

**THE  
VILLAGE  
BUILDING  
CO. LIMITED  
MODERN  
SLAVERY  
STATEMENT**

**Financial Year 2020**



**Village**

## 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.

Village sees our modern slavery response aligning with our commitments to give back to communities through supporting and sponsoring local community and sporting organisations. Our counter-slavery response is another way for Village to action our mission of building vibrant and environmentally responsible urban communities. This Statement sets out the processes and targets we are deploying and building upon to contribute to tackling modern slavery.



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

### 2.1. The Reporting Entity & Our Corporate Structure

This 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 interest 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

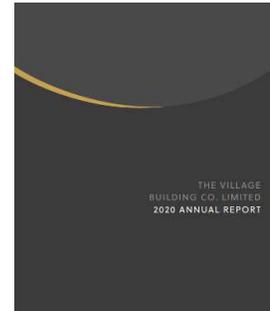


Figure 2: Village Building Co. Annual Report

section 6 of this Statement.

### 2.2. Our Operations and Supply Chain

Village is an unlisted, public company with more than 230 shareholders and investors. The principal activities of the entities within the 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.

#### 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 18,865 homes



Delivering sustainable communities for over 30 years



4 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.

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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

Village has undergone a high-level review of our inherent slavery risks in our operations, supply chain, and the industries we work in. Our findings show 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.

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 line of 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. Moreover, 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 deepen 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. This is evident in our response to the COVID-19 pandemic (see section 7), and our Board and ARGC 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. This will include setting the issue as a regular agenda item for both the Board and the ARGC, with higher frequency at the sub-committee level. We also plan to form 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:

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Policy & Procedure	Purpose
<b>Code of Conduct</b>	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
<b>Diversity Policy</b>	Promotes and encourages equality, diversity and inclusion throughout the company
<b>Discrimination &amp; Harassment Policy</b>	Promotes a safe workplace free of discrimination and harassment and establishes a disciplinary procedure to manage and remediate issues
<b>Bullying Policy</b>	Promotes a safe workplace free of bullying and intimidation
<b>Whistleblower Policy &amp; Whistleblower Implementation Framework</b>	Establishes an anonymous reporting channel to allow employees, their families, contractors and other stakeholders to confidentiality report and escalate concerns. The Policy is publicly available on Village's website

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 plans to include modern slavery training in all new induction processes for new staff as well as work backwards 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

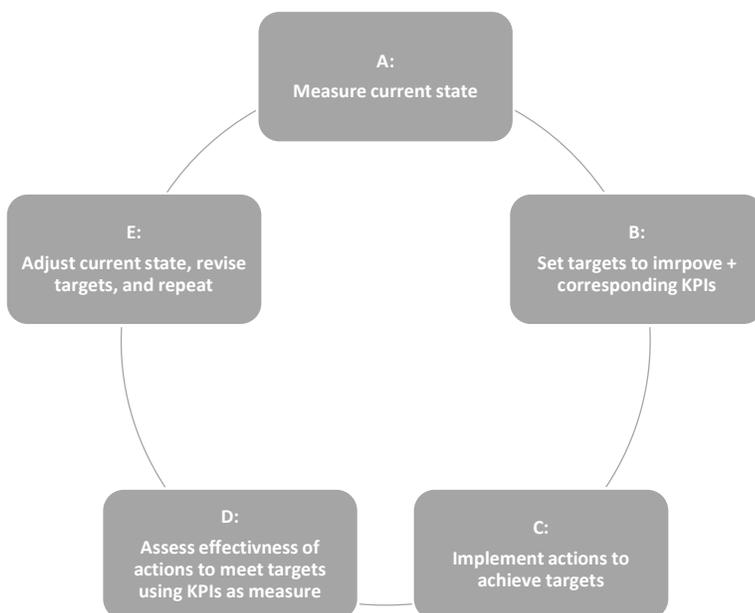
Village acknowledges that the Modern Slavery Act encourages organisations to work together where possible to identify and combat modern slavery. We see this as relevant to the development and construction industries and will explore collaboration pathways with our industry groups, peers, suppliers and 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 engender a culture of avoidance. Instead, our assessments of effectiveness focus on quantifiable actions and progression beyond a baseline.

Our current improvement targets and their corresponding Key Performance Indicators (KPIs) are provided in more detail in section 6, and we will report upon our progress and effectiveness in future statements.

## 6. Modern Slavery Roadmap: What's Next

Village is committed to progressing our counter-slavery response and in this section identifies several important targets and our planned actions and activities to achieve those targets. Many of these actions correspond to longer-term targets that we will be progressing towards, while others are near-term priorities that have our current focus.

Action	Purpose	Measurement
<b>Forming counter-slavery working group</b>	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
<b>Setting board oversight</b>	Formalising board oversight of modern slavery issues via the ARGC by setting modern slavery as a regular agenda item	Annual coverage by Board, bi-annual for ARGC
<b>Conducting contractor and supplier risk assessment</b>	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
<b>Setting contractor and supplier selection criteria</b>	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
<b>Training</b>	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
<b>Updating policies</b>	Updating and expanding Village's policy suite to include specific language and controls around modern slavery, beginning first with the Code of Conduct (SCOC) and building towards a human rights and/or modern slavery policy	SCOC revised with specific modern slavery controls
<b>Updating contracts</b>	Commencing review of contractual and legal clauses for updating with specific modern slavery controls and language	Commencement of review
<b>Collaborating</b>	Exploring peer ecosystem for possible avenues for collaborate on counter-slavery initiatives and activities	Ecosystem collaboration considered

Village will be reporting on these actions and our measured progress against them in subsequent Statements.

## 7. The Impacts of COVID-19 and Village's Response

In 2020, the COVID-19 pandemic applied significant pressure on our business, our people, and our suppliers. Early in the year Village acted swiftly to mitigate health risks for our teams and communities. We shut our sales offices for a period of two weeks and The Big Banana closed its doors for three months.

The Board of Directors met more regularly during the four months from April to July 2020. COVID-19 controls and safe-work plans were rapidly enacted which allowed our land development and construction projects to proceed. It also helped avoid negative flow-on effects for our partners, contractors and their workers.

We also acted quickly to take advantage of the mandatory closure of The Big Banana by initiating repair and maintenance works and developing a COVIDSAFE Plan that allowed us to re-engage our workforce.

For its part, the pressure caused by the rapidly evolving pandemic in 2020 diverted our attention and resources away from other Village initiatives, including our modern slavery response. While COVID-19 slowed us down last year, Village is refocusing and continuing with our commitment to countering modern slavery.

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## 8. 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.

## 9. Approval

This statement was approved by the Board of The Village Building Co. Limited, the principal governing body of the corporate Group, on 29 March 2021.



Michael De Simone

Director

29 March 2021



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