



rf corval

**Responsible Investment
Statement: 2023-2024**



Message from the CEO

Since the inception of RF Corval in 2009, our responsibility to act in the interests of all our stakeholders, including investors, staff, tenants, and the broader community has always been core to the way we invest and operate.

As a private fund manager, we have not been overt about our achievements, but we appreciate the importance of articulating the positive impact of our environmental, social and governance (ESG) practices.

We are pleased to provide this inaugural Responsible Investment Statement, which highlights the tremendous work undertaken across our business to implement practices that strive to optimise environmental, social and governance outcomes and create value for our investors over the long term.

RF Corval is a signatory to the United Nations Principles for Responsible Investment (PRI), formalising our commitment to incorporate ESG issues into our investment analysis and decision-making processes, as well as our asset ownership, reporting policies and practices.

Our vision is to have a positive impact on the assets we acquire and manage, and the communities where those assets are located, we aim to achieve Carbon Neutral Certification for all our managed properties by 2030.

Delivering this vision will ensure our clients' assets are resilient, and we can optimise

environmental and investment outcomes.

The case studies that follow are testament to our team's ability to deliver the great outcomes that have been achieved to date.

To help deliver on our sustainability targets, RF Corval has engaged Northrop to provide specialised assistance on our ESG journey. Northrop's initial priorities have focused on

- ESG Gap analysis.
- Climate Change Adaption Plan across entire managed portfolio.
- Updating internal Policies and Protocols to reflect current global best practice.
- Assisting with 2024 UN PRI and GRESB submissions.

In addition to our sustainability initiatives RF Corval also strives to have a positive social impact. We are proud of our diverse, inclusive workplace and our high staff retention rate. We are also delighted to have partnered with Ronald McDonald House Charities to fund capital works at their Randwick facility.

We are proud of the work of the entire team at RF Corval over the past year and we will continue these efforts as we strive to deliver strong ESG outcomes for all our stakeholders. We believe that our approach to responsible investing will also be an important driver of strong investment outcomes for investors.

A handwritten signature in black ink that reads "Rob Rayner". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rob Rayner
Co-Founder, Director and Chief Executive Officer

Signatory of:



Our Approach to Responsible Investing

RF Corval is a specialist property investor, offering tailored real estate investments with strong returns. Not just a fund manager, we work side by side with our valued investors, offering them a better way to invest.

Across our portfolio we consistently prioritise strong sustainable returns, with transparency that builds trust. We monitor and improve our performance through ongoing global benchmarking. We care about making a difference.

Beyond simply strong returns, RF Corval offers a highly personalised approach to property investment. We view our investors as valued partners, building deep, long-term relationships based on trust, honesty and transparency.

Our Values inform who we are, what we do, and how we work:

- We treat investors as valued partners, whom we invest alongside.
- We provide simple and transparent investment solutions.
- We take a disciplined approach to investing.
- We embrace governance and strong compliance culture.
- We are committed to sustainable outcomes.



People

RF Corval currently employs 30 people, of which **57% are female** and **43% are male** from a diverse range of cultural and ethnic backgrounds.



Staff Retention

Only three staff have left RF Corval since inception in 2009, with one of these the retirement of a co-founder. Many of the team have worked at RF Corval for over 10 years, reflecting the positive workplace environment.



Flexible Work

We are a strong advocate for a flexible working environment with an over-riding belief that we work better together. Where appropriate a number of staff are employed part-time to allow maximum flexibility.



Learning and Development

A key philosophy for RF Corval is empowering both personal and career growth through exposure to diverse experiences and opportunities. The daily experience of the investment journey is the ultimate classroom for learning and development, supplemented by formal training.



Tenant Engagement

Our Asset Management team engages all our tenants via a Tenant Satisfaction Survey for feedback on us as landlords, our property managers and the physical real estate they occupy. Our performance reflects consistently high results, above the broader index.



Ronald McDonald House Charities (RMHC)

RF Corval has entered into a Corporate Sponsorship for RMHC Sydney through their “Heart of our Home” Program. RMHC support families who need to travel from remote locations to receive specialist medical care for their sick children. Over the course of a year, over 800 families will stay at Ronald McDonald House in Randwick.

Workzone East

First Carbon Neutral Commercial Building in Western Australia

In September 2023, WorkZone East at 1 Nash Street in Perth was awarded the prestigious 6 Star NABERS Energy Rating.

