

MODERN SLAVERY STATEMENT

Financial Year 2021



1. Introduction & Our Commitment

For over 30 years, The Village Building Co. Limited (Village) has worked to develop sustainable and vibrant communities and to build affordable homes across Australia. In doing so, we have placed a high level of importance on safe living and working environments for our stakeholders and we are proud to have added genuine and lasting value to the people who live within our communities. This has placed us in a good position to respond to the Australian *Modern Slavery Act 2018* (Cth) (Modern Slavery Act), and with this Statement, Village recognises that modern slavery is a serious global issue that cannot be ignored. Organisations everywhere, including in Australia, must act to identify modern slavery and contribute towards protecting human rights for all.

At Village, we recognise our role in combatting modern slavery and effecting positive change in the communities and industries within which we operate. We recognise that our business sectors – which include property development, construction, and tourism – can hold modern slavery risk. Our response and approach to tackling modern slavery in our operations and supply chain is iterative and we strive to make continuous improvements year-on-year in step with our risk profile, suppliers, and partners. Village is looking to deepen partnerships with industry bodies and to increasingly collaborate with our peers to achieve continuous improvement.

This is our second annual Modern Slavery Statement and details our counter-slavery approach and the targets we are deploying and building upon to contribute to tackling modern slavery, and our progress towards those targets.

2. Village Building: Our Corporate Structure, Operations and Supply Chain

2.1. The Reporting Entity & Our Corporate Structure

This second Modern Slavery Statement is submitted by The Village Building Co. Limited (ABN 97 056 509 025) (Village) as the reporting entity under the Modern Slavery Act. Village is a residential property development and building company operating in various locations in Australia (see Figure 1: Our Project Locations). Village owns and operates The Big Banana Fun Park, a tourist destination in Coffs Harbour.



Figure 1: Our Project Locations

Village is the ultimate holding company of a number of wholly-owned subsidiaries and holds material interests in various other entities. None of the entities we own or control are reporting entities under the Modern Slavery Act. Information about Village's subsidiaries is provided in our Annual Report and details about our governance structure and consultation are provided in section 6 of this Statement.

Village is an unlisted public company with more than 230 shareholders and investors.

2.2. Our Operations and Supply Chain

The principal activities of the entities within the Village Group are:

- the acquisition, subdivision, development, construction and sale of residential property,
- the provision of project and development management services,
- the provision of sales and marketing services,
- the operation of an iconic tourism park, The Big Banana Fun Park.

The Village Group operates solely within Australia.

2.2.1. Land Development and Construction

Village works across the spectrum of developments including land, house and land, apartments and mixed-use developments. We have operated in this space since 1988. First starting in Canberra, Village has expanded to deliver development projects across major locations along the Australian East Coast, including Sydney, Melbourne, Wollongong and Brisbane.



More than
18,993
dwellings



Delivering
sustainable
communities for
over 30 years



5 office
locations



45 staff

Our direct suppliers for our land development and construction operations are situated in Australia. We source both products and raw materials as well as professional and building services connected with land development and construction (e.g. town

planning, surveying, engineering services, carpentry, brickwork, etc.) from our suppliers, which are mostly Australian-based. At Village, we value working relationships and many of our land development and construction suppliers have been our partners for many years.

2.2.2. The Big Banana Fun Park

The Big Banana Fun Park at Coffs Harbour is owned and operated through one of our subsidiaries, The Big Banana Pty Ltd (ABN 52 125 530 921).



Laser Tag
 Mini Golf
 Rides
 Gift Shop
 Café



Banana
 Plantation



Tenancies:
 Opal Centre
 Candy Kitchen
 Cheese Making
 Reptile World



Over 100
 staff

Village operates the Park's main attractions, including rides, mini golf, the gift shop and café and the Banana Plantation, which gave the park its name. In addition, The Big Banana has four commercial tenants operating attractions on-site and we directly employ over 100 staff at the Park, including both permanent and casual staff members to assist with operating the park during peak season.

Our supply chain includes both suppliers of services as well as goods. Goods are primarily sourced for the café and gift shop. Maintenance services for the Park and its attractions, such as cleaning, plumbing, electrical and other activities are sourced primarily from local suppliers from the Coffs Harbour region.

3. Modern Slavery Risks

In FY 2020 Village undertook a high-level review of our inherent slavery risks in our operations, supply chain, and the industries we work in. Our findings showed that for our residential development operations, modern slavery risks can, generally speaking, occur around tendering and procurement processes. We also found that, in general, supply chains for construction and development can hold procurement risk from sourcing materials, tools and componentry, as well as labour risk from sub-contracting. For Village, most of this risk resides far down our supply chain outside of Australia in higher-risk geographies. Village will investigate these general risks further as we progress along our counter-slavery journey.

