance requirements of the CBS and the associated Solar Energy Sector Criteria.

**For DNV Business Assurance Australia Pty. Ltd.**

Sydney, Australia | 23<sup>rd</sup> September 2024



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Thomas Leonard  
Quality Reviewer



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Parina Parikh  
Lead Verifier



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David McCann  
Verifier

**About DNV**

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

**SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS**

<b>GBP Eligible Green Project Category</b>	<b>CBS Eligible Criteria</b>	<b>Location</b>	<b>Exposure (AUD)</b>
Renewable Energy	Solar Energy	Australia	\$123,640,000

## SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

### Summary criteria for assertions of compliance with the Climate Bonds Standard V4.0

A full verification is provided in the associated Verification protocol.

The criteria against which Humm and its nominated projects & assets have been reviewed prior to inclusion in the Bonds are grouped under the requirements as detailed within the CBS including:

#### Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated projects & assets which are proposed to be associated with the Bond and which have been assessed as eligible activities under the CBS related to Solar energy.
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. DNV has verified the method for project selection and evaluation set out by Humm is compliant with the Project Selection requirements of the CBS.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer. DNV has verified the proposed management of proceeds and internal tracking set out by Humm is compliant with the CBS.
Reporting Prior to Issuance	The Issuer shall prepare a Climate Bond Framework and make it available prior to Issuance or at the time of issuance to lenders. DNV has verified the form and content of the Humm’s Climate Bond Framework against the requirements of the CBS and confirmed its compliance.
Reporting	Reporting on use of proceeds and nominated projects and assets. DNV has reviewed and confirmed Humm’s proposed reporting as being compliant and aligned with the requirements of the CBS.

## Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Bonds and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer.
Reporting	Reporting on use of proceeds and Nominated Projects & Assets.

## Part C: Eligible Projects and Physical Assets

Nominated projects and assets include financing or refinancing of or investments in equipment and systems which enable the mitigation of greenhouse gases, as detailed in Schedule 1.

CBS Sector Criteria	Description
Solar Energy	<p>Projects eligible include Solar Energy related infrastructure.</p> <p>DNV has verified that Humm’s nominated projects and assets include only eligible terrestrial Solar projects and assets in Australia.</p>

**Part D: Certification under the Climate Bonds Standard**

Area	Requirement
Pre-Issuance Certification	<p>The Issuer/Holder of a Climate Bonds Standard Certification must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information.</p> <p>DNV has conducted Pre-Issuance Verification as recorded in this Opinion.</p>
Post-Issuance Certification	<p>The Issuer/Holder of a Climate Bonds Standard Certification must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information.</p> <p>DNV will verify these requirements at Post-Issuance Verification.</p>
Maintaining Certification	<p>The Issuer/Holder shall provide annual reporting to the CBI and comply with non-conformance correction as required.</p> <p>DNV notes that this is an ongoing requirement beyond the scope of this Verification.</p>