WorkZone East accommodates seven levels of office space with a total net lettable area of 12,361sqm. It has a roof-level plant area and car parking provided within the basement for 83 car bays including electric chargers. It was built in 2013 and became the first carbon-neutral commercial building in West Australia in 2021.

The NABERS Energy rating for the building has increased from 4.5 Star to 6 Star over the past 5 years by implementing numerous energy-saving initiatives which has reduced energy intensity by 57%. As part of a goal to reach a net zero target in 2025, RF Corval has replaced the gas boilers with an energy efficient heat pump system for the end-of-trip facilities which saves around 70% of energy consumption. 99kW PV solar panels commissioned in 2023 on the roof space generate renewable energy for the base building system.

The system generates around 150,000 kWh of renewable electricity per annum which is equivalent to the abatement of 105 tonnes of Co2, which is similar to saving 525 trees per year. The payback is approximately three to four years.

WorkZone East's recycling rates increased from 47% to 73% by implementing additional waste streams and ongoing tenant engagement to significantly lower the building's waste to landfill.

The building was awarded the Waterwise Building Platinum Winner in 2024 in acknowledgement of the efforts and commitment to water efficiency and achieving significant reduction in water use.

These accomplishments underscore our commitment to sustainability and operational efficiency.

Moxy Hotel

Partnering with the operator to drive sustainability outcomes

RF Corval completed the development of Marriott International's first Moxy hotel in Australia at Sydney Airport in August 2023.

In partnership with Marriott, sustainability was as important for them as an operator as it was for us as an owner and investor.

Through design and construction, the hotel utilised recycled brickwork, salvaged and restored vintage furniture items and styling pieces, in support of a circular economy. More than just a 'hotel' the Moxy provides important amenity for the local community and local artists were commissioned to contribute to the exterior (via large murals) and interior of the hotel furnishings.

The hotel has 51 solar panels, LED lights used throughout, low-consumption monitor-sensor air conditioning units, electric vehicle charging, motion sensor

lights, rain harvesting for garden and planter box irrigation, a paper free admin office, no single use plastic (including bathroom amenities) in guestrooms and filtered water fountains on all guestroom floors and in public areas to reduce waste and plastics in the hotel.

Moxy operations utilises a program called MESH (Marriott Environmental and Sustainability Hub) which tracks electricity usage, gas, solar, renewal energy, water consumption, rainwater, food waste, recycling, and mixed waste with annual goals and targets. Marriott have a target for 100% of its hotels to have a sustainability certification by 2025, so in addition to NABERS, the hotel will achieve a certification under Earth Check. The hotel has also partnered with Citizen blue who collect all glass, plastic and metal for recycling.

RF Corval Industrial Infill Trust

Enhancing sustainability credentials of the portfolio

RF Corval has commissioned a Net Zero Pathway report as part of the ESG initiative for this Trust. This report will identify opportunities to improve the ESG performance of each asset in the Trust's portfolio.

The Net Zero Pathway report will:

- Identify current emission sources.
- Benchmark each asset's carbon footprint.
- Establish best practice reporting and accreditation frameworks including NABERS and GRESB.
- Develop budgets to achieve Net Zero carbon emissions.

Key areas where RF Corval is looking to improve sustainability performance include:

- Metering and monitoring.
- Lighting and lighting control upgrades.
- Skylight installation / replacement.
- Rainwater capture and recycling.
- HVAC.
- Cold storage.
- Hot water systems.
- Solar PV.

RF Corval is currently in the process of installing smart energy meters across the portfolio which will enable the capture of performance data that will form the basis for benchmarking and identifying opportunities to reduce energy usage and enhance the sustainability of the portfolio.

RF Corval Manufactured Housing Estate Fund

Positive ESG impacts

RF Corval has been investing in **Manufactured Housing Estates or Land Lease Communities (LLC)** since 2019. The experience has been positive, generating strong investment returns for our clients and high-quality communities for our residents. LLC's offer a number of benefits, including:

- Providing part of the solution to Australia's housing supply and affordability challenges.
- Providing the opportunity for down-sizing, releasing housing for families in the cities.
- Offering a more affordable option than typical freehold residential.
- The opportunity for over 55's to maintain an active lifestyle and foster new relationships within a community environment.
- Offering greater flexibility than most aged care or retirement villages, allowing residents to have family and friends to stay and keep pets within the homes.