The tourism sector also harbours modern slavery risk, mostly around the use of short-term, vulnerable and/or ambiguously-contracted employment. We recognise that workers in the tourism and hospitality sectors are often drawn from groups that face structural disadvantages and that risk can be heightened for seasonal and/or low-skilled jobs. These challenges can be exacerbated by using labour hire and recruitment agencies within the tourism industry. This is another important risk factor we will investigate further as we progress, particularly in relation to The Big Banana Fun Park, where we employ some seasonal and short-term workers, typically from the local area.

From Village's high-level review of the inherent risks within our industry, operations and supply chain, we have identified the

following risk factors as the most relevant for consideration and further investigation in the future:



Geographic risk beyond Tier-1:

Manufactured goods
Raw Materials
Gift shop
Café



Workforce risk:

Sub-contractors in construction
Cleaning services
Seasonal work

The general slavery risks inherent to our business are somewhat mitigated by several factors, such as the relatively small number of suppliers in our residential development operations. We have also fostered long-standing, trusting and transparent relationships with most of our suppliers.

The Big Banana does not use any recruitment agencies or labour hire firms to recruit seasonal support staff. That workforce, which is also relatively small, is drawn primarily from the local community in Coffs Harbour. The maintenance and repair services contracted by The Big Banana are also locally sourced and predominantly micro and small businesses. Together these factors decrease our exposure to inherent slavery risks.

As Village progresses our counter-slavery response, we will continue to develop our understanding of risk within our operations and supply chain and adapt our response accordingly to best mitigate modern slavery risks.

4. Addressing the Risks of Modern Slavery

4.1. Governance & Culture

Our Board of Directors has ultimate responsibility for Village's governance, formulating strategic direction and ensuring the integrity of risk management. The Board establishes the Group's management framework to ensure the integrity of risk management and legal compliance. It sets the appropriate ethical standards and implements its mandate through four sub-committees. The Audit, Risk and Governance Committee (ARGC) advises our Board on the establishment and maintenance of a framework of controls and ethical standards for the governance of our corporate Group. As such, the ARGC is well-placed to oversee the implementation of our counter-slavery response and has been assigned with oversight of this issue. By virtue of the ARGC taking responsibility for Village's counter-slavery response, the Finance/Human Resource function, via our CFO, has been assigned with accountability to drive our actions.

Our Board and its sub-committees are actively engaged on emerging issues and are responsive to developments that call for immediate action. They are committed to driving action on modern slavery. In line with this commitment, we are taking steps to further embed modern slavery risk mitigation within our governance structures and procedures. Modern slavery is a regular agenda item for both the Board and the ARGC, with higher frequency at the sub-committee level. We have formed a cross-functional working group to assist the CFO in leading the development of a comprehensive response framework over time.

4.2. Policies & Contracts

Village has a suite of policies and supporting procedures in place which govern relationships and articulate our values and culture. The following table lists the ones most relevant for countering human rights risks amongst our team members, workers, and broader stakeholders in our supply chain:

Policy & Procedure	Purpose
Code of Conduct	Establishes proper conduct and practices, including ethical, moral and honour codes, essentially laying out our expectations for how team members will behave towards each other and our stakeholders. The Code also applies to contractors and consultants
Diversity Policy	Promotes and encourages equality, diversity and inclusion throughout the company
Discrimination & Harassment Policy	Promotes a safe workplace free of discrimination and harassment and establishes a disciplinary procedure to manage and remediate issues
Bullying Policy	Promotes a safe workplace free of bullying and intimidation
Whistleblower Policy & Whistleblower Implementation Framework	Establishes an anonymous reporting channel to allow employees, their families, contractors and other stakeholders to confidentially report and escalate concerns. The Policy is publicly available on Village's website
Procurement Policy	Describes Village's procurement practices for larger contracts, including tendering.

Village's policies and procedures are shared amongst our corporate Group. The Big Banana also has policies in place specifically tailored to the operation of a theme park. Governance and policies are reinforced at regular meetings where the CEO meets all direct reports from the business. Included in these meetings is messaging around new and updated policies or governance procedures.

Village is currently reviewing our Code of Conduct, and by 2022, we plan to deepen our human rights controls by integrating consideration of modern slavery expressly into the Code and condemning the issue in clear terms. Village is also considering developing a standalone Modern Slavery and/or Human Rights Policy to further mature our stance and controls around the issue.

