

MODERN SLAVERY STATEMENT 2024

**DOWNWARD SPIRAL
ENTERPRISES (TAS) PTY LTD**

ABN 30 163 277 718

1 July 2023 – 30 June 2024

MODERN SLAVERY STATEMENT

This is the fourth Modern Slavery Statement published by Downward Spiral Enterprises (Tas) Pty Ltd and its subsidiaries, known collectively as DSE, being an entity based and operating in Australia, in accordance with the reporting requirements of the *Modern Slavery Act 2018* (Cth) .

This statement covers the period 1 July 2023 to 30 June 2024 and sets out the actions taken to assess and address the risks of modern slavery practices in our operations and supply chains.

We recognise that modern slavery can occur in many forms, including the most serious types of exploitation being trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour, where children are subjected to slavery or similar practices, or engaged in hazardous work. Modern slavery occurs when coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

We are committed to operating responsibly and procuring sustainably. We are supportive of the intention to eliminate modern slavery in all its forms. We are committed to improving the ethical standards of our supply chain and ensuring we have addressed the risks of modern slavery in our operations.

Our modern slavery focus areas based on previous reports and actions undertaken to date, are to:

- Continue to review and assess our sourcing, contracting and supplier selection processes through templates and platforms including a new finance system with 'go live' scheduled for October 2024;
- Communicate our expectations to suppliers by way of tenders and contracts which include modern slavery related questions and clauses;
- Consider and act on relevant audit findings from our operations and financial reports;
- Provide training for our business in modern slavery risks and compliance;
- Provide our employees and contractors with access to confidentially report any human rights concerns including any relating to modern slavery; and
- Promptly investigate and address any concerns raised by internal or external sources.

DSE’s reporting entities, operations and supply chain

DSE is the ultimate holding company for a group of operating subsidiaries and is an Australian-owned private company, incorporated and domiciled in Australia. The principal activities of DSE are delivered by the wholly owned subsidiary companies and include operating a museum, tourism and hospitality, winery operations, festivals and events, exhibition production and technology services.

Reporting entities

The following wholly owned subsidiaries are covered by this statement:

Moorilla Estate Pty Ltd	ABN 34 120 281 656
Moorilla Unit Trust	ABN 83 812 406 611
Family Art Group Pty Ltd	ABN 22 134 319 798
Darklab Pty Ltd	ABN 51 615 687 566
Darklab Developments Pty Ltd	ABN 22 665 297 021
Aegres Art Group Pty Ltd	ABN 60 143 379 819
The Trustee for Art Processors Unit Trust	ABN 90 883 533 077

Operations

Moorilla Estate operates the Museum of Old and New Art located in Berriedale, Tasmania, delivers an annual summer festival known as Mona Foma (which concluded operations in February 2024), provides onsite hospitality offerings and produces wine from the operation of three vineyards within Tasmania.

For the 2024 reporting year the number of employees engaged by Moorilla Estate averaged 509 people, with an increase to 652 people for the festival delivery requirements in March. Nearly all staff are based in Tasmania, Australia, with one employee in Victoria, Australia.

Outside of Australia the Moorilla Estate operations include Material Institute, located in New Orleans, USA. Material Institute is a not-for-profit arts centre providing resources to a new generation of New Orleans artists. Material Institute is a learning environment that serves as a space for community, creative experimentation and expression in the fields of music, fashion and textiles and community gardening and directly employs 20 people.

Moorilla Unit Trust is the asset and property owner for all Moorilla Estate operations. The Family Art Group is the acquirer of artworks for the Museum of Old and New Art. These two entities do not have any direct employees.

Darklab is a creative organisation focussed on delivering major events and the design and operation of creative precincts. It is responsible for the delivery of Hobart's annual winter festival known as Dark Mofo, however in the 2023-2024 reporting period this festival was primarily on hiatus in order to develop a renewed vision for the future. Darklab is a part-owner and operator of the hospitality venue In The Hanging Gardens as well as operating the Odeon Theatre, both located in Hobart, Tasmania. The number of Darklab employees during the reporting period averaged 71 people with an increase to 235 people for the winter festival. Darklab Developments is the property development arm of Darklab focused on redeveloping the In The Hanging Gardens hospitality and entertainment precinct. It does not have any direct employees.