This Fund is pursuing a develop-to-own strategy, providing the opportunity to include sustainability initiative throughout the development, which for the estates that are currently under construction includes:

- Installing rainwater tanks, on-site rainwater storage and water saving appliances to minimise water usage within the estates.
- Installing rooftop solar on all the individual homes within the estates as well as the community facilities.

- Battery storage has also been installed for usage across the community facilities, with the potential to be upsized over time.
- Planting 8,300 new trees across the conservation land component at the Fund's estate near in Medowie, including 1,100 trees for Koala habitat.
- Retaining 1 hectare of formal heritage gardens that had been approved for demolition for the enjoyment of the community and the public, preserving a number of rare plant and tree species.



Goodness Grown Glasshouse

The future of sustainable agriculture

Goodness Grown Glasshouse

RF Corval have been particularly active in agriculture-backed real estate opportunities over the last decade providing strong risk adjusted returns for investors. Our recent investment to fund the construction of a 20-hectare glasshouse facility and ancillary buildings is an extension of this theme.

Controlled Environment Agriculture (CEA) is the future of agriculture. It removes some of the biggest variables to horticulture production from the equation – climate in particular. In Australia, where the impacts of climate change resulting in volatile weather

patterns is severe, we see the impacts of this regularly via the availability, quality and price of fresh produce in our supermarkets. Our facility will provide the market with access to consistently high-quality tomatoes all year round, using less water, less pesticides and often with fewer travel miles than the field grown alternative.

RF Corval investors will also have a 50% interest in the lessee and operator, Goodness Grown, giving us additional influence and oversight of the sustainability objectives of the business.



Goodness Grown Glasshouse



CEA typically requires 80% less water-use¹ compared to open field cropping.

- Rainwater will be harvested from the glasshouse roof.
- The high-tech cultivation methodology will utilise controlled hydroponic technology delivering accurate water application based on measured plant needs, and therefore, minimising waste.
- Watering systems designed so water is directly used by the plant, captured, treated or reused.



CEA minimises the impact of climate variability, reducing waste and allowing year-round supply of high-quality product.

- Protection from weather significantly reduces crop waste / bypass, which typically ranges between 20%-100% in field production.



CEA requires less herbicides reducing the risk to the surrounding environment.

- Under normal conditions, no herbicides are required, reducing risks associated with spray drift or run-off, removing impacts on the surrounding environment.
- Water recycling systems means that there is no leaching of fertilisers into natural environments, creating both environmental and economic savings.
- Organic residue, or green waste, will be composted on site for utilisation as soil improvement for the surrounding farmland.



CEA allows for the development of a balanced agroecosystem which fosters development of beneficial organisms and helps eliminate pests and pathogens.

- By optimising the utilisation of beneficial insects and physical barriers, it provides better controls, significantly reducing conditions that may favour pests and disease.
- If chemical pest and disease control is required, then a highly targeted approach can be taken, with focused applications that have minimal impact on the beneficial organisms.
- Chemicals are contained, reducing impact on the surrounding environment.



CEA has less impact on biodiversity as it requires less land, less herbicides and less fertiliser.

- Land usage poses a material threat to biodiversity, as it eats into the natural habitat and causes select species to disappear. CEA provides an efficient closed system, producing a higher yield on a smaller footprint, taking up a less land than field cropping.²



Our project will include a number of energy saving initiatives with the longer term objective to be a net producer of renewable energy.

- Energy saving screens will see a material reduction in the overall heating requirement.
- Heat recovery from the cool store and packing shed will be utilised within the glasshouse.
- Non-growing roof areas will be used for solar energy capture. It is expected that the solar PV installation will result in 1,740 tonnes of Co2 abatement - equivalent to planting 28,960 trees.
- Internal vehicles and equipment will be electric, where possible.
- Investigations are underway on the development of a biogas plant on the site, which could result in the facility becoming a net producer of energy and applying the Co2 to the growing system to increase yields and further decrease the carbon footprints.



The project is expected to deliver significant social benefits to the local community, including through the forecast creation of 160 full-time jobs.

- Typically, agriculture relies on workers employed casually during harvesting seasons. Due to year-round production cycle of CEA, the project can offer full time jobs and opportunities to learn valuable skills, allowing people to set up a permanent home in the local area.

¹ Elly Nederhoff and Cecilia Stanghellini. Water use efficiency of tomatoes in greenhouses and hydroponics. Practical Hydroponics and Greenhouses, November/December 2010

² Hort Daily: Dec 2020. Research reveals high-tech cultivation to be the most sustainable solution.

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