4.3. Supplier Engagement & Management

Village maintains close relationships with many of its suppliers, both large and small. Many of our suppliers are long-term partners with a high degree of mutual trust and transparent communication. This sets us up well to engage and manage risks within our supply chain, including around modern slavery.

Before engaging our suppliers on modern slavery, Village will first undertake a supply chain risk assessment to determine where our exposure may be. We will aggregate supply chain data relevant for measuring modern slavery risk and assess based upon known risk factors such as geography, industry, product and service. We will then develop a sequential engagement plan to determine where to focus first and how broad to go.

We see supplier engagement and management as a collaborative process and will strive to engage our suppliers as partners to help Village investigate and mitigate potential slavery risks within our supply chain.

4.4. Training

Village will develop in-house modern slavery training and work towards rolling it out to current and future staff. The training will focus on a general understanding of the issue globally and in Australia, identification of modern slavery within operations and supply chains, and providing guidance for when issues arise or risks are identified. Village will draw upon our strong track record of training on Work Health and Safety to ensure our modern slavery training is up to standard.

Village includes modern slavery training in all new induction processes for new staff and will work towards implementing the training for all current permanent and casual staff. Village is also considering the longer-term design and development of more specific modern slavery training for key functions within the business, such as procurement staff.

4.5. Collaboration

Village acknowledges that the Modern Slavery Act encourages organisations to work together where possible to identify and combat modern slavery. We see this as relevant to the development and construction industries and will explore collaboration pathways with our industry groups, peers, suppliers and communities.

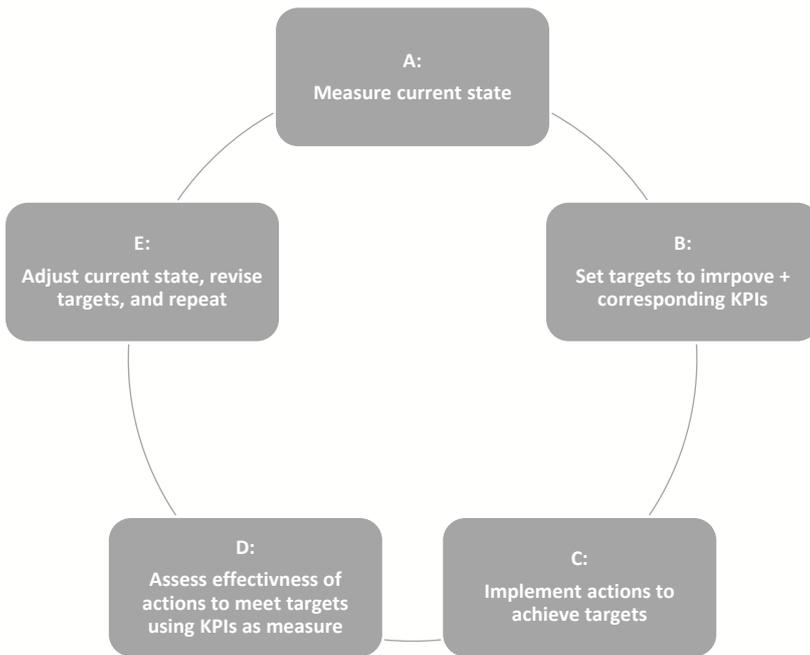
Village has existing partnerships with several relevant organisations and will explore avenues for counter-slavery collaboration with them. These organisations include the Property Council of Australia, the Urban Development Institute of Australia, the Master Builders Association, the Canberra Business Chamber, the Coffs Harbour Chamber of Commerce, the Australian Property Institute, the Urban Taskforce, the Housing Industry Association and the Planning Institute of Australia.

Village hopes to magnify our influence and contribution to combatting modern slavery by collaborating with these organisations and associations. We will explore ways to leverage their existing initiatives and partner with peer organisations to share resources and information relevant to modern slavery.



5. Assessing Effectiveness of Our Actions

Village acknowledges that the Modern Slavery Act calls for responding entities to demonstrate year-on-year improvement in their counter-slavery response. Key to showing this improvement for Village is assessing the effectiveness of our counter-slavery actions and activities.



Village is using an iterative approach to assessing effectiveness of our actions that will mature and progress over-time. In summation, our method is to measure where we are, target where we want to be, take actions to get there, and then evaluate how well we met our targets before repeating the process again. This iterative cycle is depicted in the chart to the left.