Aegres Art Group is a technology services company that delivers project services to the DSE subsidiary companies and other local clients in Hobart, Tasmania. Aegres directly employed 8 people in Tasmania and was involved in a restructure in June 2024 which resulted in the closure of its operations at the end of the reporting period.

The Trustee for Art Processors Unit Trust joined the consolidated group at the end of the reporting period as confirmed by the Australian Tax Office in October 2024. For the purpose of this report this entity's operations and supply chain have not been separately considered but will be included in future reports.

All DSE businesses are supported by head office functions located in Tasmania. All entities that comprise DSE follow the same procurement principles.

Supply chain

Our operations involve over 2000 suppliers from a wide variety of categories. The majority of goods and services are procured locally for the operations involved. Over 60% of our direct suppliers have an office in Tasmania and over 90% of our suppliers are located within Australia.

Direct suppliers from outside Australia are mostly located in European Union countries, the USA and Canada which operate under similar or equivalent modern slavery legislation and so present a low risk of unethical procurement practices. These suppliers are primarily related to Art and Artist related costs.

Our major supplier spend category is that of Art and Artist related costs, which makes up over 30% of our total procurement spend. The other main categories of goods and services that we directly purchase include:

- Event and exhibition costs
- Construction and building services
- Food and beverages
- Building maintenance services
- Professional services including architects and engineering consultants
- Accounting and legal advice
- Security services
- Cleaning, laundry services and waste removal
- ICT related hardware, software, equipment and services
- Consumables such as packaging, cleaning and hospitality products, office supplies
- Utilities and rent
- Advertising and marketing, media and design services
- Transport and travel services
- Insurance and banking services
- Apparel, books and retail merchandise

Risks of modern slavery practices in our operations and supply chain

Risk in our operations

The majority of our operations and employees are based in Australia with all employment arrangements regulated by the *Fair Work Act* (Cth) and relevant modern awards. Our employees working in New Orleans, USA are co-employed with a licensed professional employer organisation to assist with all employment arrangements. This coverage reduces the risk of DSE causing, contributing or being directly linked to modern slavery practices in our operations.

While it is understood that modern slavery is a term used to describe serious exploitation and it does not include practices like substandard working conditions or underpayment of workers, it is recognised that modern slavery risks are more likely to exist in industries or sectors where these practices are prevalent. Within Australia the industries and sectors understood to be most at risk of modern slavery include hospitality, horticulture, sex work, domestic work, and cleaning. Within DSE we have employees directly engaged in hospitality, horticulture and cleaning activities.

For our direct employees engaged in local operations we rely on payroll processes and regular audit checks to ensure all employees are paid in accordance with or above their relevant modern award or contract. Moorilla Estate reports annually to the Workplace Gender Equality Agency as required by law which provides an additional checkpoint for ensuring that all employees are being paid correctly.

In June 2024 after a comprehensive procurement process, Moorilla Estate selected a new integrated Human Resources platform to manage all our HR processes and transactions. This single platform will replace multiple disparate systems and ensure the tracking of hours and entitlements is more streamlined and timely, thus reducing the risk of any potential exploitation of workers. Implementation of the new platform is expected to occur during the first quarter of 2025.

The highest known risk areas in our operations are our cleaning and vineyard employees and labour hire workers, and migrant workers who are employed under visa conditions in our hospitality and horticulture teams. We mitigate the risks that can arise in these operational areas by auditing our employee onboarding process and employment policies to ensure checks and balances relating to visa conditions and by undertaking ongoing checks to ensure the right of employees to work in Australia. We also maintain and support an internal recruitment team which is considered better for risk management in employment practices than relying on labour hire or recruitment agencies. Our contracting process for labour hire operators, when needed, includes licence due diligence, regular reporting and key performance indicator checks.