It is important to note that Village does not measure the effectiveness of our actions by the absence of detected slavery or slavery risk, as this could unintentionally cultivate a culture of avoidance. Instead, our assessments of effectiveness focus on quantifiable actions and progression beyond a baseline.

Our current improvement targets, their corresponding Key Performance Indicators (KPIs), and our progress against each since baseline is provided in more detail in the table in section 6 below.

6. Modern Slavery Roadmap: FY21 Progress

Village's First Modern Slavery Statement set out a roadmap with targets and measurements to track progress from year to year. Progress against our targets in FY2021 is summarised below.

Village has completed several of our targets, namely forming a counter-slavery working group and setting board oversight. Village has also made progress tailoring trainings to include key information on modern slavery, as well as updating our policies and contracts to include specific modern slavery controls. Monitoring of our whistleblower reporting channels did not result in any reports of modern slavery related matters in the FY2021 year.

Village acknowledges that several targeted actions remain in progress, including ecosystem collaboration, a supplier risk assessment, and establishing contractor and supplier selection criteria. These incomplete targets were delayed due to COVID-19 lockdowns and related disruptions, as well as turnover of senior management, making progress slower than originally intended, but nevertheless positive. As COVID restrictions are lifted and new management settles in, we expect solid progress against these targets in FY2022 and beyond.

	Action	Purpose	Measurement/KPI	FY 2021 Progress	FY 2022 and Beyond
	Forming counter-slavery working group	Streamlining the management and consultation of Village's modern slavery response by forming an internal working group that includes key cross-divisional functions and staff	Formation and meetings of group	Group formed and initial meetings convened	Ongoing meetings of the internal working group to progress this roadmap.
	Setting board oversight	Formalising board oversight of modern slavery issues via the ARGC by setting modern slavery as a regular agenda item	Annual coverage by Board, semi-annual for ARGC	Modern slavery included in Board and ARGC agendas	Continue to include oversight and reporting on progress against KPIs in agendas
	Training	Conducting employee training on modern slavery issues, risks and mitigations by developing in-house training content and including in all new induction processes	Training developed, and training included in induction process	Modern slavery included in induction materials. Training material review underway at year end.	Development of training materials and program to train all staff, including tailored training for key functions including procurement.
	Updating policies	Updating and expanding Village's policy suite to include specific language and controls around modern slavery, beginning first with the Code of Conduct and the Procurement Policy and building towards a human rights and/or modern slavery policy	SCOC revised with specific modern slavery controls	Code of Conduct updated.	Review of other key policies and inclusion of specific language and controls around modern slavery.

					In time, development of a human rights and/or modern slavery policy.
	Updating contracts	Commencing review of contractual and legal clauses for updating with specific modern slavery controls and language	Commencement of review	Review of standard terms underway at year end	Review and update to continue, beginning with higher risk, larger value new contracts.
	Collaborating	Exploring peer ecosystem for possible avenues for collaborate on counter-slavery initiatives and activities	Ecosystem collaboration considered	Largely prevented by COVID restrictions	To be included in working group program for FY22
	Conducting contractor and supplier risk assessment	Determining where our supply chain risk exposure is and forming a foundation for future supply chain action and engagement	Number of contractors and suppliers assessed	Incomplete due to change of management/COVID impacts	To be included in working group program for FY22
	Setting contractor and supplier selection criteria	Defining selection criteria for new contractors and suppliers that takes into consideration modern slavery risks inherent in certain industries, products and services	Selection criteria developed & implemented	Not started	To be included in working group program for FY22

7. Consultation

Village recognises that each entity within the corporate Group plays a role in addressing the risks posed by modern slavery. We have consulted with the operational entities we own and control, noting that only some of our subsidiaries are operational entities. Our consultation, therefore, focused on entities in our Group which contribute towards key areas of operation and areas that include inherent modern slavery risk.

Our Group has a centralised governance structure, and clear reporting lines between senior management staff and the executives of the corporate Group. This structure facilitates consultation and ensures that key staff and the entities we control and own are kept informed of key developments, such as our response to COVID-19 and our evolving response to the Modern Slavery Act. The CEO and senior management of the Group's entities participate in regular leadership meetings which contribute to strong information flows and enable consultation across the business. Targeted consultation for the development of this Statement was also undertaken with the General Manager of The Big Banana as an important stakeholder in Village's modern slavery response.

8. Approval

This statement was approved by the Board of The Village Building Co. Limited, the principal governing body of the corporate Group, on 1 December 2021.

A handwritten signature in dark ink, appearing to read 'John V. McCarthy AO', is written over a light blue horizontal line.

John V. McCarthy AO

Chairman

15 December 2021