Our employment policies reinforce a work environment that respects human rights and is free from unlawful discrimination and harassment, including:

- Remuneration policy confirming the Modern Award safety net of minimum pay rates
- Behaviour Code
- Complaint and Conduct Management
- Performance Management Policy
- Respectful Interactions and Equal Opportunity policy
- Whistleblower Reporting Policy

This policy suite includes a focus on the standard of conduct that encourages ethical behaviour and values the human rights of all individuals. The Whistleblower Reporting Policy is publicly available via the Mona website in accordance with legislated requirements and is considered an important option for any reporting of modern slavery concerns that may arise amongst our operations and stakeholders.

Risk in our supply chain

Our supply chain includes hundreds of small to medium sized diverse enterprises. We recognise that our exposure to modern slavery risk arises from the global supply chain that our operations receive a benefit from, including geographic risks from where we indirectly source materials, the products and services that we source, the sectors that we operate in and the entities that are ultimately involved.

It is acknowledged that our indirect supply chain and the source materials used in and by our directly purchased goods and services carry a potential exposure to modern slavery, given many of these may be from overseas markets. Extended supply chain mapping remains an ongoing activity and will be assisted by our new finance system.

Areas of our supply chain recognised as exposed to higher risks of modern slavery in production practices include:

- Textiles including clothing and cotton products
- Food suppliers such as the fishing industry
- Labour hire resources including cleaning and vineyard labour
- IT hardware and software products, particularly electronic devices
- Timber products supplied from outside Australia
- Equipment, tools, and consumables including personal protection equipment and materials manufactured outside Australia.

Our food and beverage sourcing strategy is to champion Tasmanian produce, avoiding heavily farmed meat in favour of wild and feral meat and using lower impact seafood such as local bay fish caught with small lines and nets. We consider this a mitigation of the risk of procuring food from overseas industries where modern slavery could be prevalent.

We have procurement policies in place to assist with managing the risk of modern slavery practices in our supply chain including:

- Contractor Engagement Policy
Procurement Expenditure Guidelines
Declaration of Interests Policy

In this reporting period we also published our Sustainable Procurement Guideline.

Our procurement processes and contract documents include modern slavery risk considerations and assessments. These are completed prior to contract decisions being implemented. The procurement function provides management and oversight of external supplier relationships, review of supplier entities, revising policies and procedures and delivering training to improve identification, remediation and annual reporting of outcomes and providing expert assistance to our operations with best practice procurement.

Our supplier management includes payment terms within 10 days after the end of month of invoice to maintain steady cash flows for our suppliers and increase their resilience to the risk of modern slavery practices.

Actions taken to assess and address these risks, including due diligence and remediation processes

Managing the program of work to identify modern slavery risks in our operations and supply chain is undertaken by the procurement function with oversight from the Governance group reporting to the sole Director of DSE.

Actions taken in our operations and supply chain

During the reporting period for this statement, we undertook the following actions to address the risk of modern slavery practices in our operations and supply chain:

- The publication of a new Sustainable Procurement Guide for DSE entities which includes our commitment to collaboration with our community and extended supply chain to improve the opportunities for everyone. We are specifically seeking partners and products that:
 - Empower individuals and reduce the risk of modern slavery by checking on labour conditions and minimum wage compliance in our supply chain;
 - Ensure fair business practices by use of consistent and fair commercial engagements.
- As we consider employees with irregular pay or inconsistent rosters could be more vulnerable than permanent employees, we ensured that all award-based staff continued to be provided with a pay rate at a fixed percentage higher than the Modern Award safety net of minimum pay rate, as adjusted by the national regulators. We continue to offer special leave to casual employees impacted by COVID-19 to provide income security to our most vulnerable employees.
- An assessment of our Human Resources processes and practices found that we use multiple different systems for the processing of HR functions and the making of payments to employees and workers. This was determined to present a risk of worker exploitation or underpayment due to potential gaps in management and processing and a lack of integration between these systems. During the reporting period we undertook a comprehensive procurement process for a Human Resources Management System assessing multiple platforms and providers. A contract was signed with our preferred provider in June 2024, which offered the best user interface and the smoothest transition to a new system for our employees. By moving to a fully integrated, modern and intuitive platform we are making our HR processes and systems easier for our employees to access, engage in and use, and will result in more accurate entering of work hours, other data, assessment of entitlements and reporting, therefore reducing the risk of worker exploitation or underpayment.

- The completion of an ongoing project from the previous reporting periods involved a change to our approach to purchasing textiles including clothing for the purpose of staff uniforms. During the reporting period the operational team responsible for investigating sourcing and manufacturing options for our uniforms selected an Australian manufacturer as the preferred source for ethically produced and sustainable textiles and clothing. This selection reduces the risk of purchasing items produced in overseas sweatshops or by labour at risk of modern slavery.
- Moorilla Estate provides a representative to the steering committee for the Glenorchy Jobs Hub. This is a Tasmanian state government funded initiative which matches local people with local jobs. The strategic initiatives for the reporting period focus on assisting migrants and youths of the local community seeking new employment. These employment outcomes directly benefit our local supply chain with governance and oversight offered by the Glenorchy Jobs Hub including a post-placement feedback loop.
- The commencement of a risk identification process for our suppliers based on the four risk key factors within a supply chain, including:
 - Authoritative determinations from reliable government bodies;
 - Identifying product categories that rely significantly on vulnerable populations in production or distribution (including migrant workforces, temporary visa holders, ethnic minorities, women and children);
 - Determining which supply chain business models rely heavily on sub-contracting of labour hire and management;
 - Identifying supply chains originating from jurisdictions with low regulatory controls and higher risks of bribery and corruption.

Due diligence and remediation process

Our procurement representatives undergo awareness training and seek opportunities to collaborate with other local supply chain managers to better identify, measure and respond to modern slavery supply chain risks in our region and industry.

Modern slavery awareness training for our day-to-day operations to enable improved due diligence in the organisation remains a priority. We have extended our supplier review process to enable risk identification, review and improvement with a focus on summer festival operations during the reporting period.

The internal Governance committee oversees our organisation's Modern Slavery obligations. The Governance committee includes the CEO, CFO, COO, CIO and senior managers and representatives from Facilities, People & Culture, Safety, Procurement & Compliance, Public Affairs and Sustainability.

We have reviewed the remediation process we undertake. This is considered to remain an appropriate process, and is based on an initial collaborative approach with a supplier identified as high risk. There would be consideration of stopping further engagement with the supplier if it appears the risk of modern slavery cannot be resolved. No requirements for remediation were undertaken during this reporting period.

Assessing the effectiveness of our actions

We are committed to identifying and responding to modern slavery risks by way of continuous improvement activities in our policies, practices and supplier relationships.

We are focussed on building awareness of the risks in our operations and supply chain and strengthening the capability of our organisation to identify, manage and report on the risks to enable remediation actions. We have implemented a whistle-blower reporting process to assist with these activities.

No instances of modern slavery in our operations or supply chain were identified in the reporting period.

At this stage, our efforts are directed towards maturing our approach and understanding of how modern slavery risks may be present in our operations and supply chain. Whilst we have not identified or had any reports of specific modern slavery risks, it is understood that we must continue to fully assess the effectiveness of measures we have undertaken, improve our processes and agree on the key metrics required to ensure we can more comprehensively review and evaluate the effectiveness of our actions.

Process of consultation

This statement has been produced on behalf of DSE and its wholly owned subsidiaries. It has been produced by the Moorilla Estate procurement team who perform an enterprise-wide function in consultation with representatives from all reporting entities listed.

This Modern Slavery Statement is approved and signed by David Walsh as the Sole Director of Downward Spiral Enterprises (Tas) Pty Ltd as the parent entity on 28 February 2025.



David Walsh
Sole Director

Reporting entities

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